NHS

Black Country Healthcare

NHS Foundation Trust

Annual Report and Accounts 2020-2021

Together with you to achieve healthier, happier lives

Black Country Healthcare NHS Foundation Trust
Annual Report and Accounts April 2020 – March 2021

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

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Foreword from the Chair and Chief Executive

Welcome and thank you for taking the time to read this, the very first annual report for Black Country Healthcare NHS Foundation Trust.

This year has been like no other for our Trust and indeed the whole health and social care system. Covid-19 has had a profound effect on all of us and whilst we have encountered many challenges and embraced new ways of working; the commitment and determination of our staff has ensured that we have been able to continue to deliver services and help those most in need. Therefore, we carry an enormous debt of gratitude to our amazing staff, many of whom have taken on different roles during the year to support the pandemic response and ALL of whom have played a huge part in our achievements.

At the start of the year one of our key priorities was to ensure a 'safe landing' of services when Black Country Partnership NHS Foundation Trust and Dudley and Walsall Mental Health Partnership NHS Trust came together on 1 April 2020 – we achieved this and much more besides. Recently, NHSEI has written to all our staff to thank them for doing such a tremendous job in developing the new organisation, continuing to deliver high quality services and manage an integrated response to the pandemic. They have confirmed that we are absolutely on track to deliver all of the benefits for patients and local communities that we set out in our plans prior to the merger and we know that we've made great strides in anchoring our Trust as a Black Country-wide organisation.

During the year, we've also continued to move forward with transforming and expanding our services, developing and co-producing an ambitious clinical strategy for our new Trust – thank you to all stakeholders who contributed to this process via our 'Re-imagine' engagement sessions during 2020.

Of course, our response to Covid-19 has been a huge theme throughout the year - from setting up our incident management arrangements and control room, securing personal protective equipment (PPE) and testing access, focusing on staff health and wellbeing, and making sure that everyone who could possibly work from home was supported to do so. Our digital capability across the Trust has grown throughout the year with more staff supported to work remotely and the development of our Trust website and staff intranet. In December, we reached an important milestone with the roll-out of our electronic patient record system (EPRS) Rio, improving how we manage patient data and deliver care.

We have welcomed many new colleagues to the Trust – including staff, four new non-Executive Directors (NED) and a range of Governors – some of whom we haven't yet met 'in person' but who've nonetheless quickly become valued members of our team. Tragically, we have also lost a number of colleagues during the year, including three to Covid-19 – we've joined virtually together to mark these losses and support each other through difficult days.

The emotional impact for all health and social care staff, especially those colleagues working at the 'front end' of dealing with Covid-19 started to become evident earlier in the year. We've responded by developing a Black Country-wide 'Staff Psychological Hub', ensuring that our own staff and colleagues from partner organisations can access fast and effective mental health support when they need it. We are delighted that this service will continue into 2021/22.

The pandemic has starkly highlighted the issue of inequalities in our society – as a Board, we are absolutely committed to playing a lead role in tackling these difficult issues at every level. We have already strengthened links with our local diverse communities, including the appointment of four Community Development Workers to ensure that we are building grass roots links with the people we serve – they have already made a hugely positive impact across the system.

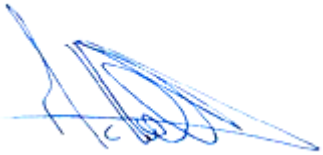
We are now playing a key role in addressing the health inequalities agenda across the whole health and social care system. In September, our Cultural Ambassadors programme won the People and Organisational Development (OD) Initiative of the Year at the Health Service Journal (HSJ) uValue Awards. Cultural Ambassadors are trained to identify and challenge discrimination and cultural bias. Particularly important in disciplinary processes, ambassadors will look at formal processes through a different lens, providing independent information and advice.

There have been so many other achievements during the year, too many to list, but which include:

- In April, we launched a new mental health helpline offering support, advice and signposting to people 24 hours a day, seven days a week.
- Over the spring and summer, we began a programme of engagement seeking the views of our staff, patients, carers and stakeholders around our clinical vision and strategy and service transformation ambitions.
- We launched the 'ease the load' campaign with a powerful film urging people to get help early if they were experiencing some of the more common mental health problems, alongside a series of four 'coping with' webinars focusing on sleeplessness, working from home, stress and anxiety and keeping well in winter.
- In learning disability services (LD), we've made great progress in the Transforming Care agenda, and we also welcomed commissioning colleagues to our Trust in October working alongside front-line services to improve care for those with learning disabilities.
- Our Children, Young People and Family services have been developing their offer and expanding their parent workshops, aiming to give children the best start in life.
- In December, we started our programme of Covid-19 vaccination for staff, which is continuing to make excellent progress.

There is still so much for us to do. Like other organisations, we need to continue to adapt to 'live with' Covid-19 in society. The impact of the pandemic on peoples' mental health is yet to fully emerge, but we know that demand for services will increase – we need to ensure that we're developing and improving services to provide an effective, recovery centred response. We will focus on working collaboratively and innovatively to reduce inequalities and transform services, making sure that the voices of patients, carers and staff are at the heart of all we do.

Thank you to all of our partners for your support during the past year – we are looking forward to continuing to work together.



Mark Axcell

Chief Executive

Jeremy Vanes

Chair

Vision, values and strategic objectives

The Trust's vision is shown in the figure below.

Figure 1 Trust vision

As an inclusive and open organisation, we always engage and involve our staff when making key decisions, regardless of role or level. That's why we worked together with our staff to develop our vision and four values that will guide how our organisation operates for the future of our staff and community.

- **Caring;** we care for everyone as individuals being compassionate, empathetic and kind with a willingness to help.
- **Enabling;** we enable ourselves and others to act with confidence and authority in order to achieve the best outcome for everyone.
- **Working together;** we work together in partnership, being inclusive by understanding and valuing others to achieve the best results for everyone in everything we do.
- **Integrity;** we act with transparency and honesty; respecting and valuing others to do the right thing and at the right time for everyone.

Our strategic objectives are:

1. Provide outstanding care by continually improving services.
2. Be an empowered learning organisation that thrives on innovation and improvement.
3. Work collaboratively with our partners to improve people's experience of health and care in the Black Country.
4. Be the best place to work; an organisation that delivers a culture of openness, flexibility and care for our people.
5. Deploy our resources in the best way possible to support our workforce, our services and our population.

PART A PERFORMANCE REPORT

1 Overview

The purpose of this overview is to give the reader a short summary that provides sufficient information for them to understand the organisation, the key risks that might compromise the achievement of its objectives and how the Trust has performed during the year.

1.1 Brief background and establishment

The Trust was authorised as Sandwell Mental Health and Social Care NHS Foundation Trust in February 2009.

In 2011, the Trust changed its name to Black Country Partnership NHS Foundation Trust (BCPFT) in acknowledgement of the transfer of services from the former neighbouring Primary Care Trusts (PCT).

With effect form 1 April 2020, NHS England and Improvement (NHSEI) approved the business transfer of staff and services from Dudley and Walsall Mental Health Partnership NHS Trust (DWMHPT) to Black Country Partnership NHS Foundation Trust.

The Trust subsequently changed its name to Black Country Healthcare NHS Foundation Trust in acknowledgment of the coming together of the two trusts and signaling a new direction for mental health, learning disability and children's services in the Black Country.

The following section provides an overview of our services. More detailed descriptions can be found on our website: www.blackcountryhealthcare.nhs.uk

1.2 Purpose and activities

The principal purpose of the Trust is laid out in the Trust's constitution but is primarily the provision of goods and services for the purposes of the health service in England.

Key activities in furtherance of that purpose include the provision of mental health and specialist health learning disability services to all age groups, and the provision of children's community services.

1.3 The services we provide

The Trust provides a range of mental health and learning disability across the four boroughs of the Black Country (Dudley, Sandwell, Walsall and Wolverhampton) and family healthcare services in Dudley. We also have some other services across neighbouring counties including Deaf Child and Adolescent Mental Health Services (CAMHS) and Liaison and Diversion Services in Worcestershire.

Services are organised into divisions:

- Adult Mental Health Services
- Older Adult Mental Health Services
- Learning Disability Services
- Children, Young People and Family Services (CYPF)
- Corporate Services

We have staff based across a number of sites which include hospitals and community sites as detailed below.

Figure 2 Our sites

Dudley	Sandwell	Walsall	Wolverhampton
Hospital sites:			
Bushey Fields Hospital	Edward Street Hospital Hallam Street Hospital Heath Lane Hospital	Bloxwich Hospital Dorothy Pattison Hospital	Penn Hospital
Community sites:			
Dudley	Sandwell	Walsall	Wolverhampton
Brierley Hill Health & Social Care Centre Cross Street Health Centre Halesowen Health Centre Halesview Hill House Kingswinford Health Centre Ladies Walk Mere Education Centre Poplars Ridge Hill Centre Stourbridge Health & Social Care Centre Sunflower Centre Trafalgar House The Elms Woodside Resource Centre	Lodge Rd Birmingham Rd Clinic Bristnall Hall Rd Delta House Edward Street Community Base Quayside House Whiteheath Clinic	Anchor Meadow Blakenhall Village Centre Canalside Jubilee House Kingshill Centre Mossley Day Unit Orchard Hills/Daisy Bank Pinfold Health Centre	Blakenhall Resource Centre Brooklands Parade Gem Centre Penn Hospital Pond Lane Steps to Health Whitmore Reans Health Centre

Additionally, we provide psychiatric liaison services within Sandwell Hospital, Walsall Manor Hospital, Russell's Hall Hospital and New Cross Hospital, physical health psychology at Rowley Regis Hospital and clinical psychology for stroke rehabilitation at City Hospital.

Our Liaison and Diversion services are based within Oldbury Custody Suite (Black Country) and Kidderminster Police Station (Worcestershire).

We support a diverse and multi-cultural population in the Black Country region which has higher than average levels of multiple deprivation.

The Trust has built a reputation across the health economy as a collaborative and responsive partner and an exemplar employer.
We are especially proud of:

- Our fantastic workforce, who regularly go above and beyond to care for our patients
- Open and transparent culture
- Robust relationships with commissioners and other partners across the Black Country and West Birmingham Healthier Futures partnership
- Reputation for providing high quality services

1.4 Our performance in 2020/21– Overview by the Chief Executive Officer

The commitment and determination of our staff has ensured we have been able to continue to deliver services and help those most in need.

One of our key achievements over the year was ensuring a safe landing of services when both trusts came together. Whilst further transformation is planned, we felt it important that our staff and patients did not experience disruption from day one. Through our merger programme team and our robust plans we were able to come together safely on 1 April 2020 as planned.

Our response to Covid-19 has been a strong theme throughout the year, from adapting services so they could be delivered safely, to ensuring staff received additional support should they need it.

It's been a busy year for learning disability services with good progress made around the Transforming Care agenda and we also welcomed commissioning colleagues to our Trust in October working alongside front-line services to improve care for those with learning disabilities.

Our Children, Young People and Family services have been developing their offer and expanding their parent workshops, aiming to give children the best start in life.

Our digital capability across the Trust has grown throughout the year with more staff supported to work remotely - where appropriate, and the development of our Trust website and staff intranet. In December we reached an important milestone with the roll-out of our electronic patient record system Rio, improving how we manage patient data and supporting our clinicians to deliver high quality care.

The NHS financial and contracting framework was suspended in 2020/21 meaning that there were no contracts in place with commissioners and funding was focused on delivery of services and the additional costs of Covid-19. As part of the Covid-19 response organisations were asked to ensure that national data submissions and any Covid-19 specific submissions were completed, but local performance reporting to commissioners was not required. We continued to monitor our performance against a range of metrics through our balanced scorecard which was received at Board each month, supported by narrative from our divisional teams highlighting where performance targets were not being met and explaining the reasons why. In addition, the performance of the Black Country and West Birmingham Sustainability and Transformation Partnership (STP) was monitored through the STP Mental Health Programme Board which has representatives from organisations across the STP and NHS England and Improvement.

Our performance against key performance indicators (KPI) was impacted by the Covid-19 pandemic for a number of reasons including staff being re-deployed into other services to manage the most acutely unwell service users; sickness and isolation linked to Covid-19; and lockdown impacting on people accessing primary care and so being referred on.

Our performance is summarised in more detail in Section 2.1.

We saw a drop in demand for our services in April and May 2020 in line with the national trend. There was a reduction in referrals including those through our local acute trusts. However, this increased after this initial period and activity has been higher than pre-pandemic. We received additional funding in December 2020 to provide additional support and capacity over the busy winter period, and this particularly focused on children and young people and ensuring we had sufficient inpatient bed capacity. We worked with a number of voluntary sector organisations to enhance service provision.

The financial framework in place during the year supported the Trust in delivering a small surplus of £24,000 excluding the impact of technical items. Within this was £7.259m of expenditure relating to the additional costs of delivering services through the Covid-19 pandemic. This was fully funded through additional Covid-19 related income from commissioners.

1.5 Risks going forward

The Board of Directors has conducted a review of the effectiveness of the overall system of internal control, and this is referred to in more detail within the annual governance statement (AGS) in section 3.6 of this report.

Central to the effectiveness of the overall system of internal control is the management of risks within the organisation, the Board of Directors identified the following key risks that could compromise either the delivery of the strategic objectives or result in a breach of licence obligations and are presented as follows:

- There is a risk that the restoration and recovery of the NHS will impact upon the ability to deliver a safe and effective service.
- Failure to develop a clinical strategy for service provision that responds to increasing levels of complexity and demand, addresses health inequalities and reduces variations in the communities we serve.
- Risk of not having a strong voice from service users and carers within the development and delivery of services and therefore failing to provide quality services and improving service users experience.
- The Trust does not have the sufficient workforce to meet future demand for our services and a workforce plan to identify those requirements.
- Failure to embed the desired culture may adversely impact on staff, patients and service users and the Trust's ambition to become an outstanding organisation.
- There is a misalignment between the Trust and system partners on the delivery model for Mental Health and Learning Disabilities that results in a loss of services and/or impacts the financial sustainability of the Trust.
- Black Country Healthcare infrastructure does not support the future direction of the organisation, which delays innovation and service delivery and development.
- Failure to meet statutory financial obligations will impact on our services and sustainability of the Trust.
- A lack of strategic direction for research and development may result in a loss of workforce or a loss of services.
- Failure to develop a clinical vision that sufficiently considers the needs of the Black Country population, including inequalities and place-based care, may adversely impact on the long-term sustainability of services.

In the 2021/22 financial year the Trust plans to:

- Commit to having a risk management and assurance culture that underpins and supports our plans.
- Continue to develop Board Assurance Framework (BAF) dynamic reporting.
- Agree and ratify a new Risk Management Policy.
- Implement a single Risk Management reporting module across the Trust.

1.6 Going Concern

NHSEI 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 GAM 2020/21 issued by the Department of Health.

The accounting policies contained in the GAM follow International Financial Reporting Standards (IFRS) and HM Treasury's 2020/21 Financial Reporting Manual to the extent that they are meaningful and appropriate to NHS Foundation Trusts. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the circumstances of the Trust for the purpose of giving a true and fair view has been selected. The policies adopted have been applied consistently in dealing with items considered material in relation to the accounts.

International Accounting Standards (IAS1) require the Directors to assess, as part of the accounts preparation process, the Foundation Trust's ability to continue as a going concern.

The Directors have considered the advice in the Government Financial Reporting Manual (FReM) that:

The anticipated continuation of the provision of a service in the future, as evidenced by inclusion of financial provision for that service in published documents, is normally sufficient evidence of going concern"; and

"Where an entity ceases to exist, it should consider whether or not its services will continue to be provided (using the same assets, by another public sector entity) in determining whether to use the concept of going concern for the final set of financial statements."

In its determination, the Directors have also considered the following:

In accordance with the NHS Foundation Trust Annual Reporting Manual, the financial statements should be prepared on a going concern basis unless the Directors either intend to apply to the Secretary of State for the dissolution of the Foundation Trust, without the transfer of the services to another public sector entity or have no realistic alternative but to do so.

The Directors consider that neither of these eventualities will occur.

These accounts have been prepared on a going concern basis. 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. Based on the financial performance detailed in the Trust's financial statements set out later in this Annual Report and the financial plans put in place by the Department of Health and Social Care the Trust is forecasting that its cash balances will remain sufficient to continue meeting its working capital requirements for the immediate future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

The Trust has reported a surplus before impairment of £0.02m for the year ended 31 March 2021 – (0.01% of turnover). The surplus before impairment for 2019/20 was £0.7m.

The Trust has continued to maintain cash management initiatives during the year to provide early warning of any working capital risks. The Trust does not foresee any additional requirement for cash support during the year ending 31 March 2022. However, should this change, NHSEI cash support will continue to be made available. In 2020/21 the outstanding working capital loans of £0.7m were settled with the conversion of this current liability into additional Public Dividend Capital (PDC). The Trust has £23.3m of cash at the reporting date.

The current economic environment for NHS organisations remains challenging, with the block financial regime continuing for the first half 2021/22, and no formal guidance or detail as to what the financial regime for the second half of the financial year may be.

The Trust is currently in the process of preparing its financial plans based on a break-even basis with internal efficiency gains required to fund gaps and to meet new cost pressures.

Directors have noted that the financial health of the Trust has been sustained during 2020/21 and that this is planned to continue in 2021/22. Commissioner support for Trust provided services and associated recurrent funding remains strong and the Trust is well sighted on key business risks and has mitigation strategies in place where required.

1.7 Planning for the Unexpected

The NHS needs to be able to plan for and respond to a wide range of incidents and emergencies that could affect health or patient care. This could be anything from extreme weather conditions to infectious disease outbreak (for example the Covid-19 pandemic) or a major transport accident or terrorist attack. This work is referred to in the health service as “emergency preparedness, resilience and response” (EPRR) and is underpinned by legislation contained within the Civil Contingencies Act and the NHS Act 2006 (as amended) and the NHS Standard Contract.

Emergency Planning stems from the National Security Risk Assessments and the local Community Risk Register. To support these assessments, National Business Resilience Planning Assumptions set the standards we have to work to in mitigating those risks. This builds a requirement for us to produce specific emergency plans to react to incidents involving those risks.

As a specialist mental health and learning disability trust, our statutory role is to be able to respond to internal and external incidents, supporting other health economy organisations and other 'Responder' organisations as identified in the Civil Contingencies Act. As part of our internal arrangements, we must have the ability to respond 24/7 to any incident and must maintain a suite of emergency and business continuity plans, embedding emergency planning as a culture within the organisation. The on-call roles are currently being reviewed and rationalised across the organisation to align the Trusts’ response levels to the national expectations of bronze, silver and gold command. To support this move to a new three-tiered structure, a revised training and readiness plan will be formed and implemented.

Under the Civil Contingencies Act 2004 (CCA), there is a statutory requirement for all NHS organisations categorised as Category 1 or Category 2 responders to have appropriate emergency planning and business continuity arrangements in place.

This means that the focus for the Trust is on developing and embedding appropriate business continuity arrangements, to ensure it can effectively meet the challenges of incidents that can disrupt the continuity of its critical and essential services as described by the NHS England Emergency Preparedness, Resilience and Response Framework 2015.

The minimum requirements, which providers of NHS funded services must meet, are set out in the current NHS England Core Standards for EPRR. The standards are in accordance with the CCA 2004 and the NHS Act 2006 (as amended).

The NHS Standard Contract Service Conditions require providers to comply with the EPRR guidance. Therefore, commissioners must ensure providers are compliant with the Core Standards as part of an annual assurance process.

To monitor compliance, the Trust must assess itself against the NHS England Core Standards for EPPR on an annual basis and submit the assessment to both NHS England and the CCGs.

Business Continuity is about maintaining our ability to deliver prioritised services during a critical incident or emergency situation e.g. a major security incident or an influenza pandemic. Effective Business Continuity Management is therefore about the identification, management and mitigation of particular risks to our ability to deliver these essential services. The Trust has a Business Continuity Management Policy and associated Business Continuity Plans to meet this need. These are currently being reviewed in a comprehensive business continuity audit.

The model adopted accords with the best practice expectations placed upon all NHS organisations in the NHS England Business Continuity Management Framework (service resilience) 2013 and the associated requirements listed in the NHS England Core Standards for Emergency.

The Black Country Healthcare policy describes the strategic framework of how the Trust manages its business continuity planning. The strategy is currently being reviewed following the merger, and to bring it in line with current ISO guidance. In addition to emergency and business continuity planning, the Trust Risk Register is being aligned to the local health economy and EPRR risk register to capture emerging health and multi-agency risks to the organisation. The Trust is also introducing a comprehensive debrief model to capture learning and good practice following incidents and disruptive events, building those into a corporate Lessons Register.

A comprehensive new training and exercising programme has been created to increase knowledge and understanding of emergency planning and how key role holders within the organisation can effectively contribute to service delivery, response and recovery during a major incident. Training will be a continual ongoing cycle of learning and will be reviewed annually. Exercising will follow a three-year programme covering all delivery models, culminating in a live exercise in three years' time in line with statutory requirements.

During 2020/21 the Trust was not subject to a Core Standards self-assessment and return process. This was a national decision to allow organisations across the country to manage the pressures of the pandemic. It is anticipated, however, that organisations will be asked to complete a full and thorough return during 2021/22.

The focus throughout 2020/21 has been command and control of Covid-19 throughout waves 1 and 2 with the Trust enacting its Major Incident Plan and all team level Business Continuity Plans are live and active. There have been ongoing internal silver and gold meetings to support, in addition to multi-agency Incident Management Team meetings for all four localities and STP health cells. The Trust is still responding to Covid-19 with a Level 3 response – meaning that the command and control is co-ordinated regionally. The Incident Control Room has been required to be resourced for 12 hours per day Monday - Friday and 10 hours per day at the weekends.

The pandemic has been extremely challenging over the past 12 months due to the waves having additional test and trace and isolation requirements compared to when the pandemic was first announced. This has meant that we have had a period of months where wards were closed, patients were being isolated and patient flow was extremely challenging to maintain, with a daily focus on infection control and microbiology requirements to manage capacity and bed flow both internally and across the system.

The Incident Management Team has maintained oversight of Covid-19 related activity for the organisation responding to national, regional and local plans and pressures ensuring that they are implemented at a pace that has allowed us to respond effectively. Key activities have included managing re-deployment of staff into key areas to keep the business functioning as well as Covid-19 specific tasks such as:

- Isolation and Test and Trace
- Antibody Testing
- Lateral Flow Testing
- Vaccination Programme
- Outbreak Management
- Implementation of Covid secure working

Moving into Q1 of 2021/22, the focus is around de-escalation, and moving back into business as usual with a recovery and restoration programme. A full debrief in accordance with our Business Continuity Exercise Programme (BCEP) will ensue over the coming weeks that we embed lessons learned from our response and build these into our plans. The Trust will also be required to engage with national and regional debriefs from Covid-19 and reflect on learning and good practice.

1.8 Our future plans

As we look towards the future, we are minded of the three fundamental reasons for our merger;

- Achieving a consistently **high-quality** service offer, across all areas of the Black Country – **fair and equitable access** to services regardless of where people live;
- Achieving a greater **voice** and **influence** in a complex local health and care system – advocating for people who use our services, in order to **improve experience and outcomes**; and
- Creating the strongest **foundation for the future** – having a greater ability to **adapt and respond** to the changing needs of our local communities.

Whilst in the months preceding our merger we could not have foreseen that this would have taken place in the midst of a global pandemic, we do reflect 12 months on, that the change we wanted to achieve through our merger has now been brought into sharper focus. The pandemic will undoubtedly have a significant lasting impact on people's mental health, and even more so in communities and populations that have been disproportionately impacted. As we emerge from this unprecedented time, we stand strong and united to play our role in the recovery of the Black Country, and together achieve healthier, happier lives.

The health and care system is at the on-set of significant reform with an increased emphasis on collaborative working. Working in partnership in order to achieve the best possible outcomes is at the heart of who we are as a Trust, a sense of togetherness in all that we do is the lynchpin of our Trust's vision and values. The changing context in which we operate requires us to challenge traditional models of care, and this creates an opportunity for new possibilities, to co-produce a better and more equitable offer with and for all who come into contact with our services.

Our recently developed clinical strategy outlines the direction of travel for our services over the next three years, informed both by the context in which we operate, and what we have heard is important to people. Through this strategy we will progress towards achieving our clinical ambition *'To provide services that are of outstanding quality, and support people to live their best lives as part of their community'*.

We have identified three fundamental commitments upon which the achievement of our clinical ambition will be grounded:

1. Co-production with our communities, our partners and our workforce
2. Collaborative working in order to provide the best possible service offer (including an enhanced alliance model of working with Voluntary and Community Sector partners, a more joined-up approach to working with Primary Care Networks (PCN) and collaborating with a range of system partners to tackle inequalities in mental health, learning disabilities and autism)
3. Learning at the heart of our approach, in order to continuously improve (including embedding research and innovation as everyone's business and developing a culture of Quality Improvement).

These commitments will inform our approach to the delivery of a range of transformational and quality improvement priorities across our clinical services over the next three years, including the transformation of community mental health services, increasing access to services for children and young people and collaborating with system partners to achieve a better start, improved health, better care and improved quality for people with learning disabilities and/or autism.

As our system develops, we are seeking to move towards a whole population approach to the planning and provision of mental health, learning disabilities and autism services across the Black Country, and this will accelerate the achievement of our clinical ambition. This strategic foundation achieves and maintains continuity of care for service user and carer experience and outcomes and ensures appropriate expertise and governance for the leadership of these services. Building on the success achieved through the Transforming Care Partnership we will seek to bring together transactional commissioning, service redesign and operational delivery; providing greater opportunity to develop seamless and responsive pathways of care and support for our whole population.

2 Our performance in detail

2.1 Operational Standards

The Trust is also obliged to meet certain targets relating to nationally agreed standards for access to services and outcome of service delivery. As illustrated in the table below the Trust did not achieve all of its mandated targets.

Figure 3 Operational Standards

National Indicators	Target	% Achieved	RAG Rating
Improving Access to Psychological Therapies - % of patients treated within 6 weeks	75%	**95.25%**	
Improving Access to Psychological Therapies - % of patients treated within 18 weeks	95%	**99.26%**	
Improving access to psychological therapies - % of patients completing treatment who move to recovery	50%	**51.80%**	
Early Intervention - % of patients treated with a NICE approved care package within 2 weeks	60%	**70.37%**	
% of 0–19-year-old urgent cases referred with suspected Eating Disorders (ED) that start treatment within 1 week of referral	95%	**82.14%**	
% of 19+ year old urgent cases referred with suspected Eating Disorders that start treatment within 1 week of referral	95%	**85.35%**	
% of 0–19-year-old routine cases referred with a suspected Eating Disorders that start treatment within 4 weeks of referral	95%	**91.30%**	
% of 19+ year old routine cases referred with a suspected Eating Disorders that start treatment within 4 weeks of referral	95%	**94.83%**	
% of service users under adult mental illness specialties who were followed up within 72 hours of discharge from psychiatric in-patient care	80%	**85.33%**	

There were four nationally mandated access standards which the Trust did not meet during 2020/21. These all related to Eating Disorder waiting times. All patients who weren't seen within waiting time targets were reviewed and fully validated. In the majority of cases, patients were offered an appointment within the waiting time target but chose to wait longer for their appointment.

The workforce (as referred to in the staff report at section C) and the financial performance (as reflected in the financial statements in section 6) is reported to and monitored by the Board of Directors at each of its meetings. Relevant performance measures are also referred to within the Board Assurance Framework as forms of assurance of controls.

The Trust does not own or have any interest in any trading subsidiary or overseas operation.

2.2 Staff Survey

The 2020 Staff Survey results are compared to composite scores for the two legacy organisations, DWMHPT and BCPFT.

BCHFT now sits within the Mental Health, Learning Disability and Community Trust Health Sector and is ranked against them*, previously DWMHPT was in the Mental Health Sector.

This year's Staff Survey was conducted against the backdrop of both the Covid-19 pandemic which particularly impacted the NHS and a merger.

- 53% (1830) staff completed their survey.

This is both an increase on the composite response rate for 2019 and against a backdrop of generally falling participation rates for 2020.

This is also above the sector median response rate of 49% and thus in itself a positive measure of engagement – if staff are "unhappy" it is better that they still feel able to talk about it and share it than not, "the absence of evidence is not the evidence of absence"!

- Overall engagement rating of 7.11

This is a composite score from questions measuring advocacy, motivation & involvement – whilst lower than the 2019 score of 7.21 and the Sector score of 7.20, it is not considered a statistically significant variation.

However, within that overall score, the biggest variations vs the 2019 scores were questions on looking forward to going to work, being able to makes suggestions to improve the work of my team and recommending BCHFT as a place to work.

- Trends

Overall, the message is that there has been little significant movement in terms of themes, more movement in terms of individual questions and a rise in staff "withholding" judgement and responding "neither" rather than actively selecting a positive or negative response. This is likely to be reflective of a merger and a recognition that this is not a normal year.

2.3 Financial performance

The following table is a summary of the financial position for 2020/21:

Figure 4 Summary Financial Performance

	2020/21 Plan £m	2020/21 Actual £m	2020/21 Variance £m	2019/20 Actual* £m
Operating Income	193.6	209.6	16.0	116.7
Operating Expenses	(186.8)	(203.1)	(16.3)	(112.4)
EBITDA	6.8	6.5	(0.3)	4.3
Depreciation	(4.6)	(4.5)	0.1	(2.2)
Non-Operating Expenditure	(2.2)	(2.0)	0.2	(1.4)
Net Surplus/(deficit) from Operations	**(0.0)**	**0.0**	**0.0**	**0.7**
Grant Income DHSC PPE	0.0	1.7	1.7	0.0
Consumables expense DHSC PPE	0.0	(1.6)	(1.6)	0.0
Impairment (loss/reversal)	0.0	(1.1)	(1.1)	(7.2)
Absorption gain	0.0	45.5	45.5	0.0
Total Net Surplus/(deficit)	**(0.0)**	**44.5**	**44.5**	**(6.5)**

The new Trust was formed on 1 April 2020, whilst we describe as a merger in legal terms it was an acquisition of DWMHPT by BCPFT. Therefore, for the purposes of the accounts the prior year figures relate to BCPFT only.

The financial year 2020/21 was unique in financial terms as the normal contractual and financial frameworks were suspended to ensure there was sufficient resource to support Covid-19. The aim was that all organisations would receive sufficient income to cover all costs and so deliver a breakeven position. In this context, the Trust delivered a small underspend of £24,000.

Within this, the Trust incurred expenditure of £7.259million relating to the additional costs of delivering services during Covid-19. This related to a number of areas:

- £4.8million of pay costs and £1.1million of agency reflecting additional roles to support delivery of services during Covid-19 and cover for staff who were off sick or isolating
- £1.4m of non-pay costs linked to supporting remote working and making our sites Covid-19 safe including additional cleaning and protective equipment.

The reported underspend of £24,000 is stated before a number of technical charges:

- a net impairment or charge relating to a reduction in the value of our land and buildings of £1.133million
- income of £1.719million and expenditure of £1.611million relating to personal protective equipment (PPE) received from the Department of Health and Social Care
- an absorption gain of £45.5million which relates to the transfer of assets from Dudley and Walsall Mental Health Partnership NHS Trust as a result of the merger resulting in a technical surplus of £44.449million in the Trust accounts.

The earnings before interest, tax, depreciation and amortisation (EBITDA) for the year was £6.58million (3.1%), which was £0.268million adverse to plan.

The original plan was set before the impact of Covid-19 and the revised financial framework put in place. Therefore, there are significant variances being reported against income and expenditure although these do still lead to an overall balanced financial position. The key elements are set out below.

Operating expenditure was higher than the original plan by £16.287million, key drivers include:

- Increased employer pension charges £6.442million
- Costs relating to Covid-19 of £5.917million
- An increase in the provision made for annual leave not taken by staff of £2.703million
- An increase in clinicians pension tax of £0.23million
- Redundancy costs of £0.7m

Despite the overspend on operating expenses the overall plan was met due to non-operating costs being less than plan due to:

- depreciation being lower than plan due to the capital programme being delayed during the year as a result of Covid-19 and the operational guidelines the Trust had to work within and;
- Public Dividend Capital (PDC) charges being less than plan arising from a review of the optimal Modern Equivalent Asset (MEA) valuation model as a result of the merger.

During 2020/21 the Trust received 91% of its planned income for NHS commissioned services.

Other operating income amounted to £19.863million and includes:

- Education and training £5.366million,
- National regime funding £9.812million,
- Personal protective equipment funding £1.719million,
- Research and development £0.171million,
- Car parking £0.116million, and
- Canteen provision £0.073million.

Overall income is ahead of plan due to additional income received for:

- Increased employer pension charges £6.442million
- Costs relating to Covid-19 of £3.786million
- An increase in the provision made for annual leave not taken by staff of £2.703million
- An increase in clinicians pension tax of £0.23million

During the year the Trust received a transfer of assets relating to Dudley and Walsall Mental Health Partnership NHS Trust. This was made up of fixed assets including land, buildings, equipment and IT and cash. Full details are set out within the full annual accounts.

The cash flow summary for 2020/21 is shown in the figure below.

Figure 5 Cash Flow Summary

	2020/21 Plan £m	2020/21 Actual £m	2020/21 Variance £m
EBITDA	**6.8**	**6.5**	**(0.3)**
Net movement in Current Receivables	(0.7)	(3.8)	(3.1)
Net movement in Current Payables	25.5	12.4	(13.1)
Net cash inflow/(outflow) from operating activities	**31.6**	**15.1**	**(16.5)**
Capital expenditure	(11.5)	(7.2)	4.3
Cash movement from merger	13.7	13.1	(0.6)
Interest Receieved	0.0	0.1	0.1
Net cash inflow/(outflow) before financing	**33.8**	**21.0**	**(12.8)**
PDC dividends (paid)	(1.7)	(1.8)	(0.1)
Capital PDC Funding	1.8	3.0	1.2
Funding repaid/received	(0.7)	(0.7)	0.0
Net Funding to NHS organisations	(3.4)	(2.8)	0.6
Settlement of LA Pension	0.0	(2.4)	(2.4)
Capital payment of PFI	(0.5)	(0.5)	0.0
Interest payment	(0.2)	(0.3)	(0.1)
Net cash inflow/(outflow)	**29.1**	**15.5**	**(13.6)**
Period Start Cash	**7.8**	**7.8**	**0.0**

The earnings before interest, tax, depreciation and amortization (EBITDA), the cash received as a result of the merger, and the increased PDC funding led to an overall cash inflow in the period.

- Dividend payments made by the Trust totalled £1.644million
- The amount of cash used for capital items amounted to £7.239million
- The Trusts liability with the West Midlands Metropolitan Authorities Pension Fund has been settled in year.

Capital expenditure relating to fixed asset additions during the year amounted to £8.108million. £1.711million of the total programme was PDC funded for specific Covid-19, estates redevelopment and digitalisation schemes. An analysis of the high value schemes is shown in the figure below.

Figure 6 Capital Expenditure

Scheme Name	2020/21 Expenditure £m	2019/20 Expenditure * £m
Internally Funded schemes - Backlog Maintenance	0.7	0.6
Internally Funded schemes - Clinical Risk	0.8	0.7
Internally Funded schemes - IM&T	4.9	1.1
Externally Funded schemes - Estates	0.5	0.7
Externally Funded schemes - IT	1.2	0.4

* 2019/20 represents Black Country Partnership NHS Foundation Trust

There were delays during the year in progressing some of the estates schemes due to operational pressures. These are scheduled to happen in early 2021/22.

