



Sheffield Teaching Hospitals  
NHS Foundation Trust

# Annual Report and Accounts 2024-25

PROUD  
TO MAKE A  
DIFFERENCE





# Sheffield Teaching Hospitals NHS Foundation Trust

## **Annual Report and Accounts 2024-25**

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

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# Annual Report 2024-25 - Contents

<b>Chair's Introduction .....</b>	<b>1</b>
<b>Performance Report.....</b>	<b>3</b>
Overview of performance .....	3
History, purpose and principal activities of the Trust.....	15
Overview of the Trust's strategy .....	17
Trends and factors likely to affect the Trust's future development, performance and position .....	18
Overview of Going Concern .....	22
Analysis of operational performance .....	23
Analysis of performance against quality priorities .....	26
Environmental matters .....	37
Analysis of financial performance .....	41
<b>Accountability Report.....</b>	<b>44</b>
Directors' Report .....	44
Remuneration Report.....	55
Staff Report.....	66
Code of Governance Report.....	86
Statement of Accounting Officer's Responsibilities.....	104
Annual Governance Statement 2024/25.....	106
Independent auditor's report to the Council of Governors of Sheffield Teaching Hospitals NHS Foundation Trust.....	128
<b>Financial Accounts .....</b>	<b>135</b>
Foreword to the accounts .....	135

## Chair's Introduction

Welcome to the 2024/25 Annual Report for Sheffield Teaching Hospitals NHS Foundation Trust.

During the year, the NHS was never far from the news both in terms of ongoing industrial action, significant winter pressures and a continued focus on waiting times for both emergency and elective care. All of these issues had a significant impact on our organisation but thanks to our fantastic teams we were able to continue to make improvements in many areas of our performance including a reduction in patients waiting the longest for our care and investment in new facilities and ways of working.

The performance improvements outlined in this report have required everyone across our acute and community services to work innovatively and at great pace to maintain important services whilst rapidly creating and providing additional capacity to keep up with patient demand.

The NHS and our Trust is continuing to transform how we work in order to respond to growing demand, new treatments and a need to make the most out of every pound we receive from the taxpayer.

Improvement and innovation were the watch words for us this year with the launch of our new PROUD Improvement and PROUD Leadership programmes which have been designed to give all of our 19,900 colleagues the encouragement and tools to try out new ideas and ways of working and support outstanding leadership at all levels of our organisation.

Much of last year was focussed on preparing for the implementation of our new Connect Electronic Patient Record (EPR) which is one of the biggest investments we have made for several years. The system will support how we deliver safe, timely patient care and provide the foundation for our ongoing digital transformation. We had planned to go live in October last year but have given ourselves more time to get ready and intend to implement the system in July 2025.

Using digital technology to support our teams to deliver timely, high-quality care is not confined to implementing our new EPR. Artificial Intelligence (AI) is becoming more prominent in many areas of life now, and healthcare is no different. This presents opportunities to enhance and complement the crucial work of our clinicians, and there are excellent examples of how AI is being used to help within our Trust with the diagnosis of kidney and heart conditions and dementia.

Our people are our greatest asset, and we are pleased to see improvements in almost all areas of the NHS annual Staff Survey this year - such as how people feel valued, access to learning and development and improved satisfaction in support from line managers. We also saw another increase in the number of staff who would recommend the Trust as a place to work or receive care. We recognise the

pressures and demands that come with working in a healthcare environment and will continue to ensure everyone working here feels heard, encouraged and supported when raising concerns.

Achieving long-term financial stability is key to us continuing to invest in new facilities and infrastructure that increases our capabilities and capacity into the future. Throughout 2024/25 we saw the development of new multi-million-pound surgical robots to carry out hysterectomies, prostate removal and other procedures as well as the opening of new units for nuclear medicine, maternity assessment, and endoscopy. This was in addition to continued refurbishments of wards and clinic areas and provision of services in the community.

There is no doubt that the health and social care system will continue to be a challenging environment in 2025/26. The government has announced NHS England will be abolished and the role of Integrated Care Boards radically changed over the coming year as part of a reform of how the National Health Service is run. The NHS 10 Year Health Plan is also due to be published in the summer of 2025 which will outline the direction of travel for the NHS moving forward and influence the development of our new Clinical Strategy; Care 2035.

We recognise that many of the big challenges and opportunities ahead of us can only be solved in partnership with wider local partners, and we continue to be committed to actively playing our part in delivering system-wide solutions. Equally, we will continue to focus on improving whatever is within our internal control, and to work collaboratively to ensure our patients' experience, safety and outcomes remain central to our decision-making and the actions of everyone at the Trust.

So, in conclusion we have had another challenging year but one which has ended with real improvements in our performance and an optimism which is being harnessed as part of the development of Care 2035 which will shape how we deliver care into the future. Thank you to all our staff, charities, Governors and partners who have helped to deliver the achievements outlined in this report.



Annette Laban  
Chair

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# Performance Report

## Overview of performance

This section provides an overview of the Trust, its purpose, key risks to the achievement of its objectives and how it has performed during the year.

### Annual performance statement from the Chief Executive

2024/25 has been extremely challenging for the NHS as a whole and was dominated by complex operational pressures, continued industrial action, high demand for both emergency and planned healthcare and a challenging financial position.

All these things impacted on our organisation, but I am proud to say that our teams have gone above and beyond to ensure we continued to deliver improvements, all of which have impacted positively on the quality, convenience and timeliness of patient care.

We achieved the majority of our 2024/25 corporate objectives and successfully delivered our financial plan. We know we have more to do in terms of meeting all the required levels of performance and in particular eradicating the remainder of the longest waiting times for diagnosis or planned treatment which includes some areas of cancer care.

Throughout the year we continued to build on our work to make our Trust a brilliant place to work and have expanded our partnership activities to benefit local communities, improve our sustainability and support wider NHS system working.

Improvement and innovation continued to be our watch words in 2024/25, and we had an increased number of submissions for the second year of our Dragons Den innovation fund which encourages staff at all levels of seniority and in all roles to bid for monies to support an innovation which benefits patients and/or staff or makes better use of resources.

Our PROUD Improvement programme launched in 2024 has now been accessed by thousands of colleagues from across the organisation to give them the tools to identify, test and embed change. We also launched our PROUD Leadership programme this year which supports leaders across the Trust with the learning and tools to navigate the challenges and opportunities they are facing.

Turning to our operational performance, like other trusts across the NHS we experienced unprecedented levels of demand for emergency care, compounded by high levels of 'Flu and other seasonal respiratory viruses which led to a high level of admissions. Admitting these patients in a timely manner was particularly difficult because at any one time we had as many as 250 patients on our wards with 'no

criteria to reside'. These patients were not in the place best able to meet their ongoing needs once their clinical care was complete. This also prevented us from using those beds for patients who needed acute care. In line with our Winter Plan, we opened additional bed capacity and expanded several of our admission avoidance services like virtual wards, remote monitoring and the Same Day Emergency Care Centre. Within the Accident and Emergency Department (A&E) we worked with Yorkshire Ambulance Service to introduce a new Ambulance Streaming Sister role, and a 'Booster' service improvement programme is underway with a focus on improving timeliness of triage for walk-in patients, in addition to those arriving by ambulance. An emphasis was also placed on more timely flow of patients out of A&E and into admission areas, creating space for the 'next ambulance patient' to be brought into A&E and handed over. All this work is aimed at improving ambulance handover and patient wait times.

Unfortunately, patients who attend our A&E with mental health emergencies often have long waits for transfer to an appropriate mental health service or unit. We have seen some improvement in the last 12 months following work with partners across the City, but this work must continue as a priority into 2025/26.

In terms of planned care, we have almost eliminated the longest waits for treatment, a legacy from the pandemic. At the same time, we have reduced waiting times for new patients despite our waiting list growing by 0.7 per cent in the last year alone. We still have more to do to return to our previous waiting times position which was among the best in the NHS, but we are making good progress.

Regrettably, we have not been as quick to completely recover our cancer and diagnostic performance despite continued efforts across the different tumour sites. Therefore, we were placed into regulatory 'tiering' by NHS England for under performance. Significant progress has been made and we are working with our partners across the South Yorkshire and Bassetlaw Cancer Alliance to further improve shared treatment pathways and transform care delivery models for the future.

Throughout the year we built on the patient safety work initiated following our Care Quality Commission (CQC) inspection in 2022, in particular the recognition and response to deteriorating patients and learning from incidents. A particular area of focus is the development of our 'Cause for Concern' process which is based on Martha's Rule, and which will provide a clearly communicated process for relatives or carers to escalate any concerns they may have about a patient.

We also continued to further build on safety improvements in our maternity service. One example is that we have seen a significant improvement in the quality of X-rays taken on the Neonatal Unit. This has resulted in a higher standard of images at the first attempt and fewer babies being exposed to unnecessary doses of radiation. We have also seen sustained improvement reflected in the latest Mothers and Babies:

Reducing Risk through Audits and Confidential Enquiries (MBRRACE) Perinatal Mortality Rate which showed our data is now in line with other large specialist maternity units. We were also pleased that the results of the 2024 NHS Maternity Survey showed Jessop Wing to be the 11th most improved maternity service in the country. This was particularly pleasing because it was based on the opinions of our parents who have used our service and felt they had experienced a high standard of compassionate care. The Jessop Wing scored 'better than expected' in comparison to other trusts in several areas, with no areas scoring 'worse' than other trusts. Ninety nine (99) per cent felt they were treated with respect and dignity during labour and birth and 97 per cent felt they had confidence and trust in staff (during labour and birth).

Multi-disciplinary working between our vascular, diabetes, acute and community podiatry teams has resulted in becoming one of the best performing centres in the country for preventing diabetic related foot ulcers. Compared to a national average of 66.6 per cent, 85.7 per cent of patients with diabetic foot ulcers were seen within 13 days of presentation. Seeing patients quickly is vitally important because ulcers can deteriorate rapidly and lead to amputation if not treated. Foot clinic sessions in hospital now focus on seeing the most serious cases, while less severe cases are seen in patients' homes following investment in additional community podiatry capacity. Patients are referred to the community podiatry team the same or next working day. An image sharing platform has also been set up to enable the podiatrist to share images if consultant advice is required.

We are pleased to be one of the first NHS trusts to have Admiral Nurses available to support patients with dementia, their families and carers. Our Admiral Nurses, supported by Dementia UK provide specialist support from the point of referral to hospital and through a post-discharge period of up to six weeks. They ensure the correct discharge destination is in place, provide health advice and emotional and psychological support, and work with nursing and residential homes and community services to ensure the smoothest possible transition. This helps to ensure timely discharge and supports a 'home-first' approach.

Investment in another surgical robot is enabling even more patients with prostate cancer to benefit from less invasive surgery and a shorter recovery time. Our surgical teams have successfully carried out the region's first robotic-assisted hysterectomies for severe endometriosis and we have introduced mechanical thrombectomy for lung clot removal. This procedure is carried out under local anaesthetic and takes less than an hour.

We were thrilled when Cathy Harrison, one of our advanced nurse practitioners was named UK Nurse of the Year. Cathy has brought transformational change to the care of patients with bleeding disorders, not just in Sheffield but nationally and across the world.

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As part of a national initiative, we introduced opt-out blood borne virus testing in our A&E Department. This means that people aged 16 years and over who receive routine blood tests when they attend A&E will be tested for HIV (human immunodeficiency virus), hepatitis B and hepatitis C, regardless of symptoms unless they choose to opt-out. The routine testing will support earlier detection and diagnosis of the blood borne viruses, saving lives and giving people access to the latest and most effective treatments (which can be curative in the case of hepatitis C). More than 56,000 blood tests are carried out in our A&E each year and in just a few months since the start of the testing, positive cases have been identified and treatment provided.

All the improvements our teams have made this year have our PROUD values at their heart – putting patients first, being respectful, taking ownership to solve problems or make things better, working in unity as a team and delivering. They also deliver on our main aims as a Trust which are set out in our corporate strategy: Making a difference – the next chapter 2022-2027:

- Deliver the best clinical outcomes
- Provide patient centred services
- Employ caring and cared for staff
- Spend public money wisely
- Create a sustainable organisation
- Deliver excellent research, education and innovation

The improvements range from work that is enabling more patients to receive treatment in the familiarity and comfort of their own home, to the innovative use of technology to speed up diagnosis and big strides forward in both our sustainability and equality, diversity and inclusion work. I have mentioned a few examples, but the list is by no means exhaustive and further details can be found in our latest Change Makers document which is available on our website: [Change Makers | Sheffield Teaching Hospitals NHS Foundation Trust](#).

Earlier I outlined some of our key operational challenges which will need to be addressed in the context of an even more constrained financial position in 2025/26. However, we also have some significant opportunities which will help us further improve the quality and timeliness of patient care.

Much of last year was focussed on preparing for the implementation of our new Connect Electronic Patient Record (EPR) which is one of the biggest investments we have made. The system will support how we deliver safe, timely patient care and provide the foundation for our ongoing digital transformation. We were due to launch the system in October 2024 but after careful consideration we made the decision to give ourselves more time so that we could be in the best shape possible to

implement the system successfully. We have a new go live date for July 2025. A key consideration in the procurement of the new system was the potential for the integration of other systems and interoperability with other NHS partners in the future given the increasing emphasis on system working and collaboration.

Another opportunity we are exploring is Artificial intelligence (AI). This is becoming more prominent in many areas of life now, and healthcare is no different and presents opportunities to enhance and complement the crucial work of our clinicians. There are excellent examples of how AI is being used to help within our Trust with the diagnosis of kidney and heart conditions and dementia. Our innovative AI tool developed to speed up MRI heart scan comparisons in a matter of seconds is attracting interest from across the NHS and further afield. As well as providing a faster diagnosis for patients this frees up clinicians to spend time with patients rather than on administration. The development was profiled as an example of an innovation that could point to a better future for the NHS on BBC Panorama. We will make these changes carefully – as well as offering fantastic potential benefits, there are also risks and we will ensure that any AI is introduced safely.

As well as our new EPR, we have invested a total £51.2m to ensure our facilities and equipment keep pace with healthcare developments. We have refurbished the theatres in the Chesterman Cardiac Centre, installed a linear accelerator to support delivery of cancer care and refurbished the Rivelin Ward in the Jessop Wing. We also carried required Reinforced Autoclaved Aerated Concrete (RAAC) eradication work and replaced the generators at the Royal Hallamshire Hospital. This was in addition to purchasing replacement and new medical equipment for use in a number of services.

We also began to see the benefits that the new South Yorkshire and Bassetlaw Pathology Network will bring to patients. Following joint working, the network was established on 1 April 2024 and is a partnership between the five acute hospital trusts in South Yorkshire and Bassetlaw and is hosted by our Trust. The network is now in the process of planning for the implementation of a new Laboratory Information Management System which will bring further improvement opportunities to benefit patient care across the region.

### Making best use of resources

Many of the achievements and developments outlined in this report would not be possible if we did not have financial stability and therefore our financial performance is one of our core aims to support the delivery of safe, high quality patient care. I am pleased to report that we have ended the 2024/25 financial year with a small £0.03m over delivery against our £6.9m surplus financial plan. The financial climate across the NHS and wider public sectors remains extremely challenging, and achieving this financial outcome has taken a huge effort from staff across the Trust. Continuing to explore every opportunity to further improve our operational efficiency in response to

a changing financial regime, will be critical. The delivery of an ambitious cost improvement programme to achieve a sustainable financial position will be a key priority in 2025/26 and will focus on driving out unnecessary variation, refining our ways of working and through partnerships explore how we deliver the best value for the resources we are given. We will need to navigate the coming year's financial challenges not only as a Trust but also as a partner in the wider South Yorkshire system. This means partnership working will be more important than ever before.

### Sustainability and health equality

During the year we have not just looked at what is happening inside our organisation but also our impact on our wider communities and how we can positively contribute to reducing health inequalities and improve our sustainability. We are passionate about ensuring vulnerable communities have the same access to healthcare as others and our teams are always looking at how we can adapt what we do to meet specific needs.

Addressing climate change, biodiversity loss and sustainability present some of the starkest challenges for the future of our planet and humanity. We have made further progress against our Sustainability Plan which supports our sixth corporate aim to create a sustainable organisation. I will mention a few of the projects here.

A new walking aid return and reuse recycling scheme has been hugely successful since its launch and has expanded to include care homes in recent months. The scheme, which has been led by a Trust-wide project team of therapists in partnership with community equipment provider Medequip, benefits both patients and the environment whilst also saving the NHS thousands of pounds. Patients, relatives and carers can return any unused or no longer needed walking aids, such as metal walking sticks, frames, rollators and crutches, to designated collection carts at our hospitals. Returned items are checked and cleaned so they can be given to another patient where appropriate. All walking aids can be returned, regardless of condition as defective items can also be recycled as scrap metal, helping the environment and improving patient safety by taking defective items out of circulation. Any new walking aids that are handed out by the therapy services team now have a sticker on them informing the patient of where it can be dropped off once it is not of use. By reusing walking aids, we can save 20 per cent of carbon emissions, help patients and reduce costs. If just two out of every five walking aids were returned, the average hospital could save up to £46k per year.

We are proud to be one of the few NHS trusts with an in-house catering service, and our teams continue to innovate and find new ways to reduce our emissions and environmental impact. Building on the work to remove plastic cutlery, packaging and increase recycling we launched Keep Cups and Lids in our dining rooms, which offers staff, patients and visitors money off hot drinks for using reusable cups, and reward points towards free drinks. It is testament to this work that the team won the

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Sustainability Award at the Hospital Catering Association's Leadership and Development Forum.

We were also awarded £1.13m to install solar panels at the Northern General Hospital, Jessop Wing and three community properties. The money will be used to install 1,500 solar panels which will deliver anticipated cost savings of £153k per annum.

Our Procurement teams have also been looking at where we can increase the use of local businesses and suppliers, to help reduce the number of road miles of our supply chain and support the local economy.

We held a fantastic Festival of Sustainability in Healthcare in partnership with Sheffield Children's NHS Foundation Trust and Sheffield Health and Social Care NHS Foundation Trust featuring events across the City designed to get staff involved in creating a greener future in Sheffield's healthcare organisations.

To reduce medication waste and save money lockable green pharmacy returns bins have been rolled out to all inpatient areas. The pharmacy ward team empty the bins, and any suitable items are re-issued into stock.

Strong relationships with the City's universities, Council, NHS partners including the South Yorkshire and Bassetlaw Integrated Care Board (ICB) and Integrated Care Partnership (ICP), voluntary organisations and business community are important because, as an anchor institution, we need to positively influence the wider social determinants of health. For example, by tackling the climate emergency, providing access to good quality education and employment, making a positive impact on our economy, and taking action on prevention and healthier lifestyles. These complex issues require collective action, working in partnership to deliver a clear place-based strategy and aligning discrete interventions so that we are greater than the sum of our parts. We have therefore taken many opportunities throughout the year to build on our existing partnerships and bring new ones to fruition.

We are also a member of the Sheffield Health and Care Partnership which has continued to develop in line with the health and care vision developed for 2030 that focuses on integration of care across services within the City; the need to reduce and remove inequalities; and to ensure we involve those people and communities that use the services we provide collectively.

The South Yorkshire and Bassetlaw (SYB) Acute Federation, which is a collaboration of the acute trusts across SYB is also focussing on how we can work more effectively together to improve clinical standards and the care outcomes for our patients, as well as making our organisations better places to work.

In early 2025 we are holding a Festival of Ideas to showcase how our teams are addressing health inequalities and encourage a conversation about what else we can do across our own services and as part of our partnerships.

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## Caring for our staff

We are extremely proud of the diversity of both our staff and the communities we serve, but we know there is more we need to do to make our organisation a truly inclusive and welcoming place for all.

We want everyone to feel they belong and to be equally valued and important. To achieve this, we have continued our focus on delivering our Equality, Diversity and Inclusion (EDI) Strategy by working on its implementation plan and embedding good EDI practice across all functions of the organisation. We have also continued making progress on our Workforce Race Equality Standard and Workforce Disability Equality Standard action plans and on increasing colleagues' competence, knowledge and understanding of EDI. We have expanded our network of EDI Champions, who are from a variety of directorates.

We are very proud to have been recognised as one of the top 20 employers for commitment towards LGBTQ+ equality in the workplace, according to the 2024 Stonewall Top 100 employers. We improved on our rank of 67th in 2023 and retained the Gold Award for the third year running.

In July and August 2024, we saw scenes of racially motivated violence in England and what we witnessed was abhorrent, deeply upsetting and concerning. Our colleagues were understandably scared for themselves, and their colleagues and we took swift action to put in place practical support for staff and reiterate publicly that racism against our staff, patients or communities would not be tolerated in any form. We are committed to understanding and addressing the complex issues that lead to racism, inequality and exclusion and during the year spent time engaging with our colleagues and communities to refresh our EDI strategy. The strategy builds on the success of the last three years and sets out our ambitions to do more. Outside of the Trust, we are also a partner in the Sheffield Race Equality Partnership committed to Sheffield's ambition to become an anti-racist city. I am proud that we were the first NHS trust to fly the Race Equality Flag, a powerful symbol promoting racial equity. This was a suggestion from our Race Equality and Inclusion Staff Network who worked so hard to bring this to fruition.

Our four Staff Networks LGBTQ+, Women's, Race Equality and Inclusion (REIN) and Disability and Wellbeing (DAWN) continue to grow from strength to strength and bring significant value and insight to the Trust's work on EDI and wider staff issues. We are working hard with the networks and other colleagues from across our hospitals and community services to understand where we can do more to support all our staff and ensure they can reach their full potential. We have made many changes over the past two years including ensuring our recruitment panels are more representative of the diversity of our staff and patients, raising awareness of opportunities for all staff to develop their career but especially those who historically may not have progressed as easily as others and most importantly being clear that

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there we have zero tolerance towards any form of discrimination. We know we have not got everything right yet, but we are working hard to be an exemplar employer for equality, diversity and inclusion.

We have also made good progress throughout the year against our three priority areas of Attract, Grow and Retain contained within our People Strategy 'A Brilliant Place to Work' which also incorporates the seven national People Promise themes. These efforts were reflected in this year's NHS Staff Survey results where we showed significant improvements across five of the nine themes. We scored above the national average for the themes: 'We are compassionate and inclusive', 'We are safe and healthy' and 'Morale'. More staff at our Trust said they would be happy with the standard of care provided if a friend or relative needed treatment compared to other acute and community trusts and we scored above average for colleagues saying they would recommend our Trust as a place to work. We had the highest response rate we have ever had with 56 per cent of our colleagues giving their views and this will inform where we focus our efforts to address the areas where our staff feel we can do better.

Wellbeing has continued to be a significant focus with successful work to expand the number of Wellbeing Champions we have trained across the Trust as well as achieving Menopause Friendly accreditation through a programme of work to support colleagues experiencing menopause. Our counselling and physiotherapy services also continued to be a valuable support to staff throughout the year.

Sadly, whilst we know most people behave in an appropriate way at work, we have seen instances highlighted in the NHS where this is not the case, and we know that sexual safety is something which is rightly being raised as an area for organisations to be aware of and address. We have been very clear that this behaviour has no place in our organisation and is against our PROUD values and behaviours. We were proud to be one of the first NHS trusts to sign up to NHS England's first ever Sexual Safety Charter.

More information about the Staff Survey and other staff improvement work can be found later in this report.

Ensuring colleagues can speak up when they feel something is unsafe, or goes against our PROUD values or behaviours, or is having a negative impact on our patients or staff is critical and we have continued to embed our Freedom to Speak Up processes to ensure they are understood and easy for our staff to use. Our lead Freedom to Speak Up (FTSU) Guardian is supported by additional voluntary Guardians and over 50 FTSU Champions. You can read more about our work in this area later in the report.

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## Research and innovation

We have a strong culture of research and innovation across our organisation and our researchers work across many specialities and disease areas to advance care and provide the evidence needed to introduce more effective interventions, new technologies and ways of working to shape future care.

Our longstanding partnerships with the City's universities play an important role in driving forward cutting-edge research and innovation, and we are supported in all our research activities through partnerships at local, national and international level.

The impact of our research on the national and international stage was highlighted with the appointment of three of our most distinguished research leaders as National Institute for Health and Care Research (NIHR) Senior Investigators. NIHR Senior Investigators work at the forefront of health and care research, shaping national health and care policies, mentoring the next generation of researchers, and fostering a culture of collaboration that promotes patient and public involvement.

We also led breakthrough research which demonstrated that survival rates for patients with operable bladder cancer were significantly improved when patients were treated with an immunotherapy drug before and after surgery. Survival rates for advanced bladder cancer have remained static for many years, so these findings offer hope to thousands of patients who face this devastating diagnosis.

Patients living with rare diseases face many challenges, so providing them with access to cutting-edge treatments before they are rolled out in the NHS can be transformative. In Sheffield we have been leading the way in this area with trials such as Fortitude which is a landmark study exploring whether the progression of a rare, incurable disease known as facioscapulohumeral muscular dystrophy (FSHD) can be disrupted by switching off the DUX4 gene. This gene is widely viewed as the gene that triggers muscle weakness and degeneration in patients with this degenerative condition.

The AWARE-IBD study funded by the Health Foundation's Common Ambition programme has improved outcomes for patients with debilitating lifelong conditions such as Crohn's and Colitis. As well as leading to fewer hospital admissions and investigations for the patients with Inflammatory Bowel Disease (IBD) who took part in the study, a new national IBD toolkit, co-designed by the patients has been developed.

Working strategically with the health technology industry can be a force to help us improve the health of the population and respond to the challenges the NHS is facing. Our first-ever research partnership event with the Association of British HealthTech Industries (ABHI) and the Shelford Group, a collaboration between ten of the largest teaching NHS trusts was attended by representatives from over 30 health technology companies in addition to representatives from Sheffield's NHS and

innovation organisations. Through a series of panel discussions, 'Collaborate to Innovate' focused on ways to develop, evaluate and adopt novel health technologies to meet patients' needs effectively and build on the strength of Sheffield's existing local health technology innovation infrastructure.

Our Jessop Wing researchers continued to offer an extensive portfolio of research to build knowledge and develop new maternity treatments. As well as becoming a site to recruit newborn babies into the world-leading Generation study testing babies for genetic conditions, the team has also become a study site for a new trial investigating whether routinely taking iron during pregnancy can prevent anaemia.

Over the last year our researchers have led innovative patient engagement work that has supported communities historically underrepresented in health research to lead healthcare research. Led by Devices for Dignity, the NIHR HealthTech Research Centre (HRC) in long-term conditions, the team of researchers worked with the Sheffield Somali Community Centre to develop CognoSpeak TM, an AI tool that uses speech and language analysis to detect memory problems at an early stage and thus predict dementia. By training the technology on 50 Somali participants, the cutting-edge tool is now inclusive and can recognise speech patterns in those who do not have English as a first language.

A groundbreaking research programme designed to improve health in Black communities was also launched by our NIHR Sheffield Biomedical Research Centre and the NIHR Sheffield BioResource Centre. The Improving Black Health Outcomes (IBHO) BioResource programme will match participants with relevant research studies to explore how Black communities develop and experience health conditions. These include sickle cell disease, diabetes, cardiovascular disease and kidney disease.

A group of our research nurses and computing scientists developed an innovative tool to ensure more patients can participate in research trials. The tracker uses algorithms to automatically match patients into multiple suitable trials simultaneously. This has replaced a lengthy manual process which research nurses had to spend many hours completing. The time saved by the tracker tool has freed up those nurses to focus on supporting those patients who are eligible for a research trial.

## Conclusion

Our overriding priority will continue to be to deliver safe, high-quality care for all our patients and provide a brilliant place to work for our staff. We see the benefits of working collaboratively and at scale to overcome some of the common challenges facing health and social care currently and to navigate the national and local changes ahead. Never have the relationships between primary care, secondary care, social care, academia and industry been so crucial. Our collective determination and willingness to work together to enhance or change the way we do

things remains a great strength. As we enter another important chapter, I'd like to thank our staff for all they do for our patients and urge them to maintain the passion and dedication they show each day. There is no doubt that we will need the ongoing support and efforts of the whole of Team STH as well as our patients, charities, volunteers and partner organisations to achieve success, but I am confident that we can seize the opportunities and mitigate the challenges.

A handwritten signature in black ink that reads "Kirsten Major". The signature is fluid and cursive, with a large initial 'K' and 'M'.

Kirsten Major  
Chief Executive  
24 June 2025

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## History, purpose and principal activities of the Trust

Sheffield Teaching Hospitals NHS Foundation Trust is one of the England's largest and busiest NHS foundation trusts. Above all, patients lie at the heart of everything we do, and we have a history of delivering high quality care, clinical excellence and innovation in medical research.

Formed in 2001, we provide acute, elective, community, and specialist healthcare services for over two million patients each year. We achieved Foundation Trust status on 1 July 2004 and are one of the largest integrated NHS trusts in England. During the past year, we have seen and treated over 1.2 million outpatients, over 632 thousand nurse contacts with community patients, circa 130 thousand inpatients, over 143 thousand day case patients and over 173 thousand attendances to our Accident and Emergency Department.

Our staff provide a full range of local hospital and community services for adults in Sheffield, as well as specialist care for patients from further afield including cancer, spinal cord injuries, renal and cardiothoracic services. In addition to community health services, the Trust comprises five of Yorkshire's best known teaching hospitals.

The Northern General Hospital is the home of the City's Accident and Emergency Department which is also one of three Major Trauma Centres for the Yorkshire and Humber region. Several specialist medical and surgical services are also located at the Northern General Hospital including cardiac, orthopaedics, burns, plastic surgery, spinal injuries and renal, to name a few. A state-of-the-art laboratories complex provides leading-edge diagnostic services.

The Royal Hallamshire Hospital has a dedicated Neurosciences Department including an Intensive Care Unit for patients with head injuries, neurological conditions such as stroke and for patients who have undergone neurosurgery. It also has a large Tropical Medicine and Infectious Disease Unit, a specialist Haematology Centre and other medical and surgical services.

Sheffield Teaching Hospitals is home to the largest dental school in the region, a women's hospital (Jessop Wing) with a specialist Neonatal Intensive Care Unit and a Fertility Unit. The Weston Park Cancer Centre is also part of our Trust.

The Trust also provides community health services to deliver care closer to home for patients and prevent admissions to hospital wherever possible. We aim to reflect the diversity of local communities and have developed strong partnerships with local people, patients, neighbouring NHS organisations, local authorities, charitable bodies and GPs. We are one of the region's largest employers and we take our responsibility to be a good corporate citizen very seriously.

We have a proud history of pioneering medical advances that have now become established NHS treatments. We also undertake high quality research that provides the NHS with the evidence it needs to introduce new treatments and care. Together with our partners at The University of Sheffield and Sheffield Hallam University, we are leading the way in the development of world class clinical research in a wide range of disease areas. This includes cancer, progressive diseases such as dementia, stroke, multiple sclerosis, as well as heart disease and many other lesser-known conditions.

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## Overview of the Trust's strategy

Our 'Making a Difference' corporate strategy was originally developed in 2012 and then refreshed in 2017. In 2022 we launched our new strategy - Making a Difference – the next chapter.

### Our Vision

To be recognised as a brilliant place to work, a provider of inclusive and high-quality health care, clinical research and education in the UK and a strong contributor to the aspiration of Sheffield to be a vibrant, healthy and sustainable City region.

### Our Mission

We are here to improve health and wellbeing, to support people to keep mentally and physically well, to get better when they are ill and, when they cannot fully recover, to stay as well as they can to the end of their lives. We aim to work at the limits of science – bringing the highest levels of human knowledge and skill to save lives and improve health. We touch lives at times of basic human need, when our care and compassion are what matter most to people.

### Our Aims

- Deliver the best clinical outcomes.
- Provide patient centred services.
- Employ caring and cared for staff.
- Spend public money wisely.
- Create a sustainable organisation; and
- Deliver excellent research, education and innovation.

### Our Values

- Patient first - ensure that the people we serve are at the heart of all we do.
- Respectful - be kind, respectful to everyone and value diversity.
- Ownership - celebrate our successes, learn continuously and ensure we improve.
- Unity - work in partnership and value the roles of others; and
- Deliver - be efficient, effective and accountable for our actions.

In 2023 we built on our PROUD values by developing PROUD behaviour standards for staff and patients. These can be found on our website: <https://www.sth.nhs.uk/>.

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## Trends and factors likely to affect the Trust's future development, performance and position

In the context of delivering the Trust's strategy, a number of key risks facing the Trust have been identified.

As described in the Annual Governance Statement, the Trust's risk management arrangements support the identification, management and oversight of risks which may, should they be realised, impact on the delivery of high-quality services and our strategic aims and corporate objectives.

A key element of these arrangements is the Board Assurance Framework (BAF) which is structured around a set of themes which reflect the most significant risks impacting on the delivery of the Trust's Strategic Aims, as agreed by the Board of Directors. Kept under regular review these themes reflect the profile of significant operational risks recorded on the Trust's Risk Register and the external strategic landscape.

The BAF forms the mechanism by which the Board seeks assurance on the effectiveness of actions in place to mitigate key risks.

Current Strategic Risks entered onto the BAF can be confirmed as:

*Strategic Risk 1 (Quality of care): Fail to consistently provide compassionate, effective and safe patient centred care that delivers the best clinical outcomes*

due to:

- Inability to embed effective quality governance arrangements including learning from incidents / patient feedback
- Lack of cultural competency across our service delivery
- Fail to maintain an environment which supports safe and effective delivery of modern healthcare

resulting in:

- Adverse impact on the health outcomes of patients and public health in the longer term
- Continued regulatory intervention and potential loss of public trust and confidence
- Negative effect on staff wellbeing, motivation and recruitment / retention
- Legal / financial implications
- Unsuitable / unsafe environment impacting patient / staff experience

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*Strategic Risk 2 (Operational delivery and recovery): Fail to deliver operational performance in line with agreed recovery trajectories*

due to:

- Insufficient capacity to deliver activity
- Insufficient directorate leadership focus – lack of oversight, operational grip and ability to engage teams
- Complexity of challenge and potential for delivery to be adversely impacted by a range of factors / competing priorities

resulting in:

- Negative patient experience / adverse impact on the health outcomes of patients and public health in the longer term
- Financial implications
- Increased waiting time leads / underperformance against external targets and national performance standards leads to regulatory action
- Negative effect on staff wellbeing, motivation and recruitment / retention

*Strategic Risk 3 (Workforce): Fail to ensure the Trust can recruit and retain the right people to deliver patient centred services and the best clinical outcomes*

due to:

- Fail to monitor and support the health and wellbeing of our staff
- Insufficient staffing resource compounded by national shortages across key areas of the workforce / impact of industrial action
- Ineffective workforce planning fails to deliver a diverse and inclusive workforce with the capacity and capability to meet current and future Trust requirements

resulting in:

- Adverse impact on staff health, wellbeing and resilience
- Loss of experience and knowledgeable staff
- Negative effect on patient care
- Unable to deliver Trust strategies and the Recovery Plan

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*Strategic Risk 4 (Finance): Fail to manage our finances effectively and deliver value for money to ensure the long-term sustainability of care provision*

due to:

- Uncertainty around funding / contracting arrangements compromising strategic financial planning
- Failure to ensure financial systems and processes are fit for purpose
- Failure to deliver the required levels of efficiency savings
- Failure to secure sufficient capital funding and manage competing priorities for capital funding

resulting in:

- Lack of financial stability
- Regulatory intervention / restrictions
- Unstable operating environment / service delivery adversely impacted
- Negative patient / staff / stakeholder experience
- Unable to deliver strategic development plans / maximise opportunities

*Strategic Risk 5 (Digital): Fail to implement appropriate, cost effective and innovative approaches to the Trust's digital infrastructure that support our aspirations today and for the future*

due to:

- Ineffective delivery plans for Electronic Patient Records
- Failure to maintain effective cyber security
- Ineffective maintenance and modernisation of the information technology infrastructure, including missed digital opportunities

resulting in:

- Operational problems causing detriment to patient care and impacting on patient safety
- Failure to deliver seamless cross-region clinical work
- Catastrophic loss of access to key clinical systems / delivery of services and patient care compromised
- Poor staff experience

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*Strategic Risk 6 (Sustainable healthcare): Fail to deliver healthcare partnerships and be a key partner in our Integrated Care System and the wider healthcare system in England*

due to:

- Inability to effectively influence / manage the impact of conflicting priorities amongst system partners, system financial plan misalignment and/or ineffective governance
- The Trust's strategies and plans don't anticipate evolving healthcare needs of the local population and/or deliver reductions in health inequalities
- Failure to mitigate the impact of our operations on the environment, and to mitigate the impact of climate change on our operations

resulting in:

- Poor stakeholder relationships / Trust not seen as a partner of choice
- Limited impact on reducing health inequalities
- Increased costs / unrealised efficiencies in service delivery changes
- Unable to reduce the Trust's impact on climate change
- Disruption to service delivery / poor patient and staff experience due to the impacts of climate change on operational delivery

*Strategic Risk 7 (Research and Innovation): Fail to ensure the Trust has the ability to deliver excellent research and innovation*

due to:

- Fail to ensure relevant strategies and delivery plans are clearly defined and effective
- Service pressures displacing research activity
- Infrastructure and resources are insufficient to support delivery of research and innovation

resulting in:

- Failure to deliver modern integrated care / missed opportunities to improve patient care and operational efficiencies
- Adverse impact on reputation as a teaching hospital
- Service delivery not being aligned to future community / stakeholder needs
- Reduced research funding
- Reduced patient access to clinical research

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*Strategic Risk 8 (Well-led): Fail to ensure appropriate and effective governance arrangements are in place that support the achievement of our Corporate Strategy (Making a Difference – the Next Chapter)*

due to:

- Senior leaders fail to effectively articulate or implement mission, vision and strategy
- Ineffective / inconsistent systems and processes to support the management of risks, issues and performance
- Ineffective Board oversight, challenge and action

resulting in:

- Decisions based on inaccurate / outdated information
- Inability to deliver continuous improvement
- Trust and confidence in Trust leadership questioned / Regulatory intervention
- Long-term vision and mission undeliverable
- Leadership turnover
- Staff and patient experience / satisfaction negatively impacted

## Overview of Going Concern

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

## Analysis of operational performance

Sheffield Teaching Hospitals NHS Foundation Trust is one of the UK's largest and busiest NHS foundation trusts.

Last year continued to be a challenging one for the NHS with all trusts expected to provide the highest standards of care whilst achieving demanding efficiency savings, managing the impact of industrial action and continuing to recover activity and waiting time levels following the Covid-19 pandemic.

Despite the enormous challenges, compared to 2019/20 levels, the most recent comparator year prior to the pandemic, we treated 111 per cent of inpatients and day cases as well as 112 per cent of outpatients. The number of attendances to our Accident and Emergency Department was close to 109 per cent of 2019/20.

Fig: Trust activity by activity type

Activity type	Number of patients					
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Day cases	127,975	89,984	121,941	129,434	134,728	143,307
Elective Inpatient spells	28,857	19,151	24,498	27,419	29,876	30,583
Non-Elective spells	89,177	78,934	86,159	92,502	101,203	106,226
New Outpatient attendances	312,481	230,305	281,620	293,119	292,208	316,206
Follow up Outpatient attendances	803,815	750,270	825,132	873,347	893,196	930,768
Accident and Emergency attendances	158,561	121,300	154,319	160,926	166,139	172,735

There are a number of national standards for waiting times, which we endeavour to achieve, alongside continuing this growth in activity, whilst still ensuring the best possible patient care. We consider rigorous infection prevention and control and clean facilities to be fundamental to our care standards and we continue to work hard to minimise the number of hospital-acquired infections.

The Trust's performance across key performance indicators is set out in the following tables:

Fig: 2024/25 Operational performance against key performance indicators

		2024/25 Performance		2024/25 Quarterly Trend			
		Target	Annual	Q1	Q2	Q3	Q4
Accident and Emergency (A&E)	95% of A&E patients wait less than four hours	76%	72.78%	74.99%	73.98%	70.25%	71.93%
Referral To Treatment	Patients waiting less than 18 weeks for treatment	92%	61.95%	61.81%	61.74%	61.51%	62.75%
Diagnostics	Patients waiting less than six weeks for diagnostic test	95%	63.23%	71.41%	60.21%	59.41%	62.97%
Cancelled Operations	Non-Urgent operations cancelled on the day	N/A	846	182	208	210	247
Cancer Waits	First treatment within 31 days	96%	81.27%	80.05%	80.62%	82.28%	80.88%
	Treatment within 62 days	85%	51.72%	55.35%	50.27%	53.39%	51.50%
	28 Day Faster Diagnosis Standard	75%	75.45%	63.80%	74.98%	77.34%	74.08%
Infections	MRSA	0	1	0	0	1	0
	MSSA	63	72	19	19	16	18
	Clostridioides difficile (Community Onset)	144	54	12	10	21	11
	Clostridioides difficile (Hospital Onset)	100	114	30	31	26	27

Fig: Community performance 2024/25

Service measure	Target	Q1	Q2	Q3	Q4	2024/25
Intermediate Care Community Beds – number of admissions <i>(Includes SPARC* - Excludes the Community Off Site 'Route 2' Beds)</i>	N/A	292	286	314	354	1,246
Intermediate Care Community Beds – Average Stroke Length of Stay	35 days	30.4	33.3	25.5	33.5	30.7
Intermediate Care Community Beds – Average Orthomedical Length of Stay	33 days	33.1	31.7	28.9	28.6	30.4
Intermediate Care at Home – Patients assessed within required timescales <i>(Data only available for Active Recovery Assessment and Community Stroke Service - Not ICT Active Recovery)</i>	98%	93.8%	94.1%	93.6%	91.0%	93.2%
Intermediate Care Number of packages delivered at home <i>(Active Recovery Assessment and Community Stroke Service)</i>	N/A	889	904	972	938	3,703
Community Nursing Referrals <i>(Includes additional information and resumptions)</i>	N/A	9,074	9,100	8,488	8,635	35,297
Community Nursing Contacts	N/A	156,544	154,452	155,350	146,150	612,496

\* Stroke Pathway Assessment and Rehabilitation Centre

## Analysis of performance against quality priorities

To ensure this overview provides a balanced report on the Trust's performance over the last 12 months, this section describes progress against quality priorities for improvement during 2024/25. These are also set out in our Quality Report published separately which reports in more detail on the quality of services delivered by the Trust during 2024/25.

### Quality priorities for improvement 2024/25

The Trust agreed the following three quality important priorities for 2024/25.

*Priority 1: Improve the assessment and management of pressure ulcer risk to ensure patient safety.*

#### Background

Feedback from a number of sources (Pressure Ulcer Root Cause Analysis investigation incident themes / Pressure Ulcer Review Meeting, 360 Assurance documentation audits and Care Quality Commission inspections) had indicated that pressure ulcer risk was not always correctly identified.

The National Wound Care Strategy Programme / Health Innovation Network published pressure ulcer recommendations and a clinical pathway (October 2023) to provide clear advice to health or care practitioners, service managers and commissioners about the fundamentals of evidence-informed care for people who were at risk of developing pressure ulcers. This document stated that everyone receiving care from a health or care professional should be screened for pressure ulcer risk using PURPOSE-T (or another validated risk assessment tool that, as a minimum, contains the same risk factors as PURPOSE-T).

#### Objective breakdown

The purpose of this objective was to improve the assessment and management of pressure ulcer risk to ensure patient safety through the implementation of PURPOSE-T across all in-patient areas.

#### Achievements against the objective

- Agreed trajectory for PURPOSE-T implementation met and further implementation of PURPOSE-T across the wider organisation, including Community Services, Accident and Emergency Department and Maternity Services.
- PURPOSE-T built into the new Electronic Patient Record.
- Pressure ulcer rates and categories monitored through the Pressure Ulcer Strategic Group with oversight from the Nurse Executive Group.

