Stockport
NHS Foundation Trust

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Annual Report and Accounts 2023-24

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Chair's Introduction

I am delighted to introduce Stockport NHS Foundation Trust's annual report and accounts for 2023/24.

It reflects another year of challenges, not just for our organisation but also for the wider health and care system. It demonstrates how together, with our partners, we continued to respond to the increased demand for services, constrained resources, and the ongoing drive to reduce the waiting lists that were exacerbated by the pandemic.

Despite the challenging environment in which we are working, the report also provides a snapshot of some of the many improvements in providing safe quality care that our clinical and support teams have delivered. It clearly shows that there continues to be much to be proud of for those of us working at Stockport NHS Foundation Trust.

I have been a Non-Executive Director on the Trust's Board of Directors for five years and Deputy Chair since 2020. However, in January 2024 I was asked to take on the role of Chair on an interim basis following Prof. Tony Warne's decision to step down to become Chair of Greater Manchester Mental Health NHS Foundation Trust. Tony had been our Chair for almost three years, and at the time of writing this report we are considering, with our Council of Governors, the options for permanently appointing to the role of Chair.

His move was not the only change to the Board that we saw over the last year. We also said goodbye to Meb Vadiya, Associate Non-Executive Director, and Caroline Parnell, Director of Communications & Corporate Affairs. Jonathan O'Brien, our Director of Strategy and Partnerships working across our Trust and Tameside and Glossop Integrated Care NHS Foundation Trust (TGICFT), moved to TGICFT to become their Chief Operating Officer. We thank each of them for the contribution they made to the Trust.

To maintain stability on our Board the Council of Governors agreed further terms of office for Non-Executive Directors Dr Louise Sell, Mary Moore, David Hopewell and Anthony Bell. (see Directors' Report).

In recent years we have taken an organic approach to collaboration with TGICFT following the substantive appointment of Karen James OBE as joint Chief Executive of both trusts. Joint executive posts, along with senior leaders' roles, are just one example of the opportunities we have taken to strengthen collaboration. With the support of the Boards of both Trusts we have introduced a joint planning process across the two organisations, and annual corporate objectives for 2023/24 reflected the ambitions of both Stockport and TGICFT to work more closely together at clinical, operational and strategic levels to improve services and outcomes for the communities we serve.

We also brought together some of our corporate support services, such as human resources, transformation and digital; as well as developing several joint strategies, including research and innovation, and organisational development.

These developments have allowed us to learn from each other and share resources more efficiently, and we are committed to continuing to explore opportunities for greater integration with TGICFT.

Many of our clinical and support teams have also been busy over the last year working on the development of a joint clinical strategy with East Cheshire NHS Trust, including seeking the views of patients and our communities about what is important to them about our local health services. There is still more work to do to address the shared challenges both organisations face, but the views we have gathered from patients will help to shape how we in partnership with respective Integrated Care Systems (ICS) may sustain services in the future for the people of Stockport, East Cheshire and the surrounding area.

The Board of Directors is responsible for defining and leading the strategic development of the organisation, and it is important our long-term strategy takes account of the impact and potential opportunities that may come from the developing external environment. We have seen the ongoing development of the Greater Manchester (GM) ICS, and within the ICS Stockport is one of ten place-based partnerships that designs and delivers integrated services and drives population health.

Through Stockport Health and Wellbeing Board and One Stockport Health and Care Locality Board we work with partners to focus on the key priorities of the One Stockport Borough Plan and Health and Care Plan.

The GM Provider Collaborative also brings together acute providers of services across GM to plan, deliver and strategically transform services by working across multiple places with a shared purpose.

Our Board members have representative roles on the ICS structures, and this reflects our joined-up approach to working with system partners to improve the health of our local populations and ensure people have the services they need to support their well-being.

Undoubtedly our health and care system is facing some difficult challenges, including the impact of deprivation on people's wellbeing, recruiting and retaining enough colleagues to deliver the services needed by our local communities, increasing demand for treatments and care, and the drive to maintain safe quality services within existing budgets.

Our clinical services see the impact of these challenges daily, and these issues also affect our ability to deliver against national and regional standards. (see Performance Analysis).

How we are facing up to these challenges and working with both statutory and voluntary services to address them, has been a common theme of our regular discussions with the Council of Governors. Representing our members, the Council has been hugely supportive of the organisation over the last year, as well as appropriately challenging Board members to ensured that we delivered against our strategy and objectives. (see Council of Governors and Membership).

As one of the largest organisations in Stockport it is important that we operate in a way that minimises the impact on our environment, and I would urge you to read the sustainability

section of this report that highlights some of the positive actions we have taken over the last year. From our approach to procurement to using more electric vehicles and improving the way we recycle materials; we are continually looking for ways to operate that are better for our environment and also makes the most efficient use of our resources.

Few people would have expected that our health services would still be affected by the impact of the Covid-19 pandemic, but we continued to treat patients impacted by the infection over the last year. We also remembered the patients who died, and the colleagues who had life changing experiences. Some of those experiences were captured in an evocative Covid-19 memorial art exhibition that we organised with funding from Stockport Metropolitan Borough Council. It went on display at Stockport War Memorial Art Gallery in March 2024, before the portraits of our staff by local artists moved to our hospital for permanent display.

The dispute over pay and conditions between the Government and various health unions was also a significant feature of the last 12 months, and while there was little we could do to influence that situation, the industrial action did impact our ability to provide prompt care and reduce waiting lists.

Reflecting on the many difficulties facing our services I marvel at the commitment and resilience demonstrated every day by the teams and individuals that make up Stockport NHS Foundation Trust. I am proud of the dedication shown by our clinical and support services to continue to try to provide the best possible care for our patients, despite the many issues they face.

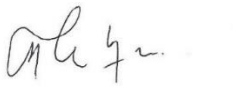
They have worked tirelessly together to reduce waiting lists and support each other to ensure safe care was provided during the many periods of industrial action over the last year, as well as when some of our ageing buildings, such as Outpatients B, failed and services had to move at short notice. They constantly look for ways to improve our services despite the workforce and financial constraints we face, and that has been recognised locally, regionally and nationally (see Review of the Year).

We do not underestimate the impact our staff can feel working in extremely busy services, and in ageing buildings that were not designed for modern health services. It is tough. We have developed a range of support services to help them stay well at work, whether that is providing healthy subsidised food in our restaurant, offering psychological support, or practical help with things such as lighter uniforms for some of our staff with menopause symptoms.

We are always looking for more ways we can make Stockport NHS Foundation Trust a great place to work, and it was good to see that it is having a positive impact on how colleagues view their working lives as demonstrated by the latest NHS staff survey results (See Staff Report). But we are not complacent, and there is always more we can do to support our colleagues so that they can provide the best possible services for local people.

Throughout this report you will find examples of how colleagues are working together to do just that, as well as where we still have more improvements to make. As we move into 2024/25 the Board is fully aware of the scale of the challenge we face in being able to

continue to provide safe, quality services within the constraints of the available resources, but I believe that we have built the foundations on which this organisation, our services, and our colleagues can address those issues and thrive in the coming year and beyond.



Dr Marisa Logan-Ward
Interim Chair

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 improvements they have made over the last year.

Emergency and urgent care campus
Anyone visiting our hospital site over the last year will have seen a huge amount of building going on as we progress the development of a new £30.6m emergency and urgent care campus.

In June 2023 we held a ceremony, together with the building company Tilbury Douglas, to sign a structural steel beam marking the end of work on the main structure. Work is now focused on fitting out the various internal elements of the development.

The campus scheme involves remodelling the existing emergency department and creating a number of new assessment, treatment and consultation areas, including the children's emergency department, mental health, and medical same day emergency care.

Community diagnostic centre
We have joined forces with Tameside and Glossip Integrated NHS Foundation Trust (TGICFT) to develop a new centre that will speed up the diagnosis and treatment of a range of conditions.

The new centre at Crown Point in Denton, Tameside, is being developed in partnership with InHealth, the UK's largest specialist provider of diagnostic solutions, and is due to open to patients later in 2024.

With funding from NHS England, the centre will cater for the people of Stockport, Tameside, Glossop and the High Peak. It will be the second of its kind in Greater Manchester to be located in a retail location, and will offer high tech scanning, heart tests and other diagnostic services.

The new centre is part of a national programme to help continue the recovery of services affected by the Covid-19 pandemic, and by the end of 2025 there will be 26 such centres across the North West, six of them in Greater Manchester.

Improved stroke care
Patients on our stroke unit now benefit from extra screening and rehabilitation for visual conditions.

Strokes often result in visual impairment, but now we're offering patients a full orthoptist assessment thanks to a joint project with East Cheshire NHS Trust and the Great Manchester Neurorehabilitation and Integrated Stroke Delivery Network.

Together we secured an extra £264,000 from NHS England for the new screening as well as more staffing in the community stroke teams to support patients' rehabilitation.

Our stroke service is one of only three specialist units in Greater Manchester, and also treats patients from Eastern Cheshire, Trafford, Tameside and North Derbyshire. It is consistently rated as one of the best units in the country by the independent Sentinel Stroke National Audit Programme (SSNAP).

New laboratory information system
Our pathology service joined with those at three other local trusts to adopt a new information system to help them work more collaboratively and improve services for patients and clinicians.

In partnership with colleagues from Bolton, Tameside and Glossop, and the Northern Care Alliance, we adopted the LIMS system from Clinisys to revolutionise the way medical information is shared, leading to faster diagnosis and treatment for patients.

As a result of the partnership we are hoping the system will eventually become accessible across all seven trusts in the Greater Manchester Pathology Network so all pathology services will be able to access patient results, making it easier for clinicians to see the outcome of tests wherever they are working and so speeding up diagnosis and treatment.

The network is one of the largest in England and our Trust alone carries out more than four million diagnostic tests a year.

Invest in Play
The specialist Parenting Team in Stockport was the first in the country to be accredited for Invest in Play, a new partnering programme.

The team received the first UK invest in Play (iiP) Level 4 Facilitators award following an independent assessment. It recognised the team's work on the programme that offers a 12 session course for parents of children age 2-12 years. Developed by an international not-for-profit organisation which aims to support children and their caregivers around the world, the course builds children's social skills and self-confidence, helps them to regulate their emotions, and provides parents with compassionate and practical strategies to support their children.

The specialist Parenting Team, which is part of an integrated partnership provided by us and Stockport Metropolitan Borough Council, was the first in the country to run an Invest in Play pilot scheme.

Gold standard joint replacement surgery
We were named as a 'gold standard' National Joint Registry (NJR) Quality Data Provider for the quality of our joint surgery.

The recognition requires organisations to be 100% compliant with standards monitored through a series of local audits, including feedback from patients. The NJR monitors the performance of hip, knee, ankle, elbow and shoulder joint replacement operations to improve clinical outcomes. It collects high quality orthopaedic data to provide evidence supporting patient safety, standards in quality of care, and overall cost-effectiveness in joint replacement surgery.

Top marks for quality cancer care

The Laurel Suite, which provides our hospital outpatient oncology chemotherapy services, received the top rating for patient care following an independent inspection.

In recognition they were presented with the Quality Mark from The Christie Hospital, which is an international leader in cancer care. In the first inspection of the Laurel Suite since the pandemic, The Christie inspection team observed and reviewed services, including asking patients and staff their opinions.

The looked at standards of clinical safety, communication with patients, friendliness and openness of staff, documentation, and overall quality of care. All were found to be of high quality and the inspection team highlighted that patient feedback was truly outstanding.

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:

HSJ Patient Safety Awards
Our staff were recognised for their innovation and progress in improving safety for patients by being shortlisted for three separate national awards.

The pain management team was shortlisted in the Patient Involvement in Safety category for their co-designed project to help patients to self-manage chronic pain.

Our surgical division was recognised in the Safe Restoration of Elective Care Services category for developing and implementing a new digital dashboard to support improvements in the number of patients who are treated as day cases, including increasing the number of day case elective operations and reducing waiting times for patients.

The maternity department was shortlisted in the Improving Health Outcomes for Minority Ethnic Communities category for their response to the maternity needs of asylum seekers in the Stockport area.

Pain Journey Award
Our pain management team also won a Q award for an innovative project to help patients manage their pain.

Working with patients the team developed the Your Pain Journey project to inform and educate, promote self-care and self-management and empower people to make informed choices about the best management of their pain. The project allows people living with pain to be in control of their lives.

The award from Q, which is backed by the Heath Foundation charity and other health partners including NHS England, came with a £39,000 donation to further develop the project to benefit around 36,000 local people living with moderate to severe pain.

Clinical Audit Team of the Year
Our clinical audit team won the national Team of the Year award from the Clinical Audit Support Centre.

The team leads audits in both our hospital and community services to measure the quality of care provided compared to national standards to improve services and encourage the adoption of best practice.

The team received the award at the first national awards run by the Clinical Audit Support Centre, which works across the UK to support audits help improve the delivery and safety of healthcare for patients.

They were recognised for being passionate about improving care and for facing and overcoming internal staffing disruptions, holding regular events to showcase the importance of clinical audits, implementing new management and tracking software, and for chairing the local regional clinical audit network.

University Awards
Two members of Stockport's Family integrated service received separate awards from Manchester Metropolitan University recognising their contributions to high quality care for local children and young people.

Harriet Griffiths received the Specialist Community Public Health Nurse Health Visiting Apprentice Prize for supporting older vulnerable children and tackling health inequalities, particularly with families who had missed out on the post-natal groups due to the pandemic, and also with asylum seekers who have faced particular hardship.

School nurse apprentice Rachel Donnelly received the School and Public Health Nurses Association's School Nurse Student of the Year for her poster presentation on work supporting LGBTQA+ young people in local schools.

Research Awards
Two members of our research and innovation team were shortlisted for two separate regional NHS awards.

Both Wiesia Woodyatt, Research and Innovation Manager, and Daisy Pegler, Clinical Research Midwife, were finalists in Greater Manchester Health and Care Research Awards, run by the National Institute for Health Research.
Wiesia Woodyatt was shortlisted in the exceptional research delivery leadership category at the awards for her working heading up our research and innovation department.

Under her leadership the department has expanded and has become a key clinical research site in the Greater Manchester area, and, working closely with the Greater Manchester Clinical Research Network, has in recent years recruited thousands of volunteer research participants for studies on a wide array of conditions including heart disease, gastroenterology, cancer, stroke, reproductive health, and COVID-19.

Daisy Pegler was a finalist in the new to research category in the awards. In recognition of the work she has done to strengthen collaboration between the research and maternity teams, helping to significantly expand the number of clinical volunteers in this area. One project she helped to promote was a national study into women's natural immunity against Group B Streptococcus, that aimed to develop a vaccine which could help save the lives of thousands of babies across the world.

Allied Healthcare Professional of the Year
Hannah Fenton, a pharmacist who supports our hospital patients with their acute pain needs was named as the Allied Healthcare Professional of the Year.

She was honoured at the National Acute Pain Symposium (NAPS), the forum for acute pain clinical specialists from across the UK. Despite being part of the acute pain service for less than a year, Hannah was recognised for the invaluable contribution she has a made to a number of its projects.

One of the projects included pilot scheme for pre-operative patients on high dose opioids, seeking to improve their pain outcomes after surgery, and once again showing her outstanding commitment to patient care.

Supplies unsung hero
Our procurement contract manager was shortlisted for the unsung hero award by the Health Care Supply Association.

Nadia Kardahji-Bould was a finalist in the association's Procurement for Healthcare Awards in recognition of the work she does in our procurement team ensuring clinical staff have the equipment they need to care for patients.

She joined the team in 2019 as a procurement assistant, and quickly worked her way up the position of contract manager. One of the many examples of her outstanding support to colleagues was in helping to make sure suction catheters were available for the community complex oxygen team, despite there being a national shortage.

LGBTQ Champion
Joe O'Brien, our Matron for Critical Care, was named as champion by the LGBT Foundation for her commitment to inclusion.

Joe, who runs the intensive care unit at Stepping Hill Hospital, was awarded the title of Gold Champion for showing excellence in her commitment to creating an environment of lesbian, gay, bisexual and trans inclusion, for both colleagues and patients.

Our organisation was one of the first NHS Trusts in the region to sign up to the All Equals Charter supporting LGBT equality across Greater Manchester, and also have an active staff network for its LGBT colleagues.

Colleague of the Year
One of our orthopaedic doctors was honoured in the regional awards for trauma and orthopaedic doctors.

Antonio Frasquet was named as Specialist, Associate Specialist and Specialty Doctors' Colleague of the Year by the North West Orthopaedic Trainees Association which represents all the Trauma and Orthopaedic trainees in the North West (Eastern) Deanery. This was the first award of its kind given by the association in recognition of Antonio's passion for mentorship, and the outstanding supervision and guidance he offers to colleagues.

NHS Communicate Award
A project to support colleagues experiencing the menopause won a national NHS communications award.

The project topped the Communications Team Health and Wellbeing category of the NHS Communicate Awards 2024, that celebrated the best NHS communications projects across the country.

The award recognised the work of the Trust's communications team in promoting the range of support available to colleagues, including a specialist Staff Facebook group, regular menopause blog, and promotion of monthly menopause cafe and menopause focused Schwartz rounds where staff came together to share experiences.

Learner of the Year
Rachel Donnelly, a recently qualified school nurse, was shortlisted in the Learner of the Year category of the Student Nursing Times Awards.

She completed a post graduate apprenticeship with Manchester Metropolitan University to quality as a specialist community public health nurse with a particular passion for improving school nursing support and reducing health inequalities for LGBTQ+ young people.

She was shortlisted for the award in recognition of a school nursing toolkit she developed follow focus groups with young LGBTQ+ people to identify their needs. Rachel previously won the national School Student Nurse of Year award from the School and Public Health Nurse Association.

Catering Awards
Our catering team has developed an enviable reputation for the quality of the service it provides to hospital patients and staff – and they added to that reputation with more regional and national awards this year.

They were named as Team of the Year at the Health Estates and Facilities Management Association (HEFMA) awards, while assistant catering manager Asela Kuruwita was also named as Junior Manager of the Year at the North West Hospital Caterers Association Annual Summer Ball.

The team, which is recognised by HEFMA for setting continually high standards, has been an exemplar site for other NHS Trusts to follow since 2021, and two of its Assistant Head Chefs Erica Bell and Shelley Pearson-Smith, also cooked for an event at the Houses of Parliament after being named as NHS Chefs of the Year following a national competition run by NHS England.

Over the past year the team has significantly increased its revenue by providing tasty and innovative dishes in the hospital restaurant, and also made reductions in food waste as well, helping the Trust meet its aims of reducing negative impact on the environment. Patient satisfaction surveys for food at the hospital also average more than 98% each month.

National Cleaning Standards Award
A cleanliness monitoring officer who helps ensure high standards of hygiene standards in our hospital was shortlisted for a national award.

Sarah Irvine was one of three finalists from 300 entries in the auditor of the year category of the MyCleaning Awards, which celebrate the best in healthcare cleaning standards across both the UK and Ireland.

Sarah is responsible for auditing cleaning standards across the hospital, and she was praised for her positive, motivational style, helping to ensure both morale and cleaning standards remain high.

Review of the Year – Trust's 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 donated by going to our charity page on the Trust's website at www.stockport.nhs.uk

Celebrating NHS 75
The charity was at the heart of hospital and community services' celebrations to mark the 75th anniversary of the NHS on 5 July 2023 with a week of dedicated activities around the celebrations. These included afternoon teas, cake bake sale, Play Your Cards Right, Silent Auction and a Cycle-a–thon to tie in with the Trust Health and Wellbeing initiatives.

In addition, the charity took this opportunity to promote Make a Will week 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.

Community Engagement
As part of the strategy, a key focus of the charity this year has been to integrate and work with the local community, sharing how Stockport NHS Charity projects are making an impact, and taking the opportunity to fundraise. The charity has attended many local community family fun days including Hazel Grove Carnival and Bramhall & Woodford Rotary Duck Race.

To integrate with local businesses and create new partnerships the charity has joined Marketing Stockport networking community.

Supporters
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.

This year our charity received a great cross section of support. This has included a funding boost from Sun Chemical Golf Day event, Trust Doctor Dhaval Odedara taking on the monumental task of running 50 miles in the Dartmoor 50, and a £6000 donation gifted to the Stroke Ward in thanks for the care given to a patient and their family.

Making a difference
Donations have gone towards many projects enhance care including refurbishment of the parents' rooms at the Neonatal Unit at Stepping Hill Hospital. The homely rooms with comfortable beds provide much needed rest for parents. Sleeper chairs make in to a single bed are easily moved in to the nursery to sleep next to baby.

The charity has also supported new portering chairs to assist elderly patients at Kingsgate House, an exercise bike at the Devonshire Centre to help patients build strength and aid rehabilitation, and specialist chairs at Bluebell Ward. The adjustable chairs provide comfort and support to help patients with posture, pain reduction and recovery.

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
Every year the annual report gives us an opportunity to reflect on all we have achieved over the last year – and there are lots of examples in this report of improvements that have made a real difference to the lives of our patients and staff.

It also gives us the opportunity to share some of the issues that have challenged us, as we have strived to continue to provide safe quality care during 2023/24, and many of those issues will continue in the coming 12 months.

Few of us could have predicted that NHS services would be affected by the longest running dispute in history between health unions and the Government, but that was a significant factor of the last year and looks set to continue into 2024/25.

Industrial action did not just hit our plans to continue to reduce the long waiting times that many of our patients have for diagnostic tests and treatment that built up during the pandemic. It also affected our financial plans as we have incurred additional costs in paying staff to cover those taking strike action.

Our teams made huge efforts to re-arrange planned outpatient and inpatient treatments affected by the industrial action, and they worked hard with partners across Greater Manchester (GM) and the North West to reduce the number of people waiting more than 65 weeks for treatment.

During the strikes colleagues did their best to protect those people needing emergency or urgent care, as well as patients having treatment for cancer, and thanks to their efforts we continued to improve our performance against all the national cancer standards.

One of the other factors that we could not have predicted at the beginning of the year was how our services were impacted by the urgent need to close our Outpatient B department building on our hospital site. In November 2023, following a routine assessment of the structure it was clear that it was no longer safe to continue to provide services in the building.

It was a huge challenge to find alternative space for those services displaced by the closure, and thanks to the efforts of clinical and support services we were quickly able to relocate more than 50% of the clinics affected, minimising disruption to patients. Those services will continue in their temporary locations at least for the medium term, as we work on plans for new long term homes for those clinics either through capital investment, off-site accommodation, or different ways of work.

Unfortunately, some services were more difficult to relocate due to the specialist fixed equipment that could not be easily moved, and as a result we were only able to provide a limited number of ophthalmology appointments and no orthodontic appointments for a significant period of time. Eventually, new temporary accommodation off site was found, with some ophthalmology services provided at Mastercall on Pepper Road, Hazel Grove and additional clinics at Kingsgate House in Stockport, and some dental services at a new clinic in Hyde.

However, unfortunately some patients referred to these services will wait longer than we initially anticipated for the treatment they need. We continue to work closely with partners across GM and the North West to try to offer them alternative services elsewhere.

We have been very transparent about the many challenges that our ageing hospital present to providing modern services; this was the driving force behind our unsuccessful bid to the Government's New Hospital fund. We still have a long-term ambition to replace our hospital, but in the meantime the day-to-day reality is that providing services on the current site comes with a huge annual maintenance bill and each year we have to make difficult choices about where we spend our limited capital budget.

Thanks to national funding, we partnered with Tameside & Glossop Integrated Care NHS Foundation Trust (TGICFT) and an external provider to develop a community diagnostic centre. One of a network of such centres being developed across the region, we hope that once it opens in 2024 it will help to speed up the diagnosis of a range of conditions and reduce the length of time people wait for such tests.

We have also seen the ongoing development of our new emergency and urgent care campus on our hospital site. Once complete this development will make a major difference to the unplanned care we are able to provide our local population.

In recent years there has been a huge increase in the number of people needing emergency and urgent care. Prior to the pandemic our A&E team rarely saw more than 300 patients a day, but that level of demand – and even higher – is now common and the current department was not built to cope with such a large number of people.

Many of those needing emergency or urgent care are acutely ill and need admission to hospital for further tests and treatment. As a result, we have had to keep open escalation wards that in the past we would only open in the winter to cope with the traditional seasonal increases in influenza and other winter illnesses and accidents.

Even with this extra capacity our bed occupancy has remained consistently high over the last year at around 95%, compared to the best practice standard of 85%. This was largely due to the ongoing challenge of having enough care home beds and other facilities for patients to be promptly discharged to once they no longer need acute hospital care but may not be well enough to return home.

Due to bed occupancy levels it is an ongoing challenge to ensure we have enough beds and staff available to care for people requiring planned care, as well as those admitted to hospital from our A&E. This means that, in line with other emergency and urgent care departments,

we continued to be unable to meet the national standard for admission to hospital or discharge within four hours of attendance at A&E.

Increasing demand coupled with difficulties in releasing beds and the impact of industrial action on the availability of staff, all affected our ability to deliver plans for improving timely emergency and urgent care.

Despite everyone's best efforts it is often difficult to promptly discharge people who no longer needs hospital care – freeing up beds for both emergency and planned care patients. We regularly have up to 100 people a day waiting to move on, including a substantial number from outside Stockport.

Prompt discharge is an issue for many Trusts, but it is particularly challenging for our local health and care system due to the relatively high number of 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.

Our social care partners and those in the nursing and care home sector often have their own challenges in recruiting enough staff to be able to meet the demand for care. We also work hard to recruit and retain colleagues to work in our services, and while over the years we have been successful in attracting colleagues from abroad, as well as growing our own, there is a shortage of health and care staff with the skills needed to meet the demand for services.

We are doing a huge amount of work with local universities and colleges to grow our workforce to meet current and future needs, as well as retaining our current colleagues by making the Trust a great place to work. The reputation of our organisation as a good employer is so important in this, which is why I was particularly pleased to see the results of our latest NHS staff survey (See Staff Report). They demonstrated that despite all the challenges facing our colleagues the work we are doing to support them in their roles and make them feel valued is paying dividends in their positive views about working for the Trust.

In this report you will see examples of how the superb work of our teams and individual staff was recognised and rewarded locally, regionally and nationally (See Review of the Year - Awards). Our services are also regularly inspected by a range of external bodies, and it is testament to our staff that so many of those inspections recognised the excellent work that our teams do every day.

In late 2023, as part of the Care Quality Commission's national maternity inspection programme, a team of their inspectors visited services on our hospital site. We were disappointed that the final report did not fully reflect the positive feedback given to our maternity team on the inspection day, and that the overall rating for our maternity services remained as "requires improvement."

However, the team takes heart from positive feedback from other external bodies, and we remain committed to continuing to embed improvements to the service that were already underway, as well as implementing other changes that will benefit parents and their babies.

Many of the challenges we faced in 2023/24 and will continue to face in the future, are not unique to Stockport NHS Foundation Trust. They are experienced by NHS organisations across the country, but as a long standing advocate of the benefits of integration I believe that greater collaboration is the answer to many of the challenges facing our health and care system locally.

Over the last year, as a result of the Health and Care Act 2022, we have begun to see the embedding of integrated care and place-based systems designed to support greater collaboration across health and care systems, involving both statutory and third sector partners, to work together to address the needs of local communities.

Many members of our Board of Directors are playing active roles in these new systems, shaping how they are working across both GM and Stockport and setting out long terms aspirations as well as delivery plans for improving the health of local people.

In 2022/23 a new NHS financial regime was introduced allocating funding via the integrated care system, and over the last year NHS organisations across GM have worked closely together on addressing the financial challenges that face us individually and as a system. All health systems across England were expected to deliver services within the budget set by NHS England and achieve a break even position at year end. That was against a background of increased demand, recovering services impacted by the pandemic, and the unexpected cost of ongoing industrial action.

Our Board of Directors agreed an annual plan with an expected deficit of £31.5m, including an efficiency programme of £26.2m. We had to make some very difficult decisions to achieve that plan, at the same time as maintaining safe quality services and delivering on some of the improvements we want to make to deliver our long term strategy.

The financial position for us and the wider system is very challenging, and we expect the pressure on finances to continue for the medium term. At the time of writing this report we were working closely with partners to develop realistic and robust plans for 2024/25 and beyond.

For us that means continuing to carefully scrutinise all we spend as well as identifying ways of working differently to make improvements and efficiencies, while at the same time safeguarding the quality of our services – something our Board of Directors is absolutely committed to.

As the Chief Executive of Stockport and TGICFT the two Trusts are increasingly working in collaboration to share learning, knowledge, skills, and at times, capacity. We have also worked closely with East Cheshire NHS Trust to explore ways that we can together sustain and improve local services, and part of that work has included engaging patients and local people to gather their views on what is important to them about our services now and in the future.

I am sure that in the coming year we will be working in even great collaboration with a range of partners to address common issues, and I look forward to seeing more positive results from our efforts to work together with organisations across our health and care system.

Throughout this annual report are examples of how are tackling the challenges that face us and continuing to make improvements, despite the difficult and complex environment we are working in. None of that would have been possible without the dedication, skills and sheer hard work of colleagues working in our hospital and community services, both in clinical and supporting roles.

Their enthusiasm and commitment to our services and the people of Stockport and the surrounding area never fails to impress me. They should be admired and celebrated for all they have managed to deliver over the last year. With their ongoing support, and the strong partnerships we are building, I am confident that will continue to ensure local people receive good safe care from our hospital and community services into 2024/25 and beyond.

Karen James OBE
Chief Executive

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 predominantly for the population of Stockport and the High Pear area of Derbyshire,
- community services for the people of Stockport.

We employ around 6,300 staff providing services in our hospital as well as in our community services supporting 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 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 and orthopaedics
Medical oncology	Urology
Neurology	

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

- Integrated Care,
- Medicine & Emergency Care,
- Surgery,
- Women & Children,
- Clinical Support Services.

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

- Corporate Nursing,
- Communications,
- Estates and Facilities,
- Digital,
- Finance,
- Procurement,
- Strategy and Planning,
- People and Organisational Development.

The Trust Strategy 2020-2025 set out our vision for our medium term future as well as our aims and aspirations to support the development of the local and regional health care system.

