NHS
Greater Manchester
Mental Health
NHS Foundation Trust

Annual Report 2020/2021

Greater Manchester Mental Health NHS Foundation Trust

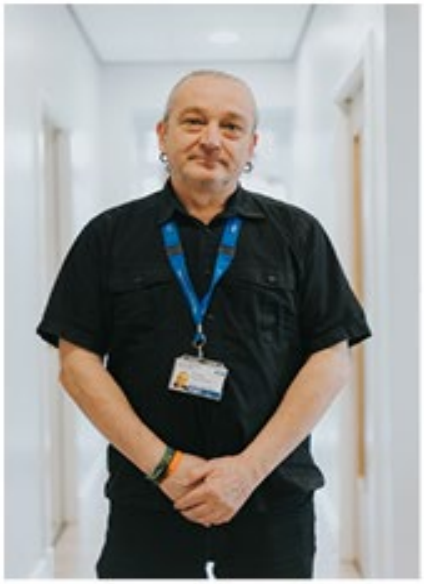
Improving Lives

Greater Manchester Mental Health NHS Foundation Trust

Annual Report and Accounts 2020/21

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

Contents



1. PERFORMANCE REPORT

1.1 Message from the Chair and Chief Executive

Welcome to Greater Manchester Mental Health NHS Foundation Trust Annual Report for the year ended 31 March 2021. Each year our Annual Report provides opportunity to reflect on the Trust's achievements over the last twelve months and to also look towards the future.

The Annual Report looks a little different this year. This follows new reporting guidance issued by NHS England/Improvement arising from the global COVID-19 pandemic. As with last year the Annual Report does not include a Quality Report detailing the Trust's progress and achievements against a comprehensive range of quality requirements. Whilst a Quality Report is not included, we will be producing a Quality Account for 2020/21 and this will be published separately at the end of June 2021. Despite the changes, we are sure that the information provided in this Annual Report document will provide readers with a good appreciation and understanding of the Trust's overall performance and progress during 2020/21.

2020/21 was a year we will all never forget. The NHS had to deal with the biggest health emergency in its history. Working through this, whilst continuing to deliver safe and effective services, and remaining safely staffed has been a huge achievement.

Our year of achievements and Response to the Coronavirus (COVID-19) Pandemic

Last year we reported on the Trust's response to the Covid-19 pandemic and how immensely proud we are of the workforce's response to the crisis. We have worked together as one team to find and implement solutions at a relentless pace, taking decisions (big and small) that would previously have seemed inconceivable. Our frontline clinical teams and corporate support services adapted quickly, going the extra mile to ensure that we continue to safely meet service users' needs. We provided examples of the things we did up to the time the 2019/20 Annual Report was completed and this included:

- the introduction of a 24/7 helpline for all our service users and carers early in the crisis, staffed by mental health practitioners and offering life-saving support to vulnerable adults and young people in our community;
- our IAPT (Improving Access to Psychological Therapies) services and other community services, including substance misuse services, adopting digital solutions to provide care and treatment;
- provision of on-site and on-call mental health liaison psychiatry services to the North West NHS Nightingale Hospital;
- mobilisation of Mental Health Urgent Care Centres at our inpatient units in Bolton, Salford and Manchester, providing a much-needed alternative to A&E in those areas;
- implementation of a range of COVID-19 care bundles including those relating to end of life care, community care and overall holistic health care; and
- providing increased access to RADAR (Rapid Access Detoxification Acute Referral) beds at out Chapman Barker Unit for inpatient detoxification.

Our back-office teams stepped up to a very different way of working to maintain essential business functions and support clinical service delivery, whilst our volunteers (old and new) provided invaluable support to our service users.

We activated Gold Command arrangements in early March 2020 to lead our emergency planning and response and this continued through 2020/21 and is still in place today. In May 2020 we introduced a Covid-19 Recovery Planning Group to co-ordinate the Trust's COVID-19 recovery plan and lead the Trust's reconstruction and progression to 'new normal' working conditions. Recovery has continued to remain a primary focus ensuring we are enhancing the support and wellbeing offer for our service users as much as possible. We linked into command structures in each of our four localities and at a Greater Manchester level and continued to participate in regional and national arrangements and discussions.

Throughout the year, we continued to put our staff at the heart of our efforts; to offer them as much support as possible during this unprecedented time. This included supporting frontline staff to access the appropriate PPE, antibody testing, lateral flow testing, health and wellbeing advice and support and also supporting over 1,200 staff to work effectively from home. Every member of staff was given a risk assessment which has been regularly reviewed to ensure those who needed to shield were supported to do so, and those in patient-facing roles were working as safely as possibly, with all our locations robustly assessed and brought up to COVID-19 safety standards.

When the COVID-19 vaccine became available in January 2021, our teams mobilised to begin offering the Astra Zeneca vaccine to our staff and at the time of writing, over 77% of Trust staff had received their first vaccination. The vaccine is also being offered to our inpatients.

Changes we have made to our services in

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Supporting our community

- Development of a 24/7 helpline for all our service users and their carers, including substance misuse and children and young people, staffed by mental health practitioners
- Online resources developed
- Isolation packs delivered to older adults socially isolating/shielding
- Keeping communities safe through increased monitoring of Community Mental Health Teams contacts
- Increased support for those who are homeless
- Worked with Research Team to deliver support to community staff and increase confidence when working with service users over the telephone/video conference
- Launch of "You matter, we're here" campaign promoting how services have adapted and reminding people services are still open

A new support package for GMMH staff

- Staff and family testing introduced
- Trauma-informed guidance and practice encouraged and wellbeing support and resilience online hub developed for all staff which collates all offers of support available in one place
- Seven-day briefings established to keep staff informed and motivated
- Mental Health First Aid Helpline for developed for Critical Care Units across GM
- Extension of incident de-brief support
- Establishment of Resource Operational Cell to ensure wards and services are safely staffed
- Supported staff to be redeployed to assist essential services
- For prison staff, introduced an online system of training and induction, despite most prisons being on 'lockdown'
- Implemented antibody testing and Lateral Flow Testing Programme
- Implementation of the vaccine programme for all staff

Expanded physical health provision

- Development of COVID-19 care planning
- Implementation of a range of COVID-19 Care Bundles including those related to end of life care, community care and overall holistic health care
- Provision of low flow oxygen therapy
- Introduction of a range of physical health training videos
- Enhanced infection control training and guidance for staff
- Effective management of the supply and distribution of Personal Protection Equipment
- In prisons, commenced 'in cell' telephone consultations, ensuring prisoners who are isolating have access to healthcare support and advice to ensure prompt and safe access to treatment

Transformed emergency pathways

- Establishment of Mental Health Urgent Care Centres at each acute hospital site
- Supporting acute trusts by diverting Mental Health liaison to other sites
- Development of the Mental Health Liaison Service to the NHS Nightingale Hospital
- Worked with Integrated Care Organisations mobilised to increase rapid discharge from Acute Hospitals to free their internal capacity to respond to the COVID pandemic.
- Developed pathway for Crisis Support via 111/ Central Alerting System to enhance offer whilst diverting demand on blue light services.
- Continued face to face contacts for those who require this.
- Rapid Response Teams for children and young people now taking referrals directly from GPs and A and E