- Embedding of PURPOSE-T as an objective of the Nursing and Midwifery PROUD Improvement plan.
- To improve compliance with PURPOSE-T the following improvement actions have been taken:
  - Newsletter to advise staff how to correctly complete forms with targeted support.
  - Mandating of sections of the form in MetaVision for Critical Care areas.

This was a one-year objective, and the objective aims are complete. PURPOSE-T has been implemented across all inpatient areas and the wider organisation, with no delays, to improve the recognition of risk of pressure ulcers. Ongoing oversight of further work in relation to the assessment and management of pressure ulcer risk will be through the Pressure Ulcer Strategic Group.

*Priority 2: Improve the experience of people who are blind or visually impaired, with a focus on communications.*

## Background

Feedback via Healthwatch and The Sheffield Royal Society for the Blind from patients who are blind or visually impaired indicated that their experience could be improved through better communications and increased staff awareness of needs.

Discussions with Sheffield Royal Society for the Blind highlighted that communication needs and preferences of people who are blind or visually impaired had changed as new technology had become available and we needed to ensure that the ways in which we communicate reflected the individual preferences of patients.

Studies nationally have highlighted a failure to meet the communication needs of people who are blind or visually impaired as a key barrier to accessing health and care services.

## Objective breakdown

The purpose of this objective was to improve the experience of people who are blind or visually impaired, with a focus on communications by adopting a co-production approach to:

- Implement tangible actions to increase staff awareness of resources available and best practice when caring for patients who are blind or visually impaired.
- Understand and increase the number of blind or visually impaired patients whose Accessible Information Standard (AIS) communication preferences are recorded and met.
- Engage with patients who are blind or visually impaired to understand their experience, with a focus on communications.

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## Achievements against the objective

- Face to Face interactive training was delivered by Sheffield Royal Society for the Blind for staff and volunteers.
- Evaluation of training has been very positive.
- Increased communication to e-communications was positive.
- Improved recording of patients AIS requirements and will be further strengthened when the new Electronic Patient Record is launched.
- Positive links with Sheffield Royal Society for the Blind with plans for further work.
- Assistance dog policy was reviewed to provide clarity for staff.
- Priority areas and communication plan for toolkit roll out have been agreed.

This was a one-year objective, with most objective aims complete. Roll-out of the Visual Impairment Toolkit was not complete; however, funding had been agreed in principle and the process for procurement was being finalised, and due for completion by July 2025.

Ongoing oversight of further work in relation to improving the experience of people who are blind or visually impaired will be through the Patient Experience and Engagement Group.

### *Priority 3: Improve the management of pain for patients*

#### Background

Following an analysis of patient experience data with regards to pain management a deep dive was undertaken. This deep dive, completed in September 2023, included a patient experience survey and clinical audit. The results highlighted some positive areas but also identified that:

- Pain prescribing across the Trust was not in line with the pain score/World Health Organisation (WHO) pain ladder.
- Care plans did not always include any detail on pain management.
- Patients were not always getting the pain relief requested within the 30 minutes set by the Trust policy.
- Patients did not always understand expectations in terms of pain and the approach to pain management.

To further explore knowledge amongst junior medical staff a survey was undertaken which showed a lack of confidence with regard to management of pain in complex cases, particularly substance misuse and issues accessing pain guidance and resources.

## Objective breakdown

The purpose of this objective was to improve the management of pain for patients by:

- raising awareness of pain assessment and appropriate management with nursing and support staff.
- ensuring there were discussions with patients about expectations of pain.
- ensuring analgesia was prescribed according to the WHO pain ladder.
- establishing a process for the recording of functional pain scores within an effective care plan.
- ensuring patients received pain relief within 30 minutes where appropriate and safe.

## Achievements against the objective

- A patient leaflet on pain management was developed and published.
- An Acute Pain SharePoint site was developed and made accessible via the Trust intranet.
- Functional pain scores have been included within the new Electronic Patient Record.
- Education days were delivered to mark Pain Awareness month.
- A series of short “Pain Bite” training videos were launched and promoted Trust-wide during Pain Awareness month.
- A digital patient story was developed for use in training and awareness.
- Pain management awareness for resident medical staff became part of the ongoing resident doctor programme, rather than induction.
- The pain management care plan was developed and made ready for when the new Electronic Patient Record goes live.
- New Trust-wide Integrated Pain Working Group established.
- Clinical audit showed:
  - All patients had a pain assessment.
  - 96 per cent of those with pain were administered some form of analgesia.
- The patient survey showed improvements in:
  - patients who received pain relief within 30 minutes.
  - patients who reported that their pain was well managed
  - patients who felt their pain medication had been explained to them.
- The repeat survey of resident doctors showed improvements in awareness and confidence.

This was a one-year objective, with most objective aims complete, and results of the repeat patient experience survey, clinical audit and resident doctor surveys all showing an improvement in performance. It was not possible to launch the pain management care plan due to the delay with the new Electronic Patient Record, however this is included and ready for when the new system goes live in July 2025. Ongoing work will be overseen by the new Integrated Pain Group.

## Quality performance indicators

The analysis of operational performance incorporates performance against a number of quality indicators that are linked to patient safety, clinical effectiveness and patient experience.

Additionally, the scope of mandated indicators that the Trust is required to report includes the following:

Fig: Additional mandated quality performance indicators – Never Events

Never Events (Count)	2022/23	2023/24	2024/25
Sheffield Teaching Hospitals NHS Foundation Trust achievement	8*	4	4
* 1 of the 8 incidents for 2022/23 occurred at Spire Clarendon Hospital			

Never Events are defined by NHS England as ‘Serious Incidents that are wholly preventable as guidance or safety recommendations that provide strong systemic protective barriers are available at a national level and should have been implemented by all healthcare providers’.

During 2024/25, four Never Events were declared, and all were in relation to ‘wrong site surgery’.

Learning from patient safety incident responses including Never Events is shared through multiple fora within the Trust, including the Trust’s Safety and Risk Forum, Management Board Briefing, relevant subject committees and via Trust-wide monthly safety messages from the Chief Medical Officer (Operations).

The Trust is continuously working to strengthen learning opportunities and ensure improvements made are sustainable and embedded. Examples of actions that have been taken in response to Never Events include optimising theatre environments to be more conducive to completing vital safety checks and standardising processes for the viewing of medical photography to enhance identification of the specific surgical site.

Examples of actions taken in response to findings and recommendations from patient safety incident learning responses include:

- revision and re-launch of the deteriorating patient screening tool to include guidance on escalation based on ‘relative’ or ‘staff’ concern in the absence of a raised early warning score,
- installation of wall racks in surgical procedural areas to enable segregation of histology samples when multiple samples are required for one patient,
- the trial of L-shaped draping for nerve root injections to cover the side not being injected and reduce the risk of wrong side injections.

Fig: Additional mandated quality performance indicators – SHMI

The value and banding of the Summary Hospital-Level Mortality Indicator (SHMI) for the Trust for the reporting period	2022/23	2023/24	2024/25
National Average: 1.00	0.99	0.97	0.96
Highest performing Trust score: 0.70	Banding: as expected	Banding: as expected	Banding: as expected
Lowest performing Trust score: 1.28			
The percentage of patient deaths with palliative care coded at either diagnosis or specialty level for the Trust for the reporting period.	37%	37%	38%
National average: 44%			
Highest trust score: 66%			
Lowest trust score: 17%			

Data extracted from NHS Digital SHMI data set, published 10 April 2025

Note - The SHMI methodology does not make any adjustment for patients who are recorded as receiving palliative care because there is considerable variation between trusts in the way that palliative care codes are used. Adjustments based on palliative medicine treatment specialty would mean that those organisations coding significantly for palliative medicine treatment specialty would benefit the most in terms of reducing the SHMI value (the ratio of Observed/Expected deaths would decrease because the expected mortality would increase).

Hence, SHMI routinely reports percentage patient deaths with palliative care coding as a contextual indicator to assist with interpretation of data.

The Trust has taken action to optimise this coding rate, and so the quality of its services by embedding a business-as-usual process relating to palliative care coding. This process ensures all activity is captured by validating clinical coding against the Palliative Care Services own contact report and an Information Services User Report. The validation work is undertaken monthly. In 2024/25 the Trust rate of palliative care coding increased to 38 per cent but remained lower than the national average of 44 per cent. The Trust is committed to continuing the validation process in 2025/26 and the new EPR will provide an opportunity for recoding of input from the service that is visible to the clinical coders.

Fig: Additional mandated quality performance indicators – Friends and Family Test (Staff)

Friends and Family Test (FFT) - Staff who would recommend the Trust (from Staff Survey)	2022/23	2023/24	2024/25
The percentage of staff employed by, or under contract to, the Trust during the reporting period who would recommend the Trust as a provider of care to their family or friends.	68.4%	70.1%	69.5%

National average: Combined Acute/ Acute and Community Trusts – 61.54%

Highest performing Trust score:(Combined Acute/ Acute and Community Trusts): 89.59%

Lowest performing trust score: (Combined Acute / Acute and Community Trusts): 39.72%

The Staff Survey results will be used to update directorate action plans, the People Strategy workstreams and the People Promise retention work. We will also continue to use the National Quarterly Pulse survey to ensure we get more regular feedback from staff on their staff experience.

Fig: Additional mandated quality performance indicators – Friends and Family Test (Patients)

Friends and Family Test (FFT) – Positive Score (patients who have scores either two 'Good', or one 'Very Good')	2022/23	2023/24	2024/25
The percentage of patients who attended the Trust during the reporting period who scored either two for 'Good' or one for 'Very Good', when asked for their overall experience of the service.	All areas 91%	All areas 92%	All areas 92%
	Inpatient 92%	Inpatient 93%	Inpatient 94%
	A&E 81%	A&E 83%	A&E 79%
	Maternity 88%	Maternity 91%	Maternity 91%
	Outpatient 94%	Outpatient 94%	Outpatient 94%
	Community 93%	Community 93%	Community 93%

The Trust continues to take the following actions to improve the positive Friends and Family Test (FFT) scores and, through this, the quality of its services:

- A monthly report is circulated across the Trust informing staff of scores and the number of responses, as well as enabling them to review the comments that patients have made about their experience. These results are reviewed by individual wards and departments who take appropriate action.
- FFT is monitored on a monthly basis through the Patient Experience and Engagement Group, which escalates trends or concerns to the Patient Experience and Engagement Executive Committee and takes relevant actions to improve the Trust's FFT position.
- Deep dives are undertaken on a six-monthly basis to better understand the feedback data being collected and identify any additional actions which could be taken to improve experience for example, patient feedback prompted a quality objective on pain management during 2024/25.
- Reviewing current practice for FFT feedback collection to identify opportunities to improve the data quality and response rates across the organisation.

## Other quality metrics

### Delivering same-sex accommodation

The Trust remains committed to ensuring that men and women do not share sleeping accommodation, except when it is in the patient's overall clinical best interest or reflects their personal choice. There have been no breaches of this standard during 2024/25.

### Complaints

The Trust values complaints as an important source of patient feedback. We provide a range of ways in which patients and families can raise concerns or make complaints. All concerns, whether they are presented in person, in writing, over the telephone or by email are assessed and acknowledged within three working days and wherever possible, our Patient Access and Liaison Service (PALS) team takes a proactive working approach to resolving problems 'on the spot'.

All contacts received by the PALS team are assessed to see if they can be dealt with quickly, for example by taking direct action, or by putting the enquirer in touch with an appropriate member of staff. This course of action is agreed with the patient and the contact is recorded as a concern (informal complaint). During 2024/25, we received 3124 informal concerns to which we were able to respond quickly.

If the concern or issue cannot be dealt with informally or if the enquirer remains concerned, the issue is categorised as a formal complaint and processed accordingly. During 2024/25 1117 formal complaints were received. The number of formal complaints received by the Trust decreased by 1.9 per cent during 2024/25

A breakdown of formal complaints and concerns received during 2024/25 compared with previous years is provided below.

Fig: Complaints received during 2024/25 compared to previous years

	2022/23	2023/24	2024/25
New informal concerns received	2856	2525	3124
New formal complaints received	1216	1135	1117
<b>Total</b>	<b>4072</b>	<b>3660</b>	<b>4241</b>

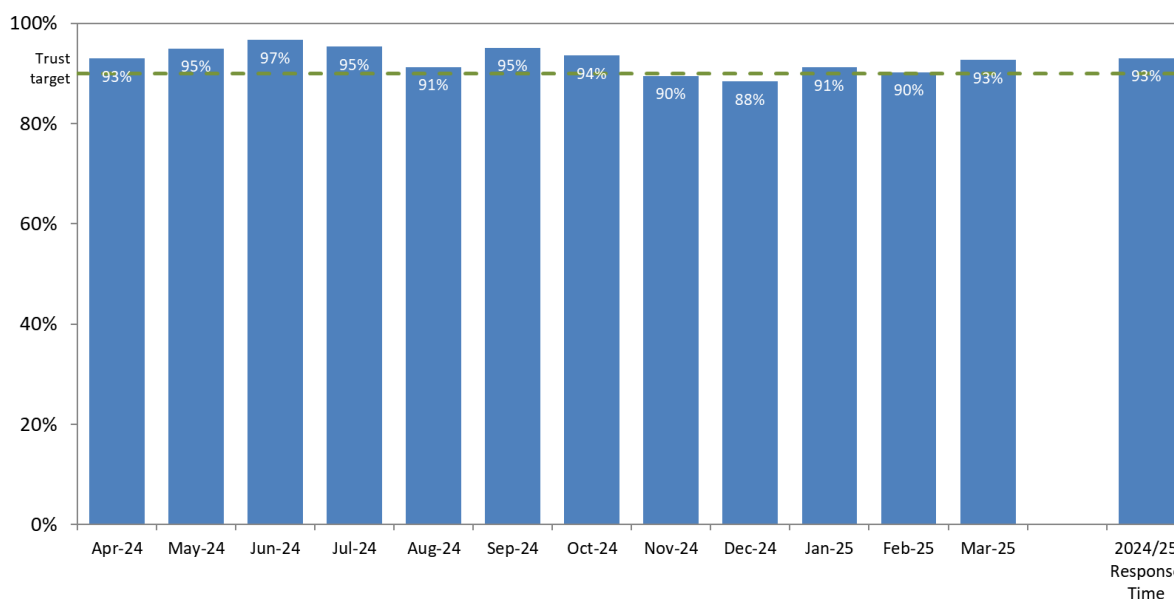
Of the formal complaints closed (1108) during 2024/25, 602 (54 per cent) were upheld or partially upheld by the Trust.

Where complainants remain unhappy with the Trust's response, they can refer to the Parliamentary and Health Service Ombudsman (PHSO) to get an independent and objective body to review their complaint. The PHSO investigate complaints made regarding Government departments and other public sector organisations and the NHS

in England. During 2024/25 the PHSO closed five cases regarding the Trust, none were fully upheld and four were partially upheld.

The complaint response time target is that at least 90 per cent of complaints are closed within the agreed timescale. This target was achieved in 2024/25, with 93 per cent being responded to in time, or with an agreed extension.

Fig: Breakdown of complaints response times by month



Monthly complaints reports are produced for the Patient Experience and Engagement Group showing the number of formal complaints received and response times at directorate level. Open concerns (informal complaints) are also included in this monthly report to ensure these are being followed up and responded to appropriately.

This reporting aims to ensure that the Trust is continually reviewing information, so that serious issues, emerging themes or areas where there is a notable increase in numbers of formal complaints and concerns, can be investigated and reviewed.

Datix is used to record all complaints and concerns that are received so that we can more accurately report on themes and trends. It is important to note that each case may have more than one subject recorded.

Complaints relating to 'Communication with patient' have decreased by 2.2 per cent however those relating to 'Communication with relative/carer' have remained static (0.6 per cent decrease). These have been reviewed and are spread across all Trust services and departments. Examples of cases may be patients not feeling information about care and treatment has been communicated effectively or patients chasing appointments/follow up as this has not been communicated as expected.

When presented as a percentage, complaints relating to 'staff attitude' have decreased by 2.4 per cent. These have been reviewed and are spread across all Trust services

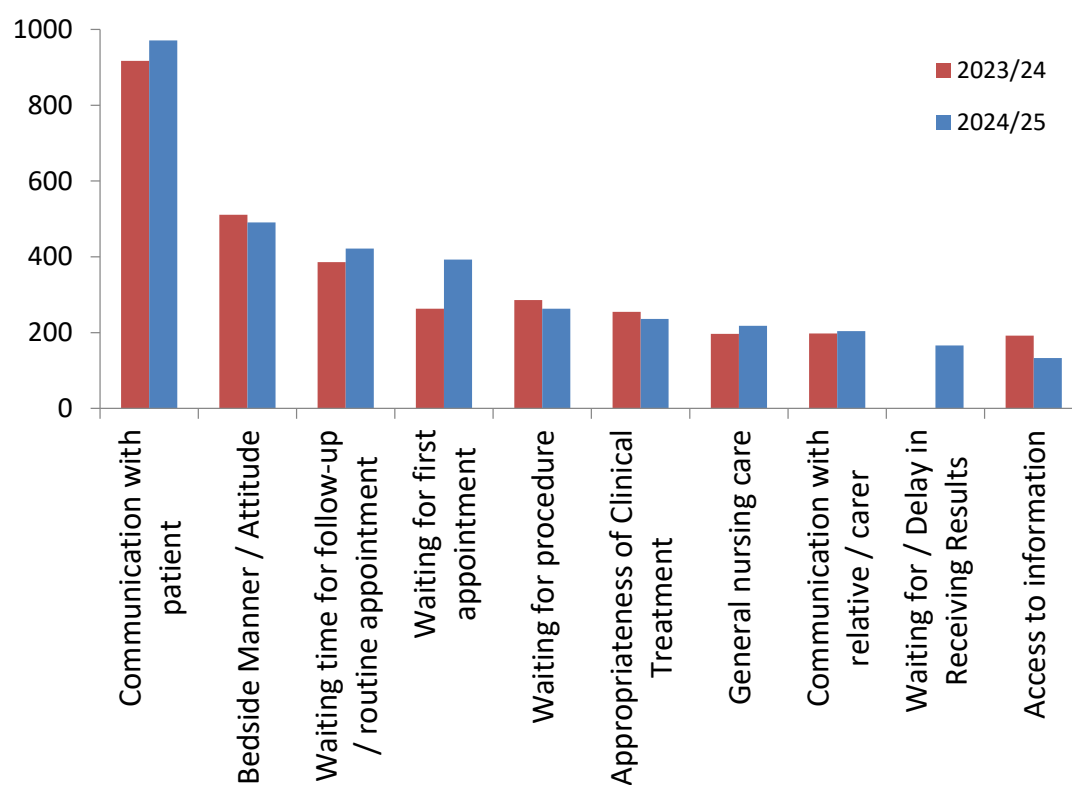
and departments. Where appropriate, the patient's experiences and perceptions are shared with staff members but also with wider teams for reflection.

A deep dive regarding attitude of staff was undertaken and presented to the Patient Experience and Engagement Group. There was a wide range of instances which lead to complaints being categorised as 'staff attitude' and it was rarely the case that complaints were related solely to this topic. Just under a third of complaints were not upheld.

Complaints about 'Waiting time for follow-up/routine appointment' and 'Waiting procedure' have seen a 0.6 per cent and 1.6 per cent decrease respectively. However, complaints about 'Waiting for first appointment' have increased by 2.1 per cent.

The Complaints and PALS team added a new category of 'Waiting for / delay in receiving results' in June 2024 as they had seen an increase in cases specifically about this issue.

Fig: Breakdown of complaints by theme



The Trust remains committed to learning from, and taking action as a result of, complaint investigations. In order to share learning the Patient Experience and Engagement Group receives regular reports detailing learning from complaints and also reporting on timescales for completion. In addition, there is a rolling programme of Care Group presentations at the Patient Experience and Engagement Group where learning from complaints and patient feedback, and the improvements made in response to this, are shared.

## Tackling health inequalities

In reviewing the extent to which the Trust is exercising functions consistent with NHS England's statement under section 13SA(1) of the NHS Act 2006 on how NHS bodies should exercise their powers to collect, analyse and publish information related to health inequalities, 2024/25 has seen progress in several areas:

- A Health Inequalities Delivery Group has been established to oversee this agenda across the organisation. This group is responsible for ensuring that the organisation has an effective and proactive approach to addressing health inequalities experienced by our patients and overseeing the development and delivery against the Trust's Health Inequalities Action Plan.
- An Equality, Diversity and Inclusion Dashboard which shows 'live' patient and workforce profiles across the protected characteristics for our services and directorates is in place. Plans are in development through the Health Inequalities Delivery Group to embed health inequalities data within routine reporting and undertake deep dive analyses to identify and address any areas of concern.
- We conduct annual Equality Delivery System (EDS22) reviews which look at access to and outcomes within our different services, as well as insights into workforce and leadership.
- Plans are in development for a Health Inequalities Festival of Ideas event to take place in 2025/26 in partnership with Sheffield Hospitals Charity, which aims to celebrate and raise the profile of completed and ongoing work to address and mitigate health inequalities in secondary care in Sheffield. It will invite projects and work from across the Trust to showcase achievements and innovation, with the aim of sharing ideas, best practice and inspiring action.
- There are many examples of activity underway across the Trust to reduce health inequalities, such as:
  - We have worked with the Foundry Primary Care Network to support patients to access our services from areas of high deprivation where English isn't their first spoken language. This involved working with a link worker to share information and support patients identified as needing additional support or who frequently do not attend appointments. Data shows that this has improved access to and attendance at services.
  - We have introduced opt-out blood borne virus screening within our A&E Department which is helping to detect blood borne viruses in patients in whom these may not otherwise have been identified or identified later. This enables us to support patients to access treatment earlier.
  - We have an established smoking cessation programme in place which screens everyone that is in the hospital for an inpatient stay for whether they smoke and supports them to access stop smoking services. Smoking is the single biggest modifiable risk factor for poor health in the region, and the impacts of smoking on health are distributed inequitably across our population and disproportionately impact those who face socioeconomic

deprivation.

- In podiatry, we are working clinically with a community organisation to help increase access to podiatry services for people who are homeless.
- Our Patient Experience Team has undertaken a piece of work listening to patients and to community groups, through our Patient Engagement Network, to understand how we could better communicate with patients and carers. There is a particular focus in this work on hearing from groups whose voices and perspectives might not be heard, so we can improve the inclusivity of and access to our services.

## Environmental matters

As a Trust, we are looking to reduce the environmental impact of our activities to support delivery of the NHS Long Term Plan's sustainable healthcare commitments. We published our Sustainability (Green) Plan in 2022 and are progressing all aspects of the plan:

### Workforce and system leadership

A sustainability impact assessment tool has been developed and included in business cases to inform more rounded and sustainable decisions within the Trust. Each Directorate is asked to identify a Sustainability Lead as part of its annual business plan, and a sustainability hub has been set up to bring together these Sustainability Leads and others interested in sustainable healthcare within the organisation, which will focus on sharing best practice, providing opportunities for training, and ensuring progress against Directorate level sustainability priorities.

### Sustainable models of care

The Trust now has a system for the return, refurbishment and recycling of Trust walking aids supplied by the Musculo-Skeletal (MSK) and Combined Community and Acute (CCA) Directorates. Bins to return the equipment are located on the Northern General and Royal Hallamshire Hospital sites. The Trust was awarded Beacon Site status from the Centre of Sustainable Healthcare for recognition of how sustainability in Quality Improvement (SusQI) has been included in the Trust's improvement methodologies. A project to calculate the carbon footprint of the in-centre haemodialysis process has been undertaken to determine where carbon hotspots are and understand how improvements in social sustainability for staff and patients can be made. The 'Gloves Off' campaign was launched in September 2024 as well as a 'bag to bed' initiative to encourage better waste segregation within the Trust. The Trust has moved from single use to reusable theatre packs, beginning the review of single use items within the Trust.

### Digital transformation

Focus on the Electronic Patient Record (EPR) programme in 2024/25 has highlighted the opportunity for paper use reduction in moving to digital ways of working and assessment of the carbon savings this delivers will be explored.

## Travel and Transport

Electric Vehicle (EV) charging points have been installed across the Northern General and Royal Hallamshire Hospital sites. Results from the 2024 staff travel survey are informing plans to encourage the workforce to move to more active travel alternatives. A Travel and Transport Group was set up in early 2025, which will oversee more focused progress on decarbonising the Trust's fleet aligned to delivery of the national NHS Net Zero travel and transport strategy. The Trust was nominated for a National Sustainable Travel Award in the Healthcare Engagement category. The Trust's Sustainable Travel Manager was also nominated for the work carried out with BetterPoints (a company focused on behaviour change technology for better transport, climate and health) to encourage staff to use more sustainable and active forms of travel.

## Estates and facilities

2024/25 saw more solar panels being installed across the Trust, with more to come in 2025/26. The Trust's waste streams are in-line with the ratios set out in the NHS Clinical Waste Strategy published in March 2023, and the Trust won the Silver Award at the inaugural Awards for Excellence in Waste Management for the work carried out to reduce non-conforming waste loads and enhancing service delivery.

## Medicines

The Trust has purchased and sited mobile destruction units across Jessop Wing. These units collect Entonox (a frequently used analgesic by women in labour) and break it into harmless gases, thereby mitigating the carbon footprint and ozone-depleting effects. The Trust has also been working to reduce the amount of nitrous gas waste. Manifolds have been removed across the Trust, except for one in use for paediatric work at Charles Clifford Dental Hospital. There has also been work to change cylinders at the right time and identifying and remedying leaks more efficiently. Usage of Entonox (nitrous oxide and oxygen) has reduced by over 50 per cent compared to the levels used in May 2021.

## Supply chain and procurement

Environmental considerations are incorporated into Trust procurement processes and social value is a part of all competitive procurements. Procurement colleagues actively approach suppliers to understand best practice in other industries and how that can be applied to the organisation's procurement processes.

## Food and nutrition

Menus at the Trust incorporate more plant-based dishes and use local suppliers for bakery items, meat, fruit and vegetables. We aim to measure the carbon footprint of our menus and provide this information to those who use our canteens and food service areas to make more informed choices. 2025/26 will see the implementation of a new

catering system which will include a bedside ordering capability which is planned to reduce food waste.

### Adaptation

The Trust has been involved in creating the 'Adapt to Survive framework', available for all NHS trusts to use to determine their organisational requirements to adapt to climate change. This framework is being used to review existing adaptation plans in place and identify any gaps in assurance that need to be addressed. The long-term ambition is to have a range of measures in place that will offer resilience not only to climate change but to other continuity risks. Work is also underway to provide guidance to governance and sustainability leads within directorates to assess and describe risks related to climate change and adaptation, which the Sustainability Delivery Group will monitor to understand cross Trust risks that need additional oversight and mitigations.

### Biodiversity

Horatio's Garden, an outdoor green space for the Spinal Rehabilitation Centre, is under construction and will increase patient access to outdoor space, as well as increasing the plant and wildlife populations across the Trust. An additional garden scheme, delivered in partnership with Sheffield Hospitals Charity, has been approved this year and will provide access to a garden space for patients at the Spinal Rehabilitation Centre who are not able to access Horatio's Garden.

Alongside the specific work to reduce our environmental impact aligned to the delivery of our Sustainability Plan detailed above, we have also been working to improve the data and insight we have into our carbon footprint.

Based on the method we have developed for calculating our carbon footprint, the carbon footprint of the Trust for financial year 2023/24 is 44,491 tonnes CO<sub>2</sub>e (latest available data). This is a decrease of 10.2 per cent since 2019/20. The reduction is due to carrying out less business travel, using less oil on our sites and ensuring that our waste is handled and disposed of in a less impactful way. We will continue to develop and refine our carbon footprint calculation as our data inputs are refined and the tools available to support this become more sophisticated.

### Governance and Task force on climate-related disclosures (TCFD)

NHS England's Foundation Trust Annual Reporting Manual has adopted a phased approach to incorporating the Task force on climate-related disclosures (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.

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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, risk management and metrics and targets pillars for 2024/25.

The Trust's board-level net zero lead is the Chief Strategy Officer. The Sustainability Delivery Group comprises of Trust representatives across a broad range of disciplines and functions, including sustainability specialists, clinicians, estates and facilities, procurement, pharmacy, finance, and human resources. This group ensures progress against the Trust's Sustainability Plan which is outlined above.

The Board considers risks to the delivery of the Trust's Strategic Aim 'to create a sustainable organisation' via the Board Assurance Framework (BAF). A deep dive review of content of the BAF relating to sustainable healthcare is also undertaken every six months by the Board of Directors to assess levels of control and assurance in this area.

The Trust has a Head of Sustainability, a Sustainable Travel Manager, Senior Energy Manager and a Waste Manager to co-ordinate sustainability activities across the organisation. Topics across these areas are discussed within the Sustainability Delivery Group where items can be escalated or actioned by the members.

The Board of Directors receives the regular Integrated Performance Report which includes key performance indicators (KPIs) linked to sustainability – CO<sub>2</sub>e emissions from gas and electricity, domestic waste, and clinical waste. The Board considers climate-related issues when reviewing Trust policies and Trust business cases have recently incorporated a sustainability impact assessment within them.

## Analysis of financial performance

For the 2024/25 financial year, national financial arrangements continued to reflect recovery from the Covid-19 pandemic. The arrangements built on those from previous years.

In simple terms, the financial arrangements for 2024/25 were a hybrid of Payment by Results for qualifying elective activity through Elective Recovery Funding (ERF) alongside block contracts (value fixed regardless of activity undertaken) built from level of expenditure in 2019/20 (plus inflation) and some growth funding for all other services.

Whilst the Trust reported a £0.6m deficit in its Statement of Comprehensive Income, after adjusting for non-cash technical items (predominantly impairments of estates developments, but also the impact of capital donations / grants and the restatement of the Private Finance Initiative (PFI) under IFRS16), the Trust's 'Adjusted Financial Performance' shows a surplus of £6.93m (0.4 per cent of turnover). Turnover increased by 11.5 per cent to £1.76bn, largely due to funding for inflation / pay awards, growth / ERF funding and reimbursement of 'High-Cost Drugs and Devices'. Another part of this increase was as a result of the Trust taking on responsibility for providing pathology services for the Acute providers within South Yorkshire and Bassetlaw increasing both the cost base and the income earned by the Trust.

Pay costs rose by 13 per cent over 2023/24 levels due to actual and anticipated pay awards, National Insurance changes and some staffing expansions. Drugs costs increased by 8.2 per cent, Clinical supplies / services by 22.2 per cent and general supplies and services by 3.4 per cent as many services increased the levels of activity delivered in 2024/25 as a result of increased productivity and reduced levels of industrial action. The combined depreciation, loan interest and Public Dividend Capital (PDC) dividend charges stayed broadly the same as in 2023/24.

## Capital investment

Total capital expenditure for the year was £64.0 million and has been analysed below. The key focus of expenditure was to support service developments in line with the Trust's corporate strategy, whilst maintaining investment in replacement medical equipment, promoting major information technology initiatives, and improving the infrastructure to enhance the patient experience.

Fig: Capital investment 2024/25

	£,000	£,000
<b>Medical Equipment</b>	<b>20,606</b>	
Equipment Replacement Programmes (e.g., stack systems, patient monitors, defibrillators, ultrasounds )		6,910
Replacement Linear Accelerators (x2)		5,713
National Institute for Health Research (NIHR) Research Equipment (inc CT scanner)		3,604
Neurosciences Operating Microscopes x3		1,549
Other		2,830
<b>Information Technology</b>	<b>20,287</b>	
Electronic Patient Record (including maternity EPR)		12,813
Laboratory Information Management System		5,889
IT Infrastructure/Strategic (inc data circuits and unstructured data storage)		1,205
Other		380
<b>Service Development</b>	<b>7,026</b>	
Robotic Developments		2,647
Digital Pathology		1,438
Invest to Save Fund		1,292
Weston Park Cancer Centre Bunkers Expansion		434
Other		1,215
<b>Infrastructure</b>	<b>15,637</b>	
Energy Modernisation and Efficiency Schemes		2,439
Theatres Refurbishment		1,963
Reinforced Autoclaved Aerated Concrete (RAAC) Eradication		1,730
Jessop Wing Ward Refurbishment - Rivelin Ward		1,362
Northern General Hospital Brearley 1 Ward Refurbishment		1,257
Royal Hallamshire Hospital (RHH) T Floor Chillers Expansion		998
RHH Generator Replacement		864
Other smaller schemes (eg lifts, properties, autoclaves)		5,024
<b>Crucible Pharmacy Ltd</b>	<b>431</b>	
<b>Total Expenditure</b>	<b>63,987</b>	

This expenditure was funded from a combination of the Operational Capital Allocation and in-year PDC approvals and was in line with the allocation notified by the South Yorkshire Integrated Care Board (ICB) for 2024/25.

## Cash flow and balance sheet

The Trust's net assets employed at 31 March 2025 were £481.6m compared with £455.5m at the previous year-end. This is the group position for 2024/25 and includes for the second time the consolidation of the Trust's wholly owned subsidiary, Crucible Pharmacy Limited. The value of Land, Buildings and Equipment at 31 March 2025 was £527.2m. Outstanding borrowings relating to loans, the Hadfield Public Finance Initiative (PFI) contract and relevant leases totalled £40.2m at the year-end broadly in line with last year.

The working capital position remained relatively healthy with cash balances of £155.5m.

## Conclusion

2024/25 was a more challenging year for the Trust from a financial perspective as the NHS continues to return to the funding settlement within the NHS 5-year plan, and capital budgets were under pressure from significant inflationary pressures. However, the Trust has maintained financial control whilst increasing the elective activity delivered in the organisation; and delivered significant capital investments.

A strong financial position is vital to ensure we can continue to deliver on our strategic priorities. Looking ahead, next year is going to be even more challenging financially, with very limited funding growth and a larger efficiency challenge set for the NHS. More than ever the Trust will need to combine efficiencies with strategic investments to ensure it is spending public money wisely to maximise the patient care that can be delivered.

Performance Report signed by the Chief Executive  
in capacity as Accounting Officer



Kirsten Major  
Chief Executive  
24 June 2025

# Accountability Report

## Directors' Report

The Directors' report is presented in the name of the Directors of the Board of Directors.

## Composition of the Board of Directors

Led by a Non-Executive Chair, the Board of Directors comprises of eight other Non-Executive Directors and up to eight Executive Directors, including the Chief Executive. The individuals occupying positions on the Board during 2024/25 are listed below with their attendance at Board meetings recorded later in this report.

### [Annette Laban, Trust Chair. Appointed 1 January 2021.](#)

Annette was appointed to the Board as a Non-Executive Director in July 2013 and following a competitive process and a rigorous review of independence was appointed Trust Chair from 1 January 2021.

Annette has more than 35 years' experience working within the NHS and local government in senior positions and throughout her career she has been responsible for overseeing many innovations which have directly impacted on frontline NHS care. Her past roles have included Chief Executive for NHS Doncaster, Director of Performance and Operations at NHS North of England and Executive Director of Performance and Delivery at NHS Yorkshire and the Humber – Strategic Health Authority.

Annette also holds an independent Non-Executive Director role at Marie Stopes International and previously held a Non-Executive role at Cheswold Park Hospital, which she completed on 30 September 2024.

## Other Non-Executive Directors

### [Professor Ashley Blom, Non-Executive Director. \(Stepped down 28 February 2025\)](#)

Ashley was nominated by of The University of Sheffield and served between April 2023 and February 2025.

He was the Vice-President and Head of the Faculty for Health at The University of Sheffield before taking up the post of Vice-President and Dean of the Faculty of Biology, Medicine and Health at The University of Manchester in February 2025 and stepping down from the Board of Directors.

Between 2019 and 2022 Ashley was Head of the Medical School at the University of Bristol. Ashley trained as an orthopaedic surgeon and is a Fellow of the Academy of

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Medical Sciences, a National Institute for Health Research (NIHR) Senior Investigator and past President of the European Orthopaedic Research Society.

[Tony Buckham, Non-Executive Director and Vice Chair \(Until 30 September 2024\). Appointed 1 September 2015.](#)

Until stepping down from the Board at the end of his term of office in September 2024, Tony served as a Non-Executive Director bringing a wealth of experience from his time working within complex global organisations.

This experience included providing strategic support to the HSBC Group Management Board Directors, with particular expertise within IT and Corporate Real Estate for over 10 years. Tony has led divisions of up to 7,000 staff with particular focus on people development to enable global transformational change. He has also made a significant contribution to mentoring and coaching programmes.

[Sonia Gayle, Non-Executive Director. Appointed 1 November 2024.](#)

Joining the Board in November 2024, Sonia brings over 30 years' senior management expertise spanning consulting advisory, financial services regulation, and banking.

Her specialisms include board governance, strategic policy, risk management and organisational transformation. More recently, Sonia was a member of strategic 'city-level' boards (the Sheffield Cultural Strategy Steering Group and Sheffield City Goals Taskforce) and a former commissioner for the Sheffield Race Equality Commission.

Sonia is also a charity trustee at Breast Cancer Now, chair/co-founder of the African Heritage Culture Forum, community adviser to the South Yorkshire Police Race Action Plan and presenter for Women on Boards UK.

[Ann Harris, Non-Executive Director. Appointed 1 April 2023.](#)

Ann's experience as a Non-Executive Director is predominantly within the public sector, in governance (audit and risk), and major change programmes. Ann is currently a Non-Executive director and chair of the Audit, Risk and Assurance committee with Social Work England and a Governor and Audit committee member at Bedford College Group.

Previous Non-Executive roles include Money and Pensions Service, Defence Business Services within Ministry of Defence, and the Pensions Advisory Service. Ann also chaired her local Citizens Advice board and has done various major high risk programme reviews for the Cabinet Office. Prior to her non-executive roles, Ann was a career civil servant, predominantly working in large projects and finance roles.

[Francis Patton, Non-Executive Director. Appointed 1 November 2024.](#)

Francis joined the board in November 2024. He has more than 30 years' experience of the hospitality sector and held the positions of Customer Services Director and Commercial Director for Punch Taverns. He started his career at Tetley Pub Company

and Allied Domecq Inns, serving firstly as an area manager in Leeds then as a general manager for Sheffield and then as Commercial Director for Vanguard Pub Company (part of Allied Domecq Inns) before the company were bought by Punch Taverns.

He has held non-executive director roles within the hospitality sector, and within the NHS for Barnsley Hospital NHS Foundation Trust and Humber Teaching NHS Foundation Trust as well as being a Trustee on two employee-owned businesses and the Spirit Pension Trust.

He has extensive experience in strategy, financial management, operational performance and customer service.

**Maggie Porteous, Non-Executive Director. Appointed 1 May 2021.**

Maggie has more than 30 years of business experience working for John Lewis, where she was Director of Shop Trade until 2020 and responsible for the leadership of 51 John Lewis shops.

Maggie was previously the Chair of the John Lewis Foundation, working with a wide variety of non-governmental organisations and charities on international and UK projects. She is currently a Non-Executive Director and Chair of the South East Regional Board of Abri Group, a not-for-profit social housing association.

**Dean Royles, Non-Executive Director. Appointed 1 September 2023.**

Dean is a highly experienced NHS leader. He is the former Executive Director of HR and OD at Leeds Teaching Hospitals NHS Trust, Chief Executive of NHS Employers and Director of Workforce and Education at NHS North West. He has been Chair of the Chartered Institute of Personnel and Development and President of the Health People Management Association and is currently a Non-Executive Director at Humber NHS Foundation Trust.

Dean has a long association with Sheffield, having commenced his career with Sheffield Council and has lived in the City for over forty years.

**Rosamond Roughton, Non-Executive Director and Vice Chair. Appointed 1 December 2019.**

Rosamond brings widespread experience of working in policy at national level, as well as experience at board level in the NHS. Most recently, she was the Director-General of Adult Social Care at the Department of Health and Social Care (DHSC). Rosamond stepped down from her role at the department in the summer of 2020 in order to care for and support her parents.

Prior to her DHSC role, Rosamond was an Executive Director at NHS England, where, from 2014 she had national responsibility for general practice and primary care services and the commissioning of armed forces healthcare, national screening and immunisation programmes, healthcare for people in the criminal justice system, and

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sexual assault referral services. Her NHS career has also included Director of Workforce and HR at the Christie Hospital NHS Trust and Director of Strategy for Yorkshire and the Humber NHS.

She is an honorary fellow of the Royal College of General Practitioners and a Non-Executive Director of the TSA (Technology-enabled care Services Association) and currently the Vice Chair and Senior Independent Director for the Trust.

**Professor Toni Schwarz, Non-Executive Director. Appointed 1 May 2021.**

Toni was nominated by Sheffield Hallam University to serve on the Board. She has had a career spanning 44 years working within the health sector and the NHS and is the Executive Dean of College Health Wellbeing and Life Sciences and Executive Academic Lead for Student Experience at Sheffield Hallam University.

She trained as a nurse and worked in clinical practice in hospital and the community for almost 20 years before moving into higher education. Toni moved to Sheffield in 2014 to take up the role of Head of Department for Nursing and Midwifery at Sheffield Hallam before stepping up to her current position of Executive Dean of College Health Wellbeing and Life Sciences and Executive Academic Lead for Student Experience.

**Shiella Wright, Non-Executive Director. Appointed 1 April 2019.**

Shiella has over 17 years' experience as an NHS Non-Executive Director in Acute, Mental Health and Community Services. She is also a Trustee with several voluntary and charitable organisations and between 2017 and 2021 she was the Chair of Age UK Nottingham and Nottinghamshire, and during 2022 a Race Equality Commissioner with Sheffield Council for Race Equality.

Shiella is the former Deputy Chief Executive / Director of Operations of Nottinghamshire Probation Trust, and has held senior leadership roles across, South Yorkshire, Humberside, and the East Midlands.

She is currently an appointed independent member of the Parole Board for England and Wales and a member of the Mayoral Combined Authority Ethics Panel (formerly SY Police and Crime Commissioner Ethics Panel).

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## Executive Directors

### Kirsten Major, Chief Executive

Kirsten was appointed as Chief Executive in 2019. She joined the Trust in February 2011 as Director of Strategy and Planning. Kirsten took up the position of Interim Chief Executive in August of 2018. She first joined the NHS in 1994 and has held a number of Director level positions, including Health Boards in Scotland and at the North West Strategic Health Authority.

Kirsten is a health economist by profession and was active in a range of professional and research-based collaborations. Since January 2020, Kirsten has also held the position of Non-Executive Director at the York Health Economics Consortium (YHEC) and in May 2021, was appointed as a Trustee at Sheffield Theatres Trust. From 1 April 2024, for a one-year term Kirsten has been Chair of the Shelford Chief Executives' Group.

### David Black, Chief Medical Officer (Development). Retired February 2025.

David was appointed in February 2022. Prior to this David was acting regional medical director for NHS England and Improvement North-East and Yorkshire region. He was also part time deputy medical director at The Rotherham NHS Foundation Trust. From 2012 David worked for NHS England, and his responsibilities included specialised commissioning, systems oversight and also responsible officer. David is also an experienced medical appraiser.

David was director of public health in Derbyshire from 2002 until 2012. David began his career in general practice, and he also worked overseas in psychiatry and general practice. David has a longstanding interest in clinical effectiveness, and he was a member of a NICE Technology Appraisal Committee for nine years. During his tenure David was interested in reducing health inequalities and the part the NHS can play in meeting the needs of vulnerable and disadvantaged patients.

### Louisa Cowell, Chief Finance Officer

Louisa was appointed to the role of Chief Finance Officer in January 2024, having joined the Trust in January 2022 as one of two Deputy Chief Finance Officers. She had previously held senior finance posts in Acute, Community, Mental Health and Commissioning NHS organisations in the East of England. Louisa originally trained with the accountancy firm PricewaterhouseCoopers and is member of the Institute of Chartered Accountants in England and Wales (ICAEW).

### Mark Gwilliam, Chief People Officer

Mark took up his original post as Director of Human Resources and Organisational Development in May 2009 bringing with him a wealth of experience.