There was significant investment in IT during the year linked to the development costs of the electronic patient record, Rio. In addition, there was investment in a new telephony system and Microsoft licenses.

2.4 Service developments

The operational divisions have had an unprecedented year managing arguably the biggest crisis in the NHS in delivering services during a pandemic. As a result of this a number of key priorities for 2020/21 had to be paused or slowed down whilst the Trust went into gold and silver command control for a period of 12 months.

During the last calendar year, the Trust had a number of wards closed due to Covid-19 outbreaks (at its worst, 14 wards closed). This resulted in reconfiguring our beds to manage flow, ensure timely and preventable admissions. This approach was business critical, and it enabled the Trust to manage Covid-19 outbreaks, prevent patients being placed out of area and reduce the potential of breaches in accident and emergency. During this unprecedented year, by working differently and having a sharp focus, we have managed to reduce our length of stay, reduce re-admission rates, remain under target with delays in transfers of care and ensure patient flow with timely discharges.

The Chief Operating Officer (COO) and the Associate Director of Operations have led silver command over the last 12 months and implemented our business continuity plans to ensure operational delivery of services. Our services and the operational leadership team have played a key role throughout the pandemic to manage the pressures and respond to the challenges and requirements set out both locally and nationally, whist responding to level 4 and 3 incidents. To support the management of Covid-19, we developed an internal call centre which helped with the co-ordination of the vaccination programme.

At the time of writing this report, 84% of our staff have been registered for the vaccination and 82% have received the vaccination. The success of the vaccination programme is reflected by the fact that within the Black Country and West Birmingham STP, we are the second highest performing organisation for number of staff being vaccinated (Or registered for the vaccine). Lateral flow testing kits have also been rolled out with 3,020 distributed to staff during the first wave, reaching almost 90% of our front-line workforce. During the pandemic we also managed to vaccinate all our in-patient older adults across all four boroughs.

Operationally we have had to deliver our services differently using several approaches to ensure patients were seen in a timely manner. We currently have a blended approach to delivery utilising both face to face support and virtual appointments. This approach will inform our reimagine programme - as we develop services along with the mental health investment standards and the recent successful community mental health transformation bid funding which was awarded to the Trust.

During Covid-19 risk assessments of staff was critical and we achieved 100% compliance within operations.

Outside of Covid-19, the Trust also saw the implementation of Rio which has enabled our staff to have a fit for purpose electronic patient recording system. There is more work to do and the digital strategy, once developed, will take the Trust to the next level to support our front-line colleagues.

As we head into the new financial year several service developments will be re-initiated and we will also be working on new ones. Enclosed below are the key priorities for 2021/22. The list is not exhaustive but highlights areas for operations this financial year.

Operational priorities in 2021/22:

Mental health

- Establish and embed the new division.
- Reduce out of area placements and achieve zero placements by the end of September 2021 with a rolling average of zero in October/November and December.
- Eradication of dormitories.
- Development of community Infrastructure to support mental health patients in the community (Following successful community mental health transformation bid (£11 million over three years).
- Further development of bed management/patient flow and gatekeeping to support reduction in out of area placements and reduced bed stock due to Covid-19 challenges.
- Implementation and review of blended approach to patient care (Learning from Covid-19).
- CQC readiness as there is likely to be a CQC inspection this forthcoming year.
- Central commissioner responsibility for Improving Access to Psychological Therapies (IAPT) provision and developments (This will explore how we bring all three IAPT services together and we develop a standardised model of delivery to support performance against access rates).
- Review of place of safety across the organisation (Because we have merged we are required to have four places of safety. This review is in progress).
- Patient transport review undertaken. (This will see the alignment of one contract with Prometheus).
- Workforce plans agreed and recruitment to expand perinatal service.
- Review of single point of access services to commence to link in with the community transformation.

Older adults

- Re-provision and rebuild of Bloxwich Hospital.
- Re-provision, redesign and rebuild of Edward Street.
- CQC readiness for a potential forthcoming CQC inspection.
- Review of Dudley older adults quality review.
- Review of therapy standards of delivery.
- Launch of division.
- Organisational development /culture work across the division.
- Review of accreditation standards (Inpatient services).
- Review of Electroconvulsive Therapy (ECT) provision.

Learning disabilities and Children, young people and families

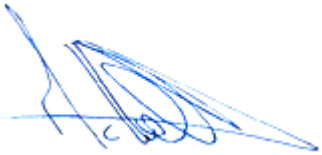
- Launch of the new division.
- Penrose redevelopment to support recovery and independence of learning disability patients.
- Gerry Simon and Larches review in the context of Transforming Care Partnership.
- Outcome framework development and implementation (Outcome framework with nine key quality principles is currently being developed with the divisional operational and clinical leads.
- Transforming care partnership adult intensive support (IST) teams extension. A bid had been submitted to NHSEI in August 2020, this has been approved to further develop IST to reach into mainstream mental health for autism and to be able to deliver evidence-based interventions across the Black Country area.
- Following the successful transfer of the CCG case commissioning managers which took place on 1 October 2020, phase two of the business case to be the lead provider of Transforming Care Partnership will be progressed.

- Child and Adolescent Mental Health Services (CAMHS) crisis - STP specification to be developed and implemented to support consistent delivery of CAMHS crisis.
- Eating Disorders - STP specification to be developed and implemented to support consistent delivery of eating disorder services.
- Play a key role within the system to address challenges of accessing Tier 4 for young people.
- Dudley Integrated Health and Care (DIHC) transfer of children services. To support this transfer if and when the business transaction is approved by NHSEI.

2.5 Significant events affecting the Trust since 31 March 2021

The Board of Directors are able to confirm that there are no significant events since the Statement of Financial Position date that have had an impact on the Foundation Trust accounts.

Signed:



Mark Axcell, Chief Executive Officer

Date: 9th June 2021

PART B Accountability Report

Including:

A: Directors Report

B: Remuneration Report

C: Staff Report

D: Corporate Governance

E: Regulatory matters

F: Statement of Accounting Officers Responsibilities

G: Annual Governance Statement

PART B ACCOUNTABILITY REPORT

3 Section A: Directors Report

3.1 The Board of Directors

3.1.1 Duties of the Board of Directors

The Board of Directors has the following primary duties:

- Ensuring compliance with its license and other legal obligations
- Setting the strategic direction of the Trust
- Ensuring the quality and safety of the services it provides
- Ensuring services are provided in an effective, efficient and economical manner
- Setting the vision and values of the Trust and standards of conduct for members of the Board of Directors and Assembly of Governors and other very senior management
- Ensuring a framework of internal control and risk management is in place.

In fulfilling these duties, the Board is advised by the Chief Executive Officer, other executive directors, the Company Secretary and other officers reporting directly to the executives and is guided by the schedule of matters reserved for the Board itself which was reviewed by the Board at its meeting in April 2020.

3.1.2 Positions of the Board of Directors

The following held positions on the Board of Directors during the financial year ended 31 March 2021:

Non-Executive Chair:

Jeremy Vanes

- Chair of the Board of Directors
- Chair of the Assembly of Governors
- Chair of the NED led Appointments and Remuneration Committee
- Chair of the Governor led Remuneration and Nomination Committees
- Chair of Transformation and Integration Committee

Non-Executive Directors:

Joy Jeffrey

- Chair of Quality & Safety Committee
- Deputy Chair

David Stenson

- Chair of Mental Health Legislation Scrutiny Committee
- Chair of Associate Hospital Managers
- Chair of Audit Committee (from December 2020)
- Senior Independent Director

John Lancaster

- Chair of Finance and Investment Committee (from December 2020)
- Chair of Workforce Committee (from December 2020)

Shaukat Ali (from 1/9/2020)

- Chair of Charitable Funds Committee (from December 2020)

Alison Geeson (from 1/9/2020)

Saba Gondal (**from 1/3/2021)**

Nabil Jamshed, Associate Non-Executive Director (from 1/3/2021)

Sukhbinder Heer (resigned, 5/2/2021)

Debbie Nixon (resigned, 31/12/2020)

Christine Fearns (resigned, 30/6/2020)

Andrew Fry (resigned, 30/6/2020)

Executive Directors:

Mark Axcell

- Chief Executive Officer

Dr Mark Weaver

- Chief Medical Officer (Caldicott Guardian)

Professor Dean Howells (from 1/1/2021)

- Chief Nursing Officer

Chris Masikane

- Chief Operating Officer

Georgina Dean (from 1/9/2020)

- Chief Finance Officer
- Senior Information Risk Owner (SIRO)

Marsha Foster

- Director of Partnerships
- Deputy Chief Executive Officer

Kuli Kaur-Wilson

- Director of Strategy

Ashi Williams

- Director of People

Robert Pickup (until 31/8/2020)

- Chief Finance Officer

Judy McDonald (from 1/8/2020-31/12/2020)

- Interim Chief Nursing Officer

Rosie Musson (until 31/7/2021)

- Interim Chief Nursing Officer

In addition, meetings of the Board of Directors are also regularly attended by the Interim Company Secretary (Gilbert George).

3.2 Meetings of the Board of Directors

Public meetings of the Board of Directors are held on a regular basis. The Board also meets in private in accordance with the constitution of the Trust. Meetings of the Board are supplemented by planning and development sessions during the year. The table below provides a record of each voting director's attendance at public meetings (held virtually because of Covid) during the year together with the term of office end date of the Chair and Non-Executive directors and the notice period, start and termination dates of the Executive Directors.

Figure 7 Meetings of the Board of Directors

Meetings of the Board of Directors			
Name	**Role**	**Term Ends**	**Attendance Actual/Possible**
Mr Jeremy Vanes	Trust Chair	30 September 2022	11/11
Ms Joy Jeffrey	Non-Executive Director	31 January 2022	11/11
Mr David Stenson	Non-Executive Director	22 January 2020 [Extended to 22 January 2022]	11/11
Mr Shaukat Ali (from 1/9/2020)	Non-Executive Director	31 August 2023	6/6
Ms Alison Geeson (from 1/9/2020)	Non-Executive Director	31 August 2023	6/6
Ms Saba Gondal (from 1/3/2021)	Non-Executive Director	29 February 2024	1/1
Mr John Lancaster	Non-Executive Director	31 December 2021	10/11
M. Nabil Jamshed (from 1/3/2021)	Associate Non-Executive Director	29 February 2024	1/1
Mr Sukhbinder Heer (resigned,5/2/2021)	Non-Executive Director	N/A	9/9
Ms Debbie Nixon (resigned, 31/12/2020)	Non-Executive Director	N/A	6/8
Ms Christiane. Fearns (resigned,30/6/2020)	Non-Executive Director	N/A	3/3
Mr Andrew Fry (resigned,30/6/2020)	Non-Executive Director	N/A	3/3
Mr Mark Axcell	Chief Executive Officer	6 months	11/11
Dr Mark Weaver	Chief Medical Officer	3 months	9/11
Ms Georgina Dean (from 1/9/2020)	Chief Finance Officer	3 months	6/6
Professor Dean Howells (from 1/1/2021)	Chief Nursing Officer	3 months	3/3
Mr Chris Masikane	Chief Operating Officer	3 months	11/11
Ms A Williams	Director of People	3 months	9/11
Ms M Foster	Director of Partnerships	3 months	10/11
Ms K Kaur-Wilson	Director of Strategy	3 months	10/11
Mr Rob Pickup (until 31/8/2020)	Chief Finance Officer	N/A	3/5
Ms Judy McDonald (from 1/8/2020-31/12/2020)	Interim Chief Nursing Officer	N/A	3/4
Ms Rosie Musson (until 31/7/2020)	Interim Chief Nursing Officer	N/A	3/4

3.3 The effectiveness of the Board of Directors

The Board of Directors assessed its effectiveness for the financial year 20/21 and its committees in operation. In June 2020, the Board of Directors confirmed its ongoing compliance with specific licence conditions relating to corporate governance and continuity of service provision and confirmed there were no material inconsistencies between its certification and other disclosures.

The Board of Directors have taken steps to ensure that they and in particular the non- executive directors, have developed an understanding of the views of governors and members by attending and presenting reports at the Assembly of Governors public meetings.

3.4 Profiles of members of the Board of Directors in office at 31 March 2021

Jeremy Vanes: Trust Chair

Jeremy was appointed as Joint Chair of both organisations on 1 October 2019 and took over as Chair of Black Country Healthcare NHS FT on 1 April 2020. Jeremy brings a wealth of knowledge and experience to the Trust having spent his 35-year career within health services, public services and the voluntary sector.

He was previously Chair of The Royal Wolverhampton NHS Trust (RWT) and stepped down at the end of March 2019 having served as Chair for five years, and a Non-Executive Director for eight years – a total of 13 years, which is the maximum time allowed by statute.

Jeremy is a chartered manager with diplomas in health and social care and public service leadership. He has been chief executive at four voluntary sector organisations (in Dudley, Sandwell, Warwickshire and Wolverhampton) since 1992.

Joy Jeffrey: Non-Executive Director (Trust Vice Chair)

Joy joined the Trust on 1 February 2016.

Joy is currently self-employed as an external policy consultant to the NHS providing strategic policy advice, developing quality measures, leading strategic implementation and service review and redesign.Joy has gained extensive experience of clinical leadership at both strategic and operational levels in the NHS and was most recently employed as Executive Head of Nursing and Quality at the former Sandwell Primary Care Trust (PCT) and successor Black Country PCT Cluster.

A registered nurse and health visitor, Joy also has a Masters degree in Public Health and successfully completed the Cabinet Office sponsored two year Public Service Leadership Course in 2005.

MPH; Dip Health Care CPT; RHV; RGN

David Stenson: Non-Executive Director (Senior Independent Director)

David had a long career in senior management posts in both primary and secondary care in the NHS after which David commenced with Black Country Partnership NHS Foundation Trust on 1 October 2015 as an Associate Non-Executive Director and was appointed as a Non-Executive Director in January 2017. David was appointed as Deputy Chair of the Trust in March 2018.

David has served as a publicly elected Governor at The Dudley Group NHS Foundation Trust; is a member of the Dudley Clinical Commissioning Group's Primary Care Commissioning Group and is a volunteer with Healthwatch Dudley.

MBA; ACIS; MIHM; DipHSM

Shaukat Ali : Non-Executive Director

Appointed 1 September 2020, Shaukat has over 27 years' experience of working in health, local authority and with voluntary sector organisations.

He is Shadow Cabinet Member for Health and Adult Social Care at Dudley Council.

Shaukat is keen to ensure patients, carers and families receive outstanding healthcare services and is committed to tackling health inequalities; and to improving health and wellbeing of people across the Black Country.

Alison Geeson : Non-Executive Director

Alison has 38 years of clinical, leadership, managerial experience within the NHS and in more recent years, Higher Education. Alison for many years worked as a Community Mental Health Nurse, Clinical Team Leader, progressing to a Head of Nursing position within the Black Country communities. Alison is our Non-Executive Director Lead for Freedom to Speak Up and is also our health and wellbeing guardian.

Alison has a compassionate focus upon staff health and wellbeing and all staff feeling safe to speak up. In recent years Alison has contributed to the development of services users and carers being meaningfully involved and having their voice heard in the planning and delivery of nurse education. Alison is looking forward to supporting Black Country Healthcare with its clinical vision and People Strategy. Alison is passionate about delivering high quality care for our population and enjoys working in the Bostin Black Country.

Saba Gondall : Non-Executive Director

Saba was appointed on 1 March 2021. A transformational leader with extensive experience in the public and private sector including NHS, local authorities, strategic commissioning and the education sector. A local resident and passionate supporter of public services, Saba is keen to bring innovative approaches to organisational transformation in order to address inequalities and modernise services.

In the last few years, Saba has been working with active investors, in a consultant capacity and co-investor to develop a range of businesses.

She has a track record of developing and delivering highly effective strategies in complex environments to turnaround services and build reputation for quality.

John Lancaster: Non-Executive Director (Senior Independent Director)

John, following a period in the motor industry joined Dairy Crest, initially in finance, before moving into general management where he was responsible for operations in the East of England before working his way up to Operations Director for the national liquid business. In 1996, he joined British Waterways as General Manager in the Midlands. He retired a decade later, in October 2006 as Managing Director.

John served as a Non-Executive Director with West Midlands Ambulance Service for ten years from their formation as a Trust, to obtaining Foundation Trust status. He chaired Stratford town Trust, and South Warwickshire Young Enterprise.

John and his wife, Mo, have a home in Stratford-upon-Avon, where they have lived for nearly thirty years. They have three grown up children and John now occupies his spare time rowing on the Avon and running, having completed the New York Marathon. John is a Chartered Accountant

Nabil Jamshed: Non-Executive Director

Nabil was appointed on 1 March 2021. Nabil has over 20 years of experience working in the NHS and, internationally, with the Ministry of Public Health and other health agencies in Qatar.

He has operating experience of working with a variety of boards in facilitating the development of effective governance structures and successful board dynamics. He has first-hand experience in introducing constructive governance and risk management models, development of national policy and strategy, working with a number of Integrated Care Systems (ICS) and understanding and experience of dealing with complex IT systems.

In his current role, Nabil works with a number of NHS organisations and other sectors such as the English Cricket Board and charities, helping with governance and risk management developments and improvements.

Nabil is an elected member of the scientific planning committee for the European Health Management Association (EHMA). He is also a member of the Seacole and the Asian Professionals' National Alliance (APNA) NHS.

Sukhbinder Heer: Non-Executive Director (resigned 5/2/2021)

Debbie Nixon: Non-Executive Director (resigned, 31/12/2020)

Christine Fearns : Non-Executive Director (resigned, 30/6/2020)

Andrew Fry: Non-Executive Director (resigned, 30/6/2020)

Mark Axcell: Chief Executive Officer

Mark was appointed as Chief Executive in January 2020 after previously holding the position at Dudley and Walsall Mental Health Partnership NHS Trust since 2015. During his time at Dudley and Walsall Mental Health Partnership Trust, Mark significantly improved the organisation's CQC ratings, its culture and staff engagement whilst at the same time achieving financial balance.

In 2018, Mark was shortlisted for the prestigious Health Service Journal Chief Executive of the year award. Mark has over 25 years' experience working in the NHS across primary care, secondary care, community and mental health services. The majority of this has been working in the Black Country.

Mark is a qualified accountant by background and a member of the Chartered Institute of Public Finance and Accountancy.

Mark Weaver: Chief Medical Officer

Mark grew up in the Midlands and qualified at Kings College Hospital Medical School London. Following post-graduate psychiatric qualifications in Birmingham, he was a Senior Registrar, Clinical Research Fellow and Consultant in General Adult Psychiatry at St Bartholomew's Hospital, London.

He was also lecturer and examiner for the undergraduate psychiatry course, examined for the University of London final MBBS medical examinations and ran the Royal College of Psychiatrists membership course.

Since 2004, he has been a Consultant in General Adult Psychiatry in Walsall and Medical Director since 2005.

MB.BS London, Member of the Royal College of Psychiatrists

Georgina Dean: Chief Finance Officer

Georgina has worked in the NHS since 2007 after nine years at Price Waterhouse Coopers where she worked with NHS organisations focusing on financial improvement and turnaround.

Georgina has extensive experience in finance working across mental health and acute specialist providers and more recently at NHS England and NHS Improvement. Georgina has also led IT, performance and Informatics teams, developing and implementing a digital strategy. She is a fellow of the Institute of Chartered Accountants in England Wales.

Professor Dean Howells Chief Nursing Officer

Dean joined the Trust in January 2021. He has significant healthcare experience in the NHS, independent and charity healthcare sectors, both as an Executive Director of Nursing and Chief Operating Officer.

In his most recent NHS role, he was an Executive Director of Nursing at Camden and Islington NHS Foundation Trust and previously an Executive Director of Nursing and Quality at Nottinghamshire Healthcare NHS Foundation Trust, providing leadership for over 5,000 nursing staff including diverse community services, which resulted in a CQC rating of 'Outstanding' for care.

He was also appointed a Queen's Nurse in 2014, in recognition of his commitment to high standards of clinical practice and service user-centred care. Dean is an honorary Professor of Clinical Practice at the University of Wolverhampton.

Chris Masikane: Chief Operating Officer

Chris started his career as a general nurse and qualified in 1987. He has a wealth of operational experience having worked both in Acute, Community and Mental Health and has driven transformational change and service redesigns.

He is passionate about delivering high quality care, especially for the local Black Country community and supporting the wellbeing of staff.

Marsha Foster: Director of Partnerships

Marsha began her NHS career in 1995 via the NHS General Management Training Scheme. She then undertook a range of general management and service development posts within mental health services in Birmingham and Solihull, before project managing a number of NHS mergers.

After being appointed as programme director for the formation of Dudley and Walsall Mental Health Trust, she then held a range of Board level posts in the Trust, including Executive Director of People & Corporate Development and Executive Director of Operations.

Kuli Kaur-Wilson: Director of Strategy

Kuli has worked with the mental health and learning disability services in the Black Country for over 15 years, having started her NHS career at Wolverhampton PCT.

With a background in Human Resources (HR) Management, and a graduate of the NHS Leadership Academy's Nye Bevan Programme, Kuli has led on the planning, transformation, and commercial development of our portfolio of services, both within the Trust and across the wider system, working collaboratively with a range of partners and communities.

Kuli is also our Executive Lead for advancing health inequalities.

Ashi Williams: Director of People

Ashi has 15 years' experience working in the NHS in both provider and commissioning settings. Prior to joining the NHS, Ashi worked in HR in manufacturing and private sector organisations.

Ashi is a member of the West Midlands Healthcare Professional Management Association Committee supporting the development of HR and organisational development professionals.

She is passionate about ensuring people have the right skills and resources to do their jobs well and that their health and wellbeing is looked after.

Ashi is also a Trustee for Aquarius which supports individuals, families and communities with substance misuse and gambling issues. Ashi is a health and fitness enthusiast and completed the London Marathon in 2009. She enjoys travel, would describe herself as a foodie and keen cinema-goer.

Rob Pickup, Chief Finance Officer (Until 31/8/2020)

Judy McDonald, Interim Chief Nursing Officer (Until 31/12/2020)

Rosie Musson, Interim Chief Nursing Officer (Until 31/8/2020)

3.5 Register of Directors Interests

The Directors are required to adhere to a Code of Conduct, based on and incorporating the "Nolan Principles of Conduct in Public Life", which includes a requirement to declare any interests they feel may compromise their objectivity in fulfilling their duties.

A full register of Directors' interests is published on the Trust's website, www.blackcountryhealthcare.nhs.uk, or may be obtained on application to the Company Secretary.

3.6 Quality Governance arrangements

The quality report in part three of this report provides a statement on the impact of Covid-19 on the timeframe for the quality report as per the direction of NHSEI.

The Chief Medical Officer and Chief Nursing Officer provide executive leadership of the quality governance arrangements within the Trust.

Trust Board members were not able to undertake quality walkabouts because of the Covid-19 restrictions in place. Virtual walkabouts were instigated with both clinical and corporate staff.

The Quality and Safety Steering Group brings together executives and operational clinical leaders to ensure robust oversight of the delivery and development of quality improvement plans across the Trust, and each operating division has its own sub-group of clinical leaders to manage and deliver their respective quality improvement agenda.

The involvement of our service commissioners in quality improvement is significant and regular "contract review meetings" and Clinical Quality Review Meetings are held between our senior clinical leaders and commissioners to review delivery of services.

In 2020/21, Commissioning for Quality and Innovation (CQUIN) Schemes were paused due to the impact of Covid-19. We have continued to take forward those nationally mandated schemes from 2019/20 as a Trust, and hold regular operational meetings with divisional leads to progress work on these. Nationally, it has been agreed to not recommence CQUIN Schemes until October 2021.

3.6.1 Patient Experience

Improving patient experience remains a priority for the Trust. In the national Friends and Family Tests during the year 2020/21 the Trust again received encouraging responses from over 2,969 people. From 1st April 2020, the Friends and Family Test (FFT) question changed to "Overall, how good was your experience of our service?" With a rating scale varying from Very Good to Very Poor with a Don't Know option still available. It is also suggested there are two optional free text questions offered as part of the FFT to gather feedback on why they may have provided that score and how we can improve the service in future.

For the majority of 2020/21 (excluding Q4) the Trust was not required to submit FFT results to NHS Digital due to the demands of the Covid-19 pandemic. However, services have continued to collect results for internal reporting and to continue to learn from feedback.

In 2020/21 of the 2969 people asked, 91.8% responded by saying their overall experience was either 'Very good' or 'Good'.

3.6.2 Ensuring people have a positive experience of care – national survey

The Trust has utilised information found within the 2020 community national surveys that were carried out prior to merger by Quality Health. Three summarising questions/statements relating to patients experience of care have been selected. These are;

- Overall… (Scale score from 0-10. 0 = "I had a very poor experience", 10 = "I had a very good experience").
- Overall, in the last 12 months, did you feel that you were treated with respect and dignity by NHS mental health services?
- In the last 12 months, have you been asked by NHS mental health services to give your views on the quality of your care?

The legacy Trust scores and how this compared to the 2019 results, as well as how it compared with other Trusts can be seen in the table below.

Figure 8 Patient experience scores

Question	2020	Area	Compared to other Trusts
Overall… (Scale score from 0-10. 0 = "I had a very poor experience", 10 = "I had a very good experience").	73.2%	D&W	Top 20%
	68.7%	S&W	Intermediate 60%
Overall, in the last 12 months, did you feel that you were treated with respect and dignity by NHS mental health services?	87.0%	D&W	Top 20%
	83.1%	S&W	Intermediate 60%
In the last 12 months, have you been asked by NHS mental health services to give your views on the quality of your care?	21.2%	D&W	Intermediate 60%
	21.9%	S&W	Intermediate 60%

*D&W = Dudley and Walsall S&W = Sandwell and Wolverhampton

Overall, we see improvements in all areas with the exception of the Dudley and Walsall locality which saw a reduction in its performance since 2019 in relation to asking for peoples' views on the quality of care they received. Results largely fall in line with those experienced in other NHS Trusts, although two areas across Dudley and Walsall featured in the top 20% of all Trusts. Following these results, subsequent action plans were created that focus on a couple of key areas the Trust wishes to target over the next 12 months and analyse what affect this has over subsequent years. As a newly merged Trust these surveys also identify where similar services within different localities are performing well and provide an opportunity for best practice to be shared.

3.6.3 National Clinical Audit of Psychosis (NCAP)

Due to the Covid-19 pandemic in spring/summer 2020, the outlier policy for this report has been amended in line with NHS-wide changes to reduce burden on frontline clinical teams. The amended outlier policy can be found here.

The escalation steps which focus on the provision of comparative information to clinical teams and their healthcare provider organisations have been retained, but the wider regulatory checks and balances which normally feature have been reduced. This is in keeping with a system-wide reduction in regulatory activities at this time.

3.6.4 Complaints

The Trust received 221 formal complaints in 2020/21, compared to 303 in the previous year (2019/20). Please note the 2019 figure is a combined figure where 133 were from Black Country Partnership NHS Foundation Trust and 170 from Dudley and Walsall Mental Health Partnership Trust prior to the merger of the trust, hence the higher figure reported. Eight complaints were referred to the Parliamentary Health Service Ombudsman during the year 2019/2020, and four in 2020/21. The Trust has one open case with the Parliamentary Health Service Ombudsman, this remains under investigation, all relevant paperwork as requested, has been sent.

3.7 Other initiatives for improvements in patient care

During 2020/21 the Trust took part in a number of local and national quality improvement initiatives including:

- The national Sexual Safety Collaborative as part of a wider Mental Health Safety Improvement Programme (MHSIP) established by NHS Improvement (NHSI), in partnership with the Care Quality Commission (CQC), in response to a request made by the Secretary of State. This Quality Improvement priority has progressed rapidly since announcing this in our last annual report. An update from our Learning Disabilities Divisional Director of Nursing is outlined below.
- We have been inputting sexual safety data on the 1st and the 3rd Monday of the month. Data is extracted from the sexual safety postcards which are distributed to patients and staff. Data has been collected from October 2019 - March 2020. Following this there was a pause because of the pressures due to Covid-19 prevalence in the Trust, but this has since been re-established and data collection commenced again in September 2020 and will continue until September 2021. The data submitted goes into a central QI database held by the Royal College of Psychiatrists and various graphs are being produced from this data set
- We have identified five change ideas to date and are in the process of implementing these
- We also have a safety cross diagram which records all incidents of sexual safety against the three fields (sexual assault, sexual harassment, other sexual incident)
- We are utilising a measurement tool
- We have a sexual safety folder on the ward for staff reference
- Sexual safety is discussed as part of the patient 1:1 session with named key worker/ nurse

- Sexual safety is discussed in reflective practice
- We have developed a trauma pathway and training programme and wards have been asked to identify trauma champions
- Following on from this the plan is to roll out the Sexual Safety Collaborative approach across our Mental Health Divisions within the Trust during 2021/22
- Plans are in the process of being agreed with divisional leads to take this important quality improvement priority forward.
- Suicide prevention is another important focus for the Trust and a Quality Improvement Priority. A Suicide Prevention Group is established and embedded. Our focus for 2021/22 will be:
    - Agree Suicide Prevention Plans with Divisions
    - Complete Suicide Audit
    - Finalise Training Plan
    - Roll out training across the Trust
    - Evaluate impact of plans in Q4
- Following on from the implementation of the Trust wide learning lessons bulletin, including local changes in practice and national learning from safeguarding and the Health and Safety Executive, we have established a Learning Lessons Group to take forward this important work
- We are providing the “Jigsaw clinic” via our Dudley CYP services, using NICE guidance to meet the needs of children with Cerebral Palsy

3.8 Partnerships and stakeholder engagement

Developing partnerships and engaging with our stakeholders is critical to ensuring that our services are designed, developed and delivered in a way which best meets the needs of our local communities - to deliver the right care, at the right time, in the right place, by the right people long into the future.

In this, our first year in operation as Black Country Healthcare NHS Foundation Trust, we have of course spent the whole year managing the pandemic. Whilst this has impacted on some of our ‘business as usual’ stakeholder engagement and partnership work, it has also brought unprecedented opportunities to work with our local partners, statutory and third sector, to share expertise, effort and resources. In many ways, we have developed relationships with partners at a pace which may not otherwise have been possible, working together to meet the needs of the diverse neighbourhoods across the Black Country.

3.8.1 Black Country and West Birmingham ICS

During the year, all the STPs have transitioned into Integrated Care Systems, bringing together our local organisations to redesign care and improve population health. The Trust is involved with the STP at all levels and is working in partnership with commissioners to explore which mental health services can best be delivered at scale across the Black Country.

We have continued to work on the NHS Long Term Plan priorities for mental health and learning disabilities, as well as new priorities which have emerged as a result of the pandemic. In partnership with other agencies, we established a 24/7 mental health support phone line to ensure that people experiencing mental distress could access appropriate support, whether or not they are in contact with our services. We are currently working closely with Rethink Mental Illness to transfer this service into their provision, recognising that they already have a great deal of expertise in this area. We have also set up a psychological support hub for health and care staff across the ICS, responding to the clear need to support the mental wellbeing of colleagues who have been at the front-line of Covid-19.

As the only NHS organisations to occupy a pan Black Country footprint, our role as a system partner has developed significantly over the year and we are working closely to ensure that mental health services are receiving the investment needed to meet the needs of our communities.

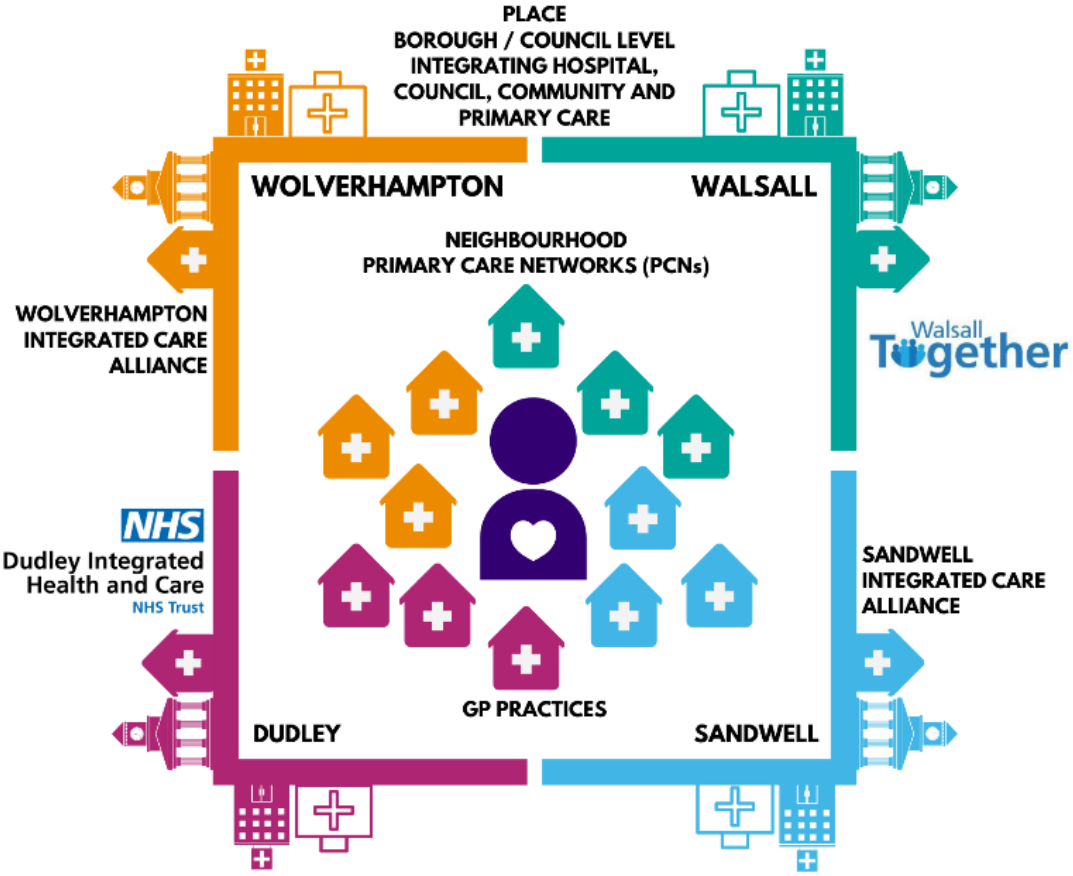
3.8.2 Supporting place-based models of care

Local place-based models of care have developed significantly during the year and have naturally focused on bringing together local partners in an integrated pandemic response. Our organisation is a key member of each of the four Black Country place-based partnerships, and also keeps in close contact with colleagues in West Birmingham to ensure that services are joined up.

Place based alliances are in the process of transitioning into Integrated Care Partnerships – these will vary in precise form and governance, but all will aim to bring together health, local authority and third sector partners on a borough basis to further develop and deliver integrated care. It is anticipated that ICPs will hold population-based budgets, affording them the ability to design and commission services which meet the needs of their local communities.

The Trust has been successful in embedding a robust reputation across the local health economy and beyond through proactive engagement in a number of strategic partnerships. These partnerships play a fundamental role in our future organisational development and form the basis on which we will support new models of care and long term sustainability of local services. We have been working together to agree which services are best delivered at a place-based level, borough level or at scale across the Black Country.