Our strategic priorities and objectives were developed and informed through engagement and listening exercises with our staff and stakeholders.

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.

The Trust is a key partner in the Greater Manchester Integrated Care Systems (GM ICS), and the place-based arrangements of the Stockport locality. Our corporate objectives are reviewed annually and approved by the Board to operationalise our strategy and recognise the importance of working with others to achieve goals in the wider local and national context.

Our Corporate Objectives for 2023/24 were:
- Deliver personalised safe and caring services,
- Support the health and wellbeing needs of our communities and colleagues,
- Develop effective partnerships to address health and wellbeing inequalities
- Develop a diverse, talented and motivated workforce to meet future service and user needs,
- Drive service improvement through research, innovation and transformation;
- Use our resources efficiently and effectively,
- Develop our estate and digital infrastructure to meet service and user needs.

The Trust's values and behaviours, developed via 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 to manage and mitigate strategic risks to the achievement of the corporate objectives agreed by the Board.

Principal risks to the delivery of the Trust's Corporate Objectives 2023/24 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 the Board of Directors. In addition, the Trust's significant risk register was considered to ensure triangulation of operational and strategic risks.

During 2023/34 the Board identified its significant principal risks as those relating to:

Patient flow and restoration of elective services.
Increased attendances and capacity constraints in domiciliary and intermediate bed based care had an adverse impact on the Trust's ability to discharge medically fit patients in a timely manner. This meant a lack of available beds for new patients requiring admission from the Emergency Department and an inability to deliver the national access standard for urgent care. The Trust continued to implement its 'Programme of Flow', including regular multi-disciplinary team and long length of stay reviews, alongside a system wide Urgent Care Board as part of its mitigation.

Likewise, urgent care pressures alongside an increase in referrals and the cumulative impact of industrial action, negatively impacted the Trust's ability to restore elective services. Availability of GM mutual aid and independent sector provision was not sufficient to support delivery of national access standards relating to elective care.

Delivery of the agreed financial position 2023/24 and development of a multi-year financial recovery plan to secure financial sustainability.
The Board of Directors established and comprehensively monitored delivery of the approved financial plan throughout 2023/24. Achieving the financial plan was particularly challenging due to escalation beds remaining open beyond the planned winter period, continued growth in demand for services, cumulative financial impact of industrial action and managing an ageing estate. The risk to future financial sustainability was also recognised as significant risk both by the Trust and GM ICS, with a financial performance turnaround programme initiated in-year, considering key data sources impacting the Trusts financial sustainability.

Ageing estate & insufficient funding mechanism for strategic regeneration of the hospital campus.
The Trusts estate infrastructure is no longer fit for purpose, with several estate related business continuity incidents during 2023/24. This risk is anticipated to continue into 2024/25, with increasing maintenance requirements, and constrained capital. The Board of Directors have identified the need for strategic regeneration of the hospital campus to support the Trust's capability to deliver modern and efficient care, however no identified funding mechanism has yet been identified. Work is continuing with explore funding options, in partnership with Stockport Metropolitan Borough Council (SMBC).

Workforce recruitment and retention.
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 2023/24.

Safe staffing levels across our clinical colleagues continued to be monitored closely and reported regularly to the Board of Directors. As part of the GM financial performance turnaround programme, there was a specific focus on bank and agency utilisation, with agency spend above target at the end of the year. The main drivers for this spend were additional staff required to cover industrial action and to support the continued use of escalation beds, with the Trust increasing scrutiny of agency requests through the established Staffing Approval Group.

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 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 an 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 variations. Statistical process control (SPC) charts are included where possible to show position and trends against performance forecasts. Triangulated data informs Board and Board-level committee discussions and decision making.

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

Operational performance

Unplanned Care

Attendances across 2023/24 in the Emergency Department have risen since 2022/23 with daily attendances above 300 patients and a greater proportion of attendances seen over the winter months. In light of this, performance against the Emergency Department 4-hour standard, dropped from the improvements made over the summer and we were unable to achieve the national standard of 76% (of patients waiting no more than four hours before being either admitted to the hospital, transferred to a more appropriate care setting, or discharged), with performance 63.2% at the end of 2023/24.

Work continues with system partners to support urgent and emergency care, with an on-going focus on the streaming of patients to the most appropriate services to avoid attendance to the Emergency Department and avoid admission to the hospital. Collaboration with the Northwest Ambulance Service is also strengthening to improve ambulance handover times and streaming patients directly to Same Day Emergency Care areas.

Improving patient flow is a critical component to improving performance against the Emergency Department 4-hour standard. The 'Programme of Flow' is now well established within the Trust, including weekly Long length of Stay (LLOS) meetings. This approach involves multidisciplinary teams on all acute adult wards reviewing and supporting with any delays, challenges, or issues facing patients with a length of stay beyond 7 days. This approach helped the Trust identify key themes impacting on LLOS for patients. We also

continue to work in close partnerships with Stockport system partners to improve patient flow, with tactical and strategic meetings taking place to support improvement.

Furthermore, the Emergency and Urgent Care Campus (EUCC) build continues, with continual monitoring and review of the flow of work and staffing during the various phases of construction to minimise impact on patient and staff safety. The E&UCC will deliver the physical space and co-location of services, needed to deliver improvements in urgent and emergency care for the population of Stockport.

Planned Care

Our elective care programme faced significant challenges throughout 2023/24. In line with national guidance, we continued to prioritise patients requiring urgent or cancer treatment, as well as those patients who had been waiting the longest for treatment. For the latter, particular emphasis was on treating those patients waiting over 78 and 65 weeks. The Trust started the year with significant volumes of long wait patients. It was recognised that reducing those wait times in line with national expectations would be partially dependent upon use of independent sector capacity, alongside mutual aid capacity support from other Greater Manchester hospitals.

Metric	Threshold	End Q1	End Q2	End Q3	End Q4
RTT: Incomplete pathways %	92%	48.7%	48.1%	48.8%	49.8%
RTT: Incomplete waiting list size	-	24,746	24,124	21,370	19,443
RTT: Patients waiting 52+ weeks	-	4,205	4,165	3,611	3,012
RTT: Patients waiting 65+ weeks	-	1,171	1,354	1,192	663
RTT: Patients waiting 78+ weeks	0	115	186	219	14
Cancer: 62-day standard	85%	45.8%	40.7%	71.2%	60.3%
Cancer: 28-day standard	75%	65.1%	58.6%	70.8%	83.5%
Cancer: 14-day standard	93%	97.6%	95.7%	98.5%	98.0%
Diagnostics procedures waiting over 6 weeks	5%	12.6%	15.2%	15.3%	14.2%
Patient-initiated follow-up (PIFU)	5%	3.3%	4.2%	3.8%	4.5%
Advice and guidance responses	16%	11.6%	12.3%	16.0%	20.1%
Theatres: Capped touch-time utilisation	85%	60.1%	71.8%	70.7%	79.0%
Theatres: Average cases per 4-hr session	-	2.8	2.9	2.8	2.6

Throughout 2023/24 elective care was adversely impacted by several periods of industrial action. During those periods it was necessary to cancel and reduce large volumes of elective activity to ensure medical staffing rotas remained safe and urgent and emergency care was prioritised.

Some additional challenges were experienced throughout the winter period. High demand for our emergency care services and non-elective bed capacity early in the New Year meant that it was necessary to reduce some elective activity to create additional beds for patients requiring admission from the Emergency Department.

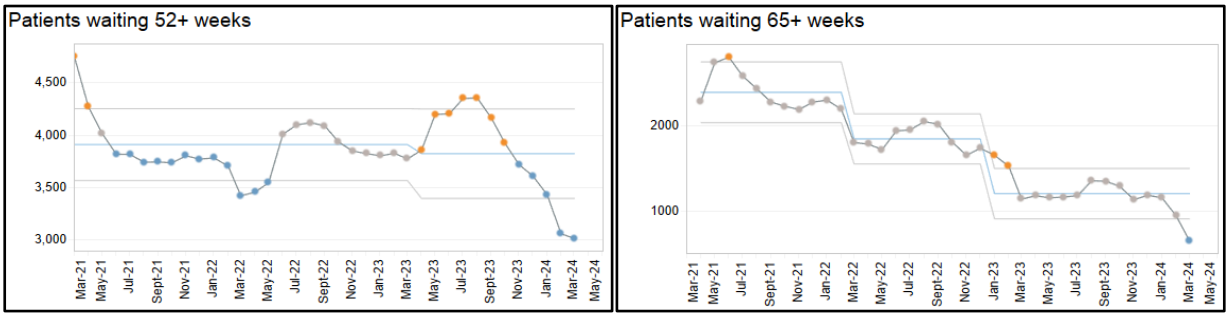
Elective care was also significantly impacted by the immediate closure of Outpatients B in November 2023 following a building inspection report. There have been huge challenges in

relocating services from Outpatients B either to other parts of the hospital or to off-site community locations. As a result, some services have not been able to operate to full capacity since the closure. While several arrangements are now in place, we know that these are not sustainable solutions and so work continues to review solutions for the longer term.

We also saw growth or sustained growth in demand across several of our elective care services during 2023-/4, particularly for patients referred with urgent conditions or on a 2-week wait pathway for suspected cancer diagnosis.

Despite all of these challenges, there has still been good progress and improvement made in elective access performance.

Referral to Treatment (RTT)

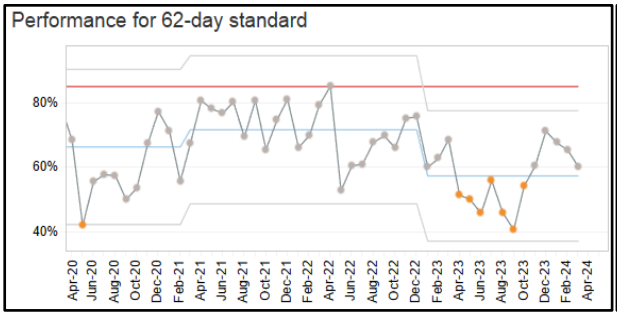


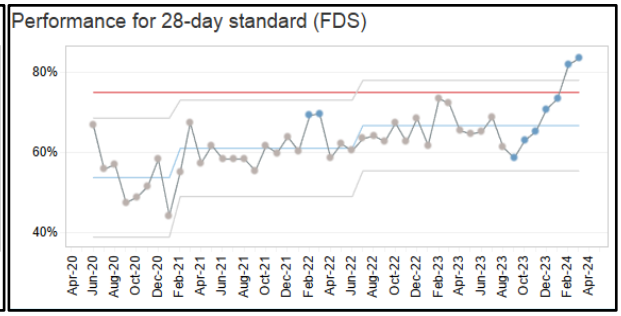
The Trust last achieved the national referral to treatment standard in April 2019, with the pandemic and the curtailment of most of the elective activity during that period having a significant impact on performance and growth in waiting lists. During 2023/24 the Trust managed to stabilise performance against the national 18 week RTT standard while focussing on treating patients requiring cancer or urgent elective care and our longest waiting patients. The overall RTT waiting list size has reduced by 21.4% across the year.

In terms of long waits, the numbers of patients waiting more than 104 weeks was reduced to zero. The numbers of patients waiting over 78 weeks reduced by 93% to just 14 patients at the end of March 2024. In line with the national expectation, at the end of March 2024 all patients waiting over 78 weeks had either chosen to wait or were not well enough to receive treatment. The number of patients waiting over 65 weeks reduced by 44% to 663 patients. The number of patients waiting over 52 weeks reduced by 22% to 3,012 patients.

The Trust worked closely with independent sector providers to use external elective capacity commissioned by NHS Greater Manchester. This enabled thousands of patients to receive their appointments and treatments in a timelier manner and reduce the backlog. The Trust also worked in partnership with other GM hospitals that were able to provide mutual aid capacity for some of our patients to be treated more quickly. External capacity was not as readily available as we had hoped for, particularly within some of our most challenged specialities, and therefore this was limiting factor in driving further improvements to our performance. Nevertheless, these initiatives made a positive contribution to reducing the waiting list backlog.

Cancer

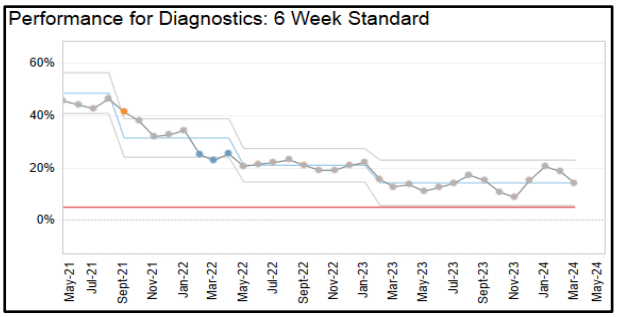




Cancer performance against the 62-day standard did deteriorate during the first part of the year. This was largely due to increased demand in certain tumour groups combined with reduced capacity due to industrial action. Internal trajectories were set to improve performance and between September 2023 and March 2024 the backlog of patients waiting over 63 days was reduced by 71% from 167 to 49 patients.

Performance against the 28-day faster diagnosis standard has improved significantly across all tumour sites during the year. At the start of the year performance was 65.4%. In February and March-24 performance had improved to deliver against the national 75% standard, achieving 81.9% and 83.5% respectively. Plans are in place to sustain this performance going forwards while continuing to improve the 62-day position.

Diagnostics



Trust performance against the 6 week diagnostic standard has not delivered overall, with 14.2% of patients waiting over 6 weeks by the end of March 2024.

The main challenge has been in echocardiology where demand has outstripped capacity. Increasing demand coupled with a lack of physical space has contributed to a growing waiting list. The service is using the independent sector to partially mitigate the capacity issues, and we anticipate further improvement in 2024/25 with the anticipated opening of a local community diagnostic centre to boost diagnostic capacity.

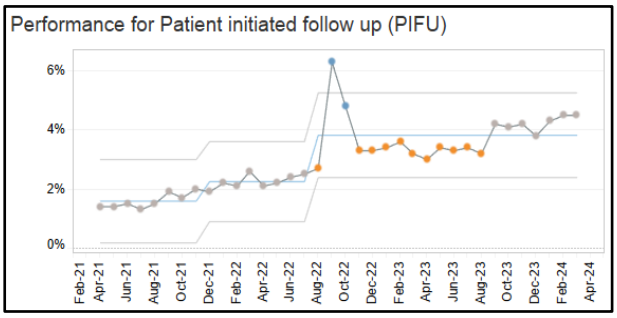
The imaging modalities have largely maintained compliance with the 6 week standard during the year.

Our Endoscopy service have been successful in reducing and virtually eradicating its backlog of patients waiting over 6 weeks and are in a much stronger performance position heading into 2024-25.

Outpatient and Theatre Utilisation

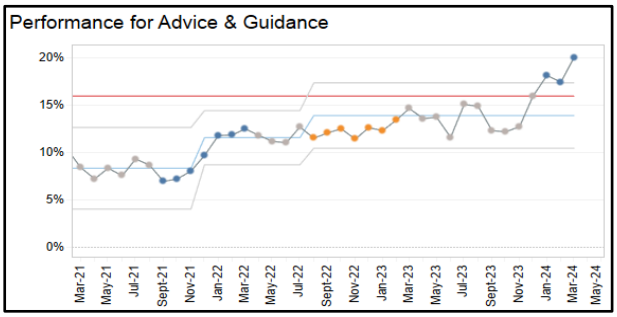
Services have embraced the challenge of improving outpatient and theatre efficiency and transforming patient pathways to further support a reduction in our RTT waiting lists. In the second half of the year, the Trust joined the national GIRFT (Getting it Right First Time) 'Further Faster Programme'. This programme is supporting Trusts and services with a suite of online clinical resources, alongside access to specialty based network meetings with other trusts. Through this programme services have been empowered to adopt innovative approaches, share good practice and learning, and work at pace to deliver operational efficiencies to support patient care and access to services. This has included work in the following areas.

Patients Discharged to Patient Initiated Follow-Up (PIFU)



Services have continued to make progress on increasing the usage of PIFU where it is clinically appropriate. The Trust remains one of the higher performers on PIFU within GM and is above both peer and national average.

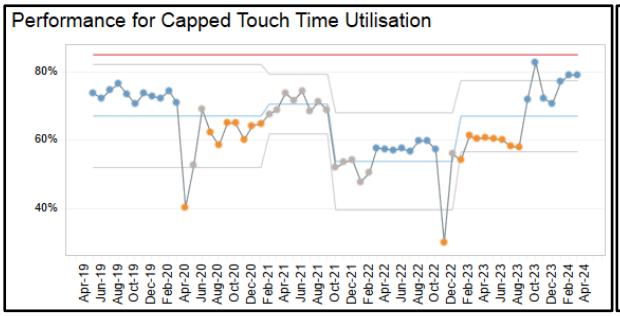
Advice and Guidance

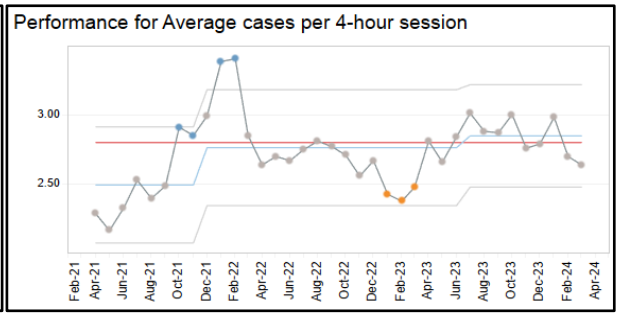


Positive steps have been taken to increase the volume and quality of advice and guidance services offered as an initial alternative to GP referral. The number of advice and guidance responses delivered, as a percentage of all referrals received, has been steadily increasing and particularly since November 2023. This coincides with a successful initiative within Urology where advice and guidance are now the default for non-urgent routine referrals from general practice. Through the GIRFT Further Faster Programme, experience and learning

from this project has been shared across the Trust with some other specialties now planning to initiate similar pathways during 2024/25.

Theatre Touch Time Utilisation





Through our ongoing theatre transformation and improvement programme we saw significant improvement in our utilisation of theatre sessions. Having previously been in the lowest quartile nationally for utilisation, in Quarter 4 theatre utilisation performance was much improved and has sustained around the 79% mark. This shift in performance has moved the Trust into the 2nd best quartile nationally for this metric. Surgical and theatre teams are continuing to work hard to make further improvements and aim for the national aspiration of 85%. Throughout the year we have also seen an increase in the numbers of patients treated per theatre list.

Community Services

Stockport's Community Services are hosted across the Trust's divisions with the majority of adult services sitting within Integrated Care Division and those of children sitting within the Women & Children's Division.

Adult Community Services

Overall demand for our adult community services continued to grow, with referrals up by 11.2% on those received in 2022/23 (and 20.5% on those received in 2019/20).

Just short of half a million contacts with patients took place, with circa 12% of appointments delivered as virtual or telephone contacts. This level of activity / contacts represents an increase of 4.6% compared to 2022/23 and 19.8% on that of 2019/20. Some of this growth was because of GM Integrated Care Board (ICB) investment into our Community Neuro-Rehabilitation Service (CNRS) and some additional short-term funding for Cardiac and Pulmonary Rehabilitation, increasing staffing levels across a number of professional disciplines.

Overall waiting times for adult community services were slightly up on average from last year at 9.7 weeks (9.3 weeks in 2022/23), as services reached capacity whilst demand continued to grow.

The community Discharge to Assess service has continued to provide care to help people return home from hospital as soon as they are medically safe to do so and to prevent people from having to move into care home provision until they really need to. During 2023/24, the

service strengthened the working arrangements with Stockport Adult Social Care.

The Urgent Community Response (UCR) Service and the Community Virtual Ward make up two services in the Out of Hospital model of care. The service consistently exceeds the national target in responding to accepted referrals within the 2 hours of receipt averaging over 96.5% achievement in the year (target >90%). An average of 91.6% of patients remained at home following input from the UCR team and therefore deemed as having avoided a hospital admission.

The Community Virtual Ward provides a 'step down' pathway for the delivery of acute care 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. In 2023/24 the capacity of the community virtual ward was steadily increased, and we consistently achieved the GM target of 80% bed occupancy since December 2023. There were 1184 patients referred to the community virtual ward; across the year circa 55.9% of admissions accepted were to avoid an acute admission (Step Up) and 44.1% were to support flow and reduce a patient's stay in hospital (Step Down). The average length of stay was just over 6.6 days.

Children's Community Services

Stockport has an integrated health and early years model, with public health nursing, health visiting midwifery and early years working together to improve outcomes for all children 0 – 5 years, reduce health inequalities and ensure sufficient, high quality early education and childcare. Despite the challenges of increasing demand, there have been some excellent achievements during 2023/24.

Working in collaboration with Stockport Metropolitan Borough Council (SMBC), 3 Family Hubs opened during the year, in areas of Stockport with the greatest need, with a further 4 to open by September 2024. Family Hubs support families from pregnancy through to young people aged up to 19 or aged up to 25 with special educational needs and disabilities (SEND) The hubs provide support in relation to pregnancy, parenting, cost of living support, as well as sexual health and mental health support.

The children's continuing care team have supported children with complex care needs both in their own home and school with the aim to avoid unnecessary hospital admissions, while the children's therapy teams have provided a range of interventions including physiotherapy, speech and language therapy and dietitian advice.

Our school nursing teams have been challenged in year due to increasing demand. Stockport is also one of the highest performing local authorities in relation to HPV vaccination. In 2023/24 Stockport achieved 91.6% vaccination rate in 9 year olds and compared to a national average of 75.7%.

Maternity Services

The maternity service continually monitors and reviews our service against national maternity programmes and workstreams which include:

- Clinical Negligence Scheme for Trusts (CNST)
- Saving Babies Lives Care Bundle Version 3

- Actions from independent investigations into other maternity and neonatal services in England including Ockenden and East Kent
- Three year delivery plan for maternity and neonatal services (2023)
- Equity and Equality

The maternity team work closely with the Maternity and Neonatal Voices Partnership (MNVP) 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 several successes and achievements, including:
- Achieving full compliance of CNST Year 5
- Shortlisted for the 2023 HSJ Patient Safety Awards, Recognising safety, culture, and experience in patient care in the category of Improving Health Outcomes for Minority Ethnic Communities.
- Nominated for Baby Lifeline UK MUM (Maternity Unit Marvels) Awards 2023.

During September 2023 maternity services at the Trust were inspected by the Care Quality Commission (CQC) and rated requires improvement for the domains of safe and well-led. A summary of recent CQC inspection activity, including the maternity services inspection is included in the section below. Our dedicated maternity leadership team continue to work through a robust plan to address the areas for improvement identified by the CQC, in order to provide the highest quality of service for our community.

Quality performance

Care Quality Commission

The Trust is registered with the Care Quality Commission (CQC) and fully compliant with the registration requirements of the CQC. The Trust engage in regular oversight meetings with the CQC, and the Trust seeks assurances through its governance framework that care is provided that is safe, effective, caring, responsive and well led.

The CQC has not taken enforcement action against the Trust during 2023/24.

During September 2023 maternity services at the Trust were inspected, and rated requires improvement for the domains of safe and well-led. A summary of recent CQC inspection activity is provided in the table.

<table>
<tr><th>Financial Year</th><th>Inspection Overview</th><th>Outcome</th></tr>
<tr><td>2023/24:</td><td>Announced inspection of maternity services covering the domains of safe and well led, as part of the national maternity inspection programme.</td><td>The inspection report published in May 2024 reported both the safe and well led domains of care as requires improvement.
<table><tr><td>Domain</td><td>Assessment</td></tr><tr><td>Safe</td><td>Requires improvement</td></tr><tr><td>Effective</td><td>Requires improvement</td></tr></table>
The Trust has developed an action plan in response to 3 must do recommendations, and 4 should do recommendations included within the report. The action plan will be overseen by Quality Committee.</td></tr>
<tr><td>2021/22: November 2021</td><td>Unannounced inspection of the urgent and emergency care service at Stepping Hill Hospital covering the domains of safe, effective, caring, responsive and well led.</td><td>The inspection report published in January 2022 showed improvement across every domain.
<table><tr><td>Domain</td><td>Assessment</td></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>
The action plan related to the inspection is reported to the Quality Committee at the Trust.

The Trust is exceptionally proud of the improvements made to urgent and emergency care during a time of significant pressure.</td></tr>
</table>

Stockport Accreditation & Recognition Scheme (StARS)
The StARS programme has been the foundation to ensuring quality and patient centred care since its inception in April 2021. The StARS standards incorporate key clinical indicators and the CQC Fundamental Standards. It programme provides assurance on compliance and supports a culture of continuous improvement across all care settings.

In the past year, a review of the StARS accreditation standards was undertaken, involving staff engagement forums and consultation with subject specialists. The core principles were retained whilst standards were enhanced to align more closely with the needs of our Trust, highlighting our commitment to ensure the process remains rigorous and responsive.

Introduced in 2023/24, any clinical area that achieves a 'green' accreditation rating on 3 consecutive occasions, is eligible to apply for 'blue' StARS status. The clinical area provides a team presentation to an Executive and Non-Executive Director panel with the aim of demonstrating how standards have been accomplished to date, and how they will be retained/strengthened going forward. If successful, this 'blue' status is awarded to areas that consistently demonstrate excellent leadership and sustained high standards of outstanding care delivery for our patients.

During 2023/24, the Trust had set a target for all divisions to achieve 50% 'green/blue' rating and no more than 25% 'red' outcomes.

There have been 78 accreditations undertaken across 43 clinical areas. All inpatient areas continued to be assessed as per the accreditation schedule depending on previous outcomes. Assessments were also undertaken in Theatres, Paediatrics, Maternity, Emergency Department and Community District Nursing Teams.

Over this period, we have achieved 16% 'blue' (7 areas), 56% 'green' (24 areas), 14% 'amber' (6 areas) and 14% 'red' (6 areas) with both the Trust and Divisions independently surpassing the targets set and showing an ongoing reduction in the overall number of clinical areas with 'red' outcomes.

Mortality
The Summary Hospital-level Mortality Indicator (SHMI) is a statistic that uses a standard methodology to compare the observed to the expected number of deaths in the Trust up to 30 days after discharge from hospital. Stockport's SHMI is reported as within expected range and is amongst the lowest (best) in GM. The Hospital Standardised Mortality Ratio (HSMR) is a similar statistic, showing the ratio of the observed to the expected number of in-hospital deaths at the end of a continuous inpatient period. Stockport's HSMR has been slightly elevated 'above expected' for a number of years, it is now falling back to 'expected' levels, primarily linked to improvements in coding for complex medical conditions. We have continued to review the reasons behind mortality in the Trust this year by conducting a series of clinical audits, which have confirmed that our clinical practice adheres to national standards. Our performance regarding morality is scrutinised in our Deteriorating Patient Group, which provides assurance to the Board of Directors via the Trust's Quality Committee.

An area of focus for the Deteriorating Patient Group has been End of Life Care. In support of this a Hospital Palliative and End Of Life Care group was established in year, recognising we have one chance to get it right for patients in their last days and hours of life, and their loved ones. Every division is involved, discussing their aims, objectives, and challenges, with consideration of compliments and complaints in relation to end of life care. Coinciding with Dying Matters Awareness Week, our SWAN model went live in May 2024. Adopting the SWAN model is part of our commitment to prioritise and improve the experience of care in the last days and hours of life and bereavement. It aims to guide and enhance care by enabling and empowering the workforce to promote person-centred communication, dignity, respect and compassion in the last days and hours of life, and after death. Our End of Life Care standards are monitored via the StARS accreditation programme.

Sepsis

The screening compliance for sepsis has been excellent in the last year at a constant level of well over 90%, however the timely administration of antibiotics continues to be challenge with 70-75% of patients receiving antibiotics within agreed timescales, against a 90% standard. Each case where antibiotic administration has been delayed is reviewed, and largely, the delays were a matter of minutes. During 2023/24, the Trust initiated work with Advancing Quality Alliance (AQuA) to improve performance. This has provided external advice and support, with benchmarking information also being considered to support improvement during 2024/25.

Pressure Ulcers

Last year, the Trust achieved a 16% decrease in the number of pressure ulcer incidents in the hospital setting, against a target of 5%.

In the community however, there have been significant challenges in caring for patients with complex care needs with an increased incidence of pressure ulcers reported. A focus for the year ahead will be on patient information, communication and safeguarding to best support patient’s health and wellbeing.

In addition, we will continue to monitor, challenge, and review our practice to reduce pressure ulcer incidents for patients both in hospital and community settings, by learning from incidents and improving our pressure ulcer prevention strategies.

Falls

The Trust measures falls as the rate of falls per 1000 bed days. This method allows comparison from years or months where there are different numbers of patients in the hospital. In 2023/24 the rate was 2.82 falls per 1000 bed days, compared to a rate of 3.78 falls per 1000 bed days the previous year. The rate of falls resulting in moderate or above harm within the inpatient wards also improved, as did the rate of falls with lapses in care identified. Our falls prevention improvement work has included education and training, a pharmacy project piloted on the Acute Medical Unit (AMU) involving the review of patient medication to consider drug interactions to reduce the risk of patient falls, and work to enable a digital platform for assessing and monitoring patients at risk of falls.

Infection Prevention & Control
2023/24 remained a challenging year with regards to infection prevention & control, as we continued to feel the after effects from the pandemic, alongside the age and condition of the estate, and the increasing ageing population in Stockport.

Standard infection control precautions, processes and practices are in place and are to be used by all staff, in all care settings, at all times, whether infection is known to be present or not. Despite this, our trajectories for several infections were not achieved. Clostridium Difficile was a significant challenge, primarily linked to antibiotic usage, particularly prolonged length of course whilst in hospital, or antibiotic usage in the community, then continuing in hospital. This challenge was replicated in several providers across Greater Manchester and nationally, with work taking place to ensure a joined-up system approach, particularly around antibiotics and community prescribing.

Safeguarding
Safeguarding is everyone's responsibility, and the Integrated Safeguarding Team ensures this is a golden thread, woven into practice across Stockport NHS Foundation Trust. During 2023/24, a Standard Operating Procedure was developed for responding to adult safeguarding concerns and incorporated the voice of the adult at risk through easy read patient feedback questionnaires.