Substance misuse services

- Increased access to RADAR beds in Chapman-Barker Unit for inpatient detox
- Ensured all service users receiving Opioid Substitution Therapy (OST) have access to safe storage boxes
- Distributed naloxone (used in the event of opioid overdose) to all OST service users, including those in temporary accommodation
- Developed online resources and delivery of controlled drugs to those self-isolating
- Access to alcohol interventions including controlled drinking, community detox and urgent access to inpatient detox
- Launch of promotion campaign to ensure the challenges of Covid did not result in loss of contact or reduced quality of care for our service users

Embracing digital technology

- Continuing to deliver service offer in IAPT services using digital solutions
- Rollout of Surface Pros, smartphones and Microsoft Teams to support remote working
- Implementation of video consultations
- Development of text messaging support Asylum Seeker and substance misuse teams with plans to roll this system out across a wide range of other services
- Single sign on to GM Integrated Digital Care Record created within Paris
- Pathology results flowing into Paris from Manchester NHS FT and Salford Royal NHS FT. Pennine Acute to follow
- ORCHA (our health app partner) has identified and highlighted apps which have been clinically assessed as useful during the COVID-19 pandemic
- Development of bespoke apps to support the implementation of Lateral Flow Testing

Recovery Academy Developments

- Support to over 7,000 students changed from face-to-face teaching, to developing new ways of working and products that benefit service users, carers, and staff.
- New ways of working including new Learner Management System and live webinars.
- New products including online self-help materials, videos, e-learning and radio podcasts.
- Supporting Continuous Professional Development across Greater Manchester including MPs, Foster Carers, Metrolink, Manchester City College, North Manchester Crisis Response Team, Housing Sector and Manchester Local Care Organisation.
- New Level 2 Trauma Informed Peer Mentorship Award mapped to the National Peer Support Competency Framework.
- Working in partnership nationally as part of the new Peer Support Worker Apprenticeship trailblazer group.
- Launching and managing the new Volunteer Responder Scheme.

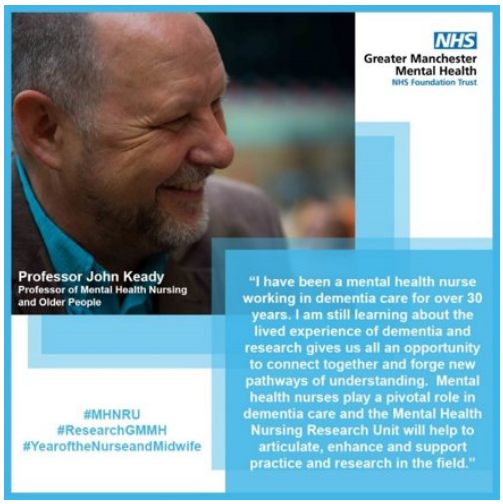
Working Together

The Trust's ***Research and Innovations*** team provided vital support to essential services during the pandemic. Many colleagues were redeployed to frontline services that needed extra support. This included putting some of our nurses back onto inpatient wards, helping in the catering department, taking blood in community clinics, and delivering PPE across the Trust.

The team rose to the challenge of continuing to provide research opportunities during lockdown through innovative ways of working; and in doing so, supporting vital research into COVID-19. This included contributing towards a global study looking into the psychological impact of COVID-19. GMMH's participation was a huge success, with a total of 620 participants recruited, finishing 8th overall in the league table of 107 Trusts. The team also began delivering a telephone survey to see how service users were coping during the pandemic, which also allowed us to inform people of the symptoms of COVID-19 at a time when awareness raising was crucial and identify and signpost people who were struggling with their mental health.

Other ***research and innovation*** successes included:

- the creation of three new Research Units;
- delivering a number of successful grant applications;
- adapting our dementia study portfolio to ensure continued, safe involvement;
- successfully delivering, the EXPO trial in our substance misuse services;
- the launch of the consent to approach database to further enhance research recruitment opportunities for staff; and
- the implementation of Otsuka Health Solutions' Management and Supervision Tool (MaST) within GMMH to support the evaluation of risk of crisis and complexity to a sophisticated degree.



We also launched our new Mental Health Nurse Research Unit (MHNRU) which supports the development of research skills and knowledge amongst mental health nurses.

The Trust's ***Recovery Academy*** which supports over 7,000 students changed from face-to-face teaching, to developing new ways of working and products that benefit service users, carers, and staff. Examples include:

- New ways of working including new Learner Management System and live webinars.
- New products including online self-help materials, videos, e-learning and radio podcasts.
- Supporting Continuous Professional Development across Greater Manchester including MPs, Foster Carers, Metrolink, Manchester City College, North Manchester Crisis Response Team, Housing Sector and Manchester Local Care Organisation.
- New Level 2 Trauma Informed Peer Mentorship Award mapped to the National Peer Support Competency Framework.
- Working in partnership nationally as part of the new Peer Support Worker Apprenticeship trailblazer group.
- Launching and managing the new Volunteer Responder Scheme.
- Developing our brand.

Also, in July 2020, we launched a campaign promoting our Substance Misuse Services. Achieve and Unity worked tirelessly with our partners to make sure that the challenges presented by COVID-19 did not result in losing contact with or reduced the quality of care for those receiving our support, including the most vulnerable.

The COVID-19 pandemic impacted on referrals into the services and we noted a decrease compared the previous year's figures. The social media campaign - **"You matter, we're here"** - ran for two weeks, detailing information about how our services adapted to continue to provide a high level of support during the pandemic. The campaign successfully raised awareness of our services and reminded and informed communities that we were still open, and they could still access recovery treatment and support.

In August 2020, our CAMHS services at Junction 17 and the Gardener Unit passed the accreditation process awarded by the Royal College of Psychiatrists Quality Networks which promotes the highest level of care for service users. It is a tough and rigorous process involving 253 standards across seven areas such as Care and Treatment, Staff and Training and Environment and Facilities. It is a prestigious award and is valid until March 2023.

During National Hate Crime Awareness Week in October 2020, the Trust launched its first Hate Crime Protocol. It is a key priority of our Trust to raise awareness and enhance society's perception and understanding of what constitutes a hate crime, to challenge inequality and to celebrate the diverse make up of our society. The Trust will not tolerate any form of hate crime or incident. We encourage our staff to report any hate incidents or crimes at the earliest opportunity and to promote a zero-tolerance culture.

In December we delivered an inspiring Trust Staff Awards online ceremony all our amazing staff. The pre-recorded awards ceremony, hosted by us and involving members of the Board of Directors, celebrated the winners and highly commended winners.

Within the digital ceremony, we also included highlights from our Superstars and celebrated our teams across the footprint of the Trust for their incredibly hard work during the year. The winners of the awards and those highly commended are set out in section 1.2, Overview.

Provision of Wigan Borough Mental Health Services

In July 2020 we were pleased to announce that responsibility for the future provision of mental health services in the Wigan Borough would transfer from North West Boroughs Healthcare NHS Foundation Trust (NWBH) to the Trust on 1 April 2021. Though part of NWBH's current portfolio, commissioners from Wigan Borough identified clear benefits to separating Wigan Borough's mental health services from the Mersey Care acquisition of NWBH and transferring the services to a provider within the Greater Manchester region. As the largest provider of specialist inpatient and community mental health services across Greater Manchester, with services already provided in or bordering Wigan, the case for transferring Wigan Borough services to the Trust was strong and supported by all parties to the transaction. This move is in line with the Greater Manchester Mental Health and Wellbeing Strategy, the Wigan Borough Locality Plan and Mental Health Strategy and our own strategic priorities.