Figure 9 Place based models of care partnerships



3.8.3 Transforming Care Programme (TCP)

We have been working in partnership with all Black Country NHS and Local Authority commissioners and NHS England to reduce NHS Learning Disability inpatient bed numbers, which has enabled us to develop a stronger community offering supported by specialist bed provision where appropriate. We are now working closely with our ICS to take this work forward at pace.

We have always recognised the importance of working alongside service users, parents and carers to make sure that we are offering the right support at the right time. Listening and gathering feedback from the people who use services, and their families or carers remains a priority in all aspects of the TCP program.

All of the TCP boards are opened with a service user story sharing the lived reality of the Transforming Care programme. This is followed up with a drop-in session where members of the board attend a virtual session giving others the opportunity to share their views and opinions from key messages raised at the board meeting in a way that is accessible for everyone. Many great ideas have started in these sessions.

Over the course of the year, we have further strengthened our partnership working and co-production which is at the heart of many of the TCP programmes, including the Children and Young People's (CYP) Keyworker pilot which aims to boost care and avoid hospital admission for children and young people with a learning disability, and/or autism with the most complex needs.

We will continue to deliver the TCP priorities and work closely with partners, service users, families and carers to help us achieve this.

3.8.4 Provider Collaboratives

The national 'Provider Collaboratives' programme will ensure that the resources for more specialist areas of mental health provision are devolved down to regional partnerships of healthcare providers, rather than being controlled at a national level.

There are a number of provider collaboratives across the West Midlands which are at different stages of development, and the Trust is an active member the collaboratives which focus on eating disorder inpatient services, CAMHS inpatient services and the Learning Disabilities Alliance. The pace of development of the Provider Collaboratives will increase in the coming year.

These important programmes of work are overseen by the West Midlands Provider Collaboratives Board, which for the coming year will be chaired by our Trust's Chief Executive. This Board is an evolution of the former Mental Health Alliance for Excellence, Resilience, Innovation and Training (MERIT) partnership, in which both former Trusts were active partners. As part of our response to Covid-19 we have started to work closely with MERIT partners on a number of work streams such as forecasting demand and capacity, new ways of working and recovery planning.

3.8.5 Other partnerships

HealthWatch - We are meeting jointly with Wolverhampton, Sandwell, Walsall and Dudley Healthwatch to listen, and work with our partners to ensure that their voice is heard in how we manage and develop our services going forward

Local Authorities – the Trust works partnership with our local authorities to provide integrated social care services.

Third Sector – we work closely with a wide range of third sector providers to provide services in partnership and to provide appropriate sign posting for our service users and carers.

An example of this is the co-location of Rethink Mental Illness staff within our crisis service and the 24/7 help line.

Police, Probation and Criminal Justice services – across the region to deliver integrated liaison **and Diversion services**

West Midlands Combined Authority – working collaboratively to widen access to Individual Placement and support (IPS) across the region.

3.8.6 Re-imagine engagement

During July to November 2020, the Trust held a number of conversations with partners and stakeholders including the third sector; service users, patients and carers; local communities; governors; and staff. We also ran an online survey with current service users and patients.

These 'big conversations' were forward thinking, asking all to explore what the very best healthcare should look like in the future for the people of the Black Country. The feedback from those who participated and the themes that have emerged from the conversations were fed into the development of the Trust's first clinical strategy.

There was real enthusiasm from all participants that these conversations should continue on following the development of the clinical strategy. The model of engagement shaped in these sessions has been adapted to support continuing conversations around Trust and population priorities, including the transformation of community mental health services.

Figure 10 Summary of our Re-imagine engagement

3.9 Better Payment Practice Code

The Trust is committed to following the Better Payment Practice Code in dealing with suppliers of goods and services. The code requires trusts to aim to pay all undisputed invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later.

Figure 11 Better Payment Practice Code

Better payment practice code - measure of compliance	2020/21		2019/20*
	Number	£000's	Number
Total Non-NHS trade invoices paid in the year	27,283	76,361	21,782
Total Non-NHS trade invoices paid within target	13,685	57,902	9,351
Percentage of Non-NHS trade invoices paid within target	50.16%	75.83%	42.93%
Total NHS trade invoices paid in the year	880	13,031	7,360
Total NHS trade invoices paid within target	278	5,269	65
Percentage of NHS trade invoices paid within target	31.59%	40.43%	0.88%
Total Percentage of trade invoices paid within target	49.58%	70.67%	32.31%

* 2019/20 represents Black Country Partnership NHS Foundation Trust

3.10 Income disclosures

In accordance with Section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2013) the Trust can confirm that the income from the provision of goods and services for the purposes of the health service in England is greater than income we have received from the provision of goods and services for any other purpose. The Trust has not established any income generation activity for which either fees or costs have been levied.

3.11 Private Finance Initiative

The Trust's Hallam Hospital, used for Adult Mental Health and Learning Disability Services, is a Private Finance Initiative (PFI) development. The unit was opened in February 2000, as the first PFI in the West Midlands. Since 2012/13, the PFI has been classified as on-balance sheet in the Trust Accounts.

Within the PFI Project Agreement, Ryhurst Ltd, the project company provides hard facilities management services to the Trust. Payments that the Trust made to Ryhurst during 2020/21 were included within expenditure as either (i) management and capital replacement, classified under operating expenditure, or (ii) interest payable classified under non-operating expenditure.

3.12 Significant Asset Valuation

During 2020/21, the Trust reviewed and updated its existing optimal Modern Equivalent Asset (MEA) model methodology across the opening combined estate of the Trust following the merger. In addition, a year-end desk top valuation of the Trust's land and buildings was undertaken to assess the existing use value of the Trust's properties, using the depreciated replacement cost method assuming assets would be replaced with a modern equivalent asset and not re-provided on a like for like basis.

3.13 Audit Arrangements

The external Auditor to the Trust is Deloitte LLP, 4 Brindley Place, Birmingham, B1 2HZ.

The Auditor was re-appointed by the Assembly of Governors in November 2018 following a competitive tendering exercise. Tenure for the appointment was for a term of three years, with an option to extend for a further one year. Remuneration of the Auditor for 2020/21 was £116,000 (excluding VAT). Where the Trust's Auditor provides non-audit services, these would be considered on a case-by-case basis, by the Board of Directors to ensure the Auditor's independence would not be compromised. Such appointments are reported to the Audit Committee which receives reports on the outcomes of the work, and generally involve a different team to ensure independence.

3.14 Risk in use of financial instruments

There are no significant risks identified in the use of financial instruments.

3.15 Statement as to disclosure to Auditor

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

3.16 Political Donations

The Trust does not make donations to any political body.

4 Section B: Remuneration Report

4.1 The Appointments and Remuneration Committee

Membership of the committee is comprised wholly of non-executive directors, and one of its prime functions is to determine the remuneration and terms and conditions of executive directors and other very senior management posts that are not governed by those nationally negotiated frameworks, such as “Agenda for Change”. Member attendance at meetings of the Committee during the year is provided in the table below.

Figure 12 Appointments and Remuneration Committee

The Appointments and Remuneration Committee	
Name	**Attendance (Actual/Possible)**
Mr Jeremy Vanes	5/5
Mr Andrew Fry (until 30/6/2020)	1/2
Mrs Debbie Nixon (until 31/10/2020)	3/3
Mrs Christine Fearns (until 30/6/2020)	2/2
Mrs Joy Jeffrey	5/5
Mr David Stenson	5/5
Mr John Lancaster	5/5
Mr Shaukat Ali (from 1/9/2020)	2/2
Ms Alison Geeson (from 1/9/2020)	2/2
Mr Nabil Jamshed (from 1/3/2021)	N/A
Ms Saba Gondal (from 1/3/2021)	N/A
Mr Sukhbinder Heer (Resigned 5/2/2021)	4/5

Other people who attended and provided advice and services to the committee during the year were:

- Mr Mark Axcell – Chief Executive
- Mrs Ashi Williams – Director of People

2.1.1 During the year the committee:

- Appointed the Chief Finance Officer and Chief Nurse Officer
- Determined the remuneration of the CEO and Executive Directors
- Approved redundancies
- Were sighted on the Trust’s management of change programme
- Reviewed the Very Senior Manager (VSM) remuneration framework

The Assembly of Governors reviewed the remuneration of Non-Executive Directors during the year.

4.2 Annual Statement on Remuneration

In 2020, the Appointment and Remuneration Committee agreed the remuneration of executive and other very senior management, and in particular to use benchmarking information to inform its decisions.

- No changes were made to the policy during the 2020/21 year.
- No changes were made to the remuneration of the clinical directors.

Non-executives are also remunerated on a fixed amount and reviewed by the Assembly of Governors.

4.3 Senior Managers Remuneration Policy

The tables overleaf provide details of both the remuneration and pension benefits of the board members and other very senior managers. The remuneration policy for executive directors provides that remuneration could include basic salary, performance related pay and other benefits.

The policy has at its core the main principle within the Code of Governance for NHS Foundation Trusts (Monitor, 2014) which states that:

"Levels of remuneration should be sufficient to attract, retain and motivate directors of the quality required to run the NHS Foundation Trust successfully, but the NHS Foundation Trust should avoid paying more than is necessary for this purpose".

The Appointment and Remuneration committee has not introduced performance related pay for any position that falls under its remit. Other benefits within the policy may include reimbursement of travelling and subsistence expenses incurred whilst on duty, the provision of a mobile telephone and the provision of a vehicle for undertaking business travel (where the cost of private usage is paid for by the individual). No changes have been made to this policy.

Whilst benchmarking data is used to determine levels of remuneration, the remuneration committee also considers agreements relating to the pay and conditions of the Trust workforce and wider NHS and public sector in determining the final remuneration. The benchmarking data referred to as above is provided via the annual survey of board member remuneration conducted by the "NHS Providers" organisation.

The remuneration of non-executive directors, including the chair and associate non-executive directors is agreed by the Assembly of Governors. In all cases compensation for loss of office is made in accordance with the terms and conditions of either the contracts of employment for the executive directors and other very senior management positions or the service contracts of the chair, non-executive and associate non-executive director positions.

4.4 Other disclosures

The Board of Directors confirms that no executive director held remunerated non-executive directorships with other bodies during 2020/21. Had this been the case then the remuneration policy provides that: "*it will be for the remuneration committee to determine whether or not that individual will retain the associated remuneration and whether or not there will be any amendment to the substantial remuneration of the individual concerned."*

No board members or other senior management in office during 2020/21 were remunerated "off payroll" as outlined below.

Pension benefits apply to executive directors and other very senior management only; non-executive directors are not employees and are not therefore entitled to pension benefits. Details of pension benefits are provided in the table overleaf.

4.5 Off payroll arrangement disclosures

The following tables provide details of the off-payroll engagements (of more than £245 per day) as of 31 March 2021.

Figure 13 Number of existing engagements

Number of existing engagements as of 31st March 2021	2020/21
Of which:	**Number of Engagements**
Number that have existed for less than one year at the time of reporting	
Number that have existed for between one and two years at the time of reporting	
Number that have existed for between two and three years at the time of reporting	
Number that have existed for between three and four years at the time of reporting	2
Number that have existed for four years or more at the time of reporting	1
Total	**3**

There have been no new engagements, or any existing arrangements which reached six months in duration between 1 April 2020 and 31 March 2021.

Figure 14 Off payroll engagements of board members/ senior managers

Number of off-payroll engagements of board members, and/or senior officials with significant financial responsibility, during the financial year	2020/21 Number of Engagements
Number of off-payroll engagements of board members, and/or senior officials with significant financial responsibility, during the financial year	0
Number of individuals that have been deemed "baord members, and/or senior officials with significant financial responsibility", during the financial year	0

4.6 Fair pay multiple

The Trust is required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The median remuneration of the reporting entity's staff is the total remuneration of the staff member(s) lying in the middle of the linear distribution of the total staff, excluding the highest paid director. This is based on annualised, full-time equivalent remuneration as at the reporting period date. The banded remuneration of the highest-paid director in Black Country Healthcare NHS Foundation Trust in the 2020-21 financial year is £150k-£155k (2019-20: £140k-£145k). This is 6.21 times the median remuneration of the workforce, which is £24,796 (2019-20: 5.45 times the median remuneration of the workforce, which is £25,934).

There were 13 employees that received remuneration in excess of the highest-paid director in the range of £155-254k (2019-20: 4 employees banded as £195-240k).

Total remuneration includes salary and benefits-in-kind. It does not include employer pension contributions and the cash equivalent transfer value of pensions. All Very Senior Managers (VSM) salaries are determined and approved via the Appointments and Remuneration Committee. Individual components are agreed in accordance with benchmarking analysis against other Trusts and peers.

4.7 Expenditure on Consultancy

The Trust's expenditure on consultancy in 2020/21 is detailed in Section 6: Financial Accounts and Associated Notes (Note 3: Operating Expenses).

4.8 Directors and Governors expenses

The figures below give details of the expenses paid to directors and governors during the year.

Figure 15 Directors expenses

2020/21			2019/20		
Total Number of Directors in Office	Number of Directors receiving Expenses	Total amount of Expenses paid to Directors	Total Number of Directors in Office	Number of Directors receiving Expenses	Total amount of Expenses paid to Directors
Number	Number	£	Number	Number	£
17	4	10,058	17	7	3,319

Figure 16 Governors expenses

2020/21			2019/20		
Total Number of Governors in Office	Number of Governors receiving Expenses	Total amount of Expenses paid to Governors	Total Number of Governors in Office	Number of Governors receiving Expenses	Total amount of Expenses paid to Governors
Number	Number	£	Number	Number	£
47	0	0	33	4	50

Due to the way the Trust has operated in 2020/21 there has been no requirement for Governors to reclaim expenses.

4.9 Exit packages - Reporting of other compensation schemes – exit packages 2020-21

Figure 17 Exit packages 2020/21

Reporting of other compensation schemes - exit packages 2020/21	Number of compulsory redundancies	Cost of compulsory redundancies	Number of other departures agreed	Cost of other departures agreed	Total number of exit packages	Total cost of exit packages
	Number	£000s	Number	£000s	Number	£000s
<£10,000						
£10,000 - £25,000						
£25,001 - £50,000						
£50,001 - £100,000	4	273			4	273
£100,001 - £150,000	1	117			1	117
£150,001 - £200,000	2	320			2	320
>£200,000						
Total	**7**	**710**	**0**	**0**	**7**	**710**

Figure 18 Exit packages 2019/20

Reporting of other compensation schemes - exit packages 2019/20	Number of compulsory redundancies	Cost of compulsory redundancies	Number of other departures agreed	Cost of other departures agreed	Total number of exit packages	Total cost of exit packages
	Number	£000s	Number	£000s	Number	£000s
<£10,000	-	-	-	-	-	-
£10,000 - £25,000	-	-	-	-	-	-
£25,001 - £50,000	-	-	1	30	-	-
£50,001 - £100,000	-	-	-	-	-	-
£100,001 - £150,000	-	-	-	-	-	-
£150,001 - £200,000	-	-	-	-	-	-
>£200,000	-	-	-	-	-	-
Total	**0**	**0**	**1**	**30**	**0**	**0**

During 2020/21, there were no departures agreed which were in relation to a Compromise agreement.

4.10 2020/21 Salary Entitlements of Senior Managers

Figure 19 Salary entitlements

Name	Job Title	2020/21							2019/20						
		Salary	Expense Payments (Taxable)	Performance pay and bonuses	Long term performance pay and bonuses	All pension related benefits	Termination Benefits	Total	Salary	Expense Payments (Taxable)	Performance pay and bonuses	Long term performance pay and bonuses	All pension related benefits	Termination Benefits	Total
		Bands of £5,000	To the nearest £100	Bands of £5,000	Bands of £5,000	Bands of £2,500	To the nearest £1,000	Bands of £5,000	Bands of £5,000	To the nearest £100	Bands of £5,000	Bands of £5,000	Bands of £2,500	To the nearest £1,000	Bands of £5,000
Mark Axcell	Chief Executive	150-155	100	-	-	272.5-275	-	**420-425**	15-20	-	-	-	147.5-150	-	**160-165**
Jeremy Vanes	Chair	50-55	-	-	-	-	-	**50-55**	25-30	-	-	-	-	-	**25-30**
Christopher Masikane	Chief Operating Officer	110-115	-	-	-	42.5-45	-	**150-155**	100-105	-	-	-	-	-	**100-105**
Kuli Kaur-Wilson	Director of Strategy	95-100	-	-	-	45-47.5	-	**140-145**	80-85	-	-	-	397.5-400	-	**475-480**
Dr Mark Weaver	Chief Medical Officer *	200-205	4,600	-	-	2367.5-2370	-	**2570-2575**	-	-	-	-	-	-	-
Marsha Foster	Director of Partnerships *	105-110	4,000	-	-	820-822.5	-	**925-930**	-	-	-	-	-	-	-
Ashi Williams	Director of People *	100-105	-	-	-	442.5-445	-	**540-545**	-	-	-	-	-	-	-
Rosie Musson	Interim Chief Nursing Officer [01 April 2020 - 31 July 2020] *	40-45	1,300	-	-	1047.5-1050	70	**1155-1160**	-	-	-	-	-	-	-
Karen Judy Mcdonald	Interim Chief Nursing Officer [01 August 2020 - 31 December 2020] *	40-45	-	-	-	1057.5-1060	-	**1095 - 1100**	-	-	-	-	-	-	-
Dean Howells	Chief Nursing Officer [01 January 2021 - 31 March 2021] *	25-30	-	-	-	852.5-855	-	**875-880**	-	-	-	-	-	-	-
Robert Pickup	Director of Finance [01 April 2020 - 31 August 2020] *	45-50	-	-	-	530-532.5	-	**575-580**	-	-	-	-	-	-	-
Georgina Dean	Chief Finance Officer [01 September 2020 - 31 March 2021] *	70-75	-	-	-	477.5-480	-	**545-550**	-	-	-	-	-	-	-
Gilbert George	Intertim Company Secretary *	130-135	-	-	-	-	-	**130-135**	-	-	-	-	-	-	-
Joy Jeffery	Non - Executive Director	10-15	-	-	-	-	-	**10-15**	10-15	-	-	-	-	-	**10-15**
David Stenson	Non - Executive Director	10-15	-	-	-	-	-	**10-15**	10-15	-	-	-	-	-	**10-15**
John Lancaster	Non - Executive Director	10-15	-	-	-	-	-	**10-15**	-	-	-	-	-	-	-
Shaukat Ali	Non - Executive Director [01 September 2020 - 31 March 2021]	5-10	-	-	-	-	-	**5-10**	-	-	-	-	-	-	-
Alison Geeson	Non - Executive Director [01 September 2020 - 31 March 2021]	5-10	-	-	-	-	-	**5-10**	-	-	-	-	-	-	-
Saba Gondal	Non - Executive Director [01 March 2021 - 31 March 2021]	0-5	-	-	-	-	-	**0-5**	-	-	-	-	-	-	-
Nabil Jamshed	Associate Non - Executive Director [01 March 2021 - 31 March 2021]	0-5	-	-	-	-	-	**0-5**	-	-	-	-	-	-	-
Andrew Fry	Non - Executive Director [01 April 2020 - 30 June 2020]	0-5	-	-	-	-	-	**0-5**	25-30	-	-	-	-	-	**25-30**
Christine Fearns	Non - Executive Director [01 April 2020 - 30 June 2020]	0-5	-	-	-	-	-	**0-5**	-	-	-	-	-	-	-
Deborah Nixon	Non - Executive Director [01 April 2020 - 31 October 2020]	5-10	-	-	-	-	-	**5-10**	-	-	-	-	-	-	-
Sukhbinder Heer	Non - Executive Director [01 April 2020 - 05 February 2021]	10-15	-	-	-	-	-	**10-15**	10-15	-	-	-	-	-	**10-15**
Joanne Cadman	Programme director	100-105	-	-	-	42.5-45	160	**300-305**	95-100	-	-	-	62.5-65	-	**155-160**
Lesley Writtle	Chief Executive [01 April 2020 - 30 April 2020]	0-0	-	-	-	-	67	**65-70**	140-145	-	-	-	-	35	**175-180**
Andrew Green	Company Secretary [01 April 2020 - 30 April 2020]	0-0	-	-	-	-	62	**60-65**	85-90	-	-	-	-	-	**85-90**
Judith Griffiths	Interim Director of Workforce [01 April 2020 - 31 May 2020]	10-15	-	-	-	-	160	**170-175**	85-90	-	-	-	-	-	**85-90**
Joycelyn Fletcher	Interim Director of Nursing [01 April 2020 - 30 September 2020]	50-55	-	-	-	-	51	**100-105**	100-105	-	-	-	-	-	**100-105**

*Disclosure for these members of staff was not required in 2019/20. Therefore there is no prior year Greenbury data to reflect the movement in pension related benefits.

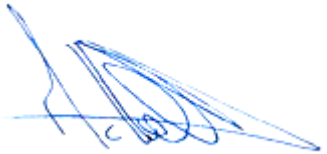
4.11 2020/21 Pension Benefits

Figure 20 Pension benefits

2020/21 Pension Benefits	Real increase in pension at pension age (bands of £2,500) £000	Real increase in pension lump sum at pension age (bands of £2,500) £000	Total accrued pension at pension age at 31 March 2021 (bands of £5,000) £000	Lump sum at pension age related to accrued pension at 31 March 2021 (bands of £5,000) £000	Cash Equivalent Transfer Value at 1st April 2020 £000	Real increase in Cash Equivalent Transfer Value £000	Cash Equivalent Transfer Value at 31 March 2021 £000	Employer's contribution to stakeholder pension £'000
Mark Axcell - Chief Executive	12.5-15	27.5-30	65-70	150-155	902	220	1158	-
Christopher Masikane - Chief Operating Officer	2.5-5	0-2.5	40-45	100-105	808	50	886	-
Kuli Kaur-Wilson - Director of Strategy	2.5-5	2.5-5	20-25	40-45	254	25	298	-
Dr Mark Weaver - Chief Medical Officer	102.5-105	312.5-315	100-105	310-315	-	2539	2566	-
Marsha Foster - Director of Partnerships	37.5-40	75-77.5	35-40	75-80	-	619	633	-
Ashi Williams - Director of People	20-22.5	30-32.5	20-25	30-35	-	277	289	-
Rosie Musson - Interim Chief Nursing Officer [01 April 2020 - 31 July 2020]	37.5-40	262.5-265	35-40	260-265	-	-	-	-
Karen Judy Mcdonald - Interim Chief Nursing Officer [01 August 2020 - 31 December 2020] *	17.5-20	57.5-60	45-50	135-140	-	420	1016	-
Dean Howells - Chief Nursing Officer [01 January 2021 - 31 March 2021] *	7.5-10	22.5-25	35-40	95-100	-	165	685	-
Robert Pickup - Director of Finance [01 April 2020 - 31 August 2020] *	10-12.5	17.5-20	20-25	45-50	-	138	343	-
Georgina Dean - Chief Finance Officer [01 September 2020 - 31 March 2021] *	12.5-15	17.5-20	20-25	30-35	-	176	320	-
Joanne Cadman - Programme director	2.5-5	0-2.5	35-40	80-85	555	36	614	-
Judith Griffiths - Interim Director of Workforce [01 April 2020 - 31 May 2020]	-	-	35-40	120-125	-	-	-	-
Joycelyn Fletcher - Interim Director of Nursing [01 April 2020 - 30 September 2020]	-	-	50-55	150-155	1104	-	-	-

*Disclosure for these members of staff was not required in 2019/20. Therefore there is no prior year Greenbury data to reflect the movement in pension related benefits and have been apportioned based on number of days in post as board member.

Signed



Mark Axcell, Chief Executive Officer

Date: 9th June 2021

5 Section C: Staff Report

There is no doubt that 2020/21 has been a unique and exceptional year for the Trust, our patients, carers and our people. We merged in April 2020 to form Black Country Healthcare NHS Foundation Trust, just at the point of the arrival of Covid-19 into the UK resulting in all our clinical and operational models having to make significant changes in our response and to meet service delivery.

Despite the challenges of Covid-19 and having to adapt to new ways of working throughout 2020 the publication of two key papers within the year, *We are the NHS People Plan (2020/21)* and *Implementing Phase 3 of the NHS Response to Covid-19 Pandemic (2020)* have both provided the focus during 2020/21.

Key achievements following our merger have been the development of our People Strategy, formed to deliver five core workforce priorities: Developing our people; Our people as managers and leaders; Caring for our people; Enabling our people and Recruiting and retaining our people. Providing a framework to support the delivery of the Trust's Strategic Vision of **"Together with you to achieve healthier, happier lives**" for the population we serve, whilst seeking to ensure our staff continue to adapt quickly to emerging priorities at a local and national level whilst ensuring long-term sustainability to provide high quality care.

We have also made good progress in expanding our digital solutions following a successful joint bid awarded in late 2019 for e-rostering and e-job planning, benefits include supporting longer term medical retention plans. It is envisaged that this programme of work will be completed by the end of 2022. Looking ahead in 2021/22 we will continue our journey of fostering a culture of inclusion and the need to address health inequalities building on the key commitments set out within our People Strategy. We will continue to carefully monitor and evaluate our plans to further adapt to changes and be at the forefront of developments as we move forward in our transformation and recovery programmes working closely with our local STP health and social care partners.

In addition, we will be progressing the development of a longer-term workforce planning approach to support the delivery of transformational and recovery programmes ensuring the most effective utilisation of our workforce now and in the future.

5.1 Staff costs and numbers for the year

Analysis of our staff costs and average numbers of staff employed for the year are shown in the tables below:

Figure 21 Employee Costs

	Year ended 31 March 2021	Year ended 31 March 2020*
	£'000	£'000
Salaries and wages	130,319	69,839
Social security costs	12,323	6,639
Apprenticeship Levy	607	329
Pension cost - employer contributions to NHS pension scheme	14,854	8,078
Pension cost - employer contributions paid by NHSE on provider's behalf (6.3%)	6,442	3,527
Pension cost – other contributions	61	35
Termination benefit	51	35
Agency/contract staff	8,270	5,871
Total	**172,927**	**94,353**

* Represents Black Country Partnership NHS Foundation Trust

The above figure does not include Non-Executive Directors.

Figure 22 Average Number of Persons Employed

Average number of persons employed	Year Ended 31 March 2021	Year Ended 31 March 2020*
	Number	Number
Medical and dental	159	73
Administration and estates	510	305
Healthcare assistants and other support staff	973	545
Nursing, midwifery and health visiting staff	1,000	557
Scientific, therapeutic and technical staff	399	271
Other	0	6
Bank staff	483	306
Agency staff	78	73
Total	**3,602**	**2,136**

* Represents Black Country Partnership NHS Foundation Trust

Analyses of our workforce at 31 March 2021 by gender, ethnicity and age are shown below.

		31 March 2019		31 March 2020		31 March 2021	
Gender	Staff	HC	%	HC	%	HC	%
Female	Directors	6	0.30%	3	0.14%	4	0.11%
	Senior Managers	16	0.79%	17	0.81%	19	0.54%
	Employees	1602	79.39%	1664	79.66%	2781	78.74%
Male	Directors	4	0.20%	1	0.05%	3	0.08%
	Senior Managers	12	0.59%	9	0.43%	12	0.34%
	Employees	378	18.73%	395	18.91%	713	20.19%
Total		2018	100.00%	2089	100.00%	3532	100.00%
Ethnicity	*HC*	*%*	*HC*	*%*	HC	%	
White	1307	64.77%	1339	64.10%	2282	64.61%	
Mixed	37	1.83%	46	2.20%	85	2.41%	
Asian	285	14.12%	291	13.93%	454	12.85%	
Black	247	12.24%	257	12.30%	404	11.44%	
Other	38	1.88%	38	1.82%	52	1.47%	
Not Stated	104	5.15%	118	5.65%	255	7.22%	
Total	2018	100.00%	2089	100.00%	3532	100.00%	
Age	*HC*	*%*	*HC*	*%*	HC	%	
Under 21	31	1.54%	26	1.24%	35	0.99%	
22 to 59	1803	89.35%	1870	89.52%	3142	88.96%	
60 to 64	150	7.43%	156	7.47%	263	7.45%	
65 and over	34	1.68%	37	1.77%	92	2.60%	
Total	2018	100.00%	2089	100.00%	3532.00	100.00%	

Figure 23 Workforce analysis

Source Electronic Staff Records (ESR) (HC = Headcount)

5.2 Recruitment and Retention

The overall aim for 2020/21 has been to continue to recruit and retain the right people with the right values, behaviours and skills to develop a workforce that will meet the current and future needs of our services. Key to our future success moving forward in 2021/22 will be in the implementation and delivery of our People Strategy.

The recruitment to some of our professional groups particularly our medical and nursing workforce has continued to be a challenge throughout 2020/21 reflecting the national trends and challenges that the NHS as a whole is facing, in particular within specialist services as provided by the Trust but also the added exceptional circumstances due to the Coronavirus pandemic.

In response to these challenges we have continued to apply a targeted approach, all be it adjusted to a virtual platform a programme of recruitment and retention initiatives linked to our People Strategy including a healthcare support worker recruitment drive working across the STP as part of a successful recruitment bid.

Further key achievements during 2020/21 has been the continuation of our successful Clinical Medical Fellowship Programme, working with a local partner trust and university where medical staff have been recruited from overseas with the aim of reducing our medical vacancies and associated agency costs. This programme will continue into 2021/22.

We have also strengthened further our links with our local external educational providers throughout the Covid-19 pandemic supporting schemes that have seen our newly qualified nurses and allied health professionals taking up permanent positions awaiting their professional registration. As well as and looking to expand the number of practice placements to accommodate higher numbers of students increasing the local workforce pipeline as a priority moving into 2021/22.

The Trust implemented TRAC, an online recruitment management system, following our merger to offer a better experience for our candidates as part of wider retention initiatives and improve our key performance indicators for ‘Time to Hire’. During 2021/22 we will continue to review our systems and processes to further improve the quality and reduce our ‘Time to Hire’.

Trust turnover rates remained within our key performance indicator for 2020/21, however this remains a focused priority as part of our retention plans in particular for our registered nursing workforce.

It is acknowledged that whilst registered nurses returned to the NHS on a short term basis to support through the pandemic, they will leave again if proactive action is not taken to retain them alongside the substantive nursing workforce. In support of this, a business case was approved in 2020/21 to implement a Nurse Clinical Fellowship Programme designed to significantly reduce our current vacancy rates and strengthen our resilience within the nursing workforce through international recruitment, that will build on our successes and further improve on our ability to attract and retain a workforce for now, and in the future.

Our future plans for 2021/22 will also see the development and expanding pathways that support a ‘grow your own’ ethos via nursing and nurse associate apprenticeships to promote retention and bring new talent into the Trust. In addition we aim to re-introduce our previously successful Learning Disability Internship Programme offering opportunities to young adults following the lifting of current Covid-19 restrictions.

The Trust remains committed to ensuring staff are regularly appraised and receive training to ensure they continue to be safe and effective in their roles. The Trust sets an appraisal target of 95% and the Trust performs well in this area. Mandatory training compliance levels have also been sustained based on agreed performance targets set due to the Coronavirus pandemic and will continue to be a priority area moving into 2021/22.

5.3 Equality and Inclusion

At Black Country Healthcare NHS Foundation Trust we continue to work towards being a fairer, more just organisation, embedding this approach into our systems, structures and processes, empowering all of our staff to succeed, prosper and develop.

The impact of the Coronavirus pandemic has highlighted the links between racism and the disproportionate impact of Covid-19 on ethnic minority communities. Additionally the rise in global consciousness of the Black Lives Matter (BLM) movement has accelerated reflections on white-privilege in the UK and its impact on communities racialized as 'non-white'. The harm from Covid-19 on ethnic minority communities cannot be separated from wider racial injustices and struggles in ethnic minority career progression.

We are committed to promoting equality, inclusion and human rights, tackling discrimination in all shapes and forms aligned to all protected characteristics in the Equality Act (2010), whilst protecting and promoting the rights of our staff and the diverse communities we serve and will be the key priority for the Trust moving into 2021/22.

Black Country Healthcare NHS Foundation Trust has the highest percentage of ethnic minority Trust Board members compared with other NHS trusts across the country. This was mentioned in the Health Service Journal (HSJ), Trust Board development and coaching on equality, diversity and inclusion has been paramount to this success. In 2020/21 Trust Board development focussed on anti-racist awareness equipping and empowering the organisational stance against racism.

In 2020/21, the Trust was awarded the HSJ Value Award 2020: People & Organisational Development Initiative of the Year for The Cultural Ambassador Programme. This project in partnership with Royal College of Nursing (RCN), aimed and succeeded to make a difference and challenge unconscious bias and discrimination that had a potential to occur for ethnic minority staff entering or during formal human resources processes. This programme will continue and be further embedded during 2021/22.

To support initiates like the Cultural Ambassadors programme the Equality and Diversity team collects equality data annually across the Trust, we review this data that supports and feeds into our equality and inclusion plans. In addition our Equality Impact Assessments (EQIA's) help us understand how we can deliver our services and meet the diverse needs of people that use our services from all walks of life.

We continue to build on the success of the Ethnic Minority, Disability and LGBTQ Staff Networks. In 2020/21 the Disability Staff Network supported in partnership with Equality and Diversity and Human Resources Team to secure the Disability Confident Award. Through securing this award Black Country Healthcare NHS Foundation Trust has joined over 17,000 organisations that play a leading role in changing attitudes towards disability for the better in their own workplaces, networks and communities.

Black Country Healthcare NHS Foundation Trust is working towards being a truly inclusive organisation that lives by its values in supporting its diverse staff to be the best they can be, working hard to meet the needs of people from all walks of life living in the Black Country. We will continue to move forward towards a positive brighter future.

5.4 Health, Wellbeing and Retention

Black Country Healthcare NHS Foundation Trust is fully committed to the health and wellbeing of its employees. As a health service, health and wellbeing applies as much to our employees as it does to our patients, their carers and the local population. We want to do as much as we can to support our employees to enable them to be at their best; energised, motivated and committed to their work and able to reach their full potential.

Wellbeing has always been a key to the Trust's offer to staff, and as a newly formed Trust in April 2020 gave opportunity to expand these offers at a time when the Covid-19 pandemic hit the UK.

The Vivup offers came together as one, with promotions focused particularly around the Cycle to Work offer which saw an increase in use during the Pandemic, but we were also able to offer staff to invest in Health Cash Plans and a Credit Union account, through Paycare and Transave, and plans are in place to have similar offers for services such as Civil Service Sports Council (CSSC) that offer discounted access to sport and leisure activities.

A lot of planning and work, even prior to the merger, was done to put in place menopause related support. The first menopause groups began in March 2020 and offered across the wider STP and with over 100 staff attending the first session. A menopause guide was also shared across the STP in 2020/21.

A further success in 2020/21 has seen the Trust develop a Wellbeing Strategy, aligned with our People Strategy and which is linked to the NHS Long Term Plan and the introduction of a Wellbeing Guardian in the form of one of our newly appointed Non-Executive Directors, that offers an assurance process that wellbeing is being addressed and shared across the organisation.