The Trust's compliance with Level 3 Safeguarding Adults training is now above local and national standards, as is our compliance with Tier 1 Oliver McGowan training on Learning Disability & Autism. A key challenge for the oncoming year will be the implementation of Tier 2 and Tier 3 training.

We have supported the roll out of the hospital based service, to provide advice, support and signposting to persons making a disclosure of, or identified as at risk of, domestic abuse. We hope to receive further funding for this service in 2024/25. We have also appointed a Lead for Domestic Abuse who represents the Trust within the locality and who will continue to develop their role and build awareness of the domestic abuse agenda within the Trust.

Patient Experience
We are committed to improving the experience of our patients, carers, families, and friends 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 and are collected via various surveys to drive improvement, with QR codes now set up for several areas to facilitate wider digital access and an easy read Friends & Family survey available. Feedback received supports improvements to services, ensuring our patients receive a safe, consistent, person-centred experience at every contact. Good progress has been made in delivering the Patient, Carers, Family & Friends Strategy, with key programmes of work relating to supported mealtimes, patient property, noise at night and spiritual care.

Our 'Walkabout Wednesday' site visit programme supports visibility of both Executive and Non-Executive Directors across all areas Stockport NHS Foundation Trust. Over 50 areas were visited during the year, providing opportunity for Board members to seek real-time

feedback from patients and staff in the hospital and community, and to triangulate the information gathered during these site visits with that presented to the Board of Directors and Board Committees, for the purpose of gaining assurance and understanding the impact of Board decisions on clinical/corporate services.

Clinical Audit

Stockport NHS Foundation Trust is dedicated to providing high-quality, evidence-based care to its patients, recognising clinical audit as a crucial instrument in achieving this objective. During 2023/24 the Trust maintained its focus on audits which aligned to the corporate objectives and considered a top priority within the Trust. There was a total of 173 clinical audit projects registered, spanning across 7 divisions and comprising of 60 national and 113 local audits. In addition to national and local audit activity, monthly ward audits were also undertaken reviewing quality metrics at a ward level.

Throughout the year, specialties hosted and facilitated Clinical Audit & Quality Forums to conduct risk assessments on clinical audits, exchange findings, support learning and agree the actions required for recommendations made where appropriate. Topics covered during these sessions extended beyond clinical audits to encompass quality improvement projects, morbidity & mortality reviews and governance discussions.

All audits are assigned an assurance level and are subsequently presented at a Division and the Clinical Effectiveness Group, which reports to Quality Committee.

Research & Innovation

The Trust is committed to research, development and innovation (RD&I) as a driver for improving the quality of care we provide to our patients. 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 patient experience, organisational reputation as well as staff satisfaction, development, recruitment and retention. Embedding and maintaining an active research ethos at Stockport NHS Foundation Trust is therefore vital to fostering a better future for our population and staff.

2023/24 was another significant year for RD&I at Stockport with a focus on delivering our joint 5-year strategy across Stockport NHS Foundation Trust and Tameside and Glossop Integrated Care NHS Foundation Trust. Expanding the research portfolio, almost 90 research study opportunities opened in 2023/24, across 20 specialties, recruiting over 2000 participants.

The Trust diversified into new research areas aligned with our Stockport population needs, including our first ageing study, which contributed to a national project looking at frailty and outcomes in clinical environments. There was significant expansion in cardiology, gastroenterology and rheumatology, with research projects delivered as part of the care pathways.

Supporting projects that endeavour to address healthcare inequalities has also become a key focus of our 2023/24 research activity. This has included a project investigating factors that influence progression through different phases of cardiac rehabilitation in

underrepresented groups. The team was also key to successful delivery of a study, looking at transforming outpatient consultations by integrating regular symptom tracking into clinical care for rheumatoid arthritis patients. This involved observed clinic visits by researchers to understand facilitators and barriers to patient and clinical behaviour change in this context, looking to address barriers to digital inclusion.

2023/24 has seen increased and sustained engagement with research from a range of health care professionals, including nurses, clinicians (and trainees) and allied healthcare professionals, complementing the RD&I Team. During 2024/25, it is the Trust's ambition to raise the profile of research further to help improve the health and well-being of the population we serve.

Tackling Health Inequalities

The drivers of population health are complex, including social determinants such as the environments people live in, access to employment and the kind of start people have in life. Health, and inequalities in health, are also driven by the ways in which health services are designed, delivered and funded, and by the quality of clinical care received.

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.

NHS England has identified specific information on health inequalities that NHS bodies should collect and consider as part of addressing health inequalities. Information for Stockport NHS Foundation Trust is published as follows:

- Elective activity vs pre-pandemic levels for under 18s and over 18s: Submitted by the Trust and published nationally (SUS data and WLMDS Elective Recovery Dashboard (palantirfoundry.co.uk)) and by Greater Manchester ICB (https://curator.gmtableau.nhs.uk/dashboard/inpatient-activity-dashboard and https://curator.gmtableau.nhs.uk/dashboard/outpatient-activity-dashboard).
- Emergency admissions for under 18s: Submitted by the Trust and published nationally by NHSE (https://tabanalytics.data.england.nhs.uk/#/views/CYPEmergencyDepartment/Detailed?:iid=1) and by GM ICB (https://www.gmtableau.nhs.uk/#/site/NHSGM/workbooks/7086/views).
- Proportion of adult acute inpatient settings offering smoking cessation services: The Trust collects smoking cessation data, with report in development.
- Proportion of maternity inpatient settings offering smoking cessation services: The Trust collects smoking cessation data, with report in development.
- Tooth extractions due to decay for children admitted as inpatients to hospital aged 10 years and under: Submitted by the Trust and published nationally by NHSE (SUS/HES Data Tooth Extractions - NHS Digital) and by GM ICB (https://www.gmtableau.nhs.uk/#/site/GMHSCPPublic/workbooks/7092/views).

The Trust does not provide mental health services.

As described throughout this Performance Analysis, the Trust is continuing to make service improvements and work together with partners, specifically to improve access to services

and improve outcomes in key areas where it has been identified that outcomes could be improved, and health inequalities persist.

People performance

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 £33.8 million deficit for 2023/24 which includes the Trust deficit of £33.9 million in 2023/24 and subsidiaries' profit for £83k for Stepping Hill Enterprises Ltd. The Trust's Charity had a net inflow of funds of £50k in 2023/24. 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.

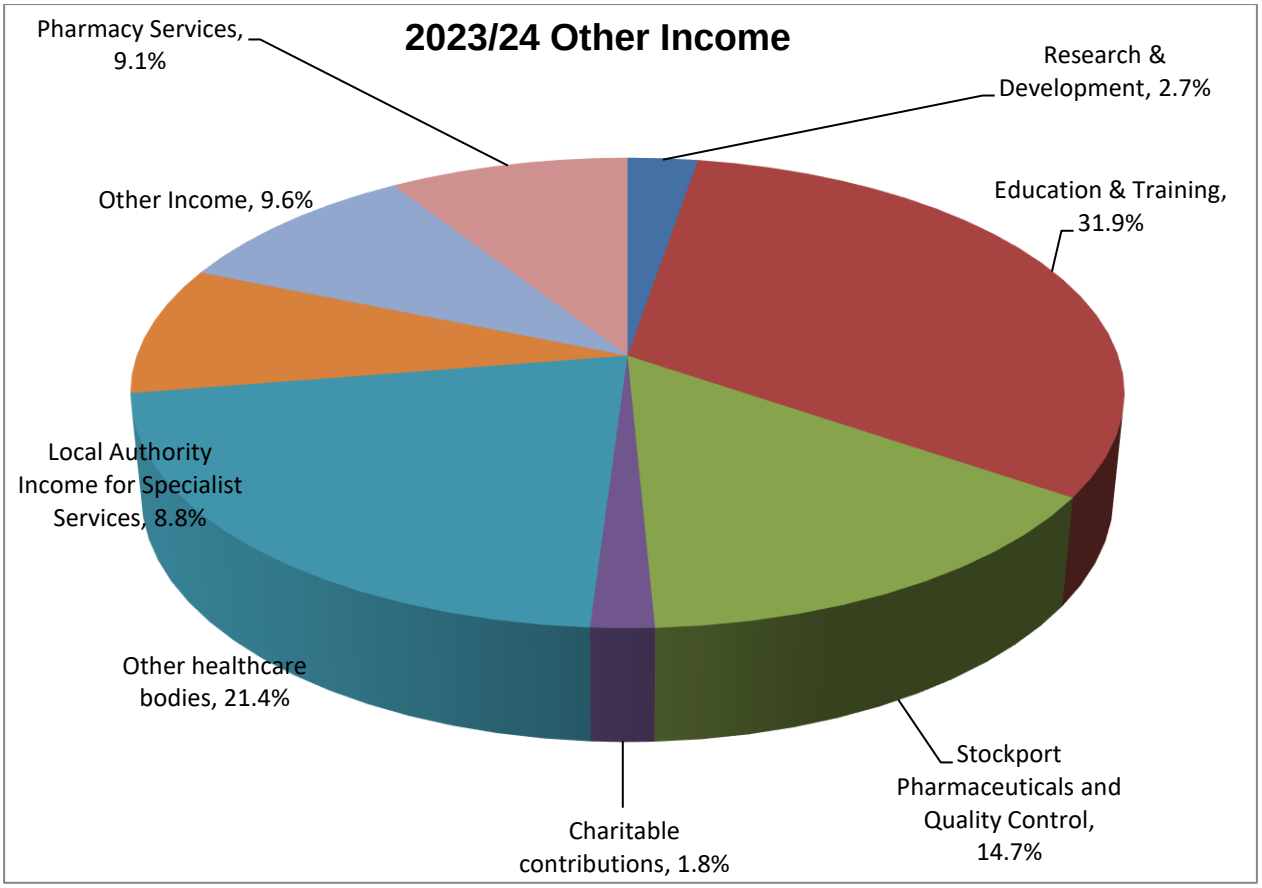
Whilst the Trust is a statutory body, the performance of the Trust is reported as par to the Greater Manchester Integrated Care System (GM ICS). The Trust delivered its financial performance for revenue and capital in accordance with the agreed limits set.

In 2023/24 we 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 2023/24 was £46.6m, which included £26.3m on assets under construction comprising of; £14.3m on the continued build of the new Emergency and Urgent Care Campus (EUCC), £8.2m on the construction of a new ward modular building and £1m on the development of the MRI Suite. In 2023/24 the Trust also accounted for £4.4m in respect to recognition of leases under IFRS16. It invested in £2.4m on equipment, £6.6m on buildings and dwellings which included £1.9m on improving electrical infrastructure in preparation for the new Emergency & Urgent Care Campus (EUCC), installation of new diagnostic equipment and key infrastructure works such as major pipework replacements, roof replacements as well as office refurbishments. The Trust spent £6.9m on IT investments, including upgrades of network infrastructure and key clinical systems.

Income and expenditure

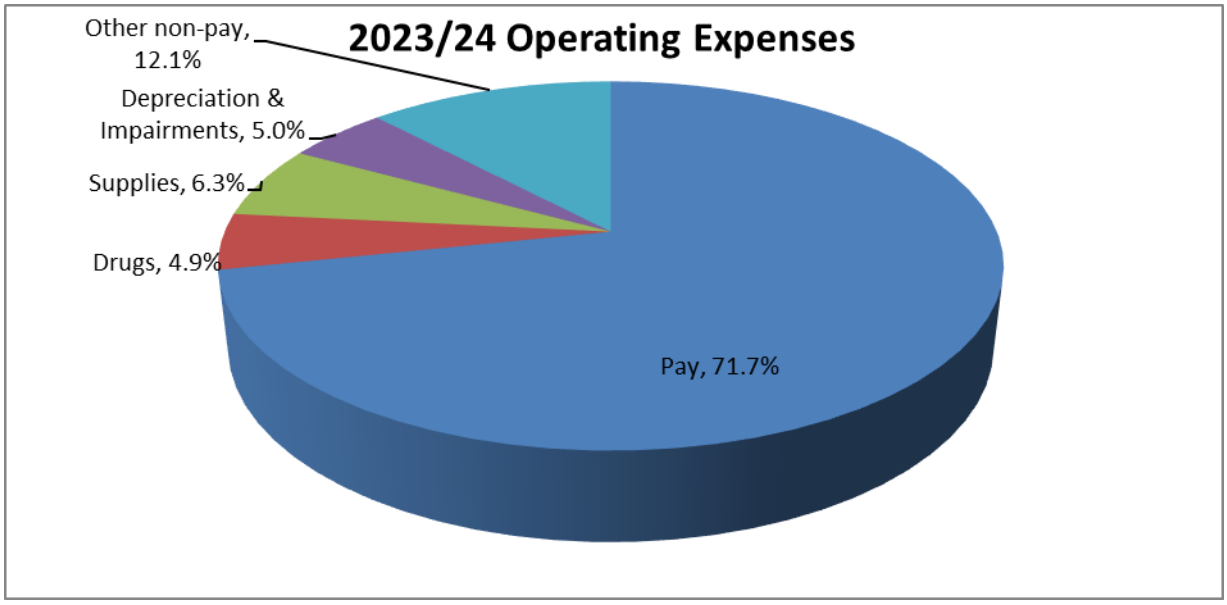
In 2023/24 our overall income was £438.9m (£452.9m in 2022-23). Income from provision of health services was greater than that from provision of goods and services for any other purpose. We did not receive or make any political donations in 2023/24. Our income in 2023/24 is a decrease of £14m from 2022/23. In the prior year income included an additional £11m to fund the 2022-23 pay award offer provisional on the 31st March 2023 and reductions were made in contract income to recognise ceasing of covid related additional services.

We have earned income from several different sources and a breakdown of the £40.4m 'Other Income' is provided in the following chart:

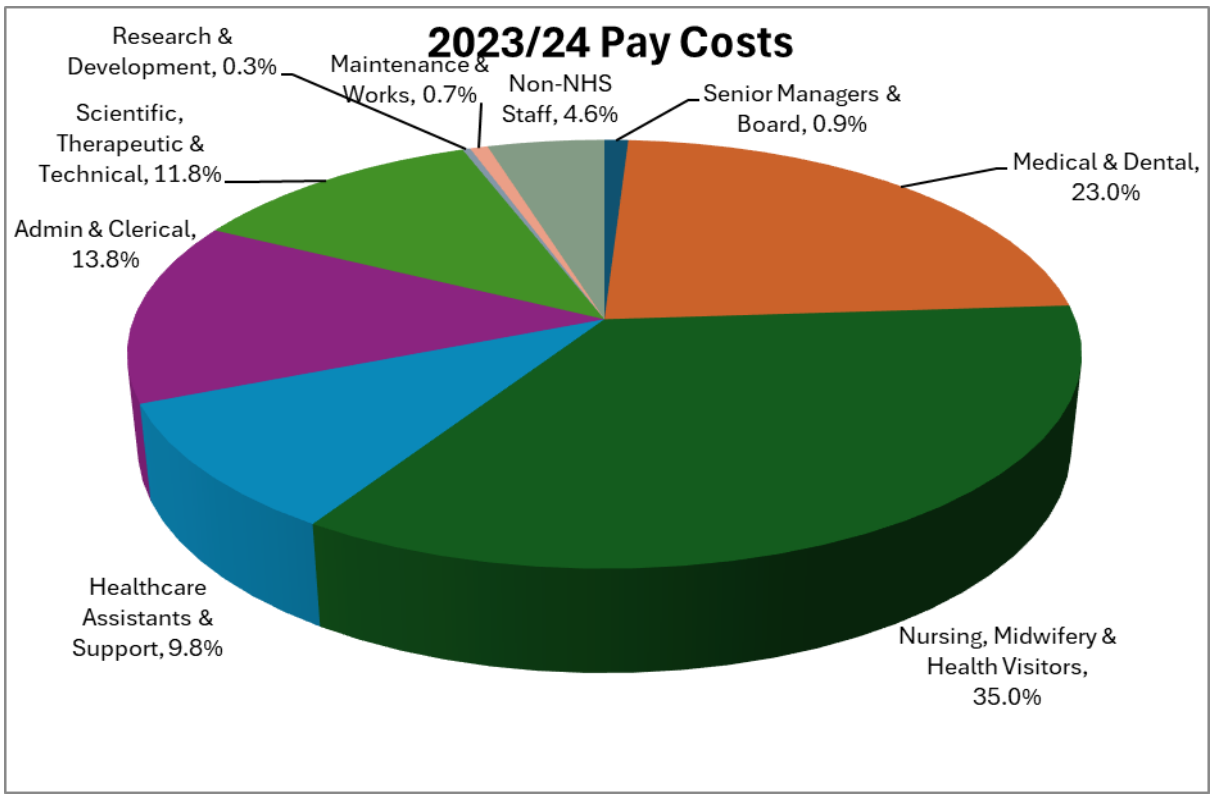


The Trust has disclosed the fees and charges (income generation) associated with the Stockport Pharmaceutical trading activity at note 5.5 in the Annual Accounts.

Operating expenditure was £468.3m in 2023/24 (£457.9m in 2022/23). Our costs are divided into the following areas:

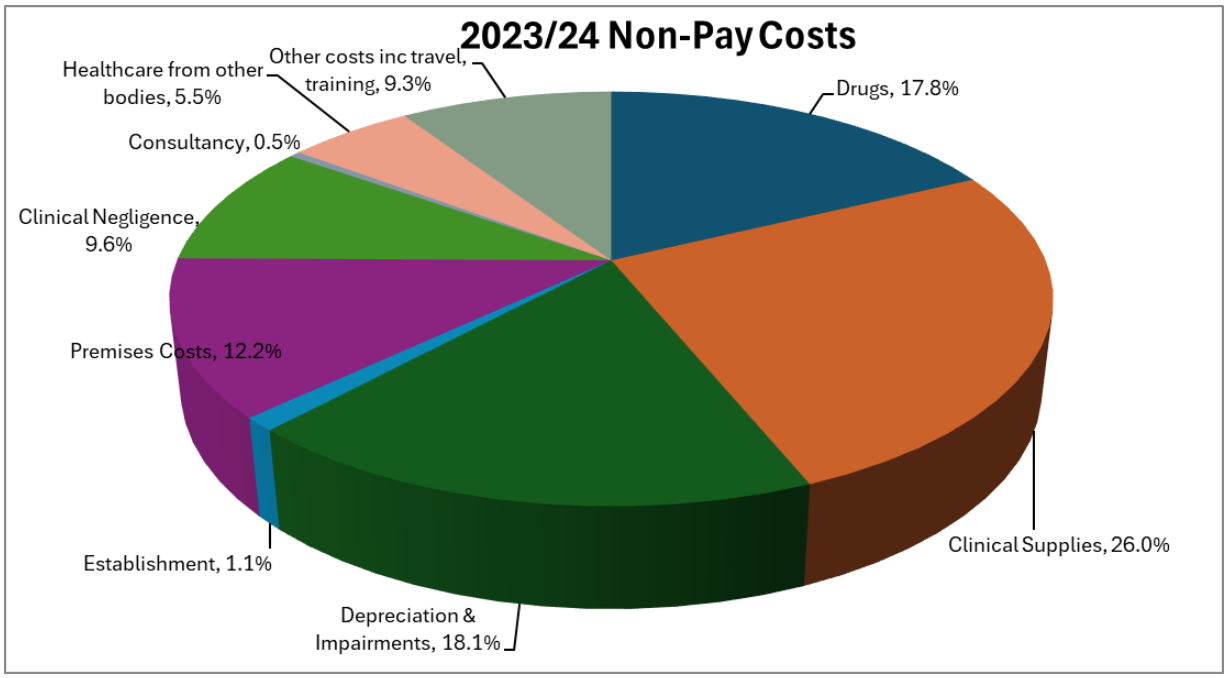


Pay costs account for 72% of our operating expenses, and our pay spend is split over the following categories:



Pay costs in 2023/24 were £338.9m (£331.1m in 2022/23) and the percentage split by staff group is shown in the above chart is in line with previous financial years.

Non-pay expenditure of £129.3m in 2022/23 (£126.5m in 2022/23) was incurred, and this is demonstrated by category in the following chart:



Non-pay costs increased by £2.8m during 2023/24, which includes increased supplies and

service costs (£0.4m), additional capital investment in 2023/24 (£3m) and increased clinical negligence costs for the organisation (increasing by £0.5m to £12.4m) offset by a decrease in other areas such as drug costs (£0.4m) and car parking and security (£0.6m).

Balance sheet

The Trust has £199m of net assets at the year end, an increase of £4.8m from 2022/23. Material movements include increased capital spending as a result of additional investment secured for 2023/24, increased non-current assets of £27m, and reductions to cash, receivables and payables of £21.5m and a smaller decrease of £1m to non-current liabilities.

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 £15.5m compared to an opening cash position of £47.2m.

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 overseas 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 2023-24 charitable funds income was £621k and we are extremely grateful for donations of £29k, legacies of £172k, grants from NHS Charities Together of £310k (see below) and fundraising income of £24k. The charity also received £86,000 investment income.

In 2023-24 Stockport NHS Charity was awarded nearly £1.25 million by NHS Charities Together, the national independent charity caring for the NHS, as the lead Charity for the Greater Manchester ICS Charities, for its Stage Two Community Partnerships programme. This programme will support projects to address health inequalities, mental health and hospital at home services for groups disproportionately affected during the Covid-19 pandemic. The Charity received the first instalment in 2023-24 and £314k was paid out to seven community organisations who were successful in bidding for funds.

Expenditure in 2023/24 was £718k, including £111k, on purchases for patient welfare, £179k, on supporting staff welfare and training activities, and £314k for the Community Partnerships initiatives. Expenditure included:

- £122k, on the Staff Psychological and Wellbeing Service
- £22k, for recognizing staff performance at the Trust Making a Difference Award Ceremony and other national achievement awards.

- £10k, for ceiling light boxes for the Critical Care Unit
- £26k for the Neonatal Family Room upgrade
- £18k, for Children's Treehouse wards including play and sensory equipment, snug chairs and Music in Hospital therapy sessions
- £14k, for the Staff Menopause support service
- £8k, for a new Theratrainer exercise bike for the Devonshire Centre
- furnishings for various staff areas

Financial Outlook

Financial arrangements for 2024/25 will be a system based approach to planning and delivery and this will be the second year of a two year allocation for revenue. For capital nationally, Integrated Care Boards are in the final year of a three year allocation for capital. The Trust is part of the GM ICS and as per national arrangements, all funding for 2024/25 has been allocated in agreement with the ICS.

Set out in the NHS National Planning Guidance, the overall priorities in 2024/25 remain the recovery of core services and productivity following the COVID-19 pandemic. This includes focus on the quality and safety of services, reduction in elective long waits and improvement in performance against core cancer and diagnostic standards and easier access to community and primary care services. There is also an expectation that, to improve patient outcomes and experience, there is a continued focus on staff experience, retention, and attendance.

The Trust has worked collaboratively with all partners in the development of the ICS revenue and capital plans. The Trust Plan submission for 2024/25 is for a deficit plan and, at the time of writing the Annual Report, discussions continue as to how the plans can be delivered within the system resource.

The Trust continues to challenge and examine opportunities to manage and reduce costs to make the NHS affordable and is committed to delivering a challenging 5% efficiency programme for 2024/25.

Capital Planning 2024/25

We are planning capital expenditure of £29.1 m in 2024-25, which is dependent on the release of external capital funding in relation to Aseptics, MR Development and Front Line Digitisation.

A summary of planned investments is as follows:

Capital Description	£m
Estates	13.460
Digital	4.726
MR Development	2.420
Aseptics	5.000
IFRS 16 Lease Implications	3.524
2024/25 Total	**29.130**

Our key priorities for 2024/25 are:

- Completion of the new Emergency and Urgent Care Campus (EUCC)
- MRI Scanner Development
- Continued construction of a new modular building
- Reprovision of a new Outpatients Building
- Development of a new GM Aseptics Hub
- Purchase of The Meadows facility
- Development of an Electronic Patient Care Record

There is a significant challenge to address growing estate critical infrastructure and backlog maintenance as well as replacement of ageing equipment and IT infrastructure to keep services safe and operational for patients, staff, and the public. We are committed to the development and delivery of our estate's strategy, and delivery of our capital priorities.

Key Strategic Developments

Digital

Good progress was made in 2023/24 in delivering the objectives set out in the Trust's Digital Strategy. A key ambition within the strategy is the implementation of a comprehensive Electronic Patient Record (EPR) and, in 2022, a joint EPR Programme was established with Tameside & Glossop Integrated Care NHS Foundation Trust. A joint outline business case was developed, and supported by both Trust Boards, which is now awaiting external approvals to progress to formal procurement, and a current estimated go live in 2025/26. The implementation of an EPR is essential in enabling the Trust to improve efficiency and quality of care by replacing multiple clinical systems and bringing information into one comprehensive system that will provide clinicians with real-time access to the same complete patient record.

Several key digital programmes were progressed during the year, including implementation of the new LIMS (laboratory Information management system), working towards a go live of October 2024, roll out of enhanced digital dictation to support divisional efficiency programmes, a new digital system to support better data sharing across GM and development of digital patient communication to enable patients to view their hospital appointment letters in the NHS App. We also commenced an extensive upgrade to the wireless network infrastructure across almost two thirds of the hospital site, with the remainder planned for completion in 2024/25.

The Trust has revised its Clinical Risk Management System (CRMS) to align with the current guidance and best practices for digital health technologies. The CRMS is a framework for identifying, assessing, managing, and reporting clinical risks related to the use of digital systems. A newly established Digital Clinical Safety Group (DCSG) oversees and assures the clinical safety of new and existing digital systems in the organisation.

Estates & Facilities

The Trust continues to operate under difficult circumstances born from an old and challenging estate with various levels of condition and infrastructure. Nevertheless, multiple capital schemes have been delivered or progressed to support clinical delivery. This included a refurbished theatre and the enabling works for an on-site Macmillan Information Centre, to name just a couple. In addition, multiple schemes have been delivered to support, improve safety and/or replace some of the critical infrastructure on the Stepping Hill site. This type of work is often unseen but is critical for the day to day operation of the site, including approximately 1500 metres of replacement pipework and upgrades to our electrical infrastructure.

Reinforced Autoclaved Aerated Concrete (RAAC) was found in one location on the Stepping Hill site. The RAAC was located in the boiler house, in a standalone building, positioned away from the main hospital estate and patient occupied areas. The building was made safe, and the year closed with the removal of RAAC and the installation of a new boiler house roof close to completion.

As mentioned throughout the report, at the end of a November 2023, the building which accommodated a significant proportion of our outpatient clinics closed following the identification of structural issues which rendered the building commercially and economically unviable for repair. As a result, the difficult decision to close the building and plans to demolish were put in place.

Maintaining an exemplary Catering Service at Stockport NHS Foundation Trust is of paramount importance. The catering team work closely with dietetics, speech and language and clinical leaders to meet the diverse dietary needs and cultural preferences of our patients. With an outstanding reputation to uphold, the Catering Service is dedicated to continuing as a beacon of excellence in healthcare food provision. The Catering Service proudly maintained a 5-star hygiene rating for 2024.

The Portering Service continues to improve since the introduction of the electronic task allocation system, which has allowed the team to amend rotas, allocating staff more efficiently to respond to the demands of the site.

The introduction of the new national standards of cleaning has been a great success, and standards have maintained throughout 2023/24. Cleaning scores continue to be proudly displayed at ward and department entrances via electronic screens.

Over the past year the Estates Team have worked hard to improve systems, policies, procedures, and complete training to ensure that our activities are safe, efficient, and compliant with relevant regulations.

An all new Estates Strategy Steering Group (ESSG) was launched in 2023/24 with the ambition of supporting the short and long term aspirations of the Stockport NHS Foundation Trust Estate strategy. Both internal and external stakeholders attend and are contributing to the Trusts ambitions.

Sustainability

Task force on climate-related financial disclosures (TCFD)
NHS England's NHS foundation trust annual reporting manual has adopted a phased approach to incorporating the TCFD recommended disclosures as part of sustainability annual reporting requirements for NHS bodies, stemming from HM Treasury's TCFD aligned disclosure guidance for public sector annual reports. TCFD recommended disclosures as interpreted and adapted for the public sector by the HM Treasury TCFD aligned disclosure application guidance, will be implemented in sustainability reporting requirements on a phased basis up to the 2025/26 financial year. Local NHS bodies are not required to disclose scope 1, 2 and 3 greenhouse gas emissions under TCFD requirements as these are computed nationally by NHS England.

The phased approach incorporates the disclosure requirements of the governance pillar for 2023/24. These disclosures are provided below.

The Board of Directors is kept informed about climate related issues through the annual

The Finance & Performance Committee (Subcommittee of the Board) has delegated responsibility from the Board of Directors to provide oversight and ensure appropriate governance mechanisms are in place to assure delivery of the estates and sustainability related strategies and plans. It specifically has responsibility for oversight of the development and delivery of sustainability requirements in line with national NHS guidance. A Green Plan Progress Report is presented biannually to the Finance & Performance Committee.

The risk of achieving the NHS net zero targets, as detailed in the Trust Green Plan, is recorded on the Trust risk register to give additional oversight to the organisation.
The Estates and Facilities Directorate and the Director of Estates and Facilities holds responsibility for delivery of the Green Plan, with operational delivery led by the Sustainability Manager. Progress is overseen by the Green Plan Group, chaired by the Director of Facilities and Estates. The group meets regularly to monitor progress against the key objectives of the Green Plan and to track actions and projects to support this. This work then feeds into the Green Plan Progress Reports and the Annual Report. Carbon management is at the heart of this Green Plan and our focus is on achieving the ambitions set out in the NHS plan "Delivering a Net Zero National Health Service" by:

- Developing a low carbon organisation and workforce
- Reducing our carbon footprint
- Developing lower carbon models of care
- Reducing local air pollution through sustainable transport
- Reducing waste and moving to zero landfill
- Reducing water use and including sustainable drainage solutions for new build
- Lower carbon procurement and catering, including action to reduce single use plastics
- Suitable building design and climate change adaptation

The Trust is also part of the NHS Greater Manchester Sustainability Leads Group to share good practice, networking and learning.