By welcoming Wigan Borough services, we will benefit from the sharing of expertise, experience and local knowledge and the opportunity to offer more integrated care pathways and achieve economies of scale. Our new colleagues and service users will join a high-performing specialist trust with a key voice in shaping and improving mental health services across Greater Manchester.

Improving our Environments

In January 2021, the Trust received planning permission for the transformation of our adult inpatient unit in North Manchester. This is a £105 million investment to rebuild our adult mental health unit (Park House) on the North Manchester General Hospital site. Under the plans, our patients and carers will benefit from a new, purpose-built inpatient unit which will greatly improve the quality of specialist care for adults and older people severely affected by mental health problems including schizophrenia, psychosis, depression, and dementia.

Quality Improvement

Quality improvement is a key strand of our new Strategy. The launch of phase one of our Quality Improvement Strategy in early 2019/20 marked the continuation of our journey to provide high quality, safe and clinically effective care for our service users. By building quality improvement capacity and capability across our workforce over the last twelve months and introducing a standardised approach to continual quality improvement and learning, we are now in a strong position to deliver our quality improvement priorities for 2021/22. Further information can be found on this in our Quality Account 2020/21, which will be available to view on our website from 30th June 2021.

We continue to respond to the improvement opportunities identified by the Care Quality Commission (CQC) in 2019/20, including through the implementation of a more robust system for ensuring supervision compliance and by progressing our plans to build the new Park House development on the North Manchester General Hospital Site.

Operational & Financial Performance

Over the course of 2020/21, we have continued to face risks to the achievement of our strategic objectives from increasing demand on our services whilst responding to the impact of COVID-19 pandemic. Through effective management, the Trust delivered a positive financial position at the end of 2020/21 and maintained low levels of financial risk throughout the year, whilst also achieving the cost efficiencies required for future sustainability and making significant capital investment. The overall income and expenditure position shows delivery of a net retained surplus of £3.854 million The operating surplus for the year was £5.206 million. This difference in performance was due to the impact of the removal of impairments which does not count towards control total achievement.

We continue to recognise the need to sustain the improvements delivered this year, whilst also strengthening our productivity in other areas in 2021/22. We will apply our standardised quality improvement framework to deliver efficiencies in our acute care pathway, workforce, digital approaches, pharmacy and corporate services.

Looking Forward

In February 2021 the Department of Health and Social Care published the White Paper "Integration and innovation: working together to improve health and social care for all". The aim of the White Paper is to build on the collaborative approach undertaken by the NHS and partners as part of the Covid-19 response. It proposes to establish Integrated Care Systems as statutory bodies from 1 April 2022, subject to legislation, with all Clinical Commissioning Groups functions moving to Integrated Care Systems. The proposals seek to reduce bureaucracy with significant changes to procurement and competition in the NHS, which again is subject to legislation. We are working closely with local partners and the Greater Manchester Health and Social Care Partnership to develop plans to implement the White Paper in Greater Manchester, including the development of "place-based" approaches and Provider Collaboratives. The Board continues to receive updates with regard to this work which is expected to continue over the year in readiness for 1 April 2022 commencement, subject to legislation.

Our thanks are extended to colleagues across the organisation for their efforts during 2020/21 to improve lives and support optimistic futures for our service users, their families and carers.

Neil Thwaite, Chief Executive
8 June 2021

Rupert Nichols, Chair
8 June 2021

For any further information on the information contained in this report, or to keep in touch with our developments please contact us on communications@gmmh.nhs.uk, follow us on Twitter @GMMH_NHS or like us on Facebook (www.facebook.com/Greater Manchester Mental Health).

1.2 Overview

The purpose of this overview is to introduce you to Greater Manchester Mental Health NHS Foundation Trust (the 'Trust') and provide a short summary of our history, purpose, the activities the Trust undertakes and how we organise ourselves. Information on our performance over the last twelve months and the key risks we face to the achievement of our strategic objectives is also provided. Further details on our quality performance can be found in our Quality Account.

About Us

The Trust is a statutory public body, which became an NHS Foundation Trust (public benefit corporation under Section 35 of the National Health Service Act) on 1 February 2008. It is part of the National Health Service, registered with the Care Quality Commission (CQC) and the Trust's overall performance has been rated by the CQC as 'Good'.

The Trust is one of the largest specialist mental health providers in the country, supporting service users across our local, specialist, substance misuse and prison populations. We employ over 6,400 whole time equivalent (WTE) staff and provide services from over 160 locations across the North West of England, as well as working with people in their homes and local communities.
We offer:

- Local mental health services to the people of Bolton, Manchester, Salford, Trafford and from 1st April 2021, Wigan.
- Substance misuse services to people in Bolton, Salford, Trafford, Bury and Cumbria.
- Services to over 8,000 people in prisons and secure accommodation in the North West of England.
- Highly specialised mental health services for the region and wider NHS in England.

Our Operating Model

Our clinical services are structured into three networks and eleven divisions:

- Trafford, Manchester and City-Wide Network:
  - North Manchester
  - Central and City-Wide
  - South Manchester and Trafford
- Rehabilitation Services, IAPT (Improving Access to Psychological Therapies), Bolton and Salford Network:
  - Primary Care Psychological Therapies (PCPT)
  - Rehabilitation
  - Bolton
  - Salford
- Specialist Services Network:
  - Adult Forensic and Mental Health and Deafness
  - Substance Misuse Services (SMS)
  - Health and Justice
  - Child and Adolescent Mental Health Services (CAMHS)

From 1 April 2021, Wigan Borough Mental Health Services transferred to the Trust from North West Boroughs Healthcare NHS Foundation Trust. These services, some of which cover Bolton and Greater Manchester, include:

- Child and Adolescent Mental Health Services (CAMHS)
- Early intervention
- Memory assessment
- Mental health liaison / rapid response
- Older adult community mental health services
- Autism Spectrum Disorder Diagnostic Service

- Home-based treatment
- Recovery teams
- Inpatient mental health care at Atherleigh Park
- Skin camouflage
- Chronic pain management
- Young people's eating disorder services
- Think Wellbeing psychological therapies
- Building attachments and bonds

Strategic Framework

The Trust's five-year Strategy 2019 - 2024 *('Delivering Excellent Care and Supporting Wellbeing')* sets out the Trust's strategic vision - '*Working Together to Improve Lives and Support Optimistic Futures'* - and future direction of travel. It guides how the Trust leads and enhances services in collaboration with users, carers, staff and partners. The Strategy is aligned with the NHS Long Term Plan (LTP), Greater Manchester Health and Wellbeing Strategy, commissioner strategies and locality plans and responds to the significant and often above average mental health needs of our local populations.

During 2020/21 the Trust's planning processes were suspended in order to respond to the COVID-19 pandemic. The Trust however continued to progress delivery of its strategic objectives as part of the measures put in place to support service users and staff during the pandemic.