He was previously an Associate Director of Human Resources at Central Manchester University Hospitals NHS Foundation Trust. Mark joined the NHS in 2004 through the Gateway to Leadership Programme and was assigned on placement at Sheffield Teaching Hospitals NHS Foundation Trust. Prior to this he worked in the fast-moving consumer goods sector in numerous operational management and human resource management roles.

### Michael Harper, Chief Operating Officer

Michael joined the NHS through the NHS Management Training Scheme and undertook placements at Bassetlaw Hospital, Sheffield City Council and Good Samaritan Hospital Phoenix, Arizona USA.

Upon completion of the Scheme, he joined the Northern General Hospital in 2000 and has worked in a number of operational leadership roles in A&E, Medicine, Cardiothoracics, Orthopaedics and Surgical Services throughout the Trust since this time.

He became Chief Operating Officer in January 2015 and from June 2019 the position of Chief Operating Officer has been an Executive member of the Board of Directors.

Michael was Chair of the Shelford Operational Executive Group from August 2023 to March 2025.

### Jennifer Hill, Chief Medical Officer (Operations). Retired February 2025.

Jennifer joined the Trust in 1999 as Consultant Respiratory Physician having trained in Nottingham, Leeds and Glasgow. Jennifer was Clinical Director for Respiratory Medicine and Deputy Medical Director before taking up the post of Executive Medical Director (Operations) in December 2020.

### Sarah Jenkins, Interim Chief Medical Officer (Operations). From March 2025.

Sarah's substantive role is full-time operational Deputy Medical Director for the Chief Medical Officer (Operations), focussing on operational delivery and improvement of services. She moved to this full-time role after three years as a combined Deputy Medical Director and clinical Consultant Nephrology role.

Sarah was appointed as a consultant Nephrologist in 2004 after training in south Yorkshire since 1996. As a consultant she undertook several leadership roles in education and improvement before being appointed as Renal Clinical Director (2013 to 2019). Sarah was fortunate to be selected to join the final cohort of Health Foundation's Generation Q Leadership and Quality Improvement programme in 2019.

### Nick Lyons, Chief Medical Officer (Development). From February 2025

Nick joined the Trust from Betsi Cadwaladr University Health Board in North Wales where he was Executive Medical Director and Deputy Chief Executive. He has worked as a medical leader in Wales, England and the Channel Islands in a variety of settings, as well as spending three years in the Department of Health.

Nick's clinical background is as a GP, having worked in a small practice in rural Dorset for over 20 years with a special interest in Learning Disabilities. He has worked in English Deaneries.

### Professor Chris Morley, Chief Nurse

Chris joined the Trust as Chief Nurse in October 2018 from The Rotherham NHS Foundation Trust where he also held the position of Chief Nurse.

He has previously held a number of leadership roles in healthcare governance, patient safety and nursing management.

Chris is the nominated Chief Nurse for the North East and Yorkshire Genomic Medicine Service Alliance, and nationally chairs the Safer Nursing Care Tool Committee, the Enhanced Therapeutic Observation Collaborative Steering Group and co-chairs the CNO Safe Staffing Fellowship Faculty Steering Group.

Chris is a Visiting Professor in the College of Health, Wellbeing and Life Sciences at Sheffield Hallam University.

### Mark Tuckett, Chief Strategy Officer

Mark joined the Trust in April 2022 as Director of Strategy and Planning. He has worked in Sheffield for 15 years, in performance, policy and strategy roles at Sheffield City Council, and as Director of Sheffield Health and Care Partnership. Before this, he worked in a range of sectors and roles, including at Transport for London, at McKinsey and in the charity sector working in sub-Saharan Africa.

## Other senior managers who attend Board as Participating Directors

### Sandi Carman, Assistant Chief Executive

Sandi has over 30 years' experience working in NHS acute, community, and commissioning organisations. Sandi's career started in Occupational Therapy at the Northern General Hospital. She has since gained a wealth of experience in various operational and managerial roles before returning to the Trust in 2010. In 2016 Sandi took up the post of Assistant Chief Executive.

## Julie Phelan, Communications and Marketing Director

Julie was a journalist in both print and broadcast media before moving into public sector communication in local government and health. She was previously Director of Communications for University Hospitals Coventry and Warwickshire NHS Trust, Director of Communications for Worcestershire Acute Hospitals and Worcester Health Authority and Head of Communications at Sandwell and West Birmingham Hospitals NHS Trust along with Head of Communications for Birmingham Women's Hospital.

## Statement on the balance, completeness and appropriateness of the membership of the Board

The Board of Directors' Nomination and Remuneration Committee has carried out an in-year review of the composition of the Board. This has been in the context of current and anticipated issues and challenges impacting the Trust, and the skills and qualities needed on the Board. This exercise is undertaken routinely as part of the process of considering appointments and reappointments to the Board.

As outlined in the above biographies, the Board comprises individuals with senior level experience in the public and private sectors, across a range of disciplines including clinical and patient care, finance, strategic and operational planning, commercial development, governance, risk management, human resources and change management.

The Board is satisfied that its current membership allows it to function effectively.

All Directors on the Board of Directors have, on appointment, confirmed that they met the Fit and Proper Persons Test and complete an annual declaration confirming that they continue to be a fit and proper person in accordance with the Health and Social Care Act 2008 (Regulated Activities) Regulations 2014 Regulation 5: Fit and Proper Persons Requirement.

The Trust's Fit and Proper Persons Policy aligns to the NHS England Fit and Proper Persons Framework that came into effect from 1 October 2023.

## Board members' Register of Interests and Gifts and Hospitality

Company directorships and other declarations including receipt of gifts and hospitality were declared by all Board members. The Trust has in place a Standards of Business Conduct Policy that reflects guidance from NHS England, the full register of interests can be accessed from the following [link](#).

The Board has determined that the current Chair and all Non-Executive Directors are independent in character and judgement. This includes individuals who in-year have held Non-Executive Director positions on the Board as nominated individuals from The

University of Sheffield (Professor Ashley Blom, Vice-President and Head of the Faculty for Health) and Sheffield Hallam University (Dr Toni Schwarz, Dean of the College of Health Wellbeing and Life Sciences), notwithstanding the Trust's relationship during this reporting period with both these organisations.

## Arrangements in place to ensure that the Trust is well-led

Review of the effectiveness of the Board of Directors and the outcomes from assessment of performance is used to inform ongoing development of the Board. This is done both collectively, and of individual Board members, as part of a formal annual appraisal system and the review and agreement of a Board work programme for the year.

The Board undertakes in-year self-assessment of its leadership and governance arrangements against governance best practice, using well-led guidance<sup>1</sup> to inform the continued development of the Trust's governance arrangements.

Following the commissioning of a best practice developmental review of governance and leadership against the well-led framework in September 2022, the Board of Directors endorsed a Phase II developmental review to assess progress to date and to highlight further opportunities for continuous improvement.

The outcome of this follow up review was considered by the Board in October 2024. This provided strong assurance on the Board's activities and demonstrated that many improvements had been embedded as standard practice. It was agreed that further improvement opportunities identified would be addressed through ongoing developmental activities. A progress review will be undertaken in October 2025.

The external reviewer commissioned to undertake both phases of this developmental review work, AuditOne, has no connection with the Trust or individual directors or governors.

## Financial and other public interest disclosures

### Cost allocation and charging requirements

Sheffield Teaching Hospitals NHS Foundation Trust has complied with the cost allocation and charging guidance issued by HM Treasury. There are no additional charges made for material made available to meet the needs of particular groups of people, for example, in Braille or other languages.

Following the introduction of the General Data Protection Regulation and the UK Data Protection Act 2018 in May 2018, fees, as set by the Information Commissioner's Office,

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<sup>1</sup> Development reviews of leadership and governance using the well-led framework: guidance for NHS trusts and NHS foundation trusts (Jun 2017)

are no longer chargeable for subject access requests for personal data, including copies of medical records. Similarly, no fees are chargeable for the supply of medical records of deceased patients under the auspice of the Access to Health Records Act 1990.

The Trust does not impose any fees for responding to requests under the Freedom of Information Act unless the amount of information exceeds the appropriate limit as defined in section 12 of the Freedom of Information Act.

## Political donations

There are no political donations to disclose.

## Employee benefits

Accounting policies for pensions and other retirement benefits are set out in note 1.6 of the accounts. Details of senior employee's remuneration can be found in the Remuneration Report section of this Annual Report.

## Non-NHS income

As required by Section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012), the Directors confirm that the income that the Trust has received from the provision of goods and services for the purposes of the health service in England is greater than its income from the provision of goods and services for any other purposes.

In addition to the above, the Directors confirm that the provision of goods and services for any other purposes, has not materially impacted on our provision of goods and services for the purposes of the health service in England. Further details of the income sources to the Trust can be found in note 3.2 of the accounts.

## Payment of creditors

The Trust aims to comply with the Better Payment Practice Code. Performance for the financial year is set out in note 6 of the accounts.

## Countering fraud and corruption

The Trust does not tolerate any form of fraud, bribery or corruption by, or of, its employees, associates or any person or body acting on its behalf. Maintaining fraud levels at an absolute minimum ensures that more funds are available for patient care and services.

The Trust engages 360 Assurance as its Local Counter Fraud Specialist (LCFS) to support the Board of Directors' commitment to maintaining an honest and open culture,

ensuring that all concerns involving potential fraud have been identified and rigorously investigated. In all cases appropriate civil, disciplinary and / or criminal sanctions have been applied, where guilt has been proven. This supports the embedding of deterrence and prevention measures across the organisation.

The Trust's Audit Committee agrees the annual work plan for the LCFS and receives routine reports on progress against its delivery. The Committee has agreed the Trust's policy for dealing with suspected fraud, bribery and corruption and the Trust's Standards of Business Conduct Policy.

Effective from 1 April 2021 the NHS Counter Fraud Authority (NHSCFA) implemented the Government Functional Standard 013: Counter Fraud ('the Functional Standard') within the NHS. During 2021/22, the NHSCFA have developed their requirements in relation to the Functional Standard.

All NHS-funded services are required to comply with the Functional Standard. Progress against the requirements of the Functional Standard is overseen by the Trust's Chief Finance Officer and the Audit Committee.

The Trust is required to self-assess against the requirements of the Functional Standard annually by completing and submitting the Trust's Counter Fraud Functional Standard Return (CFFSR). This requires prior sign-off by the Trust's Chief Finance Officer and the Audit Committee Chair.

## Remuneration Report

The Remuneration Report outlines appointments and payments made in-year to Trust Executive Directors, Non-Executive Directors and the Trust's most senior employees, and includes the senior managers' remuneration policy.

### Annual statement on remuneration

I am pleased to present the Remuneration Report for the financial year 2024/25 on behalf of the Board of Directors' Nomination and Remuneration Committee.

The Committee is responsible for making decisions on matters relating to the nomination, appointment, remuneration and terms and conditions of office of the Trust's Executive Directors and other individuals on locally determined pay, including salary, pensions, termination and / or severance payments and allowances.

In discharging its responsibility for setting the remuneration and conditions of service for the Trust's most senior managers, its key objective is to ensure that the remuneration packages are sufficient to recruit and retain individuals of the calibre required for the successful operation of the Trust, while avoiding paying excessively for this purpose.

There have been no changes made to the Trust's remuneration policy for senior managers in 2024/25. Decisions made in line with this policy during the past year or impacting on this reporting period include:

- A 2024/25 pay award for executive directors, very senior managers, staff on ad hoc spot salaries, and for application to management responsibilities, consistent with that made to staff on Agenda for Change terms and conditions of service;
- Salary ranges for new appointments to the positions of Chief Medical Officer (Development) and Chief Medical Officer (Operations);
- Non-consolidated payments to reflect additional responsibilities undertaken by individual senior managers while acting up into Executive Director positions;
- Incentive payment arrangements (short term) for specific staffing groups in response to staffing pressures / for additional sessions to increase planned care activity (up to 22 May 2024\*);

\* In April 2024, the Committee considered and agreed a set of principles to be applied by the Trust Executive Group (TEG) when approving time limited variations to staff terms and conditions of employment for all groups, excluding Executive and Non-Executive Directors. This came into effect from 22 May 2024 and aligns to the Reservation of Powers to the Board of Directors and Scheme of Delegation.



Annette Laban

Chair of the Board of Directors' Nomination and Remuneration Committee

## Senior managers' remuneration policy

The remuneration of the Chief Executive and Executive Directors is determined by the Board of Directors' Nomination and Remuneration Committee taking into account market levels, key skills, performance and responsibilities.

The Trust's overarching approach is to ensure that senior managers' remuneration supports delivery of our vision to be recognised as a brilliant place to work, a provider of inclusive and high-quality health care, clinical research and education in the UK and a strong contributor to the aspiration of Sheffield to be a vibrant, healthy and sustainable City region. As such, the principle underpinning the Trust's remuneration policy is that rewards to senior managers should enable the Trust to recruit, motivate and retain individuals with the necessary skills, experience and ability, to support delivery of the Trust's strategic aims.

## Future policy table senior managers (other than Non-Executive Directors)

Executive Director remuneration for 2024/25 was set at an appropriate level to recognise the significant responsibilities of directors in foundation trusts of similar size and complexity, and to attract and retain individuals with the necessary skills, experience and ability. The future policy table overleaf provides detail on each element of Executive Directors' remuneration packages for 2024/25, how the level of pay is determined, how change is enacted and how Executive Directors' performance is managed.

## Directors with remuneration (total) greater than £150,000

The Trust takes steps to assure itself that remuneration is set at a competitive rate in relation to other similar NHS foundation trusts, and that this rate enables the Trust to attract and retain senior managers with the necessary abilities to lead and develop the Trust's activities fully for the benefit of patients. In making decisions about whether to pay any individual Executive Director more than £150,000<sup>2</sup> per annum, as outlined in guidance issued by the Cabinet Office, regard is paid to remuneration benchmarking data, market conditions, and the individual director's level of experience and development of the role.

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<sup>2</sup> The threshold set out in NHSI guidance above which NHS foundation trusts should make a disclosure.

Fig: Senior managers' remuneration policy

How the component supports the strategic aims of the Trust	How the component operates	Maximum potential value of the component	Description of framework used to access performance
<b>Base pay</b>			
Base pay is determined using benchmarked data in order to attract, reward and retain individuals of the right calibre to lead the delivery of the Trust's aims and priorities.	Salaries are reviewed annually and any changes are normally effective from 1 April each year. Such changes are proposed and made via the Board's Nomination and Remuneration Committee (NRC).  In exceptional circumstances, reviews of salary may be made outside of this cycle but are made by the NRC.	Change to basic salary is usually enacted as a percentage increase in line with national Agenda for Change pay arrangements, to ensure parity across the Trust (senior managers are proportionally not treated more favourably than other staff).	The Chief Executive and Executive Directors participate in annual performance reviews undertaken by the Trust Chair or Chief Executive respectively. The individual's agreed objectives are linked to the Trust's corporate objectives. The Trust does not operate a system of performance related pay. Failure to meet objectives is managed via Trust policies and performance frameworks.
<b>Pension-related benefits</b>			
Pension benefits (which may be opted out of) are part of the total remuneration of directors to attract high-calibre staff to enable the Trust to meet its strategic objectives.	Pension is available as a benefit to directors and follows national NHS Pension Scheme contribution rules (or alternative pension provider).	Pension is available as a benefit to directors and follows national NHS Pension Scheme contribution rules (or alternative pension provider). Pension entitlements are determined in accordance with the HMRC method.	Not applicable.
<b>On-call payment</b>			
Senior managers are entitled to receive on-call payment in line with on-call responsibilities.			
<b>Learning account funds</b>			
Senior managers at Directorate Triumvirate level (Nurse Directors, Operations Directors and substantive Clinical Directors) receive learning account funds as part of their remuneration package.			
<b>Benefits</b>			
The Trust operates a number of salary sacrifice schemes including childcare vouchers, white goods scheme and a lease car scheme. These are open to all members of staff.			
<b>Travel and subsistence expenses</b>			
Appropriate travel expenses are paid for business mileage and subsistence is paid in line with Trust policy.			

## Payments for loss of office\*

There is no entitlement to any additional remuneration in the event of early termination. During 2024/25 no senior manager (or past senior manager) received payments for loss of office. \* subject to audit

## Statement of consideration of employment conditions elsewhere in the Trust

In determining the pay and conditions of employment for Executive Directors and senior managers, the Board of Directors' Nomination and Remuneration Committee takes account of national pay awards given to medical and non-medical staff groups subject to national Agenda for Change, or national Medical and Dental Terms and Conditions.

The Trust did not consult with employees when preparing the senior managers' remuneration policy, however, peer benchmarked data was used to determine the appropriate remuneration for Executive and Non-Executive Directors during the year.

## Policy on diversity and inclusion used by the Nomination and Remuneration Committee

The Board is committed to ensuring that its composition comprises an appropriate balance of skills, knowledge and experience. Diversity is a vital part of the continued assessment and enhancement of board composition, and the Board recognises the benefits of diversity amongst its members.

The Workforce Race Equality Standards (WRES), Workforce Disability Equality Standards (WDES) and gender composition are all used to review gaps and identify actions for the future to address any diversity issues. Through implementation of the Trust's Equality and Diversity Strategy, underpinning actions are in place to ensure that the Board recruitment processes are inclusive and all opportunities are taken to strengthen diversity of the Board of Directors in terms of it being representative (in terms of demographics) of our workforce and local communities. 2024 WRES data noted the percentage of BME Board membership as six per cent against a representative target of 19 per cent. The gender balance of the Board of Directors is reported within the Staff Report.

Appointments to the Board of Directors are subject to a formal, rigorous and transparent procedure. While new appointments are always based on merit, careful consideration is given to the benefits of improving and complementing the diversity, skills, experience and knowledge of the Board. Under the Trust's equality, diversity and inclusion (EDI) work programme, representative recruitment panels ensure ethnicity and gender representation throughout recruitment processes.

Before any appointment is made to the Executive team an evaluation of the composition of skills, knowledge, experience and diversity on the Board of Directors informs the

description of the role and capabilities required for a particular appointment. The appointment process is designed to attract the best candidates, through the use of a range of open advertising or the services of external advisers to facilitate the search.

Likewise, at the outset of each Non-Executive Director recruitment and selection process, a review is undertaken of the composition of the Board of Directors for balance of diversity, skills and experience to inform its search. The output of which informs recommendations from the Board of Directors' Nomination and Remuneration Committee to the Council of Governor's Nomination and Remuneration Committee responsible for undertaking the recruitment and selection processes.

## Annual report on remuneration 2024/25

### Service contract obligations

None of the current substantive Executive Directors are subject to an employment contract that stipulates a length of appointment. The appointment of the Chief Executive is made by the Non-Executive Directors and approved by the Council of Governors.

In order to attract Executive Directors of sufficient calibre, the Chief Executive and Executive Directors have permanent employment contracts with appropriate notice periods in line with employment law, rather than a fixed term. This is in line with similar contracts in the sector. The process to recruit to Executive Director positions involves the Chair, Chief Executive and Non-Executive Directors.

The following table contains details of the service contracts in place during 2024/25 for Executive Directors.

Fig: Service contracts

Name	Date of service contract	Unexpired term	Notice period
David Black	February 2022	N/A (retired 28 February 2025)	6 months
Louisa Cowell	January 2024	Open ended	6 months
Mark Gwilliam	May 2009	Open ended	3 months
Michael Harper	June 2019	Open ended	6 months
Jennifer Hill	December 2020	N/A (retired 28 February 2025)	6 months
Kirsten Major	March 2019	Open ended	6 months
Chris Morley	October 2018	Open ended	6 months
Mark Tuckett	April 2022	Open ended	6 months

## The Board of Directors' Nomination and Remuneration Committee

The Board of Directors' Nomination and Remuneration Committee is chaired by the Trust Chair and its membership includes all Non-Executive Directors.

The role of the Committee is outlined in its terms of reference which are annually reviewed and approved by the Board of Directors. Its responsibilities in relation to remuneration are to:

- Decide upon and review the terms and conditions of the office of the Trust's Executive Directors and most senior employees, in accordance with all relevant Trust policies, including:
  - Salary, including any performance-related pay or bonus
  - Provision for other benefits, including pensions
  - Allowances;
- Monitor and evaluate the performance of individual Executive Directors;
- Adhere to all relevant laws, regulations and Trust policy in all respects, including (but not limited to) determining levels of remuneration that are sufficient to attract, retain and motivate Executive Directors whilst remaining cost-effective;
- Advise upon and oversee contractual arrangements for Executive Directors, including (but not limited to) termination payments and agreements. This also relates to any matter that requires Treasury approval, or any matter that may give rise to public concern; and
- Determine arrangements for annual salary review for all staff on Trust contracts.

The Committee met a total of seven times during 2024/25, attendance at which was recorded.

Fig: Board of Directors' Nomination and Remuneration Committee membership and attendance

Name	Attendance (actual / possible)
Annette Laban, Chair	6 from 6*
Ashley Blom (term of office ended 28 February 2025)	2 from 6
Tony Buckham (term of office ended 30 September 2024)	2 from 3
Sonia Gayle (term of office commenced 1 November 2024)	2 from 3
Ann Harris	5 from 7
Francis Patton (term of office commenced 1 November 2024)	3 from 3
Maggie Porteous	7 from 7
Rosamond Roughton	6 from 7
Dean Royles	5 from 7
Toni Schwarz	4 from 7
Shiella Wright	6 from 7

\* The attendance of Annette Laban was precluded from a meeting held on 26 November 2024, the agenda for which involved Chair succession planning.

At the invitation of the Committee, meetings are attended by the Chief Executive, Chief People Officer and the Assistant Chief Executive, who acts as Committee secretary. Executive Directors are not involved in any decisions or discussions regarding their own remuneration or in decisions where there may be a conflict of interest.

The remuneration of Non-Executive Directors is the responsibility of the Council of Governors' Nomination and Remuneration Committee. The work of this Committee is outlined within the Governance Section of this Annual Report.

## Disclosures required by the Health and Social Care Act

### Expenses for Executive and Non-Executive Directors and Governors

The expenses for Executive and Non-Executive Directors and Governors are reimbursed on a receipts basis, evidencing the business mileage or actual travel / subsistence costs incurred. Reimbursement rates for mileage are those applied to all Trust employees and do not exceed national guidelines.

Total expenses for 2024/25 are detailed in the table below:

Fig: Expenses for Executive and Non-Executive Directors and Governors

	2024/25	2023/24
<b>Executive and Non-Executive Directors</b>		
Number who claimed expenses during the year	9	7
Number of Executives / Non-Executives who held office during the year	22	19
<b>Amount claimed in total</b>	<b>£5,896.49</b>	<b>£5,077.67</b>
<b>Governors</b>		
Number who claimed expenses during the year	5	2
Number of Governors who held office during the year	33	32
<b>Amount claimed in total</b>	<b>£862.83</b>	<b>£575.20</b>

### Remuneration of Executive and Non-Executive Directors

In reporting on remuneration within the tables provided on the next pages, the Trust has applied the definition of senior managers, as proposed within the NHS Foundation Trust Annual Reporting Manual and included senior managers who influence the decisions of the Trust, rather than the decisions of individual directorates or sections of the Trust. As well as referring to Executive and Non-Executive Directors, this extends to the Assistant Chief Executive, and the Communications and Marketing Director.

Table 1 - Single total remuneration for senior managers\*

Name	Single total remuneration 2024/25						Single total remuneration 2023/24					
	Salary	Taxable benefits and expenses	Annual Performance Related Bonuses	Long-term Related Bonuses	All pension related benefits	Single Total Remuneration	Salary	Taxable benefits and expenses	Annual Performance Related Bonuses	Long-term Related Bonuses	All pension related benefits	Single Total Remuneration
	Bands of £5,000	to the nearest £00	Bands of £5,000	Bands of £5,000	Bands of £2,500	Bands of £5,000	Bands of £5,000	to the nearest £00	Bands of £5,000	Bands of £5,000	Bands of £2,500	Bands of £5,000
<sup>1</sup> David Black, Chief Medical Officer (Development) (to 21 February 2025)	180 - 185	0	0	0		180 - 185	195 - 200	0	0	0	0 - 2.5	195 - 200
Ashley Blom, Non-Executive Director (to 28 February 2025)	10 - 15	0	0	0		10 - 15	15 - 20	0	0	0		15 - 20
Tony Buckham, Non-Executive Director (to 30 September 2024)	5 - 10	0	0	0		5 - 10	20 - 25	0	0	0		20 - 25
<sup>1</sup> Sandi Carman, Assistant Chief Executive	130 - 135	0	0	0	15 - 17.5	150 - 155	130 - 135	0	0	0	0 - 2.5	130 - 135
<sup>3</sup> and <sup>4</sup> Louisa Cowell, Chief Finance Officer (from 2 Jan 2024)	150 - 155	24,900	0	0	65 - 67.5	240 - 245	30 - 35	4,000	0	0	5 - 7.5	40 - 45
Sonia Gayle, Non-Executive Director (from 1 November 2024)	5 - 10	0	0	0		5 - 10						
<sup>1</sup> Mark Gwilliam, Chief People Officer	205 - 210	0	0	0	70 - 72.5	275 - 280	200 - 205	0	0	0	0 - 2.5	200 - 205
<sup>1</sup> and <sup>3</sup> Michael Harper, Chief Operating Officer	165 - 170	2,000	0	0	30 - 32.5	195 - 200	160 - 165	1,800	0	0	0 - 2.5	160 - 165
Ann Harris, Non-Executive Director	15 - 20	0	0	0		15 - 20	15 - 20	0	0	0		15 - 20
<sup>1</sup> Jennifer Hill, Chief Medical Officer (Operations) (to 28 February 2025)	195 - 200	0	0	0		195 - 200	210 - 215	0	0	0	0 - 2.5	210 - 215
<sup>2</sup> Sarah Jenkins, Interim Chief Medical Officer (Operations) (from 1 March 2025)	15 - 20	0	0	0	2.5 - 5	15 - 20						
Annette Laban, Chair	65 - 70	0	0	0		65 - 70	55 - 60	0	0	0		55 - 60
<sup>3</sup> Nick Lyons, Chief Medical Officer (Development) (from 10 February 2025)	30 - 35	200	0	0		30 - 35						
<sup>1</sup> Kirsten Major, Chief Executive	265 - 270	0	0	0	67.5 - 70	335 - 340	260 - 265	0	0	0	0 - 2.5	260 - 265
<sup>1</sup> Chris Morley, Chief Nurse	175 - 180	0	0	0	15 - 17.5	195 - 200	170 - 175	0	0	0	0 - 2.5	170 - 175
John O'Kane Non-Executive Director (to 30 September 2023)							5 - 10	0	0	0		5 - 10
Francis Patton, Non-Executive Director (from 1 November 2024)	5 - 10	0	0	0		5 - 10						
<sup>1</sup> and <sup>3</sup> Julie Phelan, Communications and Marketing Director	135 - 140	400	0	0	15 - 17.5	155 - 160	135 - 140	300	0	0	0 - 2.5	135 - 140
Maggie Porteous, Non-Executive Director	15 - 20	0	0	0		15 - 20	15 - 20	0	0	0		15 - 20
<sup>1</sup> Neil Priestley, Chief Finance Officer (to 31 Dec 2023)							170 - 175	0	0	0		170 - 175
Rosamond Roughton, Non-Executive Director	15 - 20	0	0	0		15 - 20	15 - 20	0	0	0		15 - 20
Dean Royles, Non-Executive Director (from 1 Sept 2023)	15 - 20	0	0	0		15 - 20	5 - 10	0	0	0		5 - 10
Toni Schwarz, Non-Executive Director	15 - 20	0	0	0		15 - 20	15 - 20	0	0	0		15 - 20
<sup>1</sup> Mark Tuckett, Chief Strategy Officer	145 - 150	0	0	0	37.5 - 40	185 - 190	140 - 145	0	0	0	35 - 37.5	175 - 180
Shiella Wright, Non-Executive Director	15 - 20	0	0	0		15 - 20	15 - 20	0	0	0		15 - 20

Notes on Table 1

<sup>1</sup> In 2023/24, salary and fees include a non-pensionable payment of 2% of the basic salary that was paid to each individual Director in 2022/23.

In addition, in 2023/24, certain directors who are not in the Pension Scheme opted to receive the pension contribution their employer would have made on their behalf as part of their salary instead, i.e., any unused employer pension contributions being paid as 'additional salary'.

<sup>2</sup> Relates solely to the remuneration received in 2024/25 in the capacity of Interim Chief Medical Officer (Operations).

<sup>3</sup> The Taxable Benefit of the taxable benefits and expenses figure relates to the benefit in kind which accrues to the individual under Salary Sacrifice arrangements, whereby salary is reduced in exchange for a non-cash benefit.

<sup>4</sup> The Taxable Expenses element of the taxable benefits and expenses figure relates to a relocation payment made to the Chief Finance Officer in line with the Trust's Reimbursement of Removal and Associated Expenses Policy.

Table 1 subject to audit.

Table 2: Total pension benefits\*

	Real increase in pension at pension age (£' 000)	Real increase in pension lump sum at pension age (£' 000)	Total Accrued pension at pension age @ 31.03.25 (£' 000)	Lump sum at pension age related to accrued pension at 31.03.25 (£' 000)	CETV @ 31.03.24 (£' 000)	Real Change in CETV (£' 000)	C ETV @ 31.03.25 (£' 000)
	Bands of £2,500	Bands of £2,500	Bands of £5,000	Bands of £5,000	(£,000)	(£,000)	(£,000)
David Black, Chief Medical Officer (Development) to 21 February 2025	-	-	-	-	1,872	-	-
Sandi Carman, Assistant Chief Executive	0 – 2.5	-	55 – 60	140 – 145	1,168	24	1,287
Louisa Cowell, Chief Finance Officer	2.5 – 5	-	50 -55	-	513	39	605
Mark Gwilliam, Chief People Officer	2.5 - 5	-	60 - 65	140 – 145	125	43	202
Michael Harper, Chief Operating Officer	2.5 - 5	-	50 - 55	135 - 140	958	28	1,069
Jennifer Hill, Chief Medical Officer (Operations) to 28 February 2025	-	-	-	-	2,624	-	-
Sarah Jenkins, Interim Chief Medical Officer (Operations) from 1 March 2025	0 – 2.5	-	75 - 80	200 - 205	1,673	4	1,853
Kirsten Major, Chief Executive	5 – 7.5	0 – 2.5	95 - 100	245 - 250	1,966	77	2,209
Chris Morley, Chief Nurse	0 – 2.5	-	85 - 90	230 – 235	1,883	33	2,064
Julie Phelan, Communications and Marketing Director	0 – 2.5	-	55 - 60	145 - 150	1,250	27	1,378
Mark Tuckett, Chief Strategy Officer	2.5 - 5	-	10 -15	-	131	20	179

\*Notes on Table 2

Overview / valuation

The Trust is a member of the NHS Pension Scheme which is a defined benefit Scheme, though accounted for locally as a defined contribution scheme. The Trust does not operate nor contribute to a stakeholder pension scheme. Non-Executive Directors are not members of the Trust pension scheme. Disclosure is made in respect of pension benefits for those Directors who were active members of the NHS Pension Scheme during 2024/25 and whose membership was active on 31 March 2025 therefore no in-year disclosures are made in respect of David Black and Jennifer Hill. CETV (Cash Equivalent Transfer Value) is the value of a member's pension fund at 31 March if they were to transfer that pension fund on that date.

Nick Lyons, Chief Medical Officer (Development), (from 10 February 2025) chose not to be covered by the pension arrangements during the reporting year.

Table 2 subject to audit.

## Hutton Report (Fair pay) disclosure

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.

For 2024/25 and prior year comparative is set out in the tables below.

The banded remuneration of the highest paid director in the organisation in the financial year 2024/25 was £267.5k (2023/24, £262.5k). This is a change between years of 3 per cent.

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

For employees of the Trust as a whole, the range of remuneration (comprising basic pay and additional elements of pay) in 2024/25 was from £0<sup>3</sup> to £376k (2023/24 £0 to £477k).

The percentage change in average employee remuneration (based on the total for all employees on an annualised basis divided by full-time equivalent number of employees) between years is 4 per cent (2023/24, 11 per cent). The percentage change in respect of the highest paid director is 3 per cent (2023/24, 7 per cent). No remuneration is made in respect of performance pay and bonuses.

The average pay calculation above is performed with reference to elements of pay in addition to basic salary and is reflective of work undertaken and paid in 2024/25 and 2023/24. Basic salary increases are applied on a consistent percentage basis to employees and to executive directors alike and are therefore not differential; The remuneration of the highest paid director has increased by an amount that was proportionate with the annual pay award made to staff on Agenda for Change terms and conditions of service.

The calculations of average pay and of fair pay multiples include the costs of agency and other temporary employees covering staff vacancies (bank staff) but exclude consultancy services.

6 employees received remuneration in excess of the highest paid director in 2024/25 (four in 2023/24). The 6 employees in 2024/25 are clinical staff members.

### Fair pay multiple 2024/25 and 2023/24

The remuneration of the employee at the 25th percentile, median and 75th percentile is set out below. This reporting metric was introduced in 2021/22. 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.

<sup>3</sup> Employees on zero-hour contracts or whose tenure of employment with the Trust ended soon after the start of the financial year and on an Agenda for Change (AfC) Band 2 pay scale will be included in this lowest remuneration banding. The annual remuneration of a member of staff paid at the bottom of the AfC Band 2 pay scale working 37.5 hours a week is equivalent to £23,615.00.

Table 3a - Fair pay multiple 2024/25\*

2024/2025	25 <sup>th</sup> percentile	Median	75 <sup>th</sup> percentile
Salary component of pay (Basic pay)	£25,674	£32,336	£46,148
Total pay and benefits excluding pension benefits	£26,067	£34,760	£46,922
Total pay and benefits excluding pension benefits; pay ratio to highest paid director (based on mid-point banded remuneration, £267.5k)	10.26	7.70	5.70

Table 3b - Fair pay multiple 2023/24\*

2023/2024	25 <sup>th</sup> percentile	Median	75 <sup>th</sup> percentile
Salary component of pay (Basic pay)	£22,816	£30,639	£42,621
Total pay and benefits excluding pension benefits	£23,101	£29,759	£43,723
Total pay and benefits excluding pension benefits; pay ratio to highest paid director (based on mid-point banded remuneration, £262.5k)	11.36	8.87	6.00

There are no significant changes in the ratios between the current and prior financial year which is reflective of the Trust's equitable pay / remuneration policy. As mentioned, the remuneration of the highest paid director has increased by an amount that is consistent and proportionate with the annual pay award made to staff on Agenda for Change terms and conditions of service.

\*Tables subject to audit

Remuneration report signed by the Chief Executive  
in capacity as Accounting Officer



Kirsten Major  
Chief Executive  
24 June 2025

## Staff Report

The colleagues and volunteers of Sheffield Teaching Hospitals NHS Foundation Trust are the reason for our continued success and have been vital to the delivery of our services and the care and support we provide to our patients as well as the ongoing response to recovery of our services.

Our circa 19,900 workforce is vital to ensuring we continue to deliver high quality care, and over the last few years, they have shown immense flexibility, dedication, and commitment to work above and beyond the requirements of their individual roles to care for and support our patients. Without them, we would not be able to deliver the standard of care or offer the range of clinical services, that we do.

This year has been the second year of our People Strategy ‘A Brilliant Place to Work’ which was launched in March 2023. Our Strategy was developed through consultation with colleagues across a wide range of for a and detailed review of our Staff Survey and People Pulse feedback weaving in what matters to our colleagues in their experience of employment with us and we adjust our implementation priorities in response to feedback received through the annual Staff Survey.

The Strategy is structured around the three priority areas of Attract, Grow and Retain and incorporates the seven national People Promise themes.

**Attract** – recruit the right staff in the right numbers with the right skills, values and behaviours.

**Grow** - invest in personal and professional development and create opportunities for everyone to reach their full potential.

**Retain** – create an inclusive culture and access to opportunities which mean our staff want to remain at STH and develop their careers and skills.



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We have implementation workstreams in place across the seven themes detailed above and have broadened the scope of our People Strategy Executive Committee to oversee and steer implementation of the strategy.

The culmination of some of our achievements are described in the detail of this year's report however key highlights can be summarised as:

- Recruiting more colleagues to our teams to fill substantive funded vacancies both supporting our colleagues in delivery of our service and reducing spend on temporary workforce.
- A programme of recruitment improvement to focus on the equality and diversity of our recruitment to continue to build our diverse workforce, ensuring fair and equitable access to opportunities for our current colleagues and those who want to work with us.
- Completed work to reduce the time it takes from placing an advert to concluding the recruitment process which has seen a consistent reduction in the time it takes to fill our vacancies, achieving compliance with our time to fill target of eight weeks throughout 2024/25.
- Employee Wellbeing has been a significant focus with successful work to expand the number of Wellbeing Champions we have trained across the Trust as well as maintaining Menopause Friendly accreditation through a programme of work to support colleagues experiencing menopause.
- Increasing the number of colleagues engaged in providing feedback through the annual Staff Survey from a 39 per cent response rate in 2023 to 56 per cent of colleagues completing the survey in 2024, as well as seeing improvements in our employees' experience of working for the Trust across the themes covered in the survey.
- We have high retention rates and low turnover across the Trust and the work of our STH People Strategy continues to support this through improved staff experience.
- We have undertaken work to implement the national Sexual Safety Charter and continue to build on this through provision of support to our Directorates in response to our staff survey results in this area.
- We completed a pilot project across five Directorates to trial a shortened appraisal window from April to September. The five Directorates achieved improved compliance during the pilot. This will be rolled out as an improvement tool for Directorates with compliance at or below 85 per cent from 2026/27, allowing for the work needed across the Trust to support the implementation of our new Electronic Patient Record (EPR).

- We have continued to deliver excellent performance maintaining compliance with our Mandatory Training and Job Specific Essential Training targets across 2024/25.
- Our PROUD Improvement programme for individuals, leaders and teams launched with over 1000 staff engaging and using improvement skills to deliver and improve care. Sessions are now available via PALMS, the Trust's Personal Achievement and Learning Management System, supported by additional resources on the new PROUD Improvement Hub.
- Work to embed a culture of continuous improvement at the Trust continue with additional work planned through 2025/26 to develop the support available to colleagues after attending PROUD Improvement sessions to continue improvement work within their own teams.
- Leadership development has formed a key strand of work for 2024/25. With the launch of PROUD to Lead – the Trust has launched the Leadership Forum at a multi-site event with hundreds of colleagues in attendance. Using our Leadership Development framework, LEAD, we have developed 844 people this year, with more colleagues accessing our talent offers.
- The Transformational Leadership Programme has brought together 29 senior leaders from clinical triumvirates and corporate areas to learn and influence the development of leadership behaviours that support a culture of continuous improvement.
- We have continued to develop and improve our approach to workforce planning and redesign, through the business planning process and new training and redesign projects. Almost 200 staff have attended workforce planning training sessions and a dedicated Workforce Programme SharePoint site provides a range of tools and resources to help leaders across our organisation plan and redesign our workforce.

Our PROUD values and behaviours underpin the way in which we all work and deliver the best service at all times.

- Patient first - ensure that the people we serve are at the heart of all we do;
- Respectful - be kind, respectful to everyone and value diversity;
- Ownership - celebrate our successes, learn continuously and ensure we improve;
- Unity - work in partnership and value the roles of others; and
- Deliver - be efficient, effective and accountable for our actions.

Through our People Strategy workstreams extensive work has continued in the

arenas of equality, diversity and inclusion, leadership, team development and education, reward and recognition and health and wellbeing. We continue to recognise the great work that individuals and teams carry out via our annual Thank You Awards, our Long Service Awards and at local department level.

This year we have continued to recognise the impact the current financial and economic climate is having for our colleagues, and in response expanded and promoted a range of financial education tools, promoted a wide range of staff benefits and discounts available to colleagues, offered more affordable meals through our onsite catering facilities.

## Working with our staff

### Statement on approach to staff experience and engagement

We recognise that in order to deliver consistently high-quality clinical services it is important to have colleagues who feel engaged, valued and cared for and who are supported to give their best. Our STH People Strategy is based on seven national People Promises which are known to be essential for positive staff experience.

There is a separate work programme for each of the seven promises:

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

We use a range of well-established communications channels to ensure that staff feel informed - these include a regular briefing from the Chief Executive, a weekly email bulletin to all colleagues, a monthly staff engagement and wellbeing newsletter, a staff Facebook group, networks of wellbeing and Equality, Diversity and Inclusion (EDI) champions as well as media boards and our social media feeds. However, we recognise the importance of listening to our colleagues and we seek their feedback from a variety of sources including: the annual NHS Staff Survey, the quarterly People Pulse survey, other topic specific surveys, from our staff network groups, wellbeing, EDI and Freedom to Speak Up (FTSU) champions, and the Trust has continued to work collaboratively via the well-established Partnership Forum where management and union representatives meet to discuss Trust-wide workforce issues.

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Our intranet pages provide access for colleagues to Trust policies, guidance and online resources. In addition, we have the external Vivup portal which holds wellbeing information and information on the full range of staff benefits and discounts which staff can access.

The Trust is committed to supporting staff to raise any concerns. The Lead Freedom to Speak Up (FTSU) Guardian, alongside additional voluntary Guardians and over 50 FTSU Champions, are dedicated to promoting an environment where staff feel empowered and encouraged to speak up. The Trust provides multiple channels for staff to raise concerns. A dedicated email address allows staff to contact FTSU Guardians directly, with the option for anonymous reporting, ensuring confidentiality and transparency in the process, and that all staff have a safe and confidential way to voice their concerns.

FTSU is an integral part of corporate and resident doctor inductions, ensuring that all new staff are informed about how to raise concerns from the outset. The Trust's updated intranet site is also a valuable resource, offering guidance and advice to support staff in navigating the process. Additionally, staff have access to three national FTSU e-learning modules, further equipping them with the knowledge to raise concerns effectively.

The Trust actively participates in regional FTSU meetings, and a Shelford Group has been established to share best practices and promote continuous improvement across the sector. The Trust encourages staff to engage with FTSU through various awareness-raising initiatives, such as 'Meet and Greet' stands and 'Walk and Talk' visits during FTSU Month in October. These events, led by Guardians and Champions, provide staff with opportunities to engage directly with FTSU representatives and learn more about how to raise concerns, ask questions, share concerns, and understand the support available to them.

A Non-Executive Director Lead for FTSU acts as an independent advocate at board level, providing governance oversight and ensuring that concerns raised by staff are addressed at the highest levels of the Trust if needed, ensuring that governance structures remain aligned with best practice.

Collaboration between teams has been strengthened. The Lead Guardian is a member of and attends the Patient Safety Strategy Group meetings. By working closely with Organisational Development, Human Resources, Quality Governance, and staff partners, the Trust has reinforced its commitment to an open and inclusive environment, where concerns are addressed collaboratively, fostering a culture of continuous improvement and shared learning. This facilitates enhanced information sharing, problem-solving, and the development of improved practices to support a culture of openness, inclusion, and continuous learning. These connections include both formal mechanisms, such as group memberships and scheduled meetings, as well as informal channels like the sharing of materials and information.

## National NHS Staff Survey

Each year the Trust undertakes a full census survey as part of the National NHS Staff Survey. This survey provides an opportunity to give feedback and provides a valuable measure of staff experience. The Trust is benchmarked in the acute and acute and community trusts group.