Environmental Sustainability
The Trust is committed to becoming a net zero-carbon organisation by 2040, and this section outlines the progress that has been made over the last year to deliver the objectives set out in the Green Plan. The Trust is committed to sustainable healthcare through this 3-year plan. We achieve this through strong and committed leadership, being innovative in our approach wherever possible, and helping drive system engagement across Stockport, as well as Greater Manchester.

In 2023/24 the following progress has been achieved:

Developing a low carbon organisation and workforce
Training – Carbon literacy training for the Green Plan Group members was explored, with further plans to expand across the workforce. The Carbon Literacy course will teach the basics of climate change science combined with targeted actions and will detail what an individual can do to help. This will support our goal of becoming a carbon literate NHS Trust and will be further progressed in 2024/25.

Dr Bike Event – In partnership with Cycle Solutions, a ‘Dr Bike Event’ was organised to encourage staff to bring in their bikes for minor repairs and general cycling advice. The event proved popular with the Trusts cyclists, with positive feedback received.

Sustainability Day – A Sustainability Day was organised with attendees from Stockport Council, Water Plus, and Cycle Solutions. Staff were given sustainability and energy efficiency advice, with Water Plus distributing free water savings kits. Staff also had an opportunity to explore new electric bikes and ask questions around the Trusts Cycle to Work scheme.

Job Descriptions and Sustainability – Workforce colleagues have assisted with the development of proposed wording to be added to future job description for all Trust employees. Once introduced, this will be a welcome addition to our pre-employment literature which will help highlight our commitment to all elements of sustainability.

Reducing our carbon footprint

Estate Decarbonisation Plan – The Trust have been exploring options to commission an Estate Decarbonisation Plan and we will be submitting a bid to the Low Carbon Skills Fund Phase 5 in May 2024 for funding to carry out this work. This plan is vital to enable the creation of robust plans and investment into our green journey. We are also working jointly with Stockport Council to explore the potential for the establishment of a heat network in Stockport, to provide a sustainable heat source in the future.

Catering – The canteen has a fresh fruit and vegetable bar, although primarily in place to offer healthy options we are also trying to encourage enhanced alternatives to processed, packaged products and more vegetarian/vegan options. In addition, the standard patient menu has a plant-based option which is less carbon intensive.

Developing lower carbon models of care

Anaesthetic Gasses - The NHS standard contract requires all Trusts to have reduced their desflurane usage to less than 10%. The Trust has now ceased using desflurane in surgery, meeting this target. We are working with our anaesthetists to reduce the use of nitrous oxide and volatile anaesthetic gases even further.

Reducing local air pollution through sustainable transport

Electric Vehicles – The plan to gradually replace all the existing fleet vehicles with electric vehicles is underway. The Trust currently owns 4 electric vehicles, and a new electric tail lift vehicle is due to be delivered at the end of the Summer 2024. This is in line with our commitment to have a zero-emission fleet and reduce our air pollution levels in the communities we serve.

Bike Stands – £10,000 of funding was awarded by Transport for Greater Manchester which we used to install and improve current bike stands. The funding was used to install a new bike shelter near Oak house, and bike stands near Pinewood House. The existing stands were reused in other areas to avoid waste.

Reducing waste and moving to zero landfill
Reusable Alternatives in Theatres – The Theatres Department, supported by Procurement, have replaced the plastic gallipots and kidney dishes with reusable alternatives.

Food Waste – Patient food waste is monitored, and feedback provided to wards in order to improve processes and reduce food waste. Any food waste that is produced is sent off-site and converted to biomass, as an alternative going to landfill.

This year the Trust carried out a trial using coloured plates to serve patient meals instead of the standard white plates. This was based on the theory that coloured crockery makes the food more appealing to patients and food waste is reduced as a result. The Trust found that the use of coloured crockery enhanced our patient experience around mealtimes, with particular interest relating to patients with Dementia and the contrast provided by the plate colour and what effect if any it had with this cohort of patients in terms of increased consumption. A reduction in overall average waste of 9.2% was seen across both wards involved in the trial on the coloured plate vs standard plate. The implementation of coloured plates will now be proposed.

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.

In 2023/24, a Waste Steering Group was established to ensure effective waste management throughout the Trust. A new Waste Policy was introduced, and new Standard Operating Procedures have been adopted.

Work has progressed this year to improve bin stickers and signage relating to waste management and the Trust have been working closely with our waste companies to provide effective training to staff.

New confidential waste bins have been introduced throughout the Trust to ensure compliance with information governance.

Walking Aid Reuse Scheme – The Trust introduced a walking aid reuse scheme in October 2022, centred on the usage of mobility aids both at Stepping Hill and within the community of Stockport. The scheme has proven to be a huge success, with a total of 1,367 walking aids returned to the Trust in 2023/24 and 1,094 cleaned, refurbished and reissued. This has resulted in a reduction in our carbon emissions of 24.04 tCO_2e.

Reducing water use and including sustainable drainage solutions for new build
Reducing Water Use – The Trust has identified a large number of water leaks which can often go unnoticed for substantial periods of time. To assist with prompt detection of water leaks, installation of sub-meters and water data loggers has been completed. Further water loggers will be installed in phases to avoid prolonged water supply interruption to the site.

Lower carbon procurement and catering, including action to reduce single use plastics

Sustainable Procurement – Sustainability and the social value of all tenders is scored at a minimum of 10% of the overall available tender score as per government guidelines or more where appropriate to the tender, which includes specific accountability to environmental and sustainability responsibilities and must include criteria around carbon reduction.

Single Use Plastics – The catering department has phased out single use plastics, for example, takeaway meal boxes and takeaway cutlery.

Sustainable building design and climate change adaptation

Sustainable Buildings – Several capital projects were undertaken in 2023/24 that impact on energy consumption:

- Replacement of pipework for water and steam and heating
- Main corridor steam leak repairs
- Multiple Roof Replacements and repairs
- Healthier Together – Theatre
- Boiler house roof replacement
- Invested in electrical infrastructure long term plans (including, but not limited to replacement switchboard, distribution boards, generators and transformer)
- Upgraded MRI scanner
- Upgraded x-ray/fluoroscopy equipment
- Replacement emergency lighting
- Upgrades to BMS controllers
- OPD B demolition – disposed of poor condition estate that we struggled to heat

All new projects, where applicable, use the HTM and BREEAM guideline to achieve the highest sustainability standards possible.

Climate Change Adaptation and Resilience – We are working closely with colleagues across Greater Manchester to consider how we can adapt to the impacts of climate change to ensure we can effectively manage the increasing summer temperatures, storms and high rainfall. This work will be developed in 2024/25 to consider the potential impacts and how we can mitigate against the risks.

Performance Update

During 2023/24, whilst progress has been made towards meeting the net zero targets, there have been significant challenges. The primary challenge was the departure of the Energy and Sustainability Manager in July 2023, with the post remaining vacant for eight months. With support from the Executive Team, a new Sustainability Manager was appointed and has been in post since late February 2024. The post holder has begun to work across both Stockport and T&G to deliver the respective Green Plans, with consideration of developing a joint plan and a joint Sustainability Group to drive progress across both organisations. We continue working closely with Greater Manchester colleagues to support delivery and share best practices.

The impact of the work to deliver the Green Plan can be measured by the Trust's emissions.

A full update on Scope 1,2 and 3 emissions for 2023/24 is not yet available, as we are awaiting data. However, the biggest emissions of CO_2 in the Trust come from natural gas and electricity consumption (72% - approximately 48% natural gas and 24% electricity).

Energy Consumption Data – The consumption of energy in 2023/24, compared to previous years is shown in the table below. We have seen a slight increase in the consumption of gas and a large increase in electricity consumption this year. The increases in electricity consumption can be attributed to an increase in construction works on site and changes to onsite activity e.g. electric vehicle charging. During 2024/25, consideration will be given to enhanced metering to enable better monitoring and control of usage.

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
2023/24	31123016*	14078700*

*Figures include some estimated data so could be subject to slight change.

The gas and electricity consumption for 2023/24 has been converted (using the UK Government GHG Conversion Factors) into tonnes of CO_2e and compared with the 2020/21 data used in the Green Plan.

Scope	Measure	2020/21	2023/24
1	Natural Gas	5596	5693
2	Electricity	2939	2915

This shows a slight increase in emissions from natural gas and a very slight reduction from electricity. It may be expected that the increases in electricity usage would see an increase in the CO_2 emissions. However, there has been a change in the conversion factor, due to the percentage of renewable generation across the grid, which has impacted on the calculation.

System Partnerships

We have taken an active role in the continued development of the regional Integrated Care System (ICS) in Greater Manchester (GM) and the Chief Executive, Karen James, is chair of the Trust Provider Collaborative (TPC) which represents all GM providers. TPC has responsibility for the oversight of several programmes to help reduce unwarranted variation and inequality in health outcomes by improving access to services and experience and improving resilience by, for example, providing mutual aid.

We continue to operate in partnerships across GM through participation in the network of professional groups (e.g. Directors of Strategy, Chief Operating Officers, Medical Directors, Chief Nurses & Directors of People).

Locally, the Trust has Executive Director membership within the Stockport Health and Care Board represented by the Chief Executive, Chief Finance Officer and the Director of Strategy and Partnerships and also leads the Stockport Provider Partnership, both of which have continued to make progress towards delivery of local aims.

The Board of Directors were engaged in the development of the new One Stockport Health & Care Plan 2024-2029. The ONE plan for health and care, replaces the CCG Strategic Plan, Stockport's Health & Wellbeing Strategy and our Locality Plan under the GM ICS Strategy, GM Joint Forward Plan and the One Stockport Borough Plan. It sets out the aims to drive system-wide improvements in population health and tackle health inequalities, addressing social and economic factors that affect health and wellbeing, whilst maximising the value of public resources. The Stockport Health and Care Board owns the ONE plan for health and care.

The Stockport Provider Partnership reports to the Stockport Health and Care Board. Based on Stockport population health data and the Stockport Joint Strategic Needs Assessment, four key areas of focus, where outcomes could be improved and inequalities persist, were identified by the Provider Partnership. These are: diabetes, cardiovascular disease, alcohol related harm and frailty. These areas require a multi-provider response for true end-to-end pathway redesign and improvement of outcomes, for which one provider alone would be unable to effect. Senior Responsible Officers (SROs) have been appointed for each workstream, with the Trust leading the Frailty programme.

With respect to the Frailty programme, Stockport partners have come together to build a programme for preventing and managing frailty in older people. There has been agreement to use the Rockwood Clinical Frailty Score across all parts of the system, alongside introduction of the Frailty core capabilities training framework to support a comprehensive understanding of frailty and standardised way to accurately determine a person's clinical frailty. An exercise benefits video has been produced for people living with frailty in conjunction with service users and the University of Manchester and the Keep On Keep Up application launched across Stockport, a digital strength & balance programme to prevent physical decline and frailty.

A care home pilot across was undertaken, supporting care homes with deteriorating patients to seek advice and the best care for their residents. Benefits of this pilot include

reduced Emergency Department attendances, improved staffing levels in care homes and reduced pressure on primary care.

Collaboration with Tameside & Glossop Integrated Care NHS Foundation Trust
We have continued to develop our partnership work with Tameside & Glossop Integrated Care NHS Foundation Trust (TGICFT). The positive impact of joint working across the two organisations to date has centred on the sharing of skills, knowledge and experience between the two trusts, with teams working together in similar functions to address unwarranted variation. Opportunities for joint systems are being explored alongside joint procurement opportunities, which will lead to greater productivity and efficiencies. Greater resilience within teams and functions has also been seen, with cross-cover easier to mobilise due to joint leadership positions.

The operating environment in GM supports greater collaboration between the two trusts. Identifying how we can deliver efficiency savings through collaboration is more likely to deliver larger efficiencies. Similarly, the delivery of improved performance standards and reducing the variation in the clinical outcomes for patients will be optimised by joint working. During 2024/25, further corporate and clinical collaboration opportunities will be explored. Increased collaboration between will not be at the expense of partnership opportunities with other partners, as both trusts have existing services delivered with partners and other opportunities will continue to be assessed.

Development of a Joint Community Diagnostic Centre
Over the past year we have worked continued to work with partners at TGICFT following approval of a joint business case for a community diagnostic centre (CDC) to be established in Denton. This will provide diagnostic services in the areas of highest health inequalities along the border of Stockport and Tameside.

The two trusts went through a very thorough procurement process to appoint In-Health as our delivery partner to support the CDC. There is an established programme board and workstreams in place with patient network groups also involved and engaged.

The CDC will be delivered from Crown Point Retail Park, Denton with multi-purpose consulting rooms to deliver a range of diagnostic services that include CT, MR, Dexa scans alongside Echocardiograms. The planned opening of the CDC is August 2024, with space for expansion opportunities in the future.

Sustainable Hospital Service Programme in partnership with East Cheshire
The Sustainable Hospital Services Programme was established between Stockport and East Cheshire NHS Trust (ECT) to work together to look at how services could be delivered collaboratively for the local populations.

In 2022, a detailed case for change was developed around 10 clinical services. More recently discussions have taken place with Cheshire and Merseyside Integrated Care System (CMICS) and GM ICS. CMICB gave their commitment to seek a solution to the case for change through partnership working. Whilst it was agreed that we continue to work towards a Pre-Consultation Business Case (PCBC), there was also discussion around the financial requirement within the programme that remain ongoing. Both trusts will continue

to explore working collaboratively as opportunities arise to support patients that use our services.

Accountability Report

Directors' Report

The Board of Directors is responsible for setting the strategic direction of the Trust. 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.

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 Reservation & Delegation and Standing Financial Instructions, which explicitly detail 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 is reviewed periodically and when vacancies arise among Executive or Non-Executive Directors.

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 and Membership). The Chair and Non-Executive Directors are appointed for an initial three year term of office and then, subject to approval by 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 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.

The criterion for determining independent includes:

- has been an employee of the trust within the last two years
- has, or has had within the last two years, a material business relationship with the trust either directly or as a partner, shareholder, director or senior employee of a body that has such a relationship with the trust
- has received or receives remuneration from the trust apart from a director's fee, participates in the trust's performance-related pay scheme or is a member of the trust's pension scheme
- has close family ties with any of the trust's advisers, directors or senior employees

- holds cross-directorships or has significant links with other directors through involvement with other companies or bodies
- has served on the trust board for more than six years from the date of their first appointment
- is an appointed representative of the trust's university medical or dental school.

During the year the Board of Directors met 11 times, including six 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. Stood down 31 December 2023. 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.	9/9
Dr Marisa Logan-Ward, Non-Executive Director / Deputy Chair / Interim Chair from 1 January 2024 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.	9/11
Anthony Bell, Non-Executive Director Appointed 1 May 2021 to 30 April 2024. Re-appointed 1 May 2024 to 30 April 2027. A senior qualified accountant with significant executive experience in the private and education sectors.	10/11
David Hopewell, Non-Executive Director / Chair of Audit Committee & Charity Committee Appointed 1 July 2018 to 30 June 2021. Re-appointed 1 July 2021 to 30 June 2024. Re-appointed 1 July 2024 to 30 June 2025. A Fellow of the Institute of Chartered Accountants and experienced accountant having worked at a senior level in the private, public and charity sectors.	10/11
Mary Moore, Non-Executive Director Appointed 1 October 2020 to 30 September 2023. Re-appointed 1 October 2023 to 30 September 2026. A career NHS nurse with experience of working at a senior level, both regionally and nationally.	9/11
Dr Louise Sell, Non-Executive Director / Senior Independent Director Appointed 1 October 2020 to 30 September 2023. Re-appointed 1 October 2023 to 30 September 2026. A consultant psychiatrist and a former executive medical director.	11/11
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.	8/11
Beatrice Fraenkel, Non-Executive Director	8/11

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.	
Meb Vadiya, Associate Non-Executive Director (non-voting) Appointed 4 January 2023 to 3 January 2026. Stood down 31 December 2023. A lawyer and experienced Executive and Non-Executive Director.	8/9
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.	11/11
Amanda Bromley, Director of People & Organisational Development Appointed November 2021. Joint position with Tameside & Glossop Integrated Care NHS Foundation Trust. A career NHS manager.	9/11
Nic Firth, Chief Nurse Appointed November 2020. Joint position with Tameside & Glossop Integrated Care NHS Foundation Trust. A career NHS nurse.	8/11
John Graham, Chief Finance Officer / Deputy Chief Executive Appointed May 2019. Joint position with Tameside & Glossop Integrated Care NHS Foundation Trust. A career NHS manager.	9/11
Dr Andrew Loughney, Medical Director Appointed January 2021. An obstetrician.	11/11
Jackie McShane, Director of Operations 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.	10/11
Jonathan O'Brien, Director of Strategy & Partnerships Appointed January 2022. Stood down 30 September 2023. Joint position with Tameside & Glossop Integrated Care NHS Foundation Trust. A career NHS manager.	4/6
Caroline Parnell, Director of Communications & Corporate Affairs (non-voting) Appointed November 2019. Stood down 7 April 2024. Former journalist, communications consultant, and NHS manager.	4/11

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, Poplar Grove, Stockport.

The Board of Directors remained relatively stable during 2023/24 with key changes set out below. The Board considers that the skills and experience of Non-Executive and Executive Directors provide a Board of Directors that is balanced and appropriate at present.

Executive Directors

Jonathan O'Brien stepped down from his joint role with T&G as Executive Director of Strategy and Partnership to take up the role of Chief Operating Officer at T&G.
Caroline Parnell, Director of Communications & Corporate Affairs, who was a non-voting member of the Board, left the organisation in April 2024.

Non-Executive Directors

Prof. Tony Warne, who had been appointed as Trust Chair in May 2021 stepped down from the role at the end of December 2023 to take up the position of Chair of Greater Manchester Mental Health NHS Foundation Trust.

As Deputy Chair, Dr Marisa Logan-Ward became the Interim Chair. At the time of writing this report the Council of Governors are determining arrangements for the appointment of a new Chair for the organisation.

To ensure the ongoing stability of the Board of Directors the Council of Governors decided to extend the term of offices of Dr Louise Sell, Mary Moore and Anthony Bell for a further three-year term. David Hopewell, who has already served six years with the Trust, had his term of office extended for a further 12 months.

Appraisals

All directors have annual appraisals, with those for Non-Executive Directors led by the Chair and those for Executive Directors led by the Chief Executive. Appraisal of the Chair 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 the appraisal of Non-Executive Directors 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 established by the Board of Directors.

Well Led Framework

During 2023/24, the Board continued its journey to improve some areas of its operations in line with the NHS England (NHSE) Well Led Framework. In March 2023, the Board of Directors reviewed its self-assessment and agreed ratings for each Key Line of Enquiry. In support of this, an internal audit 'Well Led Position Statement' was commissioned by Audit Committee. The overall objective of this review was to provide an overview of the effectiveness of the design and operation of the Trust Board, with a focus on compliance against good practice outlined in the Code of Governance for Provider Trusts. The outcome of the internal audit was 'substantial assurance'. Regarding opportunities for improvement, there will be a continued focus on reporting for the purpose of assurance and further developing triangulation between the Board Committees. Self-assessment against the well-led framework (aligned to the new CQC single assessment framework quality statements

under the well-led key question) will take place during 2024/25.

Board Committees

The Board of Directors has established the following statutory committees:

- Audit Committee
- Remuneration & Appointments Committee – more information about this committee can be found in the Remuneration Report.
- Charitable Funds Committee – more information about this committee can be found in the Trust's Charity annual report and 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 recent and relevant financial experience, appointed Chair of the committee by the Board, and at least three non-executive directors, including the Chair 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 its work the committee primarily uses the work of the internal and external audit and established assurance committees within the Trust's governance framework.

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

Membership	Attendance at Audit Committee Meetings
David Hopewell, Non-Executive Director / Chair of Audit Committee	6/6
Anthony Bell, Non-Executive Director / Chair of Finance & Performance Committee	5/6
Beatrice Fraenkel, Non-Executive Director / Chair of People Performance Committee	2/6
Mary Moore, Non-Executive Director / Chair of Quality Committee	4/6

Internal Audit

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 delivers a risk-assessed audit plan, 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 all internal audit reviews covering the following areas:

- Well Led Position Statement
- Financial Systems
- Outpatient Booking System
- Medical Staffing
- Staff Well Being
- ESR / Payroll
- Stock Management
- Digital – Medical Devices
- Data Security & Protection Toolkit
- Assurance Framework

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 2023/24 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 reflects 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 2023/24 the anti-fraud specialist focused on:

- Agency usage
- Conflicts of interest
- Cyber enabled fraud risks

- Recording of fraud losses

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 totaled £174,900 (excluding the extension period). All figures are inclusive of VAT.

It is the responsibility of the Audit Committee to make recommendations 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, the 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 totaled £142,000.

The Council of Governors is currently undertaking a procurement exercise to appoint an external auditor following the conclusion of the current contract (following the 2023/24 external audit).

The External Auditors regularly attended Audit Committee throughout 2023/24, providing an opportunity for the committee to assess their effectiveness. High level planning for the audit 2023/24 was provided to Audit Committee in February 2024, with the audit strategy memorandum presented in February 2024 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:

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

The committees each have Board approved terms of reference and workplans that support the Board in meeting their wide-ranging governance and regulatory responsibilities and oversight of the delivery of the Corporate Objectives. Where concerns are identified, the committees seek further assurance that issues are being managed and

escalate to the Board to ensure all members are aware of the issues and can review mitigating actions.

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 approve 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.

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.

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 able 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.

2023/24	NHS	Non-NHS
Total number of invoices paid within year	5,876	56,723
Total number of invoices paid within 60 days	5,631	53,177
Percentage of invoices paid within 60 days	95.83%	93.75%
Total value of invoices paid within year (£000)	16,467,789	239,455,912

Total value of invoices paid within 60 days (£000)	13,968,192	233,012,007
Percentage of invoices paid within 60 days	84.82%	97.31%
Total number of invoices paid within year	5,876	56,723
Total number of invoices paid within 30 days	4,973	31,264
Percentage of invoices paid within 30 days	84.63%	55.12%
Total value of invoices paid within year (£000)	16,467,789	239,455,912
Total value of invoices paid within 30 days (£000)	11,083,199	197,771,543
Percentage of invoices paid within 30 days	67.30%	82.59%
2022/23	**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%

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

26th June 2024

Remuneration Report

Annual statement on remuneration from the Interim 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

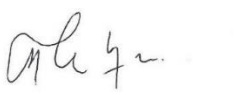
I am pleased to present the Remuneration Report for 2023/24. As Interim Chair of the Board of Directors, I am chair of the two committees charged with responsibility for nomination and remuneration. The Board of Directors has established a Remuneration & Appointments Committee, which is responsible for 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.

2023/24 Major Decisions on Remuneration
The Remuneration & Appointments Committee and the Nominations Committee aim to ensure that both executive and non-executive directors' remuneration is set appropriately, considering 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.

During 2023/24, the Remuneration & Appointments Committee made the following major decisions on remuneration:

- Considered national guidance on Very Senior Manager (VSM) pay for 2023/24 and approved the implementation of the annual salary increase of 5% for VSM staff currently employed at Stockport NHS Foundation Trust.
- Confirmed no earn back arrangements implemented.

A review of remuneration levels of the Chair and Non-Executive Directors took place in 2023/24 by the Nominations Committee, including consideration of the remuneration structure issued by NHS England. The Nominations Committee subsequently made a recommendation to the Council of Governors that there would be no change to the remuneration for existing Non-Executive Directors. The Nominations Committee also recommended to the Council of Governors that the remuneration for the Interim Chair was set at £44,100. Both matters were approved by the Council of Governors.



Dr Marisa Logan-Ward
Interim Chair

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.	Executive Director salary agreed on appointment. The committee considers: • relevant benchmarking information • guidance from NHS England • national inflationary uplifts recommended for other NHS staff 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. In considering the appointment of individuals to roles with a salary of more than £150,000 the committee's policy is to consider: • 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.			
Annual performance related				

Element	Link to strategy	Operation	Maximum	Changes to policy
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.	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. The remuneration of the Non-Executive Directors and Chair is reviewed annually taking into account national guidance and benchmarking information. The Non-Executive Directors do not receive any pension or taxable benefits. The award of supplementary payments are paid to the Deputy Chair, Chair of Audit Committee, and the Senior Independent Director.	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 elsewhere e.g. as a Non-Executive Director. 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 Integrated Care NHS Foundation Trust, review of remuneration levels takes place between the Remuneration Committees of the two organisations.

The Remuneration & Appointments Committee 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 their employment or term of office.

The expenses paid to Directors during the year were:

	2023/24	2022/23
Total number of Directors in office	17	20
Number of Directors receiving expenses	-	-
Aggregate sum of expenses paid to Directors	-	-

Remuneration & Appointments Committee

The Remunerations & Appointment Committee, whose membership includes all non-executive directors, met on five occasions during 2023/24 considering the following matters:

- Chief Executive & Executive Director performance
- Board Composition, Succession Planning & Talent Management
- Arrangements for the Director of Strategy & Partnerships and Director of Communications & Corporate Affairs
- Evaluation of joint Executive Director roles
- Very Senior Manager (VSM) pay for 2023/24

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

Members	Meeting attendance
Prof. Tony Warne, Chair	2 of 2
Dr Marisa Logan-Ward, Deputy Chair (Interim Chair from 1st January 2024)	5 of 5
Dr Samira Anane	2 of 5
Anthony Bell, Non-Executive Director	5 of 5
Beatrice Fraenkel, Non-Executive Director	5 of 5
David Hopewell, Non-Executive Director	4 of 5
Mary Moore, Non-Executive Director	4 of 5
Dr Louise Sell, Non-Executive Director	5 of 5
Dr Meb Vadiya, Associate Non-Executive Director	1 of 2

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 meetings are recorded by the Trust 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 2023/24 the Nominations Committee met on three occasions to consider the following matters:

- Chair and Non-Executive Director performance
- Non-Executive Director, including the Interim Chair, remuneration
- Board succession planning and the reappointment of four Non-Executive Directors

Membership of the committee and attendance during 2023/24 is detailed below:

Name	Position	Attendance
Prof. Tony Warne	Chair	2 of 2
Dr Marisa Logan-Ward	Interim Chair	1 of 1
Sue Alting	Lead governor	3 of 3
Richard King	Public governor	3 of 3
Michelle Slater	Public governor	1 of 3
Prof. Chris Summerton	Public governor	3 of 3
Sarah Thompson	Public governor	2 of 3

Governors provide their time on a voluntary basis; however, the Trust does reimburse travel expenses. There were no expenses claimed during 2023/24.

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 (subject to audit)

Name	Start Date of Office	Salary and allowances (bands of £5,000) 2023/2024	Salary and allowances (bands of £5,000) 2022/2023
		£000	£000
Prof. Tony Warne	01/05/2021	35-40	45-50
Dr M Logan Ward	01/08/2019 *Interim Chair from 01/01/2024	20-25	15-20
D Hopewell	01/07/2018	15-20	15-20
M Moore	01/10/2020	10-15	10-15
Dr L Sell	01/10/2020	15-20	15-20
A Bell	01/05/2021	10-15	10-15
Dr S Anane	01/09/2022	10-15	5-10
B Fraenkel	04/01/2023	10-15	0-5
Dr M Vadiya	04/01/2023	5-10	0-5
C Anderson	04/01/2016	0	10-15
C Barber-Brown	01/09/2016	0	0-5
J Newton	01/05/2021	0	0-5

Notes to Remuneration Table 1 (subject to audit)

1. T Warne and M Vadiya left the Trust on 31/12/2023.

Table 2 - Single Total Figure – Executive Directors (subject to audit)

Name	Start Date of Office	Salary and allowances (bands of £5,000) 2023/24	Salary and allowances (bands of £5,000) 2022/2023	All taxable benefits to nearest £100 2023/24	Performance pay and bonuses (bands of £5,000) 2023/24	Long term performance pay and bonuses (bands of £5,000) 2023/24	All Pension Related Benefits (bands of £2,500) 2023/2024 (Note 1)	Total (bands of £5,000) 2023/2024	All Pension Related Benefits (bands of £2,500) 2022/2023 (Note 1)	Total (bands of £5,000) 2022/2023
Executive Directors		£000	£000				£000	£000	£000	£000
K James OBE (Note 3)	09/11/2020	105-110	100-105				-	105-110	42.5-45	145-150
Chief Executive										
Jackie McShane	14/12/2020	130-135	125-130				-	130-135	22.5-25	150-155
Director of Operations										
J Graham (Note 4)	20/05/2019	85-90	100-105				2.5-5	90-95	55-57.5	155-160
Chief Finance Officer, Deputy Chief Executive										
N J Firth (Note 5)	02/11/2020	80-85	120-125				-	80-85	37.5-40	160-165
Chief Nurse										
A D Loughney (Note 6)	01/01/2021	200-205	190-195				-	200-205		190-195
Medical Director										
J O'Brien (Note 7)	04/01/2022	30-35	60-65				-	30-35	45-47.5	105-110
Director of Strategy and Partnerships,										
A Bromley (Note 8)	01/11/2021	65-70	60-65				-	65-70	55-57.5	120-125
Director of People & Organisational Development,										
C Parnell (Note 9)	01/11/2019	190-195	110-115				-	190-195	47.5-50	160-165
Director of Communications & Corporate Affairs										

Notes to Remuneration Table 2 (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. The pension benefits values do not represent an amount that will be received by the individual. It is a calculation that is intended to convey to the reader of the accounts an estimation of the benefit that being a member of the pension scheme could provide.
2.	All members of the Executive Team covered by pension arrangements in 2023/24 are affected by the Public Service Pensions Remedy and their membership between 1 April 2015 and 31 March 2022 was moved back into the 1995/2008 Scheme on 1 October 2023. Negative values are not disclosed in this table but are substituted for a zero.
3.	The above table reflects the Trusts 50% share of remuneration as Chief Executive, reflecting the dual role with Tameside and Glossop Integrated Care NHS Foundation Trust. Total remuneration in 2023/24 across both Trusts was £210,000-£215,000 (2022/23 £200,000-£205,000). Total remuneration and pension related benefits across both Trusts was £210,000-£215,000 (2022/23 £245,000 -£250,000).
4.	From 1/7/2022 the Chief Finance Officer 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 2023/24 across both Trusts was £170,000-£175,000 (2022/23 £160,000-£165,000) . Total remuneration and pension related benefits in 2023/24 across both Trusts was £175,000- £180,000 (2022/23 £215,000-£220,000).
5.	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 2023/24 across both Trusts was £160,000-£165,000 (2022/23 £145,000-£150,000) . Total remuneration and pension related benefits in 2023/24 across both Trusts was £160,000- £165,000 (2022/23 £185,000-£190,000).
6.	Mr A. Loughney chose not to be covered by the pension arrangements during the reporting year.
7.	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. Mr O'Brien left the Trust on 30/9/2023. Total remuneration in 2023/24 in the role of Director of Strategy and Partnerships across both Trusts was £60,000-£65,000 (2022-23 £120,000-£125,000). Total remuneration and pension related benefits in 2023/24 across both Trusts was £60,000- £65,000 (2022-23 £165,000-£170,000).
8.	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 2023/24 across both Trusts was £130,000-£135,000 (2022-23 £125,000-£130,000). Total remuneration and pension related benefits were £130,000-£135,000 (2022-23 £180,000-£185,000). Ms Bromley opted out of the pension scheme from

	1/2/2023 to 30/6/2023.
9.	In March 2024, it was agreed that the Director of Communications & Corporate Affairs would take redundancy from 7/4/24. The Trust accounted for the redundancy costs in accordance with Section 16 of the NHS Terms and Conditions of Service Handbook (£27k) and provided payment in lieu of notice for 5 months' pay (£49k) within the 2023/24 financial statements. The figures in the above table reflect these costs paid in April 2024 along with the salary for 2023/24 (£115,000-£120,000).