To deliver the vision the Trust is focused on achieving five key strategic aims and objectives, as shown in the following strategy 'Plan on a Page'. the aims are:

(i) Best Care, Every Day
(ii) Compassionate, Supported, Motivated Staff
(iii) Best Outcomes
(iv) Individualised, Seamless Care
(v) Sustainable Services, Adding Value

The Trust also has five core values that underpin how staff and volunteers work together to care for the Trust's service users and deliver the vision. These are:

(i) We are caring and compassionate;
(ii) We inspire hope;
(iii) We are open and honest;
(iv) We work together; and
(v) We value and respect.

Our Five Year **Trust** Strategy 2019 -2024

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This strategy describes our direction for GMMH over the next five years, guiding how we will lead and enhance services in collaboration with service users, carers, staff and partners: always with a shared purpose of improving health and wellbeing.

Our Vision	Working together to improve lives and support optimistic futures
Our Strategy	Delivering excellent care and supporting wellbeing

	Objective **One**	Objective **Two**	Objective **Three**	Objective **Four**	Objective **Five**
Strategic Objectives	Work with service users and carers to achieve their goals by delivering high quality care	Create an outstanding place to work, ensuring staff feel valued and are supported to reach their potential	Continuously improve services for users through Research, innovation and digital technology	Work in partnership with others to improve wellbeing and challenge stigma	Be a sustainable, well-led organisation that delivers social value
Programmes of Work	Quality Improvement • To improve outcomes • To deliver safest care • To integrate care around the person Best Care	Supply, recruitment and retention Outstanding place to work Transforming our workforce Outstanding leadership and management development	Research and Innovation Digital	Service users, Communities and Voluntary, Community and Social Enterprise sector (VCSE) Integrated care Public sector Trusted partnerships	Financially sustainable and well governed Safe, effective and supportive environments Productivity Delivering Social Value
Aims	Best care, every day	Compassionate, supported, motivated staff	Best outcomes	Individualised, seamless care	Sustainable services, adding value
Values	We inspire hope	We work together	We are caring and compassionate	We value and respect	We are open and honest

Staff Awards 2020. In 2020 there were ten staff awards given to Trust staff, each award linked to the Trust's objectives outlined in the Five-Year Strategy. The winners of the award and those highly commended are set out below:

Best Care, Everyday award	**Winner:** Debbie Wilde, Community Emergency Response Team Worker, Prescott House **Highly Commended:** Emma Allen, Head of Healthcare, HMP Garth
Best Outcomes award	**Winner:** Christopher Pearson, Data Quality, Systems & Performance Manager **Highly Commended:** Simon Glover, Service Manager & Dilraj Sohi, Consultant Psychiatrist, Bolton Inpatient Services
Sustainable Services, Adding Value award	**Winner:** Facilities: Transport & Stores Teams **Highly Commended:** AFS Physical Healthcare Team
Individualised, Seamless Services award	**Winner:** Rachel Clarke, Advanced Clinical Practitioner, North Mersey CMHT **Highly Commended:** Mike Matthews, Resettlement Worker, North West CMHT
Creating a Diverse & Inclusive Place to Work award	**Winner:** Fran Fenton (Unison), John Harrop, Phil Moffatt, Caroline Pickwell, Pete Smith and Julie Eastham **Highly Commended:** Sherri Coyne, Acting Team Manager, Salford Early Intervention
Volunteer of the Year award	**Winner:** Peter Broome, Volunteer for Recovery Pathways Service **Highly Commended:** Charlie Scott, Peer Mentor, Anson Road
Outstanding Leader of the Year award	**Winner:** Bridget Hughes, Head of Operations, Central/Citywide **Highly Commended:** Stuart Edmondson, Head of Nursing Practice
Rising Star award	**Winner:** Loveness Ncube, Staff Nurse, Park House **Highly Commended:** Sebastian Ujadughele, Hub Placement, Hazelwood Ward
Unsung Hero award	**Winner:** Helen Webster, Non-Medical Prescriber, Achieve Bolton **Highly Commended:** Michelle Bagnall, Team Leader, Achieve Trafford & Salford **Highly Commended:** Shirley Derbyshire, Inpatient Administration Officer, Moorside Unit
Team of the Year award	**Winner:** IM&T Team **Highly Commended:** CAMHS - Junction 17 & Gardener Unit **Highly Commended:** John Denmark Unit

Our Key Risks and Uncertainties

The Board of Directors has overall responsibility for ensuring that the Trust's risk management system is sufficiently robust to mitigate any significant risks that may threaten achievement of the strategic objectives. Assurance on the effectiveness of this system is gained primarily through the work of Board of Directors, Board committees, Executive Management Team and using internal and external audits. The Board of Directors also take into consideration other independent inspection or accreditation, and through the systematic collection and scrutiny of performance data.

The Trust's Board Assurance Framework sets out the current key risks to achievement of the Trust's strategic objectives and identifies any gaps in controls and assurances on which the Board relies. The Board of Directors reviewed and updated the Trust's strategic risk assessment following agreement of the Trust's five-year strategy and strategic objectives in 2019/20.

The Board of Directors reviews the Board Assurance Framework on a quarterly basis, to ensure that the main risks have been identified and appropriate action is being taken to address these. As at 31 March 2021 the most significant risks and uncertainties faced by the Trust with a risk score of 16 and above, related to:

- Coronavirus (COVID-19) pandemic – The Trust has maintained a separate register of the operational risks associated with COVID-19 reviewed by Gold Command.
- Performance - Failure to reduce the number of OAPs will impact on patient safety and experience and act as a barrier to recovery.
- Performance - Failure to meet national and local targets and regulatory standards will impact on quality of care, reputation and could incur financial penalties and/or intervention from regulators.
- Recruitment and retention - Failure to recruit and retain high quality staff will impact on quality of care and staff satisfaction.
- Sustainable workforce model - Failure to develop a sustainable and resilient workforce model will impact on the Trust's ability to deliver safe and effective care.
- Future commissioning arrangements – The move towards integrated care systems and the devolvement of specialised commissioning budgets to Lead Provider Collaboratives may impact on the resources available to the Trust.
- Financial sustainability – Failure to deliver the Trust's annual financial plan and longer-term financial strategy will impact on the Trust's sustainability, ratings and ability to deliver quality improvements.
- Capital and estates – Failure to invest to improve the standard of the Trust's estate and environments will impact on patient experience and quality of care.

Going Concern Disclosure

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

The Trust has prepared its financial plans and cash flow forecasts for the coming year on the assumption that funding will be received from the Department of Health and Social Care consistent with the revised funding arrangements in response to the COVID-19 pandemic. Discussions to date indicate this funding will be forthcoming. These funds are expected to be sufficient to enable the Trust to meet its obligations as they fall due and will be accessed through the nationally agreed process published by NHS Improvement and the Department of Health and Social Care.

The Board of Directors has therefore concluded that these financial statements should be prepared on a going concern basis as there is a reasonable expectation that the Trust will have adequate resources to continue in operational existence for at least 12 months from the date of approval of the financial statements.