Fig: Response rate to the NHS Staff Survey: Staff involvement

2024		2023	
Trust	National Average	Trust	National Average
56%	49%	39%	45%

The survey questions align to the seven elements of the NHS ‘People Promise’ and retains the two previous themes of engagement and morale. All indicators are based on a score out of 10 for specific questions. Scores for each indicator, together with that of the survey benchmarking group (acute and acute and community trusts group) are presented below:

Fig: 2024 Staff survey results

	2024		2023		2022		2021	
	Trust	*BM Group	Trust	*BM Group	Trust	*BM Group	Trust	*BM Group
We are compassionate and inclusive	<b>7.30</b>	7.21	<b>7.24</b>	7.24	<b>7.20</b>	7.18	<b>7.23</b>	7.20
We are recognised and rewarded	<b>5.92</b>	5.92	<b>5.84</b>	5.94	<b>5.68</b>	5.73	<b>5.82</b>	5.82
We each have a voice that counts	<b>6.67</b>	6.67	<b>6.66</b>	6.70	<b>6.62</b>	6.65	<b>6.68</b>	6.67
We are safe and healthy	<b>6.11</b>	6.09	<b>6.02</b>	6.06	<b>5.87</b>	5.89	<b>5.92</b>	5.90
We are always learning	<b>5.61</b>	5.64	<b>5.58</b>	5.61	<b>5.35</b>	5.35	<b>5.26</b>	5.23
We work flexibly	<b>5.96</b>	6.24	<b>5.95</b>	6.20	<b>5.80</b>	6.01	<b>5.83</b>	5.94
We are a team	<b>6.73</b>	6.74	<b>6.63</b>	6.75	<b>6.55</b>	6.64	<b>6.48</b>	6.58
Staff engagement	<b>6.79</b>	6.84	<b>6.77</b>	6.91	<b>6.70</b>	6.80	<b>6.75</b>	6.84
Morale	<b>5.96</b>	5.93	<b>5.88</b>	5.91	<b>5.67</b>	5.69	<b>5.80</b>	5.74

\* Benchmarking Group (acute and acute and community trusts)

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For the 2024 NHS Staff Survey the Trust score was above average when compared to the Trust's benchmarking group of acute and acute and community trusts for three themes, average for two themes and marginally below average for four themes, as detailed below:

Above average for three themes:

- We are compassionate and inclusive
- We are safe and healthy
- Morale

Average for two themes:

- We are recognised and rewarded
- We each have a voice that counts

Below average for four themes:

- We are always learning
- We work flexibly
- We are a team
- Staff engagement

Across the nine themes, all nine showed improvements from 2023. The Trust's improved performance has been recognised by NHS England who have acknowledged the Trust's achievement in improving the experience and engagement of our colleagues. We are very proud that the highest Trust theme score for 2024 is 'we are compassionate and inclusive' (7.30).

As the ongoing People Strategy workstreams continue to make improvements across the People Promises we will continue with this work. We will identify through consultation, four Trust wide core actions, one for each of the four People Promise themes that have scored below the benchmarked average for the 2024/25 staff survey action plans i.e. We are always learning, We work flexibly, We are a team and Staff Engagement. Plus directorates will use their local results to choose two specific actions given the variance in the Directorate level results.

The ongoing work to implementation of our People Strategy will continue to drive improved staff experience.

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## Equality, diversity and inclusion

The Trust's aspiration is to be an inclusive organisation for our patients and our staff. We want to attract and retain a diverse workforce that is valued and represents the communities we serve. We want to provide high quality services that are personalised and meet individual patient's needs. We are focused on achieving a culture of inclusion where we are accessible, welcoming, fair and kind in all that we do.

This year we have focussed on completing the actions from our last Equality, Diversity and Inclusion (EDI) Strategy (2021-2025) and have been working to create a new one, which will take us further forward in our ambitions.

Our new EDI Strategy, 2025-2029, (at this [link](#)) has been developed in collaboration with a wide range of key stakeholders, including our staff and patients, and has been agreed by our Board of Directors. To support our new EDI Strategy, we have produced an Implementation Plan for its first year which contains actions based on our priority EDI objectives. During the last year, we have continued to focus on embedding best EDI practice and on building the competency and capability of our colleagues to be allies and role models, including 125 EDI Champions across all areas of the Trust. We have also continued making progress on our Workforce Race Equality Standard (WRES) and Workplace Disability Equality Standard (WDES) metrics and action plans and on achieving the NHS England's High Impact EDI Actions.

We are achieving our aspiration and ambitions by:

- Robustly and reliably managing our EDI performance and ensuring that all areas of the Trust embed EDI best practice;
- Ensuring that our leaders are allies to EDI and that they role model inclusive management practices as well as operating in alignment with our PROUD values and behaviours;
- Building strong workforce and community connections and networks so that our activity is informed by conversations with staff, local people and our partners;
- Recognising and tackling discrimination, bullying, harassment and victimisation effectively and bringing people together to create a social movement for positive and long-lasting change;
- Building the EDI capability and competency of every member of staff so that we are all confident to challenge when we witness inappropriate or offensive language or behaviour;
- Using positive action to build our diverse workforce, ensuring fair and equitable access to opportunities for our current colleagues and those who want to work with us;

- Supporting our four Staff Network Groups and enabling them to provide constructive challenge to the Trust and our work on EDI; and
- Evaluating what we are achieving and what impact we are having across the organisation by analysing our NHS Staff Survey results by protected characteristics and benchmarking against other similar organisations.

Our new EDI Strategy contains seven priority EDI objectives which are:

1. Creating an inclusive culture - ensuring our colleagues and patients feel that they belong.
2. Ensuring our decision making is fair, equitable and inclusive - embedding our approach to equality impact assessment.
3. Improving patient and colleague access and experience – addressing any barriers to accessing our services / opportunities and ensuring we meet individual needs.
4. Building relationships with diverse colleagues and communities – supporting our Staff Network Groups and linking with our communities.
5. Creating a diverse workforce and leadership teams - setting targets for workforce representation.
6. Establish the Trust as a leader on EDI – achieving required standards and developing / embedding best EDI practice across all areas of our business.
7. Making EDI everyone's business – building colleagues confidence and capability around EDI.

Our EDI Executive Committee continues to provide strong governance around the agenda and is monitoring the progress being made. It ensures that the Trust is meeting its legislative, moral and social duties, including those within the Equality Act 2010, the Human Rights Act 1998, the NHS England Equality Delivery System 2022 (EDS22) and the national NHS England EDI High Impact Action, as well as the WRES and WDES equality standards.

With a diverse and broad membership, including senior leaders from across the Trust, the EDI Executive Committee reports to the Trust Executive Group, and both the Quality Committee for overseeing work carried out in relation to patients and service design and delivery, and the People Committee for work carried out in respect of our workforce.

Over the past 12 months, we have continued to make progress on EDI through a collaborative approach, working with colleagues from across the whole Trust and in partnership with the wider system, our stakeholders and our communities. Some of our achievements over the past year include:

- Continuing to develop understanding and awareness of EDI across the Trust through 60+ e-learning courses, developing and delivering in-house monthly EDI webinars as well as running bespoke sessions on topics such as

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microaggressions, neurodivergence, trans, non-binary and gender diversity. We have also raised awareness of our approach to Rapid Equality Impact Assessment (EIAs) and the Trust's policy and passport for workplace Reasonable Adjustments;

- Being instrumental in the creation of and partnership in the Sheffield Race Equality Commission and our work to become an actively anti-racist organisation;
- Completed a further three Equality Delivery System 2022 (EDS22) reviews into Diabetes Services (with a focus on the transition from children's/young people's services to adult services), Blood Cancer Services (including Haematology) and Sexual Health Services. We have identified three areas for review during 2025/26 - Community Respiratory Services for those diagnosed with Chronic Obstructive Pulmonary Disease (COPD), Cardiology and Cardiothoracic Services and Orthopaedic services;
- Continuing to be a Top 100 Employer in Stonewall's Workplace Equality Index (WEI), for two years running and being awarded a Gold Award for our work on LGBTQ+ inclusion as well as being named a 'Changemaker' for 2024;
- Further progressed our Dyslexia Workplace Assessors Network and Service which has helped over 200 colleagues better understand their condition and get access to appropriate and effective adjustments to improve their working lives;
- Supported our four Staff Network Groups - LGBTQ+, Women's, Race Equality and Inclusion (REIN) and Disability and Wellbeing (DAWN) - which have become an incredibly valuable asset for the Trust from both a workforce and patient perspective and which are continuing to grow from strength to strength. Our Staff Networks have a combined membership of over 1,000 colleagues;
- Continued to run our in-house Reciprocal Mentoring Programme with three cohorts per year and have extended this opportunity to all managers across the Trust and all Staff Network Group members. Over 160 colleagues have participated in the programme so far and positive evaluation has been received;
- Established a Health Inequalities Delivery Group (HIDG) which is bringing insight of what the Trust is doing to address issues relating to access to and outcome of services for patients and also for our workforce;
- Communicated our annual Inclusion Calendar and agreed to mark a range of key dates and events related to all protected characteristics(s) across the Trust, with collaboration from our Staff Network Groups and the Chaplaincy Team;

- Extended our mandatory requirement for all Band 8a+ and Consultant roles requiring ethnic and gender diversity in recruitment decisions from the start of the recruitment process to Band 5/6's in Nursing and Band 3's in the Trust's Facilities Department. The Trust's ethnic diversity across all Bands has increased from 14 per cent in 2020 to 24 per cent in 2024 and senior leadership (Band 8a+ and Very Senior Manager) from 5.38 per cent in 2020 to 8.53% in 2024;
- Formed and maintained effective working relationships across the region and nationally, including EDI Leads from Shelford Group trusts, the Integrated Care Board and other networks across the City;
- Further developed our EDI Dashboard containing patient and workforce data and information to inform decision-making across the organisation;
- Running a dedicated Institute of Leadership and Management (ILM) programme for our Black, Asian and ethnic minority colleagues to support our ambition of increasing ethnic diversity in senior leadership positions within the Trust;
- Trained and inducted 125 EDI Champions from across the Trust; and
- Produced our third EDI Annual Report for 2024 that highlights the work of the Trust over the past year and describes the focus for the next 12 months. This can be found on the Trust's website.

## Staff health and wellbeing

In recognition of the importance of supporting staff wellbeing, we have trained more Wellbeing Champions thanks to the support of Sheffield Hospital Charity and now have over 400 across the Trust helping us to develop a proactive wellbeing culture.

Wellbeing champions are trained in wellbeing conversations, mental health awareness and financial wellbeing options. They are able to signpost colleagues to relevant support and wellbeing action plan template which staff are encouraged to complete in preparation for regular wellbeing conversations. Working with the Wellbeing Champions we have introduced a programme of trolley visits across the Trust including out in the community to raise awareness of wellbeing support with busy clinical staff who have less time to access information online. The champions work alongside the trained Professional Nurse and Midwifery advocates who are being introduced to provide restorative supervision for nursing and midwifery staff across the Trust.

We have continued with our work with the South Yorkshire Integrated Care Board (ICB) to support colleagues experiencing menopause and maintain our Menopause Friendly Accreditation. This now includes access to a dedicated helpline provided by Vivup. We now have a cohort of over 80 trained menopause advocates and

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champions and have recently participated in an ICB-wide project to reduce inequalities for BAME women in accessing menopause support.

The management of stress at work policy has been revised and training to support its implementation developed. In recognition of the fact that our staff also face stressors outside of work we continue to run a quarterly forum for staff carers, a Long Covid support group and have recently introduced free access to a meal planning platform 'Five Dinners' to help reduce the stress of meal planning, reduce waste and to encourage staff to eat healthily.

We have continued to develop our financial wellbeing offer to support staff with the rising cost of living through offering opportunities for both savings and loans from salary and a range of salary sacrifice benefits including for our on-site nurseries. We have also increased staff discounts including subsidised meals. We were pleased to see the Trust's work on financial wellbeing recognised at the all-sector Employee Benefits Awards where we were a finalist for the range of financial support provided to employees.

The Trust has a well-established Employee Assistance Programme provided by Vivup, which is available 24 hours a day, seven days a week to provide colleagues with support and onward referral to counselling sessions if required. This has been extended to family members over 16 living in the same household as a member of staff. Vivup also provides a range of self-help Cognitive Behavioural Therapy (CBT) guides and podcasts to support colleagues with their wellbeing.

Thanks to the support of Sheffield Hospital Charity we have been able to maintain an onsite counsellor from Vivup in the Trust one day a week for a further 18 months to help individual staff/ small clinical teams to develop coping strategies for stressful situations.

During 2024 there has also been more training on wellbeing topics available for staff via the South Yorkshire ICB e.g. supporting neurodivergent staff in the workplace and the ICB still provides access to the Sleep School platform for all staff.

We have continued to provide access to the staff physiotherapy service and encouraged colleagues to keep active via an online fitness platform, a Trust running club, salary sacrifice scheme for gym membership and promotion of active travel.

As in previous years, we have undertaken a programme of Covid-19 vaccinations for all colleagues as well as the annual flu vaccinations programme.

We continue to maintain our Health and wellbeing SharePoint site which is recognised as a good source of wellbeing information and is well utilised by staff with over 10,000 visits a month.

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## Staff health and safety and incident management

The Trust is committed to protecting the health, safety and welfare of staff, patients, visitors, and others. To achieve this, we have an embedded health and safety management system to ensure that risks to health and safety are identified, evaluated and controlled to minimise harm.

The Health and Safety Executive Committee meets bi-monthly receiving highlight reports from health and safety related sub-groups; incident reports; regulatory reports and reviews policies and procedures. The Committee is chaired by the Estates Director who provides a committee highlight report to escalate issues and inform the Trust Executive Group and Quality Committee of related matters. The Committee has representation and active participation from Staff Partners along with senior clinical and non-clinical colleagues.

Significant areas of progress this year include:

- The introduction of a health and safety risk assessment training course.
- New and updated approved guidance documents including the use of Liquid Nitrogen; Nitrous Oxide; Transport Safety; Vibration and Lone Working.
- The roll out of health and safety assurance visits with 31 visits fully completed. The focus of the visits has been on monitoring, health and safety risk assessments, housekeeping/slips and trips, and hazardous substances/COSHH as these are the foundation blocks of effective local health and safety management. Good levels of compliance were noted and any areas for improvement were followed up.
- A new Violence Prevention and Reduction Strategy has been approved along with an associated implementation plan. Some key achievements include the pilot of a staff debrief process following a traumatic incident known as Pitstop, the approval of an acute setting Conflict, Aggression and Resolution Management training course which includes principles to reduce restrictive practice and continued work with South Yorkshire Police to promote the use of Restorative Justice.

The Health and Safety Executive Committee monitors the reported incidents involving staff (including bank/agency), members of the public, students and contractors. The Committee requests deep dive reports where significant trends are noted. The table below shows a summary of the incidents reported over the last three years.

Fig: Incidents involving staff, members of the public, students and contractors

	2021/2022	2022/2023	2024/2025
Accident/incident involving member of staff	2005	2288	2604
Accident/incident involving member of agency staff	25	29	41
Accident/incident involving contractor	43	56	56
Accident/incident affecting member of public	313	266	375
Accident/incident involving student	50	39	39

## Staff analysis

### Staff numbers

Fig: Average number of persons employed (contracted whole time equivalent basis)\*

	2024/25			2023/24		
	Permanent	Other	Total	Permanent	Other	Total
Medical and Dental staff	2,321	53	2,374	2,221	52	2,273
Administration and Estates staff	1,584	21	1,605	1,550	57	1,607
Healthcare Assistants and other Support staff	6,210	385	6,595	5,882	415	6,297
Nursing, Midwifery and Health Visiting staff	4,496	181	4,677	4,423	153	4,576
Scientific, Therapeutic and Technical staff	1,748	13	1,761	2,244	17	2,261
Healthcare Science staff	911	14	925	117	-	117
<b>Total average numbers</b>	<b>17,270</b>	<b>667</b>	<b>17,937</b>	<b>16,437</b>	<b>694</b>	<b>17,131</b>

\*Figures subject to audit

### Staff turnover

Data for staff turnover at the Trust is published by NHS Digital within NHS Workforce Statistics and can be accessed via the following [link](#).

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## Gender of staff

On 31 March 2025, the Trust Board of Directors had 17 voting members, seven male and ten female. Women represent 67.1 per cent of senior staff at band eight and above.

The current Trust headcount at 31 March 2025 was 19,928. Female employees comprised 75.2 per cent of the workforce and 24.8 per cent were male.

In 2017 it became mandatory for public sector organisations with over 250 employees to report annually on their Gender Pay Gap. Analysis for 2024 indicates that for our Trust there is an average hourly pay gap in favour of men of 17.53 per cent, which is an improvement on data for 2023 (19.44 per cent). This pay gap is largely accounted for by a combination of a higher proportion of female colleagues in Agenda for Change (AfC) pay bands 1 to 4, and higher numbers of male colleagues in senior medical (consultant) posts. High-level actions in place to address this gap are detailed below.

## Removing the Gender Pay Gap

The Trust is committed to ensuring an equitable workforce and we continue to work towards achieving the following actions:

- Our Organisational Development and HR colleagues have continued to prioritise equality, diversity and inclusion, including delivery of our Recruitment and Selection training for our recruiting managers and ongoing support and development of our Women's Network Group continues.
- Work on attracting and recruiting a more gender balanced workforce into the organisation. The HR team continues to work with the Department of Work and Pensions / JobCentre Plus to identify access to employment opportunities for unemployed applicants. It is also embedding diverse panels which require a gender and ethnicity balance for recruitment to posts as detailed in the equality, diversity and inclusion section of the report.
- Promotion of the wide breadth of career opportunities available across all roles and professions, within the Trust / NHS through our role as an anchor institution working with schools.
- During 2025 we will support implementation of our revised flexible working policy and will consider feedback from our 2024 NHS Staff Survey results including verbatim comments from colleagues to further understand and develop our culture to support flexibility whilst ensuring delivery of safe and high quality patient care.

- Continue to provide career development opportunities for all colleagues, including mentoring and coaching and continued development of our LEAD leadership development offer.
- Work has also been undertaken and continues within the Medical and Dental profession, which includes:
  - Recognising seniority for less-than full-time colleagues whose training has been extended.
  - Advertising roles with a statement that flexible working options are available.
  - Supporting NHS England less-than full-time opportunities within the Trust which has seen an increase in the percentage of medical trainees working less-than full-time.

Our Gender Pay Gap information is to be reviewed with our Women’s Network Group to develop our action plan to continue to drive improvement in this area.

In alignment with current national requirements for gender pay gap reporting, non-binary and other gender identities are not reported and the current Electronic Staff Record (ESR) only has options for colleagues to record their identify as male or female. For the purposes of reporting, we are therefore currently only able to report by the data available, but we recognise that this does not properly reflect our colleagues whose identity is outside of these binary terms.

Whilst it is not yet compulsory, we have reviewed our data on our Ethnicity pay gap which has been considered through our EDI Executive Committee.

Information on the Trust’s gender pay gap can be found on the [Cabinet Office website](#).

### Staff sickness absence data

Data for average sick days per full time equivalent (FTE) provided by the Department of Health and Social Care is published by NHS Digital can be accessed [here](#). The Trust’s data can be found on the table below.

Fig: Staff sickness absence data

Average FTE 2024	Adjusted FTE days lost	Average sick days per FTE	FTE – days available	FTE – days lost to sickness absence
17,069	190,804	11.2	6,230,311	309,526

## Staff costs

Fig: Analysis of staff costs\*

	2024/25			2023/24
	Permanent £000	Other £000	Total £000	Total £000
Salaries and wages	805,394	23,852	829,246	747,902
Social security costs	78,070	0	78,070	72,009
Apprenticeship levy	3,937	0	3,937	3,631
Employer's contributions to NHS Pensions Scheme	156,331	0	156,331	119,423
Pension cost – others	279	0	279	380
Agency / contract staff	0	4,647	4,647	4,635
<b>Total</b>	<b>1,044,011</b>	<b>28,499</b>	<b>1,072,510</b>	<b>947,980</b>

\*Figure subject to audit

Notes: The above figure of £1,072,051k is net of the amount of £5,103k (2023/24 £2,175k) in respect of capitalised salary costs included in fixed asset additions in the Accounts (notes 8.1 and 9.1).

## Exit packages

The table below outlines the total number of exit packages agreed during the year.

Fig: Compensation scheme - exit packages

Exit package cost band (including any special payment element)	Staff exit packages 2024/25			2023/24		
	Number of Compulsory redundancies	Number of other departures agreed (non- compulsory)	Total number of exit packages by cost band	Number of Compulsory redundancies	Number of Other departures agreed (non- compulsory)	Total number of exit packages by cost band
< £10,000	0	2	2	0	1	1
£10,001 - £25,000	0	1	1	0	0	0
£25,001 - £50,000	0	1	1	0	0	0
£50,001 - £100,000	0	0	0	0	1	1
£100,001 - £150,000	0	0	0	0	0	0
<b>Total number by type</b>	<b>0</b>	<b>4</b>	<b>4</b>	<b>0</b>	<b>2</b>	<b>2</b>
<b>Total resource cost (£000)</b>	<b>0</b>	<b>4</b>	<b>60</b>	<b>0</b>	<b>92</b>	<b>92</b>

Notes: Redundancy and other departure costs have been paid in accordance with the provisions of the NHS Pension Scheme. Exit costs in this table are the full costs of departures agreed and paid in the year. Where Sheffield Teaching Hospitals NHS Foundation Trust has agreed early retirements, the additional costs are met by the Trust and not by the NHS Pensions Scheme. Ill-health retirement costs are met by the NHS Pensions Scheme and are not included in the table.

In 2024/25, four individual voluntary redundancy payments were agreed and settled, the total cost being £60k.

## Trade union facility time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 came into force on 1 April 2017. These regulations require public sector employers to collate and publish, on an annual basis, a range of data on the amount and cost of trade union facility time within their organisation.

Fig: Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
59	54.15

Fig: Percentage of time spent on facility time

Percentage of time	Number of employees
0	0
1 – 50	57
51 – 99	0
100	2

Fig: Percentage of total pay bill spent on facility time

Percentage of total pay bill spent on paying employees who were relevant union officials for facility time during the relevant period.	Figures
Total cost of facility time	£106,190.60
Total pay bill	<b>£1,072,510,000</b>
Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.0099%

Fig: Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: 414 hours / 3853 hours	Per cent
Total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours x 100	10.74%

## Off-payroll engagements

The Trust has identified 42 off-payroll engagements remunerated at more than £245 per day during 2024/25. Of these 42 engagements, 14 of these were in post at 31 March 2025.

During the year there were 25 engagements identified which were new for 2024/25.

Of these new engagements, all were assessed as within the scope of IR35. In all cases, assurances/appropriate actions have been taken to ensure the appropriate declaration of income tax and national insurance are made to HMRC.

A total of 23 individuals have been deemed Board members and / or senior officials with significant financial responsibility during 2024/25, all of which were on-payroll engagements.

**Fig: Highly paid off-payroll engagements as of 31 March 2025, for more than £245 per day or greater**

Number of existing engagements as of 31 March 2025	14
Of which	
Number that have existed for less than one year at time of reporting	12
Number that have existed for between one year and two years at time of reporting	0
Number that have existed for between two years and three years at time of reporting	2
Number that have existed for between three years and four years at time of reporting	0
Number that have existed for between for four or more years at time of reporting	0

**Fig: All highly paid off-payroll workers engaged at any point during the year ended 31 March 2025 earning £245 per day or greater**

Number of off-payroll workers engaged during the year ended 31 March 2025	42
Of which	
Not subject to off-payroll legislation *	2
Subject to off-payroll legislation and determined as in-scope of IR35 *	40
Subject to off-payroll legislation and determined as out-of-scope of IR35 *	0
Number of engagements reassessed for compliance or assurance purposes during the year	0
Of which: number of engagements that saw a change to IR35 status following review	0

\* A worker that provides their services through their own limited company or another type of intermediary to the client will be subject to off-payroll legislation and the Trust must undertake an assessment to determine whether that worker is in scope of Intermediaries legislation (IR35) or out-of-scope for tax purposes

**Fig: For all off-payroll engagements of board members, and / or, senior officials with significant financial responsibility, between 1 April 2024 and 31 March 2025**

Number of off-payroll engagements of board members, and / or, senior officials with significant financial responsibility, during the financial year	0
Number of individuals that have been deemed board members and / or senior officials with significant financial responsibility during the financial year. This figure must include both off-payroll and on-payroll engagements	23

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## Code of Governance Report

### Council of Governors

The Council of Governors advises the Trust on how best to meet the needs of patients and the wider community we serve. It has a number of statutory duties, including holding the Non-Executive Directors to account for the performance of the Board of Directors and representing the interests of Trust Members and members of the public.

The Council of Governors works with the Board of Directors to shape the Trust's future strategy and is responsible for providing feedback from the Membership and stakeholders on proposed strategic developments. The Trust keeps the Council of Governors fully informed on all aspects of the Trust's performance through formal council meetings.

Comprised of elected and nominated Governors, as detailed below, the Council of Governors has decision-making powers defined by statute. These powers are outlined in the Trust's constitution and principally refer to representing the interests of the Members of the Trust as a whole and the interests of the public, including the population of the local system of which the Trust is part.

While the Council of Governors is responsible for holding the Non-Executive Directors individually and collectively to account for the performance of the unitary Board of Directors, it continues to remain the responsibility of the Board of Directors to oversee the running of the Trust.

The Council of Governors discharges its statutory responsibilities through a combination of formal Council meetings, standing committees and working groups.

During 2024/25 arrangements were in place to ensure that members of the Council of Governors continued to be informed and engaged in Trust business in line with provisions within the Standing Orders of the Council of Governors.

A record of attendance by individual Governors at formal meetings of the Council of Governors is presented in the following tables. Due to the timescales for the Chair recruitment process the meeting usually held in March was deferred to 3 April 2025 to accommodate the Council's consideration of matters regarding the appointment of a new Chair in line with the agreed recruitment timetable. This meeting is reported in the attendance tables below. These tables outline membership of the Council of Governors during 2024/25.

## Composition of the Council of Governors 2024/25

At 31 March 2025, there were 33 seats on the Council of Governors - 13 to represent public Members, nine to represent Patients, six to represent staff Members and five seats for Governors nominated by partner organisations.

Fig: Council of Governors membership and attendance at meetings held in public during 2024/25 (1 April 2024 to 3 April 2025)

Patient Governors	Elected / Re-elected from	Attendance (actual / possible)
Michelle Cook	1 July 2024	3 from 4
Steve Jones	1 November 2023	4 from 4
Harold Sharpe	1 July 2022	3 from 4
Shirley Sherwood	1 November 2023	4 from 4
Jim Steinke	1 July 2022	4 from 4
Chris Sterry	1 July 2024	3 from 3
Julie Taylor	1 November 2023	3 from 4
Gordon Wordsworth	1 November 2023	4 from 4

Public Governors	Elected / Re-elected from	Attendance (actual / possible)
Steve Barks	1 July 2022	4 from 4
Steve Bell	1 July 2022	2 from 4
Marion Billingham	1 November 2023	3 from 4
Tony Clabby	1 November 2023	1 from 4
Sally Craig	1 November 2023	4 from 4
Mark Dixey	1 July 2024	1 from 3
Paul Dore (to 30 June 2024)	1 July 2021	0 from 1
Felister Heeley	1 July 2022	2 from 4
Janet Jenkinson	1 July 2024	3 from 3
Nazia Khan	1 November 2023	4 from 4
Melvin Ness	1 November 2023	3 from 4
Lewis Noble (to 30 June 2024)	1 July 2021	1 from 1
Joe Saverimoutou	1 July 2024	4 from 4
Paul Williams	1 July 2024	0 from 3

Staff Governors	Elected / Re-elected from	Attendance (actual / possible)
Paulette Afflick-Anderson	1 November 2023	2 from 4
Esther Buckland	1 July 2024	2 from 3
Janice Byrne	1 July 2024	1 from 3
Irene Mabbott (to 30 June 2024)	1 July 2021	1 from 1
Liz Puddy	1 November 2023	2 from 4
Cressida Ridge	1 November 2023	0 from 4
Jess Sheehan (to 30 June 2024)	1 July 2021	0 from 1
Carl Walker	1 November 2023	0 from 1

Appointed Governors	Elected / Re-elected from	Attendance (actual / possible)
Ajman Ali, Sheffield City Council	23 February 2024	1 from 4
Andrew Hartley, Sheffield College	23 June 2023	1 from 4
David Warwicker, Sheffield ICB Representative	30 March 2020	0 from 4

Governors are required to declare interests which are relevant and material to the business of the Trust. Declarations are held on an online Register of Interests which is available via the Trust website [here](#).

All Governors on the Council of Governors have, on appointment, confirmed that they meet the Fit and Proper Persons Test and complete an annual declaration confirming that they continue to be a fit and proper person.

## The Council of Governors' Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Council of Governors makes recommendations to the Council on the appointment and remuneration of the Chair and Non-Executive Directors and considers and contributes to their appraisals.

During the year the Committee has sought and gained approval from the Council of Governors on the following matters:

- To extend the term of office of Annette Laban as Trust Chair to 31 July 2025.
- To appoint Rosamond Roughton as the Senior Independent Director/Vice-Chair.
- To appoint Francis Patton and Sonia Gayle as Non-Executive Directors from 1 November 2024.

To identify suitable candidates for all appointments to Non-Executive Director positions on the Board of Directors, the Committee considers on each occasion the use of open advertising and/or the services of external advisers to facilitate the search.

In co-ordinating the recruitment and selection process noted above, in addition to using open advertising and seeking advice from NHS England's Non-Executive Talent and Appointments team, the Committee engaged external consultancy, Alumni Global to help attract a diverse pool of qualified candidates and support the recruitment process.

Any connection between an external consultancy engaged to provide services to the Trust is declared and managed in line with the Trust's Standards of Business Conduct Policy and the Trust's Procurement Policy.

The Trust has a Register of Interests and all declarations made by staff defined under this policy as decision makers are published. There is no connection between Alumni Global and individual directors or other Trust decision makers.

### Remuneration of Non-Executive Directors and the Chair

The Council of Governors agreed that the Chair's remuneration should be increased and the basic NED remuneration should remain unchanged. Further details of this are provided within the Compliance with the Code of governance for NHS provider trusts section of this report.

### Governor elections held within the reporting period

Council of Governor elections took place between May and June 2024 with the results declared on 20 June 2024. Nominations were sought for ten seats across seven constituencies as follows:

- Patient Constituency - three seats
- Public Constituency Sheffield South East - two seats
- Public Constituency Sheffield South West – one seat
- Public Constituency Sheffield Constituency West - one seat
- Public Outside Sheffield – one seat
- Staff: Nurses and Midwives – one seat
- Staff: AHPs, Scientists and Technicians - one seat

Nine nominations were received from Members who wished to stand for election, including two current Governors seeking re-election. There were no nominations for the Public Outside Sheffield seat. None of the seats were contested.

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## Lead Governor

In line with the Code of governance for NHS provider trusts, the Council of Governors elects one of the Public / Patient Governors to be Lead Governor. This is to act as the main point of contact for NHS England should the regulator wish to contact the Council of Governors on an issue for which the normal channels of communication are not appropriate.

The position of Lead Governor was held by Steve Jones, Patient Governor, up to 31 October 2024. Public Governor, Steve Barks, was elected by the Council of Governors as Lead Governor from 1 November 2024.

## Strengthening links between the Board and Governors and Members

The Board of Directors is committed to working collaboratively with the Council of Governors. Executive and Non-Executive Directors value the role and contribution of Governors and work openly and transparently with the Council.

Although not members of the Council of Governors, the Chief Executive and Non-Executive Directors routinely attend Council meetings. The Chair of the Board of Directors also chairs the Council of Governors, providing a link between the two. Following a review of good practice in March 2024, it was agreed by the Council of Governors that reports would be presented by Non-Executive Directors and that attendance by Executive Directors would rotate so that they were not required at every meeting. Executive Directors attend one in four Council meetings.

To strengthen the relationship between the Board and Governors further, the Chair and Non-Executive Directors are invited to attend the quarterly Governors' Forum meetings.

Governors can observe the Board of Directors' meetings held in public and are invited to meet monthly with the Chair and the Chief Executive to review and discuss items debated by the Board in its private session.

Directors are also invited to attend the Annual Members' Meeting which was held on 26 September 2024.

Fig: Attendance by the Chief Executive and Non-Executive Directors at Council of Governors meetings (1 April 2024 to 3 April 2025)

Name		Attendance (actual / possible)
Annette Laban	Chair	3 of 4
Ashley Blom	Non-Executive Director	2 of 3
Tony Buckham	Non-Executive Director (Vice Chair) (to 30 September 2024)	1 of 2
Sonia Gayle	Non-Executive Director	1 of 2
Ann Harris	Non-Executive Director	1 of 4
Kirsten Major	Chief Executive	4 of 4
Francis Patton	Non-Executive Director	1 of 2
Maggie Porteous	Non-Executive Director	4 of 4
Rosamond Roughton	Non-Executive Director (Vice Chair)	3 of 4
Dean Royles	Non-Executive Director	4 of 4
Toni Schwarz	Non-Executive Director	3 of 4
Shiella Wright	Non-Executive Director	3 of 4

There has also been continued focus on involving the Council of Governors in key developments and issues impacting the Trust. Governors attend monthly Governors' Board Briefing sessions; a quarterly finance briefing and annual updates from individual Trust Executive Group members.

Individual Governors attend a range of Trust meetings and participate in other activities including:

- Board/Governor Out and About Visits
- Patient Experience and Engagement Executive Committee
- Patient-Led Assessments of the Care Environment (PLACE)
- Equality, Diversity and Inclusion Executive Committee
- Emergency Planning Operational Group
- Quality Report Steering Group
- Nutrition Steering Group

## Membership

The Trust considers its Membership to be a valuable asset, which helps guide its work and the decisions it makes, while also holding the organisation to account and ensuring we adhere to NHS values. It is one of the ways the Trust communicates with patients, the public and staff.

The Trust has four Membership categories:

- Patients: anyone aged 12 years or over who has been a patient of the Trust
- Public: residents of Sheffield 12 years or over

- Public Outside Sheffield: residents of England and Wales, outside Sheffield, aged 12 years or over
- Staff: employees contracted to work for the Trust for at least one year

As in previous years, all Members were invited to our Annual Members' Meeting.

A Governors' Membership Engagement Committee has been established and Governors have participated in some events in the community, work is underway to build on this.

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## Meetings of the Board of Directors and its committees

The Board of Directors is the decision-making body for strategic direction and the overall allocation of resources. It delegates decision making for the operational running of the Trust to the Trust Executive Group. The Board takes decisions consistent with the approved strategy.

The Board's role is to promote the success of the organisation to maximise the benefits for the Members of the Trust as a whole and for the public. It does this by:

- Formulating strategy;
- Ensuring accountability by holding the organisation to account for the delivery of that strategy and through seeking assurance that systems of control are robust and reliable;
- Shaping a positive culture for the Board and the organisation; and
- Promoting effective dialogue with the local communities we serve.

In setting the strategic direction of the Trust the Board of Directors does this with reference to the Integrated Care Partnership's (ICP) integrated care strategy and the Trust's role within system and place-based partnerships, and provider collaboratives.

The Board delegates decision-making for the operational running of the Trust to the Trust Executive Group in accordance with the Trust's Standing Orders, Reservation of Powers to the Board of Directors and Scheme of Delegation and Standing Financial Instructions.

The Trust's governing documents set out matters which are reserved for the Board of Directors to decide. These relate to regulation and control, appointments, strategic and business planning and policy development, direct operational decisions, financial and performance reporting arrangements, audit arrangements and investment decisions.

The scheduling of bi-monthly Board meetings held in public, supported by the continued routine monthly focus on performance and assurance through its committee structure, allows the Board to discharge its duties effectively and efficiently. Agendas and papers for Board of Director meetings held in public are published on the Trust's website. In the months where no session of the Board is held in public a Board of Directors' Strategy and Board Development session is scheduled. Closed sessions of the Board of Directors are scheduled for any matters of a confidential nature

Membership of the Board of Directors is detailed earlier in this report. The following table presents the attendance records of individuals at Board meetings held during 2024/25.

Fig: Attendance at Board of Directors meetings held in public during 2024/25

Name		Attendance (actual / possible)
Annette Laban	Chair	6 from 6
David Black	Chief Medical Officer (Development) (to 21 February 2025)	5 from 5
Ashley Blom	Non-Executive Director (to 28 February 2025)	3 from 5
Tony Buckham	Non-Executive Director (Vice Chair) (to 30 September 2024)	3 from 3
Sandi Carman	Assistant Chief Executive	6 from 6
Louisa Cowell	Chief Finance Officer	6 from 6
Sonia Gayle	Non-Executive Director (from 1 November 2024)	2 from 3
Mark Gwilliam	Chief People Officer	6 from 6
Ann Harris	Non-Executive Director	6 from 6
Michael Harper	Chief Operating Officer	6 from 6
Jennifer Hill	Chief Medical Officer (Operations) (to 28 March 2025)	5 from 5
Sarah Jenkins	Interim Chief Medical Officer (Operations) (from 1 March 2025)	1 from 1
Nick Lyons	Chief Medical Officer (Development) (from 10 February 2025)*	1 from 1
Kirsten Major	Chief Executive	6 from 6
Chris Morley	Chief Nurse	6 from 6
Francis Patton	Non-Executive Director (from 1 November 2024)	3 from 3
Julie Phelan	Communications and Marketing Director	5 from 6
Maggie Porteous	Non-Executive Director	5 from 6
Dean Royles	Non-Executive Director	6 from 6
Rosamond Roughton	Non-Executive Director (Vice Chair)	6 from 6
Toni Schwarz	Non-Executive Director	5 from 6
Mark Tuckett	Chief Strategy Officer	5 from 6
Shiella Wright	Non-Executive Director	6 from 6

\* Nick Lyons took up his appointment as Chief Medical Officer (Development) in a designate capacity prior to the retirement of David Black on 21 February 2025).

The Board has established a committee structure with each of its standing committees chaired by a Non-Executive Director. During 2024/25, this Board committee structure includes the statutory committees of Audit Committee, Nomination and Remuneration Committee and Quality Committee, as well as individual committees for Finance and Performance, People, Digital and Research and Innovation. As part of the South Yorkshire and Bassetlaw Acute Federation, the Board has terms of reference for a Committee in Common. More detail of the Board's committee structure and the role of its committees is outlined within the Annual Governance Statement.

Terms of reference for all Board Committees are available publicly on the Trust's [website](#).

Details of how many times the committees of the Board met, and individual director attendance are outlined in the following table:

Fig: Attendance at Board Committee meetings held during 2024/25

		Audit	Committee in Common (Acute Federation)#	Digital	Finance and Performance	Nomination and Remuneration	People	Quality	Research and Innovation
Name of Board Member		Attendance / from total							
Annette Laban	Chair	1/1*	n/a			6/6			
David Black	Chief Medical Officer (Development)			6/8			5/9		6/6
Ashley Blom	Non-Executive Director				5/9	2/6		6/9	4/6**
Tony Buckham	Non-Executive Director	2/2		4/5	4/5	2/3			
Louisa Cowell	Chief Finance Officer	4/5		7/9	11/11				
Sonia Gayle	Non-Executive Director				5/6	2/3	4/5		2/2
Mark Gwilliam	Chief People Officer						8/10		
Ann Harris	Non-Executive Director	5/5		9/9	3/3	5/7		11/11	
Michael Harper	Chief Operating Officer				11/11				
Jennifer Hill	Chief Medical Officer (Operations)							10/10	
Sarah Jenkins	Interim Chief Medical Officer (Operations)							1/1	
Nick Lyons	Chief Medical Officer (Development)			1/1			1/1		
Kirsten Major	Chief Executive	1/1*	n/a	5/9**	10/11**		9/10**	7/11**	4/6**
Chris Morley	Chief Nurse						8/10	8/11	4/6
Francis Patton	Non-Executive Director	2/2		3/4	6/6	3/3			
Maggie Porteous	Non-Executive Director				10/11	7/7	10/10		5/6
Dean Royles	Non-Executive Director	3/3		8/9		5/7	10/10		6/6
Rosamond Roughton	Non-Executive Director	4/5		8/9		6/7		11/11	6/6
Toni Schwarz	Non-Executive Director					4/7	6/10	9/11	5/6**
Mark Tuckett	Chief Strategy Officer			8/9	10/11				3/6
Shiella Wright	Non-Executive Director	4/5			7/11	6/7	9/10		

\*The Chair and Chief Executive are invited to the June meeting of the Audit Committee at which the Annual Report and Accounts are presented for approval but are not members of the Audit Committee.

\*\*Board members that receive a standing invitation, however, are not members of the Committee.

# Whilst the Trust (alongside all Acute Federation partners) has a terms of reference for a Committee in Common, meetings of the Acute Federation Board have not been convened under these terms of reference during the reporting period.

## Audit Committee

The Audit Committee provides the Board of Directors with an independent and objective review of the effectiveness of the system of internal control (both financial and non-financial). It is authorised by the Board of Directors to investigate any activity within its terms of reference and to seek information it requires from staff to fulfil its functions.

Its membership is appointed by the Board of Directors and its terms of reference state that this should be four Non-Executive Directors (NEDs). One of these members is required to have recent and relevant financial experience. During 2024/25 this requirement was fulfilled by Ann Harris, Committee Chair. Through its membership comprising of NED Chairs of other Board committees, the Audit Committee is able to seek assurance and effectively discharge its own responsibilities that align to the workplans of other committees. This supports the effectiveness of the Board's integrated governance arrangements.

Fig: Member attendance at meetings of the Audit Committee 2024/25

NED membership	Attendances (actual / possible)
Ann Harris, Chair	5 from 5
Tony Buckham (member to 30 September 2024)	2 from 2
Francis Patton (member from 1 November 2024)	2 from 2
Rosamond Roughton	4 from 5
Dean Royles (member from October 2024)	3 from 3
Shiella Wright, Deputy Chair	4 from 5

Meetings of the Audit Committee are attended by representatives of the Trust's internal and external auditors, the local counter fraud specialist, as well as the Chief Finance Officer and Assistant Chief Executive. The Chief Executive and the Trust Chair are invited to attend the meeting at which the annual accounts are presented.

The Audit Committee is responsible for agreeing and reviewing the annual work plans for independent external and internal audit services, counter fraud services and commissioning independent audit work from other bodies as required.

### Internal audit

The Trust's internal audit service is provided by 360 Assurance, a consortium providing services across NHS organisations in South Yorkshire and the Midlands. Through detailed testing of the Trust's internal control systems, this service fulfils a key role in the Trust's assurance processes with the Audit Committee agreeing at the start of the year the internal audit plan for the forthcoming year and approving in-year any necessary timing changes. The Committee undertakes an annual review of the effectiveness of the internal audit function against a set of performance measures / standards including benchmarked costs.

## Local counter fraud

Local counter fraud provision is commissioned from 360 Assurance and the Audit Committee is responsible for overseeing progress against the annual fraud, bribery and corruption risk assessment and work plan. This is through consideration of routine progress reports from the anti-crime specialist whose role supports the Trust to create an anti-fraud culture, to deter, prevent and detect fraud, investigating suspicions as they arise and seeking to apply appropriate sanction and redress in respect of any monies obtained through fraud.

As part of the above review of the effectiveness of the internal audit function, local counter fraud services are reviewed annually for performance quality and cost.

## External audit

At the meeting of the Council of Governors held in July 2021, the Chief Finance Officer presented a recommendation supported by the Audit Committee that KPMG be appointed as the Trust's external auditors. KPMG was appointed by the Council of Governors for a three-year initial period, commencing with the 2021/22 audit cycle and subject to annual reappointment. It subsequently approved the option to extend the contract for a further two years to 2025/26. A tender exercise will be undertaken in summer 2025 for external audit services.

In line with these contract arrangements, annual reappointments have been approved by the Council of Governors based on recommendations following this Committee's assessment of external audit performance and value for money including discharge of duties (timeliness and quality of work), liaison with internal audit, audit objectivity and evidence of independence, Audit Code compliance and cost of audit service.

KPMG provides its services within the Code of Audit Practice. It also provides audit-related work for the Trust's wholly owned subsidiary, Crucible Pharmacy Limited (CPL).

The Audit Committee has delegated authority from the Board of Directors to commission additional investigative and advisory services outside this code. There has been no provision of non-audit services by the external auditor during the financial year 2024/25.

The Chief Executive, as the Trust's Accounting Officer, is responsible for the preparation of the financial statements prior to them being audited by the external auditors. These responsibilities are detailed within the Statement of Accounting Officer's responsibilities which also forms part of the Annual Report and Accounts and in the Independent Auditor's report.