As a result of Covid-19, a host of new offers were established during 2020/21, including:

- Setting up of regular wellbeing blogs on different subjects
- Social media posts and awareness raising
- Sharing offers on mental health wellbeing, including stress management, and working from home ideas
- A resilience workbook was co-produced as a result of a wellbeing survey that took place in June 2020
- Staff isolating were offered wellbeing telephone calls, to ensure they were supported
- A wellbeing special offer group was established during the first wave of Covid-19, whereby a group of staff were allocated to oversee special offers, communicate thanks to staff, and access to charitable funds were provided to operational and community teams to show gratitude
- Numerous guidebooks, and helpful hints and tips were produced, as a one stop central framework and easy to find documents that were themed around Covid-19
- The Trust became involved in setting up a 24/7 helpline and extended offer of funding for 12 months to continue this offer as a wellbeing hub which is available to staff working in health & social care across the STP
- Physical exercise was provided via virtual links, in areas such as yoga and seated yoga sessions, a fun idea to get people moving in their homes for five minutes every week, was dance space
- Regular coffee mornings have given staff opportunity to connect and speak to others
- Mindfulness sessions, allowing staff to join together, pause and reflect
- Our medical team led on Schwartz Rounds, adapted to Team Time during the pandemic giving an opportunity for staff to openly discuss their stories
- Introducing mental health webinars, the most recent Time to Talk session offered signposting and information to staff and the public
- A huge success has been the roll out of the Covid-19 lateral flow tests and vaccine programme, and regular risk assessments to monitor staff health and wellbeing.

We are incredibly fortunate that wellbeing is a key driver that is taken seriously by our most senior team and is a regularly feature of the Chief Executive weekly messages, and managers' briefings. We are continually renewing our offer, and recently introduced a Wellbeing Wednesday bulletin following a pulse check by the Chief Executive who wrote to a range of corporate staff about working at home. The Wednesday bulletin reinforces wellbeing initiatives and ideas during the Covid-19 pandemic.

The Wellbeing Steering Group has over 85 members and will continue to oversee the three-year plan and year 1 plan 2021/22 of the Wellbeing Strategy.

In addition, all our staff have access to a comprehensive Occupational Health Service and an internal Staff Support Service both offering support to promote staff health and wellbeing at work. This is underpinned by a comprehensive policy which encourages staff to seek professional medical advice and support reducing stigma.

The sickness absence rate for the year was just above the intended target rate of 4.5% at 4.95% a real achievement given 2020/21 was no ordinary year due to Covid-19 pandemic. Whilst we did not achieve the key performance target, the Workforce team continued to support divisions throughout.

Workforce reporting continues to form an integral part of the Trusts performance management enabling triangulation of quality, safety and workforce indicators with improved 'real time' reporting and auditing through rostering and ESR digital solutions.

A breakdown of the sickness absence across the last three years up to 31 March 2020 is included in the figure below.

Figure 24 Analysis of sickness absence

Absence Type	2018/19	2019/20	2020/21
	%	%	%
Short Term	1.77	1.92	1.52
Long Term	4.16	4.22	3.44
Total	5.93	6.14	4.95

**Data from first two years is BCPFT only*

Figure 25 Sickness absence levels

The level of sickness between 2019/20 and 2020/21 is represented as follows		
	Year ended 31 March 2021	**Year ended 31 March 2020**
Total Days Lost	55,024	39,584

** Data from 31 March 2020, is BCPFT only*

5.5 Staff Policies and Action

The Trust has a range of policies and procedures in place that support delivery of our workforce priorities and the equality and inclusion agenda. Policies and actions applied during the financial year are set out in the figure below.

Figure 26 Policies applied in 2020 / 21

Policies applied for giving full and fair consideration for employment made by disabled persons	The Trust has a Recruitment and Selection policy that sets out how the Trust ensures fair recruitment of candidates. This is reviewed through the Trust's bespoke recruitment system and reports submitted to the Workforce Committee and Equality and Inclusion Board.
Policies for continuing the employment of, and for arranging training for, employees who have become disabled persons during the period	The Trust adheres fully to the Equality Act 2010. The Trust's policies support managers to apply any reasonable adjustments and use referrals to the Occupational Health service to ensure the continued employment of employees who become disabled persons.
Policies for the training, career development and promotion of disabled employees	There is equity of access to training and development for all staff.
Actions taken in the financial year to provide employees systematically with information on matters of concern to them as employees	The Trust has thorough internal communications and staff engagement processes, using face-to-face opportunities, electronic channels and printed materials.
Actions taken during the financial year to consult employees or their representatives on a regular basis so that the views of employees can be taken into account in making decisions which are likely to affect their interests	The Trust has a recognition agreement in place that is jointly reviewed on a regular basis with Staff Side leads. Monthly meetings of the Joint Negotiation Committee take place for formal discussions in relation to staffing issues. In addition, as set out within the Organisational Change Policy, collective consultations would be enacted where there are more specific issues affecting employees, for example restructures. Informal engagement with staff takes place to inform various key initiatives such as the annual staff survey.
Actions taken in the financial year to encourage the involvement of employees in the NHS Foundation Trust's performance	All staff who are recruited are encouraged as part of the induction programme to become actively involved with the Trust as a Foundation Trust.
Information on health and safety performance occupational health	We fully comply with Health and Safety and are fully committed to promoting and raising safety awareness to all staff.
Information on policies and procedures with respect to countering fraud and corruption	The Trust has a number of policies that refer to countering fraud and corruption including a Raising Concerns Policy in place which also covers fraud

5.6 Learning and Development

Learning and Development (L&D) is an essential part of the wider organisational system that articulates the workforce capabilities, skills and competences.

The L&D deliverables for compliance on training is aligned to the wider People Strategy and HR developments including new models of care and the overall business and performance support to our services.

During 2020/21, significant work has continued to take place to support the learning and development needs of our people including adapting our traditional training methods to include virtual delivery, where appropriate. This work has ensured that, following the initial suspension of face-to-face training in response to Coronavirus pandemic, we are able to ensure that compliance is improved upon and that colleagues have continued access to mandatory and specialist training.

The training needs analysis for the merged organisation has begun in the latter part of 2020/21 with subject leads reviewing and aligning mandatory/specialist training framework for Black Country Healthcare. As part of this work some subjects have already been included, where one legacy Trust had a mandatory element, including Mental Health Act awareness.

As well as the review of the Trust's mandatory/specialist mandatory training framework, the continued development of the job essential training framework is ongoing. We continue to work closely with subject leads, introducing other new and essential training topics as we move forward.

In autumn 2020, the successful merger of the legacy ESR systems took place having worked closely with workforce colleagues to ensure that the transition was effective. New processes have been adopted to ensure that we are up to date and supportive of the Trust's training needs and this work will continue as the training frameworks are aligned. A number of approaches continue to be provided by the Learning and Development team to support mandatory training compliance including facilitated e-learning (delivered virtually), alternative training delivery methods, the update of e-learning workbooks and user guides, use of the most current e-learning packages and help desk support from the Learning and Development team.

The use of e-learning prior to commencement has been adopted across the merged organisation, and we continue to work closely with key colleagues to ensure training in this format is accessible and undertaken.

2020/21 has seen the Trust develop a 'Virtual Induction Portal' as a result of the restrictions put in place under the Coronavirus pandemic. The portal is filled with content for new starters, which would traditionally be given at a face-to-face Induction, as they on-board with the Trust. The content is continually reviewed and updated to ensure that the information provides effective and current training. In addition, a working group, including subject leads, has been set up to review the Trust Induction moving forward for 2021/22. This is to ensure that it is an innovative experience that is indicative of our culture and values.

A review of our appraisal policy, process and documentation is underway. The review will ensure that the process is meaningful and focuses on key areas of; objectives, career conversations, health and wellbeing and values/behaviours. Engagement across staff groups has been key to this piece of work including 'co-design workshops' to provide space for discussion on what the new appraisal should look and feel like. Appraisal conversations training will be designed and delivered internally to support with the delivery. We are aiming to launch a refreshed appraisal policy, process and documentation in Summer 2021.In addition, the team are reviewing our internal development opportunities including customer service training and a catalogue of opportunities supported by L&D will be produced for our intranet pages.

To support new ways of working and to support the development of our people and widening participation activity the Trust's Apprenticeship programme has continued to grow during 2020/21 seeing the start of our first Registered Nurse Degree Apprenticeship and Occupational Therapy Degree Apprenticeship, with additional places planned for 2021/22. In addition, we also launched the start of our first apprenticeships in plumbing and carpentry for existing Estate and Facilities staff following a training needs analysis.

These programmes are in addition to already established business/medical administration, project management, IT and management apprenticeships. Further work will take place to produce career progression maps that can be supported by our levy, with L&D working closely with services on the design and implementation.

Looking forward to 2021/22 and the exciting work planned we are also delighted to continue to support the literacy and numeracy skills of our staff through functional skills training continuing to be provided to ensure this is accessible to staff who are without a GCSE grade C or above.

5.7 Staff Engagement

The Trust recognises the essential role that all staff play in delivering high quality care to our patients. As a new organisation there is a strong commitment to provide staff with a positive employment experience, whilst supporting their health and wellbeing particularly taking on board the experience of staff working through the Coronavirus pandemic and the lessons we have learnt during 2020/21. Staff engagement in its many guises continues to provide an opportunity for our staff to feel they belong in the organisation, providing the opportunity to support, learn and develop each other to feel empowered within their roles.

During 2020 the organisation has built on and strengthened the staff engagement foundations set in place prior to the merger. Work has progressed during 2020 to move closer to our desired caring culture approach as we have launched our staff culture group to begin exploring the organisational changes we need to make to be the 'bostin' place to work.

Our '*engagement partners'* network is fully embedded offering a further approach to creating a culture of continued learning. The Engagement Partner initiative is led by the Organisational Development team, championed by a variety of staff from across the Trust, forming our Engagement Partner group. The group is made up of enthusiastic, committed colleagues who are focused on creating a positive and engaging culture, inclusive of all staff across the Trust.

They aim to represent the views of their colleagues through sharing ideas, suggestions, and feedback. They meet on a monthly basis to discuss views and opinions, cascade information, invite guest speakers to discuss hot topics, and trial out new initiatives.

They hold the Trust values at the heart of what they do and are outcome-focused and advocates for positive change within the organisation. The organisational development practitioner has been working closely with our communication team to prepare the content for the new intranet, including purpose, stories, blogs and details of the work they are involved with.

We have continued to offer virtual team sessions exploring the values of the new organisation, and how aligned behaviours to these values can support and shape teams in their delivery of care.

The Trust has continued to run 'care circles' for our teams providing time and space to consider wellbeing and self. With a high emphasis on creating a coaching culture amongst our staff, we supported several cohorts to complete a coaching qualification and offered our nursing workforce personal coaching sessions to help them during the first wave of the pandemic.

All of this engagement presents us with a responsive vehicle of opportunity to continue the work to shape and influence a cultural framework for our organisation.

Our Staff Side Leads say:

"The Trade Unions have continued to work together with representation from a broad group of staff representatives including nurses, nursing assistants, health visitor's, facilities staff and allied health professionals. We are looking to recruit more representatives particularly from administration and clerical or corporate roles to ensure we are truly representative of our excellent workforce. We would encourage any member of staff from any part of the trust who might be interested to speak to one of the Staff Side leads or union representatives for more information.

As the Trust celebrates its first birthday it is a time to think and reflect on what has happened over the last 12 months. It can only be described as a challenging, eventful and very busy 12 months, with Covid-19 impacting on everyone's life. All staff have had to change the way they have worked, with large numbers of staff working from home with the challenges of internet connections, home schooling and trying to maintain a work-life balance. The frontline staff across the wards and community bases have also faced challenges and have needed to adjust the way in which they provide care to patients with guidance changing on a daily basis at times. The Trade Unions have supported staff and worked jointly with management to ensure the safety and health and wellbeing of all staff was enhanced during this very challenging time. The Trade Unions will continue to support staff over the next 12 months as the Trust implements its restoration plans and ensures that safety, health and wellbeing remains a key priority for all.

Over the last 12 months we have seen staff embracing new technology with rollout of Microsoft Teams, virtual sessions with patients and the final roll out of Rio to the mental health division as some examples. The use of the new technology has assisted us to maintain communication and engagement across the whole Trust. The Trade Unions remain committed to and will work jointly with management to ensure that all staff have access to this technology.

Our focus has also been to maintain and enhance the existing terms and conditions while working jointly with management on the development of policies. We all know that caring for our NHS workforce delivers direct benefits to patients and drives improvements to patient care. With this in mind, we will continue to work with our colleagues in management and workforce and organisational development to continue to develop improved policies and support the initiatives being developed from the staff survey. We know that our members will always perform better when they feel valued and are supported in the workplace.

Finally, we will continue to work, support and offer our voice and views to achieving our common goals through cultural change and supporting the Trust Board in the delivery of its ambitions and goals, behaviours and values moving forward into 2021/22."

5.8 Staff Survey

The NHS Staff Survey is conducted annually and offers the opportunity to understand the views of our staff and their experiences working for the Trust. Obtaining feedback from staff and taking account of their views and priorities is vital for driving real service improvements in the NHS. Questions included national Covid-19 specific questions to reflect the 2020 pandemic, in lieu of questions of quality of appraisals. The indicator scores are based on a score out of 10 for certain questions with the indicator score being the average of those.

The response rate to the 2020 survey among trust staff was 53.3%, showing an increase over the average score of the two legacy organisations. The merged Trust now sits within the Mental Health, Learning Disability and Community Sector. Scores for each indicator together with that of the survey benchmarking sector are presented below.

Figure 27 Staff survey scores

Theme	2020	
	Trust	Benchmarking group
Equality, diversity and inclusion	9.0	9.1
Health and Wellbeing	6.4	6.4
Immediate managers	7.3	7.3
Morale	6.4	6.4
Quality of Appraisals	NA	NA
Quality of care	7.6	7.5
Safe environment *Bullying and harassment*	8.2	8.3
Safe environment *violence*	9.4	9.5
Safety culture	6.9	6.9
Staff Engagement	7.1	7.2
Team working	6.8	7.0

The overall engagement score was 7.11 in comparison with sector score of 7.20 and an average legacy score of 7.21, although this is not a statistically significant variation.

Staff engagement is measured across three themes.

Figure 28 Staff survey feedback themes

Measure	2020	2019	Comparator to MH/LD Community Trusts
ADVOCACY: Staff recommendation of the Trust as place to work and receive treatment	7.03	7.07	7.20
MOTIVATION: Motivation- staff motivation at work and enthusiasm to do their job	7.36	7.44	7.37
INVOLVEMENT: Staff able to contribute towards improvements at work	6.96	7.14	7.04

Our overall results for the 2020 staff survey do not show significant differences to the composite 2019 scores for the two legacy organisations.

Across the 10 themes measured, all 10 show no statistically significant variation versus 2019.

Similarly, in 9 out 10 themes there are no statistically significant variations to the sector average scores, the exception being the equality, diversity and inclusion (EDI) theme. EDI, along with violence in the workplace, work related stress and supporting and improving relationships with immediate managers have been adopted as trust wide priorities for 2020.

Bespoke reports that break down the overall response to the themes of the staff survey are provided at a divisional and service line level and have been shared with divisional leads and HR business partners, enabling better sharing and a more nuanced understanding of local challenges, responses, priorities and actions.

Evidence shows that staff are most interested in their local results which better reflect their lived experiences and local priorities have the potential to have the most meaningful impact within any given team, with an expectation that staff will be involved in those conversations is selecting local priorities in addition to or in support of those areas of focus selected for action at an organisational level. This reinforces the message that “staff engagement” is everyone’s responsibility.

The Trust also undertook its first ever in-house Bank Staff Survey, reflecting the considerable support these staff provide, not least during 2020, and to better understand and so improve their experiences alongside those of substantive staff.

The Trust continues to utilise a range of staff engagement routes to ensure open communication and feedback which reinforces the belief that participating with the Trust will produce positive outcomes, improve engagement and future scores:

- Sharing of uncensored verbatim results and free text comments on Trust intranet.
- Live virtual Q&A session with CEO from an audience of staff
- Communications to all staff on headlines findings through Trust social media, weekly general communications and individually to staff by dedicated email
- Quality Health presentation of the results at the online virtual managers briefing
- Liaising with divisional leads and HR business partners to share local service line results
- Reports to all relevant Trust committees and Board to incorporate Trust-wide priorities from the staff survey into strategic objectives
- Incorporating actions into strategic initiatives

5.9 Freedom to Speak Up

The Trust supports all staff in raising concerns at work at the earliest reasonable opportunity about patient safety, malpractice, wrongdoing and poor cultures at work or where quality or standards of care, or staff morale have diminished or have reached a level that would cause concern. There is a publicly available document called the Speak Up Policy which outlines the Trust approach.

As part of the programme of work, the Board of Directors receives quarterly reports on both numbers and themes raised under the Freedom to Speak Up Policy. The Trust employs two Freedom to Speak Up Guardians, who work to promote open cultures support and encourage staff to raise concerns in order to address issues and support future service improvement.

During 2020, a non-executive director was appointed to work with the guardians, the guardians were also aligned with the Organisational Development team recognising their role in promoting open positive cultures and the positive impact that has on patient safety and experience.

An independent external audit was recently done, and the Trust is currently working through the recommendations.

5.10 trade Union Representation

The following information is provided in accordance with recently introduced legislation

Figure 29 Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
4	2.49 FTE

Figure 30 Percentage of time spent on facility time

Percentage of working hours spent on facility time	Number of employees
0%	0
1-50%	2
51%-99%	1
100%	1

Figure 31 Percentage of pay bill spent on facility time

	Values
Total cost of facility time	£103,390
Total pay bill	£108M
Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.10%

Figure 32 Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	100%

6 Section D: Governance Statement

6.1 Membership

6.1.1 Eligibility

The Trust has two constituencies of membership, public and staff. Our public constituency includes service users, carers and the general public and is drawn from the Black Country areas of Sandwell, Wolverhampton, Walsall, Dudley, and Birmingham, and other areas that fell under the responsibility of the former West Midlands Strategic Health Authority. The public constituency also includes Central England (effective from 1 September 2020).

Our constitution dictates that the minimum age for becoming a member of the Trust is 12 years old. All staff who are employed by or seconded to the Trust for at least twelve months automatically become members of the Trust, unless they choose to opt out.

6.1.2 Membership profile

The tables below provide analyses of our membership at 31 March 2021.

Figure 33 Membership analysis

Membership by constituency and area at 31 March 2021			
	Public	Staff	Total
Area	Number	Class	
Sandwell	2,550	0	2,550
Wolverhampton	962	0	962
Walsall	437	0	437
Dudley	920	0	920
Birmingham & Wider West Midlands	935	0	935
Central England	16	0	16
	0	3,420	
Total	5,820	3,420	9,240

6.1.3 Representative membership

When comparing with the relevant demographic data within the 2011 Census, there remains under representation in white people and the male population, but most significantly within the age range of 12- to 16-year-olds.

Figure 34 Public membership analysis

Gender		
Male	2,189	37.6
Female	3,600	61.9
Not Stated	31	0.5
Age		
12-16	4	0.1
17-21	26	0.4
22 and over	5,476	94.1
Not stated	314	5.4
Ethnicity		
White	3,861	66.3
Mixed	195	3.4
Black	517	8.9
Asian	799	13.7
Other	91	1.6
Not stated	357	6.1

6.1.4 Movements in membership

The changes in membership within the year are provided in the table below.

Figure 35 Changes in membership

	Public	Staff	Total
At 31 March 2020	5,813*	2,003*	7,816
Add Members joining	79	1,850	1,929
Less Members leaving	72	433	505
At 31st March 2021	**5,820**	**3,420**	**9,240**

*In last year's annual report, it was reported as 5,806 public members and 1,981 staff members (as of 31 March 2020), as this was the live data at the time the report was run, subsequent reconciliation confirmed the restated numbers above being correct.

6.2 Engagement with membership

During 2020/21, we carried out the following membership activities:

- We ran governor elections in Summer 2020, where all vacant seats were filled and members had the opportunity to vote.
- We introduced a new public constituency of Central England and met our constitutional requirements with regards to membership (effective from 1 September 2020).
- We also filled the governor seat in this constituency through an unopposed election.
- The annual general meeting was held virtually on 3 September 2020, which incorporated a wellbeing workshop. Members had the opportunity to hear about our key achievements and plans for the year ahead.
- We held a number of virtual public and staff engagement activities, which were linked to national campaigns and Trust initiatives.
- Introduced a monthly e-bulletin for members, providing key updates and opportunities to get involved
- Developed a membership and governor engagement plan and held a number of virtual locality based constituency meetings with governors to discuss our focus and approach to engagement. This also involved working in partnership with key staff across the organisation.

All governors were given the opportunity to attend a training session provided by NHS Providers. The invite was also opened up to The Dudley Group NHS Foundation Trust governors.

Anyone that is interested in signing up as a member can easily do so by completing our online membership application form at https://secure.membra.co.uk/BlackCountryHealthcareApplicationForm/.

Members that sign up can get involved in various activities within the Trust, and they can contact their governors through our membership office. Details can be found on our website www.blackcountryhealthcare.nhs.uk

6.3 The Assembly of Governors

4.3.1 Composition

The composition of the Assembly is laid out in Annex 4 of the Constitution of the Trust. The current composition is shown in the figure below.

Figure 36 Assembly of governors composition

Category of Governor	Number
Public	
Sandwell	6
Walsall	6
Dudley	6
Wolverhampton	6
Birmingham & the Wider West Midlands	2
*Central England	1
Total Public	27
Staff:	
Generic	4
DWMH specific	4
Total Staff	8
Appointed Governors:	
Sandwell Metropolitan Borough Council	1
Wolverhampton City Council	1
Dudley Metropolitan Borough Council	1
Walsall Metropolitan Borough Council	1
Total Appointed	4
Assembly total	39

**New constituency, effective from 1 September 2020*

4.3.2 Tenure and attendance

The following table provides the names of Governors in office during 2020/2021, the date they became or ceased to be a Governor, and a record of their attendance at general meetings of the Assembly.

Figure 37 Tenure and attendance

Name of Governor	Date Elected / Appointed	End Date	Constituency	Attendance Actual / Possible
Public				
Sonia DAVIES	28/08/2019	27/08/2022	Public - Sandwell	6/7
David BOAZ	28/04/2018	27/08/2020	Public - Sandwell	0/3
Gary BOWMAN	28/08/2019	27/08/2022	Public - Sandwell	4/7

Debbie WHITE	28/08/2019	27/08/2022	Public - Sandwell	6/7
Kendal TIPPER	28/08/2019	27/08/2022	Public - Sandwell	0/7
Andrew MITCHELL	09/09/2019	08/09/2020	Public - Sandwell	1/3
Louise FIELD	09/09/2019	08/09/2020	Public - Sandwell	2/7
Louise FIELD (*)	09/09/2020	27/04/2021	Public - Sandwell	-
Nellie MAY	09/09/2020	08/09/2023	Public - Sandwell	4/4
Mushtaq HUSSAIN	28/04/2018	27/04/2021	Public - Dudley	3/7
Simon TOWNEND	28/08/2019	07/12/2021	Public - Dudley	4/7
Philip DAVIES	01/09/2020	31/08/2023	Public - Dudley	4/4
Alison PUGH	01/09/2020	31/08/2023	Public - Dudley	3/4
Karen THOMAS	01/09/2020	31/08/2023	Public - Dudley	0/4
Amanda BOFFY	01/09/2020	31/08/2023	Public - Dudley	0/4
Alison FISHER	28/08/2019	27/08/2022	Public - Walsall	1/7
Raymond HARRIS**	17/09/2019	20/05/2020	Public - Walsall	0/7
David JONES	01/09/2020	31/08/2023	Public - Walsall	4/4
Agnes WALLWORK	01/09/2020	31/08/2023	Public - Walsall	4/4
Ann HASKETH	01/09/2020	31/08/2023	Public - Walsall	2/4
Nicola PROTHEROE-JONES	01/09/2020	31/08/2023	Public - Walsall	2/4
Nasar IQBAL	17/09/2020	16/09/2023	Public - Walsall	3/4
Mel PASSMORE	02/08/2018	01/08/2021	Public - Wolverhampton	7/7
Alan DEAN	09/09/2018	08/09/2021	Public - Wolverhampton	7/7
Julieth ABRAHAMS	28/04/2018	27/04/2021	Public - Wolverhampton	4/7
David HELLYAR	28/04/2018	27/04/2021	Public - Wolverhampton	6/7
Mary BOLLAND	28/08/2019	27/08/2022	Public - Wolverhampton	6/7
Carol LEWIS	28/08/2019	27/08/2022	Public - Wolverhampton	0/7
Maxine JOESBURY	28/08/2019	27/08/2020	Public - Wolverhampton	1/3
Mark WOOD	13/07/2018	12/07/2021	Public - Birmingham	4/7
Jamie JONES	01/09/2020	31/08/2023	Public – Birmingham	3/4
Thomas NORMAN	01/09/2020	31/08/2023	Public - Central England	0/4
Staff				
Stephen BROWN	28/04/2018	27/04/2021	Staff Governor – Generic	3/7
Yassar MOHAMMED	28/08/2019	27/08/2022	Staff Governor – Generic	4/7

Michelle GRACE	28/08/2019	27/08/2022	Staff Governor – Generic	6/7
Chris BLOWER	28/08/2019	27/08/2022	Staff Governor – Generic	5/7
Roger BISHTON	28/08/2019	27/08/2020	Staff Governor – Generic	1/7
Gail BROOKS	28/08/2019	27/08/2020	Staff Governor – Generic	1/7
Samuel SKELDING	01/09/2020	31/08/2023	Staff Governor – DWMH	3/4
Clare BUTTON	01/09/2020	31/08/2023	Staff Governor – DWMH	4/4
Bhawana CHAWDA	01/09/2020	31/08/2023	Staff Governor – DWMH	3/4
Carl BULLINGHAM	01/09/2020	31/08/2023	Staff Governor – DWMH	3/4
Appointed				
Councillor Bob PIPER	01/06/2016	In post	Sandwell MBC	6/7
Councillor Rose MARTIN	13/07/2018	In post	Walsall Council	2/7
Councillor Nicolas BARLOW	17/05/2019	In post	Dudley MBC	7/7
Councillor Jasbir JASPAL	15/05/2019	In post	Wolverhampton City Council	5/7

** Denotes re-elected / re appointed*

*** Previously reported in last year's report 16/09/2020 should have been 20/05/2020*

6.3.1 Register of Governors Interests

Governors are required to adhere to a Code of Conduct as approved by the Board of Directors, and are required to declare any interest, which may compromise their objectivity in fulfilling their duties. A copy of the current register is published on the Trust website, www.blackcountryhealthcare.nhs.uk or can be obtained by application to the Trust Secretary.

6.3.2 Vice Chair of the Assembly (Lead Governor)

The role of the Vice Chair, as provided for in the Constitution of the Trust, is identical to that of "Lead Governor". Mr Mel Passmore, Public Governor for the Wolverhampton area is the appointed Lead Governor.

6.3.3 Skills and Knowledge

Governors are required to adhere to a Code of Conduct as approved by the Board of Directors, and are required to declare any interest, which may compromise their objectivity in fulfilling their duties. A copy of the current register is published on the Trust website (www.blackcountryhealthcare.nhs.uk) or can be obtained by application to the Trust Secretary.

6.3.4 Elections to the Assembly

Details of elections held during the year are shown below.

Figure 38 Elections

6.3.5 Role of the Assembly of Governors

The Assembly of Governors has a wide range of statutory duties. The key overarching duties of the

Assembly of Governors is to hold the Non-Executive Directors individually and collectively to account for the performance of the Board of Directors. It has discharged this duty primarily through the mandatory duties described below:

6.3.6 The appointment or dismissal of the Chair and other Non- Executive Directors;

The assembly approved the process for recruiting Non-Executive Directors and during the course of the year appointed four Non-Executive Directors; Shaukat Ali, Alison Geeson, Saba Gondal and Nabil Jamshed.

The assembly reviewed the remuneration of Non-Executive Directors during the year and noted the work of NHSEI to standardised NEDs remuneration across both Foundation Trust and Non Foundation Trust.

During the year, the assembly approved or received the following:

- received and considered the Annual Report and Accounts;
- were sighted on the organisational objectives for the year;
- approved updates to the Constitutions and Code of Conduct;
- received Trust Committee Chairs integrated escalation reports;
- received Annual Self Certification license compliance
- sighted on the governor election process;
- approved the terms of reference of the Governors Membership Group;
- approved the establishment governors constituency meetings;
- represented the interests of the members of the Trust as a whole and the interests of the public.

The pandemic has impacted much of the governors external work, however the assembly approved its engagement plans, setting out activity engagement with members and the public for the period 2020 to 2023, which has been developed in line with the Trust's constitution.

The engagement objectives included:

- To actively increase awareness about the Trust amongst our membership, the public and key stakeholders.
- To maintain and build our membership community to be representative of the communities we serve.
- To keep members informed and engaged, and ensure that the views of our members and the public are listened to and represented

The assembly Membership Working Group will monitor progress against these objectives. The assembly also undertook the following constitutional duties:

- Reviewed and approved the Register of Interests for governors.

Ordinarily, in accordance with regulatory requirements, the Assembly would have selected local quality indicators but following the directive from NHSEI 'reducing burden and releasing capacity at NHS providers and commissioners to manage the Covid-19 pandemic', March 2020); focus was not given to the engagement process with Governors on determining quality indicators. We will ensure that the agreed quality indicators for 2021/22 are reviewed by the assembly and any recommendations of the assembly are included in our implementation plans.

In addition to the above, the assembly also received reports from directors and officers concerning:

- the operational performance of the Trust as measured against compliance and contractual requirements;
- the outcome of appraisals of the Chair and Non-Executive Directors;

The Chair of the Trust continues to lead the Assembly of Governors and ensures a sound and

open working relationship is maintained between the assembly and the Board of Directors. The Senior Independent (Non-Executive) Director also attends meetings of the assembly and its sub committees and groups; and is accessible to governors should they need to obtain his advice. Any disputes that may arise between the Assembly of Governors and the Board of Directors will be addressed in accordance with the Constitution of the Trust; no disputes arose during the financial year.

6.4 The Trust Chair

The Chair leads the Board of Directors and ensures it effectively fulfils its primary duties. Each appointed Chair declared their full interests which were managed in accordance with the Constitution of the Trust.

6.5 Senior Independent Director

The role of the Senior Independent Director is undertaken by David Stenson, Non-Executive Director.

6.6 Role and Independence of Non-Executive Directors

In addition to their role as board members, Non-Executive Directors also undertake the duties of Hospital Managers in accordance with the Mental Health Act 1983. They are assisted in these specific duties by duly appointed Associate Hospital Managers. The Board of Directors considers that all its Non-Executive Directors and the Associate Non-Executive Director are independent in character and judgment and have no relationships which may affect their judgment.

6.7 Evaluation of the Performance of the Board Sub Committees

The Audit, Finance and Investment, Quality and Safety, Transformation and Integration, and Workforce committees undertook separate internal evaluations of their effectiveness, using member self-assessment questionnaires. Analysis of the feedback was reported to each committee which in each case reflected a high degree of satisfaction in the effectiveness of the committees with some areas for improvements.

6.8 Sub-committees of the Board of Directors

6.8.1 The Audit Committee

Membership

The Audit Committee is a sub-committee of the Board of Directors, and its membership is comprised wholly of Non-Executive Directors. All meetings held during the year were quorate.

Other attendees

Meetings are regularly attended by the internal and external auditors, the Chief Finance Officer and the Local Counter Fraud Specialist. Other directors and officers are invited to attend meetings at the discretion of the committee or committee chair. Meetings of the Audit Committee are also attended by Governor as observers, as nominated by the Assembly of Governors.

Role and duties

The Committee's key function is to provide assurance as to both the adequacy and operation of systems of risk management and internal control within the Trust, and the integrity of the financial statements and quality accounts of the Trust. In discharging its duties during the year the Committee has:

- reviewed and approved the annual work programme of both internal and external audit;
- reviewed the annual management letter from external audit and progress of management in addressing the recommendations within;
- received and reviewed the annual report of the internal auditor, including consideration of the Head of Internal Audit Opinion;
- reviewed the accounting policies of the Trust;
- reviewed the Board Assurance Framework and associated risk management systems of the Trust;
- reviewed the financial accounts for 2020/21;
- noted that due to the continued pressures caused by Covid-19, the regulations for the preparation of a quality report are being amended and the deadline by which providers must publish their 2020/21 quality report is still to be announced by NHS England and NHS Improvement for 2020/21;
- reviewed and recommended adoption of the Annual Governance Statement for the financial year ending 31 March 2021
- will be receiving at a date to be determined a report from the external auditor as to the assurance of the Annual Quality Report for 2020/21;
- received regular reports from the external auditor including progress with its work programme, sector highlights and any regulatory issues requiring consideration;
- reviewed and agreed the policy for the supply of non-audit services;
- received and reviewed reports from the Internal Auditor concerning assignments across all aspects of governance and internal control;
- reviewed progress of management in implementation of agreed recommendations and recommended enhancements to the process of management review and reporting;
- reviewed schedules of contracts where tender processes had been waived;
- received updates on the counter fraud work plan at each of its meetings;
- reviewed ad-hoc submissions to the regulator.

Accountability

The Chair of the Audit Committee presents a report to the Board on the proceedings of each meeting, highlighting any risks or exceptional matters that have been or remain under consideration. The Audit Committee has not had cause to raise any specific matters of a serious nature or recommendations to the Board of Directors during the year.

6.8.2 The Quality and Safety Committee

Role of the Committee

The Quality and Safety Committee has a wide remit in seeking assurance as to the adequacy of governance systems and processes in place to support the Trust in delivering services against the mandated and accredited standards expected of service delivery.

During the year the Committee has undertaken the following:

- reviewed operational quality management reports, including details of incident reporting and analysis, and complaints, concerns and compliments;
- received internal audit reviews on the adequacy of arrangements in place for maintaining compliance with the quality governance framework and other relevant control areas;
- reviewed relevant high level risks and the associated mitigation plans;
- reviewed reports on the impact of Covid-19 on patient safety, complaints and Concerns, and health and safety incident data;
- reviewed lessons learned – learning disability
- reviewed arrangements in place for the training and development of staff;
- received the annual reports on arrangements for the safeguarding of children and adults;
- received the annual report on spiritual care;
- received the annual report on heath and fire safety arrangements;
- undertook a detailed review of incidents relating to violence and aggression;

- undertook a detailed review of operational workforce policies and associated risks;
- received the annual reports concerning infection, prevention and control;
- reviewed the annual clinical audit plan;
- reviewed arrangements in respect of research and innovation activities;
- received reports concerning the Trust's compliance with information governance (IG) standards;
- received report on patient involvement and engagement;
- received updates on the arrangements for implementation of the Trusts equality and diversity strategy and in particular the Workforce and Race Equality Standard;
- received reports on the use of equality impact assessments;
- received reports on the service user and staff satisfaction surveys and associated action plans;
- received reports from the Chair of the Quality and Safety Steering Group on any exceptional matters arising at its meetings

Membership of the Committee

The committee is comprised of Non-Executive Directors, Chief Medical Officer and Chief Nursing Officer and all meetings of the committee during the year were quorate.

Other attendees

The Chief Executive Officer, Clinical Divisional Directors, Trust Secretary, Other Directors and Managers (by invite). The Chair of the Trust may attend committee meetings. Governor observers, as nominated by the Assembly of Governors also attend meetings.

Accountability

The Chair of the Quality and Safety Committee presents a report to the Board on the proceedings of each meeting, highlighting any risks or exceptional matters that have been or remain under consideration.

6.8.3 The Finance and Investment Committee

Role of the committee

This committee undertakes a range of duties with the purpose of seeking assurance as to the underlying financial position of the Trust, the delivery of financial targets including the Cost Improvement Programme, the commercial framework and contracting position and the review, and the approval of investments and business plans within limits delegated by the Board of Directors.