1.3 Operational Performance

The NHS Oversight Framework sets out the key national performance requirements. Achievement of national targets has been suspended during the Covid-19 response and recovery in 2020/21. This included the Finance Use of Resources Metric. There were also no CQUIN targets applicable for mental health trusts in 2020/21. The Trust's key performance indicators and reports reflect this as appropriate during the period. In line with the national guidance the information in the table below is shared for information rather than for assurance purposes and includes the latest nationally reported information and month reported.

The following table summarises the Trust's performance against its key performance indicators during 2020/21 as appropriate to the performance monitoring in place during COVID-19 pandemic. Key Performance Indicators (KPIs) have been mapped against the Care Quality Commission's five domains to support assurance in each of these areas. The Trust's Quality Account 2020/21 provides more detailed information on the Trust's performance against the key mental health targets.

CQC Domain	Source	Indicator	GMMH	Latest Position
Effectiveness	Oversight Framework	Data Quality Maturity Index (DQMI) MHSDS Dataset Score – data completeness	97.0%	January 2021 National published data Target: 95%
		Reduction in inappropriate out of area placements for adult mental health services	569 bed nights	March 2021
		% Clients in Settled Accommodation	78.2%	January 2021
		% Clients in Employment	8.5%	January 2021
Safety	Oversight Framework	Occurrence of never events	0	March 2021 Target: 0
		Patient Safety Alerts not completed by deadline	0	March 2021
		Admission to adult facilities of patients who are under 16	0	March 2021 Target: 0
		CPA (Care Programme Approach) 7 day Follow up	95.5%	March 2021 Target: 95%
		Potential under-reporting of patient safety incidents	40.49	February 2021
	Care Quality Commission (CQC)	Registration	Registered	July 19 inspection
Responsiveness	Oversight Framework	Early Intervention - treatment start within 2 weeks	48.8% 63.4%	March 2021 April 2020 - March 21 Target: 60%
		IAPT - treated within 6 weeks	79.0%	March 2021 Target: 75%
		IAPT - treated within 18 weeks	96.6%	March 2021

CQC Domain	Source	Indicator	GMMH	Latest Position
				Target: 95%
Caring	Oversight Framework	IAPT Recovery – achievement of 50% recovery target	48.3%	March 2021 CCG Target: 50%
		Written Complaints Rate	0.02	March 2021
		Staff Friends and Family Test % Recommended	78.2	September 2020
		Mental Health Scores from Friends and Family Test - % Positive	76.9%	February 2020
Well-led	Locally-set	Sickness Rolling 12 Months Sickness In-Month	6.0% 5.3%	March 2021 Target: 5.6%
		CQC Community MH Survey	7.3	March 2020

The Trust continues to ensure that KPIs are achieved. Where performance is below national best standards, the Trust puts in place comprehensive action plans to address the underperformance.

The Data Quality Maturity Index (DQMI) reflects the completeness of MHSDS (Mental Health Services Data Set) recording against 36 data quality categories. The Trust's latest national published figures are from January 2021 and show the Trust as performing above the national target of 95%. Performance has improved throughout the year as a result of actions taken to strengthen reporting against new data categories introduced nationally.

Reportable Out of Area Placements have increased during 2020/21 which reflects the system wide pressures caused by the management of the COVID-19 pandemic. Prior to the COVID – 19 outbreak there was a national aim for zero reportable OAP bed nights by the end of March 2021. Whilst this has not been achieved due to the COVID-19 pressures it remains the Trust's aspiration to minimise OAPs and support people as close to home as possible. Additional local beds within Greater Manchester were contracted in November 2020 to reduce the need to send patients outside of their home area which remain in place. Given the national pressures caused by the COVID-19 pandemic national guidance has been received that delivery of the national target of "zero" OAPs has been extended to the end of Quarter 2 2021/22. This remains the Trust's ambition. Work to improve patient flow and reduce length of stay is a key priority with our system wide partners in Greater Manchester and the North West.

IAPT services demonstrated ongoing improvements and have achieved both the six week and 18 week referral to treatment targets at Trust wide level. The waiting list initiatives continue in Manchester services which are focused on the longest waiters. The work in Manchester continues to build towards the achievement of consistent and sustained compliance. The IAPT service are also embedding the offer of face-to-face clinical appointments via video consultations to improve choice in the service offer for patients. This is based on learning from the response to Covid-19 and feedback from patients. It should be noted that the IAPT recovery target of 50% is a CCG target that applies to the whole IAPT pathway provided within a District – both Step 2 and Step 3 services. For the Trust this applies to Bolton and Trafford districts who both achieved the target. Salford and Manchester both demonstrated recovery rates in line with expectations for a Step 3 only IAPT services. The position in in March 20 does reflect improvement from the March 2019 position particularly in our Salford and Manchester services.

The target for *Early Intervention Referral in 2 weeks* was not met in March 2020, however the Trust has demonstrated good performance overall for the year achieving above target at 63.4%. This is positive performance given the impact of COVID-19 in April / May due to the reduction in face-to-

face assessments to reflect social distancing requirements. Remote assessments continued to take place however these did not meet the target requirements for Early Intervention services. Reasons for fluctuation include some DNA's by service users and some delays in referral on to Early Intervention teams from other services in the Trust, that did not meet the two-week target. Services have reinforced the need for early referral to Early Intervention.
Staff sickness absence rates are above the locally set target for the rolling 12-month period however show improvement from the position in 2019/20 and it should be noted this includes the impact of COVID-19 pandemic related sickness. This reflects approaches to promote employee health and wellbeing and improved sickness absence management.

The Trust looks forward to working toward achievement of the 2021/22 KPIs as it moves from the COVID-19 pandemic response and embed the new ways of working as appropriate during the recovery period to improve services for service users and carers.

1.4 Financial Performance

The Trust delivered a positive financial position at the end of 2020/21 and maintained low levels of financial risk throughout the year, whilst also achieving the cost efficiencies required for future sustainability and making significant capital investment.

The financial performance can be summarised as follows:

- The Trust's overall income and expenditure position shows delivery of a net retained surplus of **£3.854 million**. The operating surplus for the year is **£5.206 million.** This difference in performance is due to the impact of the removal of impairments which does not count towards control total achievement.
- The Finance and Use of Resources Rating was suspended during the year due to the COVID-19 pandemic, as all organisations were given enough resources to allow them to break even.
- The District Valuer undertook a desktop revaluation of The Trust's property, plant and equipment in February 2021. As the result of the desktop revaluation an impairment of £1.331m has been charged to Income and expenditure in year.
- The Trust's total Comprehensive income, after movements direct to reserves, is a deficit of £527k. This is due to the revaluation of assets resulting in a net impairment to reserves of £2.8m, and a charge of £1.498m to other reserves as a result of the movements in valuation of the GM Pension Fund (GMPF).

Income and Expenditure Position

The Trust received a total income of £373.9 million for 2020/21, which represented an increase on the Trust's planned income of £360.5 million.