In respect of external audit work, the Audit Committee agrees the Annual Audit Plan, including the Value for Money (VFM) risk assessment which sets out an analysis of the external auditor's assessment of significant audit and VFM risks, the proposed

elements of the financial statements audit, and its reporting timetable and other matters. The Committee then reviews the annual financial statements, with particular focus given to major areas of judgement and the appropriateness of accounting policies and the Board's determination that the annual accounts be prepared on a 'going concern' basis.

### *Principal areas of review and significant issues considered by the Audit Committee during 2024/25*

The Audit Committee prepares an annual report which outlines key matters considered by the Committee, reflecting key duties / areas of responsibility set out by its terms of reference. This is used by the Chief Executive in their review of the effectiveness of the system of internal control to inform the Annual Governance Statement.

#### **Internal control and system of risk management**

In assessing the adequacy of the Trust's system of risk management to ensure that this effectively supports risk identification, reporting and escalation and allows the Board of Directors to understand the appropriate management of those risks, the Committee has considered:

- assurance from the Risk Management Executive Committee to evidence the embedding of risk management arrangements via its meeting assurance report.
- changes to the Trust's Framework for Risk Management before approval by the Board of Directors (January 2025).
- annual reports from each Board Committee confirming discharge of oversight responsibilities in respect of significant operational risks that align to their own terms of reference (June 2025)
- the Internal Audit Annual Report for 2024/25, including the Head of Internal Audit Opinion 2024/25 which was issued with a (significant) assurance opinion (June 2025).
- the work of external audit in respect of its value for money risk assessment (June 2025) which confirmed that no significant weaknesses had been identified, and sufficient arrangements were in place to achieve value for money.
- significant risks and areas of audit focus raised in the 2024/25 external audit plan; these areas being risks in relation to fraud in expenditure recognition, management override of controls and valuation of land and buildings. In each of these areas, the Committee has been able to place reliance on work undertaken by the external auditors, KPMG, as part of the work that KPMG has undertaken to enable it to develop its audit opinion.

## The Trust's assurance framework

Oversight of the Trust's assurance framework to ensure that is fit for purpose and that sources of assurance are comprehensive and reliable in order to support Board decision making and its declarations, has involved the Committee's consideration of:

- routine full BAF updates at October 2024 and March 2025 Audit Committee meetings, with individual Committee members participating in Strategic Risk deep dive discussions that take place across the wider Board governance structure.
- the operation of the Board Assurance Framework (BAF) through an annual BAF Effectiveness Review in October 2024.
- changes made to the BAF and the processes underpinning its operation as part of continuous improvement work, with an outline of the drivers for these changes which have included implementation of the Board's updated risk appetite / agreed risk tolerance scores (January 2025).
- the outcome from independent audit work by 360 Assurance focused on how strategic risks are managed by the Board and its committees and issued with a significant assurance opinion (January 2025).

The Committee has also overseen the development of an interactive user guide which supports the effective operation of the BAF and guides Board members in its use as an assurance tool.

## Board-level governance framework

The Committee's workplan supports consideration of a range of standing reports through which any outstanding areas of significant duplication or omissions in the Trust's systems of governance can be identified. Involvement in the work across Board Committees allows individual NED members to act as conduits for other sources of assurance and to also accept actions agreed through Audit Committee discussion to address where additional assurance needs to be sought. During 2024/25, this included consideration of:

- routine internal audit progress reports outlining findings from individual reviews which formed the 2024/25 internal audit work plan. These included reviews focused on freedom to speak up, medicines management, directorate research, NICE guidance compliance (revisit), non-medical staff appraisals, efficiency programme, waiting list performance management and IT business continuity.
- meeting assurance reports and an annual report from the Data Quality Steering Group (October 2024).
- Board committee annual reports confirming effective discharge of individual terms of reference (June 2025).
- register of interests Annual Report (July 2024).
- single tender waiver reports.

- annual update on the Trust's insurance arrangements for 2024/25 (July 2024).
- 2023/24 losses and special payments report in June 2024.
- counter fraud functional standards return 2024/25 (June 2025) which is signed by the Committee Chair.

During consideration of these individual reports, through BAF discussions and through review of self-assessed compliance against governance good practice (including the updated HFMA Audit Committee Handbook in July 2024 and against the Code of governance for provider trusts in March 2025), the Audit Committee identified and agreed actions to address the need for additional assurance in respect of the following areas:

- management's responsiveness to internal audit recommendations and oversight of follow-up completion rates.
- policy compliance to ensure that the Trust's policy framework is reviewed and updated in line with agreed practice.
- the effectiveness of the Trust's clinical audit programme\*.
- sufficiency of systems and processes in place to support 'Freedom To Speak Up'.
- claims and inquests\*.
- CQC inspection preparedness\*.
- individual internal audit reports issued with a limited audit opinion.
- third party assurance in respect of cyber security arrangements.

This additional assurance has been progressed in-year, either through the Committee's own business agenda or \*through that of an aligned Board Committee, for example the Quality Committee.

## Conclusion

To support the Chief Executive's review of the effectiveness of the Trust's system of internal control to inform the Annual Governance Statement, the Audit Committee is satisfied that it has received adequate internal and external assurance that:

- the trust's system of risk management is adequate in identifying risks and allowing the Board of Directors to understand the appropriate management of those risks;
- the assurance framework is fit for purpose and that the 'comprehensiveness' of the assurances and the reliability and integrity of the sources of assurance are sufficient to support the Board's decisions and declarations; and
- outstanding areas of significant duplication or omission in the Trust's systems of governance that have come to the committee's attention have been addressed.

## Compliance with the Code of governance for NHS provider trusts

Sheffield Teaching Hospitals NHS Foundation Trust has applied the principles of the Code of governance on a 'comply and explain' basis. The updated Code of governance for provider trusts has been applicable since 1 April 2023.

The Code sets out a common overarching framework for the corporate governance of NHS providers (being NHS trusts and NHS foundation trusts), reflecting developments in UK corporate governance and the development of integrated care systems. Providers must comply with each of the provisions of the Code or, where appropriate, explain in each case why it has made a departure.

While there is a requirement to adhere to main principles of the Code, so long as reasons for any deviation from individual code provisions are explained and that alternative arrangements reflect the main principles of the Code, non-compliance is permitted.

### Compliance with the Code

The Board of Directors considers the Trust compliant with main principles of the Code of governance. Details of how the Trust has applied its underpinning principles and complied with individual provisions are set out in relevant sections of this Annual Report.

The disclosures required by the Code of governance in relation to the roles and activities of the Board of Directors, its statutory committees and the Council of Governors and Membership are outlined earlier in this Accountability Section.

Required statements of disclosure relating to the functioning of the Board of Directors' Nomination and Remuneration Committee are contained within the Remuneration Report.

A review of compliance against individual code provisions has been undertaken. An explanation for the one area of non-compliance is outlined here:

*E.2.2 Levels of remuneration for the Chair and other Non-Executive Directors should reflect the Chair and Non-Executive Director Remuneration Structure published by NHSE.*

### Non-Executive Director Remuneration

In December 2024 the Council of Governors reviewed and confirmed its previous decision to depart from compliance with the above code provision in relation to Non-Executive Director remuneration.

The rationale for departure was to ensure that levels of remuneration continued to attract outstanding individuals to these roles.

Its decision considered benchmarking data from peer organisations and noted that the NHS England remuneration structure had not been updated since November 2019. National NHS pay awards for other individuals working within the organisation were considered in this context.

However, no uplift to Non-Executive Director remuneration was applied following the latest review.

### **Chair Remuneration**

In December 2024 the Council of Governors agreed to depart from compliance with the above code provision in relation to Chair remuneration.

Chair remuneration was considered in the context of the imminent Chair recruitment process. The rationale for the departure was to ensure that the level of remuneration attracted candidates with the competencies and experience required to navigate the increasingly challenging strategic and operating context of the role within the NHS.

Its decision considered benchmarking data from peer organisations and market intelligence from recent Chair appointments at other trusts.

## **Regulatory ratings**

### **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.

## Segmentation

The Trust has been assigned a segmentation rating of 3. This segmentation information is the Trust's position as at 5 March 2025. Current segmentation information for NHS trusts and foundation trusts is published on the [NHS England website](#).

The Trust entered into enforcement undertakings with NHS England in December 2022. These outlined a set of actions the Trust has committed to undertake to secure that suspected breaches of its provider licence that followed from the CQC inspection findings do not continue or recur.

As noted in our Annual Governance Statement, evidence and assurance in respect of Trust compliance with the undertakings was submitted to NHS England in August 2024. NHS England responded to the Trust's submission in December 2024, its initial response was positive and indicated that some of the undertakings could be confirmed as compliant. NHS England noted where additional assurance was required to conclude that the Trust was fully compliant with all the enforcement undertakings. The Trust continues to work with NHS England to address and provide sufficient evidence to satisfy the remaining enforcement undertakings.

Accountability Report signed by the Chief Executive  
in capacity as Accounting Officer



Kirsten Major  
Chief Executive  
24 June 2025

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## Statement of Accounting Officer's Responsibilities

### Statement of the Chief Executive's responsibilities as the Accounting Officer of Sheffield Teaching Hospitals 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 Sheffield Teaching Hospitals NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Sheffield Teaching Hospitals 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 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.



Kirsten Major  
Chief Executive  
24 June 2025

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## Annual Governance Statement 2024/25

### 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 Sheffield Teaching Hospitals NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Sheffield Teaching Hospitals NHS Foundation Trust for the year ended 31 March 2025 and up to the date of approval of the Annual Report and accounts.

### Capacity to handle risk

The Board of Directors is responsible for reviewing the effectiveness of the system of internal control and for ensuring that the Trust has effective systems and structures in place for managing all types of risk that threaten the Trust's ability to meet its aims and objectives, and the achievement of its values.

To support an integrated approach to risk management the Trust's Framework for Risk Management defines the structures and processes in place to identify, manage and eliminate or reduce risks to a tolerable level. It clarifies accountability arrangements for the management of risk within the Trust from Board to Ward, setting out the responsibility of Executive Directors and Senior Managers in respect of leadership in risk management and confirms the role that all staff within the organisation have in relation to responsibility for the identification and reporting of risks and incidents.

Operational responsibility for risk management sits within clinical and corporate directorates. Each directorate is required to have processes in place by which risks are identified, assessed and managed at a local level, and escalated as required in accordance with the Trust's Framework for Risk Management. A framework for directorate quality governance arrangements describes the local quality governance structures, systems and processes that clinical and corporate directorates need to have in place to manage risk, incidents, complaints, claims, inquests, external agency visits and inspections, clinical audit and effectiveness and patient feedback. This underpins delivery of the Trust's Quality Governance Policy and Framework.

The committee structure of the Board of Directors provides assurance on, and challenge to, the Trust's risk management process. Each chaired by a Non-Executive Director to enhance independent scrutiny, the Quality Committee, People Committee, Finance and Performance Committee, Digital Committee, Research and Innovation Committee and Audit Committee are the key structures in ensuring quality, safety and management of risk, and provide the mechanism for managing and monitoring risk throughout the Trust and for assurance reporting to the Trust Board of Directors.

Executive Directors provide leadership on the management of key areas of risk commensurate with their roles and are represented across the Board committee structure.

The Trust Executive Group (TEG), via the Risk Management Executive Committee (RMEC) is responsible for the implementation and oversight of risk management and related assurance mechanisms. Individual Executive Directors are responsible for overseeing a programme of risk management activities in their areas of responsibility and the Trust Executive brings together the corporate, workforce, clinical, information, research and governance risk agendas.

With delegated authority from the Board of Directors, the Audit Committee has overall responsibility for integrated governance, risk management and internal control. It oversees the system of internal control and governance, and overall assurance process associated with managing risk to ensure that risks to the delivery of the Trust's services are identified and addressed. From July 2025 the Audit Committee is to be named the Audit and Risk Committee to better reflect its active oversight of the system of risk management, and associated assurance framework, ensuring that the system works as a whole and receiving assurance from other Board Committees on oversight of risks relevant to their terms of reference.

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## Staff training and guidance on the management of risk

A range of policies is in place and available to staff via the Trust's intranet which describe the roles and responsibilities in relation to the identification, management and control of risk. Staff are made aware of these policies and are actively encouraged to access them to ensure that they understand their own roles and responsibilities.

A step-by-step Guide to Assessing and Managing Operational Risks is in place, along with a programme of Operational Risk Management Training. These aim to support staff in fulfilling their roles and responsibilities in the management of risk in line with the Trust's Framework for Risk Management. Training is delivered across the Trust in line with an agreed training needs outline registered on PALMS, the Trust's Personal Achievement and Learning Management System.

The Quality Governance Department provides additional support, guidance and expert advice to staff on risk management. The department assists risk owners in identifying, assessing, managing and reviewing risks. Specifically, it supports all areas of the Trust in the use of the Datix System as the electronic Trust-wide Risk Register. In-year Risk Clinics continue to be held where the need has been identified. To ensure risks are being managed at the appropriate level, these clinics support the further strengthening of understanding of risk identification and management through detailed focus on care group / directorate risk registers.

The Trust takes all opportunities to learn from good practice and has a breadth of mechanisms in place to support this. These range from clinical supervision, reflective practice, peer review work and clinical audit. Learning from a range of systems-based learning responses and information such as trends in incidents, complaints and claims are used to enhance and improve standards of patient care by feeding into our quality improvement programme.

A well-established Safety and Risk Forum, a Medical Quality Leads Forum and an Education Forum provide networking, learning and information sharing opportunities for key directorate risk and governance staff. In addition, six-monthly Safety and Risk Forum Development Days are held to highlight good practice and share learning.

The Trust's incident management policy reflects the Patient Safety Incident Response Framework (PSIRF) with Trust-wide action plan guidelines in place to support robust action planning following incident-learning responses. Reports from healthcare regulators are routinely used to identify learning from other healthcare organisations.

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## The risk and control framework

### Framework for risk management

As referred to above, the Trust's Framework for Risk Management describes the Trust's overall risk management process, within which the operation of a Trust-wide Risk Register and governance structure for the cascade and escalation of risk and assurance ensure that risk management is an integral part of clinical, managerial and financial processes across the Trust. The framework is reviewed every three years, it was last approved by the Board on 28 January 2025.

The framework defines the role of all staff in managing risks with associated procedural documents clearly outlining a systematic approach to the identification, evaluation and control of risk, which commences with a structured risk assessment process.

Local risks are reported and entered onto the Trust's Risk Register via directorate governance groups and Trust management committees. Clear guidance is in place to support staff in identifying risks and to ensure a consistent approach is taken to the evaluation and monitoring of risk across the Trust. Additionally, the use of a grading matrix of likelihood and consequence to produce a risk score enables risks to be prioritised against other risks on the Risk Register. A target risk score is assigned to each risk to ensure that risks are controlled within a timely manner and to an acceptable level. Risk appetite is determined by the Board of Directors. In-year the Board of Directors has reviewed and updated its Risk Appetite Statement informed discussions at facilitated Board Development Workshops. This acknowledges that risk is inherent in the provision of healthcare and clearly articulates the level of risk will be accepted in order to achieve the Trust's strategic aims. The statement defines tolerance scores for different risk domains, including quality of care, workforce and finance, based on how much, or little the Trust wishes to accept in terms of risk. These tolerance scores then define the threshold for entry of risks onto the Corporate Risk Register Report, the mechanism for Board oversight of the management of operational risk.

Risk control measures are identified and implemented through action plans to achieve the target level of risk. Oversight of risk management takes place in line with risk tolerance scores through the structure for the cascade and escalation of risk and assurance. These arrangements involve the consideration of all locally approved new and existing risks scored as eight and above by the Trust's Risk Management Group (RMG). This group undertakes a quality review of each risk to validate the risk score; to scrutinise and challenge the adequacy of the risk description, the controls and the mitigating action plan.

The group's terms of reference include monitoring compliance against agreed operational risk management performance standards, escalating areas of poor performance and evaluating risk management training needs.

The Risk Management Executive Committee (RMEC) chaired by the Chief Executive comprises full Trust Executive membership and provides leadership for risk management, ensuring robust processes and policies are in place for the effective oversight of risks. Using a rolling programme of deep dives of care group and directorate risk registers it seeks assurance that risk management is standardised across the organisation.

Discharging its terms of reference allows the RMEC to provide assurance to the Audit Committee on the effectiveness of risk management arrangements across the whole of the Trust's activities.

Through receipt and onward recommendation to the Board of Directors of the Corporate Risk Register Report (risks that have a score at or exceeding the Board's agreed risk tolerance), the Committee ensures that the Trust Executive Group and Board are appropriately sighted on the risks that challenge the delivery of the Trust objectives. These risks are considered alongside the Board Assurance Framework (BAF) which forms the mechanism for proactively assessing risk and control at the very highest level and providing assurance that there is effective management of key risks to the delivery of the Trust's strategic aims. Structured around a set of Strategic Risks, this mechanism has facilitated review by the Board of Directors of the controls in place to mitigate and manage each risk, and the assurances available to indicate that the controls are effective.

Detailed scrutiny of controls and assurances is performed by Board members at a Board Committee or in a session of the Board. The Quality Committee, Finance and Performance Committee, People Committee, Research and Innovation Committee and Digital Committee each has oversight responsibility for those strategic risks that align with the remit of their own terms of reference. Each reports formally to the Board of Directors through a Meeting Assurance Report to confirm delivery of assurance or escalate matters as necessary. A programme of Strategic Risk deep dive reviews takes place through the Board and its committee structure and conclusions drawn through these reviews further inform and drive the Board's assurance framework.

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## Quality governance arrangements

The Trust's quality governance and leadership structure ensures that the quality and safety of care is being routinely monitored across all services. The robust quality performance and risk management processes and associated reporting mechanisms in place to review and challenge performance and variation can be outlined as follows:

- Board oversight of quality issues through the Quality Committee; a formal committee of the Board providing assurance that adequate quality governance structures, processes and controls are in place across the Trust for the continuous monitoring and improvement of safe and effective patient care providing a positive patient experience;
- A clear and embedded framework described within a Quality Governance Policy which supports consistency of structures, systems and processes for local governance and risk management arrangements across clinical and corporate directorates;
- Strategic principles approved by the Board within which the structure and process for selecting and overseeing the implementation of annual quality priorities with involvement from patients, staff, Governors and other key stakeholders is implemented. Our Quality Strategy was refreshed in 2023 to reframe our aspirations and approach to quality improvement for the next five years. Oversight of implementation of the Strategy is via relevant committees within the Trust's governance structure;
- Well-embedded reporting arrangements to the committee structure of the Board via a supporting framework of Executive-led sub committees and management groups. This involves monthly consideration of an Integrated Performance Report (IPR) presenting RAG rated performance and exception narrative for national and local performance standards at a Trust and directorate level. Reporting arrangements include quarterly consideration of an Integrated Quality and Safety Report bringing together incidents, claims, inquests, patient feedback, complaints, risk and clinical audit data;
- A deep dive analysis of performance on an agreed specific topic of interest presented to the Board of Directors meeting held in public;
- A programme of deep dive presentations on key areas of quality are delivered monthly by expert leads to the Quality Committee;
- Open and honest culture of reporting of incidents, risks and hazards promoted by the Board of Directors and supported by structured processes including an online system for incident reporting and investigation in line with our Patient Safety Incident Response Plan; and

- There are clear and transparent processes for sharing lessons learned following investigation with reports shared at directorate and Trust-wide level through relevant committees and groups. Learning from incidents, complaints, clinical audits, external visits, inspections and accreditations and from patient feedback is also cascaded from Ward to Board, across clinical and non-clinical areas through the Safety and Risk Forum, the Quality and Safety Executive Committee, Management Board Briefing and the Quality Committee. A monthly patient safety message and quarterly newsletter 'Learning Matters' supports and promotes the sharing of learning and good practice across the Trust.

### Assurance on Care Quality Commission (CQC) compliance

A range of mechanisms is in place to monitor compliance with the CQC's five domains of safe, effective, caring, responsive and well-led. The Quality Committee of the Board of Directors reviews a range of metrics on patient experience, clinical effectiveness and patient safety reported within the quarterly Integrated Quality and Safety Report, which includes CQC national surveys. This Committee also receives a monthly highlight report from the Quality and Safety Executive Committee which includes relevant updates on CQC engagement and developments, as well as findings from CQC reviews and inspections nationally.

The Quality Committee has continued to provide oversight of progress against improvements identified following the Trust CQC inspections in 2021 and 2022 via comprehensive monthly progress reports.

Following these inspections the CQC required significant improvements to be made and downgraded the Trust's CQC overall rating from 'good' to 'requires improvement'.

As reported in last year's Annual Governance Statement, the Trust has undertaken all necessary actions to remedy the findings from a CQC Improvement Notice received following the CQC inspection in Neuroradiology on 31 January 2024.

The Trust has participated in CQC Provider Implementation meetings in preparation for the new regulatory process and has completed a self-assessment against the new CQC Quality Statements. This forms the basis for on-going assurance of performance against CQC requirements.

A Maternity and Neonatal Improvement Board has continued to meet. Chaired by the Chief Executive with membership including the Chief Nurse as Maternity Safety Champion this provides a forum for joint Executive and Triumvirate oversight and scrutiny of the implementation of the Trust's Maternity Services Improvement Plan and Neonatal Improvement Plan. This forum reports into the Trust Board of Directors via a monthly Maternity and Neonatal Safety Report.

The Trust sits within the Enhanced Assurance and Improvement Segment of the National Quality Board Quality Risk Response and Escalation Guidance with oversight from the South Yorkshire Integrated Care Board (ICB) leadership team.

### Managing risks to data security

The reporting and management of both data and security risks are supported by ensuring that all employees of the Trust are reminded of their data security responsibilities through education and awareness. Information governance / data security training forms part of mandatory training requirements.

Information security risks are actively measured and are managed by the Trust's Cyber Security Group that reports to the Informatics Senior Management Team. These include risk and control measures relating to system patching, access controls, cyber defences, audit logging, backups, incident management, phishing response and third-party access.

The Cyber Security Team monitors, analyses and responds to cyber alerts received from the NHS England Cyber Security Operations Centre within the mandated timeframes. A quarterly cyber report is presented to the Digital Committee.

A comprehensive and continuous assessment of information security is undertaken against the requirements of the Data Security and Protection Toolkit and further assurance is provided annually via independent audit and externally conducted penetration tests.

The effectiveness of these measures is reported to the Information Governance Group and the Digital Committee. This includes details of any personal data-related serious incidents, the Trust's annual Data Security and Protection Toolkit status and reports of other information governance incidents and audit reviews.

### Information governance

There were no serious incidents during this period (2024/25) that required notification to the Information Commissioner's Office (ICO):

There are robust and effective systems, procedures and practices in place to identify, manage and control information risks. These include how the Trust receives and responds to high severity alerts from the NHS Digital Cyber Alert System.

Whilst the Board of Directors is ultimately responsible for information governance, it has delegated authority to the Quality and Safety Executive Committee to which the Information Governance Group reports, chaired by the Chief Medical Officer (Development) who is also the Senior Trust Caldicott Guardian. The Quality and Safety Executive Committee in turn reports to the Quality Committee of the Board of Directors. The Board appointed Senior Information Risk Owner (SIRO), is the Informatics Director. The Trust's Head of Information Governance supports both the

above roles and is also a registered Caldicott Guardian and is the Trust's Data Protection Officer (DPO).

The Information Governance Group's terms of reference bring together all the statutory requirements, standards and best practice in conjunction with the Trust's Information Governance Policy and are used to drive continuous improvement in information governance across the organisation. The development of this policy framework is informed by the results from the Data Security and Protection Toolkit (DSPT) annual assessment and by participation in the Information Governance Group, the IT Security Group and the Cyber Security Team.

The Trust maintains a suite of information security policies which are published and made available to staff on the Trust Controlled Documents system. This is hosted on the Trust intranet.

In accordance with the UK Data Protection legislation, the Trust's Data Protection Officer (DPO) oversees the use of Data Protection Impact Assessments (DPIA) to ensure that information governance and data protection risks are fully considered. DPIAs are routinely produced to support changes to systems or processing of personal and sensitive data.

There were three Information Governance incidents reported via the DSPT during 2024/25 which did not trigger ICO notification.

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## Risk Reporting

The Board Assurance Framework (BAF) provides the mechanism to enable the Board to focus on the key risks to the delivery of its Strategic Aims. It provides the Board of Directors with an effective system for oversight of the management of risk, including operational risks logged on the Trust Risk Register which are at or outside agreed risk tolerance scores.

### Major risks 2024/25

As described above, the Board Assurance Framework (BAF) provides the structure to enable the Board of Directors and its Committees to focus on the key risks to delivery of the Trust's Strategic Aims. As referenced within the Performance Section of this Annual Report, the eight areas of Strategic Risk recorded on the BAF can be summarised as:

- Quality of Care - Fail to consistently provide compassionate, effective and safe patient centred care that delivers the best clinical outcomes.
- Operational Delivery and Recovery - Fail to deliver operational performance in line with agreed recovery trajectories.
- Workforce - Fail to ensure the Trust can recruit and retain the right people to deliver patient centred services and the best clinical outcomes.
- Finance - Fail to manage our finances effectively and deliver value for money to ensure the long-term sustainability of care provision.
- Digital - Fail to deliver the digital capability required to support safe, effective and efficient patient care.
- Sustainable Healthcare through partnership working - Fail to deliver sustainable healthcare and be a key partner in our Integrated Care System and the wider healthcare system in England.
- Research and Innovation - Fail to ensure the Trust has the ability to deliver excellent research and innovation.
- Well-led - Fail to ensure appropriate and effective governance arrangements are in place that support the achievement of our Corporate Strategy (Making a Difference – the Next Chapter).

### Risks to compliance with the NHS provider licence

Arrangements to ensure that the Trust's leadership and governance are effective and align to best practice are used to mitigate risks to compliance with the NHS provider licence. The Board of Directors uses the well-led framework (NHSI, June 2017) as a key instrument to evaluate its own performance critically to feed into continuous development of these arrangements.

As reported in last year's Annual Report, in September 2022 the Board of Directors commissioned a best practice developmental review of governance and leadership against the well-led framework the findings of which have driven continuous improvement actions. In May 2024 a final update on delivery of actions was presented to the Board of Directors with oversight of a small number of ongoing actions transferred to relevant Board Committees for oversight. At the same time the Board of Directors endorsed an external Phase II developmental review to assess progress to date and highlight further opportunities for improvement. The outcome of this review was considered by the Board of Directors in October 2024. This provided strong assurance on the Board's activities and demonstrated that many improvements had been embedded as standard practice. It was agreed that further improvement opportunities identified would be addressed through ongoing developmental activities. A progress review will be undertaken in October 2025.

Alongside this, continued focus has been placed on delivery of improvements identified in response to the suspected breach of the Trust's licence conditions that followed from CQC inspection findings in 2021 and 2022 which led to the Trust entering into enforcement undertakings in December 2022. Evidence and assurance in respect of Trust compliance with the undertakings was submitted to NHS England in August 2024. NHS England responded to the Trust's submission in December 2024, its initial response was positive and indicated that some of the undertakings could be confirmed as compliant. NHS England noted where additional assurance was required to conclude that the Trust was fully compliant with all the enforcement undertakings. The Trust continues to work with NHS England to address and provide sufficient evidence to satisfy the remaining enforcement undertakings.

## Engagement with public stakeholders in risk management

The Trust engages public stakeholders in identifying and managing risks which may impact on them in a number of ways:

- As a foundation trust the organisation aims to make best use of its Membership and of its Council of Governors. Through relevant working groups, Governors are kept apprised of proposed changes, including how potential risks to patients will be minimised. We also take opportunities to engage the Council of Governors on key issues and risks by providing regular briefing and feedback sessions and consulting them on the development of our annual Operational Plan;
- Through selection and discussion of quality objectives at a bi-annual meeting of the Quality Objective Steering Group, reporting into the Quality Committee, which incorporates stakeholder membership including staff, Governors, Healthwatch Sheffield and voluntary and community sector representation; and
- The Trust employs a wide range of methods to capture feedback from patients, their families and carers including national and local surveys, social media,

complaints, the Friends and Family Test and our Engagement Network which includes local community groups, acknowledging the value of this feedback as an early warning mechanism within its risk management processes.

### Assurance that staffing processes are safe, sustainable and effective

Our staffing governance processes have been developed in line with National Quality Board guidance and recommendations within *Developing Workforce Safeguards*, (NHSI 2018). This is to ensure that the Trust deploys sufficient suitably qualified, competent, skilled and experienced staff, that there is a systematic approach to determine staffing levels and that this reflects current legislation and guidance.

Optimal staffing on our wards and departments is critical to providing safe, high-quality care to our patients. Workforce planning and management is an ongoing priority and we keep staffing levels and skill mix under constant review to ensure that each ward area is staffed according to real-time need and with reference to evidence based practice staffing models. The Trust's Nursing and Midwifery Staffing Escalation Policy clearly defines the dynamic systems and processes that function daily to ensure that any shortfalls in staffing are mitigated. These are further supported by senior oversight provided by twice daily nurse staffing meetings to consider plans for staffing over the next 24 hours.

The actual and planned staffing levels on all our wards on a shift-by-shift basis are calculated and published on the Trust's website monthly. In line with national guidance, an exception report is presented through the People Committee to the Board of Directors setting out those wards where nursing and midwifery care hours per patient day fill rates fall short of the agreed plan, the reasons for the gap and the impact and actions being taken.

Patient quality, financial and workforce indicators are triangulated and reviewed alongside data from evidence-based staffing tools (Safer Nursing Care Tool (SNCT) and Birthrate Plus) to inform twice yearly workforce reviews.

The reviews then apply a professional judgement framework to agree staffing requirements which are then reported biannually through the People Committee to the Board of Directors.

As part of the Trust's annual business planning cycle, the planning of our workforce identifies staffing pressures, proposed service changes and other factors affecting our workforce provision. In March 2023 the Trust launched 'A brilliant place to work, Our People Strategy March 2023 – March 2028'. The strategy centres on three strategic themes: Attract, Grow and Retain, with an annual implementation plan. All directorates develop and submit a workforce plan which is compiled into a Trust-level workforce operational plan and submitted to South Yorkshire Integrated Care

System. A workforce planning and redesign workstream continues to embed workforce planning, facilitate redesign projects and develop good quality job descriptions and career plans for new and existing roles.

Recognising the value of all clinical staff, the Trust regularly undertakes capacity and demand reviews to ensure the sufficiency of staff and has methods of escalation in place should any concerns regarding staffing levels be raised. All identified risks are assessed and logged onto the Trust's Risk Register with mitigations put in place and closely monitored.

Recruiting sufficient numbers of appropriately qualified clinical staff, to be able to care for our patients safely, has been identified as a potential strategic risk to the delivery of the Trust's strategic aims. The Corporate Risk Register Report provides a mechanism for operational staffing risks to be escalated to the Board of Directors. The Trust has in 2024/25 continued to make progress in its recruitment of registered nurses through newly qualified nurses and midwives and local recruitment, as well as having supported a small number of clinical support workers through their apprenticeship training to become qualified nurses and nursing associates.

The Trust's Freedom to Speak Up (FTSU) policy provides a further mechanism for staff to raise concerns, including those that relate to staffing processes. A Lead FTSU Guardian supported by additional voluntary Guardians and over 50 FTSU Champions actively promote the importance of speaking up and encourage staff to access our FTSU Guardians to voice and raise concerns. A dedicated email address is available for staff to contact a FTSU Guardian to raise concerns anonymously and three national FTSU e-learning modules are available for staff to complete.

A FTSU Non-Executive Director Lead acts as an independent voice and board level champion for those who raise concerns.

To enhance recruitment efforts, we have established recruitment improvement groups for both the general workforce and the medical and dental workforce. These groups develop and oversee a programme to ensure our recruitment process is exemplary and inclusive, and can adapt to changes in technology, legislation, and the labour market. They report to the People Strategy Executive Committee through the *We Work Flexibly* workstream.

The medical and dental group is progressing its workplan and has noted an improvement in consultant staffing levels for the majority of challenged clinical areas identified by a Directorate deep-dive exercise. Consultant recruitment and onboarding processes have been updated, and a programme of initiatives has been launched to improve the experience for new consultants within the Trust. The Chief Medical Officers' team has started to review specialty training post recruitment data recognising that these posts are often platforms for consultant applications.

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## Compliance statements

### Care Quality Commission (CQC) compliance

As a provider of care, the Trust is registered and regulated by the Care Quality Commission (CQC). The Trust has an overall rating of 'requires improvement'.

### Register of Interests

The Trust has published on its website an up-to-date Register of Interests, including gifts and hospitality, for decision-making staff (as defined by the Trust with reference to the guidance) within the past 12 months, as required by the *Managing Conflicts of Interest in the NHS* guidance<sup>4</sup> (NHSE, 2018). This can be accessed from this [link](#).

### Pension scheme

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

### Equality, diversity and inclusion and human rights

Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with.

The Trust has a dedicated team to drive forward the work on equality, diversity and inclusion. For launch in April 2025, a new Equality, Diversity and Inclusion (EDI) Strategy has been developed with input from a wide range of stakeholders including patients, staff, governors, voluntary and community sector organisations, healthcare partners and other Anchor institutions across the City of Sheffield.

The Trust has an equality impact assessment process which requires equality impact assessments be completed before changes to policies, procedures and services are implemented.

The Trust's EDI Executive Committee monitors progress and provides assurance to the People Committee, Quality Committee and the Board of Directors that the organisation is meeting its obligations under equalities legislation including the public sector equality duty, NHS England (NHSE) standards and best practice.

This includes our commitment to meeting our duties under the Equality Act 2010, ensuring compliance with the Accessible Information Standards (AIS), implementing the Equality Delivery System 2022 (EDS22) service reviews and our active and on-

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<sup>4</sup> [www.england.nhs.uk/publication/managing-conflicts-of-interest-in-the-nhs-guidance-for-staff-and-organisations/](http://www.england.nhs.uk/publication/managing-conflicts-of-interest-in-the-nhs-guidance-for-staff-and-organisations/)

going participation in monitoring NHSE Workforce Race Equality Standard (WRES) and Workforce Disability Equality Standard (WDES) metrics and creating action plans to ensure improvement.

The Trust has completed three EDS22 reviews in 2024 into Sexual Health Services, Blood Cancer Services (to include Haematology and Sickle Cell), and Diabetes Services (with a focus on the transition from children's to adult services). Three service areas have been agreed for review in 2025, these are Respiratory Services (to include COPD), Cardiology and Cardiothoracic Services, and Orthopaedic Services.

The Trust produces an annual EDI Report and the latest version, for 2023, is available on the website at: [Sheffield Teaching Hospital - Equality and Diversity \(sth.nhs.uk\)](https://sth.nhs.uk).

#### Assessing the organisation's impact on the environment

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

#### Emergency preparedness, resilience and response

The Trust has a key role to play in responding to large-scale emergencies as well as ensuring it can continue to deliver high quality patient services if a major and / or business continuity incident occurs. Throughout the year the emergency planning team has helped support the leadership of a number of planned and unplanned business continuity events throughout the year. This included planned IT downtime arrangements, periods of significant operational pressure, inclement weather and industrial action. In each instance, these were based on sound emergency planning principles and a debrief was undertaken which helped identify learning for future events.

The team also continued to develop plans and prepare for other events including, but not limited to, mass casualties, utility and IT failure and City-wide public events. A series of training events also took place for senior on-call teams.

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

The following processes are in place to ensure that resources are used economically, efficiently and effectively:

- Development of detailed plans through the annual business planning cycle which reflect service and operational requirements, financial targets in respect of income and expenditure and capital investment and incorporate required efficiency savings;
- Monthly monitoring of delivery of the Board-approved financial plan and at Directorate level by the Finance and Performance Committee and via a performance management framework that incorporates Trust Executive Group led directorate reviews;
- Monthly reporting to the Board of Directors via its committees on key performance indicators including finance, efficiency savings, activity, capacity, quality, performance, human resource management and risk. These reports are aggregated from detailed directorate-level reports which support active management of resources at operational level;
- As noted above, continued delivery of a robust performance management framework which is critical to the early identification of any variance from operational or financial plans and for ensuring effective corrective action is put in place. In giving particular attention to financially challenged directorates, support is provided internally through the performance management framework with external input as required;
- Monitoring of the use of capital resources against a Board-approved capital plan by the Capital Investment Team which reports quarterly to the Board of Directors;
- A Use of Resources Group which seeks, through use of information and benchmarking data, to identify opportunities for, and drive delivery of, improvements in the way the Trust uses all of its resources. In doing so it is hoped to drive improvements to productivity, efficiency and quality of services.
- The Trust's Delivery Group is an Executive-led monthly assurance forum, to oversee the Trust's financial recovery and operational delivery. It links together transformation and improvement with business-as-usual delivery mechanisms to drive the Trust's activity recovery. The Trust continues to use benchmarking data, the Model Heath System and the Getting it Right First Time (GIRFT) metrics and national programmes to support improvement activities.
- A planned, systematic approach to improving organisational effectiveness through the alignment of strategy, people and processes. The Trust's Organisational Development function brings together several workstreams including equality, diversity and inclusion activities, service improvement, leadership development and workforce redesign. The department provides

capacity, expertise, and development as an enabler to help the organisation continuously improve and support the delivery of transformation;

- Alignment of our approach to continuous improvement and leadership development in response to the national NHS IMPACT improvement framework. PROUD Improvement is aligned to a Trust three-year objective to develop a culture of continuous improvement, deploying a range of initiatives which are developing leadership and teamwork for improvement using a standard evidence-based method.
- The wider use of national and peer benchmarking to ensure best value for money in delivery of services by informing and guiding service redesign, leading to improvements in service quality and patient experience, as well as financial performance;
- Development of service line reporting (SLR) and patient-level costing systems to better understand income and expenditure, therefore facilitating improved financial and operational performance. By also feeding into performance management and budget setting, SLR informs the development of action plans to address deviation from directorate financial plans; and
- Assessment of efficiency schemes for their impact on quality as part of a formal quality impact assessment process.
- Adoption of a robust governance and delivery framework for the Electronic Patient Record (EPR) implementation programme and use of independent assurance to inform decisions around postponement of the EPR implementation and Re-plan.
- Adoption of an enhanced control framework in respect of authorisation limits during the 2024/25 financial year to ensure delivery of the Trust's Financial Plan.

All of these arrangements and initiatives are underpinned by the Trust's Reservation of Powers to the Board of Directors and Scheme of Delegation approved by the Board of Directors setting out the decisions, authorities and duties delegated to officers of the Trust, and by the Trust's Standing Financial Instructions detailing the financial responsibilities, policies and procedures adopted by the Trust. These are designed to ensure that the organisation's transactions are carried out in accordance with the law, government policy and good practice in order to achieve probity, accuracy, economy, efficiency and effectiveness.

The Board of Directors has gained assurance from the Audit Committee and the Finance and Performance Committee in respect of financial and budgetary management across the organisation. The Audit Committee receives, as standing items on its agenda, reports regarding losses, special payments and compensations, write-off of bad debts and contingent liabilities.

The Trust also makes use of both internal and external audit functions to support governance arrangements, deliver economic, efficient and effective use of resources and ensure that controls are effective. Internal audit continues to review systems and processes in place during the year and publishes reports detailing specific actions to ensure the economy, efficiency and effectiveness of the use of resources is maintained. The outcome of these reports and the recommendations therein are also graded according to their perceived level of risk to the organisation, therefore assisting prioritisation of management action.

During 2024/25 these have included internal audit reports on Freedom to Speak Up, Medicines management, Directorate research, NICE guidance compliance (revisit), Non-medical staff appraisals, Efficiency programme, Waiting list performance management and IT business continuity. These have all been reported to the Audit Committee.

## Assurance around the accuracy of data

### Quality of performance information

The Trust's Data Quality Steering Group ensures a focus on data quality issues. In setting the direction of the Trust's Data Quality Programme and overseeing its delivery, this group receives progress reports from the Trust's Performance and Information Team and monitors Trust performance against the national Data Quality Maturity Index (DQMI).

The Group promotes whole organisation engagement in good data quality, considers areas where lapses in data quality have occurred, and monitors action plan progress and effectiveness. Reporting into the Trust Executive Group and the Audit Committee, the Group undertakes regular reviews of the issues associated with data quality and escalates these as necessary.

### Programmes to improve data quality

The Trust has a number of programmes in place to improve data quality. These include:

- A well-established Data Quality Team to support and drive forward a coordinated data quality agenda across the organisation;
- Reporting dashboards to support improvement to data quality, including the Administrative Patient Safety Dashboard, Breaks in Process report, Missing data field reports;
- Integration of Trust systems trainers within the performance and information function, to support users in learning from errors, and to further improve training to focus on data quality; and

- Continuation of the Administrative Profession Programme which aims to ensure all those undertaking administrative functions are suitably trained and supported. This includes standardisation of procedures, job roles and availability of standard operating procedures for all tasks.

The Trust has strong governance arrangements in place for the management and oversight of elective waiting time data. A performance report, supported by operational reports, details the activities underway, including validation, to ensure that elective waiting time data is accurate. Assurance is provided to the Performance and Caseload Group which also meets monthly to ensure performance is in line with plans and to oversee the caseload management process established to ensure that patients remain safe whilst they are waiting for treatment.

## Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS Foundation Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on 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 and the Quality Committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The system of internal control has been reviewed and modified in the past year. The Trust committee structure provides balance between the three areas of quality, finance and performance management. Internal audit has been routinely used to clarify issues where assurance is required.

In accordance with NHS internal audit standards, the Head of Internal Audit is required to provide an overall annual opinion statement to the Trust, based upon, and limited to the work performed, on the overall adequacy and effectiveness of the Trust's risk management, control and governance processes. This is one component that is taken into account in making this Annual Governance Statement.

The Trust has received a statement from its internal auditors that, based on work undertaken in 2024/25, provides an opinion of significant assurance that there is a generally sound framework of governance, risk management and control designed to meet the organisation's objectives, and controls are generally being applied.

Focus continues to be placed on tracking actions against recommendations through reports submitted to the Audit Committee, relevant committees and the Trust Executive Group.

Three high risks have been identified from internal audit reports issued in 2024/25. The Trust agreed six associated high risk actions, four of which fell due in-year and were implemented on time.

A high risk was identified as part of internal work to review arrangements for post project evaluation (PPE) following business case approval. This identified inconsistencies in arrangements to ensure that assessment of benefits was routinely carried as part of PPE. Four actions were agreed following recommendations made within the report, all of which were completed in-year to agreed timelines. These include updating the Trust's PPE Framework to reference implementation of a log and associated escalation process for PPE reporting and a revised PPE report template with learning being made available via the development of a SharePoint folder for completed PPE reports.

A second high risk followed an internal audit review of the framework for the identification, planning and delivery of efficiency schemes, including the Use of Resources Group. The one high risk action identified related to the need for increased clarity around accountability for delivery and oversight of Productivity and Efficiency (P&E) Schemes. Further development of the Trust's approach to delivery of efficiency has been a focus in 2024/25 through the introduction of Booster schemes in areas of most opportunity. Continued focus in this area will be needed in 2025/26 with the increased levels of efficiency required.

The third high risk was identified as part of an internal audit review of compliance with the Trust's Guide to Rapid Equality Impact Assessment (REIA) Process. This review identified a lack of awareness of this guidance and that it was not being consistently followed for processes, proposals, projects, or events. A high risk action has been agreed in response to this finding to implement awareness raising across the Trust in relation to the guidance itself and underpinning legal duties and responsibilities. The deadline for completion of this action is 31 October 2025 and completion will be confirmed in next year's annual report.

Internal audit work has been supplemented by the external audit reports which provide assurance on the Trust's arrangements for achieving economy, efficiency and effectiveness in its use of resources as part of the value for money element of its annual audit work.

The Board of Directors also received assurances on the use of resources from outside agencies including NHS England (NHSE) and the CQC. NHSE require the Trust to self-assess on a monthly basis.