During the year the committee has:

- reviewed in depth the arrangements and management plans to achieve cost efficiency savings;
- regularly conducted in depth reviews of the financial performance of the Trust;
- reviewed emerging business opportunities and their relevance to the core business of the Trust;
- reviewed operating and cash flow forecasts
- reviewed the underlying assumptions in the development of the annual budget and annual plan;
- reviewed the long term financial plan;
- reviewed the annual capital programme;
- reviewed arrangements on the use of agency staff;
- reviewed reports concerning service line reporting and management;
- reviewed the adequacy of high level risk mitigation plans;
- received updates as to the status of and performance against service contracts;
- received assurance on assumptions made in financial and treasury management;
- reviewed financial provisions in the management accounts;
- reviewed financial process for Covid-19 costs incurred; and

- held a joint committee meeting with workforce on agency reduction plans.

Membership of the committee

Membership of the committee is primarily Non-Executive Directors though also includes the Chief Executive Officer or his deputy in its membership. All meetings of the committee were quorate.

Governor observers, as nominated by the Assembly of Governors also attend meetings of the committee.

Accountability

The Chair of the committee provides a report to the Board of Directors on key matters arising from meetings of the committee.

6.8.4 The Mental Health Legislation Scrutiny Committee

Duties of the committee

The Mental Health Legislation Scrutiny Committee is established to gain assurance as to the Trust's compliance with mental health legislation in the provision of its services. During the year, the Committee has:

- reviewed training arrangements for front line practitioners;
- reviewed the training programme for Associate Hospital Managers;
- reviewed the application of the Mental Health Act through the annual statistics;
- received reports from the Mental Health Act administrators on matters arising from hearings;
- received reports from the Mental Health Legislation Operational Group, from the Chief Medical Officer;
- received reports on exceptional matters from meetings of the Associate Hospital Managers Group;
- received assurance on the implementation of the Liberty Protection Safeguards
- reviewed implications of Devon Partnership NHS Trust v Secretary of State for Health and Social Care.

Membership of the committee

Membership of the committee is comprised of Non-Executive Directors, but is also attended by both the Chief Medical Officer and Mental Health Act Administration Manager. Associate Hospital Managers may also attend meetings of this committee. All meetings held during the year were quorate.

Accountability

The Chair of the Committee provides a report to the Board of Directors on key matters arising from meetings of the committee.

6.8.5 The Transformation and Integration Committee

Role of the committee

The committee undertakes a range of duties with the purpose of seeking assurance of delivery of the post integration implementation and benefits realisation plans; and overseeing the development and effective implementation of the Trust's overall portfolio of transformation. The committee's continuing existence was reviewed and approved by the Trust Board to continue, with a further planned review in September 2021. All meetings of the committee were quorate.

During the year, the committee has:

- received assurance on post transaction implementation plan;
- received the Research and Innovation Strategy;

- reviewed clinical collaboration and developments;
- received the Clinical Strategy;
- received the Our People Strategy;
- received the community mental health services transformation plan;
- received the CAMHS transformation business case;
- noted the development of the Digital Strategy;
- noted the DIHC full business case delay and impact on transferring Children's Services.

Membership of the committee

Membership of the committee is comprised of Non-Executive Directors, Chief Executive Officer, Chief Finance Officer, and Director of Strategy. Also attended by NHSEI Regional Director, Chief Medical Office, Chief Operating Officer, Director of People, Staff Side Representatives and Other Directors and Managers (By Invite only).

Accountability

The Chair of the committee provides a report to the Board of Directors on key matters arising from meetings of the committee.

6.8.6 The Workforce Committee

Role of the committee

The committee undertakes a range of duties with the purpose of being concerned with the review and assurance of the development, maintenance and implementation of the Trust's People Strategy and associated working practices, including staff strategy and wellbeing. All meetings of the committee were quorate.

During the year, the committee has:

- received the Our People Strategy;
- received assurance on provision of face masks available at all sites and swab testing;
- received assurance om workplace risk assessments being undertaken across all sites;
- received workforce reports, covering: vacancy rates; turnover; sickness; mandatory training and appraisals;
- received assurance reports on safe staffing;
- received assurance reports on staff engagement;
- received reports on health and wellbeing;
- received reports on equality and diversity;
- received reports on recruitment and retention;
- received reports e- rostering;
- received reports on Freedom to Speak Up;
- received report on Covid-19 lessons learnt;
- received report on leavers analysis;
- held a joint committee meeting with finance and investment on agency reduction plans.

Membership of the committee

Membership of the committee is comprised of Non-Executive Directors, but is also attended by the Director of People, Chief Operations Officer, Chief Nursing Officer and Chief Medical Officer. Governor observers, as nominated by the Assembly of Governors also attend meetings of the committee.

Accountability

The Chair of the Committee provides a report to the Board of Directors on key matters arising from

meetings of the committee.

6.9 Trust Board Members Appraisals

The Chair and Non-Executive Directors have annual appraisals in accordance with the process approved by the Assembly of Governors. The appraisals of the Non-Executive and Associate Non-Executives are conducted by the Chair, and the appraisal of the Chair by the Senior Independent Director. The outcomes of the appraisals are reported to the Assembly of Governors.

Executive and board level directors are appraised annually by the Chief Executive Officer, and these are reported to the Non-Executive led Appointments and Remuneration Committee.

6.10 Compliance with the NHS Foundation Trust Code of Governance

Black Country Healthcare NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a “comply or explain” basis. The NHS Foundation Trust Code of Governance, most recently revised in July 2014, is based on the principles of the UK Corporate Governance Code.

7 Section E: Regulatory Matters

7.1 NHS Improvement Single Oversight Framework

NHS England and NHS Improvement's NHS Oversight Framework provides the framework for overseeing providers and identifying potential support needs. The framework looks at five themes:

- quality of care
- finance and use of resources
- operational performance
- strategic change
- leadership and improvement capability (well-led).

This disclosure is not mandatory for 2020/21 (as directed by NHS England and NHS Improvement's, February 2021).

7.2 CQC Registration

In the last year, the CQC have not undertaken an inspection at Black Country Healthcare NHS Foundation Trust. As such, the previous ratings awarded to Black Country Partnership NHS Foundation Trust (shown below) remain the overall ratings for the new organisation. The CQC programme of inspections was reduced during the Covid-19 pandemic so responsive inspections were completed based on intelligence around risk and safety.

The CQC are in the process of approving and implementing their new Five Year Strategy – 'Smarter Regulation for a Safer Future'. It is likely that the Trust will receive an inspection during the financial year 2021/22

The Care Quality Commission (CQC) undertook their last annual Well-Led assessment of the Black Country Partnership NHS Foundation Trust in conjunction with comprehensive inspections of three of the Trust's core services and one specialist service during November 2019.

Core Services:

- Acute wards for adults of working age and psychiatric intensive care units (PICU)
- Community mental health services for children and adolescents
- Community mental health services for adults of working age

Specialist Service

- Eating disorder services

The draft report was received from the CQC on 7 January 2020 by the Trust for the purposes of factual accuracy checking and ratings challenges and was published by the CQC on January 24 2020.

Trust overall CQC Quality rating 2020

The Trust has seen a significant improvement in the Safe and Effective domains from ratings of "Requires Improvement" to "Good". The combination of these domain improvements, core services which maintained their performance and the successful Well-Led inspection of the Trust resulted in an improved Trust rating from "Requires Improvement" to "Good" overall.

Figure 39 Current CQC Ratings 2020

Ratings for the whole trust

Safe	Effective	Caring	Responsive	Well-led	Overall
Good ↑ Dec 2019	Good ↑ Dec 2019	Good →← Dec 2019	Good →← Dec 2019	Good →← Dec 2019	Good ↑ Dec 2019

Ratings for community health services

	Safe	Effective	Caring	Responsive	Well-led	Overall
Community health services for children and young people	Good →← Feb 2017	Good →← Feb 2017	Good →← Feb 2017	Good →← Feb 2017	Good →← Feb 2017	Good →← Feb 2017

Ratings for mental health services

	Safe	Effective	Caring	Responsive	Well-led	Overall
Acute wards for adults of working age and psychiatric intensive care units	Requires improvement	Requires improvement	Good	Good	Requires improvement	Requires improvement
Forensic inpatient or secure wards	Requires improvement	Good	Good	Good	Good	Good
Wards for older people with mental health problems	Good	Good	Good	Good	Good	Good
Wards for people with a learning disability or autism	Good	Good	Good	Good	Good	Good
Community-based mental health services for adults of working age	Good	Good	Good	Good	Good	Good
Mental health crisis services and health-based places of safety	Good	Good	Good	Good	Good	Good
Specialist community mental health services for children and young people	Good	Good	Good	Requires improvement	Good	Good
Community-based mental health services for older people	Good	Good	Good	Outstanding	Outstanding	Outstanding
Community mental health services for people with a learning disability or autism	Good	Good	Good	Good	Good	Good
Specialist eating disorders service	Good	Good	Good	Outstanding	Good	Good
Overall	Good	Good	Good	Good	Good	Good

8 SECTION F: Statement of Accounting Officer's Responsibilities

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 Improvement.

NHS Improvement, in exercise of the powers conferred on Monitor by the NHS Act 2006, has given accounts directions which require the 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 the NHS Foundation Trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year. In preparing the accounts, 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:

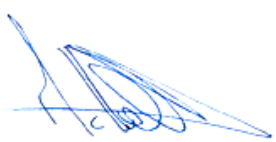
- observe the accounts direction issued by NHS Improvement, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in 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 him/her to ensure that the accounts comply with requirements outlined in the above mentioned Act.

The Accounting Officer is also responsible for safeguarding the assets of the NHS Foundation Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. As far as I am aware, there is no relevant audit information of which the Foundation Trust's auditors are unaware, and I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the entity's auditors are aware of that information.

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

Signed



Mark Axcell, Chief Executive Officer

Date: 9th June 2021

9 Section G: Annual Governance Statement

9.1 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.

9.2 The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Black Country Healthcare 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 Black Country Healthcare NHS Foundation Trust for the year ended 31 March 2021 and up to the date of approval of the Annual Report and Accounts.

9.3 Capacity to handle risk

The Trust has operated for the full financial year with the backdrop of the Pandemic; this has required a different mode of operation to facilitate the Trust meeting its obligation to handle risks.

This has hampered the Trust's ability to undertake face-to-face risk management training and be as proactive in this sphere as planned before the pandemic.

The Trust Board sets the lead in risk management by communicating its risk appetite and by directing the strategy for managing risk. The embedded structure of Trust Board, Trust Board Committees, Executive Committee, Risk Management Working Group, divisions and teams all play a leading role in risk management by reviewing, reporting and escalating risks.

Staff at all levels are required to undertake mandatory training which includes a module on risk management on induction, and associated policies. An internal audit review noted a need to provide more robust risk management training across the Trust and this will be addressed during the 2021/22 financial year with the implementation of a new a single reporting risk module; development of an overarching risk policy and virtual risk drop-in sessions provided in accordance with the risk management and learning and development strategies of the Trust.

Mandatory training also covers responsibilities and duties in the areas of health and fire safety, infection prevention and control, information governance, local security management, and counter fraud, and staff have access to specialists who lead in these areas within the Trust. The Trust seeks to learn from good practice in a number of ways including incident reporting and reviews, complaints and claims management and the review of safety alerts. The outcomes of these reviews are cascaded through the Trust's governance structure, including reviews by the Quality and Safety sub-committee of the Board of Directors, and through the publication of regular bulletins via the Trust intranet and email system.

Patient Safety and Risk Facilitators provide risk management support within the divisions and provide an interface with the corporate Governance Assurance team and co-ordinate the dissemination of divisional briefings on learning from incident and complaint reviews.

Improvements to systems and practice are included within service quality improvement plans developed by the Quality and Safety Groups at divisional level and are reviewed corporately by the Quality and Safety Steering Group.

Ordinarily, every year, the Chief Nursing Officer and Chief Medical Officer convene a series of quality improvement summits for front-line staff to attend. The summits were scheduled to take place four times during the year and are an important way to keep staff from all levels and professions informed about the organisation's priorities and developments. Due to the directive issued by NHSEI 'Reducing burden and releasing capacity at NHS providers and commissioners to manage the Covid-19 pandemic' summits did not take place during the 2020/21 financial year.

We are developing our Quality Improvement Strategy which will be launched in Summer 2021 and it will include detailed divisional quality plans which will outline our priorities for quality improvement and methods to deliver these. Quality service improvement re-design will be the Trust methodology for all quality improvement work and we are developing our training and implementation plans accordingly.

9.4 The risk and control framework

The Risk Management Strategy describes the approach to risk management and defines clearly where responsibility lies at each stage of the process.

All staff are required to report risks, including hazards that they encounter in their work, through well-defined incident reporting procedures. Risks are recorded on the Trust's electronic risk management system, which is in turn used to populate divisional and corporate risk registers and the board assurance framework. Risks are also identified from the review of complaints and concerns, through clinical and operational audit, business continuity and from research and development activities. Management and internal audit reviews of functional control systems against mandated and other standards of good practice and the ongoing assessment of our performance against plans also provide mechanisms for the identification of clinical, operational, financial, and strategic, non-compliance and external risks.

Once identified, risks are recorded and evaluated for their potential to adversely affect service delivery and the objectives of the Trust. Evaluation of the risk includes an assessment of both the consequence and likelihood of the risk being realised, using a risk matrix adapted from the former Australian/New Zealand risk management standard (AS/NZS 4360:1999). The descriptions allocated to each level of consequence and likelihood within the risk matrix enable a consistent approach to risk evaluation across the Trust.

The authority to treat risk is determined by the level of risk assigned, and treatment plans will be reviewed and monitored at relevant managerial levels, both individually and collectively. All risks, as recorded in the risk register are reviewed by the Risk Management Working Group (RMWG) and at divisional level to provide regular oversight of the risk registers on a monthly basis. High-level risks are reported to and reviewed by both the Executive Committee and Management Executive Committee (MEC).

Risk mitigation plans include identification of lead directors responsible for the execution of mitigation plans, indicative timescales for mitigation to be implemented, and an assessment of the residual risk. These are detailed in relevant risk management reports.

The board assurance framework identifies the strategic objectives, the controls and assurances in place and actions to address any gaps in control or assurance that are identified.

The above reporting and review process enables both the co-ordination and review of all risks and the ongoing identification of high-level risks and monitoring the progress of mitigation plans. The Quality and Safety; Finance and Investment; Transformation and Integration and Workforce sub-committees of the Board of Directors undertake assurance of the high-level risks through their respective business agendas, and any exceptional matters arising are reported directly to the Board via Chairs escalation reports.

The Board Assurance Framework (BAF) is reviewed quarterly by the Board of Directors to both ensure the adequacy of mitigation plans and to determine any further action to be taken. Risk appetite is directed by the Trust Board and its directors through discussion with the responsible committee, risk appetite is a core consideration in any risk management approach as it is acknowledged some level of risk will need to be accepted for an organisation to function effectively.

The Audit Committee has a key overarching responsibility to review the adequacy of the organisational systems of risk management and internal control and in so doing reviews and considers the adequacy of the board assurance framework, together with reports from Internal Audit as to the adequacy of the controls in place for its production and ongoing maintenance.

Grant Thornton, the Trust's internal auditors, undertook a risk management audit, which looked at the Trust's framework for managing and escalating risks and the relationship with the BAF. Internal auditors concluded, 'that the risk management processes provide 'partial assurance with improvement required'. In addition, Grant Thornton noted 'the additional pressures of the Covid-19 pandemic has understandably impacted on normal working, adding to the pressures of bringing together two organisations. Plans to introduce one risk management system Trust-wide have been delayed until 1 June 2021, resulting in the issue of the Risk Management Policy and related procedures also being delayed. The development of a coherent approach to the recording of risks across the Trust has been impacted by this, and the continued use of two risk management systems is causing inefficiencies.

The design and operations of the Board Assurance Framework was also reviewed, Grant Thornton concluded that the process has provided a 'significant assurance with some improvement required'.

Internal audit identified the following:

Good practice

We found there is challenge and scrutiny of the Board Assurance Framework by the Non-Executive Directors at Board meetings.

1 Review of escalation papers from Board Committees evidenced consideration of BAF risks delegated to them, including recommendations to the Board to change risk scores.
2 The Trust has set out a process for reviewing its strategic risks, culminating in an updated BAF being diarised for presentation to Trust Board in April 2021.
3 We consider that the inclusion of the Trust's strategic risks at the head of Board papers facilitates mindful consideration of these during discussion of the Board agenda.
4 The BAF meets all expectations set out by the Department of Health and Social Care.

Areas for Development

1 The new Trust's Risk Management Policy is currently in development. The issue of this will facilitate further embedding of arrangements to manage both the BAF and the wider risk management process.
2 Not all Board committees terms of reference include the explicit duty to review relevant risks and associated mitigation relating to the Board Assurance Framework.
3 The Trust's Risk Management Policy and associated procedures are currently in development resulting the potential for inconsistent risk management procedures between the two legacy Trust divisions.
4 Trust-wide risk management training to be enhanced with the roll out of the Trust-wide risk management system due to be implemented from 1 June 2021.
5 Risks are not routinely reviewed in a timely manner
6 Sources of risk are currently only documented by users of the Ulysses risk management system.
7 There is scope to streamline the Dudley and Walsall Mental Health Risk Register.

8 In-depth discussion of divisional risk registers has been sporadic due to the pressures of the pandemic.

9 Working pressures have limited the scope to review local risk registers to avoid / remove duplication

10 The High-Level Risk Register should be explicitly mapped to the Board Assurance Framework.

Actions to address the recommendations of all internal audit reviews have now been planned, and progress in implementation is reviewed regularly by the Audit Committee.

Planned actions to address internal audit review:

- A risk management policy will be developed alongside the introduction of a single risk management system for the Trust during Q1, 2021/22 with a view to ratify the policy during Q2, 2021/22.
- The Trust will also ensure that training is aligned to electronic staff records to ensure that there is consistent recording of completed risk management training. Based on the training needs analysis with the Risks Management Policy a wider schedule of training will be planned throughout 2021/22.
- The Trust will ensure that all overdue risks are reviewed and that a reporting mechanism will be built into the new system to ensure that these are identified through a regular monthly report to risk leads.
- The Trusts patient safety facilitator will conduct a thorough review of the 'whole Trust's risk register', to look for any risks which may be considered duplicates and look at what can be done to strengthen links between risks across the Trust ensuring that they are appropriately cross referenced. This process will then be repeated every six months to ensure that this continues.
- A review of the BAF and the HLRR will be conducted, to initially look at where there may be gaps in alignment between the BAF and the HLRR. Where risks on the HLRR are not specifically addressed within the BAF the reasons for these will be documented within the appropriate board sub-committee report and within the updates to the risk on the system.

The Quality and Safety and Finance and Investment Committees regularly review detailed reports which provide an overview of risk management activity, including incident reporting and analysis, investigations into serious untoward incidents, complaints management and estates. The Board of Directors receives reports on mortality and any exceptional risk management issues arising at its meetings. In developing its operational plan for 2020/21, the Board identified the below key risks to maintaining compliance with its license conditions.

Figure 40 Key risks

Risks	Key mitigations
Covid-19, impacting significantly upon the Trust's ability to deliver safe and effective services for its service users and impact upon staff health and wellbeing.	Our Black Country Healthcare road map is aligned to the Governments four step plan.
The possibility that failure to meet statutory financial obligations will impact on our services and sustainability of the Trust.	Fully developed recurring Cost Improvement Plans (CIP) in order to fully deliver in 2021/22 with an outline of schemes for 22/23 and 23/24.
Failure to meet infection, prevention and control, and cleanliness standards could compromise patient safety and lead to regulatory action.	Robust work plan that looks at infection prevention and control (IPC). IPC Board Assurance Framework has been reviewed and updated.
Not having the sufficient workforce to meet future demand for our services and a workforce plan to identify those requirements.	Retention plans for nurses in place. Draft Our People Strategy (to be approved by the Trust Board, May 2021).
The Trust's ageing estate is not conducive to best clinical practice and could compromise the quality and safety of service provision.	Produce an Estates Strategy, to outline plans, for approval by the Board, June 2021; to ensure our estates are fit for purpose and meet the requirements of the Clinical Strategy.

The Board of Directors regularly reviewed these risks and associated mitigation plans at its meetings. The Assembly of Governors has received reports from directors about the annual operational plan for 2020/21.

Details of risks, incidents and complaints are also shared with the Trust's main service commissioners through the regular contract quality review meetings and with members of the public via the publication of our strategic objectives and related risks.

Ultimate responsibility for ensuring the quality and safety of services provided rests with the Board of Directors, which regularly reviews reports on quality performance using a dashboard of key quality performance indicators, together with performance reports on quality initiatives. The Board also receives reports from its Quality and Safety sub-committee, which has a duty to obtain assurance as to the delivery of services to the national and local standards of safety and quality expected.

In furtherance of its aim to seek more positive, independent assurance as to the quality of services provided, the Board continues to receive both direct and indirect accounts of service users, carers and staff as to their experience of using Trust services; Board members also take full participation in regular visits to operational units. The Chief Nursing Officer holds executive responsibility for quality governance. The Chief Medical Officer and Chief Nursing Officer are key members of the Quality and Safety Steering Group which oversees quality performance, the implementation of the Quality Strategy and the development and monitoring of the quality governance framework. Other members of this group include the Clinical Directors from each division, the Chairs of each sub-group (which are described below) and key specialists, e.g. Associate Director of Safeguarding.

Each division has its own Quality and Safety Group reporting to the Trust Quality and Safety Steering Group and has representatives on subject specific corporate groups, such as the Infection Prevention & Control Committee, the Health and Safety Group, and the Medicines Management Committee, thus ensuring consistency in the development of policy. These sub groups also provide oversight of relevant risks and provide regular reports on exceptional issues to the Quality and Safety Steering Group. The Foundation Trust is fully compliant with the registration requirements of the Care Quality Commission. The Care Quality Commission was last in November 2019 and undertook a full inspection of Black Country Partnership services; they awarded the Trust an overall rating of 'Good.'. The Trust has seen a significant improvement in the Safe and Effective domains from ratings of "Requires Improvement" to "Good", however there are still a limited number of domains which 'Require Improvement' and plans are in place to address these areas, with a small number of actions on going.

In awarding this rating, the Care Quality Commission stated in their report, "In all services, staff treated patients with compassion and kindness. They understood the individual needs of patients and supported patients to understand and manage their care, treatment, or condition. In all services, staff involved patients and carers when planning care and actively sought their feedback on the quality of care provided…"

Action plans to address recommendations following the Care Quality Commission review are monitored by the corporate Governance Assurance Team in order to ensure implementation within required timescales. Oversight of these plans is provided by the Quality and Safety Steering Group. The Trust received a number of actions from the CQC to ensure regulatory compliance or to avoid a future breach of regulatory compliance (Must do's and Should do's). These actions totalled five and three respectively. Of the 'Must Do' actions, three are complete, and actions to address the other two areas are in progress and on track. We anticipate a further CQC Inspection during 2021/22.

The Mental Health Legislation Scrutiny Committee has a duty to gain assurance as to compliance with all aspects of mental health legislation. Non-Executive Directors are members of this committee, and its meetings are regularly attended by the Chief Medical Officer and the Mental Health Act Administration Officer. Non-Executive Directors have delegated the responsibilities for hearing appeals under the Mental Health Act 1983 to independent Associate Hospital Managers. Meetings of the Hospital and Associate Hospital Managers Group take place twice a year and report to the Mental Health Legislation Scrutiny Committee.

The Trust has a recognition agreement in place that is jointly reviewed on a regular basis with Staff Side leads. Monthly meetings of the Staff Forum take place for formal discussions in relation to staffing issues. In addition, as set out within the Organisational Change Policy, collective consultations would be enacted where there are more specific issues affecting employees, for example restructures. Informal engagement with staff took place to inform various key initiatives such as the Annual Staff Survey.

Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with. The Board is aware of its obligations under the Equality Act 2010 and has arrangements in place to ensure the Trust not only complies with the legal requirements but more importantly harnesses and embeds the principles of equality into everyday operations.

Significantly, the Trust uses Equality Impact Assessments (EqIA) as a proactive approach to positively promoting equality, challenging discrimination, and creating accessibility for staff, for those who use our services, and for the local community. An EqIA is carried out whenever the Trust is developing or amending strategies, policies, projects and services. Managers have a responsibility to complete the EqIA and to ensure that other relevant staff are involved in the process so as to provide different perspectives and challenge the established way of doing things. The EqIA process and accompanying online forms are kept on the Trust Intranet to provide easy access for staff.

The Head of Diversity reviews each completed EqIA to ensure it has been completed appropriately, is added to the corporate register and that any overarching themes which arise are addressed at divisional level and as necessary, are brought to the attention of the Equality Inclusion Board. It is the responsibility of the division in which the EqIA has been undertaken, to ensure that any resulting actions are incorporated into the ongoing delivery and review of services. All completed EqIAs are published on the Trust's intranet and website. In addition, any proposal for achieving cash releasing savings is assessed not only for the impact on quality, but also whether there are any equality impacts. In accordance with the requirements of the Equality Act 2010, the objectives of the Trusts equality strategy are published on the Trust's website.

The Workforce Committee is the assurance committee which receives workforce strategies and reports and meets on a monthly basis to consider these. The committee also receives monthly safer staffing reports which are also reported to Trust Board. The Trust complies with the workforce safeguards through the safer staffing reporting and the workforce planning processes to Workforce Committee and Trust Board. The Trust has published on its website an up-to-date register of interests, including gifts and hospitality, for decision-making staff (as defined by the Trust with reference to the guidance) within the past twelve months as required by the 'Managing Conflicts of Interest in the NHS' guidance. The register continues to be updated on a regular basis and is monitored by the Audit Committee.

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

The Trust aspires to develop the highest quality mental health, learning disability and children's service provision across the Black Country. The covid-19 pandemic reshaped our focus over the past year and continues to bring much learning, opportunity and change. Our focus for the year ahead is aimed at learning from our experiences of the pandemic and implementing our own route map out of the pandemic to continue to support our service users, staff and our communities.

NHS England is committed to becoming the world's first "Net Zero Carbon" health service to mitigate the impact of climate change and its profound threat to the health of the nation. It is estimated that the nation's health and care system is responsible for 4-5% of the country's carbon footprint and the public health impacts associated with poor air quality are borne by the NHS through the increased support it must provide citizens living in affected areas.

We recognise that sustainable development is a critical factor in our organisation being able to deliver world class healthcare, both now and in the future. We are therefore dedicated to safeguarding for the creation and embedding of sustainable models of care throughout our operations and to making sure that our operations, and our estates, are as efficient, sustainable and resilient as they possibly can be.

The pandemic has fundamentally changed the way the NHS operates. At Black Country Healthcare, we are looking to learn from the experience of the last year and continue to build on and develop the positive changes in service delivery initiated during the pandemic. An example of this being some outpatient services being provided in part using technology for 'virtual' appointments, reducing risk of cross-infection but also reducing the environmental impact of patients travelling to and from face-to-face appointments.

NHS Staff are working from home in much greater numbers and are using information technology (IT) conferencing facilities for meetings. This significant change in how we work will reduce the subsequent carbon and particulate matter emissions associated with travel and in some cases estate. It will have an impact on the overall plan for sustainability for years to come and future discussions in relation to the Trust achieving its sustainability goals will include how the benefits of these changes can be maximised.

The Trust's Green Plan approved by the Trust Board lays the foundation for the development of the Trust's Green Strategy which takes into account the UK Climate Projections 2018 (UKCP18); the Green Plan ensures the Trusts obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

The Trust's Green Strategy will have beneficial outcomes to the delivery and the sustainability vision for the Black Country. For the plan to be successful it requires everyone within the Trust to work collaboratively with other partners whose services impact all facets of healthcare provision including clinicians looking at care pathways, procurement for goods and services, and finance to where investment is needed in order to meet standards and generate efficiencies.

The Audit Committee received reports of reviews undertaken by internal audit as its major source of assurance.

The Trust received significant assurance in the following area:

- Board Assurance Framework.

The Trust received partial assurance in the following areas:

- Risk management arrangements:
- Freedom to Speak Up Guardian:
- Safeguarding review
- Data Security and Protection Toolkit I (DSPT)
- Financial controls

Detailed action plans are in place and are being implemented to address issues raised in all four areas.

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

The Board of Directors is responsible for ensuring systems are in place to maintain the economic, efficient and effective use of resources within the Trust. An integrated performance report, covering finance, workforce, compliance targets, contractual targets and service line activity is regularly presented to and reviewed by the Board of Directors.

The Management Executive Committee whose membership includes executive, clinical and divisional directors once established meet on a monthly basis and have a duty to monitor the performance of the Trust, against the agreed financial, contractual, and service targets as set by the Board of Directors. The Quality and Safety Steering Group monitors the quality performance of the Trust and reports to the Quality and Safety sub-committee of the Board.

At operational level, the group management boards meet regularly to review operational and financial performance, and any exceptional matters are escalated to the executive directors via the Performance and Planning Management Boards. The Finance and Investment Committee reviews and assures the rationale and adequacy of investment and cost improvement plans, and the Quality and Safety Committee reviews the adequacy of the Quality and Equality Impact Assessment process.

This Trust is committed to providing a zero-tolerance culture to fraud, bribery and corruption whilst maintaining an absolute standard of honesty and integrity in dealing with our assets. We are committed to the elimination of fraud and illegal acts within the Trust. We ensure the rigorous investigation of reported matters of fraud, bribery or corruption and the pursuance of redress for financial losses stemming from such acts, and the application of disciplinary sanctions or other actions as appropriate. We adopt best practice procedures to tackle fraud, bribery and corruption, as recommended by the NHS Counter Fraud Authority (NHS CFA). We have anti-fraud, anti-bribery and fraud redress policies in place. The Counter Fraud team is accountable to the Chief Finance Officer and the Audit Committee. All concerns are investigated by our Counter Fraud Team.

At its meeting on 28 April 2021, the Board of Directors determined whether the financial statements for the year ended 31 March 2021 should be prepared on a going concern basis. This is referred to in the performance report at section 1 of this annual report. In determining that the financial statements should be prepared on a going concern basis, it identified material uncertainties that may cast doubt on the ability of the Trust to continue to exist in its current form, and to discharge its liabilities in the normal course of business in the longer term.

The significant risks facing the Trust are summarised as follows:

- Risk of not having a strong voice from service users and carers within the development and delivery of services and therefore failing to provide quality services and improving services users experience.
- Failure to embed the desired culture and empowering learning may adversely impact on staff, patients and service users and the Trust's ambition to become an outstanding organisation.
- BCH infrastructure does not support the future direction for the organisation, which delays innovation and service delivery and development.
- Failure to meet statutory financial obligations will impact on our services and sustainability of the Trust.

The Trust has performed in line with plan in 2020/21 and is planning to deliver a break-even position in 2021/22. During the year as a result of Covid-19 the Trust incurred significant revenue and capital expenditure which was reimbursed in line with the national funding regime. Contracting negotiations for 2021/22 are in progress with block arrangements in place for the first half of the financial year.

9.6 Information Governance

9.6.1 Information Governance Incidents

BCHFT has had three Information Commissioners Office (ICO) reportable incidents within 2020/21. One was where information was released to an incorrect individual as part of an information request, the other two incidents were where staff had inappropriately accessed clinical records via the Trusts electronic systems. No action was taken by the ICO in any of these incidents and no formal recommendations made.

9.6.2 Data Security and Protection Toolkit

The Data Security and Protection Toolkit (DSPT) is based upon the National Data Guardian Standards. Unlike the previous IG Toolkit the DSPT does not provide a score or rating of the assessment so the Trust either met, or did not meet the DSPT standard. The Trust submitted the Data Security and Protection Toolkit in March 2020 and reported that it met compliance with mandatory assertions. In addition to the mandatory assertions, the Trust met 15 of the non-mandatory requirements.

Relevant data security training is mandatory for all staff within the Trust in accordance with national information governance standards and the Trust reported below the 95% mandated standards, this is following the reduction of training provision to meet clinical needs throughout the pandemic. The Trust ensures that all new starters complete their mandatory training in information governance and data security; and all staff have completed the training within the past two years. To balance the training compliance the Trust have regular information governance communications sent to all staff and there are full actions plans in place to increase the training compliance across the Trust. Any incidents and/or risks associated with data and information security are reported and dealt with in accordance with the Trust risk management and incident reporting policies.

Due to the impact of Covid-19 the finalisation of the DSPT for 2020/21 is not set to be completed until June 2021. The Trust has monitored progress with the Data Security and Protection Toolkit closely and is on target to submit requirements met with action plans in place, the actions plans are likely to be around staff training compliance, as this is currently below the 95% standard. The table below provides an overview of what the Trust submitted in relation to the DSPT:

Figure 41 Data Security and Protection Toolkit Outcome 2020/21

2019/20	Completed	Items Not Met	% Complete
Mandatory Requirements	111	1*	100
Optional Requirements	33	5	89
Totals	144	6	96

**action plan in place for training and so does not affect overall percentage complete*

9.6.3 Data Quality and Governance

In relation to data quality and management, the Trust:

- Ensures that clinical coding is accurate and data validation is completed. There are policies and procedures in place regarding data quality. The Trust reviews pseudominisation of data, accessibility of data (through manual record management track and trace as well as systems accessibility). The national data opt out scheme has been embedded and is utilised where necessary. As part of this the Trust reviews the amount of data rectification requests that it upholds (which in the time period was 1)
- Completes data flow mapping and has developed charts and risk assessments in relation to the data flows across the organisation as well as externally. Data flow mapping charts have been updated within 2020-21 to reflect the impact of Covid-19 on data sharing.

9.6.4 Cyber Security

The Trust:

- Gained assurances from Terrafirma in relation to their ISO accreditation.
- Engaged with auditors in relation to pen-testing and other areas of IT.
- Audited staff understanding about cyber-attacks through phishing techniques.
- The Trust has actively engaged West Midlands Ambulance Service (Audit & Assurance Services: Accredited NHS based providers of Cyber Essentials Plus Assessment, ISO27001 Audits, IT Audit, Digital forensics, Penetration Testing, Vulnerability Assessment and IT. Consultancy Services) to undertake ethical vulnerability and penetration testing services for the Trust. A report is generated from that exercise, with an agreed management action plan, to address any areas of concern.

Over the past 12 months there has been a close working relationship between Information Governance and the IT department which has led to the embedding of data protection by design within the IT function.

9.6.5 Internal Audit Opinion on Data Security and Protection Toolkit (DSPT)

Internal audit concluded that the Data Security and Protection Toolkit process, provided a partial assurance with improvement required level of assurance to the Board.

9.7 Annual Quality Report

Due to the continued pressures caused by Covid-19, the regulations for the preparation of a quality report were being amended, but NHS England and Improvement have now confirmed the deadline by which providers must publish their 2020/21 quality report remains 30 June 2021. In light of these pressures caused by Covid-19, NHS Providers are also no longer expected to obtain assurance from their external auditor on their quality report for 2020/21. NHS Foundation Trusts are not required to include a quality report in their annual report for 2020/21.

The Trust is making good progress in preparing its 2020/21 Quality Account and discussions with key stakeholders continue. We will ensure that the Quality Account is ready for review discussion and Trust Board sign off ahead of 30 June deadline.