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 2024 (bands of £5,000)	Cash Equivalent Transfer value at the 1 April 2023	Real Increase in Cash Equivalent Transfer Value during the reporting year	Cash Equivalent Transfer Value at the 31st March 2024
Executive Directors		**£000**	**£000**	**£000**	**£000**	£000	£000	£000
K James OBE	09/11/2020	**0**	**0**	**105-110**	**300-305**	60	46	**140**
Chief Executive								
J.McShane	14/12/2020	**0**	**0**	**25-30**	**0**	373	28	**454**
Chief Finance Officer, Deputy Chief Executive								
J Graham	20/05/2019	**0-2.5**	**0**	**35-40**	**90-95**	46	35	**107**
Director of Finance, Deputy Chief Executive								
C Parnell	01/11/2019	**0**	**5-7.5**	**35-40**	**100-105**	796	62	**954**
Director of Communications & Corporate Affairs								
N Firth	02/11/2020	**0**	**30-32.5**	**65-70**	**185-190**	1,232	167	**1,545**
Chief Nurse								
J O'Brien	04/01/2022	**0**	**12.5-15**	**30-35**	**80-85**	409	68	**605**
Director of Strategy and Partnerships,								
A Bromley	01/11/2021	**0**	**30-32.5**	**45-50**	**135-140**	832	159	**1,088**
Director of People & Organisational Development,								

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 2023/24 was £200-205k (2022/23, £190-195k).

Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind, but not severance payments. The total remuneration for 2023/24 does not include the non-consolidated pay award for 2022/23 which was paid in June 2023 and was included within the 2022/23 calculations. 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 2023-24 was from £20-25k to £230k-235k (2022-23 £20-25k to £220-225k). The percentage change in average employee remuneration (based on the total for all Trust based employees on an annualised basis divided by full time equivalent number of employees) between years is 2.9% (2022/23 8.5%). The percentage change in remuneration for the highest paid director is 5.2% (2022/23 -2.7%). 3 employees received remuneration in excess of the highest paid director in 2023-24 (2022/23 6 employees).

The ratios of total remuneration and salary component of remuneration to the highest paid director have reduced in 2023/24 from the levels in the previous financial year. The pay ratio changes are driven by national pay award increases which impact different staff groups to

varying degrees. For example, the 2023/24 pay award for Agenda for Change (AfC) staff was 5%, except for the lowest paid staff where their increase was 7.8%. For medical staff salaries increased by between 3% and 9% with the 2023 pay award, with the majority receiving a minimum of 6% plus additional non-consolidated payments for doctors in training. Consultants also received a further national payscale reform uplift of 3.45% of additional investment plus 1.5% from the redeployment of the new local clinical excellence awards, plus a further 2.85% uplift for some. This is on top of the 6% award that was already applied in 2023/24 and took effect from March 2024.

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.

Pay Ratios 2023/24	25th percentile	Median	75th percentile
Total Remuneration	£31,261	£43,478	£61,340
Salary Component of total remuneration	£28,152	£41,341	£58,259
Mid Point of Banded Remuneration of highest paid director	£202,500	£202,500	£202,500
Total Remuneration: pay ratio for highest paid director	6.5:1	4.7:1	3.3:1
Salary Component of total remuneration: pay ratio for highest paid director	7.2:1	4.9:1	3.5:1

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

We paid four director posts more than 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

26th June 2024

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					2023-24		2022/23
	Permanent		Other		Total		Total
	£000		£000		£000		£000
Salaries and wages	223,344		1,773		**225,117**		224,601
Social security costs	23,633		-		**23,633**		21,093
Apprenticeship levy	1,201		-		**1,201**		1,092
Employer's contributions to NHS pension scheme	38,753		-		**38,753**		35,994
Pension cost - other	87		-		**87**		129
Temporary staff	-		51,757		**51,757**		49,663
Total staff costs	**287,018**		**53,530**		**340,548**		**332,572**

Average WTE

Average number of employees (WTE basis)					2023/24		2022/23
	Permanent		Other		Total		Total
	Number		Number		Number		Number
Medical and dental	587		89		**676**		644
Administration and estates	1,382		67		**1,449**		1,448
Healthcare assistants and other support staff	1,099		243		**1,342**		1,298
Nursing, midwifery and health visiting staff	1,659		260		**1,919**		1,847
Scientific, therapeutic and technical staff*	581		32		**613**		508
Healthcare science staff	71		-		**71**		159
Total average numbers	**5,379**		**691**		**6,070**		**5,904**

*Recategorisation of staff grouping of MTO staff from Healthcare science staff to Scientific, Therapeutics and Technical Staff

Our workforce of 5379 average whole time equivalent staff relates to a headcount of 6301 staff as at 31st March 2024, 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	5	10	15
Other Senior Managers	13	32	45
Other Employees	1438	4803	6241
Total	**1456**	**4845**	**6301**

Sickness absence
The annual sickness figure from April 2023 to March 2024 is 5.84%, which has seen a reduction of 0.45% compared to the previous year. Medical & Dental staff had the lowest sickness rate (2.22%) whilst the staff group with the highest sickness rate was Additional Clinical Services (8.03%)

Turnover
Our turnover data for 2023-24 is published by NHS Digital:
https://digital.nhs.uk/data-and-information/publications/statistical/nhs-workforce-statistics/march-2024

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 2023 to March 2024 the following policies have been considered and supported through our Policy Review Group:
- Policy on Claiming Expenses
- Performance Improvement Policy
- Term Time Working Policy
- Freedom to Speak Up Policy
- Bullying and Harassment Policy
- Grievance Policy
- Volunteer Policy

The following Medical Staff Policies have also been approved:
- Appraisals & Revalidation Policy for Consultants and Non Training Doctors
- Medical & Dental Annual Leave
- Remediation Policy for Medical & Dental Staff

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 sits at the very heart of safe and quality focused patient care. Employee engagement 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. 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 the Trust's Big Conversation Programme (formerly called the Values into Action Programme). This involves teams from across the organisation sharing their views and experiences with an Executive Director. 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 the Big Conversation 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 experience and engagement and we implement actions to amplify good practice and/or address area of concern. The outputs from the Big Conversation Programme are reported to the Executive 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 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 continue to promote and 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 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 the People Performance Committee and Board of Directors on a regular basis. The Guardian has direct access to a designated Non-Executive Director lead, in line with the national guidance, and direct access to both the Chair and the Chief Executive.

As a Foundation Trust, employees 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 individuals use 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.

In 2022 we introduced an Organisational Development (OD) Plan that focused on four priority areas aimed at improving our organisation's culture and performance:

- Priority 1: Leadership and working relationships
- Priority 2: Talent management
- Priority 3: Innovation
- Priority 4: OD consultancy

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.

Staff Survey

The NHS national staff survey provides an opportunity for 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. Obtaining feedback from staff and taking account of their views and priorities is vital for driving real service improvements in the NHS.

The questionnaire used is developed by the NHS Staff Survey Coordination Centre together with the NHS Advisory Board. NHS England have comprehensive guidelines on which staff are be included in the survey.

The 2023 NHS national staff survey was open from 26 September to 24 November 2023. We achieved a 43.5% overall response rate, with 2,642 employees completing the survey. This is an increase of 1.1% on responses received in the 2022 survey (42.4%). The median response rate in the 2023 survey for our benchmarking group was 45%.

For the third consecutive year, the survey questions were linked to the elements and themes within the NHS People Promise:

- We are compassionate and inclusive
- We are recognised and rewarded
- We each have a voice that counts
- We are safe and healthy
- We are always learning
- We work flexibly
- We are a team

A direct comparison to the 2021 and 2022 survey results can now be achieved. Each element and sub-theme of the People Promise is scored out of a possible 10. The table below shows our Trust's People Promise element/theme scores since 2021 and scores compared to our benchmarking group for the same period.

People Promise Elements	Trust			Benchmarking Group		
	2021	2022	2023	2021	2022	2023
We are compassionate and inclusive	7.29	7.22	7.41	7.20	7.18	7.24
We are recognised and rewarded	5.83	5.78	6.08	5.82	5.73	5.94
We each have a voice that counts	6.71	6.66	6.81	6.67	6.65	6.70
We are safe and healthy	5.88	5.83	6.15	5.90	5.89	6.06
We are always learning	5.27	5.39	5.72	5.23	5.35	5.61
We work flexibly	5.86	6.08	6.33	5.96	6.01	6.20
We are a team	6.68	6.71	6.93	6.58	6.64	6.75
Themes						
Staff Engagement	6.79	6.74	6.94	6.84	6.80	6.91
Morale	5.66	5.66	5.96	5.74	5.69	5.91

Our 2023 survey results show that there has been a significant improvement in all of the People Promise themes. Our 2023 staff engagement score has increased to 6.94 from 6.74 last year and our 2023 staff morale score has increased to 5.96 compared to 5.66 last year. Our 2023 staff survey results show there were 67 questions (64%) where the scores showed significant improvement from the previous year, compared to 3 in the previous year. There were no questions where the scores have significantly declined since the previous survey, compared to 9 in the previous year. 36 questions have shown no significant movements since 2022 or the score is suppressed.

The table below shows the questions where the Trust's 2023 scores have significantly improved since last year.

Question	2022	2023	Difference
3i There are enough staff at this organisation for me to do my job properly.	22.5%	30.6%	+8.1%
25c I would recommend my organisation as a place to work.	53.6%	60.8%	+7.2%
23c It helped me agree clear objectives for my work (Yes, definitely).	32.4%	38.9%	+6.4%
25d If a friend or relative needed treatment I would be happy with the standard of care provided by this organisation.	57.0%	63.3%	+6.3%
9i My immediate manager takes effective action to help me with any problems I face.	64.3%	70.5%	+6.1%
6b My organisation is committed to helping me balance my work and home life.	44.5%	50.6%	+6.1%
14a In the last 12 months how many times have you personally experienced harassment, bullying or abuse at work from patients / service users, their relatives or other members of the public.	72.2%	78.2%	+6.0%
11a My organisation takes positive action on health and well-being.	54.2%	60.1%	+5.9%
24d I feel supported to develop my potential.	51.4%	57.2%	+5.9%
4c My level of pay.	25.4%	31.2%	+5.8%
11c During the last 12 months have you felt unwell as a result of work-related stress.	54.0%	59.8%	+5.8%
26a I often think about leaving this organisation (Strongly disagree/Disagree).	41.0%	46.8%	+5.8%
10c On average, how many additional UNPAID hours do you work per week for this organisation, over and above your contracted	41.5%	47.2%	+5.8%

hours.			
23d It left me feeling that my work is valued by my organisation (Yes, definitely).	30.0%	35.6%	+5.5%
14c In the last 12 months how many times have you personally experienced harassment, bullying or abuse at work from other colleagues.	81.6%	87.1%	+5.4%
9f My immediate manager works together with me to come to an understanding of problems.	66.5%	71.8%	+5.2%
4a The recognition I get for good work.	49.9%	54.8%	+4.8%
9b My immediate manager gives me clear feedback on my work.	63.9%	68.7%	+4.8%
25f If I spoke up about something that concerned me I am confident my organisation would address my concern.	47.5%	52.3%	+4.8%
23b It helped me to improve how I do my job (Yes, definitely).	22.3%	26.9%	+4.6%
4b The extent to which my organisation values my work.	40.2%	44.8%	+4.6%
6c I achieve a good balance between my work life and my home life.	54.0%	58.5%	+4.6%
9c My immediate manager asks for my opinion before making decisions that affect my work.	56.9%	61.4%	+4.5%
9a My immediate manager encourages me at work.	70.8%	75.2%	+4.5%
12d How often, if at all, are you exhausted at the thought of another day/shift at work.	35.3%	39.7%	+4.4%
24e I am able to access the right learning and development opportunities when I need to.	56.3%	60.7%	+4.4%
9h My immediate manager cares about my concerns.	68.5%	72.9%	+4.3%
2a I look forward to going to work.	49.9%	54.2%	+4.3%
3d I am able to make suggestions to improve the work of my team / department.	70.8%	75.0%	+4.2%
5a I have unrealistic time pressures.	20.9%	25.1%	+4.2%
5c Relationships at work are strained.	46.4%	50.5%	+4.1%
7b The team I work in often meets to discuss the team's effectiveness.	60.8%	64.8%	+4.0%
10b On average, how many additional PAID hours do you work per week for this organisation, over and above your contracted hours.	61.9%	65.9%	+4.0%
12b How often, if at all, do you feel burnt out because of your work.	27.9%	31.9%	+4.0%
3f I am able to make improvements happen in my area of work.	54.6%	58.6%	+4.0%
9d My immediate manager takes a positive interest in my health and well-being.	67.9%	71.8%	+3.9%
12f How often, if at all, do you feel that every working hour is tiring for you.	48.7%	52.6%	+3.9%
26b I will probably look for a job at a new organisation in the next 12 months (Strongly disagree/Disagree).	51.6%	55.4%	+3.8%
14b In the last 12 months how many times have you personally experienced harassment, bullying or abuse at work from manager.	87.7%	91.4%	+3.7%
12a How often, if at all, do you find your work emotionally exhausting.	21.5%	25.1%	+3.6%
3e I am involved in deciding on changes introduced that affect my work area / team / department.	49.9%	53.4%	+3.5%
9g My immediate manager is interested in listening to me when I describe challenges I face.	70.2%	73.7%	+3.5%

8a Teams within this organisation work well together to achieve their objectives.	53.2%	56.7%	+3.5%
25e I feel safe to speak up about anything that concerns me in this organisation.	60.4%	63.8%	+3.5%
11e Have you felt pressure from your manager to come to work.	77.0%	80.5%	+3.4%
7f My team has enough freedom in how to do its work.	56.9%	60.3%	+3.4%
24b There are opportunities for me to develop my career in this organisation.	49.8%	53.2%	+3.4%
3h I have adequate materials, supplies and equipment to do my work.	49.0%	52.3%	+3.4%
9e My immediate manager values my work.	72.0%	75.3%	+3.3%
12c How often, if at all, does your work frustrate you.	18.9%	22.2%	+3.3%
4d The opportunities for flexible working patterns.	53.6%	56.9%	+3.2%
19a My organisation treats staff who are involved in an error, near miss or incident fairly.	57.4%	60.5%	+3.2%
24c I have opportunities to improve my knowledge and skills.	66.6%	69.8%	+3.2%
3g I am able to meet all the conflicting demands on my time at work.	43.0%	46.0%	+3.0%
7g In my team disagreements are dealt with constructively.	57.4%	60.4%	+3.0%
12e How often, if at all, do you feel worn out at the end of your working day/shift.	17.1%	20.0%	+3.0%
2b I am enthusiastic about my job.	66.7%	69.6%	+2.9%
7h I feel valued by my team.	71.4%	74.2%	+2.8%
20a I would feel secure raising concerns about unsafe clinical practice.	70.8%	73.6%	+2.8%
25a Care of patients / service users is my organisation's top priority.	70.4%	73.1%	+2.7%
7c I receive the respect I deserve from my colleagues at work.	72.9%	75.6%	+2.7%
11b In the last 12 months have you experienced musculoskeletal problems (MSK) as a result of work activities.	70.1%	72.8%	+2.7%
19c When errors, near misses or incidents are reported, my organisation takes action to ensure that they do not happen again.	67.6%	70.2%	+2.6%
20b I am confident that my organisation would address my concern.	56.2%	58.7%	+2.6%
8b The people I work with are understanding and kind to one another.	74.4%	76.9%	+2.5%
3c There are frequent opportunities for me to show initiative in my role.	72.1%	74.6%	+2.5%
16b In the last 12 months have you personally experienced discrimination at work from a manager / team leader or other colleagues.	91.8%	93.6%	+1.8%

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

The Trust's 2023 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
We have continued to support individuals across the organisation to participate in leadership development activities and/or complete accredited leadership qualifications plus access individual coaching and mentoring support. Some senior individuals within the organisation have been supported to participate in the NHS Aspiring Executive Directors and Chief Executive Development Programmes.

Over the last year we have introduced two new courses which are aimed at strengthening leadership approaches:

- 1 day Introduction to Compassionate and Inclusive Leadership
- 1 day coaching skills training

The new training has been very well attended and feedback from attendees has been positive.

The Talent Leadership and OD Consultancy Team continue to design and deliver development sessions for divisional leadership teams and departmental management teams. This has included delivering Lumina Spark sessions which explore team dynamics and relationships. The leadership development support has been very positively received. As part of the Trust's Organisational Development Plan, we will continue to enhance the leadership development offer to meet training needs.

Mandatory and Role Specific Training
Mandatory training compliance for the financial year 2023/24 has been on an improving trajectory, with an average compliance of 94.80%. We continue to work with divisions to support them in improving their compliance, including targeted compliance reports, development of trajectories, rostering support, bespoke sessions, and regular emails to colleagues who have training outstanding or are approaching their training expiration date.

Role specific training has remained above target since the start of 2024 and there is ongoing work to ensure this is sustained. Blended learning approaches are being employed, including the use of our ePortfolio system to support colleagues with their training requirements and clinical competencies.

<u>Clinical Training</u>
We deliver a clinical induction programme for registered and non-registered colleagues. Almost 300 colleagues have attended the clinical induction programme, with circa 180 colleagues attending the Healthcare Support Worker induction programme. Colleagues are also supported by our practice-based educators who provide additional support and awareness sessions throughout the year.

Over 450 colleagues have successfully completed the Greater Manchester Acute Illness Recognition and Management Course, with an additional 30 staff attending the Greater Manchester Paediatric Acute Illness and Management Course facilitated.

Furthermore, almost 600 standalone 'Clinical Skills' training sessions were accessed.

Apprenticeships
During 2023/24 there were 79 apprenticeship starters, with a further 173 live apprentices on 36 distinct apprenticeship programmes ranging from Level 2 to Level 7. We also successfully bid for 3 Advanced Clinical Practitioner apprenticeship places which will commence in September 2024.

Our registered Allied Health Professional (AHP) apprenticeship programme has been a success, and 8 candidates remain on programme and are progressing well. These include Physiotherapy, Occupational Therapy, and Dietetics. After extensive searches we have managed to procure a specific Healthcare Support Worker Apprenticeship pathway for Band 2 and Band 3 Healthcare Assistants (HCAs), which also supports individuals in gaining their Functional Skills Level 2 - a prerequisite of advanced apprenticeships programmes.

We continue to support the Trainee Nursing Associate (TNA) and Registered Nurse Degree Apprenticeship (RNDA) programmes as part of our continued commitment to developing and growing our workforce. Currently on programme we have 16 RNDAs who are due to complete in either 2024 (6 learners) or 2025 (10 learners) and 7 TNAs due to complete in early 2025.

In celebration of National Apprenticeship Week 2024 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. All entry level roles are now considered for apprenticeship opportunities at the weekly Staffing Advisory Group (SAG) to improve our use of the levy and support our local communities into gainful employment.

We continue to support local partners via the use of apprenticeship levy transfers to support health and social care providers such as various care homes, charities, local GP practices, 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
Our work experience programme continues to offer 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. In January 2024, we were able to extend our 16+ clinical offer to include non-clinical placements from 14+, with over 200 placements.

The collaborative working within our locality has strengthened relationships with partners including Stockport College (Trafford College Group), Stockport Metropolitan Borough Council and One Stockport and the Leaving Care Team. Our range of Pre-Employment Programmes for Stockport residents has seen successful outcomes, with 18 students gaining employment during the year.

Pre-Registration Programme
Our Multi-Professional Cadet Programme has been significantly expanded and now includes local young people from Stockport and Cheadle College Group, Manchester College, Macclesfield College and UCEN Manchester. There are currently 82 cadets on programme and numbers are expected to increase to 120 in September. 2 of the 7 cadets from the first cohort are seeking employment within the Trust, the remaining 5 have accepted places on Degree Programmes in Greater Manchester for Nursing, Midwifery and Paramedic Practice

Our Preceptorship Programme, which supports newly qualified staff in their transition from learner to newly registered professional in their first year is undergoing an annual review and is aligned to the National Preceptorship Framework and our application for National Quality Mark for this programme has been submitted. An NHS England initiative aimed at reducing attrition from Nurses in years 1 to 3 post qualification enabled the recruitment of a Legacy Mentor. This role is a 10-month post, and the effectiveness is currently being evaluated.

We are seeing a steady increase in the numbers of pre-registration students allocated to Stockport; despite applications remaining around 10-20% lower than last year across the Greater Manchester universities. Work is also underway to attract universities from across the North West to offer placements for students, alongside deeper collaborations with local universities to enable students to stay at Stockport for the duration of the 3-year programme.

Social Care placements are now being opened for learners across the Greater Manchester Integrated Care System. There are several care homes and charities keen to support learners and we expect students to be out on placement in May 2024.

We continue to support NHS England Targeted Placement Expansion Projects, engaging a variety of Acute, Community, Social and Primary Care placements to support learners from multi-disciplinary backgrounds to learn together and offer suggestions for improvements within 2 local PCNs (main emphasis on Frailty and Admission Avoidance).

Health & Well Being
It is our ongoing commitment to expand our health and wellbeing initiatives for colleagues, taking a collaborative approach with TGICFT, and colleagues across Greater Manchester to enable us to continue to successfully support colleagues with their mental, emotional and physical needs. We have developed and approved our Health and Wellbeing Plan which builds on the initiatives in place and supports the delivery of the National People Promise requirements.

We have an extensive health and wellbeing events calendar to promote national initiatives and local campaigns throughout the year and we respond to themes and trends that impact our colleagues including a yearly Environmental Audit to review how the workplace environment impacts on the wellbeing of colleagues. A yearly review of MSK sickness levels with annual back care campaigns to increase awareness and promote health and the introduction of a dedicated staff MSK clinic.

We are proud to have recently introduced a menopause clinic with a dedicated consultant to support colleagues experiencing the menopause. This is one of the first of its kind for the country providing help and advice to anyone perimenopausal, alongside other supportive

measures including a menopause café. A specialist staff Facebook group has also been introduced which has proven popular, with over 200 members and rising.

We use a wide variety of colleague communication platforms including social media to raise health and wellbeing initiatives and provide information with links to valuable resources. Our Wellbeing Lead has an extensive calendar of visits to all areas to raise awareness and listen to staff wellbeing needs. This is further supported by the development of a dedicated wellbeing platform to encourage managers to have wellbeing conversations, and an annual Health and Wellbeing Event with internal and external exhibitors showcases what is available to colleagues in support of their wellbeing.

We are working closely with our partners in the North West to implement the train the trainer on “How to have safe and effective wellbeing conversations” to ensure person-centred approaches are employed. This is a holistic approach and therefore 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. Revised policies to support this rollout of these conversations will be implemented this year.

The Staff Psychological and Wellbeing Service continues to support our colleagues and teams across our Trust.

Facility Time Trust Data for 2023/24
The tables below set out the relevant information for Stockport NHS Foundation Trust for the period 1 April 2023 to 31 March 2024.

Table 1 - Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
37 (35)	33.53 (30.04) wte

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%	36
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	£232,698
Total pay bill	£340,271,000.
Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.07%

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	21.21% (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 2023/24 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.	4	
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.	214	(a)
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 development of training and education strategies.	58	
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 ensure expected benefits of a project are realised.		

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.	248	(b)
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.	76	(c)
Procurement: The provision of objective procurement advice including advice in establishing procurement strategies.		
Total Cost 2023/24	**600**	

(a) Includes costs for development of an electronic patient record business case and other information systems
(b) Includes costs for electrical survey of the Stepping Hill site
(c) VAT advisors for general advice and projects

As a cost comparator 2022/23 = £544k.

Off payroll engagements

	2023/24	2022/23
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 2023/24.

The following tables, which have been subject to audit, show the exit packages for 2023/24 compared to 2022/23.

Exit package cost band (including any special payment element)	Number of compulsory redundancies 2023/24	Number of other departures agreed 2023/24	Total number of exit packages 2023/24
<£10,000	-	1	1
£10,001 - £25,000	-	-	-
£25,001 - £50,000	-	-	-
£50,001 - £100,000	1	-	1
£100,001 - £150,000	-	-	-
£150,001 - £200,000	-	-	-
>£200,000	-	-	-
Total number of exit packages by type	**1**	**1**	**2**
Total resource cost	**£83,000**	**£6,000**	**£89,000**

Comparator 2022/23

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**

Exit Packages – Non-Compulsory Departures

Exit Packages: Other (non-compulsory) departure payments				
	2023/24		2022/23	
	Payments agreed	Total value of agreements	Payments agreed	Total value of agreements
	Number	£000	Number	£000
Contractual payments in lieu of notice	-	-	-	-
Non-contractual payments requiring HMT approval	1	6	1	3
Total	**1**	**6**	**1**	**3**

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 2022-2025. Our key developments and progress over the past year have included:

- Developed and delivered guidance on supporting disabled people and those with long-term conditions in the workplace for managers and colleagues.
- Developed and implemented a Carers Passport to enable a carer and their manager to discuss and document the flexibilities needed to combine caring and work.
- Developed and delivered learning interventions including workplace adjustment training, equality impact assessment guidance training and implicit association and bias training.
- Developed and launched two new Staff Networks – Carers Network and Neurodiversity Network, whilst continuing to strengthen and grow existing network groups.
- Developed our approach to working to the standards of the North-West Anti-Racist Framework by establishing a baseline and focusing on areas of improvement.
- Our Recruitment Team has developed an inclusive recruitment improvement action plan, to address the potential barriers and inequalities within our recruitment processes.
- Created learning opportunities with the Chaplaincy Team to increase awareness and understanding of religious practices and observations.
- Participated 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.
- Held an Iftar celebration for employees and their families in Stepping Hill Hospital's restaurant to celebrate 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, victimisation 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
- Ethnicity Pay Gap Report (which we have undertaken for the first time)

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 established by the People Performance Committee
- Updates to NHS England

Future Priorities

We will continue to deliver our People Plan, Workforce Equality, Diversity and Inclusion Strategy and Organisational Development Plan that addresses the areas our staff have identified as requiring improvement. Based on the findings of the 2023 NHS national staff survey, and broader staff engagement, our key priorities over the next 12 months include:

We are compassionate and inclusive
- Refresh the Trust's values and behaviours. - Accelerating our workforce EDI programme so we achieve our EDI ambitions. - 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. - Continue delivering our Civility Saves Lives training programme to the whole organisation. - We will submit to the NW BAME assembly Anti-Racist Framework.
We are recognised and rewarded
- We will hold our annual MADE staff awards ceremony.
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 are safe and healthy
- We will continue to enhance our employee health and wellbeing offer including physical health activities, additional Schwartz Rounds, and much more.
We are always learning
- We will launch the new 'Let's Talk' toolkit which includes conversation tools covering 121s, appraisals and 6-month reviews plus continue to provide coaching skills training for managers so they can facilitate meaningful two-way conversations. - We will co-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
- 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
- We will continue to provide OD consultancy support to enhance team working and nurture relationships. - We will launch a team building toolkit.
Staff engagement
- 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
- 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 2023 NHS staff survey evidences the hard work, commitment and investment 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.