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My review is also informed by:

- the Annual Report of the Audit Committee;
- the Board Assurance Framework (BAF)
- regular executive reporting to the Board of Directors and escalation processes through the Board committees;
- audit reports prepared independently by both the internal and external audit agencies. In particular, the ISA260 Audit Completion Report produced by KPMG, our external auditor;
- the published results of the quarterly performance management processes undertaken by NHSE under the Single Oversight Framework including the Trust's quarterly risk ratings and segmentation;
- the Trust's compliance with annual performance indicators published by the Department of Health and Social Care;
- CQC reports on its visits and inspections;
- external visits, inspections, accreditations and peer reviews;
- clinical audit reports;
- the significant assurance opinion received following the Internal Audit review of the BAF undertaken in 2024/25;
- NHS England and independent assurance review commissioned internally in relation to the EPR implementation programme.
- reports from external governance reviews including a Healthcare Governance Review and the developmental Well-led review and the reporting of progress on actions to address findings;
- investigation reports and action plans following serious incidents, learning events and deep dive reviews;
- user feedback such as monitoring of patient experience, complaints and claims;
- national Patient Survey results including the Friends and Family Test; and
- the results of the NHS Staff Survey;
- evidence considered by the Board in relation to collaboration and system partnership as part of its assurance in relation to NHS Oversight Framework exit criteria.

The above measures also ensure that any internal control issues are identified.

During 2024/25 significant internal control issues were not completely mitigated in two key areas, namely performance against national elective performance targets, with particular challenges in providing timely care for patients with Cancer and

provision of diagnostic tests and the Trust Enforcement undertakings that acknowledged that there were reasonable grounds to suspect that the Trust was in breach of its licence conditions.

## Conclusion

The system of internal control has been in place in Sheffield Teaching Hospitals NHS Foundation Trust for the year ended 31 March 2025 and up to the date of approval of the Annual Report and Accounts. This is designed to manage the key organisational objectives and minimise the NHS Foundation Trust's exposure to risk.

I am satisfied that actions are in place to address recommendations for improvement to this system made within internal audit reports issued with a limited assurance opinion and also to address the findings of CQC inspection work and other independent review work undertaken in-year.

The Trust continues to review and update the governance assurance processes to further strengthen arrangements to ensure our services are well-led. The Board of Directors is committed to continuous improvement and enhancement of the system of internal control.

In conclusion, I can confirm that there are two significant internal control issues as outlined below. All of which have improvement plans in place to address them.

### Significant internal control issues

- Performance against national elective performance targets, specifically patients waiting for Cancer treatment and diagnostic tests
- Enforcement undertakings in place



Kirsten Major  
Chief Executive  
24 June 2025

# Independent auditor's report to the Council of Governors of Sheffield Teaching Hospitals NHS Foundation Trust

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Sheffield Teaching Hospitals NHS Foundation Trust ("the Trust") for the year ended 31 March 2025 which comprise the Group and Trust Statements of Comprehensive Income, Group and Trust Statements of Financial Position, Group and Trust Statements of Changes in Taxpayers' Equity and Group and Trust Statements of Cash Flows, and the related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the financial position of the Group and the Trust as at 31 March 2025 and of the Group's and the Trust's income and expenditure for the year then ended; and
- have been properly prepared in accordance with the accounting policies directed by NHS England with the consent of the Secretary of State in February 2025 as being relevant to NHS Foundation Trusts and included in the Department of Health and Social Care Group Accounting Manual 2024/25; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006 (as amended).

### Basis for opinion

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

### Going concern

The Accounting Officer has prepared the financial statements on the going concern basis as they have not been informed by the relevant national body of the intention to either cease the Group and the Trust's services or dissolve the Group and the Trust without the transfer of their services to another public sector entity. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Accounting Officer's conclusions, we considered the inherent risks associated with the continuity of services provided by the Group and the Trust over the going concern period.

Our conclusions based on this work:

- we consider that the Accounting Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified and concur with the Accounting Officer's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Trust's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group and the Trust will continue in operation.

#### Fraud and breaches of laws and regulations – ability to detect

##### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of management, the Audit Committee and internal audit and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including the internal audit function, as well as whether they have knowledge of any actual, suspected, or alleged fraud.
- Assessing the incentives for management to manipulate reported financial performance because of the need to achieve financial performance targets delegated to the Group by NHS England
- Reading Board and Audit Committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.
- Reading the Group's accounting policies.

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

As required by auditing standards, we performed procedures to address the risk of management override of controls in particular the risk that Group and component management may be in a position to make inappropriate accounting entries. On this audit we did not identify a fraud risk related to revenue recognition due to the block

nature of the funding provided to the Group and the Trust during the year. We therefore assessed that there was limited opportunity for the Group and the Trust to manipulate the income that was reported.

We also identified a fraud risk related to the completeness of non-pay, non-NHS accrued expenditure. We consider there to be a completeness risk over accrued non-pay, non-NHS expenditure as there may be an incentive to omit expenditure at the year end to meet financial performance targets.

We performed procedures including:

- Inspected a sample of invoices of expenditure, posted in the period after 31 March 2025, to determine whether expenditure had been omitted from 2024/25.
- Inspected cash payments made in April 2025 to identify liabilities relating to 2024/25 which had not been recorded in the correct accounting period.

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included journal entries that were considered outside of the normal course of business and other unusual journal characteristics.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

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

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

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

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

Firstly, the Group is subject to laws and regulations that directly affect the financial statements, including the financial reporting aspects of NHS legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: GDPR compliance; health and safety legislation; employment and social security legislation, including minimum wage and pension auto-enrolment; fraud, corruption and bribery related legislation, money laundering legislation; and environmental protection legislation, including emissions trading and the Climate Change Act 2008 recognising the nature of the Group's and the Trust's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Accounting Officer and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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

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

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

#### *Other information in the Annual Report*

The Accounting Officer is responsible for the other information, which comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information; and

- in our opinion the other information included in the Annual Report for the financial year is consistent with the financial statements.

### *Remuneration and Staff Reports*

In our opinion the parts of the Remuneration and Staff Reports subject to audit have been properly prepared, in all material respects, in accordance with the NHS Foundation Trust Annual Reporting Manual 2024/25.

### *Accounting Officer's and Audit Committee's responsibilities*

As explained more fully in the statement set out on pages 104 and 105, the Accounting Officer is responsible for the preparation of financial statements that give a true and fair view. They are also responsible for: such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group's and the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to either cease the services provided by the Group and the Trust or dissolve the Group and the Trust without the transfer of their services to another public sector entity.

The Audit Committee is responsible for overseeing the Trust's financial reporting process.

### *Auditor's responsibilities*

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

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

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## Report on other legal and regulatory matters

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

Under the Code of Audit Practice, we are required to report if we identify any significant weaknesses in the arrangements that have been made by the Trust to secure economy, efficiency and effectiveness in its use of resources.

We have nothing to report in this respect.

### Respective responsibilities in respect of our review of arrangements for securing economy, efficiency and effectiveness in the use of resources

As explained more fully in the statement set out on pages 104 and 105, the Accounting Officer is responsible for ensuring that the Trust has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Under Section 62(1) and paragraph 1(d) of Schedule 10 of the National Health Service Act 2006 we have a duty to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively. We are also not required to satisfy ourselves that the Trust has achieved value for money during the year.

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

### Statutory reporting matters

We are required by Schedule 2 to the Code of Audit Practice to report to you if:

- we issue a report in the public interest under paragraph 3 of Schedule 10 of the National Health Service Act 2006; or
- we make a referral to the Regulator under paragraph 6 of Schedule 10 of the National Health Service Act 2006 because we have reason to believe that the Trust, or a director or officer of the Trust, is about to make, or has made, a decision which involves or would involve the incurring of expenditure which is

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unlawful, or is about to take, or has taken, a course of action which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency.

We have nothing to report in these respects.

## The purpose of our audit work and to whom we owe our responsibilities

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

## Delay in certification of completion of the audit

As at the date of this audit report, we are unable to confirm that we have completed our work in respect of the trust accounts consolidation pack of the Trust for the year ended 31 March 2025 because we have not received confirmation from the NAO that the NAO's audit of the Department of Health and Social Care accounts is complete.

Until we have completed this work, we are unable to certify that we have completed the audit of Sheffield Teaching Hospitals NHS Foundation Trust for the year ended 31 March 2025 in accordance with the requirements of Schedule 10 of the National Health Service Act 2006 and the NAO Code of Audit Practice.

Timothy Cutler  
for and on behalf of KPMG LLP  
1 St Peter's Square  
Manchester  
M2 3AE  
26 June 2025

# Financial Accounts 2024-25

## Foreword to the accounts

Sheffield Teaching Hospitals NHS Foundation Trust

These accounts for the year ended 31 March 2025 have been prepared by the Sheffield Teaching Hospitals NHS Foundation Trust in accordance with paragraphs 24 and 25 of schedule 7 of the National Health Service Act 2006 and are presented to Parliament pursuant to Schedule 7, paragraph 25 (4) (a) of that Act.

After making enquiries, the Directors have a reasonable expectation that the NHS Foundation Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts, following the definition of going concern in the public sector adopted by HM Treasury's Financial Reporting Manual.

Signed



**Kirsten Major**

Chief Executive

Date: 24 June 2025

## Statement of comprehensive income for the year ending 31 March 2025

	Note	Group		Trust	
		2024/25	2023/24	2024/25	2023/24
		£'000	£'000	£'000	£'000
Income from patient care activities	3.1	1,510,083	1,361,833	1,510,083	1,361,833
Other operating income	3.1	254,914	220,426	256,009	220,870
Operating Expenses from continuing operations	4.1	(1,762,353)	(1,589,886)	(1,763,681)	(1,590,015)
<b>OPERATING SURPLUS / (DEFICIT)</b>		<b>2,644</b>	<b>(7,627)</b>	<b>2,411</b>	<b>(7,312)</b>
<b>Finance Costs:</b>					
Finance income	7.1	8,566	10,465	8,697	10,493
Finance expense - financial liabilities	7.2	(2,742)	(5,582)	(2,742)	(5,582)
Finance income - unwinding of discount on provisions		(52)	(56)	(52)	(56)
Public Dividend Capital dividend expense	29	(9,209)	(7,953)	(9,209)	(7,953)
<b>Net Finance Costs</b>		<b>(3,437)</b>	<b>(3,126)</b>	<b>(3,306)</b>	<b>(3,098)</b>
Gains on disposal of assets		106	207	106	207
Corporation Tax		84	0	0	0
<b>(DEFICIT) FROM CONTINUING OPERATIONS</b>		<b>(603)</b>	<b>(10,546)</b>	<b>(789)</b>	<b>(10,203)</b>
<b>Other comprehensive income:</b>					
Impairments		13	(270)	13	(270)
Revaluation		6,330	0	6,330	0
Other reserve movements		0	0	0	0
<b>TOTAL COMPREHENSIVE INCOME / (EXPENSE) FOR THE YEAR</b>		<b>5,740</b>	<b>(10,816)</b>	<b>5,554</b>	<b>(10,473)</b>

The notes on pages 141 to 189 form part of these accounts.

All income and expenditure is derived from continuing operations, and the (deficit) / surplus is attributable to the owners of the Trust (the Taxpayer).

## Statement of financial position

	NOTE	Group		Trust	
		31 March 2025	31 March 2024	31 March 2025	31 March 2024
		£'000	£'000	£'000	£'000
<b>Non-current assets:</b>					
Intangible assets	8.1 - 8.8	1,663	2,382	1,663	2,382
Property, plant and equipment	9.1 - 9.6 & 9.10	521,566	491,153	520,485	490,427
Right of use assets	9.7 & 9.11	5,604	4,424	5,604	4,424
Investments	11	0	0	0	0
Trade and other receivables	13.2	10,589	10,253	12,534	11,453
<b>Total non-current assets</b>		<b>539,422</b>	<b>508,212</b>	<b>540,286</b>	<b>508,686</b>
<b>Current assets:</b>					
Inventories	12.1	28,841	24,655	27,544	23,255
Trade and other receivables	13.1	37,619	31,253	37,713	31,243
Current asset investments	14	0	0	0	0
Cash	21	155,556	161,039	155,533	160,980
<b>Total current assets</b>		<b>222,016</b>	<b>216,947</b>	<b>220,790</b>	<b>215,478</b>
<b>Current liabilities:</b>					
Trade and other payables	15.1	(209,169)	(191,210)	(208,684)	(189,795)
Borrowings	16.1	(4,017)	(2,994)	(4,017)	(2,994)
Provisions due within one year	19	(11,024)	(18,200)	(11,024)	(18,200)
Other liabilities	17.1	(15,915)	(15,334)	(15,992)	(15,411)
<b>Total current liabilities</b>		<b>(240,125)</b>	<b>(227,738)</b>	<b>(239,717)</b>	<b>(226,400)</b>
<b>Total assets less current liabilities</b>		<b>521,313</b>	<b>497,421</b>	<b>521,359</b>	<b>497,764</b>
<b>Non-current liabilities:</b>					
Trade and Other Payables	15	(111)	0	0	0
Borrowings	16.2	(36,184)	(37,633)	(36,184)	(37,633)
Provisions due after one year	19	(3,440)	(3,766)	(3,440)	(3,766)
Other liabilities	17.2	0	(493)	0	(493)
<b>Total non-current liabilities</b>		<b>(39,735)</b>	<b>(41,892)</b>	<b>(39,624)</b>	<b>(41,892)</b>
<b>TOTAL ASSETS EMPLOYED</b>		<b>481,578</b>	<b>455,529</b>	<b>481,735</b>	<b>455,872</b>
<b>FINANCED BY:</b>					
<b>Taxpayers' equity</b>					
Public Dividend Capital		405,039	384,730	405,039	384,730
Revaluation reserve	20	40,249	35,114	40,249	35,114
Income and expenditure reserve		36,290	35,685	36,447	36,028
<b>TOTAL TAXPAYERS' EQUITY</b>		<b>481,578</b>	<b>455,529</b>	<b>481,735</b>	<b>455,872</b>

The financial statements on pages 132 to 186 were approved by the Board on 24 June 2025 and were signed on behalf of the Board by:

Signed



Kirsten Major, Chief Executive  
24 June 2025

## Statement of changes in Taxpayer's Equity (Group)

		Total	Public Dividend Capital	Revaluation Reserve	Income and Expenditure Reserve
	Note	£'000	£'000	£'000	£'000
<b>Taxpayers' Equity at 1 April 2024</b>		455,529	384,730	35,114	35,685
Deficit for the year		(603)			(603)
Transfers between reserves	20	0		(1,204)	1,204
Impairments	20	13		13	
Revaluation gains on property, plant and equipment	20	6,330		6,330	
Revaluation gains on right of use assets	20	0			
Transfer to retained earnings on disposal of assets	20	0		(4)	4
Public Dividend Capital received		20,309	20,309		
Other Reserve Movements		0			
<b>Taxpayers' Equity at 31 March 2025</b>		<b>481,578</b>	<b>405,039</b>	<b>40,249</b>	<b>36,290</b>
<b>Taxpayers' Equity at 1 April 2023</b>		471,271	374,493	36,735	60,043
Application of IFRS 16 measurement principles to PFI liability		(15,163)			(15,163)
Deficit for the year		(10,546)			(10,546)
Transfers between reserves	20	0		(1,112)	1,112
Impairments	20	(270)		(270)	
Revaluation gains on property, plant and equipment	20	0			
Revaluation gains on right of use assets	20	0			
Transfer to retained earnings on disposal of assets	20	0		(239)	239
Public Dividend Capital received		10,237	10,237		
Other Reserve Movements		0			
<b>Taxpayers' Equity at 31 March 2024</b>		<b>455,529</b>	<b>384,730</b>	<b>35,114</b>	<b>35,685</b>

## Statement of changes in Taxpayer's Equity (Trust)

		Total	Public Dividend Capital	Revaluation Reserve	Income and Expenditure Reserve
	Note	£'000	£'000	£'000	£'000
<b>Taxpayers' Equity at 1 April 2024</b>		455,872	384,730	35,114	36,028
Deficit for the year		(789)			(789)
Transfers between reserves	20	0		(1,204)	1,204
Impairments	20	13		13	
Revaluation gains on property, plant and equipment	20	6,330		6,330	
Revaluation gains on right of use assets	20	0		0	
Transfer to retained earnings on disposal of assets	20	0		(4)	4
Public Dividend Capital received		20,309	20,309		
Other Reserve Movements		0	0	0	0
<b>Taxpayers' Equity at 31 March 2024</b>		<b>481,735</b>	<b>405,039</b>	<b>40,249</b>	<b>36,447</b>
<b>Taxpayers' Equity at 1 April 2023</b>		471,271	374,493	36,735	60,043
Application of IFRS 16 measurement principles to PFI liability		(15,163)			(15,163)
Deficit for the year		(10,203)			(10,203)
Transfers between reserves	20	0		(1,112)	1,112
Impairments	20	(270)		(270)	
Revaluation gains on property, plant and equipment	20	0		0	
Revaluation gains on right of use assets	20	0		0	
Transfer to retained earnings on disposal of assets	20	0		(239)	239
Public Dividend Capital received		10,237	10,237		
Other Reserve Movements		0	0	0	0
<b>Taxpayers' Equity at 31 March 2024</b>		<b>455,872</b>	<b>384,730</b>	<b>35,114</b>	<b>36,028</b>

## Statement of Cash Flows

	Note	Group		Trust	
		2024/25	2023/24	2024/25	2023/24
		£'000	£'000	£'000	£'000
<b>Cash flows from operating activities</b>					
Operating surplus / (deficit) from continuing operations		2,644	(7,627)	2,411	(7,312)
<b>Non-cash income and expenditure:</b>					
Depreciation and amortisation	4.1	28,439	28,844	28,362	28,834
Net Impairments	4.1	11,023	7,912	11,023	7,912
Income recognised in respect of capital donations (cash and non-cash)		(3,724)	(907)	(3,724)	(907)
(Increase) / Decrease in Trade and other Receivables		(6,708)	29,207	(7,755)	28,015
(Increase) in Inventories		(4,186)	(4,153)	(4,289)	(2,753)
Increase / (Decrease) in Trade and other Payables		10,450	(41,251)	11,430	(42,541)
Increase / (Decrease) in Other Liabilities		88	(3,586)	88	(3,509)
(Decrease) in Provisions		(7,559)	(2,360)	(7,559)	(2,360)
Other movements in operating cashflows		(3,710)	(891)	(3,710)	(891)
<b>Net cash generated from operations</b>		<b>26,757</b>	<b>5,188</b>	<b>26,277</b>	<b>4,488</b>
<b>Cash flows from investing activities:</b>					
Interest received		8,685	10,396	8,819	10,426
Purchase of investments		0	0	0	0
Proceeds from settlement of investments		0	0	0	0
Purchase of intangible assets		(1,005)	(532)	(1,005)	(532)
Purchase of Property, Plant and Equipment		(52,877)	(53,089)	(52,495)	(52,478)
Sales of Property, Plant and Equipment		106	316	106	316
Up front payments in respect of new Right of Use Assets (lessee)		(31)	0	(31)	0
Receipt of Cash Donations to purchase capital assets		3,803	891	3,803	891
<b>Net cash (used in) investing activities</b>		<b>(41,319)</b>	<b>(42,018)</b>	<b>(40,803)</b>	<b>(41,377)</b>
<b>Cash flows from financing activities:</b>					
Public Dividend Capital received		20,309	10,237	20,309	10,237
DHSC Loans repaid		(1,445)	(1,445)	(1,445)	(1,445)
Other Capital Receipts		3,604	0	3,604	0
Capital element of lease liability repayments		(1,142)	(749)	(1,142)	(749)
Capital element of Private Finance Initiative obligations		(873)	(1,071)	(873)	(1,071)
Interest on DHSC loans		(597)	(660)	(597)	(660)
Interest element of lease liability repayments		(78)	(36)	(78)	(36)
Interest element of Private Finance Initiative obligations		(1,579)	(1,300)	(1,579)	(1,300)
Public Dividend Capital Dividend paid		(9,220)	(8,198)	(9,220)	(8,198)
Cash flows from other financing activities		100	317	100	317
<b>Net cash generated (used in) from financing activities</b>		<b>9,079</b>	<b>(2,905)</b>	<b>9,079</b>	<b>(2,905)</b>
<b>(Decrease) in cash and cash equivalents</b>		<b>(5,483)</b>	<b>(39,735)</b>	<b>(5,447)</b>	<b>(39,794)</b>
<b>Cash and Cash equivalents at 1 April</b>	21	161,039	200,774	160,980	200,774
<b>Cash and Cash equivalents at 31 March</b>	21	<b>155,556</b>	<b>161,039</b>	<b>155,533</b>	<b>160,980</b>

## Accounting Policies for the Year Ending 31 March 2025

### 1 Accounting policies

The Secretary of State for Health and Social Care/NHS England has directed that the financial statements of NHS foundation trusts shall meet the accounting requirements of the Department of Health and Social Care (DHSC) Group Accounting Manual (GAM) which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the DHSC GAM 2024/25, issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards (IFRS) and HM Treasury's Financial Reporting Manual (FReM) to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the DHSC GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the NHS Foundation 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.

#### 1.1 Going Concern

The Trust's annual report and accounts have been prepared on a going concern basis. Non-trading entities in the public sector are assumed to be going concerns where the continued provision of a service in the future is anticipated, as evidenced by inclusion of financial provision for that service in published documents.

#### 1.2 Accounting Convention

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

#### 1.3 Basis of consolidation

##### 1.3.1 Linked Charity

With effect from 1 April 2017, Sheffield Hospitals Charity became an independent charity, rather than being an NHS Charity. The Trust has established that it is not a corporate Trustee of any of its supporting or linked Charities and does not have the power to exercise control so as to obtain economic benefits, meaning consolidation is not appropriate. Additionally the transactions and balances are immaterial in the context of the Trust operations.

##### 1.3.2 Associates and Joint ventures

The Trust has a number of minor interests (<£500k) in the following entities, none of which are material to the Trust's operations, and are thus not consolidated on the grounds of materiality:

Name	Nature of Relationship
Epaq Systems Ltd	Minor share-holding in low net worth company
Zilico Ltd	Minor share-holding in low net worth company
Elaros 24/7 Ltd	Minor share-holding in low net worth company
Better Hygiene Ltd (formerly Wetwash)	Minor share-holding in low net worth company (ceased trading February 2024)
Medipex Ltd	No return to the Trust
Legacy Park Ltd	No return to the Trust

### 1.3.3 Wholly Owned Subsidiary Company (Crucible Pharmacy Limited)

Crucible Pharmacy Limited (trading as Crucible Pharmacy) was registered with Companies House on 3 February 2023, a Company in which Sheffield Teaching Hospitals is the sole owner of its issued Share Capital of 100 (one hundred) £1.00 Ordinary Shares. The aims and objectives of the Company are primarily the purchase and wholesale of pharmaceutical supplies and to act as a dispensing chemist in specialised stores.

The subsidiary entity (Crucible Pharmacy Limited) is a body over which the Trust is exposed to, or has rights to, variable returns from its involvement with that company and has the ability to affect those returns through its power over the company. The income, expenses, assets, liabilities, equity and reserves of Crucible Pharmacy Limited are consolidated in full into the appropriate financial statement lines. There are no capital and reserves attributable to minority interests.

The amounts consolidated are drawn from the published financial statements of Crucible Pharmacy Limited for the year ending 31 March 2025. As permitted by the GAM 2024/25 paragraph 5.13, a separate Statement of Comprehensive Income for the parent (the Trust) has been presented, but not any associated notes, an exemption afforded by the Companies Act 2006.

## 1.4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Trust's accounting policies, management is required to make various judgements, estimates and assumptions. These are regularly reviewed.

### 1.4.1 Critical judgements in applying accounting policies

The following are the judgements, apart from those involving estimations (see below) that management has made in the process of applying the Trust's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

- Basis of consolidation/Interests in other entities (Associates and Joint ventures) – see note 1.3.2 Judged as not having any material impact.

### 1.4.2 Sources of estimation uncertainty

The following are assumptions about the future and other major sources of estimation uncertainty that have a potential risk of resulting in a major adjustment to the carrying amounts of assets and liabilities within the next financial year.

- **Plant, Property and Equipment Valuations and Useful Economic Lives**

The Trust has used valuations carried out and asset lives identified at 31 March 2023 by its expert valuers as the basis to determine the value of land and property. These property valuations and useful lives are based on the Royal Institution of Chartered Surveyors valuation standards insofar as these are consistent with the requirements of HM Treasury, the National Health Service and the Department of Health and Social Care. Within the valuations key areas of risk include obsolescence, build rates and modern equivalent asset assumptions. Where significant investment has occurred in a block during the financial year, the block has been revalued by the expert valuer at the date of full operational use. For other blocks, the rate of indexation/obsolescence on carrying values has been reviewed for any potential material change to determined values. This review indicates any such change is not significant (<£1m) and hence these blocks have not been revalued during the financial year. Sensitivity modelling indicates that a 0.5% change in the BCIS rate would equate to a £0.2m movement in block values. Further details are provided in paragraph 1.11.

Depreciation of equipment is based on asset lives, which have been estimated upon recognition of the assets. Managers have adjusted estimated lives at the end of the accounting period, where their estimate of useful life is significantly different to the original. The estimate of asset lives may differ to the actual period the Trust utilises the asset but any difference would not be material.

Depreciation of equipment is based on asset lives, which have been estimated upon recognition of the assets. Managers have adjusted estimated lives at the end of the accounting period, where their estimate of useful life is significantly different to the original. The estimate of asset lives may differ to the actual period the Trust utilises the asset but any difference would not be material.

- **Revenue Estimates**

Achieving early closure of accounts means that the accounts must be prepared before the normal cycle for contract income is complete. Contract income includes some estimated values and assessment of income risk based on agreements with the main commissioning bodies, including that for Elective Recovery Funds. Actual amounts may differ from the estimate depending on actual activity levels, but not materially so. Further details are provided in paragraph 1.5.

- **Estimation of payments for the PFI and service concession assets, including finance costs**

The assets and liabilities relating to the PFI scheme have been brought onto the Statement of Financial Position based on estimations from the Department of Health and Social Care's financial model as required by the Department of Health and Social Care guidance. The models also provide estimates for interest payable as disclosed in note 18 of the accounts.

- **Impairment of receivables**

The Trust is required to judge when there is sufficient evidence to impair individual receivables; this is undertaken on the aged profile and class of the receivable. The Trust adopts a prudent policy of increasing the expected credit loss, with the increasing ageing of the receivable. The Trust makes every effort to collect the debt, even when it has been impaired, and only writes off the debt as a final course of action after all possible collection efforts have been made. The actual level of debt written off may be different to that which had been judged as impaired, but not materially so. Further details are provided in paragraph 1.24 and note 13.3 of the accounts.

- **Provisions**

Provisions are a matter of judgement, with a best estimate made based on information available at the time. Once realised, provisions can be different to the original estimate, but not materially so. Further details are provided in paragraph 1.20 and note 19 of the accounts.

## 1.5 Revenue from contracts with customers

Where income is derived from contracts with customers, it is accounted for under IFRS 15 (Revenue from contracts with customers). 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.

In the application of IFRS 15 a number of practical expedients offered in the Standard have been employed. These are as follows;

- The Trust will not disclose information regarding the performance obligations part of a contract that has an original expected duration of one year or less.
- The Trust is not required to disclose information where revenue is recognised in line with the practical expedient offered in the Standard, where the right to consideration corresponds directly with the value of the performance completed to date.
- The FReM has mandated the exercise of the practical expedient offered in the Standard that requires the Trust to reflect the aggregate effect of all contracts modified before the date of initial application.

### 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 (API) contracts form the main payment mechanism under the NHSPS. In 2024/25 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 and Commissioners based on actual usage or at a fixed baseline in addition to the price of the related service.

In 2024/25 fixed payments were set at a level assuming the achievement of elective activity targets within aligned payment and incentive contracts.

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 are 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 2024/25, 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.

#### 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.

#### Revenue from sale of non-current assets

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.

## 1.6 Employee Benefits

### 1.6.1 Short-term Employee Benefits

Salaries, wages and employment-related payments, including payments arising from the apprenticeship levy, are recognised in the period in which the service is received from employees, including non-consolidated performance pay earned but not yet paid. The cost of annual leave earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry forward leave into the following period.

### 1.6.2 Retirement benefit costs NHS Pensions

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](http://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 2025, is based on valuation data as at 31 March 2023, updated to 31 March 2025 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 Statement by the Actuary, which forms part of the annual NHS Pension Scheme Annual Report and Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

#### b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (considering recent demographic experience), and to recommend the contribution rate payable by 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 1 April 2024 to 23.7% of pensionable pay. 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.

The 2024 actuarial valuation is currently being prepared and will be published before new contribution rates are implemented from April 2027.

## 1.7 Other expenses

Other operating expenses are recognised when, and to the extent that, the goods or services have been received. They are measured at the fair value of the consideration payable.

Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment.

## 1.8 Grants payable

Where grant funding is not intended to be directly related to activity undertaken by a grant recipient in a specific period, the Trust recognises the expenditure in the period in which the grant is paid. All other grants are accounted for on an accruals basis.

## 1.9 Value Added Tax (VAT)

Most of the activities of the NHS Foundation Trust are outside the scope of VAT. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of non-current assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

## 1.10 Corporation Tax

Foundation Trusts currently have a statutory exemption from Corporation Tax on all their activities.

The Trust's wholly owned subsidiary, Crucible Pharmacy Ltd, is in scope of the Corporation Tax regime and the tax expense on the surplus or deficit for the year comprises current and deferred tax due on the trading of the commercial subsidiary.

Current tax is the expected tax payable for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred taxation is calculated using rates that are expected to apply when the related deferred tax asset is realised or the deferred taxation liability is settled. Deferred tax assets are recognised only to the extent that it is probably that future taxable profits will be available against which the assets can be utilised.

## 1.11 Property, Plant and Equipment

### 1.11.1 Recognition

Property, Plant and Equipment is capitalised if:

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

Property, plant and equipment assets are also capitalised where they form part of the initial equipping and setting-up cost of a new building, 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, the components are treated as separate assets and depreciated over their individual useful economic lives.

### 1.11.2 Measurement

All property, plant and equipment is measured initially at cost, representing the cost directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. Assets that are held for their service potential and are in use are measured subsequently at their current value in existing use. Assets that were most recently held for their service potential but are surplus (with no plan to bring it back into use) are measured at fair value where there are no restrictions preventing access to the market at the reporting date.

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

- Land and non-specialised buildings – market value for existing use
  - Specialised buildings – depreciated replacement cost, modern equivalent asset basis.
- Assets held at depreciated replacement cost have been valued on an alternative site basis where this would meet the location requirements of the service 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, borrowing costs. Assets are revalued and depreciation commences when they 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 economic lives or low values or both, as this is not considered to be materially different from current value in existing use.

An increase arising on revaluation is taken to the revaluation reserve except when it reverses an impairment for the same asset previously recognised in expenditure, in which case it is credited to expenditure to the extent of the decrease previously charged there. A revaluation decrease that does not result from a loss of economic value or service potential is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset, and thereafter to expenditure. Gains and losses recognised in the revaluation reserve are reported as other comprehensive income/net expenditure in the Statement of Comprehensive Income.

#### 1.11.3 Subsequent expenditure

Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is capitalised. Where subsequent expenditure restores the asset to its original specification, the expenditure is capitalised and any existing carrying value of the item replaced is written-off and charged to operating expenses.

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.

#### Useful Economic Lives of Property, Plant and Equipment

Useful economic lives reflect the total life of an asset and not the remaining life of an asset. The range of useful economic lives is set out in note 9.8 and 9.14 to the accounts.

### 1.12 Intangible assets

#### 1.12.1 Recognition

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the Trust's business or which arise from contractual or other legal rights. They are recognised only when it is probable that future economic benefits will flow to, or service potential be provided to, the Trust; where the cost of the asset can be measured reliably, and where the cost is at least £5,000.

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

Expenditure on research is not capitalised; it is recognised as an operating expense in the period in which it is incurred. Internally-generated assets are recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use
- the intention to complete the intangible asset and use it
- the ability to sell or use the intangible asset
- how the intangible asset will generate probable future economic benefits or service potential
- the availability of adequate technical, financial and other resources to complete the intangible asset and sell or use it, and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

### 1.12.2 Measurement

Intangible assets acquired separately are initially recognised at cost. The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the criteria for recognition are initially met. Where no internally-generated intangible asset can be recognised, the expenditure is recognised in the period in which it is incurred.

Following initial recognition, intangible assets are carried at current value in existing use by reference to an active market, or, where no active market exists, at the lower of amortised replacement cost (modern equivalent assets basis) and value in use where the asset is income generating. Internally-developed software is held at historic cost to reflect the opposing effects of increases in development costs and technological advances.

Revaluations and impairments are treated in the same manner as for Property, Plant and Equipment.

#### Useful Economic Lives of Intangible Assets

Useful economic lives reflect the total life of an asset and not the remaining life of an asset. The range of useful economic lives is shown in note 8.4 to the accounts.

### 1.13 Depreciation, amortisation and impairments

Freehold land, assets under construction or development and assets held for sale are not depreciated/amortised.

Otherwise, depreciation or amortisation is charged to write off the costs or valuation of property, plant and equipment and intangible assets, less any residual value, on a straight-line basis over their estimated useful lives. The estimated useful life of an asset is the period over which the Trust expects to obtain economic benefits or service potential from the asset. This is specific to the Trust and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis.

Assets held under finance leases are depreciated over the shorter of the lease term and the estimated useful life, unless the Trust expects to acquire the asset at the end of the lease term, in which case the asset is depreciated in the same manner as for owned assets.

At each financial year end, the Trust checks whether there is any indication that its property, plant and equipment or intangible assets have suffered an impairment loss. If there is indication of such an impairment, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount. Intangible assets not yet available for use are tested for impairment annually at the financial year

Impairment losses that arise from a clear consumption of economic benefit are taken to expenditure.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount but capped at the amount that would have been determined had there been no initial impairment loss. The reversal of the impairment loss is credited to expenditure.

### 1.14 Donated assets

Donated non-current assets are capitalised at current value in existing use, if they will be held for their service potential, or otherwise at fair value on receipt, with a matching credit to income. They are valued, depreciated and impaired as described above for purchased assets. Gains and losses on revaluations, impairments and sales are treated in the same way as for purchased assets. Deferred income is recognised only where conditions attached to the donation preclude immediate recognition of the gain.

### 1.15 Government grant funded assets

Government grant funded assets are capitalised at current value in existing use, if they will be held for their service potential, or otherwise at fair value on receipt, with a matching credit to income. Deferred income is recognised only where conditions attached to the grant preclude immediate recognition of the gain.

### 1.16 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

There are further expedients or election that have been employed by the Trust in applying IFRS 16. These

- The measurement requirements under IFRS 16 are not applied to leases with a term of 12 months or less under paragraph 5 (a) of IFRS 16.
- The measurement requirements under IFRS 16 are not applied to leases where the underlying asset is of a low value which are identified as those assets of a value of less than £5,000, excluding any irrecoverable VAT, under paragraph 5 (b) of IFRS 16.
- The Trust will not apply IFRS 16 to any new leases of intangible assets applying the treatment described in section 1.12 instead.

HM Treasury have adapted the public sector approach to IFRS 16 which impacts on the identification and measurement of leasing arrangements that will be accounted for under IFRS 16. The Trust is required to apply IFRS 16 to lease like arrangements entered into with other public sector entities that are in substance akin to an enforceable contract, that in their formal legal form may not be enforceable. Prior to accounting for such arrangements under IFRS 16 the Trust has assessed that in all other respects these arrangements meet the definition of a lease under the Standard.

The Trust is required to apply IFRS 16 to lease like arrangements entered into in which consideration exchanged is nil or nominal, therefore significantly below market value. These arrangements are described as peppercorn leases. Such arrangements are again required to meet the definition of a lease in every other respect prior to inclusion in the scope of IFRS 16. The accounting for peppercorn arrangements aligns to that identified for donated assets. Peppercorn leases are different in substance to arrangements in which consideration is below market value but not significantly below market value.

The nature of the accounting policy change for the lessee is more significant than for the lessor under IFRS 16. IFRS 16 introduces a singular lease approach to measurement and classification in which lessees recognise a right of use asset.

For the lessor leases remain classified as finance leases when substantially all the risks and rewards incidental to ownership of an underlying asset are transferred to the lessee. When this transfer does not occur, leases are classified as operating leases.

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.

#### 1.16.1 The Trust as lessee

At the commencement date for the leasing arrangement a lessee shall recognise a right of use asset and corresponding lease liability. The Trust employs a revaluation model for the subsequent measurement of its right of use assets unless cost 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 below market value, cost is not considered to be an appropriate proxy to value the right of use asset.

Lease payments are apportioned between finance charges and repayment of the principal. Finance charges are recognised in the Statement of Comprehensive Income.

Irrecoverable VAT is expensed in the period to which it relates and therefore not included in the measurement of the lease liability and consequently the value of the right of use asset.

The incremental borrowing rate has been applied to the lease liabilities recognised at the date of initial application of IFRS 16. This rate is determined by HM Treasury annually for each calendar year. An annual rate of 4.72% is applied to new leases commencing in 2024 and 4.81% to new leases commencing in 2025.

The incremental borrowing rate has been applied to the lease liabilities recognised at the date of initial application of IFRS 16. This rate is determined by HM Treasury annually for each calendar year. An annual rate of 4.72% is applied to new leases commencing in 2024 and 4.81% to new leases commencing in 2025.

Where changes in future lease payments result from a change in an index or rate or rent review, the lease liabilities are remeasured using an unchanged discount rate.

Where there is a change in a lease term or an option to purchase the underlying asset the Trust applies a revised rate to the remaining lease liability.

### 1.16.2 The Trust as lessor

A lessor shall classify each of its leases as an operating or finance lease. A lease is classified as finance lease when the lease substantially transfers all the risks and rewards incidental to ownership of an underlying asset. Where substantially all the risks and rewards are not transferred, a lease is classified as an operating lease.

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.

Income from operating leases is recognised on a straight-line 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.

Where the Trust is an intermediate lessor, being a lessor and a lessee regarding the same underlying asset, classification of the sublease is required to be made by the intermediate lessor considering the term of the arrangement and the nature of the right of use asset arising from the head lease.

On transition the Trust has reassessed the classification of all of its continuing subleasing arrangements.

### 1.17 Private Finance Initiative (PFI) transactions

PFI transactions that 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. The underlying assets are recognised as property, plant and equipment, together with an equivalent PFI liability measured in alignment with the principles of IFRS 16.

The annual unitary payment is separated into the following component parts, using appropriate estimation techniques where necessary:

- payment for the fair value of services received
- repayment of the PFI liability, including finance costs, and
- payment for the replacement of components of the asset during the contract 'lifecycle replacement'.

#### 1.17.1 Services received

The cost of services received in the year is recorded under the relevant expenditure headings within 'operating expenses'.

#### 1.17.2 PFI assets, liabilities and finance costs

The PFI assets are initially measured using the principles of IFRS 16. Subsequently, the assets are measured at current value in existing use per the policies applied under IAS 16.

The PFI liability equal to the capital value of the contract is recognised at the same time as the PFI assets are recognised. This does not include service elements and interest charges within the PFI contract which are expensed in accordance with IFRIC 12 as adapted and interpreted by the FReM and as detailed below.

An annual finance cost is calculated by applying the implicit interest rate in the contract to the opening PFI liability for the period, and is charged to 'Finance Costs' within the Statement of Comprehensive Income.

An element of the annual unitary payment is therefore allocated as a financing cost when repaying the PFI liability over the life of the contract.

Where there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments, including for example a change to reflect changes in market rental rates following a market rent review, the Trust remeasures the PFI liability to reflect those revised payments only when there is a change in the cash flows (i.e. when the adjustment to the payments takes effect). The Trust shall determine the revised payments for the remainder of the PFI arrangement based on the revised contractual payments. As subsequent measurement of the PFI asset is per IAS 16 than IFRS 16, the opposite entry to adjustment of the PFI liability for such remeasurements is charged to Finance Costs.

### 1.17.3 Lifecycle replacement

Components of the asset replaced by the operator during the contract ('lifecycle replacement') are capitalised where they meet the Trust's criteria for capital expenditure.

They are capitalised at the time they are provided by the operator and are measured initially at cost.

The element of the annual unitary payment allocated to lifecycle replacement is pre-determined for each year of the contract from the operator's planned programme of lifecycle replacement. Where the lifecycle component is provided earlier or later than expected, a short-term accrual or prepayment is recognised respectively.

Where the fair value of the lifecycle component is less than the amount determined in the contract, the difference is recognised as an expense when the replacement is provided. If the fair value is greater than the amount determined in the contract, the difference is treated as a 'free' asset and a deferred income balance is recognised. The deferred income is released to operating income over the shorter of the remaining contract period or the useful economic life of the replacement component.

### 1.17.4 Assets contributed by the Trust to the operator for use in the scheme

Assets contributed for use in the scheme continue to be recognised as items of property, plant and equipment in the Trust's Statement of Financial Position.

### 1.17.5 Other assets contributed by the Trust to the operator

Other assets contributed (e.g. cash payments, surplus property) by the Trust to the operator before the asset is brought into use, where these are intended to defray the operator's capital costs, are recognised initially as prepayments during the construction phase of the contract. When the asset is made available to the Trust, the prepayment is treated as an initial payment towards the PFI liability and is set against the carrying value of the

## 1.18 Inventories

Inventories are valued at the lower of cost and net realisable value, using the First In, First Out (FIFO) cost. In 2023/24 the Trust received and consumed 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 and consumption 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.

In 2024/25 there was no receipt of such inventories.

## 1.19 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.

## 1.20 Provisions

Provisions are recognised when the Trust has a present legal or constructive obligation as a result of a past event, it is probable that the Trust will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using HM Treasury's discount rates.

Early retirement provisions are discounted using HM Treasury's pension discount rate of 2.40% (2023/24: 2.45%) in real terms.

All general provisions are subject to four separate (nominal) discount rates according to the expected timing of cash-flows from the Statement of Financial Position date:

Period	Period Definition for expected cash flows	2024/25 Nominal Rate (%)	2023/24 Nominal Rate (%)
Short term	Up to and including 5 years	4.03	4.26
Medium term	Over 5 years and up to and including 10 years	4.07	4.03
Long term	Over 10 years and up to and including 40 years	4.81	4.72
Very Long term	Exceeding 40 years	4.55	4.40

### 1.21 Clinical negligence costs

NHS Resolution (the trading name of the NHS Litigation Authority NHSLA) operates a risk pooling scheme under which the Trust pays an annual contribution to NHS Resolution, which in return settles all clinical negligence claims. The contribution is charged to expenditure. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the NHS Foundation Trust.

The total value of clinical negligence provisions carried by NHS Resolution on behalf of the NHS Foundation Trust is disclosed at note 19, but is not recognised in the Trust's accounts.

### 1.22 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 as and when they become due.

### 1.23 Contingent liabilities and contingent assets

A contingent liability is:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Trust; or
- a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably.

A contingent liability is disclosed (in note 24.1), unless the possibility of a payment is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Trust. A contingent asset is disclosed (in note 24.2) where an inflow of economic benefits is probable.

Where the time value of money is material, contingent liabilities and contingent assets are disclosed at their present value.

### 1.24 Financial assets

#### Recognition and de-recognition, measurement and classification

Financial assets are recognised when the Trust becomes party to the contractual provision of the financial instrument or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or when the asset has been transferred and the Trust has transferred substantially all of the risks and rewards of ownership or has not retained control of the asset.

Financial assets are initially recognised at fair value plus or minus directly attributable transaction costs for financial assets not measured at fair value through profit or loss. Fair value is taken as the transaction price, or otherwise determined by reference to quoted market prices where possible, or by valuation techniques.