9.8 The Modern Slavery Act 2015

The Modern Slavery Act 2015 is designed to consolidate various offences relating to human trafficking and slavery. We have zero tolerance of slavery and human trafficking and are committed to maintaining and improving systems, processes and policies to avoid complicity in human rights violation and to prevent slavery and human trafficking in our supply chain. Our safeguarding training includes role relevant awareness and understanding of modern slavery and helps staff identify, respond to and support victims of modern slavery and recognise the important role of the NHS in protecting these individuals. The organisation recognises that it has a responsibility to take a robust approach to modern day slavery and human trafficking and is absolutely committed to its prevention within all corporate activities.

We will ensure that our policies, procedures, governance and legal arrangements are robust, ensuring that thorough checks and due diligence are applied in employment procedures to ensure compliance with this legislation. We also conform to the NHS employment check standards within our workforce recruitment and selection practices, including through our managed service provider contract arrangements. This strategic approach incorporates analysis of the Trust's supply chains and its partners to assess risk exposure and management on modern slavery.

In addition, we appreciate that during the Covid-19 pandemic, the increased risk posed to individuals due to social distancing and lockdown measures, has impacted on staff potentially being able to recognise the warning signs and with fewer staff coming into physical contact with patients to be able to spot the signs and report suspicious activity. Also, the heightened risk for those already exploited which can allow more opportunity for increasing the risks of exploitation, including child labour and exploitation.

Our ongoing safeguarding training programme is crucial for staff and will include role relevant awareness and understanding of modern slavery to help staff identify and respond to and support victims of modern slavery and recognise the important role of the NHS in protecting these individuals.

We will continue to support all staff to understand and respond to modern slavery and human trafficking, and the impact that each, and every individual working in the NHS can have in keeping present and potential future victims of modern slavery and human trafficking safe, to ensure all staff have access to appropriate training on how to identify those who are victims of modern slavery and human trafficking.

9.9 Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed by the work of the internal auditors, clinical audit, executives, clinical leads and senior managers 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.

Covid-19 has had a profound effect on all of us, and whilst we have encountered many challenges and embraced new ways of working; our internal control systems have operated effectively.

I can confirm monthly processes are in place whereby local and national key performance indicators and information requirements were published to the divisions. These were reviewed by operational and divisional managers and poor performance reviewed and investigated where necessary. Updated reports were published and discussed at the Management Executive Committee (MEC) led by Trust Executive Directors before a Trust level performance report was presented to Trust Board.

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 other sub committees of the Board and a plan to address weaknesses and ensure continuous improvement of the system is in place.

These include:

- the regular reports on quality metrics within the performance reports submitted to the Board of Directors;
- the assurance provided by internal audit through their reviews; and
- the views and comments received from external organisations.

In addition, other processes applied in maintaining and reviewing the effectiveness of the system of internal control include the following:

- regular reviews of the board assurance framework by the Board of Directors;
- reviews of the board assurance framework by the Audit Committee;
- the work of the Audit Committee and in particular its assurance of the adequacy of the risk management arrangements and wider system of internal control including quality governance arrangements;
- the duties of the Quality and Safety Committee in its assurance of quality governance;
- the duties of the Mental Health Legislation Scrutiny Committee in its assurance of compliance with mental health legislation;
- the establishment of a Trust Board (temporary) forum, for weekly review of Covid related risks;
- sources of positive assurance as to the quality of service provision considered by the Board of Directors, in particular direct and indirect accounts of service user experience and quality assurance visits to service areas by board members;
- the role of the Finance and Investment Committee in both assuring the adequacy of plans to mitigate high level business, financial and strategic risks, and reviewing the financial and performance reports and forecasts;

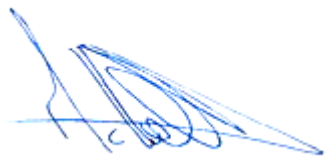
- the role of the Transformation and Integration Committee in reviewing and assuring delivery of the post integration implementation and benefits realisation plans; and
- the ongoing application of the risk management strategy and processes by Executive Directors and other senior management.

9.10 Conclusion

No significant internal control issues have been identified.

The Head of Internal Audit has given partial assurance with improvement required in relation to the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. The level of non-compliance in certain areas puts some system objectives at risk. These identified weaknesses are in relation to the core financial controls, data security and protection, risk management, safeguarding, and freedom to speak up audits. Otherwise, there are only minor weaknesses in the other activities and controls subject to review to date. I have been assured that action plans are in place to address the weakness identified and that progress will be monitored by the Audit Committee.
Those activities and controls that were examined were operating with sufficient effectiveness to provide reasonable assurance that the related risk management objectives were achieved during the period under review.

Signed

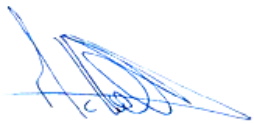


Mark Axcell, Chief Executive Officer

Date: 9th June 2021

The Accountability Report is hereby approved:

Signed



Mark Axcell, Chief Executive Officer

Date: 9th June 2021

PART C QUALITY REPORT

Due to the continued pressures caused by Covid-19, the regulations for the preparation of a quality report were being amended, but NHS England and Improvement have now confirmed the deadline by which providers must publish their 2020/21 quality report remains 30 June 2021.

In light of these pressures caused by Covid-19, NHS Providers are also no longer expected to obtain assurance from their external auditor on their quality report for 2020/21. NHS Foundation Trusts are not required to include a quality report in their annual report for 2020/21.

The Trust is making good progress in preparing its 2020/21 Quality Account and discussions with key stakeholders continue. We will ensure that the Quality Account is ready for review discussion and Trust Board sign off ahead of 30 June deadline.

PART D INDEPENDENT AUDITOR'S REPORT TO THE ASSEMBLY OF GOVERNORS AND BOARD OF DIRECTORS OF BLACK COUNTRY HEALTHCARE NHS FOUNDATION TRUST

10 Report on the audit of the financial statements

10.1 Opinion

In our opinion the financial statements of Black Country Healthcare NHS Foundation Trust (the 'Foundation Trust'):

- give a true and fair view of the state of the Foundation Trust's affairs as at 31 March 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with the accounting policies directed by NHS Improvement – Independent Regulator of NHS Foundation Trusts; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in taxpayers' equity;
- the statement of cash flows; and
- the related notes 1 to 28.

We have also audited the information in the Remuneration Report and Staff Report that is subject to audit, being:

- the pay multiples and related narrative notes;
- the table of exit packages;
- the table of salaries and allowances of senior managers and narrative notes; and
- the table of pension benefits of senior managers and related narrative notes.

The financial reporting framework that has been applied in their preparation is applicable law and the accounting policies directed by NHS Improvement – Independent Regulator of NHS Foundation Trusts.

10.2 Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), the Code of Audit Practice and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Foundation Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

10.3 Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Foundation Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

The going concern basis of accounting for the Foundation Trust is adopted in consideration of the requirements set out in the accounting policies directed by NHS Improvement – Independent Regulator of NHS Foundation Trusts, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

10.4 Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The accounting officer is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

10.5 Responsibilities of the accounting officer

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

In preparing the financial statements, the accounting officer is responsible for assessing the Foundation 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 dissolve the Foundation Trust without the transfer of the Foundation Trust's services to another public sector entity.

10.6 Auditor's responsibilities for the audit of the financial statements

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

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

10.7 Extent to which the audit was considered capable of detecting non-compliance with laws and regulations, including fraud

We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which our procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

We considered the nature of the Foundation Trust and its control environment and reviewed the Foundation Trust's documentation of its policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of non-compliance with laws and regulations.

We obtained an understanding of the legal and regulatory framework that the Foundation Trust operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. This included the National Health Service Act 2006.
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Foundation Trust's ability to operate or to avoid a material penalty. These included the Data Protection Act 2018, relevant employment legislation, and clinical standards.

We discussed among the audit engagement team, including relevant internal specialists such as IT and industry specialists, regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud or non-compliance with laws and regulations in the area of NHS clinical revenue. In response to this:

- We evaluated the design and implementation of key controls in relation to revenue recognition;
- We have tested the recognition of income through the year and have evaluated the results of the agreement of balances exercise;
- We have reconciled income recorded to signed contracts and confirmations for material counter parties, and reviewed material variations;
- We have obtained an understanding of the nature of provisioning, the basis for the position adopted, and evidence of the historical accuracy of provisions made for disputes with commissioners.
- We considered the Trust's track record in evaluating period-end provisions;
- We assessed the appropriateness of the judgments made in recognising revenue and providing for disputes on the basis of discussion with staff involved, and reviewed correspondence with commissioners and other relevant documentation;• We reviewed with management the key changes and any open areas in setting 2021/22 contracts, and considered whether taken together with the settlement of current period disputes, there were any indicators of inappropriate adjustments in revenue recognised between periods; and
- We reviewed the correspondence from NHSE/I regarding the allocation of additional funding.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and internal audit and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations;
- enquiring of the local counter fraud specialist and review of local counter fraud reports produced; and
- reading minutes of meetings of those charged with governance and reviewing internal audit reports.

10.8 Report on other legal and regulatory requirements

10.9 Opinions on other matters prescribed by the National Health Service Act 2006

In our opinion:

- the parts of the Remuneration Report and Staff Report subject to audit have been prepared properly in accordance with the National Health Service Act 2006; and
- the information given in the Performance Report and the Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

10.10 Matters on which we are required to report by exception

Use of resources

Under the Code of Audit Practice, we are required to report to you if we have not been able to satisfy ourselves that the Foundation Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Our work in respect of the Foundation Trust's arrangements is not complete at the date of our report on the financial statements. We will report the outcome of our work on the Foundation Trust's arrangements and include any additional exception reporting in respect of significant weaknesses in our audit completion certificate and our separate Auditor's Annual Report. We are satisfied that the remaining work is unlikely to have a material impact on the financial statements.

10.11 Respective responsibilities of the accounting officer and auditor relating to the Foundation Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources

The accounting officer is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in the use of the Foundation Trust's resources.

We are required under the Code of Audit Practice and Schedule 10(1(d)) of the National Health Service Act 2006 to satisfy ourselves that the Foundation 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 Foundation Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We undertake our work in accordance with the Code of Audit Practice, having regard to the guidance, published by the Comptroller & Auditor General in April 2021, as to whether the Foundation Trust has proper arrangements for securing economy, efficiency and effectiveness in the use of resources against the specified criteria of financial sustainability, governance, and improving economy, efficiency and effectiveness.

The Comptroller & Auditor General has determined that under the Code of Audit Practice, we discharge this responsibility by reporting by exception if we have reported to the Foundation Trust a significant weakness in arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2021 by the time of the issue of our audit report. Other findings from our work, including our commentary on the Foundation Trust's arrangements, will be reported in our separate Auditor's Annual Report.

10.11.1 Annual Governance Statement and compilation of financial statements

Under the Code of Audit Practice, we are required to report to you if, in our opinion:

- the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual, is misleading, or is inconsistent with information of which we are aware from our audit; or
- proper practices have not been observed in the compilation of the financial statements.

We are not required to consider, nor have we considered, whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in respect of these matters.

10.11.2 Reports in the public interest or to the regulator

Under the Code of Audit Practice, we are also required to report to you if:

- any matters have been reported in the public interest under Schedule 10(3) of the National Health Service Act 2006 in the course of, or at the end of the audit; or
- any reports to the regulator have been made under Schedule 10(6) of the National Health Service Act 2006 because we have reason to believe that the Foundation Trust, or a director or officer of the Foundation Trust, is about to make, or has made, a decision involving unlawful expenditure, or is about to take, or has taken, unlawful action likely to cause a loss or deficiency.

We have nothing to report in respect of these matters.

10.12 Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until we have completed our work in respect of the foundation trust's arrangements for securing economy, efficiency and effectiveness in its use of resources (as reported in the Matters on which we are required to report by exception – Use of resources section of our report). We are satisfied that our remaining work in this area is unlikely to have a material impact on the financial statements.

10.13 Use of our report

This report is made solely to the Assembly of Governors and Board of Directors ("the Boards") of Black Country Healthcare NHS Foundation Trust, as a body, in accordance with paragraph 4 of Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Boards 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 Boards as a body, for our audit work, for this report, or for the opinions we have formed.

Mohammed Ramzan, CPFA (Key Audit Partner)

For and on behalf of Deloitte LLP

Statutory Auditor

Birmingham, United Kingdom

14th June 2021

Audit certificate issued subsequent to opinion on financial statements

Independent auditor's certificate of completion of the audit

Issue of opinion on the audit of the financial statements

In our audit report for the year ended 31 March 2021 issued on 14 June 2021, we reported that, in our opinion, the financial statements:

- gave a true and fair view of the state of the foundation trust's affairs as at 31 March 2021 and of its income and expenditure for the year then ended;
- had been properly prepared in accordance with the accounting policies directed by NHS Improvement – Independent Regulator of NHS Foundation Trusts; and
- had been prepared in accordance with the requirements of the National Health Service Act 2006.

Foundation trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

As part of our audit, we are required to report to you if we are not able to satisfy ourselves that the foundation trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

As at the date of issue of our audit report for the year ended 31 March 2021 on 14 June 2021, we had not completed our work on the foundation trust's arrangements, and had nothing to report in respect of this matter as at that date.

Certificate of completion of the audit

In our audit report for the year ended 31 March 2021 issued on 14 June 2021, we explained that we could not formally conclude the audit on that date until we had completed our work in respect of the foundation trust's arrangements for securing economy, efficiency and effectiveness in its use of resources. We have now completed our work in this area.

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

We have nothing to report in respect of the foundation trust's arrangements for securing economy, efficiency and effectiveness in its use of resources.

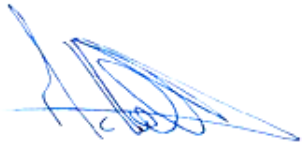
We certify that we have completed the audit of Black Country Healthcare NHS Foundation Trust in accordance with requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice.

Mohammed Ramzan, CPFA (Key Audit Partner)
For and on behalf of Deloitte LLP
Statutory Auditor
United Kingdom
9 September 2021

PART E FINANCIAL ACCOUNTS AND ASSOCIATED NOTES

Foreword to the Financial Statements

These financial statements for the year ended 31 March 2021 have been prepared by Black Country Healthcare NHS Foundation Trust in accordance with paragraph 24 and 25 of Schedule 7 within the National Health Service Act 2006.



Mark Axcell, Chief Executive and Accounting Officer

Date: 9th June 2021

11 Financial statements

Statement of comprehensive income

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021 (SOCI)			
		Year ended 31 March 2021	Year ended 31 March 2020
	Note	£'000	£'000
Revenue from patient care activities	2.2	191,443	108,940
Other operating revenue	2.4	19,863	7,786
Total operating revenue		**211,306**	**116,726**
Operating expenses	3	(209,134)	(114,619)
Impairment charged to operating expenses	10	(1,133)	(7,286)
Loss on the disposal of non-current assets		-	(4)
Total operating expenses		**(210,267)**	**(121,909)**
Operating surplus/(deficit)		**1,039**	**(5,183)**
Finance income	7	111	60
Finance cost	7	(348)	(388)
Public dividend capital dividends payable	8	(1,803)	(1,053)
Net finance expense		**(2,040)**	**(1,381)**
Gains from transfers by absorption	27	45,500	-
Retained surplus/(deficit) for the year		**44,499**	**(6,564)**
Other comprehensive income/(expense)			
Revaluations	10	1,647	(5,410)
Other comprehensive income/(expense) for the year		**1,647**	**(5,410)**
Total comprehensive income/(expense) for the year		**46,146**	**(11,974)**

All income and expenditure is attributable to the Trust, there are no Minority Interests and all results are from continuing operations.

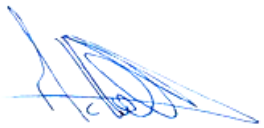
On 1 April 2020, the Trust acquired services from Dudley and Walsall Mental Health Partnership Trust, via a Grant of Acquisition issued by NHS Improvement. The results for the reporting period include a full year of revenue and expenditure for the services acquired, and a separate note (note 27) of the gain from the transfer by absorption. The gain is equal to the net assets transferred as at the acquisition date. The results of the comparative year are those of the Trust prior to the acquisition. There is no restatement of comparatives.

The notes on pages 107 to 152 are an integral part of these financial statements.

Statement of financial position

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021 (SOFP)			
		31 March 2021	31 March 2020
	Note	£'000	£'000
Non-current assets			
Intangible assets	10.4	6,311	1,013
Property, plant and equipment	10	79,422	48,248
Other investments/financial assets	15	1,700	-
Receivables	11.2	579	227
		88,012	**49,488**
Current assets			
Inventories		135	24
Trade and other receivables	11.1	8,080	4,095
Other investments / financial assets	15	1,133	-
Cash and cash equivalents	12	23,294	7,811
		32,642	**11,930**
Total assets		**120,654**	**61,418**
Current Liabilities			
Trade and other payables	16	(25,207)	(13,367)
Borrowings	17	(525)	(494)
Department of Health & Social Care Loans	18	-	(702)
Provisions for liabilities and charges	21	(2,371)	(1,119)
Other liabilities	23	-	(27)
		(28,103)	**(15,709)**
Total assets less current liabilities		**92,551**	**45,709**
Non-current liabilities			
Borrowings	17	(2,045)	(2,621)
Provisions for liabilities and charges	21	(880)	(226)
Trust local government pension fund liability	22	-	(2,360)
Total non-current liabilities		**(2,925)**	**(5,207)**
Total assets employed		**89,626**	**40,502**
Taxpayers' equity			
Public dividend capital		67,682	19,204
Revaluation reserve		13,623	11,721
Local government pension reserve		-	(1,494)
Merger reserve		736	736
Income and expenditure reserve		7,585	10,335
Total taxpayers' equity		**89,626**	**40,502**

The financial statements were approved by the Board of Directors on 9th June 2021 and were signed on its behalf by:



Mark Axcell, Chief Executive and Accounting Officer Date: 9th June 2021

Statement of changes in taxpayers' equity

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDED 31 MARCH 2021 (SOCITE)						
	Public Dividend Capital	**Revaluation Reserve**	**Local Authority Pension Reserve**	**Merger Reserve**	**Income and Expenditure Reserve**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Taxpayers' Equity at 1 April	**19,204**	**11,721**	**(1,494)**	**736**	**10,335**	**40,502**
Transfers by absorption	45,500	255	-	-	(45,755)	**-**
Surplus for the year	-	-	-	-	44,499	**44,499**
Actuarial loss on defined benefit pension	-	-	-	-	-	**-**
Revaluation gains on property	-	1,647	-	-	-	**1,647**
Revaluation losses on property	-	-	-	-	-	**-**
Public Dividend Capital received	2,978	-	-	-	-	**2,978**
Other reserves movement	-	-	1,494		(1,494)	**-**
Total taxpayers' equity as at 31 March	**67,682**	**13,623**	**-**	**736**	**7,585**	**89,626**

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDED 31 MARCH 2020 (SOCITE)						
	Public Dividend Capital	**Revaluation Reserve**	**Local Authority Pension Reserve**	**Merger Reserve**	**Income and Expenditure Reserve**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Taxpayers' Equity at 1 April	**18,369**	**17,131**	**(1,494)**	**736**	**16,898**	**51,640**
Transfers by absorption	-	-	-	-	-	**-**
Deficit for the year	-	-	-	-	(6,563)	**(6,563)**
Actuarial loss on defined benefit pension	-	-	-	-	-	**-**
Revaluation gains on property	-	2,870	-	-	-	**2,870**
Revaluation losses on property	-	(8,280)	-	-	-	**(8,280)**
Public Dividend Capital received	835	-	-	-	-	**835**
Other reserves movement	-	-	-	-	-	**-**
Total taxpayers' equity as at 31 March	**19,204**	**11,721**	**(1,494)**	**736**	**10,335**	**40,502**

Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. Additional PDC may also be issued to Trusts by the Department of Health and Social Care. A charge, reflecting the cost of capital utilised by the Trust, is payable to the Department of Health as the public dividend capital dividend.

Revaluation reserve

Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse impairments previously recognised in operating expenses, in which case they are recognised in operating income. Subsequent downward movements in asset valuations are charged to the revaluation reserve to the extent that a previous gain was recognised unless the downward movement represents a clear consumption of economic benefit or a reduction in service potential.

Local Authority Pension

Movements in asset value arising from revaluations of the Pension liability are recognised in the Local Authority pension reserve.

Merger reserve

This reserve reflects balances formed on merger of NHS bodies.

Income and expenditure reserve

The balance of this reserve is the accumulated surpluses and deficits of the Trust.

Statement of cash flows

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021 (SOCF)			
		Year ended 31 March 2021	**Year ended 31 March 2020**
	Note	**£'000**	**£'000**
Cash flows from operating activities			
Operating surplus/(deficit) for the year		1,039	(5,183)
Non cash income and expense:			
Depreciation and amortisation		4,517	2,212
Impairments		1,712	7,864
Reversals of impairments		(579)	(578)
Loss on disposal		-	4
(Increase)/Decrease in Inventories		(111)	18
(Increase)/Decrease in trade and other receivables		(4,496)	3,973
Increase in trade and other payables		10,972	226
Increase in provisions		1,906	1,014
Decrease in other liabilities		(27)	-
Net cash generated from operating activities		**14,933**	**9,550**
Cash flows from/(used in) investing activities			
Interest received		111	60
Payments to acquire property, plant & equipment and intangible assets		(7,239)	(2,408)
Net cash from/(used in) investing activities		**(7,128)**	**(2,348)**
Cash flows from/(used in) financing activities			
Capital element of Private Finance Initiative Obligations		(545)	(474)
Interest element of Private Finance Initiative Obligations		(328)	(377)
Department of Health & Social Care Loans – Interest Paid		(2)	(11)
Public dividend capital received		2,978	835
Loans from DHSC settlement		(700)	-
Pension liability settlement		(2,380)	-
Loan to DIHC	15	(2,833)	-
PDC receivable		-	159
PDC dividends paid		(1,644)	(1,212)
Cash and cash equivalents transferred by absorption	27	13,132	-
Net cash from/(used in) financing activities		**7,678**	**(1,080)**
Increase in cash and cash equivalents		15,483	6,122
Cash and cash equivalents at 1 April		7,811	1,689
Cash and cash equivalents at 31 March		**23,294**	**7,811**

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

1.1 Basis of Preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee (IFRIC) interpretations as endorsed by the European Union, applicable at 31 March 2021 and appropriate to Black Country Healthcare NHS Foundation Trust (BCHFT).

NHS Improvement, in exercising the statutory functions conferred on Monitor, has directed that the financial statements of the Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2020/21 issued by the Department of Health and Social Care.

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

Accounting convention

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

1.2 Going Concern

NHS England and NHS Improvement (NHSE/I) has directed that the financial statements of NHS Foundation Trusts shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM) which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2020/21 issued by the Department of Health.

The accounting policies contained in the GAM follow International Financial Reporting Standards (IFRS) and HM Treasury's 2020/21 Financial Reporting Manual to the extent that they are meaningful and appropriate to NHS Foundation Trusts. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The policies adopted have been applied consistently in dealing with items considered material in relation to the accounts.

International Accounting Standards (IAS1) require the Directors to assess, as part of the accounts preparation process, the Foundation Trust's ability to continue as a going concern.

The Directors have considered the advice in the Government Reporting Manual that:

"The anticipated continuation of the provision of a service in the future, as evidenced by inclusion of financial provision for that service in published documents, is normally sufficient evidence of going concern"; and

"Where an entity ceases to exist, it should consider whether or not its services will continue to be provided (using the same assets, by another public sector entity) in determining whether to use the concept of going concern for the final set of financial statements."

In its determination, the Directors have also considered the following:

In accordance with the NHS Foundation Trust Annual Reporting Manual, the financial statements should be prepared on a going concern basis unless the Directors either intend to apply to the Secretary of State for the dissolution of the Foundation Trust, without the transfer of the services to another public sector entity or have no realistic alternative but to do so.

The Directors consider that neither of these eventualities will occur.

These accounts have been prepared on a going concern basis. After making enquiries, the directors have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. Based on the financial performance detailed in these financial statements and the financial plans put in place by the Department of Health and Social Care the Trust is forecasting that its cash balances will remain sufficient to continue meeting its working capital requirements for the immediate future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

The Trust has reported a surplus before impairments and adjusted performance measures of £0.02m for the year ended 31st March 2021 – (0.01% of turnover). The surplus before impairment and adjusted performance measures for 2019/20 was £0.7m.

The Trust has continued to maintain cash management initiatives during the year to provide early warning of any working capital risks. The Trust does not foresee any additional requirement for cash support during the year ending 31st March 2022. However, should this change NHSE/I cash support will continue to be made available. In 2020/21 the outstanding working capital loans of £0.7m were settled with the conversion of this current liability into additional Public Dividend Capital (PDC) during 2020/21. The Trust has £23.3m of cash at the reporting date.

The current economic environment for NHS organisations remains challenging, with the current block financial regime continuing for the first half of 2021/22, and no formal guidance or detail as to what the financial regime for the second half of the financial year may be.

The Trust is currently in the process of preparing its financial plans based on a break-even basis with internal efficiency gains required to fund gaps and to meet new cost pressures.

Directors have noted that the financial health of the Trust has been sustained during 2020/21 and that this is planned to continue in 2021/22. Commissioner support for Trust provided services and associated recurrent funding remains strong and the Trust is well sighted on key business risks and has mitigation strategies in place where required.

1.3 Consolidation

NHS Charitable Fund

Black Country Healthcare NHS Foundation Trust Charitable Fund is the Trust's charity. The Trust has determined that it controls the charity but due to the level of charitable funds being immaterial, the Trust has not consolidated these funds into the annual financial statements.

1.4 Income Recognition

Where income is derived from contracts with customers, it is accounted for under IFRS 15. The GAM expands the definition of a contract to include legislation and regulations which enables an entity to receive cash or another financial asset that is not classified as a tax by the Office of National Statistics (ONS).

Revenue in respect of goods/services provided is recognised when (or as) performance obligations are satisfied by transferring promised goods/services to the customer and is measured at the amount of the transaction price allocated to those performance obligations. At the year end, the Trust accrues income relating to performance obligations satisfied in that year. Where the Trust's entitlement to consideration for those goods or services is unconditional a contract receivable will be recognised.

Where entitlement to consideration is conditional on a further factor other than the passage of time, a contract asset will be recognised. Where consideration received or receivable relates to a performance obligation that is to be satisfied in a future period, the income is deferred and recognised as a contract liability.

The contracting arrangements in the NHS changed between 2019/20 and 2020/21 affecting the application of the accounting policy under IFRS 15. This difference in application is explained below.

2020/21

In 2020/21, the majority of the Trust's income from NHS commissioners was in the form of block contract arrangements. During the first half of the year the Trust received block funding from its commissioners. For the second half of the year, block contract arrangements were agreed at a Sustainability and Transformation Partnership level. The related performance obligation is the delivery of healthcare and related services during the period, with the Trust's entitlement to consideration not varying based on the levels of activity performed.

The Trust has received additional income outside of the block and system envelopes to reimburse specific costs incurred and other income top-ups to support the delivery of services. Reimbursement and top-up income is accounted for as variable consideration.

Comparative period (2019/20)

In the comparative period (2019/20), the Trust's contracts with NHS commissioners included those where the Trust's entitlement to income varied according to services delivered. A performance obligation relating to delivery of a spell of health care was generally satisfied over time as healthcare was received and consumed simultaneously by the customer as the Trust performed it. The customer in such a contract was the commissioner, but the customer benefited as services were provided to their patient.

Even where a contract could be broken down into separate performance obligations, healthcare generally aligned with paragraph 22(b) of the Standard entailing a delivery of a series of goods or services that were substantially the same and had a similar pattern of transfer. At the year end, the Trust accrued income relating to activity delivered in that year, where a patient care spell was incomplete. This accrual was disclosed as a contract receivable as entitlement to payment for work completed was usually only dependent on the passage of time.

In 2019/20, the Provider Sustainability Fund and Financial Recovery Fund enabled providers to earn income linked to the achievement of financial controls and performance targets. Income earned from the funds is accounted for as variable consideration.

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.

1.5 Other Forms of income

Grants and donations

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

Apprenticeship service income

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

1.6 Expenditure on Employee Benefits

Short-term employee benefits

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

1.7 Pension Costs

NHS Pension Scheme

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

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

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2021, is based on valuation data as 31 March 2020, updated to 31 March 2021 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay. The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. In January 2019, the Government announced a pause to the cost control element of the 2016 valuations, due to the uncertainty around member benefits caused by the discrimination ruling relating to the McCloud case.

The Government subsequently announced in July 2020 that the pause had been lifted, and so the cost control element of the 2016 valuations could be completed. The Government has set out that the costs of remedy of the discrimination will be included in this process. HMT valuation directions will set out the technical detail of how the costs of remedy will be included in the valuation process. The Government has also confirmed that the Government Actuary is reviewing the cost control mechanism (as was originally announced in 2018). The review will assess whether the cost control mechanism is working in line with original government objectives and reported to Government in April 2021. The findings of this review will not impact the 2016 valuations, with the aim for any changes to the cost cap mechanism to be made in time for the completion of the 2020 actuarial valuations.

Local Government Superannuation Scheme

Some employees were members of the Local Government Pension Scheme which is a Final Salary defined benefit pension scheme. The scheme assets and liabilities attributable to these employees can be identified and are recognised in the Trust's accounts. During the year the negotiations with West Midlands Pension Fund have come to a conclusion and the liability has been settled in full.

1.8 Expenditure on other goods and services

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

1.9 Property, Plant and Equipment

Recognition

Property, Plant and Equipment is capitalised where:

- It is held for use in delivering services or for administrative purposes;
- It is probable that future economic benefits will flow to, or service potential be provided;
- It is expected to be used for more than one financial year; and
- The cost of the item can be measured reliably.
- Individually have a cost of at least £5,000; or
- collectively 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; or
- form part of the initial equipping and setting-up cost of a new building, ward or unit irrespective of their individual or collective cost.

Measurement

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

For all categories of non-property assets, the Trust considers that depreciated historical cost is an acceptable proxy for current value in existing use, as the useful economic lives used are considered to be a realistic reflection of the lives of assets and the depreciation methods used reflect the consumption of the asset

Assets that were most recently held for their service potential but are surplus with no plan to bring them back into use are measured at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

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

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

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

Valuation guidance issued by the Royal Institute of Chartered Surveyors states that valuations are performed net of VAT where the VAT is recoverable by the entity. This basis has been applied to the Trust's Private Finance Initiative (PFI) scheme where the construction is completed by a special purpose vehicle and the costs have recoverable VAT for the Trust.

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 costs capitalised in accordance with IAS 23, borrowings. Assets are revalued and depreciation commences when the assets are brought into use.

Valuations are carried out by professionally qualified valuers having regard to International Financial Reporting Standards (IFRS) as applied to the United Kingdom public sector and in accordance with HM Treasury guidance, International Valuation Standards and the requirements of the Royal Institute of Chartered Surveyors (RICS) Valuation Standards – Global and UK (7th Edition). The Trust conducts a full valuation once every 5 years, with desktop valuations being completed each year in between.

During 2020/21 two valuations of which both were desktops exercises have been undertaken. The first was an opening balances valuation reviewing and revising the Trusts optimal modern equivalent assets as a result of the acquisition of assets from Dudley and Walsall Mental Health NHS Partnership Trust. The second valuation was the standard year end valuation.

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

Subsequent expenditure

Where subsequent expenditure relating to an item of property, plant and equipment enhances an asset beyond its original specification, the directly attributable cost is added to the asset's carrying value. Where subsequent expenditure is simply restoring the asset to the specification assumed by its economic useful life then the expenditure is charged to operating expenses.

Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance is charged to the Statement of Comprehensive Income in the period in which it is incurred.

Depreciation

Freehold land is considered to have an infinite life and is not depreciated. Items of Property, Plant and Equipment are depreciated on a straight-line basis over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits. The useful economic lives of assets are reviewed on an annual basis and the effects of any change are recognised on a prospective basis. The economic life applied to buildings is dependent on the building it relates to.

In accordance with IAS 16 Property, Plant and Equipment the Trust uses the following economic lives to depreciate its assets on a component basis:

Estimated useful / remaining economic lives	Minimum life (Years)	Maximum life (Years)
Buildings (excluding dwellings)	2	43
Plant and Machinery	5	15
Transport equipment	5	8
Information Technology	5	8
Furniture and Fittings	7	10

Assets in the course of construction and residual interests in off-Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use or reverts to the Trust, respectively.

Revaluation gains and losses

Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously been recognised as a non-operating impairment, in which case they are recognised as a non- operating reversal of an impairment.

Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged as a non-operating impairment.

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of ‘other comprehensive income/ (expense)’.

Impairments

In accordance with the Department of Health Group Accounting Manual, impairments that are due to a loss of economic benefits or service potential in the asset are charged to non-operating impairments. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to non-operating impairment; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment arising from a loss of economic benefit or service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss are reversed. Reversals are recognised as a non-operating reversal of impairments to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised.

Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains.

De-recognition

Assets intended for disposals are reclassified as 'Held for Sale' once all of the following criteria are met:

- the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales; and
- the sale must be highly probable, i.e.: management are committed to a plan to sell the asset;
    - an active programme has begun to find a buyer and complete the sale;
    - the asset is being actively marketed at a reasonable price;
    - the sale is expected to be completed within 12 months of the date of classification as 'Held for Sale'; and
    - the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged. Assets are de-recognised when all material sale contract conditions have been met.

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

Donated, government grant and other grant funded assets

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

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

This may include assets donated to the Trust by the Department of Health and Social Care as part of the response to the coronavirus pandemic. As defined in the GAM, the Trust applies the principle of donated asset accounting to assets that the Trust controls and is obtaining economic benefits from at the year end.

1.10 Private Finance Initiatives (PFI) transactions

Recognition

HM Treasury has determined that government bodies shall account for infrastructure PFI schemes following the principles of the requirements of IFRIC 12. Where the government body (the Grantor) meets the following conditions the PFI scheme falls within the scope of a 'service concession' under IFRIC 12:

- The grantor controls the use of the infrastructure and regulates the services to be provided to whom and at what price; and
- The grantor controls the residual interest in the infrastructure at the end of the arrangement as service concession arrangements.

The Trust therefore recognises the PFI asset as an item of property, plant and equipment on the Statement of Financial Position together with a liability to pay for it. The PFI asset recognised is the 'Hallam Street Hospital' as detailed in note 10.5. The services received under the contract are recorded as operating expenses.

Measurement

The PFI assets are recognised as property, plant and equipment, when they come into use, in accordance with the HM Treasury interpretation of IFRIC 12. The assets are measured initially at fair value in accordance with the principles of IAS 17 Leases. HM Treasury guidance for PFI assets is the construction cost and capitalised fees incurred as at financial close, disclosed in the PFI contract.

Subsequently, the assets are measured at fair value, which is kept up to date in accordance with the Trust's approach for each relevant class of asset in accordance with the principles of IAS 16, as detailed in accounting policy note 1.9 'Property, plant and equipment - measurement'. For specialised buildings this is depreciated replacement cost.

A PFI liability is recognised at the same time as the PFI asset is recognised. It is measured initially at the same amount as the fair value of the PFI assets and is subsequently measured as a finance lease liability in accordance with IAS 17 Leases. The PFI lease obligations due at the reporting date are detailed in note 17.