	For the Year to 31 March 2021		
	Plan	Actual	Variance
	£000's	£000's	£000's
Clinical Income	314,991	326,333	11,342
Other Income	45,542	47,530	1,988
Total Income	**360,533**	**373,863**	**13,330**
Operating Expenditure	(345,785)	(356,111)	(10,326)
EBITDA	**14,748**	**17,752**	**3,004**
Depreciation	(7,563)	(7,645)	(82)

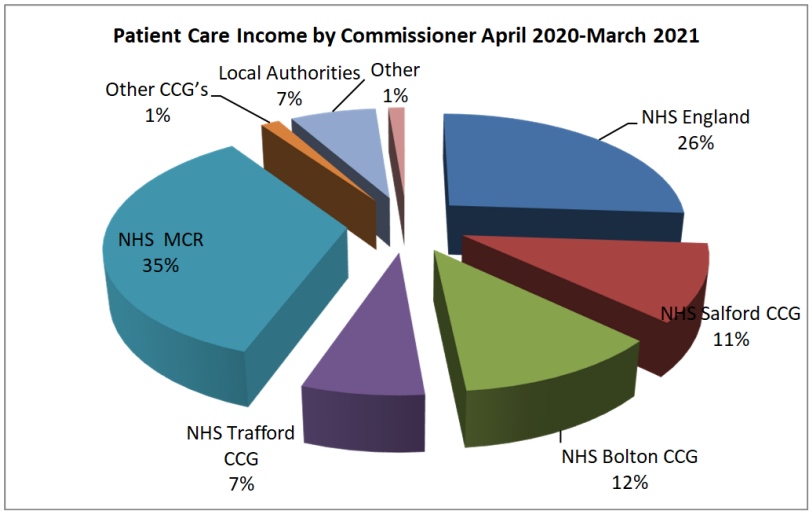
Interest Receivable	76	4	(72)
Interest Expense	(309)	(44)	265
Public Dividend Capital	(6,412)	(4,882)	1,530
Surplus/(Deficit) before Other Non-Operating Expenses	**541**	**5,185**	**4,644**
Other Non-Operating Income/Expenses			
Impairment Losses (Reversals) net (on non PFI assets)		(1,331)	(1,331)
Net Surplus/(Deficit)	**541**	**3,854**	**3,313**
Elements of Comprehensive Income	(15)	(4,381)	(4,366)
Comprehensive Income	**526**	**(527)**	**(1,053)**

The table below confirms the Trust's normalised operating performance:

Financial Performance for the year	**£'000**
Surplus/(deficit) for the year from continuing operations	3.854
Impairments following revaluation of PPE	1,331
Reversal of non-cash SOFP pension	21
Operating Surplus for the year	**5,206**

The majority of the £326.3 million income received related to patient care (£337.4 million). This can be broken down by commissioner as follows:

	NHS England	NHS Salford CCG	NHS Bolton CCG	NHS Trafford CCG	NHS MCR CCG	Other CCGs	Local Authorities	Other	Total
Income (£'000s)	85,181	35,475	37,669	22,460	114,091	4,763	22,460	4,234	326,333

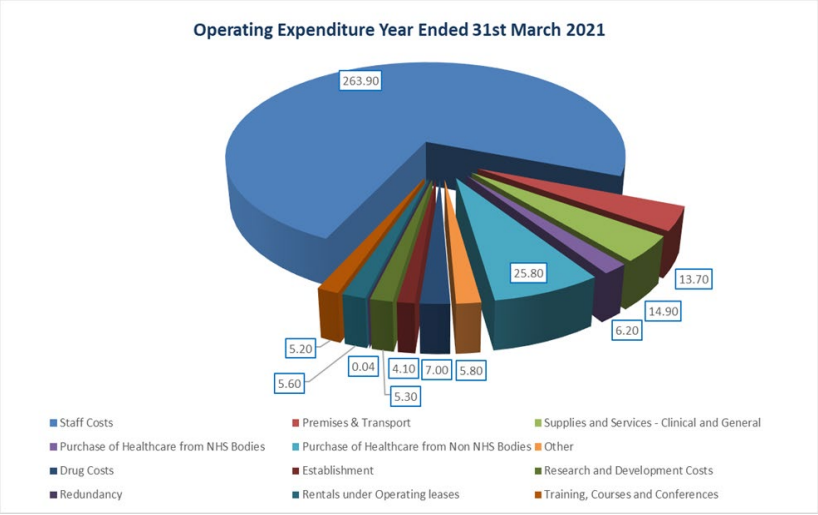


The Trust received £47.5 million other income for non-patient care services, with the majority (£11.6 million) coming from Health Education England (HEE) to support education and training. In addition, the Trust received income of £5.3 million to support research and development, £20.5 million COVID-19 and System top up funding for first half of the year, and £3.6m for contributions to expenditure - consumables (inventory) donated from DHSC group bodies for COVID-19 response.

The Trust's Expenditure in 2020/21 totalled £365.1 million and can be analysed as follows:

Operating Expenses	Expenditure (£'000s)
Staff Costs	263,951
Premises & Transport	13,717
Supplies and Services - Clinical and General	14,934
Purchase of Healthcare from NHS Bodies	6,157
Purchase of Healthcare from Non NHS Bodies	25,762
Other	5,793
Drug Costs	6,966
Establishment	2,676
Research and Development Costs	5,306
Redundancy	42
Rentals under Operating leases	5,604
Training, Courses and Conferences	5,203
Total Operating Expenditure	**356,111**
Depreciation	7,645
Impairments of Property, Plant and Equipment	1,331
Grand Total	**365,087**

The largest item of expenditure relates to staff costs at £263.9 million or 72.8% of operating expenses. The District Valuer undertook a desktop revaluation of Trust property, plant and equipment in February 2021. This resulted in an impairment of £1,331k which has been charged to the Income and Expenditure account in year.



Capital Investment

The Trust continued to invest in the development and improvement of its estate (patient and non-patient facilities) in 2021/22 and invested a total of £14.736 million across the year. Key capital developments have included investment in the IM&T infrastructure, and the Trust's digital strategy, environmental improvements at the Park House site. The Trust also invested capital in backlog maintenance, statutory works, work to reduce ligature risks and energy performance improvements.

The following table provides an overview of the main areas of capital expenditure during the reporting period:

Capital Expenditure	Expenditure to 31 March 2021 (£'000's)
IM&T Expenditure (including Digital Strategy)	4,722
New Park House Build	3,700
Backlog Maintenance schemes	2,456
EPMA	1,378
Urgent Emergency Care	340
Cyber Security	695
Improvements to outside space	679
Wigan set up	490
Maple PICU improvements	276
Total	**14,736**

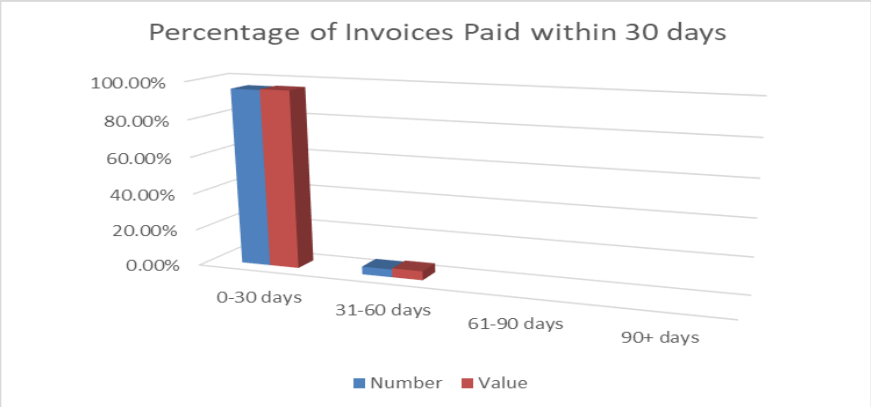
Liquidity and Short-Term Investments

As at 31 March 2021, the Trust's cash balance stood at £72.945 million, with interest receivable of £4k being reinvested in the delivery of services.