Code of Governance for NHS Provider Trusts disclosures

A new Code of Governance for NHS provider trusts (the Code) was published in October 2022 and has been applicable since 1st 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, and these are detailed in the following table:

Code Section	Summary of Requirement
A 2.1	The board of directors should assess the basis on which the trust ensures its effectiveness, efficiency and economy, as well as the quality of its healthcare delivery over the long term, and contribution to the objectives of the ICP and ICB, and place-based partnerships. The board of directors should ensure the trust actively addresses opportunities to work with other providers to tackle shared challenges through entering into partnership arrangements such as provider collaboratives. The trust should describe in its annual report how opportunities and risks to future sustainability have been considered and addressed, and how its governance is contributing to the delivery of its strategy. **Comply – See Performance Report**
A 2.3	The board of directors should assess and monitor culture. Where it is not satisfied that policy, practices or behaviour throughout the business are aligned with the trust's vision, values and strategy, it should seek assurance that management has taken corrective action. The annual report should explain the board's activities and any action taken, and the trust's approach to investing in, rewarding and promoting the wellbeing of its workforce. **Comply – See Staff Report**
A 2.8	The board of directors should describe in the annual report how the interests of stakeholders, including system and place-based partners, have been considered in their discussions and decision-making, and set out the key partnerships for collaboration with other providers into which the trust has entered. The board of directors should keep engagement mechanisms under review so that they remain effective. The board should set out how the organisation's governance processes oversee its collaboration with other organisations and any associated risk management arrangements. **Comply – See Performance Report**
B 2.6	The board of directors should identify in the annual report each non-executive director it considers to be independent. **Comply – See Directors Report**
B 2.13	The annual report should give the number of times the board and its committees met, and individual director attendance. **Comply – See Directors Report & Remuneration Report**
B 2.17	For foundation trusts, this schedule should include a clear statement detailing the roles and responsibilities of the council of governors. This statement should also 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 the council of governors operate, including a summary of the types of decisions to be taken by the board, the council of governors, board committees and the types of decisions which are delegated to the executive management of the board of directors. **Comply – See Directors' Report & Accountability Report (Council of Governors & Membership)**

C 2.5	Open advertising and advice from NHS England's Non-Executive Talent and Appointments team is available for use by nominations committees to support the council of governors in the appointment of the chair and non-executive directors. If an external consultancy is engaged, it should be identified in the annual report alongside a statement about any other connection it has with the trust or individual directors. **Comply – No new Non-Executive Director recruitment during 2023/24, therefore no external consultancy engaged.**
C 2.8	The annual report should describe the process followed by the council of governors to appoint the chair and non-executive directors. The main role and responsibilities of the nominations committee should be set out in publicly available written terms of reference. **No new Non-Executive Director recruitment during 2023/24.** **Comply – Nominations Committee Terms of Reference available via Company Secretary**
C 4.2	The board of directors should include in the annual report a description of each director's skills, expertise and experience. **Comply – See Directors Report**
C 4.7	All trusts are strongly encouraged to carry out externally facilitated developmental reviews of their leadership and governance using the Well-led framework every three to five years, according to their circumstances. The external reviewer should be identified in the annual report and a statement made about any connection it has with the trust or individual directors. **N/A – Externally facilitated developmental review not completed in 2023/24.**
C 4.13	The annual report should describe the work of the nominations committee(s), including: • the process used in relation to appointments, its approach to succession planning and how both support the development of a diverse pipeline • how the board has been evaluated, the nature and extent of an external evaluator's contact with the board of directors and individual directors, the outcomes and actions taken, and how these have or will influence board composition • the policy on diversity and inclusion including in relation to disability, its objectives and linkage to trust vision, how it has been implemented and progress on achieving the objectives • the ethnic diversity of the board and senior managers, with reference to indicator nine of the NHS Workforce Race Equality Standard and how far the board reflects the ethnic diversity of the trust's workforce and communities served • the gender balance of senior management and their direct reports. **Comply – See Directors Report, Remuneration Report & Staff Report**
C 5.15	Foundation trust 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. **Comply – See Accountability Report (Council of Governors & Membership)**
D 2.4	The annual report should include: • the significant issues relating to the financial statements that the audit committee considered, and how these issues were addressed • an explanation of how the audit committee (and/or auditor panel for an NHS trust) has assessed the independence and effectiveness of the external audit process and its approach to the appointment or reappointment of the external auditor; length of tenure of the current audit firm, when a tender was last conducted and advance notice of any retendering plans • where there is no internal audit function, an explanation for the absence, how internal assurance is

	achieved and how this affects the external audit • an explanation of how auditor independence and objectivity are safeguarded if the external auditor provides non-audit services. **Comply – See Directors' Report**
D 2.6	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, is fair, balanced and understandable, and provides the information necessary for stakeholders to assess the trust's performance, business model and strategy. **Comply – See Directors' Report**
D 2.7	The board of directors should carry out a robust assessment of the trust's emerging and principal risks. The relevant reporting manuals will prescribe associated disclosure requirements for the annual report. **Comply – See Performance Report & Annual Governance Statement**
D 2.8	The board of directors should monitor the trust's risk management and internal control systems and, at least annually, review their effectiveness and report on that review in the annual report. The monitoring and review should cover all material controls, including financial, operational and compliance controls. The board should report on internal control through the annual governance statement in the annual report. **Comply – See Annual Governance Statement**
D 2.9	In the annual accounts, the board of directors should state whether it considered it appropriate to adopt the going concern basis of accounting when preparing them and identify any material uncertainties regarding going concern. Trusts should refer to the DHSC group accounting manual and NHS foundation trust annual reporting manual which explain that this assessment should be based on whether a trust anticipates it will continue to provide its services in the public sector. As a result, material uncertainties over going concern are expected to be rare. **Comply – See Performance Report**
E 2.3	Where a trust releases an executive director, e.g. to serve as a non-executive director elsewhere, the remuneration disclosures in the annual report should include a statement as to whether or not the director will retain such earnings. **Comply – See Remuneration Report**
Appendix B, Para 2.3 (not in Schedule A)	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. **Comply – See Accountability Report (Council of Governors & Membership)**
Appendix B, Para 2.14 (not in Schedule A)	The board of directors should ensure that the NHS foundation trust provides effective mechanisms for communication between governors and members from its constituencies. Contact procedures for members who wish to communicate with governors and/or directors should be clear and made available to members on the NHS foundation trust's website and in the annual report. **Comply – See Accountability Report (Council of Governors & Membership)**
Appendix B, Para 2.15 (not in Schedule A)	The board of directors should state in the annual report the steps it has 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, e.g. through attendance at meetings of the council of governors, direct face-to-face contact, surveys of members' opinions and consultations. **Comply – See Accountability Report (Council of Governors & Membership)**

Additional requirement of FT ARM resulting from legislation	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. This is required by paragraph 26(2)(aa) of schedule 7 to the NHS Act 2006, as amended by section 151 (8) of the Health and Social Care Act 2012. *Power to require one or more of the directors to attend a governors' meeting for the purpose of obtaining information about the foundation trust's performance of its functions or the directors' performance of their duties (and deciding whether to propose a vote on the foundation trust's or directors' performance). ** As inserted by section 151 (6) of the Health and Social Care Act 2012) **N/A – Governors have not exercised this power during 2023/24.**

For all provisions where information is to be 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 Company 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 department from the Code, explaining the reasons for the department 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 to monitor compliance and identify areas for further development. In April 2024, the Board of Directors confirmed that, except for the provisions below, Stockport NHS Foundation Trust complies with the provisions of the Code issued by NHS England.

Stockport NHS Foundation Trust departed from the following provisions of the Code during 2023/24.

Explain: Provision C 4.7 – Boards strongly encouraged to carry out an externally facilitated developmental review using the well-led framework at least every three years.

Explanation: 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) undertaken. An independently facilitated Well Led mapping review was conducted by AQuA in 2021, providing an overview of the Trust's evidence against the Key Lines of Enquiry (KLOEs) within the Well Led framework, and developmental actions for the purpose of continuous improvement. In March 2023, completion of self-assessment and agreed KLOE ratings considered by Board, March 2023. Full external facilitated review not undertaken; internal audit plan utilised to undertake a Well led Position Statement (Substantial Assurance).

Explain: Provision E 2.2 – Levels of remuneration for the chair and other non-executive directors should reflect the Chair and non-executive director remuneration structure.

Explanation: In February 2022, the Council of Governors agreed that all new Non-Executive Director positions would be remunerated in line with ‘NHS England Chair and non-executive director remuneration structure’. This decision has subsequently been implemented. Furthermore, the Council of Governors agreed that existing non-executive directors, who are reappointed for a further term of office, would remain at the level of remuneration to which they were originally appointed, subject to a robust performance appraisal and confirmation that performance continues to be effective, thereby differing to the ‘NHS England Chair and non-executive director remuneration structure’. The Chair’s remuneration is in line with the NHS England remuneration structure.

Council of Governors and Membership

The basic governance structure of all NHS foundation trusts include:

- 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 16 years old and living in one of the following public constituencies:

- Bramhall and Cheadle
- Heatons and Stockport West
- Marple and Hazel Grove
- High Peak and Dales
- Tame Valley and Werneth
- Rest of England & Wales

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 2024 are below:

Constituency	Number of members
Bramhall and Cheadle	2,275
Tame Valley and Werneth	1,696
The Heatons and Stockport West	1,850
Marple and Hazel Grove	2,363
High Peak and Dales	777
Outer region	1,283
Staff	6,301
Total	**16,545**

Public Constituency	Number of members	Eligible membership
Age		
0 - 16	5	77,247
17- 21	45	18,141
22+	8,373	290,651
Ethnicity		
White	7,827	345,946
Mixed	85	6,021
Asian or Asian British	418	14,453
Black or Black British	110	2,139
Other	5	1,728
Socio-economic grouping		
AB	3,196	40,525
C1	3,012	53,185
C2	1,989	34,904
DE	2,036	39,922
Gender		
Male	3,868	189,712
Female	6,030	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 exist 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 & Stockport West	**4**
High Peak & Dales	**3**
Marple & Hazel Grove	**4**
Outer Region	**1**
Tame Valley & Werneth	**4**
Staff	
Staff	**4**
Appointed	
Stockport Metropolitan Borough Council	**1**
Age UK Stockport (Charity)	**1**
Stockport Healthwatch	**1**
Greater Manchester University	**1**
Total	**28**

Governors' elections

We continued our rolling programme of elections during 2023/24, along with elections for vacant seats as follows:

Constituency	Number of Positions Available	Number of Nominations Received
Public		
Heatons & Stockport West	4	4
Tame Valley & Werneth (By-election)	2	1
Marple & Hazel Grove (By-election)	1	2

At the end of 2023/24, the Trust had vacancies for governors in the following constituencies:

- Tame Valley & Werneth - 1 vacancy
- Greater Manchester University - 1 vacancy

During 2023/24 we saw several long-standing governors leave the organisation. Their contribution to the Council of Governors and the organisation 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 2023/24 and their attendance at Council of Governors meetings:

Governor	Constituency	Attendance
Public		
Carol Greene	**Bramhall & Cheadle**	**2 of 2**
Adrian Nottingham	**Bramhall & Cheadle**	**4 of 4**
Michelle Slater	**Bramhall & Cheadle**	**3 of 4**
Sarah Thompson	**Bramhall & Cheadle**	**4 of 4**
John Pantall	Bramhall & Cheadle	1 of 2
Tad Kondratowicz	**Heatons & Stockport West**	**3 of 4**
Victoria MacMillan	**Heatons & Stockport West**	**1 of 2**
Chris Summerton	**Heatons & Stockport West**	**4 of 4**
Steve Williams	**Heatons & Stockport West**	**2 of 2**
Jamie Hirst	Heatons & Stockport West	1 of 1
Janet Browning	**High Peak & Dales**	**2 of 4**
Lance Dowson	**High Peak & Dales**	**0 of 4**
Thomas Lowe	**High Peak & Dales**	**0 of 4**
Val Cottam	**Marple & Hazel Grove**	**4 of 4**
Richard King	**Marple & Hazel Grove**	**3 of 4**
Tony Moore	**Marple & Hazel Grove**	**3 of 4**
John Morris	**Marple & Hazel Grove**	**2 of 2**
Michael Cunningham	Marple & Hazel Grove	1 of 1
Muhammad Rahman	**Outer Region**	**2 of 4**
Howard Austin	**Tame Valley & Werneth**	**3 of 4**
Alan Gibson	**Tame Valley & Werneth**	**1 of 2**
Gillian Roberts	**Tame Valley & Werneth**	**1 of 4**
Staff		
Paula Hancock	**Staff**	**3 of 4**
Karen Southwick	**Staff**	**0 of 4**
Adam Pinder	**Staff**	**2 of 4**
David McAllister	**Staff**	**2 of 4**
Appointed		
Sue Alting	**Age UK Stockport**	**3 of 4**
David Kirk	**Healthwatch Stockport**	**3 of 4**
Keith Holloway	**Stockport Metropolitan Borough Council**	**3 of 4**
Vacant	**Greater Manchester University**	

Current governors highlighted in bold black type. Governors that stepped down during 2023/24 highlighted in blue type.

Formal meetings of the Council of Governors continue to be held in person once a quarter, with informal meetings taking place virtually in between. The informal catch-up meetings between governors and Non-Executive Directors provide an opportunity to share the key activities of the assurance committees and ensure feedback from governors can be shared with colleagues.

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 in year, we held an externally facilitated Induction & Core Skills session. 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 supports governors in their duty of holding to account.

Further training and development opportunities for governors held during 2023/24 included an Integrated Care Systems (ICS) update. 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 2023/24 the Council of Governors have fulfilled their statutory duties. This has included the re-appointment of four Non-Executive Directors: Mrs Mary Moore, Dr Louise Sell and Mr Anthony Bell for a further three-year term of office and Mr David Hopewell for a one-year extension. 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 operational, financial, people and quality performance of the organisation, the Council of Governors considered and provided view on a range of issues in line with their duties including:

- Trust plans for 2023/24 and 2024/25
- Trust Corporate Objectives 2023/24
- Development and approval of the Membership Action Plan, with regular progress report against the Membership Strategy and Action Plan via the Membership Development Group
- National Staff Survey Results
- Operational Challenges
- Receiving the Annual Report & Accounts 2022/23, including a presentation from External Audit
- Receiving the Quality Accounts 2022/23

- Confirmation of Governors' Standards of Business Conduct
- Confirmation of Nominations Committee membership
- Approval of amendments to Constitution
- Confirmation of Lead Governor appointment
- Confirmation of process for appointment of the Trust's External Auditor
- Arrangements for Chair of Stockport NHS Foundation Trust following Prof. Tony Warne standing down as Chair

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 2023/24 is below:

Board Member	Title	Attendance
Non-Executive Directors		
Prof. Tony Warne	Chair	3 of 3
Dr Marisa Logan-Ward	Non-Executive Director / Deputy Chair / *Interim Chair 01/01/2024	3 of 4
Anthony Bell	Non-Executive Director	4 of 4
David Hopewell	Non-Executive Director	2 of 4
Mary Moore	Non-Executive Director	3 of 4
Dr Louise Sell	Non-Executive Director	4 of 4
Dr Samira Anane	Non-Executive Director	2 of 4
Beatrice Fraenkel	Non-Executive Director	0 of 4
Meb Vadiya	Associate Non-Executive Director	2 of 3
Executive Directors		
Karen James	Chief Executive	4 of 4
Amanda Bromley	Director of People & Organisational Development	2 of 4
Nic Firth	Chief Nurse	4 of 4
John Graham	Chief Finance Officer / Deputy Chief Executive	2 of 4

Andrew Loughney	Medical Director	3 of 4
Jackie McShane	Director of Operations	4 of 4
Jonathan O'Brien	Director of Strategy & Partnerships	0 of 2
Caroline Parnell	Director of Communications & Corporate Affairs*	0 of 4

** Non-Voting*

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.

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 have established a Membership Development Group to oversee the implementation and delivery of the Membership Strategy and Action Plan, as well as support development of plans and keep under review pertinent matters to the membership. Governors are encouraged to use their own networks to seek feedback to support identification of themes from members and the community at large.

The Membership Action Plan 2023/24 set an aim to maintain an overall membership number and increase the number of members in the 16-21 age group by +100% in 2023/24. An increase in young people within the membership has been seen (+233%), primarily through successful engagement with the Trust's Cadets Programme

In addition, through engagement with the Organisational Development Team, additional opportunities to recruit and engage with young people have been explored including:

- Membership recruitment information has now been incorporated within the Volunteers Induction presentation and hard copy membership forms provided to the Practice Education Team with a view to recruiting young people as members during the induction.
- The Corporate Affairs Team have liaised with the Trafford College Group to explore membership promotion opportunities across the three Stockport college sites.

The Membership Development Group confirmed that, overall, positive progress has been made with the Membership Action Plan in 2023/24, particularly in improving representation of young people within the membership.

Members' seminar

We held a successful members' seminar with a focus on Cardiology on 31 January 2024. The seminar was well attended, with approximately 40 members and governors in attendance, and included an opportunity for members to meet with governors to provide feedback.

The Council of Governors agreed that an additional members' seminar and meet the volunteers would take place in 2024/25 to ensure balance of membership engagement opportunities throughout the year.

Communication with members

With regard to methods of communicating with members, we:

- continued to circulate a members newsletter 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 50 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.

Members can also contact governors and provide feedback at any time, with contact details available via the website.

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 in segment 3 at 31st March 2024. 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 Group Accounting Manual and in particular to:

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

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

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

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

Karen James OBE
Chief Executive

26th June 2024

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 2024 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

Leadership to the risk management process is provided through:

- 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 Chief Executive and designated Executive Directors, with responsibility for specific areas of risk management.
- The Audit Committee, with responsibility for reviewing the establishment and maintenance of overarching systems in place in the organisation to effectively manage risk.
- 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.
- The 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.
- 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.
- Training for all staff that reflects essential training needs and includes general risk management training sessions and risk management processes such as fire safety,

health and safety, manual handling, resuscitation, infection control, safeguarding patients, and information governance.
- 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 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.

<u>Board Assurance Framework</u>

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 agreed by the Board.

During 2023/24, the BAF included 17 principal risks, with each assigned to the relevant Board level Committee/s for regular oversight. Principal risks were considered alongside related risks from the Trust's Significant Risk Register and were reflected in the matters considered by the Board and the Board Committees.

Significant principal risks identified during the year related to management of patient flow and restoration of elective activity. Achievement of the Trust's financial plan and future financial sustainability was also recognised as a significant risk, alongside realisation of an optimum workforce with the rights skills, experiences and behaviors to deliver quality services. The highest scoring risk in year related to the Trust's estate, with increasing maintenance requirements and severely constrained capital leading to inefficient utilisation of the estate and several business continuity incidents. Alongside this, was an associated risk to the identification of funding to support the strategic regeneration of the hospital campus.

During 2023/24, 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.

As referred to above, the Board of Directors has established Board level assurance committees, each is chaired by a Non-Executive Director, with cross director membership to support triangulation. The committees are as follows: Finance and Performance Committee, Quality Committee and People Performance Committee. Key issues considered by the Board Committees, including assurances, risks and mitigating action, are provided to the Board of Directors following each meeting. Furthermore, the Chairs of the Board 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.

The Stockport NHS Foundation Trust Quality Strategy 2021-2024, 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 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, theatres and the Emergency Department. 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, RAG ratings published and action plans in place, as reported via the Board's Quality Committee.

In 2023/24 the Trust has transitioned from the NHS Serious Incident Policy to the NHS England Patient Safety Incident Response Framework (PSRIF), with oversight via the Quality Committee. The Trust has published its Patient Safety Incident Response Plan and Patient Safety Incident Response Policy and will continue to work with stakeholders to embed the principles of the PSIRF. These are:

- Compassionate engagement and involvement of those affected
- A systems-based approach to learning
- Considered and proportionate responses
- Supportive oversight focused on strengthening response systems and improvement.

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, with high levels of incident reports. During 2023/24 the Trust has begun to report incidents to the new national NHS service for recording and analysis of patient safety events (LFPSE).

During 2023/24 the Trust identified 1 never event that required reporting to the CQC, NHS England, and commissioners in line with the NHS Never Events policy and framework. This related to incision and partial dissection to the right tonsil during surgical procedure for grommet insertion and adenoidectomy. A patient safety incident investigation was completed and shared with stakeholders identifying key learning for improvement.

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. The quality impact assessment (QIA) process was enhanced in 2023/24 to extend the voting on schemes from the Chief Nurse and Medical Director, to also include the Directors of Finance, Director of People & Organisational Development and Director of Operations. Underpinning the process is the Trust's risk assessment process, and we seek to engage proactively 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 2023/24, the Board continued its journey to address or improve some areas of its operations in line with NHS England Well Led Framework. 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. During 2023/24, a Well Led Position Statement was undertaken by internal audit, to provide an overview of the effectiveness of the design and operation of the Trust Board, focusing on compliance against good practice outlined in the Code of Governance for Provider Trusts and the arrangements in place for the Trusts' self-assessment against the Well Led Framework. The outcome of the internal audit provided 'Substantial Assurance' that the Trust has systems and processes in place that demonstrate compliance with the key lines of enquiry which make up both the Code of Governance and the Well Led Framework for NHS Foundation Trusts.

With regards to the Developing Workforce Safeguards we are compliant and followed national guidance in relation to safe staffing governance. The Board of Directors receives information relating to its workforce 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.

In response to the continuing industrial action, the Trust's established an Emergency Preparedness/Industrial Action Planning Group continued to oversee the planning and response to any action being taken and to ensure the Trust continued providing safe patient care during this period.

During 2023/24 no material risks were identified to compliance with NHS provider licence section 4 (governance), based on the implementation of a comprehensive system of annual business planning, in line with national and system requirements. Corporate objectives and outcome measures to ensure delivery of the plan were established, with regular monitoring of key performance indicators by the Board of Directors and Board Committees. In addition, the operational divisional performance review process supports in assuring delivery of annual business plans from ward to board. The responsibilities of directors and subcommittees and reporting lines and accountabilities between the board clear. The outcome of the annual review of board committees confirmed effective operation during the year and compliance with the respective terms of reference and work plans.

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

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

The Trust's financial plan for 2023/24, agreed as part of the Greater Manchester Integrated Care System, was a deficit of £31.5m, with cost improvements (CIP) of £26.2m. As previously described, achievement of the Trust's financial plan and development of a multi-year financial recovery plan were recognised as significant risks throughout the year. The Board of Directors considered a range of assurances to manage its resources economically, efficiently and effectively. Further to approval of the annual operational and financial plan,

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. A suite of more detailed financial performance metrics were considered by the Finance & Performance Committee, alongside monitoring delivery of strategic change and cost improvement programmes.

In addition, as part of the GM financial turnaround programme, enhanced financial governance was put in place during 2023/24, notably financial governance over approval of financial staffing decisions. The Trust's Standing Financial Instructions and Scheme of Reservation & Delegation were updated to reflect these enhancements, reviewed 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 and the 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.

The Trust has a Board-level Senior Information Risk Owner (SIRO) with lead responsibility for ensuring that information risk is properly identified, managed and that appropriate assurance mechanisms exist. This role is undertaken by the Deputy Chief Executive/Chief Finance Officer. The Trust's Medical Director is the Trust's Caldicott Guardian, with responsibility for ensuring patient confidentiality and that appropriate information sharing arrangements in place.

The Trust has a Data Protection Officer, which is a mandatory requirement for public authorities, to ensure the Trust maintains compliance with the Data Protection Act 2018, UK General Data Protection Regulations and associated legislations and standards.

An independent audit was undertaken last year for the 2022/23 Data Security & Protection Toolkit (DSPT) assessment by the Trust's internal auditors, Mersey Internal Audit Agency, which provided moderate assurance against the 10 national data guardian standards.

The Trust's annual DSPT assessment submission for 2022/23 was on 30th June 2023 and published as "Standards Met", as all the mandatory requirements were met. The Trust is currently working on its 2023/24 DSPT assessment due to be submitted 30 June 2024.

The Trust proactively reports and investigates 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 2023/24 the Trust reported 2 information governance related incidents via the DSPT reporting tool to the Information Commissioner's 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 important for delivering and improving services for patients and colleagues. Information provided to the Board and its decision-making committees should be consistent, accurate, timely, valid, and complete. 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's Data Quality Policy.

The established Information Governance and Security Group, along with the Digital & Informatics Group, has oversight of the review of external and internal data quality scorecards to ensure data that is critical to key processes, pathways, and performance indicators is reliable. The Trust has a Data Quality Team which reviews errors and inconsistencies in data and a team of data validators who are responsible for the quality and integrity of our elective waiting lists, working closely with divisional staff to review and improve data accuracy. Digital validation of the waiting list and divisional performance review processes ensure elective access waiting times are managed and monitored.

The Trust has in place a number of systems for the collection of data regarding the operation of services, and these are automated where possible in order to reduce the possibility of human error with robotic automation process in place to transcribe data between systems to provide consistency and reduce errors.

The Business Intelligence Team provides the Executive Team each week with a full suite of performance data from across the Trust, allowing review and immediate action regarding any areas which are starting to be a concern. The monthly Integrated Performance Report 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, with benchmarking information included to provide context. The Trust continues to keep under review the data sources presented to the Board and its committees, to ensure that they remain appropriate and reflective of the corporate objectives.

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 current clinical and corporate governance framework in place supports the continual review of matters pertinent to the Trust achieving its aims objectives and ensures escalation of emergent issues to the relevant Board assurance committee, and the Board of Directors as appropriate.

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 oversight of the system of internal controls that supports the management of the principal risks to the organisation's corporate objectives.
- The establishment of the Board's committee structure, with a clear terms of reference, annual work plans, and reporting mechanisms in place that enable 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 the internal systems of governance and reporting and the independent 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 recognises the challenges ahead and will continue to work with its partners at place and within the Greater Manchester system to address these during 2024/25.

Karen James OBE
Chief Executive

26th June 2024

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 2024 which comprise the Trust and Group Statement of Comprehensive Income, the Trust and Group Statement of Financial Position, the Trust and Group Statement of Changes in Taxpayers' Equity, the Trust and Group Statement of Cash Flows, and notes to the financial statements, including material accounting policy information. 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 2023/24 as contained in the Department of Health and Social Care Group Accounting Manual 2023/24, 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 2024 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 2023/24; 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 other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information. 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 2023/24 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- inquiring with management and the Audit Committee, as to whether the Trust and the Group is in compliance with laws and regulations, and discussing their 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 the Group which were contrary to applicable laws and regulations, including fraud.

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, in particular in relation to accruals, and significant one-off or unusual transactions.

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;
- 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; and
- addressing the risk of fraud in expenditure by performing testing of expenditure around year end and accruals in the final month 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 February 2023.

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 2024.

On the basis of our work, having regard to the guidance issued by the Comptroller and Auditor General in May 2024, we have identified the following significant weakness in the Trust's arrangements for the year ended 31 March 2024.

In June 2022 we identified a significant weakness in relation to financial sustainability for the 2021/2022 year. In our view this significant weakness remains for the year ended 31 March 2024:

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	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.

arrangements to secure financial sustainability, remains in place.	

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 May 2024.

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 2023/24; 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 2023/24; 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.

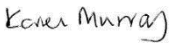
We have nothing to report in respect of these matters.

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.

Certificate

We certify that we have completed the audit of Stockport NHS Foundation Trust and Stockport NHS Foundation Trust Group 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 Forvis Mazars LLP

One St Peter's Square
Manchester
M2 3DE

26 June 2024

Stockport NHS Foundation Trust

Annual accounts for the year ended 31 March 2024

Foreword to the accounts

Stockport NHS Foundation Trust

These accounts, for the year ended 31 March 2024, have been prepared by Stockport NHS Foundation Trust in accordance with paragraphs 24 & 25 of Schedule 7 within the National Health Service Act 2006.

Signed  ……

Name **Karen James OBE**
Job title **Chief Executive**
Date **26 June 2024**

Consolidated Statement of Comprehensive Income

		Group		Trust	
		2023/24	2022/23	2023/24	2022/23
	Note	£000	£000	£000	£000
Operating income from patient care activities	3	398,511	408,659	398,511	408,659
Other operating income	4	40,674	44,969	40,379	44,254
Operating expenses	6, 8	(468,692)	(458,472)	(468,323)	(457,888)
Operating surplus/(deficit) from continuing operations		**(29,507)**	**(4,844)**	**(29,432)**	**(4,975)**
Finance income	10	1,952	836	1,866	772
Finance expenses	11	(879)	(602)	(879)	(602)
PDC dividends payable		(5,640)	(4,753)	(5,640)	(4,753)
Net finance costs		**(4,567)**	**(4,519)**	**(4,653)**	**(4,583)**
Other gains / (losses)	12	268	23	121	87
Gains / (losses) arising from transfers by absorption	35	-	1,079	-	1,079
Corporation tax expense		(25)	(28)	-	-
Surplus / (deficit) for the year from continuing operations		**(33,831)**	**(8,289)**	**(33,964)**	**(8,392)**
Surplus / (deficit) for the year		**(33,831)**	**(8,289)**	**(33,964)**	**(8,392)**
Other comprehensive income					
Will not be reclassified to income and expenditure:					
Impairments	7	(2,022)	(3,376)	(2,022)	(3,376)
Revaluations	16	6,153	14,325	6,153	14,325
Total comprehensive income / (expense) for the period		**(29,700)**	**2,660**	**(29,833)**	**2,557**
Surplus/ (deficit) for the period attributable to:					
Non-controlling interest, and		-	-		
Stockport NHS Foundation Trust		(33,831)	(8,289)	(33,964)	(8,392)
TOTAL		**(33,831)**	**(8,289)**	**(33,964)**	**(8,392)**
Total comprehensive income/ (expense) for the period attributable to:					
Stockport NHS Foundation Trust		(29,700)	2,660	(29,833)	2,557
TOTAL		**(29,700)**	**2,660**	**(29,833)**	**2,557**

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 £34 million deficit in 2023/2024 (£8.4 million deficit in 2022/2023) and Subsidiary profit of £83k for Stepping Hill Healthcare Enterprises Limited (£117k profit in 2022/2023). The Trust Charity has net movement in funds of £50k gain in 2023/2024 compared to net movement in funds of £14k outgoing resources in 2022/2023.