Subsequent expenditure

The annual unitary payments are apportioned, using appropriate estimation techniques between the repayment of the liability, a finance cost, lifecycle replacement and the charge for services. The element of the annual unitary payment that is allocated as a finance lease rental is applied to meet the annual finance expense and to repay the lease liability over the contract term. The annual finance cost is calculated by applying the implicit interest rate in the lease to the opening lease liability for the period and is recognised under the relevant finance costs heading within note 7. The fair value of services received in the year is recognised under the relevant operating expenses headings within note 3.

Lifecycle replacement

Lifecycle costs in respect of components of assets replaced by the operator during the contract ('lifecycle replacement') are charged to the statement of comprehensive income as incurred.

1.11 Intangible assets

Recognition

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

Intangible assets are capitalised when they are capable of being used in the Trust's activities for more than one year; they can be valued, and they have a cost of at least £5,000.

Purchased computer software licences are capitalised as intangible fixed assets where expenditure of at least £5,000 is incurred. They are amortised over a straight line basis.

Internally generated intangible assets

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

Expenditure on research is not capitalised.

Expenditure on development is capitalised only where all of the following can be demonstrated:

- the project is technically feasible to the point of completion and will result in an intangible asset for sale or use;
- the Trust intends to complete the asset and sell or use it;
- the Trust has the ability to sell or use the asset;
- how the intangible asset will generate probable future economic or service delivery benefits e.g. the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset;

- adequate financial, technical and other resources are available to the Trust to complete the development and sell or use the asset; and
- the Trust can measure reliably the expenses attributable to the asset during development.

Software

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

Measurement

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

For all categories of intangible assets, the Trust considers that depreciated historical cost is an acceptable proxy for current value in existing use, as the useful economic lives used are considered to be a realistic reflection of the lives of assets and the depreciation methods used reflect the consumption of the asset.

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

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

Decreases in asset values and impairments are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged as non-operating impairments. Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income/ (expense)'. Intangible assets held for sale are measured at the lower of their carrying amount or 'fair value less costs to sell'.

Amortisation

Intangible assets are amortised over a period of 1 to 8 years to represent the useful economic lives in a manner consistent with the consumption of economic or service delivery benefits and charged to the Statement of Comprehensive Income.

1.12 Protected and non-protected assets

Property needed for the purposes of providing mandatory goods and services and mandatory training and education is protected.

The Trust may not dispose of any protected property without the approval of NHS England and Improvement.

The Trust shall establish and maintain an asset register in respect of protected property, in accordance with guidance to be issued by NHS England and NHS Improvement.

Assets which are not required for the provision of mandatory goods and services and the mandatory training and education are not protected and may be disposed of by the Trust without the approval of NHS England and NHS Improvement.

1.13 Inventories

Inventories are stated at the lower of cost and net realisable value on a first in, first out basis. High turnover items such as drugs are held in the financial statements at cost. These inventories were recognised as additions to inventory at deemed cost with the corresponding benefit recognised in income.

In 2020/21, the Trust received inventories including personal protective equipment from the Department of Health and Social Care at nil cost. In line with the GAM and applying the principles of the IFRS Conceptual Framework, the Trust has accounted for the receipt of these inventories at a deemed cost, reflecting the best available approximation of an imputed market value for the transaction based on the cost of acquisition by the Department.

1.14 Financial assets and financial liabilities

Recognition

Financial assets and financial liabilities which arise from contracts for the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the Trust's normal purchase, sale or usage requirements, are recognised when, and to the extent which performance occurs i.e. when receipt or delivery of the goods or services is made.

Financial assets and financial liabilities are recognised when the Trust becomes party to the contractual provision of the financial instrument or, in the case of trade receivables / payables, when the goods or services have been delivered / received.

Loans from the Department of Health and Social Care (DHSC) are recognised at historic cost. Otherwise, financial liabilities are initially recognised at fair value plus or minus directly attributable transaction costs for financial liabilities not measured at fair value through income or expenditure.

Derecognition

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 liabilities are de-recognised when the liability has been extinguished–that is, the obligation has been discharged or cancelled or has expired.

Classification and measurement

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

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. Financial assets are classified into the following categories:

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 cash equivalents, contract and other receivables, trade and other payables, rights and obligations under lease arrangements and loans receivable and payable.

After initial recognition, these financial assets 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.

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.

Movements in the fair value of financial assets in this category are recognised as gains or losses in other comprehensive income except for impairment losses. On derecognition, cumulative gains and losses previously recognised in other comprehensive income are reclassified from equity to income and expenditure, except where the Trust elected to measure an equity instrument in this category on initial recognition.

Impairment of financial assets

For all financial assets measured at amortised cost or at fair value through other comprehensive income the Trust recognises a loss allowance representing expected credit losses.

The Trust adopts the simplified approach to impairment for contract and other receivables, contract assets and lease receivables, measuring expected losses as at an amount equal to lifetime expected losses.

Expected losses are charged to operating expenditure within the Statement of Comprehensive Income and reduce the net carrying value of the financial asset in the Statement of Financial Position.

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.

1.15 Finance leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the Trust, the asset is recorded as property, plant and equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease.

The asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for as an item of property, plant and equipment. The annual rental is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged directly to the Statement of Comprehensive Income. The lease liability, is de-recognised when the liability is discharged, cancelled or expires.

1.16 Operating Leases

Land operating leases - Trust as lessee

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately.

Building operating leases - Trust as lessee

Building operating lease rentals are charged to operating expenses on a straight line basis over the term of the lease. Operating lease incentives received are added to the lease rentals and charged to operating expenses over the life of the lease.

1.17 Cash and cash equivalents

Cash, bank and overdraft balances are recorded at the current values of the balances in the NHS Foundation Trust's cash book. These balances exclude monies held in the Trust's bank account belonging to patients (see "third party assets" – note 13).

Account balances are only set off where a formal agreement has been made with the bank to do so. In all other cases overdrafts are disclosed within other creditors. Interest earned on bank accounts and interest charged on overdrafts is recorded as, respectively, "finance income" and "finance cost" in the periods to which they relate. Bank charges are recorded as an operating expense in the periods to which they relate.

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.

1.18 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation.

Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's published rates effective 31st March 2021.

Clinical negligence costs

The NHS Resolution operates a risk pooling scheme under which the Trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the Trust is disclosed at note 19 but is not recognised in the Trust's financial statements.

Non-clinical risk pooling

The Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the Trust pays an annual contribution to NHS Resolution and in return receives assistance with the costs of claims arising. The annual membership contributions, and any 'excesses' payable in respect of particular claims are charged to operating expenses when the liability arises.

1.19 Contingencies

Contingent assets

These are assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control and are not recognised as assets.

Contingent liabilities

These liabilities are not recognised, but are disclosed in note 20, unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

- Possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- Present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

1.20 Public dividend capital

Public Dividend Capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

At any time the Secretary of State can issue new public dividend capital to, and request payment of public dividend capital from the Trust. PDC is recorded at the value received.

A charge, reflecting the cost of capital utilised by the Trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the Trust during the financial year (excluding the Trust's Charitable Funds net assets).

Relevant net assets are calculated as the value of all assets less the value of all liabilities, with certain additions and deductions as defined in the PDC dividend policy issued by the Department of Health and Social Care.

This policy is available at https://www.gov.uk/government/publications/guidance-on-financing-available-to-nhs-trusts-and-foundation-trusts.

In accordance with the requirements laid down by the Department of Health and Social Care (DHSC) (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the 'pre-audit' version of the annual financial statements. The dividend thus calculated is not revised should any adjustment to net assets occur as a result of the audit of the annual financial statements.

1.21 Value Added Tax

Most of the activities of the Trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.22 Climate change levy

Expenditure on the climate change levy would be recognised in the Statement of Comprehensive Income as incurred, based on the prevailing chargeable rates for energy consumption.

1.23 Foreign exchange

The functional and presentational currencies of the Trust is sterling.

A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

Where the Trust has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:

- monetary items (other than financial instruments measured at 'fair value through income and expenditure') are translated at the spot exchange rate on 31 March;
- non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction; and
- non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items arising on settlement of the transaction or on re-translation at the Statement of Financial Position date are recognised in income or expense in the period in which they arise.

Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

1.24 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the financial statements since the Trust has no beneficial interest in them. However, they are disclosed in a separate note to the financial statements (see note 13) in accordance with the requirements of HM Treasury's FReM.

1.25 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 NHS Trusts not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).

However the losses and special payments note is compiled directly from the losses and compensations register which reports on an accrual basis with the exception of provisions for future losses (see note 25).

1.26 Gifts

Gifts are items that are voluntarily donated, with no preconditions and without the expectation of any return. Gifts include all transactions economically equivalent to free and unremunerated transfers, such as the loan of an asset for its expected useful life, and the sale or lease of assets at below market value.

1.27 Transfers of functions from other NHS bodies

For functions that have been transferred to the Trust from another NHS body, the transaction is accounted for as a transfer by absorption. The assets and liabilities transferred are recognised in the accounts using the book value as at the date of transfer. The assets and liabilities are not adjusted to fair value prior to recognition.

For property, plant and equipment assets and intangible assets, the cost and accumulated depreciation /amortisation balances from the transferring entity's accounts are preserved on recognition in the Trust's accounts. Where the transferring body recognised revaluation reserve balances attributable to the assets, the Trust makes a transfer from its income and expenditure reserve to its revaluation reserve to maintain transparency within public sector accounts.

On 1 April 2020, Black Country Healthcare NHS Foundation Trust acquired services from Dudley and Walsall Mental Health Partnership Trust, including the assets and liabilities relating to the services via a Grant of Acquisition issued by NHS Improvement. There was no consideration paid for this acquisition. Transfers by absorption do not require the restatement of prior year figures therefore, the year to 31 March 2020 values do not include the finances of the former Dudley and Walsall Mental Health Partnership Trust.

1.28 Critical accounting estimates and judgements and key sources of estimation uncertainty

In the application of the Trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The critical accounting judgements and key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are detailed below:

Modern equivalent asset valuation of property - key sources of estimation uncertainty

As detailed in accounting policy note 1.9 'Property, plant and equipment - measurement', The Valuation Office Agency provided the Trust with a valuation of the land and building assets (estimated fair value and remaining useful life). The significant estimation being the specialised buildings – depreciated replacement cost, using modern equivalent asset methodology, of the Trusts estate including property acquired from Dudley and Walsall Mental Health Partnership Trust. The result of this valuation, based on estimates provided by a suitably qualified professional in accordance with HM Treasury guidance, is disclosed in note 10 to the financial statements. Future revaluations of the Trust's property may result in further material changes to the carrying values of non-current assets.

During the reporting year, management performed a review of current modern equivalent asset models as a result of the transfer of assets from Dudley and Walsall Mental Health Partnership Trust to ensure the models were appropriate to provide the contracted healthcare provision of the Trust, against the actual size of the sites owned.

The conclusion of the review, allowed for a reduction in buildings, external works and the land area required, resulting in a £1,658,000 decrease to the Trust's non-current asset value as at 1 April 2020 (buildings £76,000, external works £7,000 and land £1,575,000).

Impairments and the estimated lives of assets - key sources of estimation uncertainty

As detailed in accounting policy note 1.9 'Depreciation', the Trust is required to review property, plant and equipment for impairments and the accuracy of estimated useful lives. In between formal valuations by qualified surveyors, management make judgements about the condition of assets and review their estimated lives.

Material Provisions - critical accounting judgement

Management will use their judgement to decide when to make provisions for probable legal and constructive obligations of uncertain timing or amount as at the reporting date. These are based on estimates using relevant and reliable information as is available at the time the financial statements are prepared. These provisions are estimates of the actual costs of future cash flows and are dependent on future events. Any difference between expectations and the actual future liability will be accounted for in the period when such determination is made. The carrying amounts of the Trust's provisions are detailed in note 21.

1.29 Accounting standards that have been issued but have not yet been adopted

The following accounting standards, amendments and interpretations have been issued by the IASB and IFRIC but are not yet required to be adopted.

Standards issued or amended not yet adopted	Financial Year for which the change first applies
IFRS 14 Regulatory Deferral Accounts	Not EU-endorsed* Applies to first time adopters of IFRS after 1 January 2016. Therefore not applicable to DHSC group bodies.
IFRS 16 Leases	Standard as interpreted and adapted by the FReM, is to be effective from 1 April 2021.**
IFRS 17 Insurance Contracts	Application required for accounting periods beginning on or after 1 January 2021, but not yet adopted by the FReM: early adoption is not therefore permitted.

* The European Financial Reporting Advisory Group recommended in October 2015 that the standard should not be endorsed as it is unlikely to be adopted by many EU countries.

** NHS has delayed the adoption of the standard until 1st April 2022.

The Trust has considered the above new standards, interpretations and amendments to published standards that are not yet effective. With the exception of IFRS 16 the Trust has concluded that they are either not relevant to the Trust or that they would not have a significant impact on the Trust's financial statements, apart from some additional disclosures.

IFRS 16 Leases

IFRS 16 Leases will replace IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease and other interpretations and is applicable in the public sector for periods beginning 1 April 2022. The standard provides a single accounting model for lessees, recognising a right of use asset and obligation in the statement of financial position for most leases: some leases are exempt through application of practical expedients explained below. For those recognised in the statement of financial position the standard also requires the remeasurement of lease liabilities in specific circumstances after the commencement of the lease term. For lessors, the distinction between operating and finance leases will remain and the accounting will be largely unchanged.

IFRS 16 changes the definition of a lease compared to IAS 17 and IFRIC 4. The Trust will apply this definition to new leases only and will grandfather its assessments made under the old standards of whether existing contracts contain a lease.

On transition to IFRS 16 on 1 April 2022, the Trust will apply the standard retrospectively with the cumulative effect of initially applying the standard recognised in the income and expenditure reserve at that date. For existing operating leases with a remaining lease term of more than 12 months and an underlying asset value of at least £5,000, a lease liability will be recognised equal to the value of remaining lease payments discounted on transition at the Trust's incremental borrowing rate. The Trust's incremental borrowing rate will be a rate defined by HM Treasury. Currently this rate is 0.91% but this may change between now and adoption of the standard. The related right of use asset will be measured equal to the lease liability adjusted for any prepaid or accrued lease payments.

No adjustments will be made on 1 April 2022 for existing finance leases.

For leases commencing in 2022/23, the Trust will not recognise a right of use asset or lease liability for short term leases (less than or equal to 12 months) or for leases of low value assets (less than £5,000). Right of use assets will be subsequently measured on a basis consistent with owned assets and depreciated over the length of the lease term.

The implementation date for IFRS 16 in the NHS was revised to 1 April 2022 in November 2020. Due to the need to reassess lease calculations, together with uncertainty on expected leasing activity from April 2022 and beyond, a quantification of the expected impact of applying the standard in 2022/23 is currently impracticable. However, the Trust does expect this standard to have a material impact on non-current assets, liabilities and depreciation.

The Trust is currently reviewing all of its leases to understand the financial impacts this will have on its accounts.

1.30 Accounting standards, amendments and interpretations issued that have been adopted early

The Trust has not early adopted any new accounting standards, amendments, or interpretations.

2 Operating Revenue

The Board (the Chief Operating Decision Maker as defined by IFRS 8 Operating Segments) has determined that the Trust operates one material business segment, which is the provision of healthcare services. The operating results of this segment are regularly reviewed by the Board.

The provision of healthcare (including medical treatment, research and education) is within one main geographical segment, the United Kingdom, and materially from Departments of HM Government in England.

Revenue from activities (medical treatment of patients) is analysed by revenue source and revenue type. Other operating revenue is also analysed and materially consists of revenues from healthcare, research and development, medical education and the provision of services to other NHS bodies. Total revenue by individual customers within the whole of HM Government and considered material, is disclosed in the related parties transactions note 24.

The percentage of total revenue receivable from within the whole of HM Government is disclosed below. The significant factor behind which is the 'commissioner requested services' (NHS healthcare), as set out in the Trust's Terms of Authorisation from NHS England and NHS Improvement and defined by legislation.

2.1 Total revenue	Year ended 31 March 2021	Year ended 31 March 2020
	£'000	**£'000**
Revenue from patient care activities	191,443	108,940
Other operating revenue	19,863	7,786
Total revenue	**211,306**	**116,726**

The significant increase in income between years is related to the transfer of services from other NHS Bodies see accounting policies 1.27.

2.2 Revenue from Patient Care Activities – by nature	Year ended 31 March 2021	Year ended 31 March 2020
	£'000	£'000
Mental Health		
Block Contract / system envelope income*	169,204	91,024
Clinical partnerships providing mandatory services	2,368	3,896
Other clinical income from mandatory services	54	-
Community Services		
Block Contract / system envelope income*	5,692	5,585
Income from other sources (e.g. local authorities)	4,807	4,786
All Trusts		
Additional pension contribution central funding**	6,442	3,527
Other clinical income	2,876	122
Total	**191,443**	**108,940**

*As part of the coronavirus pandemic response, transaction flows were simplified in the NHS and providers and their commissioners moved onto block contract payments at the start of 2020/21. In the second half of the year, a revised financial framework built on these arrangements but with a greater focus on system partnership and providers derived most of their income from these system envelopes. Comparatives in this note are presented to be comparable with the current year activity. This does not reflect the contracting and payment mechanisms in place during the prior year.

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

All of the above revenue from activities arises from commissioner requested services as set out in the Trust's Terms of Authorisation from NHS England and NHS Improvement.

2.3 Revenue from Patient Care – by source	Year ended 31 March 2021	Year ended 31 March 2020
	£'000	£'000
NHS England	16,668	8,406
Clinical commissioning groups	167,325	93,590
NHS Foundation Trusts	396	703
NHS Trusts	988	1,181
Local authorities	6,066	5,028
Non NHS Other	-	32
Total	**191,443**	**108,940**

A breakdown of the income received from the Trust's major Clinical Commissioning Groups and Local Authorities, who are related parties, is provided in note 24.

2.4 Other Operating Revenue	Year ended 31 March 2021	Year ended 31 March 2020
	£'000	£'000
Research and development	171	128
Education and training	5,242	1,870
Education and training - notional income from apprenticeship fund	124	158
Non-patient care services to other bodies	1,052	-
Reimbursement and top up funding	6,773	3,477
Other revenue	4,782	2,153
Contributions to expenditure - consumables (inventory) donated from DHSC group bodies for COVID response	1,719	-
Total revenue	**19,863**	**7,786**

2.5 Analysis of Other Operating Revenue

Catering £73k (2019-20 £217k); Car Parking Rental £116k (2019-20: £112k); Financial regime income for M7-M12 £3,783k (2019-20: £nil); Delta Legal settlement £nil (2019-20: £180k); Clinicians Pension Income £591k (2019-20: £230k); and other £219k (2019-20: £1,414k).

	Year ended 31 March 2021	Year ended 31 March 2020
	£'000	£'000
Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end	27	-
Revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods	-	-

Revenue from existing contracts allocated to remaining performance obligations is expected to be recognised:	Year ended 31 March 2021	Year ended 31 March 2020
	£'000	£'000
within one year	-	-
after one year, not later than five years	-	-
after five years	-	-
Total revenue	**-**	**-**

2.7 Income from activities arising from commissioner requested services

Under the terms of its provider license, the Trust is required to analyse the level of income from activities that has arisen from commissioner requested and non-commissioner requested services. Commissioner requested services are defined in the Trust license and are services that commissioners believe would need to be protected in the event of provider failure.

Split of income	Year ended 31 March 2021	Year ended 31 March 2020
	£'000	£'000
Commissioner requested services	182,004	105,408
Non-Commissioner requested services	9,439	3,532
Total revenue	**191,443**	**108,940**

3 Operating expenses

Operating expenses	Year ended 31 March 2021	Year ended 31 March 2020
	£'000	**£'000**
Purchase of healthcare from NHS and DHSC Bodies	242	204
Staff and Executive Director costs	171,597	94,070
Remuneration of Non-Executive Directors	135	110
Supplies and services – clinical (excluding drug costs)	1,953	1,342
Supplies and services – clinical: utilisation of consumables donated from DHSC group	1,559	-
Supplies and services – general	3,783	2,132
Drug costs (inventory consumed and purchase of non- inventory drugs)	3,636	1,617
Inventories written down	52	-
Consultancy costs	457	288
Establishment	1,626	1,225
Premises – Business rates payable to local authorities	996	490
Premises – Other	6,884	3,906
Transport (including patient travel)	843	699
Depreciation on property, plant and equipment	3,277	1,870
Amortisation of intangible assets	1,240	342
Movement in credit loss allowance: contract receivables/assets	(282)	310
Increase/ in other provisions	2,611	1,116
Audit fees payable to the external auditor: Audit services – statutory audit	153	68
Audit fees payable to the external auditor: Other auditor remuneration	0	4
Internal Audit costs	73	61
Clinical Negligence	355	234
Legal Fees	381	192
Insurance	124	54
Research & Development – Staff costs	363	253
Research & Development – Non-Staff costs	2	10
Education & Training – Non-Staff costs	835	268
Education & Training – Notional expenditure funded from apprentice levy	124	158
Rentals under operating leases	4,105	2,825
Redundancy	967	-
Charges to operating expenditure for on-SoFP IFRIC 12 Schemes	329	319
Car Parking & security	72	46
Hospitality	-	2
Losses, ex gratia & special payments – Staff Costs	-	30
Losses, ex gratia & special payments- Non-Staff Costs	83	110
Other services, e.g. external payroll	156	165
Other	403	99
Total Operating expenses	**209,134**	**114,619**

The significant increase in income between years is related to the transfer of services from other NHS Bodies see accounting policies 1.27.

The Assembly of Governors appointed Deloitte LLP as external auditor for the financial year ending 31st March 2021. The engagement letter provides for a limitation of the auditor's liability of £1,000,000 (2019-20: £1,000,000).

3.1 Other auditor remuneration (external auditor only)

Other auditor remuneration in 2020-21 was £nil (2019-20: £4k); the 2019-20 expenditure related to the Trusts Quality Accounts audit.

3.2 Impairment of assets

	Year ended 31 March 2021	Year ended 31 March 2020
	£'000	£'000
Loss or damage from normal operations	-	-
Over specification of assets	-	-
Abandonment of assets in course of construction	-	-
Unforeseen obsolescence	-	-
Loss as a result of catastrophe	-	-
Changes in market price	1,333	7,286
Other	-	-
Total net impairments charged to operating surplus / deficit	1,133	7,286
Impairments charged to the revaluation reserve	(836)	8,280
Total net impairments	**297**	**15,566**

4 Operating Leases

4.1 As lessee – payments recognised in operating expenses

	Land	Buildings	Plant and Machinery	Other	Year ended 31 March 2021	Year ended 31 March 2020
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	£'000
Minimum lease payments	-	3,840	265	-	4,105	2,825
Total	-	**3,840**	**265**	**-**	**4,105**	2,825

4.2 Total future minimum operating lease payments payable

	Land	Buildings	Plant and Machinery	Other	Year ended 31 March 2021	Year ended 31 March 2020
	£'000	**£'000**	**£'000**	**£000**	**£'000**	£'000
Not later than one year	-	3,673	-	146	**3,819**	2,944
Between one and five years	-	2,002	-	116	**2,118**	1,583
After five years	-	651	-	-	**651**	590
Total	**-**	**6,326**	**-**	**262**	**6,588**	5,117

The Trust holds various non-cancellable operating lease agreements, covering leasehold buildings (NHS Property Services, Community Health Partnership, and multiple private landlords) plus transport vehicles and general office equipment.

5 Employee Costs

5.1 Employee Costs	Year ended 31 March 2021	Year ended 31 March 2020
	£'000	£'000
Salaries and wages	130,927	69,839
Social security costs	12,323	6,639
Apprenticeship Levy	607	329
Pension cost - employer contributions to NHS pension scheme	14,854	8,078
Pension cost - employer contributions paid by NHSE on provider's behalf (6.3%)	6,442	3,527
Pension cost – other contributions	61	35
Termination benefits	51	35
Agency/contract staff	8,270	5,871
Total	**173,535**	**94,353**
Included within: Costs capitalised as part of assets	**608**	**-**
Total employee costs excluding capitalised costs	**172,927**	**94,353**

The above table does not include Non-Executive Directors.

5.2 Early Retirements due to ill-health

During the year there were 3 early retirements on the grounds of ill-health (2019-20: nil). The estimated additional pension liability of this ill-health retirement will be £53k (2019-20: £nil). These estimated costs are calculated on an average basis and will be borne by the NHS Pension Scheme.

6 Late payment of commercial debts (interest) Act 1998

£nil interest was charged to the Trust in the year for late payment of commercial debts (2019-20: £nil).

7 Financing

7.1 Finance Income	Year ended 31 March 2021	Year ended 31 March 2020
	£'000	£'000
Interest on bank accounts	2	60
Interest on other investments / financial assets	109	-
Total finance income	**111**	60

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

7.2 Finance Expense	Year ended 31 March 2021	Year ended 31 March 2020
	£'000	£'000
Loans from the Department of Health and Social Care	-	11
Main finance costs on PFI and LIFT schemes obligations	328	377
Local Authority Pension Settlement	20	-
Total finance expense	**348**	388
Unwinding of discount on provisions	**-**	-
Other finance costs	**-**	-
Total finance cost	**348**	388

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

8. Public dividend capital

Public dividend capital charged by the Department of Health and Social Care for the year ending 31 March 2021 was £1,803k (2019-20: £1,053k).

9 Taxation

The activities of the Trust have not given rise to any corporation tax liability in the year ending 31 March 2021 (2019-20: £nil).

10 Non-current assets

10.1 Property, Plant & Equipment 2020/21

	Land	Buildings excluding dwellings	Assets under Construction	Plant and Machinery	Transport	Information Technology	Fixtures and Fittings	Grand Total
2020/21	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Valuation at 1 April	**9,095**	**34,053**	**298**	**2,248**	**-**	**6,422**	**2,352**	**54,468**
Transfers by absorption	4,002	22,667	912	1,115	27	2,329	585	**31,637**
Additions – purchased	-	342	933	501	-	2,948	414	**5,138**
Reclassifications *	(3)	119	-	(3)	(1)	(43)	(69)	**-**
Impairments	(1,575)	(182)	-	-	-	-	-	**(1,757)**
Reversal of impairments	-	115	-	-	-	-	-	**115**
Revaluations	-	370	-	-	-	-	-	**370**
Disposals	-	-	-	-	-	(138)	-	**(138)**
Gross cost at 31 March	**11,519**	**57,484**	**2,143**	**3,861**	**26**	**11,518**	**3,282**	**89,833**
Accumulated depreciation at 1 April	**-**	**66**	**-**	**1,010**	**-**	**3,895**	**1,249**	**6,220**
Transfers by absorption	-	10	-	586	22	1,846	374	**2,838**
Provided during the year	-	1,788	-	263	2	1,016	208	**3,277**
Reclassifications *	-	-	-	-	-	-	-	**-**
Impairments	-	(45)	-	-	-	-	-	**(45)**
Reversal of impairments	-	(464)	-	-	-	-	-	**(464)**
Revaluations	-	(1,277)	-	-	-	-	-	**(1,277)**
Disposals	-	-	-	-	-	(138)	-	**(138)**
Amortisation and depreciation at 31 March	**-**	**78**	**-**	**1,859**	**24**	**6,619**	**1,831**	**10,411**
Total Net Book Value at 31 March	**11,519**	**57,406**	**2,143**	**2,001**	**2**	**4,900**	**1,451**	**79,422**

	Land	Buildings excluding dwellings	Assets under Construction	Plant and Machinery	Transport	IT	Fixtures and Fittings	Grand Total
2019/20	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Valuation at 1 April	**16,347**	**40,303**	**-**	**1,528**	**-**	**5,378**	**1,668**	**65,224**
Transfers by absorption								
Additions – purchased	-	198	298	725	-	1,123	684	**3,028**
Reclassifications *	-	-	-	-	-	-	-	**-**
Impairments	(3,744)	(4,492)	-	-	-	-	-	**(8,236)**
Reversal of impairments	-	553	-	-	-	-	-	**553**
Revaluations	(3,508)	(2,509)	-	-	-	-	-	**(6,017)**
Disposals	-	-	-	(5)	-	(79)	-	**(84)**
Gross cost at 31 March	**9,095**	**34,053**	**298**	**2,248**	**-**	**6,422**	**2,352**	**54,468**
Accumulated depreciation at 1 April	**-**	**64**	**-**	**833**	**-**	**3,391**	**1,146**	**5,434**
Transfers by absorption	-	-	-	-	-	-	-	**-**
Provided during the year	-	1,006	-	178	-	583	103	**1,870**
Reclassifications *	-	-	-	-	-	-	-	**-**
Impairments	-	(372)	-	-	-	-	-	**(372)**
Reversal of impairments	-	(25)	-	-	-	-	-	**(25)**
Revaluations	-	(607)	-	-	-	-	-	**(607)**
Disposals	-	-	-	(1)	-	(79)	-	**(80)**
Amortisation and depreciation at 31 March	**-**	**66**	**-**	**1,010**	**-**	**3,895**	**1,249**	**6,220**
Total Net Book Value at 31 March	**9,095**	**33,987**	**298**	**1,238**	**-**	**2,527**	**1,103**	**48,248**

* Reclassifications relate to prior year asset additions incorrectly classified.

10.2 Property, plant and equipment financing 2020/21

	Land	Buildings excluding dwellings	Assets under Construction	Plant and Machinery	Transport	IT	Fixtures and Fittings	Grand Total
2020/21	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Owned - purchased	**11,519**	**52,032**	**2,143**	**2,001**	**2**	**4,900**	**1,451**	**74,048**
On-SoFP PFI contracts and other service concession arrangements	**-**	**5,035**	**-**	**-**	**-**	**-**	**-**	**5,035**
Owned - donated/granted	**-**	**339**	**-**	**-**	**-**	**-**	**-**	**339**
NBV total at 31 March 2021	**11,519**	**57,406**	**2,143**	**2,001**	**2**	**4,900**	**1,451**	**79,422**

	Land	Buildings excluding dwellings	Assets under Construction	Plant and Machinery	Transport	IT	Fixtures and Fittings	Grand Total
2019/20	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Owned - purchased	**9,095**	**28,595**	**298**	**1,238**	**-**	**2,527**	**1,103**	**42,856**
On-SoFP PFI contracts and other service concession arrangements	**-**	**5,055**	**-**	**-**	**-**	**-**	**-**	**5,055**
Owned - donated/granted	**-**	**337**	**-**	**-**	**-**	**-**	**-**	**337**
NBV total at 31 March 2020	**9,095**	**33,987**	**298**	**1,238**	**-**	**2,527**	**1,103**	**48,248**

10.3 Valuation at the reporting date

The land and buildings were revalued twice during the financial year 2020/21 by an independent valuer, The Valuation Office Agency. The first revaluation that was undertaken was a desktop valuation exercise as a result of the merger with Dudley and Walsall Mental Health NHS Trust. The exercise reviewed the two individual modern equivalent asset models to develop a model that is reflective of the new organisation. The second revaluation exercise was a desktop valuation to determine a fair value for Trust property as at the 31st March 2021 as detailed in accounting policy note 1.9.

Opening Revaluation 1st April 2020:

The surpluses and deficits arising from the revaluation exercise resulted in an adjustment to non-operating income and expenses as shown in the Statement of Comprehensive Income on page 4 of the financial statements amounting to a net impairment debit of (£1,651k) (2019-20 (£6.8m)). The key assets affected by the Impairment was Dudley MEA Land (£1,575k).

The surpluses and deficits upon revaluation exercise also resulted in gains and (losses) charged to the revaluation reserves as shown in the Statement of Changes in Taxpayers' Equity on page 6 of the financial statements amounting to a net loss of (£7k) (2019-20 (£4.6m)). The key asset

affected was Dorothy Pattison External Works (£7k).

Closing Revaluation 31st March 2021:

The surpluses and deficits arising from the revaluation exercise resulted in an adjustment to non-operating income and expenses as shown in the Statement of Comprehensive Income on page 4 of the financial statements amounting to a net impairment credit of £518k (2019-20 (£507k)). The key assets affected by the Impairment were Heath Lane £163k and Penn £202k.

The surpluses and deficits upon revaluation exercise also resulted in gains and (losses) charged to the revaluation reserves as shown in the Statement of Changes in Taxpayers' Equity on page 6 of the financial statements amounting to a net gain of £1,654k (2019-20 (£811k)). The key assets affected were Dudley MEA £796k, Edward Street £400k and Penn £144k.

10.4 Loss on disposal of fixed asset

There was no fixed asset disposal in the year ended 31 March 2021 (2019-20: £4k)

10.5 Contractual capital commitments

Property, plant and equipment contractual commitments as at 31 March 2021 are £5,387k (2019-20: £282k) The key movements in commitments is the Trust undertaking three large P22 building projects Learning Disabilities Inpatient unit £1,779k, Edward Street Eradicating Dormitories £200k and Dorothy Pattison Eradicating Dormitories £2,809k.

10.6 Intangible Assets 2020/21

	Development Expenditure	Software Licences	Grand Total
2020/21	**£'000**	**£'000**	**£'000**
Valuation at 1 April	**-**	**3,006**	**3,006**
Transfers by absorption	0	5,765	5,765
Additions – purchased	2,106	864	2,970
Reclassification	3,405	(3,405)	-
Disposal	-	-	-
Gross cost at 31 March	**5,511**	**6,230**	**11,741**
Accumulated amortisation at 1 April	**-**	**1,993**	**1,993**
Transfers by absorption	-	2,197	2,197
Provided during the year	628	612	1,240
Reclassification	85	(85)	-
Disposal	-	-	-
Amortisation and depreciation at 31 March	**713**	**4,717**	**5,430**
Total Net Book value at 31 March	**4,798**	**1,513**	**6,311**

	Development Expenditure	Software Licences	Grand Total
2019/20	**£'000**	**£'000**	**£'000**
Valuation at 1 April	**-**	**2,594**	**2,594**
Additions – purchased	-	422	422
Reclassification	-	-	-
Disposal	-	(10)	(10)
Gross cost at 31 March	**-**	**3,006**	**3,006**
Accumulated amortisation at 1 April	**-**	**1,661**	**1,661**
Provided during the year	-	342	342
Reclassification	-	-	-
Disposal	-	(10)	(10)
Amortisation and depreciation at 31 March	**-**	**1,993**	**1,993**
Total Net Book value at 31 March	**-**	**1,013**	**1,013**

10.7 Fixed Assets held under PFI arrangements

	Year ended 31 March 2021	Year ended 31 March 2020
	£'000	£'000
Valuation at 1 April	5,055	6,403
Additions – purchased	-	-
Impairments	-	(351)
Reversal of impairments	16	-
Revaluations	8	(997)
Gross cost at 31 March	**5,079**	**5,055**
Accumulated amortisation and depreciation at 1 April	-	-
Provided during the year	149	156
Impairments	(48)	(21)
Reversal of impairments	(20)	-
Revaluations	(37)	(135)
Amortisation and depreciation at 31 March	**44**	**-**
Total Net Book Value at 31 March	**5,035**	**5,055**

The PFI detailed above is included as part of the Buildings excluding dwellings within Non-current assets in note 10.

The overall scheme saw the Trust entering into a Project Agreement with Black Country PPP Health Services Ltd for a period of 25 years from February 2000 for the provision of serviced Acute Mental Health facilities. The facilities, Hallam Street Hospital, have been constructed by Black Country PPP Health Services Ltd on land in the ownership of the Trust.