Better Payment Practice Code – Measure of Compliance

The Better Payment Practice Code (BPPC) requires the Trust to pay all NHS and non-NHS trade creditors within 30 calendar days of receipt of goods or a valid invoice (whichever is later) unless other payment terms have been agreed. Where this involves a non-public sector organisation, the Trust takes action to ensure that payments are made as quickly as possible.

The Trust's performance against the BPPC as at 31 March 2021 was 95.7% in terms of number of invoices paid within 30 days and 96.1% by value of invoice. The Trust has positive relationships with its suppliers and has not been required to pay any interest accrued by virtue of failing to pay invoices within the 30-day period.



Cost Allocation

The Trust has complied with all cost allocation and charging requirements set out in the HM Treasury Guidelines in 2020/21.

Preparation of our Accounts

The annual accounts for 2020/21 have been prepared in accordance with paragraphs 24 and 25 to Schedule 7 to the National Health Service Act 2006, guidance issued by NHS Improvement, the

independent regulator of NHS Foundation Trusts, and International Financial Reporting Standards (IFRS). The Trust's accounting policies for use in preparing the accounts are reviewed annually to reflect any changing circumstances involving accounts regulation and guidance and are approved by the Board of Directors.

Accounting policies for pensions and other retirement benefits are set out in Note 8 to the accounts. Details of senior employees' remuneration can be found in the 'Remuneration Report' in this report.

Future Finance Arrangements

The response to the COVID-19 pandemic has meant that the NHS Long Term Plan and annual financial planning process has been delayed for 2021/22 with plans being finalised by 26 May 2021. The finance regime in place in the second half of 2020/21 (H2) will continue into the first half (H1) of 2021/22.

The Greater Manchester (GM) system has been issued a financial envelope for both revenue and capital. The Trust has been working with system colleagues to agree the rapid flow of new investment that was announced in the spending review and as a consequence there are a number of exciting plans on how the Trust services will develop.

The expectation is that the GM system will deliver a break-even plan across all NHS providers and, as a consequence the Trust has been working to deliver a break-even plan for 2021/22.

1.5 Equality of Service Delivery

During 2020-21 The Trust continued to develop systems and initiatives to support the delivery of its Equality Diversity and Inclusion Strategy and meet the statutory requirements of Public Sector Bodies under the Equality Act (2010). The Trust has been guided by the NHS Equality Delivery System (EDS2), which is a framework to improve outcomes across key domains of equality and improve the Trust's contribution to reducing health inequalities in the communities it serves.

In August 2020, the Board initiated a new Strategic EDI Working Group, chaired by a non-executive director to provide senior leadership of the Trust's EDI agenda and to oversee the different contributory workstreams. The Group was originally established for 6 months but has now been extended to run until the end of the 2021/22 financial year to ensure sufficient oversight for the development of a refreshed EDI strategy. During 2020-21 a new Head of EDI post was created reporting to the Director of Nursing and Governance and has been successfully recruited to. These developments will give the Trust greater capacity to plan and deliver future improvement programmes.

The EDS2 work focuses on how the Trust is understanding and responding to the needs of local communities and improving the accessibility of services. A range of examples where services have addressed the needs of service users across different communities and protected characteristics has been shared across the trust and added to the website. https://www.gmmh.nhs.uk/equality-and-diversity

The Trust communications team have been actively supporting EDI by promoting key events via staff newsletters, splashscreens and social media and there is a regular interface between corporate and operational staff via monthly Equality Diversity and Human Rights meetings.

The Trust has signed up to be part of a national pilot to develop a Patient and Care Race Equality Framework (PCREF) for mental health trusts. This pilot aims to improve the accessibility of mental health services for ethnic minority communities and develop a set of organisational level competencies which will facilitate these improvements.

The BAME, LGBT+, and Disability staff networks have continued during 2020-21 and been active in supporting initiatives such as the Hate Crime Protocol and Pride into Practice which raised awareness of diversity and promoted inclusion. The HR team have been active in supporting BAME staff in career progression and underlined the organisation's commitment to more culturally representative senior leadership.

Operational teams across the trust have engaged well with diverse communities by building links with VCSE community groups: IAPT services have established a BAME network; *buzz* in Manchester has extensive community links and collaborations and the Manchester Wellbeing Fund has now made over 500 small grants to community groups in the last three years including two COVID-19 fast track schemes which focussed on digital inclusion.

1.6 Modern Slavery

The Trust is committed to ensuring that no modern slavery or human trafficking takes place in any part of its business or supply chain. In May 2020/21, the Trust completed an annual assessment of its risk exposure to modern slavery and also reviewed its 'Slavery and Human Trafficking Policy Statement'. The approved statement is published on the Trust's website and sets out the actions taken to understand the potential risks and implement effective systems and controls. These include undertaking appropriate pre-employment checks on directly employed staff and requiring agencies to provide assurance that pre-employment clearance has been obtained for any agency staff employed by the organisation. The Trust also require all of its suppliers to comply with the provisions of the UK Modern Slavery Act (2015) through agreement of a 'Supplier Code of Conduct', purchase orders and tender specifications. The next annual assessment of risk exposure to modern slavery will take place in 2021/22.

1.7 Anti-Fraud, Bribery and Corruption

The Trust does not tolerate fraud, bribery and corruption and aim to eliminate such activity as far as possible to ensure that public resources are freed up for better patient care. The Trust encourages anyone with reasonable suspicions of fraud, bribery and corruption to report them and have a policy in place to support this. The Trust's commitment to anti-bribery is clearly set out in its Anti-Bribery Statement, which is available via the Trust website.

1.8 Research and Innovation

Following the 2019/20 development of the Trust's strategic objective to *'continuously improve services for users through research, innovation and digital technology',* 2020/21 has seen the review and redevelopment of the R&I Strategy for 2021-24. The Trust's vision for research and innovation is to become a leading mental health research institution. The Trust's aim is to improve its understanding, treatment and outcomes of mental health problems and wellbeing for its service users, carers and staff by ensuring equitable access to opportunities for development and participation in high quality research. The Trust is committed to co-production of research, ensuring that the involvement of people with lived experience of mental health difficulties is prioritised.
In order to achieve this, the Trust has developed six strategic priority areas for Research & Innovation for the next three years:

(i) **Make sure our research matters** - Ensure our research and innovation activity is relevant to the priorities of communities of the Trust serves, the Trust itself and the wider NHS.
(ii) **Access for everyone** - Maximise the opportunities for the communities served to engage with research and innovation activity.
(iii) **Improve outcomes** - Inform and improve clinical services by innovation adoption, research involvement, dissemination and translation.

(iv) **Sustainable research infrastructure** - Maximise financial opportunities and income from research and innovation ensuring value for money and sustainability of research infrastructure.
(v) **Mental health research leader** - Assist the Trust in achieving its aim of being a leading organisation for mental health research and innovation.
(vi) **Use research and innovation to close the inequalities gap** - Ensure the Trust's research includes an emphasis on prevention, wellbeing, inclusion and reduction of stigma, discrimination and inequalities alongside developing treatments for established mental health problems.