Statements of Financial Position

		Group		Trust	
		31 March 2024	31 March 2023	31 March 2024	31 March 2023
	Note	£000	£000	£000	£000
Non-current assets					
Intangible assets	13	8,402	8,378	8,402	8,378
Property, plant and equipment	14	241,063	215,902	241,063	215,902
Right of use assets	17	9,329	7,170	9,329	7,170
Other investments / financial assets	18	1,774	1,627		
Receivables	21	628	757	628	757
Total non-current assets		**261,197**	**233,835**	**259,422**	**232,208**
Current assets					
Inventories	20	1,197	1,476	1,000	1,294
Receivables	21	13,056	23,950	13,439	24,533
Cash and cash equivalents	22	17,141	48,636	15,525	47,168
Total current assets		**31,394**	**74,062**	**29,964**	**72,995**
Current liabilities					
Trade and other payables	23	(55,979)	(76,659)	(56,038)	(77,096)
Borrowings	25	(3,480)	(3,948)	(3,480)	(3,948)
Provisions	26	(925)	(1,214)	(925)	(1,214)
Other liabilities	24	(5,342)	(5,110)	(5,342)	(5,110)
Total current liabilities		**(65,726)**	**(86,931)**	**(65,785)**	**(87,368)**
Total assets less current liabilities		**226,864**	**220,966**	**223,601**	**217,835**
Non-current liabilities					
Borrowings	25	(21,660)	(20,471)	(21,660)	(20,471)
Provisions	26	(2,777)	(2,982)	(2,777)	(2,982)
Total non-current liabilities		**(24,437)**	**(23,453)**	**(24,437)**	**(23,453)**
Total assets employed		**202,428**	**197,513**	**199,164**	**194,382**
Financed by					
Public dividend capital		225,443	190,794	225,443	190,794
Revaluation reserve		68,266	66,011	68,265	66,010
Income and expenditure reserve		(93,887)	(61,848)	(94,544)	(62,422)
Charitable fund reserves	19	2,607	2,557		
Total taxpayers' equity		**202,428**	**197,513**	**199,164**	**194,382**

The notes on pages 132 to 174 form part of these accounts.

Name	Karen James OBE
Position	**Chief Executive**
Date	**26th June 2024**

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

Group	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Charitable fund reserves	Total
	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2023 - brought forward	**190,794**	**66,011**	**(61,848)**	**2,557**	**197,513**
Application of IFRS 16 measurement principles to PFI liability on 1 April 2023	-	-	(34)	-	**(34)**
Surplus/(deficit) for the year	-	-	(34,599)	768	**(33,831)**
Transfer from revaluation reserve to income and expenditure reserve for impairments arising from consumption of economic benefits	-	(1,876)	1,876	-	**-**
Impairments	-	(2,022)	-	-	**(2,022)**
Revaluations	-	6,153	-	-	**6,153**
Public dividend capital received	34,649	-	-	-	**34,649**
Other reserve movements	-	-	718	(718)	**-**
Taxpayers' and others' equity at 31 March 2024	**225,443**	**68,266**	**(93,887)**	**2,607**	**202,428**

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

Group	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Charitable fund reserves	Total
	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2022 - brought forward	**160,916**	**55,062**	**(53,573)**	**2,571**	**164,976**
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**

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 Taxpayers Equity for the year ended 31 March 2024

Trust	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2023 - brought forward	**190,794**	**66,011**	**(62,422)**	**194,383**
Application of IFRS 16 measurement principles to PFI liability on 1 April 2023			(34)	**(34)**
Surplus/(deficit) for the year			(33,965)	**(33,965)**
Transfer from revaluation reserve to income and expenditure reserve for impairments arising from consumption of economic benefits		(1,876)	1,876	**-**
Impairments		(2,022)		**(2,022)**
Revaluations		6,153		**6,153**
Public dividend capital received	34,649			**34,649**
Taxpayers' and others' equity at 31 March 2024	**225,443**	**68,266**	**(94,545)**	**199,164**

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

Trust	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2022 - brought forward	**160,916**	**55,062**	**(54,029)**	**161,948**
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**	**66,011**	**(62,422)**	**194,382**

Statements of Cash Flows

	Note	Group 2023/24 £000	Group 2022/23 £000	Trust 2023/24 £000	Trust 2022/23 £000
Cash flows from operating activities					
Operating surplus / (deficit)		(29,507)	(4,844)	(29,432)	(4,975)
Non-cash income and expense:					
Depreciation and amortisation	6	19,927	16,956	19,927	16,956
Net impairments	7	3,415	5,760	3,415	5,760
(Increase) / decrease in receivables and other assets		11,063	(12,406)	11,263	(11,723)
(Increase) / decrease in inventories		279	33	295	(6)
Increase / (decrease) in payables and other liabilities		(20,038)	13,939	(20,413)	13,775
Increase / (decrease) in provisions		(540)	(5,489)	(540)	(5,489)
Movements in charitable fund working capital		3	24	(0)	-
Tax (paid) / received		(27)	(43)	(0)	-
Other movements in operating cash flows		-	67	0	67
Net cash flows from / (used in) operating activities		**(15,426)**	**13,997**	**(15,487)**	**14,364**
Cash flows from investing activities					
Interest received		1,827	637	1,827	637
Purchase of intangible assets		(1,870)	(1,796)	(1,870)	(1,796)
Purchase of PPE and investment property		(40,522)	(37,938)	(40,522)	(37,938)
Sales of PPE and investment property		121	87	121	87
Net cash flows from charitable fund investing activities		86	64	-	-
Net cash flows from / (used in) investing activities		**(40,358)**	**(38,946)**	**(40,444)**	**(39,010)**
Cash flows from financing activities					
Public dividend capital received		34,649	29,878	34,649	29,878
Movement on loans from DHSC		(1,551)	(1,551)	(1,551)	(1,551)
Capital element of lease liability repayments		(2,087)	(2,199)	(2,087)	(2,199)
Capital element of PFI, LIFT and other service concession payments		(40)	(34)	(40)	(34)
Interest on loans		(519)	(577)	(519)	(577)
Interest paid on lease liability repayments		(320)	(79)	(320)	(79)
Interest paid on PFI, LIFT and other service concession obligations		(6)	(8)	(6)	(8)
PDC dividend (paid) / refunded		(5,838)	(4,156)	(5,838)	(4,156)
Net cash flows from / (used in) financing activities		**24,288**	**21,274**	**24,288**	**21,274**
Increase / (decrease) in cash and cash equivalents		**(31,496)**	**(3,675)**	**(31,643)**	**(3,372)**
Cash and cash equivalents at 1 April - brought forward		**48,636**	**52,311**	**47,168**	**50,540**
Cash and cash equivalents at 31 March	22	**17,141**	**48,636**	**15,525**	**47,168**

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

Accounting convention

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

Note 1.2 Going concern

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

Note 1.3 Consolidation

NHS Charitable Funds

The Trust is the corporate trustee to Stockport NHS FT NHS 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 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 Enterprise 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 2023 have been prepared and submitted to Companies House with the next reporting period accounts to the 31st March 24 due by the 31st December 2024. 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 NHS income is earned from NHS commissioners under the NHS Payment Scheme (NHSPS) which replaced the National Tariff Payment System on 1 April 2023. The NHSPS sets out rules to establish the amount payable to trusts for NHS-funded secondary healthcare.

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

High costs drugs and devices excluded from the calculation of national prices are reimbursed by NHS England based on actual usage or at a fixed baseline in addition to the price of the related service.

In 2023/24 fixed payments were set at a level assuming the achievement of elective activity targets within aligned payment and incentive contracts. These payments are accompanied by a variable-element to adjust income for actual activity delivered on elective services and advice and guidance services.

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

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

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

Revenue from research contracts

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

NHS injury cost recovery scheme

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

Note 1.5 Other forms of income

Grants and donations

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

Apprenticeship service income

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

Additional Employer Pension Contributions

The increase in employer pension contributions due in 2023-24 has been paid over centrally by NHS England for provider organisations. The Trust expenditure in staff costs is recorded as being with the NHS Pension Scheme, with a corresponding notional income amount from NHS England recorded.

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.

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.
• forms part of the initial equipping and setting-up cost of a new building or refurbishment of a ward or unit irrespective of their individual or collective cost.

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

Subsequent expenditure

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

Measurement

Valuation

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

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

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

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

The Trust requested a valuation of its land and building at the 31st March 2024. 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

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 applied 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 FReM, are accounted for as 'on-Statement of Financial Position' by the trust. Annual contract payments to the operator (the unitary charge) are apportioned between the repayment of the liability including the finance cost, the charges for services and lifecycle replacement of components of the asset.

Initial recognition

In accordance with HM Treasury's FReM, the underlying assets are recognised as property, plant and equipment, together with an equivalent liability. Initial measurement of the asset and liability are in accordance with the initial measurement principles of IFRS 16 (see leases accounting policy).

Subsequent measurement

Assets are subsequently accounted for as property, plant and equipment and/or intangible assets as appropriate.

The liability is subsequently reduced by the portion of the unitary charge allocated as payment for the asset and increased by the annual finance cost. The finance cost is calculated by applying the implicit interest rate to the opening liability and is charged to finance costs in the Statement of Comprehensive Income. The element of the unitary charge allocated as payment for the asset is split between payment of the finance cost and repayment of the net liability.

Where there are changes in future payments for the asset resulting from indexation of the unitary charge, the Trust remeasures the PFI liability by determining the revised payments for the remainder of the contract once the change in cash flows takes effect. The remeasurement adjustment is charged to finance costs in the Statement of Comprehensive Income.

The service charge is recognised in operating expenses in the Statement of Comprehensive Income.

Initial application of IFRS 16 liability measurement principles to PFI and LIFT liabilities

IFRS 16 liability measurement principles have been applied to PFI, LIFT and other service concession arrangement liabilities in these financial statements from 1 April 2023. The change in measurement basis has been applied using a modified retrospective approach with the cumulative impact of remeasuring the liability on 1 April 2023 recognised in the income and expenditure reserve.

Comparatives for PFI, LIFT and other service concession arrangement liabilities have not been restated on an IFRS 16 basis, as required by the DHSC Group Accounting Manual. Under IAS 17 measurement principles which applied in 2022/23 and earlier, movements in the liability were limited to repayments of the liability and the annual finance cost arising from application of the implicit interest rate. The cumulative impact of indexation on payments for the asset was charged to finance costs as contingent rent as incurred.

Useful lives of property, plant and equipment

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

	Min life Years	**Max life Years**
Land	-	-
Buildings, excluding dwellings	24	29
Dwellings	14	48
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 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

	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.

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 profit and loss. 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 profit and loss or fair value through other comprehensive income.
Financial liabilities classified as subsequently measured at amortised cost or fair value through profit and loss.

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).

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.

Note 1.14 Leases continued

The Trust as a lessee

The lease liability is initially measured at the present value of future lease payments discounted at the interest rate implicit in the lease. Lease payments includes fixed lease payments, variable lease payments dependent on an index or rate and amounts payable under residual value guarantees. It also includes amounts payable for purchase options and termination penalties where these options are reasonably certain to be exercised.

Where an implicit rate cannot be readily determined, the Trust's incremental borrowing rate is applied. This rate is determined by HM Treasury annually for each calendar year. A nominal rate of 3.51% applied to new leases commencing in 2023 and 4.72% to new leases commencing in 2024.

The Trust does not apply the above recognition requirements to leases with a term of 12 months or less or to leases where the value of the underlying asset is below £5,000, excluding any irrecoverable VAT. Lease payments associated with these leases are expensed on a straight-line basis over the lease term or other systematic basis. Irrecoverable VAT on lease payments is expensed as it falls due.

Subsequent measurement

As required by a HM Treasury interpretation of the accounting standard for the public sector, the Trust employs a revaluation model for subsequent measurement of right of use assets, unless the cost model is considered to be an appropriate proxy for current value in existing use or fair value, in line with the accounting policy for owned assets. Where consideration exchanged is identified as significantly below market value, the cost model is not considered to be an appropriate proxy for the value of the right of use asset.

The Trust subsequently measures the lease liability by increasing the carrying amount for interest arising which is also charged to expenditure as a finance cost and reducing the carrying amount for lease payments made. The liability is also remeasured for changes in assessments impacting the lease term, lease modifications or to reflect actual changes in lease payments. Such remeasurements are also reflected in the cost of the right of use asset. Where there is a change in the lease term or option to purchase the underlying asset, an updated discount rate is applied to the remaining lease payments.

The Trust as a lessor

The Trust assesses each of its leases and classifies them as either a finance lease or an operating lease. Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

Where the Trust is an intermediate lessor, classification of the sublease is determined with reference to the right of use asset arising from the headlease.

Finance leases

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Trust's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the Trust's net investment outstanding in respect of the leases.

Operating leases

Income from operating leases is recognised on a straight-line basis or another systematic basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Initial application of IFRS 16 in 2022/23

IFRS 16 Leases as adapted and interpreted for the public sector by HM Treasury was applied to these financial statements with an initial application date of 1 April 2022. IFRS 16 replaced *IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease* and other interpretations.

Initial application of IFRS 16 in 2022/23 continued

The standard was applied using a modified retrospective approach with the cumulative impact recognised in the income and expenditure reserve on 1 April 2022. Upon initial application, the provisions of IFRS 16 were only applied to existing contracts where they were previously deemed to be a lease or contain a lease under IAS 17 and IFRIC 4. Where existing contracts were previously assessed not to be or contain a lease, these assessments were not revisited.

The Trust as lessee

For continuing leases previously classified as operating leases, a lease liability was established on 1 April 2022 equal to the present value of future lease payments discounted at the Trust's incremental borrowing rate of 0.95%. A right of use asset was created equal to the lease liability. Hindsight was used in determining the lease term where lease arrangements contained options for extension or earlier termination.

No adjustments were made on initial application in respect of leases with a remaining term of 12 months or less from 1 April 2022 or for leases where the underlying assets had a value below £5,000. No adjustments were made in respect of leases previously classified as finance leases.

The Trust as lessor

Leases of owned assets where the Trust was lessor were unaffected by initial application of IFRS 16.

Note 1.15 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 2024:

		Nominal rate	Prior year rate
Short-term	Up to 5 years	4.26%	3.27%
Medium-term	After 5 years up to 10 years	4.03%	3.20%
Long-term	After 10 years up to 40 years	4.72%	3.51%
	Exceeding 40 years	4.40%	3.00%

HM Treasury provides discount rates for general provisions on a nominal rate basis. Expected future cash flows are therefore adjusted for the impact of inflation before discounting using nominal rates. The following inflation rates are set by HM Treasury, effective from 31 March 2024:

	Inflation rate	Prior year rate
Year 1	3.60%	4.00%
Year 2	1.80%	0.60%
Into perpetuity	2.00%	2.00%

Early retirement provisions and injury benefit provisions both use the HM Treasury's post-employment benefits discount rate of 2.45% in real terms (prior year : 1.70%).

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the Trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the Trust is disclosed at Note 26.3 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 27 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in Note 27, 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 (VAT)

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. The Trust and the Group do not record or trade in any transactions denominated in a foreign currency.

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 2023/24.

Note 1.27 Standards, amendments and interpretations in issue but not yet effective or adopted

As required by IAS 8, trusts should disclose any standards, amendments and interpretations that have been issued but are not yet effective or adopted for the public sector and an assessment subsequent application will have on the financial statements.

IFRS 17 Insurance Contracts - The Standard is effective for accounting periods beginning on or after 1 January 2023. HM Treasury has announced that IFRS 17 will be adopted by the FReM with effect from 1 April 2025 with limited options for early adoption.

IFRS 18 Presentation and Disclosure in Financial Statements – The Standard is effective for accounting periods beginning on or after 1 January 2027. HM Treasury has not announced when and if the policy will be adopted by the FreM.

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 Trust, building and dwellings. These valuations are in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual. In 2023-24 the Trust has undertaken a review of its MEA valuation and commissioned a valuation of its land and buildings.

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:

As at 31st March 2024, the Valuation Office Agency provided a valuation of the Trust's land and building assets (estimated financial value and estimated remaining useful life) applying a modern equivalent asset method of valuation (i.e. a valuation based on a modern equivalent asset built to accommodate existing services). This valuation, based on estimates provided by a qualified professional, led to an increase in the reported value of the Trust's land and building asset values of to £155.2 million which has resulted in a £4.2m increase in the Revaluation Reserve. Future revaluations of the Foundation Trust's asset base may result in further material changes to the carrying value of non-current assets.

The Trust makes provisions for obligations of uncertain timing or amount at the 31st March 2024 using the best available information at the time the financial statements are prepared. 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. The carrying value of provisions at the 31st March 2024 is £3.7 million. Further details on provisions is provided at note 26.

The Trust has estimated the fair value or the current value in existing use of the right of use assets as being that represented by the rent reviews provided for in the lease agreements. This is on the basis that these rent reviews reflect changes in the market prices and conditions and there are no significant periods between the rent reviews provided in the lease arrangements. The carrying value of Right of Use Assets at the 31st March 2024 is £9.3 million.

Where there is no evidence of a contract for a property lease required for the provision of long term health care, the Trust has assumed the lease terms to be 10 years, unless there are specific circumstances which would require a different contract term to be more appropriate.

Note 2 Operating Segments

In line with IFRS 8 on Operating Segments, the Trust and the Group are required to disclose financial information across significant Operating Segments, which reflect the way the management runs the organisation. The Board of Directors, as Chief Operating Decision Maker (CODM), have assessed that the Trust reports 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.

Note 2 Operating Segments continued

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.

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)	**2023/24 £000**	**2022/23 £000**
Acute services		
Income from commissioners under API contracts - variable element*	80,662	-
Income from commissioners under API contracts - fixed element*	246,943	324,815
High cost drugs income from commissioners	14,144	12,975
Other NHS clinical income	3,016	1,294
Community services		
Income from commissioners under API contracts*	35,049	28,967
Income from other sources (e.g. local authorities)	6,016	5,671
All services		
Elective recovery fund (comparator only)	-	12,906
National pay award central funding***	182	10,559
Additional pension contribution central funding**	11,921	11,002
Other clinical income	578	470
Total income from activities	**398,511**	**408,659**

*Aligned payment and incentive contracts are the main form of contracting between NHS providers and their commissioners. More information can be found in the 2023/25 NHS Payment Scheme documentation. https://www.england.nhs.uk/pay-syst/nhs-payment-scheme/

**The employer contribution rate for NHS pensions increased from 14.3% to 20.6% (excluding administration charge) from 1 April 2019. Since 2019/20, NHS providers have continued to pay over contributions at the former rate with the additional amount being paid over by NHS England on providers' behalf. The full cost and related funding have been recognised in these accounts.

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

Note 3.2 Income from patient care activities (by source)

Income from patient care activities received from:	**2023/24 £000**	**2022/23 £000**
NHS England	27,027	38,226
Clinical commissioning groups	-	82,297
Integrated care boards	363,640	280,701
Department of Health and Social Care	15	-
Other NHS providers	1,149	1,178
NHS other	86	116
Local authorities	6,016	5,671
Non-NHS: overseas patients (chargeable to patient)	17	-
Injury cost recovery scheme	519	470
Non NHS: other	42	-
Total income from activities	**398,511**	**408,659**
Of which:		
Related to continuing operations	398,511	408,659

Note 3.3 Overseas visitors (relating to patients charged directly by the provider)

	2023/24	2022/23
	£000	£000
Income recognised this year	17	-
Cash payments received in-year	5	2
Amounts written off in-year	5	27

Note 4 Other operating income (Group)

	2023/24			2022/23		
	Contract income	Non-contract income	Total	Contract income	Non-contract income	Total
	£000	£000	£000	£000	£000	£000
Research and development	1,074	-	**1,074**	895	-	**895**
Education and training	12,011	861	**12,872**	13,453	661	**14,114**
Reimbursement and top up funding	-	-	**-**	947	-	**947**
Contributions to expenditure - consumables (inventory) donated from DHSC group bodies for COVID response	-	56	**56**	-	838	**838**
Charitable fund incoming resources	-	535	**535**	-	364	**364**
Stockport Pharmaceuticals and Quality Control	5,940	-	**5,940**	5,537	-	**5,537**
Stockport Healthcare Enterprises Ltd income	4,152	-	**4,152**	4,529	-	**4,529**
Local Authorities	3,563	-	**3,563**	3,092	-	**3,092**
NHS and WGA Bodies	8,652	-	**8,652**	8,908	-	**8,908**
Non-NHS Bodies	1,802	-	**1,802**	3,661	-	**3,661**
Rents and car parking income	1,372	-	**1,372**	1,229	-	**1,229**
Catering sales	609	-	**609**	499	-	**499**
Other income	47	-	**47**	356	-	**356**
Total other operating income	**39,222**	**1,452**	**40,674**	**43,106**	**1,863**	**44,969**
Of which:						
Related to continuing operations			40,674			44,969

* During 2023-2024 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 £56,000 (£838,000 in 2022-23). Notional expenditure is recorded within operating expenses.

Note 4.1 Other operating income (Trust)

	2023/24			2022/23		
	Contract income	Non-contract income	Total	Contract income	Non-contract income	Total
	£000	£000	£000	£000	£000	£000
Research and development	1,074	-	**1,074**	895		**895**
Education and training	12,011	861	**12,872**	13,452	661	**14,113**
Reimbursement and top up funding	-	-	**-**	947		**947**
Contributions to expenditure - consumables (inventory) donated from DHSC group bodies for COVID response	-	56	**56**	-	838	**838**
Charitable and other contributions to expenditure		718	**718**	-	378	**378**
Stockport Pharmaceuticals and Quality Control	5,940	-	**5,940**	5,537	-	**5,537**
Pharmacy Sales	3,674	-	**3,674**	4,085	-	**4,085**
Local Authorities	3,563	-	**3,563**	3,092	-	**3,092**
NHS and WGA Bodies	8,652	-	**8,652**	8,908	-	**8,908**
Non-NHS Bodies	1,802	-	**1,802**	3,661	-	**3,661**
Rents and car parking income	1,372	-	**1,372**	1,229	-	**1,229**
Catering sales	609	-	**609**	499	-	**499**
Other income	47	-	**47**	72	-	**72**
	38,744	**1,635**	**40,379**	**42,377**	**1,877**	**44,254**

Note 5.1 Additional information on contract revenue (IFRS 15) recognised in the period

	Group	
	2023/24	2022/23
	£000	£000
Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end	2,062	4,173

Note 5.2 Transaction price allocated to remaining performance obligations

	Group	
	31 March 2024	31 March 2023
Revenue from existing contracts allocated to remaining performance obligations is expected to be recognised:	£000	£000
within one year	5,342	5,110
Total revenue allocated to remaining performance obligations	**5,342**	**5,110**

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

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:

	Group	
	2023/24	2022/23
	£000	£000
Income from services designated as commissioner requested services	397,933	408,189
Income from services not designated as commissioner requested services	578	470
Total	**398,511**	**408,659**

Note 5.4 Profits and losses on disposal of property, plant and equipment

In 2023/2024 the Trust has disposed of property, plant, equipment and transport with a gain on the disposal of equipment of £121,000. The gain recognised is the cash proceeds from the sale of these disposed assets. Disposals included the trade in value of estates transport at £15k and sales of end of life medical equipment; the largest for three microscopes at a value of £54k.

Note 5.5 Fees and charges (Group)

The following disclosure is of income from charges to service users where the full cost of providing 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 and Quality Control trading activities.

	2023/24	2022/23
	£000	£000
Income	6,124	5,571
Full cost	(6,424)	(5,274)
Surplus / (deficit)	**(300)**	**297**

Note 6 Operating expenses (Group)

	2023/24	2022/23
	£000	£000
Purchase of healthcare from NHS and DHSC bodies	4,366	3,837
Purchase of healthcare from non-NHS and non-DHSC bodies	6,763	6,090
Staff and executive directors costs	335,890	328,605
Remuneration of non-executive directors	161	166
Supplies and services - clinical (excluding drugs costs)	25,120	26,129
Supplies and services - general	4,536	3,676
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	23,032	24,031
Consultancy costs	601	544
Establishment	1,765	1,351
Premises	16,649	18,038
Transport (including patient travel)	1,492	1,430
Depreciation on property, plant and equipment	18,081	15,590
Amortisation on intangible assets	1,846	1,366
Net impairments	3,415	5,760
Movement in credit loss allowance: contract receivables / contract assets	83	(462)
Increase/(decrease) in other provisions	702	(1,349)
Change in provisions discount rate(s)	(171)	(979)
Fees payable to the external auditor		
audit services- statutory audit	89	85
other auditor remuneration (external auditor only)	-	-
Internal audit costs	104	100
Clinical negligence	12,414	11,931
Legal fees	719	315
Insurance	496	424
Research and development	1,047	881
Education and training	4,865	4,245
Expenditure on short term leases	-	26
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT)	1,699	1,532
Car parking & security	396	946
Hospitality	3	-
Losses, ex gratia & special payments	53	81
Other services, eg external payroll	682	833
Other	1,794	3,250
Total	**468,692**	**458,472**
Of which:		
Related to continuing operations	468,692	458,472

Note 6.1 Operating expenses (Trust)

	2023/24	2022/23
	£000	£000
Purchase of healthcare from NHS and DHSC bodies	4,366	3,837
Purchase of healthcare from non-NHS and non-DHSC bodies	6,763	6,090
Staff and executive directors costs	335,613	328,361
Remuneration of non-executive directors	161	166
Supplies and services - clinical (excluding drugs costs)	25,120	26,129
Supplies and services - general	4,536	3,676
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	23,032	23,789
Consultancy costs	601	544
Establishment	1,758	1,351
Premises	16,645	18,038
Transport (including patient travel)	1,492	1,430
Depreciation on property, plant and equipment	18,081	15,590
Amortisation on intangible assets	1,846	1,366
Net impairments	3,415	5,760
Movement in credit loss allowance: contract receivables / contract assets	83	(462)
Increase/(decrease) in other provisions	702	(1,349)
Change in provisions discount rate(s)	(171)	(979)
Fees payable to the external auditor		
audit services- statutory audit	89	85
Internal audit costs	104	100
Clinical negligence	12,414	11,931
Legal fees	719	315
Insurance	496	424
Research and development	1,047	881
Education and training	4,865	4,245
Expenditure on short term leases	-	26
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT)	1,699	1,532
Car parking & security	396	946
Hospitality	3	-
Losses, ex gratia & special payments	53	81
Other services, eg external payroll	682	833
Other	1,713	3,152
Total	**468,323**	**457,888**
Of which:		
Related to continuing operations	468,323	457,888

Note 6.2 Auditor remuneration (Group)

	2023/24	2022/23
	£000	£000
Auditor remuneration paid to the external auditor:		
1. Statutory Audit	85	85
2. Independent Examination - Charity	4	-
Total	**89**	**85**

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 2023/24 or 2022/23.

Note 7 Impairment of assets (Group and Trust)

	Group	
	2023/24	2022/23
	£000	£000
Net impairments charged to operating surplus / deficit resulting from:		
Loss or damage from normal operations	1,876	-
Abandonment of assets in course of construction	122	-
Changes in market price	1,416	5,760
Total net impairments charged to operating surplus / deficit	**3,415**	**5,760**
Impairments charged to the revaluation reserve	2,022	3,376
Total net impairments	**5,437**	**9,136**

In November 2023 the Outpatient B building on the Stepping Hill Hospital site was assessed as structurally unsafe and taken out of use. The value of the building on the Trust asset register at the 1st April 2023 was £1.922 million with a remaining balance still to be depreciated of £1.876 million. Planning permission has been granted to demolish the building and works are underway.

Two smaller capital schemes have been impaired at the 31st March 2024 at a cost of £122k for design fees for projects that are not expected to proceed in the short term and further design updates would be expected if the schemes were re-visited.

In 2023/2024 the Trust undertook a revaluation exercise of its land, buildings and dwellings on a modern equivalent basis which resulted in a net impairment charge of £1.416 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 2024 or a reversal of impairment where a previous fall in value had been recorded. Where revaluation reserve balances exist impairment charges of £2 million have been charged in 2023/24.

Note 8 Employee benefits (Group)

	2023/24	2022/23
	Total	Total
	£000	£000
Salaries and wages	225,117	224,601
Social security costs	23,633	21,093
Apprenticeship levy	1,201	1,092
Employer's contributions to NHS pensions	38,753	35,994
Pension cost - other	87	129
Temporary staff (including agency)	51,757	49,663
Total staff costs	**340,548**	**332,572**
Of which		
Costs capitalised as part of assets	1,339	1,194
Included within:		
Operating expenditure analysed as:		
Employee expenses - staff & executive directors	335,890	328,605
Research & development	994	847
Education and Training	2,325	1,926
	339,209	**331,378**

Note 8.1 Employee benefits (Trust)

	2023/24 Total £000	2022/23 Total £000
Salaries and wages	224,877	224,357
Social security costs	23,602	21,093
Apprenticeship levy	1,201	1,092
Employer's contributions to NHS pensions	38,834	35,994
Pension cost - other	-	129
Temporary staff (including agency)	51,757	49,663
Total staff costs	**340,271**	**332,328**
Of which		
Costs capitalised as part of assets	1,339	1,194
Included within:		
Operating expenditure analysed as:		
Employee expenses - staff & executive directors	335,613	328,361
Research & development	994	847
Education and Training	2,325	1,926
	338,932	**331,134**

Note 8.2 Retirements due to ill-health (Group and Trust)

During 2023/24 there were 3 early retirements from the Trust agreed on the grounds of ill-health (1 in the year ended 31 March 2023). The estimated additional pension liabilities of these ill-health retirements is £205k (£9k in 2022/23).

These estimated costs are calculated on an average basis and will be borne by the NHS Pension Scheme.

Note 9 Pension costs

Past and present employees are covered by the provisions of the NHS Pension Schemes. Details of the benefits payable and rules of the schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both the 1995/2008 and 2015 schemes are accounted for, and the scheme liability valued, as a single combined scheme. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that “the period between formal valuations shall be four years, with approximate assessments in intervening years”. An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary’s Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2024, is based on valuation data as 31 March 2023, updated to 31 March 2024 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

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 2020. The results of this valuation set the employer contribution rate payable from April 2024. The Department of Health and Social Care has recently laid Scheme Regulations confirming the employer contribution rate will increase to 23.7% of pensionable pay from 1 April 2024 (previously 20.6%). The core cost cap cost of the scheme was calculated to be outside of the 3% cost cap corridor as at 31 March 2020. However, when the wider economic situation was taken into account through the economic cost cap cost of the scheme, the cost cap corridor was not similarly breached. As a result, there was no impact on the member benefit structure or contribution rates.