The facilities comprise:

1. A Resource Centre for use by Inpatients and other patients attending on a day basis; and
2. Five residential blocks including a small Learning Disabilities bungalow.

Within the Project Agreement, Ryhurst, the Project Company, provide Hard Facilities Management Services to the Trust.

Within the main agreement a payment mechanism has been agreed, with the Trust paying an annual unitary charge. The payment mechanism has the following main features:

1. Payment for the fair value for the services received;
2. Payment for the PFI asset, including finance costs; and
3. Payment for the replacement of components of the asset during the contract (lifecycle replacement).

The contract which has a period of twenty-five years ending in 2024/25 is classified as a finance lease under the current IFRIC 12 Lease guidance.

	Year ended 31 March 2021	Year ended 31 March 2020
Buildings	**£'000**	£'000
Gross PFI liabilities		
of which liabilities are due	**3,255**	**4,212**
- Not later than one year	846	830
- Later than one year and not later than five years	2,409	3,382
- Later than five years	-	-
Finance charges allocated to future periods	**(685)**	**(1,097)**
Net PFI obligation	**2,570**	**3,115**
- Not later than one year	525	494
- Later than one year and not later than five years	2,045	2,621
- Later than five years	-	-

Unitary Payment payable to service concession operator	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Consisting of:		
- Interest charge	328	377
- Repayment of finance lease liability	545	474
- Service element	221	215
- Lifecycle costs	108	104
Total amount paid to service concession operator	**1,202**	**1,170**

11 Trade and other receivables

11.1 Current trade and other receivables	Year ended 31 March 2021	Year ended 31 March 2020
	£'000	£'000
Contract receivables	6,562	3,638
Allowance for impaired contract receivables	(42)	(324)
Prepayments (non-PFI)	915	413
PDC dividend receivable	-	159
VAT receivable	216	47
Clinician pension tax provision funding from NHSE	12	3
Other receivables	417	159
Total	**8,080**	**4,095**

NHS receivables consist of balances owed by NHS bodies in England; receivables with other related parties consist of balances owed by other HM Government organisations. Related party

11.2 Non- current trade and other receivables

There are £579k Non-current trade and other receivables at 31 March 2021 (2019-20: £227k).

11.3 Receivables from NHS and DHSC group bodies

	Year ended 31 March 2021	Year ended 31 March 2020
	£'000	£'000
Of which receivable from NHS and DHSC group bodies:		
Current	**5,727**	3,995
Non-current	**579**	227

11.4 Allowances for credit losses

	Year ended 31 March 2021	Year ended 31 March 2020
	£'000	£'000
Balance at 1 April	324	14
New allowances arising	17	317
Reversals of allowances (where receivable is collected in-year)	(65)	(7)
Changes arising following modification of contractual cash flows	(234)	-
Balance at 31 March	**42**	**324**

12 Cash and cash equivalents

	Year ended 31 March 2021	Year ended 31 March 2020
	£'000	£'000
At 1 April	7,811	1,689
Transfers by absorption	13,132	-
Net change in year	2,351	6,122
At 31 March	**23,294**	**7,811**
Broken down into:		
Commercial banks and cash in hand	45	45
Cash with Government Banking Service	23,249	7,766
Cash and cash equivalents as in SOFP	**23,294**	**7,811**
Bank overdraft – Government Banking Service	-	-
Bank overdraft – Commercial banks	-	-
Cash and cash equivalents as in SOCF	**23,294**	**7,811**

13 Third party assets

The Trust held £30k cash at bank at 31 March 2021 (2019-20: £35k) which relates to monies held by the Trust on behalf of patients. This has been included in the cash and cash equivalents figure reported in the statement of financial position.

14 Non-current assets held for sale

The Trust has £nil non-current assets held for sale for the year ended 31 March 2021 (2019-20: £nil).

15 Loan to a NHS Organisation

The Trust entered into a loan agreement with Dudley Integrated Health and Care NHS Trust on the 1st April 2020 to lend £3,400k over a 3 year term at a rate of interest of 3.5% per annum payable every six months, commencing on the six month anniversary date of the draw date.

	Current		Non-current	
	Year ended 31 March 2021	Year ended 31 March 2020	**Year ended 31 March 2021**	Year ended 31 March 2020
	£'000	£'000	**£'000**	£'000
Loan to DIHC	1,133	0	1,700	0
Total	**1,133**	**0**	**1,700**	**0**

16 Trade and other payables

16.1 Current trade and other payables

	Year ended 31 March 2021	Year ended 31 March 2020
	£'000	£'000
Trade payables	5,046	4,004
Other trade payables – capital	2,529	1,660
Social Security costs	1,935	993
VAT payable	653	-
Other taxes payable	1,631	731
Other payables	2,357	1,766
Accruals	11,056	4,213
Total	**25,207**	**13,367**

NHS payables consist of balances owed to NHS bodies in England; amounts due to other related parties consist of balances owed to other HM Government organisations. Related party transactions are detailed in note 24.

16.2 Non-current trade and other payables

There are £nil Non-Current Trade and Other Payables at 31 March 2021 (2019-20: £nil).

16.3 Payables from NHS and DHSC group bodies

	Year ended 31 March 2021	Year ended 31 March 2020
	£'000	£'000
Of which payables from NHS and DHSC group bodies:		
Current	**3,027**	3,089
Non-current	**-**	-

17 Borrowings

	Current		Non-current	
	Year ended 31 March 2021	Year ended 31 March 2020	**Year ended 31 March 2021**	Year ended 31 March 2020
	£'000	£'000	**£'000**	£'000
Obligations under PFI contracts (excl. lifecycle)	**525**	494	**2,045**	2,621
Total	**525**	**494**	**2,045**	**2,621**

	Year ended 31 March 2021	Year ended 31 March 2020
	£'000	£'000
Not later than one year	525	494
Later than one year and not later than five years	2,045	2,621
Later than five years	-	-
Total	**2,570**	**3,115**

The current year liability is in relation to the interest repayment expensed to Statement of Comprehensive Income in respect of the on-Statement of Financial Position Hallam Street Hospital Private Finance Initiative scheme. The non-current liability is in respect of capital and finance costs outstanding.

17.1 Reconciliation of liabilities arising from financing activities

	PFI and LIFT schemes	Total
	£'000	**£'000**
Carrying value at 1 April 2020	3,115	**3,115**
Cash movements:		
Financing cash flows - payments and receipts of principal	(545)	**(545)**
Financing cash flows - payments of interest	(328)	**(328)**
Non-cash movements:		
Change in effective interest rate	328	**328**
Carrying value at 31 March 2021	**2,570**	**2,570**

18 Department of Health & Social Care Loans

	Current		Non-current	
	Year ended 31 March 2021	Year ended 31 March 2020	**Year ended 31 March 2021**	Year ended 31 March 2020
	£'000	£'000	**£'000**	£'000
Department of Health & Social Care Loans	-	702	-	-
Total	**-**	**702**	**-**	-

	Year ended 31 March 2021	Year ended 31 March 2019
	£'000	£'000
Not later than one year	-	702
Later than one year and not later than five years	-	-
Later than five years	-	-
Total	**-**	**702**

During 2020/21 the Trust has settled its loan liabilities with the Department of Health and Social

Care.

18.1 Reconciliation of liabilities arising from financing activities

	Loans from DHSC	Total
	£'000	£'000
Carrying value at 1 April 2020	**702**	**702**
Cash movements:		
Financing cash flows - payments and receipts of principal	(700)	(700)
Financing cash flows - payments of interest	(2)	(2)
Non-cash movements:		
Change in effective interest rate	-	-
Carrying value at 31 March 2021	**-**	**-**

19 Clinical negligence liabilities

There is £52k provision for clinical negligence recognised in the books of the NHS Resolution (NHSR) on behalf of Black Country Healthcare NHS Foundation Trust (2019-20: £174k).

20 Contingencies

There is nil contingent liability outstanding as at 31 March 2021. The West Midlands Pension Fund has been settled in year. No amounts have been notified by the NHSR for potential employer and public liability claims (2019-20: £nil).

21 Provisions for liabilities and charges

	Total	Other legal claims	Employment Tribunals	Redundancy	Clinicians Pension Tax	Other
2020/21	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
At 1 April	**1,345**	**133**	**588**	**157**	**229**	**238**
Arising during the year	3,019	133	-	766	361	1,759
Utilised during the year – accruals	(41)	(41)	-	-	-	-
Utilised during the year – cash	(664)	(17)	-	(410)	-	(237)
Reversed – unused	(408)	(144)	(200)	(64)	-	-
At 31 March	**3,251**	**64**	**388**	**449**	**592**	**1,759**
Expected timing of cash flows:						
Not later than one year:	2,371	64	388	449	12	1,458
Later than one year and not later than five years	670	-	-	-	369	301
Later than five years	210	-	-	-	210	-
Total	**3,251**	**64**	**388**	**449**	**592**	**1,759**

	Total	Other legal claims	Employment Tribunals	Redundancy	Clinicians Pension Tax	Other
2019/20	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
At 1 April	**331**	252	79	-	-	-
Arising during the year	1,906	245	1,037	157	229	238
Utilised during the year – accruals	(41)	(41)	-	-	-	-
Utilised during the year – cash	(61)	(61)	-	-	-	-
Reversed – unused	(790)	(262)	(528)	-	-	-
At 31 March	**1,345**	**133**	**588**	**157**	**229**	**238**
Expected timing of cash flows:						
Not later than one year:	1,119	133	588	157	3	238
Later than one year and not later than five years	7	-	-	-	7	-
Later than five years	219	-	-	-	219	-
Total	**1,345**	**133**	**588**	**157**	**229**	**238**

21.1 Provisions' analysis

	Current		Non-current	
	Year ended 31 March 2021	Year ended 31 March 2020	**Year ended 31 March 2021**	Year ended 31 March 2020
	£'000	£'000	**£'000**	£'000
Employment tribunal cases	388	588	-	-
Other legal claims	64	133	-	-
Redundancy	449	157	-	-
Clinician pension tax reimbursement	12	3	579	227
Other	1,458	238	301	-
Total	**2,371**	**1,119**	**880**	**227**

Employment Tribunals – cases that are formally registered as an open employment tribunal case against the Trust. The level of financial estimation included is based on the nature of the claim and the likelihood of the case being lost by the Trust.

Other legal claims – provision for a legal claim is created when a formal claim has be lodged with NHS Resolution, the estimate of future obligations is based on an excess fee plus further financial information from NHS Resolutions on a case by case basis.

Redundancy – staff that have formally been notified they are at risk and likelihood of redeployment is low. The value of the provision is based on the agenda for changes terms and conditions and the person's years of service and current salary.

Clinicians Pension Tax - an estimate of future obligations if in the current reporting year, clinicians sign up to the NHS Pensions 'scheme pays' option. This is due to the Government's response to the consequences arising upon NHS employees of HMRC taxation rules related to the NHS Pension scheme.

Due to personal taxation liabilities arising, linked to individual's pay and the value of their NHS pension, for clinicians only – the Government has created the option ('scheme pays') for this tax liability to be paid in the future, from the value of the individual's pension and recharged by NHS Pensions to the Trust. This future obligation upon the Trust is offset by an equal receivable (due from NHS England), disclosed in receivables.

Other - is made up of two types of expenditure; dilapidation costs anticipated in the next five years for private rented properties that the Trust is highly likely to cease using, and pension pay control costs for staff that have retired but had a significant promotion towards the end of their career which results in a significant increase in the persons pension which results in the Trust having a future obligation to financially support the NHS Pension scheme.

22 Other liabilities

	Current		Non-current	
	Year ended 31 March 2021	Year ended 31 March 2020	**Year ended 31 March 2021**	Year ended 31 March 2020
Deferred income	**£'000**	£'000	**£'000**	£'000
Total	**-**	**27**	**-**	-

23 Trust local government pension fund liability

During 2020/21 the Trust has completed its discussions with the pension fund and settled the liability in full.

	Non-current	
	Year ended 31 March 2021	Year ended 31 March 2020
	£'000	£'000
Gross local government pension scheme (LGPS) liability	-	2,515
Sandwell Metropolitan Borough Council liability	-	(155)
Trust local government pension liability	**-**	**2,360**

Changes in the benefit obligation and fair value of plan assets during the year for the amounts recognised in the SoFP	**Year ended 31 March 2021**	**Year ended 31 March 2020**
	£'000	**£'000**
Present Value of the defined benefit obligation at 1 April	**(8,290)**	**(8,290)**
Current service cost	-	-
Interest cost	-	-
Contribution by plan participants	-	-
Actuarial (losses)/gain	-	-
Change in Demographic assumption	-	-
Experience loss / (Gain)	-	-
Benefits paid	-	-
Settlement / Curtailment	8,290	-
Past Service Costs including curtailments	-	-
Present Value of the defined benefit obligation at 31 March	**-**	**(8,290)**

Changes in the benefit obligation and fair value of plan assets during the year for the amounts recognised in the SoFP	Year ended 31 March 2021	Year ended 31 March 2020
Plan assets at fair value at 1 April	**5,930**	**5,930**
Expected return on plan assets	-	-
Actuarial gain/(losses)	-	-
Contribution by the employer	-	-
Contribution by plan participants	-	-
Benefits paid	-	-
Settlement/Curtailment	(5,930)	-
Plan assets at fair value at 31 March	**-**	**5,930**
Plan deficit at 31 March	**-**	**(2,360)**

24 Related party balances and transactions

Black Country Healthcare NHS Foundation Trust is a corporate body established by order of NHS England and NHS Improvement. 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 Black Country Healthcare NHS Foundation Trust. The Trust considers all government related bodies as related parties with the Department of Health being the Parent. In addition, the Trust is a Corporate Trustee of Black Country Healthcare Charity fund, is a member of the NHS Pension Scheme and a member of the Local Government Pension Scheme which are also considered to be related parties.

2020/21	Receivables	Payables	Revenue	Expenditure
Organisation	**Year ended 2021**	**Year ended 2021**	**Year ended 2021**	**Year ended 2021**
	£'000	**£'000**	**£'000**	**£'000**
Local Authorities				
Sandwell Metropolitan Borough Council	-	-	(1)	-
Walsall Metropolitan Borough Council	548	116	543	336
Wolverhampton City Council	(3)	-	47	4
Dudley Metropolitan Borough Council	(6)	-	5,731	-
Worcestershire County Council	84	-	47	-
Total	**623**	**116**	**6,367**	**340**
NHS England & CCGs				
Sandwell & West Birmingham CCG	92	4	47,354	5
Wolverhampton CCG	1,263	15	40,279	15
Dudley CCG	78	-	42,266	-
NHS England	1,962	174	17,717	238
Birmingham & Solihull CCG	-	-	3,790	-
Walsall CCG	(198)	67	36,733	67
Total	**3,197**	**260**	**188,139**	**325**

2019/20	Receivables	Payables	Revenue	Expenditure
Organisation	**Year ended 2020**	**Year ended 2020**	**Year ended 2020**	**Year ended 2020**
	£'000	**£'000**	**£'000**	**£'000**
Local Authorities				
Sandwell Metropolitan Borough Council	1	86	1	-
Walsall Metropolitan Borough Council	-	-	-	4
Wolverhampton City Council	7	-	167	9
Dudley Metropolitan Borough Council	12	27	4,860	-
Worcestershire County Council	37	-	-	-
Total	**57**	**113**	**5,028**	**13**
NHS England & CCGs				
Sandwell & West Birmingham CCG	662	4	40,829	22
Wolverhampton CCG	(163)	-	32,557	3
Dudley CCG	(260)	33	12,134	33
NHS England	1,566	-	8,566	4
Birmingham & Solihull CCG	23	-	3,156	-
Walsall CCG	832	-	4,046	-
Total	**2,660**	**37**	**101,288**	**62**

25 Losses and special payments

There were 14 cases of loss and special payments totalling £3k approved in the year (2019-20: 15 cases totalling £2k).The losses during 2020-21 are shown below.

	No of Cases Year Ended 31 March 2021 No	Value of Cases Year Ended 31 March 2021 £000	No of Cases Year Ended 31 March 2020 No	Value of Cases Year Ended 31 March 2020 £000
Losses of cash due to:				
a. Theft, fraud etc	-	-	2	-
b. Overpayment of Salaries	-	-	-	-
c. Other causes	-	-	-	-
Fruitless Payments and constructive losses				
Bad debts and claims abandoned in relation to:				
a. Private patients	-	-	-	-
b. Overseas visitors	-	-	-	-
c. Other	-	-	-	-
Damage to buildings, property due to:				
a. Theft, fraud etc	-	-	-	-
b. Stores losses	-	-	-	-
c. Other	3	1	-	-
Total Losses:	**3**	**1**	**2**	**0**
Special Payments:				
Compensation under court order or legally binding arbitration award	-	-	-	-
Extra contractual contractors	-	-	-	-
Ex gratia payments in respect of:				
a. Loss of personal effects	11	2	13	2
b. Clinical negligence with advice	-	-	-	-
c. Personal injury service	-	-	-	-
d. Other negligence and injury	-	-	-	-
e. Other employment payments	-	-	-	-
f. Patient referrals outside the uk and EEA	-	-	-	-
g. Other	-	-	-	-
h. Maladministration, no financial loss	-	-	-	-
Special Severance Payments	-	-	-	-
Extra statutory and regulatory	-	-	-	-
Total Special Payments	**11**	**2**	**13**	**2**
Total Losses and Special Payments	**14**	**3**	**15**	**2**

During 2020-21, there were no individual cases which exceeded £300,000.

The losses and special payments note is compiled directly from the losses and compensations register which reports on an accrual basis with the exception of provisions for future losses.

26 Financial instruments and related disclosures

IAS 32 Financial Instruments: Presentation and IFRS 7 Financial Instruments: Disclosures require an explanation of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. A financial instrument is any contract that gives rise to a financial asset of one body and a financial liability or equity instrument in another body.

The Trust does not have any complex financial instruments and does not hold or issue financial instruments for speculative trading purposes and because of the continuing service provider relationship the Trust has with Clinical Commissioning Groups, and the way those Clinical Commissioning Groups are financed, the Trust is not exposed to the degree of financial risk faced by business entities.

Financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which IFRS 7 mainly applies. Due to the Trust's terms of authorisation it 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 financial instruments comprise provisions, cash at bank and in hand and various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Trust's operations.

26.1 Financial risk

Due to the continuing service provider relationship that the Trust has with Clinical Commissioning Groups (CCGs) and the way those CCGs 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.

26.2 Interest rate risk

The majority of the Trust's financial assets and financial liabilities carry nil or fixed rates of interest. The Trust is not therefore exposed to significant interest-rate risk.

26.3 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.

26.4 Credit risk

The Trust operates primarily within the NHS market and receives the majority of its income from other NHS organisations as disclosed in Note 24. The Trust has financial instruments which are considered to have low credit risk in accordance with IFRS 9. The Trust will be reviewing the

financial instruments based on the five-step approach outlined in the guidance and monitor the level of credit risk on a regular basis.

Cash held with government banking services are banks that have been assigned credit ratings in line with NHS England and NHS Improvement guidance.

26.5 Liquidity risk

The Trust's net operating costs are incurred under annual service level agreements with local Clinical Commissioning Groups which are financed from resources voted annually by Parliament. The Trust also largely finances its capital expenditure from retained surpluses and funds made available from Government under agreed borrowing limits. Black Country Healthcare NHS Foundation Trust is not therefore exposed to significant liquidity risk.

The fair value of a financial instrument is the price at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arms-length transaction. All the financial instruments of the Trust are initially measured at fair value on recognition and subsequently at amortised cost. The following table is a comparison by category of the carrying amounts and the fair values of the Trust's financial assets and financial liabilities:

All financial assets are classified as 'loans and receivables' and all financial liabilities are classified as 'other financial liabilities'.

Note that disclosure of fair values is not required when the carrying amount is a reasonable approximation of fair value, such as short-term trade receivables and payables, or for instruments whose fair value cannot be measured reliably. [IFRS 7.29(a)]

26.6 Carrying values of financial assets 2020/21

	Held at amortised Cost	Total book value
2020/21	**£'000**	**£'000**
Carrying values of financial assets as at 31 March under IFRS 9		
Receivables excluding non-financial assets - with DHSC group bodies	6,306	**6,306**
Receivables excluding non-financial assets - with other bodies	1,222	**1,222**
Other investments/financial assets	2,833	**2,833**
Cash and cash equivalents at bank and in hand	23,294	**23,294**
Total at 31 March	**33,655**	**33,655**

	Held at amortised Cost	Total book value
2019/20	**£'000**	**£'000**
Carrying values of financial assets as at 31 March under IFRS 9		
Receivables - with DHSC group bodies	4,063	**4,063**
Receivables - with other bodies	(360)	**(360)**
Other investments/financial assets	-	**-**
Cash and cash equivalents at bank and in hand	7,811	**7,811**
Total at 31 March	**11,514**	**11,514**

26.7 Carrying values of financial liabilities 2020/21

	Held at amortised Cost	Total book value
2020/21	**£'000**	**£'000**
Carrying values of financial liabilities as at 31 March under IFRS 9		
Obligations under PFI, LIFT and other service concession contracts	2,570	**2,570**
Trade and other payables - with DHSC group bodies	3,027	**3,027**
Trade and other payables - with other bodies	14,806	**14,806**
IAS 37 provisions which are financial liabilities	3,251	**3,251**
Total at 31 March	23,654	**23,654**

	Held at amortised Cost	Total book value
2019/20	**£'000**	**£'000**
Carrying values of financial liabilities as at 31 March under IFRS 9		
Loans from the Department of Health and Social Care	702	**702**
Obligations under PFI, LIFT and other service concession contracts	3,115	**3,115**
Trade and other payables - with DHSC group bodies	3,089	**3,089**
Trade and other payables - with other bodies	8,554	**8,554**
Provisions under contract	1,345	**1,345**
Total at 31 March	**16,805**	**16,805**

26.8 Maturity of financial liabilities

	31 March 2021	31 March 2020
	£'000	**£'000**
In one year or less	21,050	14,293
In more than one year but not more than five years	3,079	3,389
In more than five years	210	230
Total	**24,339**	**17,912**

27 Transfer by absorption

On 1 April 2020, Black Country Healthcare NHS Foundation Trust acquired services from Dudley and Walsall Mental Health Partnership Trust, including the assets and liabilities relating to the services via a Grant of Acquisition issued by NHS Improvement. There was no consideration paid for this acquisition.

As this date of acquisition was the first day of the reporting period, the current year Statement of Comprehensive Income and Other Comprehensive Income contain the full twelve months of revenue and expenditure relating to the services acquired. This is no restatement of the comparatives for the period ending 31 March 2020 because this is not required when accounting for a transfer by absorption.

The assets and liabilities of the services acquired were transferred to the Statement of Financial Position of Black Country Healthcare NHS Foundation Trust on 1 April 2020 at their book value on that date, the same value as the acquired services Trust reported on its Statement of Financial Position as at 31 March 2020. The gain on transfer by absorption as disclosed in the Statement of Comprehensive Income in the reporting year, is the same as the book value of acquired services assets and Liabilities on 1 April 2020. The book value of these acquired assets and liabilities as at 1 April 2020 are shown below.

	1 April 2020
	£'000
Non-current assets	
Intangible assets	3,569
Property, plant and equipment	28,799
	32,368
Current assets	
Cash and cash equivalents	13,132
	13,132
Total assets	**45,500**
Current Liabilities	-
Total assets less current liabilities	**45,500**
Non-current liabilities	-
Total assets employed	**45,500**
Taxpayers' equity	
Public dividend capital	45,500
Revaluation reserve	255
Income and expenditure reserve	(255)
Total taxpayers' equity	**45,500**

28 Events after the Reporting Date

These financial statements were authorised for issue on the 11 June 2021, there are no events arising after the end of the reporting period which qualifies for disclosure.

PART G GLOSSARY

Acronyms	Phrase	Description
AGS	Annual Governance Statement	The annual governance statement is a statutory document which explains the processes and procedures in place to enable the council to carry out its functions effectively. The statement is produced following a review of the council's governance arrangements and includes an action plan to address any significant governance issues identified.
BAF	Board Assurance Framework	Reporting infrastructure which enables the Board to monitor progress against the Trust's strategic objectives.
BCEP	Business Continuity Exercise Programme	A business continuity exercise is a scenario- driven event that is conducted to validate business continuity plans and procedures that would be initiated during a real incident or disaster situation.
BCPFT	Black Country Partnership NHS Foundation Trust	Previous name of Black Country Healthcare NHS Foundation Trust delivering mental health and learning disability services.
CAMHS	Child and Adolescent Mental Health Services	Mental Health services for under-18s. NB – inpatient beds for under-18s in Dudley and Walsall are provided by Birmingham Children's Hospital.
CCA	Civil Contingencies Act 2004	The Civil Contingencies Act 2004 is an Act of the Parliament of the United Kingdom that makes provision about civil contingencies. It also replaces former Civil Defense and Emergency Powers legislation of the 20th century.
CCG	Clinical Commissioning Group	CCGs are clinically-led statutory NHS bodies responsible for the planning and commissioning of health care services for their local area.
CEO	Chief Executive Officer	The chief executive officer or just chief executive, is the most senior corporate, executive, or administrative officer in charge of managing an organisation – especially an independent legal entity such as a company or nonprofit institution.
CIP	Cost improvement Programme	Annual targets for reducing costs.
COO	Chief Operating Officer	Executive in charge of operational services.
COVID-19	Coronovirus disease 2019	COVID-19, otherwise known as coronavirus disease 2019, is a new infectious disease caused by a previously unknown virus called SARS-CoV-2. The virus is part of a family of coronaviruses which are responsible for lots of different illnesses from the common cold to the flu.
CQC	Care Quality Commission	Quality regulator for health and social care providers. In 2010, introduced a system of 'registering' providers as a demonstration of quality.
CQUIN	Commissioning for Quality and Innovation	CQUIN is a national initiative which aims to embed quality improvements within the commissioning cycle for NHS healthcare. The CQUIN payment framework enables commissioners to reward excellence, by linking a proportion of healthcare providers' income to the achievement of local quality improvement goals.
CYPF	Children, young people and families	A division of the trust delivering service to children, young people and families.
DIHC	Dudley Integrated Health Care	An NHS Trust integrating primary care across Dudley with community physical and mental health services. Responsibility for the health and wellbeing of the whole population of Dudley, working to an outcomes based contract to delivery its revolutionary services.
DHSC	Department of health and social care	A government department.

Acronyms	Phrase	Description
DSPT	The Data Security and Protection Toolkit	The Data Security and Protection Toolkit (DSPT) superseded the IG Toolkit, the DSPT is based upon the National Data Guardian Standards. Unlike the previous IG Toolkit, the DSPT does not provide a score or rating of the assessment so the Trust either met or did not meet the DSPT standard.
DWMH PT	Dudley and Walsall Mental Health Partnership NHS Trust	Black Country Partnership merged with Dudley and Walsall Mental Health in April 2020 to form Black Country Healthcare NHS Foundation Trust.
EBITD A	Earnings before interest, tax, depreciation and amortisation	A financial adjustment.
ECT	Electro-convulsive Therapy	Electroconvulsive therapy (ECT) is a treatment for severe symptoms of depression, mania and catatonia. This section explains what ECT is, when it is used and your rights to refuse this treatment.
ED	Eating disorder	A condition of dysfunctional eating habits / association with food.
EPRR	Emergency Preparedness, Resilience and Response	The NHS needs to be able to plan for and respond to a wide range of incidents and emergencies that could affect health or patient care. This could be anything from extreme weather conditions to infectious disease outbreak or a major transport accident or terrorist attack. This work is referred to in the health service as “emergency preparedness, resilience and response”
EPRS	Electronic patient record system	A high-tech electronic patient record system which will modernise and improve the way we deliver patient care across the Trust. Introducing an EPR system will mean all patient information will be available electronically, on screen, at any hospital location, at any time.
EqIA’s	Equality Impact Analysis (Assessments)	A tool to assess the impact of change on the equality aspects for staff and patients
ESR	Electronic Staff Record	The Trust reports training compliance on all levels of training. All records of attendance are entered onto and monitored via the Trust Electronic Staff Record (ESR) system
FFT	Friends and Family Test	The NHS FFT was created to help service providers and commissioners understand whether patients are happy with the service provided, or where improvements are needed. It's a quick and anonymous way to give your views after receiving NHS care or treatment.
FReM	The Government Finan cial Reporting Manual	The Government Financial Reporting Manual (FReM) is the technical accounting guide to the preparation of financial statements.
FT	Foundation Trust	Type of NHS provider organisation which has more autonomy and different governance arrangements. FTs are authorised and regulated by NHSI.
FTE	Full Time Equivalent	An FTE is the hours worked by one employee on a full-time basis. The concept is used to convert the hours worked by several part-time employees into the hours worked by full-time employees.
GAM	Group Accounting Manual	Contains pertinent accounting rules and other information for a business or organisation. An accounting manual is internally developed and contains information specific to the organisation for which it was developed.
HC	Head count	Number of staff
HR	Human Resources	Human resources are the people who make up the workforce of an organization, business sector, or economy

Acronyms	Phrase	Description
HSJ	Health Service Journal	Journal that covers the health sector
IAPT	Improving Access to Psychological Therapies	An NHS programme rolling out services across England offering interventions for treating people with depression and anxiety disorders.
ICO	Information Commissioners Office	The UK's independent authority set up to uphold information rights in the public interest, promoting openness by public bodies and data privacy for individuals.
IFRS	International Financial Reporting Standards	International Financial Reporting Standards, usually called IFRS, are standards issued by the IFRS Foundation and the International Accounting Standards Board to provide a common global language for business affairs so that company accounts are understandable and comparable across international boundaries
IG	Information Governance	Information governance, or IG, is the management of information at an organization. Information governance balances the use and security of information. Information governance helps with legal compliance, operational transparency, and reducing expenditures associated with legal discovery.
IPS	Individual placement and support	A specialist employment service to support service users back to work
ISO	International organisation for standardisation	The International Organisation for Standardisation is an international standard-setting body composed of representatives from various national standards organisations. ISO promotes worldwide proprietary, industrial, and commercial standards.
IT	Information Technology	Information technology (IT) is the use of computers to store, retrieve, transmit, and manipulate data, or information, often in the context of a business or other enterprise.
IST	Intensive Support Team	The Intensive Support Team support adults with a learning disability, who may also have autism and mental health problems.
KPI	Key Performance Indicators	These are measures of performance and are used by the Trust to evaluate levels of success in achieving its goals
LD	Learning Disabilities	Learning disability, learning disorder, or learning difficulty is a condition in the brain that causes difficulties comprehending or processing information and can be caused by several different factors.
L & D	Learning and Development	Trust department responsible for staff education and development
MEA	Modern equivalent asset	A modern equivalent asset (also modern equivalent replacement asset) is a notional asset with which an existing asset's service potential would be restored on deprival using the latest technology available in the normal course of business. The modern equivalent should be considered when calculating the replacement cost of an asset.
MERIT	Mental Health Alliance for Excellence, Resilience, Innovation and Training	Mental health and learning disability trust collaboration across the West Midlands to share best practise, work together on joint objectives and improve services in the region.
MHSIP	Mental Health Safety Improvement Programme	Mental Health Safety Improvement Programme (MHSIP) established by NHS Improvement (NHSI), in partnership with the Care Quality Commission (CQC).
NED	Non-executive director	A non-executive director, independent director or external director is a member of the board of directors of a trust, but not a member of the executive management team.

Acronyms	Phrase	Description
NHS	National Health Service	The NHS provides free healthcare, regardless of wealth, for resident in the UK. It covers everything from antenatal screening and routine treatments for long-term conditions, to transplants, emergency treatment, and end-of-life care.
NHSEI	National Health Service England / Improvement	NHS England and NHS Improvement have come together as a single organisation. Their aim is to better support the NHS and help improve care for patients.
NICE	National Institute for Health and Clinical Excellence	NICE is an independent organisation responsible for providing national guidance on promoting good health and preventing and treating ill health
OD	Organisational Development	The development, implementation and review of various strategies and plans to improve an organisation
PCN	Primary care network	A group of GPs in a locality
PCT	Primary care trust	Primary care trusts were part of the National Health Service in England from 2001 to 2013. PCTs were largely administrative bodies, responsible for commissioning primary, community and secondary health services from providers. They were abolished on 31 March 2013 as part of the Health and Social Care Act 2012, with their work taken over by clinical commissioning groups.
PDC	Public Dividend Capital	This is a payment made each year by the Trust to the Department of Health to reflect the investment they have provided. It is calculated at 3.5% of the Trust's asset base and is generally regarded as being equivalent to the long term cost of capital in the public sector.
PICU	Psychiatric intensive care unit	A Psychiatric Intensive Care Unit is a type of psychiatric in-patient ward. On these wards staffing levels are higher than on a normal acute admission ward. PICUs are designed to look after patients who cannot be managed on open psychiatric wards due to the level of risk the patient poses to themselves or others.
PPE	Personal protective equipment	Protective clothing, helmets, goggles, or other garments or equipment designed to protect the wearer's body from injury or infection.
RWT	Royal Wolverhampton Trust	Acute trust in Wolverhampton.
STP	Sustainability and Transformation Partnership	A Sustainability and Transformation Partnership is where local NHS organisations and Local Authorities draw up shared proposals to improve health and care in the areas they serve. STP's are an integral part of NHS England.
TCP	Transforming Care Partnership	Transforming Care Partnerships. TCPs are made up of clinical commissioning groups, NHS England's specialised commissioners and local authorities. They work with people with a learning disability, autism or both and their families and carers to agree and deliver local plans for the programme.
UKCP18	UK Climate Projections 2018	The UK Climate Projections (UKCP) provides the most up-to-date assessment of how the climate of the UK may change over the 21st century.

لأجل الحصول على نسخة ملخصة من هذه الوثيقة باللغة العربية فالرجاء الأتصال ب(إيفون مَيْن Yvonne Mayne) على رقم الهاتف أدناه.

এই তথ্যপত্রটির সারসংক্ষেপের বাংলায় একটি কপি পেতে চাইলে দয়া করে নীচে দেয়া নম্বরে ফোন করে 'ইভন মেইন' (Yvonne Mayne) এর সঙ্গে যোগাযোগ করুন।

આ દસ્તાવેજનો ગુજરાતીમાં સારાંશ મેળવવા માટે કૃપા કરી નીચે જણાવેલા નંબર પર ઈવોન મૅઇનનો સંપર્ક સાધો.

यदि आपको इस प्रलेख का संक्षेप हिन्दी में चाहिए तो कृप्या नीचे दिए गए टैलीफोन नंवर पर इवोन मेन से संपर्क करें।

ਇਸ ਦਸਤਾਵੇਜ਼ ਦਾ ਪੰਜਾਬੀ ਵਿੱਚ ਸੰਖੇਪ ਰੂਪ ਹਾਸਲ ਕਰਨ ਲਈ ਕਿਰਪਾ ਕਰਕੇ ਈਵੌਨ ਮੇਨ ਨੂੰ ਹੇਠਾਂ ਦਿੱਤੇ ਗਏ ਨੰਬਰ ਉੱਤੇ ਫ਼ੋਨ ਕਰੋ।

براہِ کرم اس دستاویز کا اُردو میں خلاصہ حاصل کرنے کے لیئے نیچے دیئے گئے نمبر پر یوان میئن سے رابطہ کیجئے

If you require large print or braille, please contact Yvonne Mayne on 0845 146 1800.

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