Financial assets are classified into the following categories: financial assets at amortised cost, financial assets at fair value through other comprehensive income, and financial assets at fair value through profit and loss. The classification is determined by the cash flow and business model characteristics of the financial assets, as set out in IFRS 9, and is determined at the time of initial recognition.

#### 1.24.1 Financial assets at amortised cost

Financial assets measured at amortised cost are those held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and where the cash flows are solely payments of principal and interest. This includes most trade receivables, loans receivable, and other simple debt instruments.

After initial recognition, these financial assets are measured at amortised cost using the effective interest method, less any impairment. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the life of the financial asset to the gross carrying amount of the financial asset.

#### 1.24.2 [Financial assets at fair value through other comprehensive income](#)

Financial assets measured at fair value through other comprehensive income are those held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and where the cash flows are solely payments of principal and interest.

#### 1.24.3 [Financial assets 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 fair value through other comprehensive income. This includes derivatives and financial assets acquired principally for the purpose of selling in the short term.

#### 1.24.4 [Impairment](#)

For all financial assets measured at amortised cost or at fair value through other comprehensive income (except equity instruments designated at fair value through other comprehensive income), lease receivables and contract assets, the Trust recognises a loss allowance representing expected credit losses on the financial instrument.

The Trust adopts the simplified approach to impairment, in accordance with IFRS 9, and measures the loss allowance for trade receivables, contract assets and lease receivables at an amount equal to lifetime expected credit losses. For other financial assets, the loss allowance is measured at an amount equal to lifetime expected credit losses if the credit risk on the financial instrument has increased significantly since initial recognition (stage 2), and otherwise at an amount equal to 12-month expected credit losses (stage 1).

Invoiced contract receivables and Non-invoiced contract receivables are largely with other public sector bodies where the risk of credit losses are low and where income and receivable balances are subject to nationally agreed processes and timetables as outlined below. Credit losses on other contract assets, which are not material, are assessed on a case by case basis as relevant and appropriate.

HM Treasury has ruled that central government bodies may not recognise stage 1 or stage 2 impairments against other government departments, their executive agencies, the Bank of England, Exchequer Funds, and Exchequer Funds' assets where repayment is ensured by primary legislation. The Trust therefore does not recognise loss allowances for stage 1 or stage 2 impairments against these bodies. Additionally, the Department of Health and Social Care provides a guarantee of last resort against the debts of its arm's length bodies and NHS bodies (excluding NHS charities), and the Trust does not recognise loss allowances for stage 1 or stage 2 impairments against these bodies.

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 the estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

### 1.25 [Financial liabilities](#)

#### [Recognition and de-recognition, and measurement](#)

Financial liabilities are recognised when the Trust becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been extinguished – that is, the obligation has been discharged or cancelled or has expired.

#### 1.25.1 [Financial liabilities at fair value through profit and loss](#)

Derivatives that are liabilities are subsequently measured at fair value through profit or loss.

Embedded derivatives that are not part of a hybrid contract containing a host that is an asset within the scope of IFRS 9 are separately accounted for as derivatives only if their economic characteristics and risks are not closely related to those of their host contracts, a separate instrument with the same terms would meet the definition of a derivative, and the hybrid contract is not itself measured at fair value through profit or loss.

#### 1.25.2 [Other financial liabilities](#)

After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset, to the amortised cost of the financial liability. In the case of DHSC loans, that would be the nominal rate charged on the loan.

### 1.26 Public Dividend Capital (PDC) and PDC dividend

Public dividend capital is a type of public sector equity finance, which represents the Department of Health and Social Care's investment in the Trust. HM Treasury has determined that, being issued under statutory authority rather than under contract, PDC is not a financial instrument within the meaning of IAS 32.

At any time, the Secretary of State can issue new PDC to, and require repayments of PDC from, the Trust. PDC is recorded at the value received.

An annual charge, reflecting the cost of capital utilised by the Trust, is payable to the Department of Health and Social Care as PDC dividend. The charge is calculated at the real rate set by the Secretary of State with the consent of HM Treasury (currently 3.5%) on the average relevant net assets of the Trust. Relevant net assets are calculated as the value of all assets less all liabilities, except for:

- donated assets (including lottery funded assets), grant funded assets and peppercorn leased assets.
- average daily cash balances held with the Government Banking Service (GBS) and National Loans Fund (NLF) deposits (excluding cash balances held in GBS accounts that relate to a short term working capital facility)
- any PDC dividend balance receivable or payable.

The average relevant net assets are calculated as a simple average of opening and closing relevant net assets.

In accordance with the requirements laid down by the Department of Health and Social Care, 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 thus calculated is not revised should any adjustment to net assets occur as a result of the audit of the annual accounts.

### 1.27 Foreign currencies

The Trust's functional currency and presentational currency is pounds sterling, and figures are presented in thousands of pounds unless expressly stated otherwise. Transactions denominated in a foreign currency are translated into sterling (the functional currency) at the spot exchange rate on the date of the transaction.

### 1.28 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Trust has no beneficial interest in them. Details of third party assets are given in note 27 to the accounts.

### 1.29 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, including losses which would have been made good through insurance cover had the Trust not been bearing its own risks (with insurance premiums then being included as normal revenue expenditure).

The losses and special payments note is compiled directly from the losses and special payments register which reports on an accruals basis with the exception of provisions for future losses.

### 1.30 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2024/25.

### 1.31 Standards, amendments and interpretations in issue but not yet effective or adopted

The DHSC GAM does not require the following IFRS Standards and interpretations of existing standards to be applied in 2024/25.

• **IFRS 17 Insurance Contracts** – The Standard is effective for the accounting period beginning on or after 1 January 2023. IFRS 17 has been adopted by the FReM from 1 April 2025. Adoption of the Standard for NHS bodies will therefore be in 2025/26. The Standard revises the accounting for insurance contracts for the issuers of insurance. Application of this standard from 2025/26 is not expected to have a material impact on the financial statements.

• **IFRS 18 Presentation and Disclosure in Financial Statements** - The Standard is effective for accounting periods beginning on or after 1 January 2027. The Standard is not yet UK-endorsed and not yet adopted by the FReM. Early adoption is not permitted. The expected impact of applying the standard in future periods has not yet been assessed.

• **IFRS 19 Subsidiaries without Public Accountability: Disclosures** - The Standard is effective for accounting periods beginning on or after 1 January 2027. The Standard is not yet UK-endorsed and not yet adopted by the FReM. Early adoption is not permitted. The expected impact of applying the standard in future periods has not yet been assessed.

**Changes to non-investment asset valuation** – Following a thematic review of non-current asset valuations for financial reporting in the public sector, HM Treasury has made a number of changes to valuation frequency, valuation methodology and classification which are effective in the public sector from 1 April 2025 with a 5 year transition period. NHS bodies are adopting these changes to an alternative timeline.

Changes to subsequent measurement of intangible assets and PPE classification / terminology to be implemented for NHS bodies from 1 April 2025:

- Withdrawal of the revaluation model for intangible assets. Carrying values of existing intangible assets measured under a previous revaluation will be taken forward as deemed historic cost.
- Removal of the distinction between specialised and non-specialised assets held for their service potential. Assets will be classified according to whether they are held for their operational capacity.

These changes are not expected to have a material impact on these financial statements.

Changes to valuation cycles and methodology to be implemented for NHS bodies in later periods:

- A mandated quinquennial revaluation frequency (or rolling programme) supplemented by annual indexation in the intervening years.
- Removal of the alternative site assumption for buildings valued at depreciated replacement cost on a modern equivalent asset basis. The approach for land has not yet been finalised by HM Treasury.

The impact of applying these changes in future periods has not yet been assessed. PPE and right of use assets currently subject to revaluation have a total book value of £394m as at 31 March 2025. Assets are not valued on an alternative site basis at 31 March 2025.

## 2 Segmental Analysis

The Trust has determined that the Chief Operating decision maker (as defined by IFRS 8: Operating Segments) is the Board of Directors, on the basis that all strategic decisions are made by the Board.

The Board reviews the operating and financial results of the Trust on a monthly basis and considers the position of the Trust as a whole in its decision making process, rather than as individual components which comprise the total, in terms of allocating resources. Consequently the Board of Directors considers that all the Trust's activities fall under the single segment of provision of healthcare, and no further segmental analysis is therefore required.

The Trust has consolidated the results of its Wholly Owned Subsidiary, Crucible Pharmacy Limited, into the Group Accounts. The sole element of the Subsidiaries revenue represents inter-company trading which is eliminated upon the consolidation of these group financial statements. The monthly performance report to the Chief Operating Decision Makers reports summary financial information in which the operations of Crucible Pharmacy Limited are integrated within those of the Trust itself. As such, for financial reporting purposes, it does not consider Crucible Pharmacy Limited as a separate, discrete business segment.

### 3 Income

#### 3.1 Operating Income from activities: Analysis by nature (Group)

	Sub-note	2024/25		2023/24		Sub-notes
		£'000	£'000	£'000	£'000	
<b>Operating income from patient care activities</b>						
Aligned payment & incentive (API) contract Income / system block income			1,059,433		1,009,121	However since April 2019, including 2024/25, the NHS Business Service Authority collected only 14.38% from employers. Central payments have been made by NHS England and the Department of Health and Social Care for their respective proportions of the outstanding 9.4% on local employers' behalf and expenditure has been uplifted to show these contributions to Trust expenses.
High Cost Drugs			262,596		222,055	
Other NHS Clinical income			33,278		17,978	
Income re Community Services			87,148		73,316	
Private Patient Income			2,456		2,436	
Pay award central funding			3,422		635	
Additional Pension Contribution	(1)		61,750		36,292	
<b>Total operating income from patient care activities</b>			<b>1,510,083</b>		<b>1,361,833</b>	
<b>Other operating income</b>						
Research and development	(2)		39,171		49,832	(4) Other operating income, with the exception of income received from NHS charities and other bodies, and 'Other' is contract revenue as defined under IFRS15.
Education and training			80,156		73,967	
Non-patient care services to other bodies	(3)		108,945		64,290	(5) Other Operating Income 'Other' consists of sundry income from the provision of various facilities to staff, patients and public on STH sites. The largest individual components relate to the provision of car parking, catering and nursery facilities.
COVID-19 reimbursement & top up funding			0		0	
COVID-19 consumables donated by DHSC			0		467	
			<u>0</u>		<u>467</u>	
Received from other bodies - Cash donations for capital acquisitions	(4)		106		891	(6) The sum received in relation to a settled legal case is defined as outside of the ordinary scope of IFRS 15.
Received from other bodies - Cash grants for purchase of capital assets	(4)		3,604		0	
Received from other bodies - Donations/grants of physical assets (non-cash)	(4)		14		16	
Other	(4) & (5)		21,733		20,678	
Operating lease income	Note 3.4		1,185		934	
Other Income - Outside the scope of IFRS 15	(6)		0		9,351	
<b>Total other operating income</b>			<b>254,914</b>		<b>220,426</b>	
<b>Total Operating Income</b>			<b>1,764,997</b>		<b>1,582,259</b>	

### 3.2 Operating Income from patient care activities: Analysis by source (Group)

		<b>2024/25</b>	<b>2023/24</b>
	Sub-note	£'000	£'000
<b>Operating income from patient care activities</b>			
Integrated Care Boards		889,015	752,997
NHS England		606,399	593,608
NHS Foundation Trusts		70	246
NHS Trusts		0	0
Department of Health and Social Care (DHSC)		0	0
Local Authorities		4,585	4,825
NHS Other		0	0
Non NHS: Private patients		2,456	2,436
Non NHS: Overseas patients (non-reciprocal)	Note 3.5	1,281	1,194
NHS injury scheme (formerly the Road Traffic Act Scheme)		3,712	4,177
Non NHS: Other	(7)	2,565	2,350
		<b><u>1,510,083</u></b>	<b><u>1,361,833</u></b>

Sub-notes

(7) Non NHS Other income from activities comprises income primarily from prescription charges, and income from other Whole Government Accounting Bodies in Scotland, Wales and Ireland.

### 3.3 Income from Commissioner Related Services

Commissioner Related Services for the year totalled £1,580,225k (2023/24 £1,425,643k). Non Commissioner Related Services were £184,772k (2023/24 £156,616k).

<b>3.4 Operating lease income</b>	<b>2024/25</b>	<b>2023/24</b>
	£'000	£'000
Operating Income Minimum Lease Receipts	1,185	934
	<b><u>1,185</u></b>	<b><u>934</u></b>
<b>Future minimum lease payments due</b>	<b>2024/25</b>	<b>2023/24</b>
	£'000	£'000
<b>Re Land</b>		
- not later than one year;	40	40
- later than one year and not later than five years;	160	160
- later than five years.	537	568
<b>Total</b>	<b><u>737</u></b>	<b><u>768</u></b>
<b>Re Buildings</b>		
- not later than one year;	966	950
- later than one year and not later than five years;	3,444	3,403
- later than five years.	6,026	6,756
<b>Total</b>	<b><u>10,436</u></b>	<b><u>11,109</u></b>
<b>Total - All categories</b>		
- not later than one year;	1,006	990
- later than one year and not later than five years;	3,604	3,563
- later than five years.	6,563	7,324
<b>Total</b>	<b><u>11,173</u></b>	<b><u>11,877</u></b>
<b>3.5 Overseas Visitors (relating to patients charged directly by the Trust)</b>	<b>2024/25</b>	<b>2023/24</b>
	£'000	£'000
Income recognised in year	1,281	1,194
Cash payments received in year (relating to invoices raised in current and previous	537	394
Amounts added to provision for impairment of receivables (relating to invoices raised	1,123	1,516
Amounts written off in year (relating to invoices raised in current and previous years)	64	100
<b>3.6 Additional Information on contract Revenue (IFRS 15) recognised in the period</b>	<b>2024/25</b>	<b>2023/24</b>
	£'000	£'000
Revenue recognised in the reporting period that was previously included in the contract liability balance (i.e. release in year of deferred IFRS 15 income)	12,593	15,725

## 4 Operating Expenses (Group)

### 4.1 Operating Expenses: Analysis by nature

	Sub-note	2024/25 £'000	2023/24 £'000
Purchase of Healthcare from NHS and DHSC Bodies		11,584	11,896
Purchase of Healthcare from non NHS and DHSC bodies		50,535	53,293
Staff and Executive Directors' costs	Note 5.1	1,072,510	947,980
Non-Executive Directors' costs		228	212
Drugs costs		261,480	241,753
Supplies and services - clinical	(1)	164,264	134,816
Supplies and services - general		10,245	9,910
Establishment		10,400	8,360
Research and Development	(2)	22,485	31,590
Transport		3,363	3,166
Premises		52,696	51,480
Movement in credit loss allowance		1,248	1,817
Change in provisions discount rate		7	(202)
Depreciation on property, plant and equipment and right of use assets		27,189	27,193
Amortisation of intangible assets		1,250	1,651
Net Impairments of property, plant and equipment	Note 7.3	10,979	7,899
Net Impairments of intangible assets	Note 7.3	44	13
Operating lease costs	Note 4.3	606	637
Audit services - statutory audit	Note 4.2	292	301
Clinical negligence		39,978	34,920
Legal fees		72	1,534
Consultancy costs		2,501	3,540
Internal audit costs		166	164
Training, courses and conferences		7,930	5,589
Redundancy		371	114
Charges to operating expenditure for on-SoFP for IFRIC 12 Schemes		862	1,058
Insurance		1,017	574
Other Services		6,197	6,955
Losses, ex gratia & special payments		139	87
Other		1,715	1,586
<b>Total Operating Expenses</b>		<b><u>1,762,353</u></b>	<b><u>1,589,886</u></b>

(1) From 1 April 2024 the Trust commenced hosting of the South Yorkshire and Bassetlaw Pathology Network

(2) From 1 October 2024 the Trust ceased to host the Clinical Research Network.

### Note 4.2 Auditor's Liability

	2024/25 £'000	2023/24 £'000
Limitation on Auditor's liability	1,000	1,000

The work of the Auditors is described on page 97 of the annual report and the associated fees for the respective work is included above. Fees and Remuneration above are stated inclusive of VAT where this is not recoverable.

**4.3 Arrangements containing an operating lease - current year**

	<b>2024/25</b>	<b>2023/24</b>
	£'000	£'000
Minimum lease payments	606	637
<b>Total</b>	<b><u>606</u></b>	<b><u>637</u></b>

**4.4 Arrangements containing an operating lease - future years' commitments**

	<b>2024/25</b>	<b>2023/24</b>
	£'000	£'000
<b>Future minimum lease payments due:</b>		
Within 1 year	541	563
Between 1 and 5 years	510	1,062
After 5 years	0	0
<b>Total</b>	<b><u>1,051</u></b>	<b><u>1,625</u></b>

**5 Staff Costs (Group)****5.1 Employee Expenses**

	<b>Sub-note</b>	<b>2024/25</b>	<b>2023/24</b>
		£'000	£'000
Salaries and wages		829,246	747,902
Social Security Costs		78,070	72,009
Apprenticeship Levy		3,937	3,631
Employer contributions to NHSPA		94,581	83,131
Pension Cost - employer contribution paid by NHSE on providers' behalf	(1)	61,750	36,292
Other pension costs		279	380
Agency / contract staff		4,647	4,635
<b>Total</b>	(2)	<b><u>1,072,510</u></b>	<b><u>947,980</u></b>

(1) A revaluation of public sector pensions schemes during 2019/20 resulted in a 6.3% increase (14.38% to 20.68% including administration levy) in the employer contribution rate for the NHS Pensions Scheme. A transitional approach was agreed whereby an employer rate of 20.68% applied from 1 April 2019. (Effective to Financial Year 23/24).

However since April 2019, up to and including 2023/24, the NHS Business Service Authority collected only 14.38% from employers. For 24/25 this employers' rate remained at 14.38%, however the additional rate has increased from 6.3% in 23/24 to 9.4% in 24/25, resulting in an overall Employers' rate of 23.78% for Financial Year 24/25. Central payments have been made by NHS England and the Department of Health and Social Care in 24/25 for their respective proportions of the outstanding 9.4% on local employers' behalf and expenditure has been uplifted to show these contributions to Trust expenses.

(2) The above figure of £1,072,510k is net of the amount of £5,103k (2023/24 £2,175k) in respect of capitalised salary costs included in fixed asset additions (notes 8.1 and 9.1).

Further details of staff numbers and costs can be found within the Staff Report on pages 67 to 85 of the Annual Report.

**5.2 Early Retirements Due to Ill Health**

	<b>2024/25</b>	<b>2023/24</b>
	Number	Number
Number of early retirements agreed on the grounds of ill health	10	14
	£'000	£'000
Cost of early retirements agreed on grounds of ill health	354	1,056

These costs were borne by the NHS Pensions Agency.

## 6 Performance on payment of debts (Trust)

The Better Payment Practice Code requires the Trust to pay all undisputed invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later. Performance against this code is set out below:

	<b>2024/25</b>	<b>2023/24</b>
	<b>Number</b>	<b>Number</b>
Number of non NHS invoices paid	208,024	193,836
Number of non NHS invoices paid within 30 days	201,018	185,669
Percentage of invoices paid within 30 days	96.63%	95.79%
	<b>£'000</b>	<b>£'000</b>
Value of non NHS invoices paid	874,753	787,128
Value of non NHS invoices paid within 30 days	846,603	762,995
Percentage of invoices paid within 30 days	96.78%	96.93%

Amounts included within Interest Payable (Note 7.2) arising from claims made under the Late Payment of Debts (Interest) Act 1998	0	0
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Compensation paid to cover debt recovery costs under this legislation	0	0
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Performance against the Better Payment Practice code taking into account both 'trade' and NHS invoices is as per the table below;

	<b>2024/25</b>	<b>2023/24</b>
	<b>Number</b>	<b>Number</b>
Number of invoices paid	213,686	199,817
Number of invoices paid within 30 days	204,913	189,504
Percentage of invoices paid within 30 days	95.89%	94.84%
	<b>£'000</b>	<b>£'000</b>
Value of invoices paid	986,924	901,022
Value of invoices paid within 30 days	918,466	843,402
Percentage of invoices paid within 30 days	93.06%	93.61%

Amounts included within Interest Payable (Note 7.2) arising from claims made under	0	0
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Compensation paid to cover debt recovery costs under this legislation	0	0
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<b>7 Financing (Group)</b>	<b>Group</b>	
<b>7.1 Finance Income</b>	<b>2024/25</b>	<b>2023/24</b>
	£'000	£'000
Bank account interest	8,566	10,465
Investment interest	0	0
<b>Total</b>	<b><u>8,566</u></b>	<b><u>10,465</u></b>
	<b>Group</b>	
<b>7.2 Finance costs - interest expense</b>	<b>2024/25</b>	<b>2023/24</b>
	£'000	£'000
Capital loans from the Department of Health and Social Care	592	660
Finance Lease interest	94	37
<b>Finance Costs in PFI Obligations</b>		
Main Finance Costs	1,579	1,300
Contingent Finance Costs	0	0
Remeasurement of PFI Liability	471	3,585
Other Financing Costs	6	0
<b>Total</b>	<b><u>2,742</u></b>	<b><u>5,582</u></b>
	<b>Group</b>	
<b>7.3 Impairment of assets</b>	<b>2024/25</b>	<b>2023/24</b>
	£'000	£'000
Loss or damage from normal operations	186	46
Abandonment of assets in course of construction	200	197
Changes in market price	14,361	8,021
Reversal of impairments	(3,724)	(352)
<b>Net Impairments charged to operating expenses</b>	<b><u>11,023</u></b>	<b><u>7,912</u></b>

## 8 Intangible Non-Current Assets

### 8.1 Intangible non-current assets 2024/25 (Group)

	<b>Total</b> £'000	<b>Intangible assets under construction</b> £'000	<b>Software Licences</b> £'000
<b>Gross Cost at 1 April 2024</b>	24,381	0	24,381
Additions - purchased / internally generated	546	344	202
Additions - donated	0	0	0
Impairments charged to operating expenses	0	0	0
Reclassifications	0	(300)	300
Disposals	(381)	0	(381)
<b>Gross cost at 31 March 2025</b>	<b>24,546</b>	<b>44</b>	<b>24,502</b>
<b>Amortisation at 1 April 2024</b>	21,999	0	21,999
Provided during the year	1,221	0	1,221
Impairments	44	0	44
Reversal of Impairments credited to operating expenses	0	0	0
Reclassification	0	0	0
Disposals	(381)	0	(381)
<b>Amortisation at 31 March 2025</b>	<b>22,883</b>	<b>0</b>	<b>22,883</b>
<b>Net Book Value at 31 March 2025</b>	<b>1,663</b>	<b>44</b>	<b>1,619</b>

### 8.2 Intangible non-current assets 2023/24 (Group)

	<b>Total</b> £'000	<b>Intangible assets under construction</b> £'000	<b>Software Licences</b> £'000
<b>Gross Cost at 1 April 2023</b>	24,220	0	24,220
Additions - purchased / internally generated	235	218	17
Additions - donated	0	0	0
Impairments charged to operating expenses	(13)	(13)	0
Reclassifications	0	(205)	205
Disposals	(61)	0	(61)
<b>Gross cost at 31 March 2024</b>	<b>24,381</b>	<b>0</b>	<b>24,381</b>
<b>Amortisation at 1 April 2023</b>	20,523	0	20,523
Reclassification of existing finance leased assets to right of use assets on 1 April 2022	1,537	0	1,537
Provided during the year	0	0	0
Impairments	0	0	0
Reversal of Impairments credited to operating expenses	0	0	0
Reclassification	(61)	0	(61)
Disposals	0	0	0
<b>Amortisation at 31 March 2024</b>	<b>21,999</b>	<b>0</b>	<b>21,999</b>
<b>Net Book Value at 31 March 2024</b>	<b>2,382</b>	<b>0</b>	<b>2,382</b>

**8.3 Analysis of intangible non-current assets (Group)**

	<b>2024/25</b>	<b>2023/24</b>
	£'000	£'000
Net Book Value		
- Purchased	1,663	2,382
- Donated	0	0
<b>Total 31 March</b>	<b><u>1,663</u></b>	<b><u>2,382</u></b>

**8.4 Economic life of intangible non-current assets (Group)**

	<b>Min Life</b>	<b>Max Life</b>
	Years	Years
Software licences	5	8

**8.5 Intangible non-current assets 2024/25 (Trust)**

	<b>Total</b>	<b>Intangible</b>	<b>Software</b>
	£'000	assets under	Licences
		construction	£'000
		£'000	
<b>Gross Cost at 1 April 2024</b>	24,381	0	24,381
Additions - purchased / internally generated	546	344	202
Additions - donated	0	0	0
Impairments charged to operating expenses	0	0	0
Reclassifications	0	(300)	300
Disposals	(381)	0	(381)
<b>Gross cost at 31 March 2025</b>	<b><u>24,546</u></b>	<b><u>44</u></b>	<b><u>24,502</u></b>
<b>Amortisation at 1 April 2024</b>	21,999	0	21,999
Provided during the year	1,221	0	1,221
Impairments	44	0	44
Reversal of Impairments credited to operating expenses	0	0	0
Reclassification	0	0	0
Disposals	(381)	0	(381)
<b>Amortisation at 31 March 2025</b>	<b><u>22,883</u></b>	<b><u>0</u></b>	<b><u>22,883</u></b>
<b>Net Book Value at 31 March 2025</b>	<b><u>1,663</u></b>	<b><u>44</u></b>	<b><u>1,619</u></b>

<b>8.6 Intangible non-current assets 2023/24 (Trust)</b>	<b>Total</b>	<b>Intangible assets under construction</b>	<b>Software Licences</b>
	£'000	£'000	£'000
<b>Gross Cost at 1 April 2023</b>	24,220	0	24,220
Additions - purchased / internally generated	235	218	17
Additions - donated	0	0	0
Impairments charged to operating expenses	(13)	(13)	0
Reclassifications	0	(205)	205
Disposals	(61)	0	(61)
<b>Gross cost at 31 March 2024</b>	<b>24,381</b>	<b>0</b>	<b>24,381</b>
<b>Amortisation at 1 April 2023</b>	20,523	0	20,523
Provided during the year	1,537	0	1,537
Impairments	0	0	0
Reversal of Impairments credited to operating expenses	0	0	0
Reclassification	0	0	0
Disposals	(61)	0	(61)
<b>Amortisation at 31 March 2024</b>	<b>21,999</b>	<b>0</b>	<b>21,999</b>
<b>Net Book Value at 31 March 2024</b>	<b>2,382</b>	<b>0</b>	<b>2,382</b>

**8.7 Analysis of intangible non-current assets (Trust)**

	<b>2024/25</b>	<b>2024/25</b>
	£'000	£'000
Net Book Value		
- Purchased	1,663	2,382
- Donated	0	0
<b>Total 31 March</b>	<b>1,663</b>	<b>2,382</b>

**8.8 Economic life of intangible non-current assets (Trust)**

	<b>Min Life</b>	<b>Max Life</b>
	<b>Years</b>	<b>Years</b>
Software licences	5	8

## 9 Property, Plant and Equipment - Non-Current Assets

9.1 Property, Plant and Equipment 2024/25 (Group)	Total £'000	Land £'000	Buildings	Dwellings	Assets	Plant & machinery £'000	Transport equipment £'000	Information technology £'000	Furniture & fittings £'000
			excl dwellings £'000	£'000	under construction £'000				
<b>Gross Cost at 1 April 2024</b>	645,470	11,080	378,441	2,134	50,640	159,277	1,059	33,960	8,879
Additions - purchased	57,135	0	4,635	0	39,426	11,995	27	832	220
Additions - IFRIC 12 scheme assets	0	0	0	0	0	0	0	0	0
Additions - donated	14	0	0	0	0	14	0	0	0
Additions - assets purchased from cash donations	3,710	0	(6)	0	3,553	163	0	0	0
Impairments charged to operating expenses	(14,517)	0	(14,355)	0	(162)	0	0	0	0
Impairments charged to revaluation reserve	(8)	0	(8)	0	0	0	0	0	0
Reversal of impairments credited to operating expenses	3,724	0	3,724	0	0	0	0	0	0
Reversal of impairments credited to revaluation reserve	21	0	21	0	0	0	0	0	0
Reclassifications	0	0	27,066	0	(34,656)	6,648	0	878	64
Revaluations	5,294	0	5,294	0	0	0	0	0	0
Disposals	(21,420)	0	0	0	0	(18,795)	(18)	(1,169)	(1,438)
<b>Cost or valuation at 31 March 2025</b>	<b>679,423</b>	<b>11,080</b>	<b>404,812</b>	<b>2,134</b>	<b>58,801</b>	<b>159,302</b>	<b>1,068</b>	<b>34,501</b>	<b>7,725</b>
<b>Accumulated Depreciation at 1 April 2024</b>	154,317	0	11,729	135	0	109,591	807	26,502	5,553
Provided during the year	25,810	0	12,735	87	0	9,797	67	2,469	655
Impairments charged to operating expenses	186	0	0	0	0	181	4	0	1
Reversal of impairments credited to operating expenses	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	(1,036)	0	(1,036)	0	0	0	0	0	0
Disposals	(21,420)	0	0	0	0	(18,795)	(18)	(1,169)	(1,438)
<b>Depreciation at 31 March 2025</b>	<b>157,857</b>	<b>0</b>	<b>23,428</b>	<b>222</b>	<b>0</b>	<b>100,774</b>	<b>860</b>	<b>27,802</b>	<b>4,771</b>
<b>9.2 Analysis of Property, Plant and Equipment (Group)</b>									
Net book value									
- Purchased at 31 March 2025	478,752	10,438	345,516	1,535	55,251	56,280	208	6,698	2,826
- PFI at 31 March 2025	14,197	0	14,197	0	0	0	0	0	0
- Government granted / Donated assets at 31 March 2024	28,617	642	21,671	377	3,550	2,248	0	1	128
<b>Total at 31 March 2025</b>	<b>521,566</b>	<b>11,080</b>	<b>381,384</b>	<b>1,912</b>	<b>58,801</b>	<b>58,528</b>	<b>208</b>	<b>6,699</b>	<b>2,954</b>

<b>9.3 Property, Plant and Equipment 2024/25 (Trust)</b>	<b>Total</b>	<b>Land</b>	<b>Buildings excl dwellings</b>	<b>Dwellings</b>	<b>Assets under construction</b>	<b>Plant &amp; machinery</b>	<b>Transport equipment</b>	<b>Information technology</b>	<b>Furniture &amp; fittings</b>
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Gross Cost at 1 April 2024</b>	644,734	11,080	378,123	2,134	50,424	159,109	1,059	33,943	8,862
Additions - purchased	56,703	0	4,616	0	39,013	11,995	27	832	220
Additions - IFRIC 12 scheme assets	0	0	0	0	0	0	0	0	0
Additions - donated	14	0	0	0	0	14	0	0	0
Additions - assets purchased from cash donations	3,710	0	(6)	0	3,553	163	0	0	0
Impairments charged to operating expenses	(14,517)	0	(14,355)	0	(162)	0	0	0	0
Impairments charged to revaluation reserve	(8)	0	(8)	0	0	0	0	0	0
Reversal of impairments credited to operating expenses	3,724	0	3,724	0	0	0	0	0	0
Reversal of impairments credited to revaluation reserve	21	0	21	0	0	0	0	0	0
Reclassifications	0	0	26,650	0	(34,028)	6,480	0	862	36
Revaluations	5,294	0	5,294	0	0	0	0	0	0
Disposals	(21,420)	0	0	0	0	(18,795)	(18)	(1,169)	(1,438)
<b>Cost or valuation at 31 March 2025</b>	<b>678,255</b>	<b>11,080</b>	<b>404,059</b>	<b>2,134</b>	<b>58,800</b>	<b>158,966</b>	<b>1,068</b>	<b>34,468</b>	<b>7,680</b>
<b>Accumulated Depreciation at 1 April 2024</b>	154,307	0	11,723	135	0	109,588	807	26,501	5,553
Provided during the year	25,733	0	12,689	87	0	9,776	67	2,463	651
Impairments charged to operating expenses	186	0	0	0	0	181	4	0	1
Reversal of impairments credited to operating expenses	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	(1,036)	0	(1,036)	0	0	0	0	0	0
Disposals	(21,420)	0	0	0	0	(18,795)	(18)	(1,169)	(1,438)
<b>Depreciation at 31 March 2025</b>	<b>157,770</b>	<b>0</b>	<b>23,376</b>	<b>222</b>	<b>0</b>	<b>100,750</b>	<b>860</b>	<b>27,795</b>	<b>4,767</b>
<b>9.4 Analysis of Property, Plant and Equipment (Trust)</b>									
Net book value									
- Purchased at 31 March 2025	477,671	10,438	344,815	1,535	55,250	55,968	208	6,672	2,785
- PFI at 31 March 2025	14,197	0	14,197	0	0	0	0	0	0
- Government granted / Donated assets at 31 March 2024	28,617	642	21,671	377	3,550	2,248	0	1	128
<b>Total at 31 March 2025</b>	<b>520,485</b>	<b>11,080</b>	<b>380,683</b>	<b>1,912</b>	<b>58,800</b>	<b>58,216</b>	<b>208</b>	<b>6,673</b>	<b>2,913</b>

## 9.5 Property, Plant and Equipment 2023/24 (Group)

	Total	Land	Buildings excl Dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Gross Cost at 1 April 2023</b>	606,180	11,155	362,642	2,134	37,416	149,933	989	32,164	9,747
Additions - purchased	50,268	0	2,832	0	44,421	2,043	0	791	181
Additions - IFRIC 12 scheme assets	0	0	0	0	0	0	0	0	0
Additions - donated	16	0	0	0	0	16	0	0	0
Additions - assets purchased from cash donations	891	0	564	0	66	228	0	0	33
Impairments charged to operating expenses	(8,207)	0	(8,023)	0	(184)	0	0	0	0
Impairments charged to revaluation reserve	(274)	0	(274)	0	0	0	0	0	0
Reversal of impairments credited to operating expenses	352	0	348	0	4	0	0	0	0
Reversal of impairments credited to revaluation reserve	4	0	4	0	0	0	0	0	0
Reclassifications	4,340	0	22,314	0	(31,083)	11,213	100	1,580	216
Revaluations	(1,966)	0	(1,966)	0	0	0	0	0	0
Disposals	(6,134)	(75)	0	0	0	(4,156)	(30)	(575)	(1,298)
<b>Cost or valuation at 31 March 2024</b>	<b>645,470</b>	<b>11,080</b>	<b>378,441</b>	<b>2,134</b>	<b>50,640</b>	<b>159,277</b>	<b>1,059</b>	<b>33,960</b>	<b>8,879</b>
<b>Accumulated Depreciation at 1 April 2023</b>	131,775	0	1,291	47	0	98,928	773	24,577	6,159
Provided during the year	26,183	0	12,404	88	0	10,435	64	2,500	692
Impairments charged to operating expenses	44	0	0	0	0	44	0	0	0
Reversal of impairments credited to operating expenses	0	0	0	0	0	0	0	0	0
Reclassifications	4,340	0	0	0	0	4,340	0	0	0
Revaluations	(1,966)	0	(1,966)	0	0	0	0	0	0
Disposals	(6,059)	0	0	0	0	(4,156)	(30)	(575)	(1,298)
<b>Depreciation at 31 March 2024</b>	<b>154,317</b>	<b>0</b>	<b>11,729</b>	<b>135</b>	<b>0</b>	<b>109,591</b>	<b>807</b>	<b>26,502</b>	<b>5,553</b>
<b>9.6 Analysis of Property, Plant and Equipment (Group)</b>									
Net book value									
- Purchased at 31 March 2024	451,130	10,438	330,444	1,605	50,572	47,165	252	7,456	3,198
- PFI at 31 March 2024	14,445	0	14,445	0	0	0	0	0	0
- Government granted / Donated assets at 31 March 2024	25,578	642	21,823	394	68	2,521	0	2	128
<b>Total at 31 March 2024</b>	<b>491,153</b>	<b>11,080</b>	<b>366,712</b>	<b>1,999</b>	<b>50,640</b>	<b>49,686</b>	<b>252</b>	<b>7,458</b>	<b>3,326</b>

### 9.7 Right of use assets 2024/25 (Group and Trust)

	<b>Total</b>	<b>Property (land and buildings)</b>	<b>Plant &amp; machinery</b>	<b>Transport equipment</b>	<b>Information technology</b>	<b>Furniture &amp; fittings</b>	<b>Intangible assets</b>
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or valuation at 1 April 2024</b>	6,690	4,345	1,068	619	85	0	573
Additions - lease liability	994	7	461	526	0	0	0
Additions - up front lease payments (before or on commencement)	31	0	0	31	0	0	0
Remeasurements of the lease liability	1,568	1,578	-12	2	0	0	0
Dilapidation provision arising (capitalised in ROU assets)	5	5	0	0	0	0	0
Revaluations	0	0	0	0	0	0	0
Reclassification	0	0	0	0	0	0	0
Disposals/derecognition - lease termination	(473)	0	0	-186	0	0	-287
<b>Cost or valuation at 31 March 2025</b>	<b>8,815</b>	<b>5,935</b>	<b>1,517</b>	<b>992</b>	<b>85</b>	<b>0</b>	<b>286</b>
<b>Accumulated Depreciation at 1 April 2024</b>	2,266	1,206	172	263	81	0	544
Provided during the year - right of use asset	1,322	772	262	255	4	0	29
Provided during the year - peppercorn leased asset	86	86	0	0	0	0	0
Revaluations	0	0	0	0	0	0	0
Reclassification	0	0	0	0	0	0	0
Disposals/derecognition - lease termination	(463)	0	0	(176)	0	0	(287)
<b>Depreciation at 31 March 2025</b>	<b>3,211</b>	<b>2,064</b>	<b>434</b>	<b>342</b>	<b>85</b>	<b>0</b>	<b>286</b>
<b>Net book value at 31 March 2025</b>	<b>5,604</b>	<b>3,871</b>	<b>1,083</b>	<b>650</b>	<b>0</b>	<b>0</b>	<b>0</b>

### 9.8 Economic life of Property, Plant and Equipment (Group)

	<b>Minimum Life (Years)</b>	<b>Maximum Life (Years)</b>
Land	Infinite	Infinite
Buildings excluding dwellings	13	51
Dwellings	21	25
Plant & Machinery	5	15
Transport Equipment	7	7
Information Technology	5	8
Furniture & Fittings	10	10

## 9.9 Non-Property Valuations (Group)

Depreciated historical cost is the basis for determining fair value for the Trust's non-property assets. This is not considered to be materially different from fair value.

## 9.10 Property Valuations (Group)

	<b>Land</b>	<b>Buildings excluding dwellings</b>	<b>Dwellings</b>
	£'000	£'000	£'000
Net book value of assets covered by valuation method			
Modern Equivalent Asset (no Alternative Site)	11,080	381,384	0
Modern Equivalent Asset (Single Site)	0	0	0
Market value in existing use	0	0	1,912
Fair value (surplus PPE land and buildings)	0	0	0
<b>Total at 31 March 2025</b>	<b>11,080</b>	<b>381,384</b>	<b>1,912</b>

The Trust undertook a full physical site revaluation of the land and property estate at 31 March 2023 with its expert valuation advisers, who are members of the Royal Institute of Chartered Surveyors, providing an updated valuation estimation which is compliant with RICS standards. There have been no significant movements in valuation since that date, other than in ad-hoc investments subjected to a good-house keeping report by the Trust's expert valuers.

Where significant investment has occurred in a block during the financial year, the block has been revalued by the expert valuer at the date of full operational use, along with the provision of its useful remaining life. For other blocks, the rate of indexation/obsolescence on carrying values has been reviewed for any potential material change to determined values. This review indicates any such change is not significant (<£1m) and hence these blocks have not been revalued or re-lifed during the financial year.

### 9.11 Property, Plant and Equipment 2023/24 (Trust)

	Total	Land	Buildings excl Dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Gross Cost at 1 April 2023</b>	606,180	11,155	362,642	2,134	37,416	149,933	989	32,164	9,747
Additions - purchased	49,532	0	2,514	0	44,205	1,875	0	774	164
Additions - IFRIC 12 scheme assets	0	0	0	0	0	0	0	0	0
Additions - donated	16	0	0	0	0	16	0	0	0
Additions - assets purchased from cash donations	891	0	564	0	66	228	0	0	33
Impairments charged to operating expenses	(8,207)	0	(8,023)	0	(184)	0	0	0	0
Impairments charged to revaluation reserve	(274)	0	(274)	0	0	0	0	0	0
Reversal of impairments credited to operating expenses	352	0	348	0	4	0	0	0	0
Reversal of impairments credited to revaluation reserve	4	0	4	0	0	0	0	0	0
Reclassifications	4,340	0	22,314	0	(31,083)	11,213	100	1,580	216
Revaluations	(1,966)	0	(1,966)	0	0	0	0	0	0
Disposals	(6,134)	(75)	0	0	0	(4,156)	(30)	(575)	(1,298)
<b>Cost or valuation at 31 March 2024</b>	<b>644,734</b>	<b>11,080</b>	<b>378,123</b>	<b>2,134</b>	<b>50,424</b>	<b>159,109</b>	<b>1,059</b>	<b>33,943</b>	<b>8,862</b>
<b>Accumulated Depreciation at 1 April 2023</b>	131,775	0	1,291	47	0	98,928	773	24,577	6,159
Provided during the year	26,173	0	12,398	88	0	10,432	64	2,499	692
Impairments charged to operating expenses	44	0	0	0	0	44	0	0	0
Reversal of impairments credited to operating expenses	0	0	0	0	0	0	0	0	0
Reclassifications	4,340	0	0	0	0	4,340	0	0	0
Revaluations	(1,966)	0	(1,966)	0	0	0	0	0	0
Disposals	(6,059)	0	0	0	0	(4,156)	(30)	(575)	(1,298)
<b>Depreciation at 31 March 2024</b>	<b>154,307</b>	<b>0</b>	<b>11,723</b>	<b>135</b>	<b>0</b>	<b>109,588</b>	<b>807</b>	<b>26,501</b>	<b>5,553</b>

## 9.12 Analysis of Property, Plant and Equipment (Trust)

Net book value

- Purchased at 31 March 2024	450,404	10,438	330,132	1,605	50,356	47,000	252	7,440	3,181
- PFI at 31 March 2024	14,445	0	14,445	0	0	0	0	0	0
- Government granted / Donated assets at 31 March 2024	25,578	642	21,823	394	68	2,521	0	2	128
<b>Total at 31 March 2024</b>	<b>490,427</b>	<b>11,080</b>	<b>366,400</b>	<b>1,999</b>	<b>50,424</b>	<b>49,521</b>	<b>252</b>	<b>7,442</b>	<b>3,309</b>

## 9.13 Right of use assets 2023/24 (Group and Trust)

	<b>Total</b> £'000	<b>Property</b> (land and £'000)	<b>Plant &amp; machinery</b> £'000	<b>Transport equipment</b> £'000	<b>Information technology</b> £'000	<b>Furniture &amp; fittings</b> £'000	<b>Intangible assets</b> £'000
<b>Cost or valuation at 1 April 2023</b>	10,017	4,193	4,655	511	85	0	573
Additions - lease liability	1,078	70	776	232	0	0	0
Remeasurements of the lease liability	104	61	37	6	0	0	0
Dilapidation provision arising (capitalised in ROU assets)	21	21	0	0	0	0	0
Revaluations	0	0	0	0	0	0	0
Reclassification	(4,340)	0	(4,340)	0	0	0	0
Disposals/derecognition - lease termination	(190)	0	(60)	(130)	0	0	0
<b>Cost or valuation at 31 March 2024</b>	<b>6,690</b>	<b>4,345</b>	<b>1,068</b>	<b>619</b>	<b>85</b>	<b>0</b>	<b>573</b>
<b>Accumulated Depreciation at 1 April 2023</b>	5,664	551	4,448	171	64	0	430
Provided during the year - right of use asset	1,038	569	124	214	17	0	114
Provided during the year - peppercorn leased asset	86	86	0	0	0	0	0
Revaluations	0	0	0	0	0	0	0
Reclassification	(4,340)	0	(4,340)	0	0	0	0
Disposals/derecognition - lease termination	(182)	0	(60)	(122)	0	0	0
<b>Depreciation at 31 March 2024</b>	<b>2,266</b>	<b>1,206</b>	<b>172</b>	<b>263</b>	<b>81</b>	<b>0</b>	<b>544</b>
<b>Net book value at 31 March 2024</b>	<b>4,424</b>	<b>3,139</b>	<b>896</b>	<b>356</b>	<b>4</b>	<b>0</b>	<b>29</b>

### 9.14 Economic life of Property, Plant and Equipment (Trust)

	Minimum Life (Years)	Maximum Life (Years)
Land	Infinite	Infinite
Buildings excluding dwellings	13	51
Dwellings	21	25
Plant & Machinery	5	15
Transport Equipment	7	7
Information Technology	5	8
Furniture & Fittings	10	10

### 9.15 Non-Property Valuations (Trust)

Depreciated historical cost is the basis for determining fair value for the Trust's non-property assets. This is not considered to be materially different from fair value.