Note 10 Finance income (Group)

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

	2023/24	2022/23
	£000	£000
Interest on bank accounts	1,866	772
NHS charitable fund investment income	86	64
Total finance income	**1,952**	**836**

Note 10.1 Finance income (Trust)

	2023/24	2022/23
	£000	£000
Interest on bank accounts	1,866	772
	1,866	**772**

Note 11.1 Finance expenditure (Group and Trust)

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

	2023/24	2022/23
	£000	£000
Interest expense:		
Interest on loans from the Department of Health and Social Care	506	564
Interest on lease obligations	320	79
Main finance costs	7	7
Total interest expense	**833**	**650**
Unwinding of discount on provisions	46	(48)
Total finance costs	**879**	**602**

* From 1 April 2023, IFRS 16 liability measurement principles are applied to PFI, LIFT and other service concession liabilities. Increases to imputed lease payments arising from inflationary uplifts are now included in the liability, and contingent rent no longer arises. More information is provided in Note 30.

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 2023/24 or 2022/23.

Note 12 Other gains / (losses) (Group)

	2023/24	2022/23
	£000	£000
Gains on disposal of assets	121	87
Total gains / (losses) on disposal of assets	**121**	**87**
Fair value gains / (losses) on charitable fund investments & investment properties	147	(64)
Total other gains / losses	**268**	**23**

Note 12.1 Other gains / (losses) (Trust)

	2023/24	2022/23
	£000	£000
Gains on disposal of assets	121	87
Total gains / (losses) on disposal of assets	**121**	**87**

Note 13 Intangible assets - 2023/24

Group and Trust	Software licences	Intangible assets under construction	Total
	£000	£000	£000
Valuation / gross cost at 1 April 2023 - brought forward	**15,528**	**2,361**	**17,889**
Additions	1,633	237	**1,870**
Valuation / gross cost at 31 March 2024	**17,161**	**2,598**	**19,759**
Amortisation at 1 April 2023 - brought forward	**9,511**	**-**	**9,511**
Provided during the year	1,846	-	**1,846**
Amortisation at 31 March 2024	**11,357**	**-**	**11,357**
Net book value at 31 March 2024	**5,804**	**2,598**	**8,402**
Net book value at 1 April 2023	**6,017**	**2,361**	**8,378**

Note 13.1 Intangible assets - 2022/23

Group and Trust	Software licences	Intangible assets under construction	Total
	£000	£000	£000
Valuation / gross cost at 1 April 2022 - as previously stated	**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 - as previously stated	**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 14 Property, plant and equipment - 2023/24

Group and Trust	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2023 - brought forward	**8,140**	**142,670**	**1,910**	**18,491**	**65,339**	**297**	**26,956**	**852**	**264,654**
Transfers by absorption	-	-	-	-	-	-	-	-	**-**
Additions	-	6,198	463	26,073	2,224	65	5,244	40	**40,307**
Impairments	-	(5,277)	(258)	(122)	-	-	-	-	**(5,657)**
Reversals of impairments	25	196	-	-	-	-	-	-	**221**
Revaluations	80	927	20	-	-	-	-	-	**1,027**
Reclassifications	-	91	-	(5,775)	29	-	5,655	-	**-**
Disposals / derecognition	-	-	-	-	(523)	(18)	-	-	**(541)**
Valuation/gross cost at 31 March 2024	**8,245**	**144,804**	**2,135**	**38,667**	**67,069**	**344**	**37,855**	**892**	**300,010**
Accumulated depreciation at 1 April 2023 - brought forward	**-**	**-**	**-**	**-**	**32,461**	**164**	**15,529**	**598**	**48,752**
Provided during the year	-	5,067	59	-	5,841	46	4,783	66	**15,862**
Revaluations	-	(5,067)	(59)	-	-	-	-	-	**(5,126)**
Disposals / derecognition	-	-	-	-	(523)	(18)	-	-	**(541)**
Accumulated depreciation at 31 March 2024	**-**	**-**	**-**	**-**	**37,779**	**192**	**20,312**	**664**	**58,947**
Net book value at 31 March 2024	**8,245**	**144,804**	**2,135**	**38,667**	**29,290**	**152**	**17,543**	**228**	**241,063**
Net book value at 1 April 2023	**8,140**	**142,670**	**1,910**	**18,491**	**32,878**	**133**	**11,427**	**254**	**215,902**

Note 14.1 Property, plant and equipment - 2022/23

Group and Trust	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2022 - as previously stated	**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 - as previously stated	**-**	**-**	**-**	**-**	**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 financing - 31 March 2024

Group and Trust	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Owned - purchased	8,245	143,262	2,081	38,667	28,404	134	17,543	220	**238,555**
On-SoFP PFI contracts and other service concession arrangements	-	1,053	-	-	-	-	-	-	**1,053**
Owned - donated/granted	-	489	54	-	886	18	-	8	**1,455**
NBV total at 31 March 2024	**8,245**	**144,804**	**2,135**	**38,667**	**29,290**	**152**	**17,543**	**228**	**241,063**

Note 14.3 Property, plant and equipment financing - 31 March 2023

Group and Trust	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Owned - purchased	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 15 Donations of property, plant and equipment

The Trust has no donations to disclose in 2023/2024 (£0k in 2022/2023)

Note 16 Revaluations of property, plant and equipment

In 2023/2024 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 31st March 2024 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. techniques.

Revaluation Reserve Movements	**Group and Trust**	
	£000	**£000**
	Property, Plant and Equipment	**Total Revaluation Reserve**
Revaluation reserve at 1 April 2023 - brought forward	**66,011**	**66,011**
Net impairments	(2,022)	**(2,022)**
Revaluations	6,153	**6,153**
Transfers to the I&E reserve for impairments arising from consumption of economic benefits	(1,876)	**(1,876)**
Revaluation reserve at 31 March 2024	**68,266**	**68,266**

	£000	**£000**
	Plant and	**Revaluation**
Revaluation reserve at 1 April 2022 - brought forward	**55,062**	**55,062**
Net impairments	(3,376)	**(3,376)**
Revaluations	14,325	**14,325**
Revaluation reserve at 31 March 2023	**66,011**	**66,011**

The revaluation reserve balance of the impaired Outpatient B property has been transferred to the income and expenditure reserve at a value of £1.876 million.

Note 17 Leases - Stockport NHS Foundation Trust as a lessee

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

In 2023/2024 the Trust has leasing arrangements for its community buildings. This includes leases with NHS Property Services Ltd for community services provided in the Stockport area . These leases are held in line with current commissioning contracts for the provision of long term healthcare. Where no signed contract exists an assumption of ten years has been assigned to the life of the lease unless other specific terms or circumstances are identified. The Trust also has a small number of leased vehicles, portacabins and medical equipment.

In 2023/24 the Trust has entered into one new building leasing over one year at a value of £43k for the reprovision of outpatient dental services following the closure of Outpatients B. It has also taken out leases for Pathology and Pharmacy portacabins at a value of £98k.

Note 17.1 Right of use assets - 2023/24

Group and Trust	Property (land and buildings)	Plant & machinery	Transport equipment	Total	Of which: leased from DHSC group bodies
	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2023 - brought forward	**9,249**	**193**	**31**	**9,472**	**7,570**
Additions	43	98	-	**141**	43
Remeasurements of the lease liability	4,237	-	-	**4,237**	4,121
Valuation/gross cost at 31 March 2024	**13,529**	**291**	**31**	**13,850**	**11,734**
Accumulated depreciation at 1 April 2023 - brought forward	**2,186**	**111**	**5**	**2,302**	**1,514**
Provided during the year	2,157	53	9	**2,219**	1,409
Accumulated depreciation at 31 March 2024	**4,343**	**164**	**14**	**4,521**	**2,923**
Net book value at 31 March 2024	**9,186**	**127**	**17**	**9,329**	**8,811**
Net book value at 1 April 2023	**7,063**	**82**	**26**	**7,170**	**6,056**

Net book value of right of use assets leased from other DHSC group bodies 8,811

Note 17.2 Right of use assets - 2022/23

Group and Trust	Property (land and buildings)	Plant & machinery	Transport equipment	Total	Of which: leased from DHSC group bodies
	£000	£000	£000	£000	£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
Transfers by absorption	-	-	-	**-**	-
Additions	-	30	31	**61**	-
Valuation/gross cost at 31 March 2023	**9,249**	**193**	**31**	**9,472**	**7,570**
IFRS 16 implementation - reclassification of 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	**2,186**	**111**	**5**	**2,302**	**1,514**
Net book value at 31 March 2023	**7,063**	**82**	**26**	**7,170**	**6,056**
Net book value at 1 April 2022	**-**	**-**	**-**	**-**	**-**

Net book value of right of use assets leased from other DHSC group bodies 6,056

Note 17.3 Revaluations of right of use assets

In 2023/24 remeasurement of lease liabilities of other properties are in line with market uplifts to leases as per invoicing arrangements with NHS Property Services and other landlords. The Trust has also re-assessed the life of community properties to ten years in 2023/24.

Note 17.4 Reconciliation of the carrying value of lease liabilities

Lease liabilities are included within borrowings in the statement of financial position. A breakdown of borrowings is disclosed in note 25.1.

Group and Trust	2023/24	2022/23
	£000	£000
Carrying value at 1 April	**7,204**	**43**
IFRS 16 implementation - adjustments for existing operating leases		9,299
Lease additions	141	61
Lease liability remeasurements	4,237	-
Interest charge arising in year	320	79
Lease payments (cash outflows)	(2,407)	(2,278)
Carrying value at 31 March	**9,495**	**7,204**

Lease payments for short term leases, leases of low value underlying assets and variable lease payments not dependent on an index or rate are recognised in operating expenditure.

These payments are disclosed in Note 6. Cash outflows in respect of leases recognised on-SoFP are disclosed in the reconciliation above.

Income generated from subleasing right of use assets in £0k and is included within revenue from operating leases in note 4.

Note 17.5 Maturity analysis of future lease payments at 31 March 2024

Group and Trust	Total	Of which leased from DHSC group bodies:
	31 March 2024	31 March 2024
	£000	£000
Undiscounted future lease payments payable in:		
- not later than one year;	1,764	1,327
- later than one year and not later than five years;	4,619	4,533
- later than five years.	3,112	3,112
Total gross future lease payments	**9,495**	**8,972**
Finance charges allocated to future periods	-	-
Net lease liabilities at 31 March 2024	**9,495**	**8,972**
Of which:		
Leased from other DHSC group bodies		8,972

Note 17.6 Maturity analysis of future lease payments at 31 March 2023

Group and Trust	Total	Of which leased from DHSC group bodies:
	31 March 2023	31 March 2023
	£000	£000
Undiscounted future lease payments payable in:		
- 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.	-	-
Net lease liabilities at 31 March 2023	**7,204**	**6,085**
Of which:		
Leased from other DHSC group bodies		6,085

Note 18 Other investments / financial assets (non-current)

	Group	
	2023/24	2022/23
	£000	£000
Carrying value at 1 April - brought forward	**1,627**	**1,691**
Movement in fair value through income and expenditure	147	(64)
Carrying value at 31 March	**1,774**	**1,627**

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 2023/2024 the Group reported £86,000 (£64,000 in 2022/2023) in interest receivable on these investments and a gain on valuation of £147,000 at the 31st March 2024 (£64,000 loss at the 31st March 2023).

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 2024	31 March 2023
	£000	£000
Unrestricted funds:		
Unrestricted income funds	725	480
Restricted funds:		
Endowment funds	-	10
Other restricted income funds	1,882	2,067
	2,607	**2,557**

Unrestricted income funds are accumulated income funds that are expendable at the discretion of the trustees 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 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. In 2023/24 the Corporate Trustee has successfully applied for permission to the Charity Commission to remove all restricted and endowment funds. From 1st April 2023 income has now been applied to unrestricted or designated funds unless specifically restricted. In 2023/24 this applied only to grant monies received from NHS Charities Together.

Note 20 Inventories

	Group		Trust	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
	£000	£000	£000	£000
Drugs	1,197	1,169	1,000	987
Consumables	-	307	-	307
Total inventories	**1,197**	**1,476**	**1,000**	**1,294**

Inventories recognised in expenses for the year were £18,358k (2022/23: £22,937k). Write-down of inventories recognised as expenses for the year were £0k (2022/23: £0k).

In 2023/24 the Group and Trust has judged that only drugs inventories are material to include on the Statement of Financial Position at the 31st March 2024 with all opening theatre consumable stocks of £307k utilised.

In response to the COVID 19 pandemic, the Department of Health and Social Care centrally procured personal protective equipment and passed these to NHS providers free of charge. During 2023/24 the Trust received £56k of items purchased by DHSC (2022/23: £838k).The deemed cost of these inventories was charged directly to expenditure on receipt with the corresponding benefit recognised in income.

Note 21.1 Receivables

	Group		Trust	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
	£000	£000	£000	£000
Current				
Contract receivables	9,761	19,313	10,111	19,516
Allowance for impaired contract receivables / assets	(886)	(799)	(886)	(799)
Prepayments (non-PFI)	1,923	3,306	1,923	3,306
Interest receivable	174	135	174	135
VAT receivable	2,069	1,985	1,945	1,985
Other receivables	12	7	172	390
NHS charitable funds receivables	3	3	-	-
Total current receivables	**13,056**	**23,950**	**13,439**	**24,533**
Non-current				
Contract receivables	269	305	269	305
Allowance for impaired contract receivables / assets	(62)	(76)	(62)	(76)
Other receivables	421	528	421	528
Total non-current receivables	**628**	**757**	**628**	**757**
Of which receivable from NHS and DHSC group bodies:				
Current	5,723	14,872	5,723	14,872
Non-current	421	528	421	528

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 21.2 Allowances for credit losses - 2023/24

	Group	
	Contract receivables and contract assets	Contract receivables and contract assets
	2023/24	2022/23
	£000	£000
Allowances as at 1 Apr 2023 - brought forward	**875**	**1,415**
New allowances arising	324	252
Reversals of allowances	(241)	(714)
Utilisation of allowances (write offs)	(10)	(78)
Allowances as at 31 Mar 2024	**948**	**875**

Note 21.3 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.

		Group	
Provision for Expected Credit Losses	**Current**	**Current**	
	£000	**£000**	**£000**
Lifetime expected credit loss			
NHS Injury Recovery Scheme	23.06%		**373**
Non NHS Customers		100%	**18**
Salary Overpayments		100%	**96**
Overseas Visitors		100%	**28**
NHS Bodies			**136**
Scottish and Welsh NHS Bodies		100%	**107**
Local Authorities			**190**
Total			**948**

Note 22.1 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	
	2023/24	**2022/23**	**2023/24**	**2022/23**
	£000	**£000**	**£000**	**£000**
At 1 April	**48,636**	**52,311**	**47,168**	**50,540**
Prior period adjustments		-		
At 1 April (restated)	**48,636**	**52,311**	**47,168**	**50,540**
Transfers by absorption	-	-		
Net change in year	(31,496)	(3,675)	(31,643)	(3,372)
At 31 March	**17,141**	**48,636**	**15,525**	**47,168**
Broken down into:				
Cash at commercial banks and in hand	1,885	1,866	269	398
Cash with the Government Banking Service	15,256	46,770	15,256	46,770
Total cash and cash equivalents as in SoFP	**17,141**	**48,636**	**15,525**	**47,168**
Total cash and cash equivalents as in SoCF	**17,141**	**48,636**	**15,525**	**47,168**

Note 22.2 Third party assets held by the trust

Stockport NHS Foundation Trust held no cash and cash equivalents which relate to monies held by the Trust on behalf of patients or other parties..

Note 23.1 Trade and other payables

	Group		Trust	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
	£000	£000	£000	£000
Current				
Trade payables	2,795	7,501	2,889	7,938
Capital payables	12,877	13,092	12,877	13,092
Accruals	28,831	46,673	28,831	46,673
Social security costs	2,909	2,665	2,909	2,665
Other taxes payable	3,190	2,371	3,158	2,371
PDC dividend payable	97	295	97	295
Pension contributions payable	3,708	3,461	3,708	3,461
Other payables	1,568	601	1,568	601
NHS charitable funds: trade and other payables	3	-	-	-
Total current trade and other payables	**55,979**	**76,659**	**56,038**	**77,096**
Of which payables from NHS and DHSC group bodies:				
Current	3,404	5,314	3,404	5,314

Consolidation adjustments by the Group have removed payables between the Trust, Charity and the Stepping Hill Healthcare Enterprises Limited subsidiaries.

Note 23.2 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 24 Other liabilities

	Group and Trust	
	31 March 2024	31 March 2023
	£000	£000
Current		
Deferred income: contract liabilities	5,342	5,110
Total other current liabilities	**5,342**	**5,110**

Note 25.1 Borrowings

	Group and Trust	
	2024	2023
	£000	£000
Current		
Loans from DHSC	1,676	1,689
Other loans	-	-
Lease liabilities	1,764	2,225
concession contracts (excl. lifecycle)	40	34
Total current borrowings	**3,480**	**3,948**
Non-current		
Loans from DHSC	13,775	15,326
Lease liabilities	7,731	4,979
concession contracts	154	166
Total non-current borrowings	**21,660**	**20,471**

Note 25.2 Reconciliation of liabilities arising from financing activities (Group)

Group - 2023/24	Loans from DHSC	Lease liabilities	PFI and LIFT schemes	Total
	£000	£000	£000	£000
Carrying value at 1 April 2023	**17,015**	**7,204**	**200**	**24,419**
Cash movements:				
Financing cash flows - payments and receipts of principal	(1,551)	(2,087)	(40)	**(3,678)**
Financing cash flows - payments of interest	(519)	(320)	(7)	**(846)**
Non-cash movements:				
Application of IFRS 16 measurement principles to PFI liability on 1 April 2023			34	**34**
Additions	-	141	-	**141**
Lease liability remeasurements	-	4,237	-	**4,237**
Application of effective interest rate	506	320	7	**833**
Carrying value at 31 March 2024	**15,451**	**9,495**	**194**	**25,140**

Group - 2022/23	Loans from DHSC	Lease liabilities	PFI and LIFT schemes	Total
	£000	£000	£000	£000
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**

Note 26.1 Provisions for liabilities and charges analysis (Group)

Group and Trust	Pensions: injury benefits	Legal claims	Redundancy	Other	Total
	£000	£000	£000	£000	£000
At 1 April 2023	**2,853**	**145**	-	**1,197**	**4,196**
Change in the discount rate	(171)	-	-	(93)	**(264)**
Arising during the year	268	70	241	174	**753**
Utilised during the year	(200)	(34)	-	(737)	**(971)**
Reversed unused	-	(51)	-	(36)	**(87)**
Unwinding of discount	46	-	-	28	**74**
At 31 March 2024	**2,796**	**130**	**241**	**534**	**3,702**
Expected timing of cash flows:					
- not later than one year;	441	130	241	113	**925**
- later than one year and not later than five years;	838	-	-	17	**855**
- later than five years.	1,517	-	-	404	**1,921**
Total	**2,796**	**130**	**241**	**534**	**3,702**

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 job banding claims and legal claims. 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 26.2 Provisions for liabilities and charges analysis (Group and Trust)

Group and Trust	Current 2023/24	Current 2022/23	Non-Current 2023/24	Non-Current 2022/23
Pensions: injury benefits	441	400	2,355	2,453
Other legal claims	130	145	-	-
Redundancy	241	-	-	-
Other	113	669	421	528
Total	**925**	**1,214**	**2,777**	**2,982**

Note 26.3 Clinical negligence liabilities

At 31 March 2024, £159,330k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Stockport NHS Foundation Trust (31 March 2023: £216,295k).

Note 27 Contingent assets and liabilities

	Group and Trust	
	31 March 2024	31 March 2023
	£000	£000
Value of contingent liabilities		
NHS Resolution legal claims	(71)	(88)
Net value of contingent liabilities	**(71)**	**(88)**

Further detail on the provision and contingent liability for NHS Resolution claims is disclosed above at note 26.

Note 28 Contractual capital commitments

	Group and Trust	
	31 March 2024	31 March 2023
	£000	£000
Property, plant and equipment	13,857	26,537
Intangible assets	121	-
Total	**13,978**	**26,537**

Capital commitments reflect those capital projects started or contractually committed to in 2023/2024 and due within one year. These commitments includes the final signed contract for the Emergency and Urgent Care Campus with orders placed to date of £37.8m. Spend to date is £26.4m with a remaining commitment of £11.4m. The scheme is due for completion by March 2025. The Trust also has a £1m commitment for the installation of an MR Scanner. Other order commitments include estate works to the hospital site where work has begun and equipment ordered but not delivered by the 31st March 2024. Contractual commitments of £13.9m are outstanding into 2023/24 with £34.4m incurred to date at the 31st March 2024.

Note 29 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.B3

Note 29.1 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 2024	31 March 2023
	£000	£000
Gross PFI, LIFT or other service concession liabilities	**209**	**221**
Of which liabilities are due		
- not later than one year;	46	40
- later than one year and not later than five years;	163	161
- later than five years.	-	20
Finance charges allocated to future periods	(15)	(21)
Net PFI, LIFT or other service concession arrangement obligation	**194**	**200**
- not later than one year;	40	34
- later than one year and not later than five years;	154	147
- later than five years.	-	19

Note 29.2 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 2024	31 March 2023
	£000	£000
Total future payments committed in respect of the PFI, LIFT or other service concession arrangements	**7,553**	**8,438**
Of which payments are due:		
- not later than one year;	1,678	1,534
- later than one year and not later than five years;	5,875	6,137
- later than five years.	-	767

Note 29.3 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	
	2023/24	2022/23
	£000	£000
Unitary payment payable to service concession operator	**1,745**	**1,572**
Consisting of:		
- Interest charge	7	7
- Repayment of balance sheet obligation	39	33
- Service element and other charges to operating expenditure	1,699	1,532
Total amount paid to service concession operator	**1,745**	**1,572**

Note 30 Impact of change in accounting policy for on-SoFP PFI, LIFT and other service concession liabilities

IFRS 16 liability measurement principles have been applied to PFI, LIFT and other service concession arrangement liabilities from 1 April 2023. When payments for the asset are uplifted for inflation, the imputed lease liability recognised on the SoFP is remeasured to reflect the increase in future payments. Such increases were previously recognised as contingent rent as incurred.

The change in measurement basis has been applied retrospectively without restatement of comparatives and with the cumulative impact on 1 April 2023 recognised in the income and expenditure reserve. The incremental impact of applying the new accounting policy on (a) the allocation of the unitary charge in 2023/24 and (b) the primary statements in 2023/24 is set out in the disclosures below.

Note 30.1 Impact of change in accounting policy on the allocation of unitary payment

	IFRS 16 basis (new basis)	IAS 17 basis (old basis)	Impact of change
	2023/24	2023/24	2023/24
	£000	£000	£000
Unitary payment payable to service concession operator	**1,745**	**1,745**	**-**
Consisting of:			
- Interest charge	7	6	**1**
- Repayment of balance sheet obligation	39	34	**5**
- Service element	1,699	1,699	**-**
- Contingent rent	-	6	**(6)**

Note 30.2 Impact of change in accounting policy on primary statements

Impact of change in PFI accounting policy on 31 March 2024 Statement of Financial Position:	**£000**
Increase in PFI / LIFT and other service concession liabilities	(29)
Decrease in PDC dividend payable / increase in PDC dividend receivable	1
Impact on net assets as at 31 March 2024	**(28)**

Impact of change in PFI accounting policy on 2023/24 Statement of Comprehensive Income:	**£000**
Increase in interest arising on PFI liability	(1)
Reduction in contingent rent	6
Reduction in PDC dividend charge	1
Net impact on surplus / (deficit)	**6**

Impact of change in PFI accounting policy on 2023/24 Statement of Changes in Equity:	**£000**
Adjustment to reserves for the cumulative retrospective impact on 1 April 2023	(34)
Net impact on 2023/24 surplus / deficit	6
Impact on equity as at 31 March 2024	**(28)**

Impact of change in PFI accounting policy on 2023/24 Statement of Cash Flows:	**£000**
Increase in cash outflows for capital element of PFI / LIFT	(5)
Decrease in cash outflows for financing element of PFI / LIFT	5
Net impact on cash flows from financing activities	**-**

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 2023/2024 NHS England funded NHS Trusts under the NHS Payment Scheme (NHSPS) and managed through the GM Integrated Care System. The majority of the Trust's income is earned from the GM ICS and other local NHS commissioners in the form of aligned payment and incentive contracts to fund an agreed level of activity as detailed at note 1.4. In 2023/24 Greater Manchester ICS changed its payment profile to pay providers on the 1st working day of the month to assist Trusts with cashflow management.

In 2023/2024 the Trust has applied for cash support through the NHS England Revenue Support PDC regime. Revenue Support PDC is available to support revenue expenditure and is available to Trusts for necessary and essential expenditure to protect continuity of patient services. The Trust has drawn £5m revenue support in 2023/24 and has applied for further funding for quarter one of 2024/25.

In 2023/2024 capital costs were funded from internal depreciation and £29.6m in PDC cash funding for specific programmes including the Emergency and Urgent Care Campus development, Targeted Investment Fund (TIF) for additional wards to support elective recovery, funding for the removal of reinforced autoclaved aerated concrete planks (RAAC) and monies for digital programmes.

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 2024 the Trust's cash balances were held solely in its Government Banking Services bank accounts and Barclays current accounts as per note 22.1.

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.

Market and Interest Rate Risk

At the 31 March 2024 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 contract payments. 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.

Note 31.1 Carrying values of financial assets (Group) continued

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 £2.7 million for longer term investment with CCLA Investment Management Ltd. It holds one common investment fund in equity funds of £1.8 million and one cash deposit account holding £0.9 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 subsidary, 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 2024	Held at amortised cost	Held at fair value through P&L	Total carrying value
	£000	£000	£000
Trade and other receivables excluding non financial assets	9,081	-	**9,081**
Other investments / financial assets	-	-	**-**
Cash and cash equivalents	16,148	-	**16,148**
Consolidated NHS Charitable fund financial assets	996	1,774	**2,770**
Total at 31 March 2024	**26,225**	**1,774**	**27,999**

Carrying values of financial assets as at 31 March 2023	Held at amortised cost	Held at fair value through P&L	Total carrying value
	£000	£000	£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**

Note 31.3 Carrying values of financial assets (Trust)

Carrying values of financial assets as at 31 March 2024	Held at amortised cost	Held at fair value through P&L	Total carrying value
	£000	£000	£000
Trade and other receivables excluding non financial assets	9,431	-	**9,431**
Cash and cash equivalents	15,525	-	**15,525**
Total at 31 March 2024	**24,956**	**-**	**24,956**

Note 31.3 Carrying values of financial assets (Trust) continued

Carrying values of financial assets as at 31 March 2023	Held at amortised cost	Held at fair value through P&L	Total carrying value
	£000	£000	£000
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**

Note 31.4 Carrying values of financial liabilities (Group)

Carrying values of financial liabilities as at 31 March 2024	Held at amortised cost	Held at fair value through P&L	Total carrying value
	£000	£000	£000
Loans from the Department of Health and Social Care	15,451	-	**15,451**
Obligations under leases	9,495	-	**9,495**
Obligations under PFI, LIFT and other service concessions	194	-	**194**
Trade and other payables excluding non financial liabilities	48,212	-	**48,212**
Provisions under contract	371	-	**371**
Consolidated NHS charitable fund financial liabilities	-	-	**-**
Total at 31 March 2024	**73,723**	**-**	**73,723**

Carrying values of financial liabilities as at 31 March 2023	Held at amortised cost	Held at fair value through P&L	Total carrying value
	£000	£000	£000
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**

Note 31.5 Carrying values of financial liabilities (Trust)

Carrying values of financial liabilities as at 31 March 2024	Held at amortised cost	Held at fair value through P&L	Total carrying value
	£000	£000	£000
Loans from the Department of Health and Social Care	15,451	-	**15,451**
Obligations under leases	9,495	-	**9,495**
Obligations under PFI, LIFT and other service concessions	194	-	**194**
Trade and other payables excluding non financial liabilities	48,306	-	**48,306**
Provisions under contract	371	-	**371**
Total at 31 March 2024	**73,817**	**-**	**73,817**

Carrying values of financial liabilities as at 31 March 2023	Held at amortised cost	Held at fair value through P&L	Total carrying value
	£000	£000	£000
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**

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 2024 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 2024	31 March 2023	31 March 2024	31 March 2023
	£000	£000	£000	£000
In one year or less	52,406	75,741	52,500	74,771
In more than one year but not more than five years	12,247	12,839	12,247	12,839
In more than five years	11,485	10,172	11,485	10,172
Total	**76,138**	**98,752**	**76,232**	**97,782**

Note 32 Losses and special payments

	2023/24		2022/23	
Group and Trust	**Total number of cases**	**Total value of cases**	**Total number of cases**	**Total value of cases**
	Number	**£000**	**Number**	**£000**
Losses				
Cash losses	17	7	39	106
Bad debts and claims abandoned	29	11	24	31
Stores losses and damage to property	1	28	-	-
Total losses	**47**	**46**	**63**	**137**
Special payments				
Ex-gratia payments	17	7	16	4
Special severance payments	1	6	1	3
Total special payments	**18**	**13**	**17**	**7**
Total losses and special payments	**65**	**59**	**80**	**144**

Compensation payments received

Note 33 Gifts

The Trust made no gifts in 2023/24 or 2022/23.

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 28 members of the Council of Governors; 20 public governors, 4 staff governors and a further 4 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.

Note 34 Related parties continued

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.The Trust and Group's related parties include all Whole of Government bodies as defined by the Treasury.

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 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 University Foundation NHS Trust

Derbyshire Community Health Services NHS FT

Tameside & Glossop Integrated Care NHS FT

Pennine Care Foundation Trust

East Cheshire NHS Trust

Northern Care Alliance NHS Foundation Trust

Mersey and West Lancashire NHS Teaching Hospitals Trust

The Christie NHS Foundation Trust

Note 35 Transfers by absorption

There were no transfers by absorption received or divested by the Trust in 2023/24. In 2022/23 the Trust received assets by transfer by absorption with a gain on transfer in the Statement of Comprehensive Income of £1.1 million for assets including Pathology software and equipment.

Note 36 Events after the reporting date

The Accounts have been approved by the Board of Directors and signed by the Chief Executive, as Accounting Officer of the Trust, on the 26th June 2024.

There are no events after the reporting date to report for the 2023/24 Audited Annual Accounts.