	Land	Buildings excluding dwellings	Dwellings
	£'000	£'000	£'000
Net book value of assets covered by valuation method			
Modern Equivalent Asset (no Alternative Site)	11,080	380,995	0
Modern Equivalent Asset (Single Site)	0	0	0
Market value in existing use	0	0	1,912
Fair value (surplus PPE land and buildings)	0	0	0
<b>Total at 31 March 2025</b>	<b>11,080</b>	<b>380,995</b>	<b>1,912</b>

The Trust undertook a full physical site revaluation of the land and property estate at 31 March 2023 with its expert valuation advisers, who are members of the Royal Institute of Chartered Surveyors, providing an updated valuation estimation which is compliant with RICS standards. There have been no significant movements in valuation since that date, other than in ad-hoc investments subjected to a good-house keeping report by the Trust's expert valuers.

Where significant investment has occurred in a block during the financial year, the block has been revalued by the expert valuer at the date of full operational use, along with the provision of its useful remaining life. For other blocks, the rate of indexation/obsolescence on carrying values has been reviewed for any potential material change to determined values. This review indicates any such change is not significant (<£1m) and hence these blocks have not been revalued or re-lived during the financial year.

### 10 Non-current assets for sale and assets in disposal groups 2024/25

There were no non-current assets for sale and assets in disposal groups in either financial year.

### 11 Non-Current Asset Investments

#### 11.1 Companies in which the Trust owns shares

The Trust has holdings in the following companies (under 11.1) that are commercially developing intellectual property. The Trust's holdings in these companies carry a minimal value (<£500k) at the Statement of Financial Position date (31 March 2025 and 31 March 2024). None of the entities are material to the Trust's operations, nor classified as subsidiaries, associates or joint ventures under relevant accounting standards.

Company in which the Trust owns shares	Shareholding
Epaq Systems Ltd	43.59%
Elaros 24/7 Ltd	9.80%
Zilico Ltd	2.79%
<b>Companies limited by guarantee</b>	
Medipex Ltd	Member
Olympic Legacy Park Ltd	Member

## 11.2 Trust Wholly Owned Subsidiary

Crucible Pharmacy Limited (trading as Crucible Pharmacy) was registered with Companies House on 3 February 2023, a Company in which Sheffield Teaching Hospitals is the sole owner of its issued Share Capital of 100 (one hundred) £1.00 Ordinary Shares. The aims and objectives of the Company are primarily the purchase and wholesale of pharmaceutical supplies and to act as a dispensing chemist in specialised stores.

The Trust exercises 100% of voting rights over the operation of its subsidiary.

After the elimination of inter-company trading, the Trust's has consolidated its interest in its Wholly Owned Subsidiary into the Group accounts for 2024/2025. Details of Crucible Pharmacy Limited are as per the table below, representing a full year of trading in 24/25.

Interest in Consolidated Subsidiary	Total Surplus in 2024/25	Gross assets as at 31 March 2025	Net (liabilities) as at 31 March 2025
	£000	£000	£000
Crucible Pharmacy Limited	101	5,757	-158

## 12 Inventories

	Group		Trust	
	2024/25	2023/24	2024/25	2023/24
12.1 Inventories by category	£'000	£'000	£'000	£'000
Drugs	8,363	8,710	7,066	7,310
Energy	173	205	173	205
Other (Medical and Surgical Equipment, 'high - cost' devices, etc.)	20,305	15,740	20,305	15,740
<b>Total Inventories</b>	<b>28,841</b>	<b>24,655</b>	<b>27,544</b>	<b>23,255</b>
12.2 Inventories recognised in expenses	2024/25	2023/24	2024/25	2023/24
	£'000	£'000	£'000	£'000
Inventories recognised in expenses	528,576	428,405	528,576	428,405
Write down of inventories recognised as an expense	734	849	734	849
<b>Total Inventories recognised in expenses</b>	<b>529,310</b>	<b>429,254</b>	<b>529,310</b>	<b>429,254</b>

## 13 Receivables

13.1 Trade and other receivables falling due within one year	Group		Trust	
	2024/25	2023/24	2024/25	2023/24
	£'000	£'000	£'000	£'000
Contract receivables	38,296	32,640	38,499	33,011
Contract assets	0	0	0	0
Allowance for impaired receivables	Note 13.3 (11,033)	(10,608)	(11,033)	(10,608)
Prepayments	7,195	6,025	7,164	6,025
Interest receivable	727	846	724	844
Public Dividend Capital dividend receivable	128	117	128	117
VAT receivable	2,221	2,040	1,666	1,661
Clinician Pension Tax Provision reimbursement funding from NHSE	70	85	70	85
Other receivables	15	108	495	108

<b>Total falling due within one year</b>	<b>37,619</b>	<b>31,253</b>	<b>37,713</b>	<b>31,243</b>
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## 13.2 Trade and other receivables falling due after more than one year

	Group		Trust	
Contract receivables - NHS Injury Scheme	8,685	8,533	8,685	8,533
Clinician Pension Tax Provision reimbursement funding from NHSE	1,709	1,720	1,709	1,720
Corporation Tax Receivable	195	0	0	0
Other Receivables - Loan to Wholly Owned Subsidiary	0	0	2,140	1,200

<b>Total falling due after more than one year</b>	<b>10,589</b>	<b>10,253</b>	<b>12,534</b>	<b>11,453</b>
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<b>Total Trade and Other Receivables</b>	<b>48,208</b>	<b>41,506</b>	<b>50,247</b>	<b>42,696</b>
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13.3 Allowances for credit losses (doubtful debts) - Group	Total	Contract receivables and Contract assets	All other receivables
	£'000	£'000	£'000
<b>At 1 April 2024</b>	10,608	10,608	0
New allowances arising	2,553	2,553	0
Reversals of allowances	(1,305)	(1,305)	0
Utilisation of allowances	(823)	(823)	0

<b>Total allowance for credit losses at 31 March 2025</b>	<b>11,033</b>	<b>11,033</b>	<b>0</b>
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<b>Loss recognised in expenditure</b>	1,248	1,248	0
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13.4 Allowances for credit losses (doubtful debts) - Trust	Total	Contract receivables and Contract assets	All other receivables
	£'000	£'000	£'000
<b>At 1 April 2024</b>	10,608	10,608	0
New allowances arising	2,553	2,553	0
Reversals of allowances	(1,305)	(1,305)	0
Utilisation of allowances	(823)	(823)	0

<b>Total allowance for credit losses at 31 March 2025</b>	<b>11,033</b>	<b>11,033</b>	<b>0</b>
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<b>Loss recognised in expenditure</b>	1,248	1,248	0
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### 13.5 Credit losses and impairment of receivables

The Trust has no material category of receivable which requires generic expected credit losses to be recognised.

Receivables are impaired when there is evidence to indicate that the Trust may not recover, in full, sums due. This can be on the basis of legal advice, insolvency of debtors, or other economic factors. Impaired receivables are written off only when all reasonably possible means of recovery have been exhausted. The nature of the Trust's business generally means that no collateral is held against outstanding receivables.

NHS receivables are considered recoverable because the majority of trade is with DHSC or Integrated Care Boards (ICB's) as commissioners for patient care services.

As ICB's are funded by the Government to purchase NHS patient care services, credit scoring is not considered necessary.

Similarly, other receivables with related parties are with other Government bodies, so credit scoring is not considered necessary.

Prepayments and accrued income are neither past their due date, nor impaired.

Other trade receivables become due immediately as the Trust does not offer extended credit terms.

	Group		Trust	
	2024/25	2023/24	2024/25	2023/24
	£'000	£'000	£'000	£'000
Additions	0	0	0	0
Disposals	0	0	0	0
<b>Cost or valuation at 31 March</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Current asset investments reflect short-term deposits with the National Loan Fund within the Government Banking Service. None have been entered into for 2024/25 or 2023/24.

### 15 Payables

#### 15.1 Trade and other payables

	Group		Trust	
	2024/25	2023/24	2024/25	2023/24
	£'000	£'000	£'000	£'000
<b>Amounts falling due within one year:</b>				
NHS payables	32,792	27,900	32,792	27,900
Trade payables	39,211	33,925	37,372	32,511
Trade payables - capital	31,564	24,055	31,514	23,930
Other payables	68	292	67	292
Accruals	71,970	74,701	73,404	74,850
Social Security and other taxes	20,248	18,575	20,225	18,554
Pension Contributions Payable	13,316	11,762	13,310	11,758
Public Dividend Capital payable	0	0	0	0
<b>Total current trade and other payables</b>	<b>209,169</b>	<b>191,210</b>	<b>208,684</b>	<b>189,795</b>
<b>Amounts falling due after more than one year:</b>				
Corporation Tax Payable - Accelerated Capital Allowances	111	0	0	0
<b>Total non current trade and other payables</b>	<b>111</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total trade and other payables</b>	<b>209,280</b>	<b>191,210</b>	<b>208,684</b>	<b>189,795</b>

#### 15.2 Early retirements and outstanding pension contributions included in payables above

	Group		Trust	
	2024/25	2023/24	2024/25	2023/24
	Number	Number	Number	Number
Number of early retirement cases involved	0	0	0	0
	£'000	£'000	£'000	£'000
To buy out the liability for early retirements over 5	0	0	0	0
Outstanding pensions contributions at 31 March	13,316	11,762	13,310	11,758

## 16 Borrowings

	Group		Trust	
	2024/25	2023/24	2024/25	2023/24
	£'000	£'000	£'000	£'000
Capital Loans from the DHSC	1,457	1,462	1,457	1,462
Lease liabilities	1,800	1,220	1,800	1,220
Obligations under Private Finance Initiative contracts	760	312	760	312
<b>Total Current Borrowings</b>	<b>4,017</b>	<b>2,994</b>	<b>4,017</b>	<b>2,994</b>
<b>16.2 Non- Current Borrowings</b>				
Capital Loans from the DHSC	10,284	11,729	10,284	11,729
Lease liabilities	3,229	2,383	3,229	2,383
Obligations under Private Finance Initiative contracts	22,671	23,521	22,671	23,521
<b>Total Non Current Borrowings</b>	<b>36,184</b>	<b>37,633</b>	<b>36,184</b>	<b>37,633</b>
<b>Total Borrowings (Current and Non-Current)</b>	<b>40,201</b>	<b>40,627</b>	<b>40,201</b>	<b>40,627</b>

## 17 Other Liabilities

	Group		Trust	
	2024/25	2023/24	2024/25	2023/24
	£'000	£'000	£'000	£'000
Deferred Income	15,915	15,334	15,992	15,411
<b>Total Current Other liabilities</b>	<b>15,915</b>	<b>15,334</b>	<b>15,992</b>	<b>15,411</b>
<b>17.2 Non-current Other liabilities</b>				
Deferred Income	0	493	0	493
<b>Total Non-Current Other Liabilities</b>	<b>0</b>	<b>493</b>	<b>0</b>	<b>493</b>
<b>Total Other Liabilities (Current and Non-Current)</b>	<b>15,915</b>	<b>15,827</b>	<b>15,992</b>	<b>15,904</b>

## 18 Financial Obligations

	Group		Trust	
	2024/25	2023/24	2024/25	2023/24
	£'000	£'000	£'000	£'000
<b>Gross lease liabilities</b>	<b>5,310</b>	<b>3,840</b>	<b>5,310</b>	<b>3,840</b>
of which liabilities are due				
- not later than one year;	1,892	1,279	1,892	1,279
- later than one year and not later than five years;	2,661	1,654	2,661	1,654
- later than five years.	757	907	757	907
Finance charges allocated to future periods	(281)	(237)	(281)	(237)
<b>Net lease liabilities</b>	<b>5,029</b>	<b>3,603</b>	<b>5,029</b>	<b>3,603</b>
<b>Ageing of Net lease liabilities</b>				
- not later than one year;	1,800	1,219	1,800	1,219
- later than one year and not later than five years;	2,492	1,507	2,492	1,507
- later than five years.	737	877	737	877
	<b>5,029</b>	<b>3,603</b>	<b>5,029</b>	<b>3,603</b>

**18.2 Liabilities arising from financing activities (Group)**

	Total £'000	DHSC Loans £'000	Finance	PFI
			Lease with non-DHSC group counterparty £'000	£'000
<b>Carrying value at 1 April 2024</b>	40,627	13,191	3,603	23,833
Financing cash flows - principal	(3,460)	(1,445)	(1,142)	(873)
Financing cash flows - interest	(2,254)	(597)	(78)	(1,579)
Additions	994	0	994	0
Lease liability remeasurements	1,568	0	1,568	0
Remeasurement of PFI liability	471	0	0	471
Interest charge arising in year	2,265	592	94	1,579
Early termination	(10)	0	(10)	0
Other	0	0	0	0
<b>Carrying Value at 31 March 2025</b>	<b>40,201</b>	<b>11,741</b>	<b>5,029</b>	<b>23,431</b>

**18.3 Liabilities arising from financing activities (Trust)**

	Total £'000	DHSC Loans £'000	Finance	PFI
			Lease with non-DHSC group counterparty £'000	£'000
<b>Carrying value at 1 April 2024</b>	40,627	13,191	3,603	23,833
Financing cash flows - principal	(3,460)	(1,445)	(1,142)	(873)
Financing cash flows - interest	(2,254)	(597)	(78)	(1,579)
Additions	994	0	994	0
Lease liability remeasurements	1,568	0	1,568	0
Remeasurement of PFI liability	471	0	0	471
Interest charge arising in year	2,265	592	94	1,579
Early termination	(10)	0	(10)	0
Other	0	0	0	0
<b>Carrying Value at 31 March 2025</b>	<b>40,201</b>	<b>11,741</b>	<b>5,029</b>	<b>23,431</b>

**18.4 Private Finance Initiative (PFI) Obligations (On Statement of Financial Position)**

	Group		Trust	
	2024/25 £'000	2023/24 £'000	2024/25 £'000	2023/24 £'000
<b>Gross PFI liabilities</b>	35,066	37,657	35,066	37,657
of which liabilities are due				
- not later than one year;	2,277	2,458	2,277	2,458
- later than one year and not later than five years;	10,696	10,001	10,696	10,001
- later than five years.	22,093	25,198	22,093	25,198
Finance charges allocated to future periods	(11,635)	(13,824)	(11,635)	(13,824)
<b>Net PFI liabilities</b>	<b>23,431</b>	<b>23,833</b>	<b>23,431</b>	<b>23,833</b>
<b>Ageing of PFI liabilities</b>				
- not later than one year;	760	312	760	312
- later than one year and not later than five years;	5,249	4,245	5,249	4,245
- later than five years.	17,422	19,276	17,422	19,276
	<b>23,431</b>	<b>23,833</b>	<b>23,431</b>	<b>23,833</b>

18.5 Analysis of amounts payable to Service Concession Operator	Group		Trust	
	2024/25 £'000	2023/24 £'000	2024/25 £'000	2023/24 £'000
Interest charge	1,579	1,300	1,579	1,300
Repayment of Balance Sheet obligation	870	1,071	870	1,071
Service element	862	1,058	862	1,058
Capital lifecycle maintenance	819	751	819	751
Contingent rent	0	0	0	0
	<b>4,130</b>	<b>4,180</b>	<b>4,130</b>	<b>4,180</b>

#### 18.6 Amounts included in operating expenses in respect of PFI transactions deemed to be in the categories listed below

	2024/25 £'000	2023/24 £'000	2024/25 £'000	2023/24 £'000
Service Element	862	1,058	862	1,058
Depreciation	361	360	361	360
Impairment charge / reversal	706	695	706	695
	<b>1,929</b>	<b>2,113</b>	<b>1,929</b>	<b>2,113</b>

#### 18.7 Finance charges in respect of Private Finance Initiative (PFI) transactions

Finance charges in respect of PFI transactions are shown under note 7.2.

#### 18.8 PFI Scheme details

Estimated capital value of PFI scheme	£14,197k
Contract start date	December 2004
Contract handover date	March 2007
Length of project (years)	32
Number of years to end of project	11 years, 9 months
Contract end date	December 2036

#### 18.9 The Trust is committed to make the following payments for the total service element for on-SoFP PFI

	Group		Trust	
	2024/25 £'000	2023/24 £'000	2024/25 £'000	2023/24 £'000
Hadfield Block:				
- Within one year	889	870	889	870
- 2nd to 5th years (inclusive)	3,784	3,705	3,784	3,705
- Later than 5 years	7,268	8,280	7,268	8,280
	<b>11,941</b>	<b>12,855</b>	<b>11,941</b>	<b>12,855</b>

#### 18.10 Total future payments committed in respect of PFI

	Group		Trust	
	2024/25 £'000	2023/24 £'000	2024/25 £'000	2023/24 £'000
Hadfield Block:				
- Within one year	4,235	4,147	4,235	4,147
- 2nd to 5th years (inclusive)	18,024	17,649	18,024	17,649
- Later than 5 years	34,624	39,443	34,624	39,443
	<b>56,883</b>	<b>61,239</b>	<b>56,883</b>	<b>61,239</b>

The PFI scheme is a scheme to design, build, finance and maintain a medical ward block on the Northern General Hospital site (Sir Robert Hadfield Block). The Trust is entitled to provide healthcare services within the facility for the period of the PFI arrangement.

The unitary charge for the scheme is subject to an annual uplift for future price increases. The operators are responsible for providing a managed maintenance service for the length of the contract, after such time these Future unitary charge payments will be uplifted based on actual changes in RPI.

## 19 Provisions for liabilities and charges

19.1 Provisions for liabilities and charges (Group)	Current		Non Current	
	2024/25	2023/24	2024/25	2023/24
	£'000	£'000	£'000	£'000
Pensions relating to former staff	172	224	1,705	2,025
Legal claims	286	348	0	0
Redundancy	423	112	0	0
Lease Dilapidations	0	0	26	21
2019/20 Clinicians' Pension Reimbursement	70	85	1,709	1,720
Other	10,073	17,431	0	0
<b>Total</b>	<b>11,024</b>	<b>18,200</b>	<b>3,440</b>	<b>3,766</b>

Pensions relating to former staff represents the liability relating to staff retiring before April 95 (£362k) and Injury Benefit Liabilities (£1,515k). Injury Benefits are payable to current and former members of staff who have suffered injury at work. These cases have been adjudicated by the NHS Pensions Authority.

The value shown is the discounted present value of payments due to the individuals for the term indicated by Government Actuary life expectancy tables, and the actual value of this figure represents the main uncertainty in the amounts shown.

	2024/25					2023/24		
	Total	Pensions relating to former staff	Legal claims	Redundancy	Lease Dilapidations	Clinicians' pension reimbursement	Other	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>At 1 April</b>	21,966	2,249	348	112	21	1,805	17,431	24,249
Change in discount rate	(9)	7	0	0	0	(16)	0	(591)
Arising during the year	3,115	187	90	423	5	26	2,384	6,767
Utilised during the year	(4,138)	(205)	(84)	0	0	(123)	(3,726)	(1,316)
Reversed unused	(6,609)	(413)	(68)	(112)	0	0	(6,016)	(7,316)
Unwinding of discount	139	52	0	0	0	87	0	173
<b>At 31 March</b>	<b>14,464</b>	<b>1,877</b>	<b>286</b>	<b>423</b>	<b>26</b>	<b>1,779</b>	<b>10,073</b>	<b>21,966</b>
<b>Expected timing of cashflows</b>								
Within one year	11,024	172	286	423	0	70	10,073	18,200
Between one and five years	944	634	0	0	26	284	0	1,023
After five years	2,496	1,071	0	0	0	1,425	0	2,743
	<b>14,464</b>	<b>1,877</b>	<b>286</b>	<b>423</b>	<b>26</b>	<b>1,779</b>	<b>10,073</b>	<b>21,966</b>

Legal claims relate to -  
 - Claims brought against the Trust for Employers Liability or Public Liability. These cases are handled by NHS Resolution who provide an estimate of the Trust's probable liability.

- Actual costs incurred are subject to the outcome of legal action. Costs in excess of £10,000 per case are covered by NHS Resolution and not included above. The provision for such cases totals £191k.  
 - A number of other legal cases, not being handled by the NHS Resolution, are also recorded under this heading. These total £95k.

Lease Dilapidations of £26k relate to the disclosure of probable charges arising in year under capitaized leases, non capitalized lease liabilities being shown in 'Other' below.

£368,461k is included in the provisions of NHS Resolution at 31/03/2024 in respect of clinical negligence liabilities of the Trust (31/3/2024, £344,135k).

19.2 Provisions for liabilities and charges (Trust)	Current		Non Current	
	2024/25	2023/24	2024/25	2023/24
	£'000	£'000	£'000	£'000
Pensions relating to former staff	172	224	1,705	2,025
Legal claims	286	348	0	0
Redundancy	423	112	0	0
Lease Dilapidations	0	0	26	21
2019/20 Clinicians' Pension Reimbursement	70	85	1,709	1,720
Other	10,073	17,431	0	0
<b>Total</b>	<b>11,024</b>	<b>18,200</b>	<b>3,440</b>	<b>3,766</b>

	2024/25					2023/24		
	Total	Pensions relating to former staff	Legal claims	Redundancy	Lease Dilapidations	Clinicians' pension reimbursement	Other	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>At 1 April</b>	21,966	2,249	348	112	21	1,805	17,431	24,249
Change in discount rate	(9)	7	0	0	0	(16)	0	(591)
Arising during the year	3,115	187	90	423	5	26	2,384	6,767
Utilised during the year	(4,138)	(205)	(84)	0	0	(123)	(3,726)	(1,316)
Reversed unused	(6,609)	(413)	(68)	(112)	0	0	(6,016)	(7,316)
Unwinding of discount	139	52	0	0	0	87	0	173
<b>At 31 March</b>	<b>14,464</b>	<b>1,877</b>	<b>286</b>	<b>423</b>	<b>26</b>	<b>1,779</b>	<b>10,073</b>	<b>21,966</b>

#### Expected timing of cashflows

Within one year	11,024	172	286	423	0	70	10,073	18,200
Between one and five years	944	634	0	0	26	284	0	1,023
After five years	<b>2,496</b>	1,071	0	0	0	1,425	0	2,743
	<b>14,464</b>	<b>1,877</b>	<b>286</b>	<b>423</b>	<b>26</b>	<b>1,779</b>	<b>10,073</b>	<b>21,966</b>

## 20 Revaluation Reserve

### 20.1 Revaluation Reserve (Group)

	Total Revaluation Reserve £'000	Revaluation Reserve - intangibles £'000	Revaluation Reserve - right of use assets £'000	Revaluation Reserve - property, plant and equipment £'000
<b>Revaluation reserve at 1 April 2024</b>	35,114	0	10	35,104
Transfer by absorption	0	0	0	0
Impairments	13	0	0	13
Revaluations	6,330	0	0	6,330
Transfers to other reserves	(1,204)	0	0	(1,204)
Transfer to I&E reserve upon asset disposal	(4)	0	0	(4)
Other recognised gains and losses	0	0	0	0
<b>Revaluation reserve at 31 March 2025</b>	<b>40,249</b>	<b>0</b>	<b>10</b>	<b>40,239</b>
<b>Revaluation reserve at 1 April 2023</b>	36,735	0	10	36,725
Transfer by absorption	0	0	0	0
Impairments	(270)	0	0	(270)
Revaluations	0	0	0	0
Transfers to other reserves	(1,112)	0	0	(1,112)
Other recognised gains and losses	(239)	0	0	(239)
<b>Revaluation reserve at 31 March 2024</b>	<b>35,114</b>	<b>0</b>	<b>10</b>	<b>35,104</b>

### 20.2 Revaluation Reserve (Trust)

	Total Revaluation Reserve £'000	Revaluation Reserve - intangibles £'000	Revaluation Reserve - right of use assets £'000	Revaluation Reserve - property, plant and equipment £'000
<b>Revaluation reserve at 1 April 2024</b>	35,114	0	10	35,104
Transfer by absorption	0	0	0	0
Impairments	13	0	0	13
Revaluations	6,330	0	0	6,330
Transfers to other reserves	(1,204)	0	0	(1,204)
Transfer to I&E reserve upon asset disposal	(4)	0	0	(4)
Other recognised gains and losses	0	0	0	0
<b>Revaluation reserve at 31 March 2025</b>	<b>40,249</b>	<b>0</b>	<b>10</b>	<b>40,239</b>
<b>Revaluation reserve at 1 April 2023</b>	36,735	0	10	36,725
Transfer by absorption	0	0	0	0
Impairments	(270)	0	0	(270)
Revaluations	0	0	0	0
Transfers to other reserves	(1,112)	0	0	(1,112)
Other recognised gains and losses	(239)	0	0	(239)
<b>Revaluation reserve at 31 March 2024</b>	<b>35,114</b>	<b>0</b>	<b>10</b>	<b>35,104</b>

**21 Cash and cash equivalents**

	Group		Trust	
	2024/25 £'000	2023/24 £'000	2024/25 £'000	2023/24 £'000
<b>At 1 April</b>	161,039	200,774	160,980	200,774
Net change in year	(5,483)	(39,735)	(5,447)	(39,794)
<b>At 31 March</b>	<b>155,556</b>	<b>161,039</b>	<b>155,533</b>	<b>160,980</b>
Analysed as cash held:				
- At Commercial Banks and in hand	191	128	191	128
- At Government Banking Service	155,365	160,911	155,342	160,852
<b>Cash and cash equivalents as in the Statement of Financial Position</b>	<b>155,556</b>	<b>161,039</b>	<b>155,533</b>	<b>160,980</b>

**22 Capital Commitments**

Commitments under capital expenditure contracts at the Statement of Financial Position Date are defined at Group and Trust level below. (Value at 31 March 2024, at Group Level £22.3m, at Trust level, £21.8m).

	Group	Trust
	Property, Plant & Equipment 2023/24 £'000	Property, Plant & Equipment 2023/24 £'000
The major components of these commitments are as follows:		
<b>Scheme:</b>		
Laboratory Information System (LIMS)	4,973	4,973
Electronic Patient Record (EPR)	4,559	4,559
Replacement Angiography Facilities, Royal Hallamshire Hospital	2,536	2,536
Lift Refurbishment, Tower Group - Royal Hallamshire Hospital	2,462	2,462
Gamma Knife, Royal Hallamshire Hospital	686	686
Photovoltaic (Solar) Panels, Northern General Hospital	593	593
Ward Refurbishment, Jessop Wing - Central Campus	369	369
Other	1,239	1,239
<b>Total</b>	<b>17,417</b>	<b>17,417</b>

**23 Events after the reporting period**

There are no events after the reporting period to highlight.

**24 Contingencies****24.1 Contingent Liabilities**

	Group		Trust	
	2024/25 £'000	2023/24 £'000	2024/25 £'000	2023/24 £'000
Gross value	(100)	(144)	(100)	(144)
Amounts recoverable	0	0	0	0
<b>Net contingent liability</b>	<b>(100)</b>	<b>(144)</b>	<b>(100)</b>	<b>(144)</b>

Quantified contingencies shown above represent the consequences of losing all current third party legal claim cases currently with NHS Resolution and represent the Trust's excess in relation to such cases. However, the likelihood of losing all cases is considered remote. Note 19 quantifies those cases which have been provided for (£191k) where it is considered more likely that liabilities will crystallize.

**24.2 Contingent Assets**

There were no contingent assets at the Statement of Financial Position dates.

## 25 Related Party Transactions

Sheffield Teaching Hospitals NHS Foundation Trust is a body corporate established by order of the Secretary of State for Health.

During the year none of the Board Members or members of the key management staff or parties related to them has undertaken any material transactions with Sheffield Teaching Hospitals NHS Foundation Trust. Details of Directors' remuneration and pension benefits can be found in the Remuneration Report in the Annual Report. The Declaration of Directors' interests is to be found on page 52 of the Annual Report.

The Department of Health and Social Care is regarded as a related party. During the year Sheffield Teaching Hospitals 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 including NHS England and NHS Resolution.

In addition, the Trust has had a number of material transactions with other joint enterprises, government departments and other central and local government bodies. Most of these transactions have been with the Department of Education in respect of The University of Sheffield.

Income from the University of Sheffield totalled £6,586k, whilst expenditure on goods and services totalled £17,181k

At 31 March 2025 £4,129k was owed to the Trust by The University of Sheffield, whilst £4,466k was owed by the Trust.

The Trust considers other NHS foundation trusts and NHS bodies to be related parties, as they and the Trust are under the common control and regulation of NHS England and the Department of Health and Social Care. During the year the Trust contracted with certain other Foundation Trusts and Trusts for the provision of clinical and non-clinical support services. Those organisations where the value exceeded £20m include Doncaster and Bassetlaw Foundation Trust, NHS Derby & Derbyshire ICB, NHS South Yorkshire ICB, NHS Nottingham and Nottinghamshire ICB and NHS England (comprising its various commissioning sub-entities).

The Trust has considered the list of individuals and entities which have been assessed as meeting the IAS 24 definition of Related Parties for the year ending 31 March 2025. This list was published by the Department of Health and Social Care in April 2025. The Trust has engaged in no significant business with the entities listed which would require disclosure under this note.

Some other entities with whom the Trust trades are considered related parties. These entities are to an extent controlled and / or influenced by certain Non-Executive and Executive Directors by the nature of their engagement with that body. Toni Schwarz, Non-Executive Director, is Executive Dean of the College of Health and Wellbeing and Lifesciences and Executive Lead for Student Experience, Sheffield Hallam University. Chris Morley, Chief Nurse, is Visiting Professor in the College of Health, Wellbeing and Life Sciences at Sheffield Hallam University. During his term of office, Ashley Blom, Non Executive Director, was Vice President and Head of the Faculty of Health at The University of Sheffield. Dean Royles, Non-Executive Director, is Chair of NHS Professionals Strategic Advisory Board, a Non-Executive Director of Humber Teaching NHS Foundation Trust, and until February 2025 was an Associate of KPMG (Consultancy services), the Trust's External Auditors. As mentioned in the Directors' Report, a full Register of Directors' Interests is maintained by the Assistant Chief Executive.

During the year the Trust purchased healthcare from Thornbury Private Hospital in the sum of £4,467k and from Claremont Hospital in the sum of £6,744k. Certain of the Trust's clinical employees have an interest in these companies. Clinical services were provided to these organisations.

Certain members of the Trust's Council of Governors are appointed from key organisations with which the Trust works closely. These governors represent the views of the staff and of the organisations with and for whom they work. This representation on the Council of Governors gives important perspectives from these key organisations on the running of the Trust, and is not considered to give rise to any potential conflicts of interest.

The Trust's Wholly Owned Subsidiary, Crucible Pharmacy Limited, was incorporated on 3 February 2023. Mark Tuckett, Chief Strategy Officer, and Louisa Cowell, Chief Finance Officer, served as Directors in 24/25. Sandi Carman, Assistant Chief Executive, serves both as Director and Company Secretary. Being wholly owned, the Trust has prepared its financial statements in 24/25 on a Group basis, consolidating the results of Crucible Pharmacy Limited.

The Trust is a significant recipient of funds from Sheffield Hospitals Charity of which Chris Morley, Chief Nurse, is a trustee. Grants received in the year from this Charity amounted to £2.7m (2023/24 £1.9m).

A de-minimis threshold of £15k has been applied in the reporting of related party transactions.

## 26 Financial Instruments

### 26.1 Financial assets (Group)

Carrying values of financial assets as at 31 March 2025 under IFRS 9	Held at	Held at fair value through I&E	Held at fair value through OCI	Total
	amortised cost £'000	£'000	£'000	
Receivables excluding non financial assets	38,638	0	0	38,638
Other investments / financial assets	0	0	0	0
Cash and cash equivalents at bank and in hand (at 31 March 2025)	155,556	0	0	155,556
<b>Total at 31 March 2025</b>	<b>194,194</b>	<b>0</b>	<b>0</b>	<b>194,194</b>

Carrying values of financial assets as at 31 March 2024 under IFRS 9	Held at	Held at fair value through I&E	Held at fair value through OCI	Total
	amortised cost £'000	£'000	£'000	
Receivables excluding non financial assets	33,558	0	0	33,558
Other investments / financial assets	0	0	0	0
Cash and cash equivalents at bank and in hand (at 31 March 2024)	161,039	0	0	161,039
<b>Total at 31 March 2024</b>	<b>194,597</b>	<b>0</b>	<b>0</b>	<b>194,597</b>

### 26.2 Financial liabilities by category (Group)

Carrying values of financial liabilities as at 31 March 2025 under IFRS 9	Held at	Liabilities at fair value through the SoCI	Total
	amortised cost £'000	£'000	
Borrowings excluding Finance lease and PFI liabilities	11,741	0	11,741
Obligations under leases	5,029	0	5,029
Obligations under Private Finance Initiative contracts	23,431	0	23,431
Trade and other payables excluding non-financial assets	172,136	0	172,136
Provisions under contract	0	0	0
<b>Total at 31 March 2025</b>	<b>212,337</b>	<b>0</b>	<b>212,337</b>

Carrying values of financial liabilities as at 31 March 2024 under IFRS 9	Held at	Liabilities at fair value through the SoCI	Total
	amortised cost £'000	£'000	
Borrowings excluding Finance lease and PFI liabilities	13,191	0	13,191
Finance lease obligations	3,603	0	3,603
Obligations under Private Finance Initiative contracts	23,833	0	23,833
Trade and other payables excluding non-financial assets	160,581	0	160,581
Provisions under contract	0	0	0
<b>Total at 31 March 2024</b>	<b>201,208</b>	<b>0</b>	<b>201,208</b>

<b>26.3 Maturity of financial liabilities (Group)</b>	<b>2024/25</b>	<b>2023/24</b>
	£'000	£'000
In one year or less	178,275	166,361
In more than one year but not more than five years	20,566	19,132
In more than five years	27,825	32,782
<b>Total</b>	<b>226,666</b>	<b>218,275</b>

#### 26.4 Fair values of financial assets and liabilities at 31 March 2025 (Group)

The fair value of the Trust's financial assets and liabilities at 31 March 2025 equates to the book value. The book value of financial assets and liabilities is shown in notes 26.1 and 26.2.

#### Financial risk management

Financial reporting standard IFRS7 requires disclosure of the role that financial instruments have had during the period in creating and changing the risks a body faces in undertaking its activities. Due to the continuing service provider relationship that the Trust has with Integrated Care Boards (ICB's), and the way the DHSC/ICB's are financed, the Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

The Trust's Treasury Management operations are carried out by the Finance Department, within parameters defined formally within the Trust's Standing Financial Instructions and policies agreed by the Board of Directors. Trust treasury activity is subject to review by the Trust's internal auditors.

#### Currency risk

The Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. The Trust has no overseas operations. The Trust therefore has low exposure to currency rate fluctuations.

#### Interest rate risk

The Trust has borrowings for capital expenditure, but is subject to affordability as confirmed by the FT Financing Facility. The borrowings are for a maximum remaining period of twelve years, in line with the associated assets, and interest is charged at 4.80% and 4.59%, fixed for the life of the respective loans. The Trust also has borrowing in respect of leasing and its PFI contract. The existing finance lease which remains, now as right of use, has a fixed interest rate of 1.94%. Operating leases transitioning to right of use on 1st April 2022 and new leases arising in year have the HM Treasury incremental borrowing rate applied. This increased from 3.51% to 4.72% on 1st January 2024. The PFI contract incurs a fixed rate of interest at 6.32%. The Trust therefore has low overall exposure to interest rate fluctuations.

#### Credit risk

Because the majority of the Trust's income comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposures as at 31 March 2025 are in receivables from customers, as disclosed in the Trade and other receivables note.

#### Liquidity risk

The Trust's operating costs are largely incurred under contracts with Integrated Care Boards, or the Department of Health and Social Care, which are financed from resources voted annually by Parliament. The Trust funds its capital expenditure from funds obtained within its internally generated resources. The Trust is not, therefore, exposed to significant liquidity risks.

## 26.5 Financial assets (Trust)

Carrying values of financial assets as at 31 March 2025 under IFRS 9	Held at amortised cost £'000	Held at fair value through I&E £'000	Held at fair value through OCI £'000	Total £'000
Receivables excluding non financial assets	41,289	0	0	41,289
Other investments / financial assets	0	0	0	0
Cash and cash equivalents at bank and in hand (at 31 March 2024)	155,533	0	0	155,533
<b>Total at 31 March 2025</b>	<b>196,822</b>	<b>0</b>	<b>0</b>	<b>196,822</b>

Carrying values of financial assets as at 31 March 2024 under IFRS 9	Held at amortised cost £'000	Held at fair value through I&E £'000	Held at fair value through OCI £'000	Total £'000
Receivables excluding non financial assets	34,893	0	0	34,893
Other investments / financial assets	0	0	0	0
Cash and cash equivalents at bank and in hand (at 31 March 2023)	160,980	0	0	160,980
<b>Total at 31 March 2024</b>	<b>195,873</b>	<b>0</b>	<b>0</b>	<b>195,873</b>

## 26.6 Financial liabilities by category (Trust)

Carrying values of financial liabilities as at 31 March 2025 under IFRS 9	Held at amortised cost £'000	Liabilities at fair value through the SoCI £'000	Total £'000
Borrowings excluding Finance lease and PFI liabilities	11,741	0	11,741
Obligations under leases	5,029	0	5,029
Obligations under Private Finance Initiative contracts	23,431	0	23,431
Trade and other payables excluding non-financial assets	171,682	0	171,682
Provisions under contract	0	0	0
<b>Total at 31 March 2025</b>	<b>211,883</b>	<b>0</b>	<b>211,883</b>

Carrying values of financial liabilities as at 31 March 2024 under IFRS 9	Held at amortised cost £'000	Liabilities at fair value through the SoCI £'000	Total £'000
Borrowings excluding Finance lease and PFI liabilities	13,191	0	13,191
Finance lease obligations	3,603	0	3,603
Obligations under Private Finance Initiative contracts	23,833	0	23,833
Trade and other payables excluding non-financial assets	159,191	0	159,191
Provisions under contract	0	0	0
<b>Total at 31 March 2024</b>	<b>199,818</b>	<b>0</b>	<b>199,818</b>

<b>26.7 Maturity of financial liabilities (Trust)</b>	<b>2024/25</b>	<b>2023/24</b>
	£'000	£'000
In one year or less	177,821	164,971
In more than one year but not more than five years	20,566	19,132
In more than five years	27,825	32,782
<b>Total</b>	<b>226,212</b>	<b>216,885</b>

### 26.8 Fair values of financial assets and liabilities at 31 March 2025 (Trust)

The fair value of the Trust's financial assets and liabilities at 31 March 2025 equates to the book value. The book value of financial assets and liabilities is shown in notes 26.1 and 26.2.

#### Financial risk management

Financial reporting standard IFRS7 requires disclosure of the role that financial instruments have had during the period in creating and changing the risks a body faces in undertaking its activities. Due to the continuing service provider relationship that the Trust has with Integrated Care Boards (ICB's), and the way the DHSC/ICB's are financed, the Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

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#### Currency risk

The Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. The Trust has no overseas operations. The Trust therefore has low exposure to currency rate fluctuations.

#### Interest rate risk

The Trust has borrowings for capital expenditure, but is subject to affordability as confirmed by the FT Financing Facility. The borrowings are for a maximum remaining period of twelve years, in line with the associated assets, and interest is charged at 4.80% and 4.59%, fixed for the life of the respective loans. The Trust also has borrowing in respect of leasing and its PFI contract. The existing finance lease which remains, now as right of use, has a fixed interest rate of 1.94%. Operating leases transitioning to right of use on 1st April 2022 and new leases arising in year have the HM Treasury incremental borrowing rate applied. This increased from 3.51% to 4.72% on 1st January 2024. The PFI contract incurs a fixed rate of interest at 6.32%. The Trust therefore has low overall exposure to interest rate fluctuations.

#### Credit risk

Because the majority of the Trust's income comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposures as at 31 March 2025 are in receivables from customers, as disclosed in the Trade and other receivables note.

#### Liquidity risk

The Trust's operating costs are largely incurred under contracts with Integrated Care Boards, or the Department of Health and Social Care, which are financed from resources voted annually by Parliament. The Trust funds its capital expenditure from funds obtained within its internally generated resources. The Trust is not, therefore, exposed to significant liquidity risks.

## 27 Third Party Assets

The Trust held £9k at bank and in hand at 31 March 2025 (£7k at 31 March 2024), which related to monies held on behalf of patients. This has been excluded from the cash at bank and in hand figure reported in the accounts (see note 21).

## 28 Losses and Special Payments

### 28.1 Losses and Special Payments (Group)

	2024/25		2023/24	
	Number	Value £'000	Number	Value £'000
<b>Losses</b>				
Cash Losses	1	0	4	0
Fruitless payments and constructive losses	0	0	0	0
Bad debts and claims abandoned	219	816	386	132
Stores losses (including damage to buildings and property)	29	759	43	852
	<b>249</b>	<b>1,575</b>	<b>433</b>	<b>984</b>
<b>Special Payments</b>				
Extra-contractual payments	0	0	0	0
Extra-statutory and extra-regulatory payments	0	0	0	0
Compensation payments	0	0	0	0
Special severance payments	0	0	0	0
Ex-gratia payments (including nationally agreed overtime corrective payments)	56	21	54	15
	<b>56</b>	<b>21</b>	<b>54</b>	<b>15</b>
<b>Total Losses and Special Payments</b>	<b>305</b>	<b>1,596</b>	<b>487</b>	<b>999</b>

One item exceeded £300,000 during 2024/25. This followed the report of the administrator representing a debtor who ceased trading during the COVID period.

### 28.2 Losses and Special Payments (Trust)

	2024/25		2023/24	
	Number	Value £'000	Number	Value £'000
<b>Losses</b>				
Cash Losses	1	0	4	0
Fruitless payments and constructive losses	0	0	0	0
Bad debts and claims abandoned	219	816	386	132
Stores losses (including damage to buildings and property)	28	749	43	852
	<b>248</b>	<b>1,565</b>	<b>433</b>	<b>984</b>
<b>Special Payments</b>				
Extra-contractual payments	0	0	0	0
Extra-statutory and extra-regulatory payments	0	0	0	0
Compensation payments	0	0	0	0
Special severance payments	0	0	0	0
Ex-gratia payments (including nationally agreed overtime corrective payments)	56	21	54	15
	<b>56</b>	<b>21</b>	<b>54</b>	<b>15</b>
<b>Total Losses and Special Payments</b>	<b>304</b>	<b>1,586</b>	<b>487</b>	<b>999</b>

One item exceeded £300,000 during 2024/25. This followed the report of the administrator representing a debtor who ceased trading during the COVID period.

## 29 Public Dividend Capital Dividend

The Trust is required to absorb the cost of capital at a rate of 3.5% of average net relevant assets, and to pay a dividend based on this rate to HM Treasury. The rate of 3.5% is applied to the Trust's net relevant assets, which are abated by the value of donated assets, any dividend payable or receivable (where appropriate), and by average daily cleared balances held with the Government Banking Service. This resulted in a dividend of £9,209k (2023/24 £7.953k).



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