During 2021/22, the Trust established three additional Research Units in priority areas (Mental Health Nursing, Specialist Perinatal Mental Health and Psychological Therapies for Anxiety and Depression) and has also funded a new Equality Diversity and Inclusion Research Unit which will be launched in summer 2021. The new units will complement six established units (Psychosis Research Unit, Complex Trauma and Resilience Research Unit, Dementia Research Centre, Patient Safety Research Unit, Youth Mental Health Research Unit and GM Digital Research Unit) which have continued to thrive in 2020/21, achieving grant successes and maintaining their focus on co-production and integration with clinical services.

During 2020/21, the Trust's Research and Innovation infrastructure has been supported by external research income including National Institute for Health Research (NIHR) grant successes leading to Research Capability Funding (RCF), a growing commercial research portfolio and income from the NIHR Greater Manchester Clinical Research Network (GM:CRN) and Health Innovation Manchester (HinM). External income has been supplemented by additional core funding from the Trust. Our total NIHR grant income for 2020/21 for all active grants and fellowships was £4,257,709 which is over one million more than 2019/20 and brought with it Research Capability funding of £1,031,706 which has been invested into continued growth. The Research Units and other additional areas of strength such as forensic mental health have achieved 9 new NIHR grant successes over the last 12 months, which will run over the next three to five years.

During 2019/20, over 2500 patients, staff, relatives and carers participated in research projects approved by the Trust's Health Research Authority. Throughout the year, the Trust has been able to offer its communities the opportunity to participate in over 50 research studies despite the restrictions that have been imposed as a result of the COVID-19 pandemic and many studies have been adapted to allow full or partial delivery of the research remotely to keep participants and staff safe. The Trust's study portfolio includes 22 interventional trials including 5 Clinical Trials of Investigational Medicinal Products and 9 studies sponsored by the Trust. The highest recruiting studies this year include a study looking at cases of avoidable harm in prison settings and a study looking at a peer-delivered intervention in psychosis which are both led by Manchester researchers.

1.9 Customer Care

The Trust's Customer Care Team have continued to support and facilitate the management of complaints, concerns, MP enquiries and compliments received during the period. When a complaint is received the Customer Care Team aim to provide a timely, clear and transparent response, which evidences the action taken to deal with the concerns raised. All complaints received are recorded on the Trust's Datix system and reported to the Board of Directors on a quarterly basis as part of the Quality Report.

Learning from complaints is triangulated with other service user experience data and reviewed at service user and carer experience meetings on a quarterly basis. The Trust employ different methods to disseminate learning from complaints including positive learning events which are delivered across the Trust.

During 2020/21 the Trust received 898 complaints. The following table breaks these complaints down by service area and provides a comparative position against 2018/19 and 2019/20 data.

	2020/21	2019/20	2018/19
Bolton	100	106	108
Central Manchester	97	125	91
City wide	37	64	44
North Manchester	103	142	170
Salford	102	122	123
South Manchester & Trafford	125	151	151
Specialist services	168	187	164
Totals	**732**	**897**	**851**

There has been a decrease of 165 complaints from 2019/20 to 2020/21 at a time when the Trust has increased in size. During 2020/21 Customer Care had been working to reduce the number of complaints by seeking early resolution of problems in collaboration with our operational services. As a consequence, the number of concerns logged have subsequently increased from 312 in 2019/20 to 600 in 2020/21.

There were 278 quality improvement recommendations resulting from upheld complaints that were logged on DATIX in 2020/21. The top three themes were communication (42%), care (12%) and medication (7%). Examples of service improvements during 2020/21 include:

- Managers ensured that staff facilitate one to one session with inpatients when they return from being AWOL so that the incident can be understood from the service user's perspective and mental state examinations and risk assessments are completed.
- Managers reviewed the Trust's Search Policy and met with staff to ensure they feel competent conducting searches when the need is indicated.
- Training has been delivered about the identification of carers and the recording of carer details on PARIS by the Trust's Carer Lead.
- The Trust wide inpatient recovery group was tasked with identifying best practice standards in relation to ward handovers and ensuring that the standards are incorporated into Trust guidance or inpatient operational procedures.
- Managers have reviewed the template for MDT discussions to ensure there is adequate consideration of safeguarding risks.
- Managers have reviewed the way that falls training is delivered so that e-learning is supported by face-to-face training.

1.10 Overseas Operations

We did not have any overseas operations during the year.

1.11 Significant Events Post 1 April 2021

On 1 April 2021, all Wigan Borough, Bolton and Greater Manchester staff and services previously provided by North West Boroughs Healthcare NHS Foundation Trust transferred to the Trust. The impact of the transfer is expected to be an increase of income and expenditure by £46m in 2021/22.

Neil Thwaite, Chief Executive
8 June 2021

2. QUALITY REPORT

Given the impact of coronavirus (COVID-19), arrangements for year-end accounts have been amended and there is no requirement to include a quality report in our 2020/21 Annual Report. The Trust is however preparing a separate Quality Account 2020/21, which incorporates all the quality report requirements. The plan is to finalise the Quality Account 2020/21 with a view to publishing on the Trust's website in July 2021. The Quality Account 2020/21 will also be published on the NHS website in accordance with amended national timeframes, which are to be confirmed at the time of writing.

3. ACCOUNTABILITY REPORT

3.1 Directors' Report

The Directors Report provides an overview of the arrangements put in place by the Board of Directors to ensure that the Trust services were well-led during the period 1 April 2020 to 31 March 2021. The Directors' Report should be read alongside the Performance Report (section 1), Quality Account 2020/21 and Annual Governance Statement (section 3.8).

Board of Directors

During the period 1 April 2020 to 31 March 2021, the following were members of the Board of Directors:

Non-Executive Directors

Rupert Nichols, Chair

Rupert is a solicitor and chartered secretary with 40 years' commercial Board-level experience in a wide range of organisations in the legal and accountancy, logistics, manufacturing and services sectors. He has extensive experience in corporate governance, compliance, mergers and acquisitions and risk management.

Previously Chair of Calderstones Partnership NHS Foundation Trust and a former Board member of the NHS Confederation Mental Health Network, Rupert brings valuable experience of mental health and learning disabilities leadership to GMMH.

Anthony Bell, Non-Executive Director

Anthony joined GMMH in 2014 and is a qualified accountant. Anthony has over 20 years of experience at Board level in the education and social housing sectors and has also held senior roles in the private sector. He is a non-executive director of two local housing associations and deputy chair of a managed workspace complex company that supports developing business. Anthony has also previously been a Board member and treasurer of a training placement organisation for minority groups and an education trust which supported disadvantaged groups. Anthoney recently joined the Board of Directors of Stockport NHS Foundation Trust as a non-executive director.

Anthony is Chair of the Trust's Charitable Funds Committee and the Strategic EDI Working Group.

Helen Dabbs, Non-Executive Director

Helen most recently worked at executive level at NHS Improvement (NHSI) North (2015 to 2018) as Regional Nurse Director and Delivery and Improvement Director, where she had oversight of the safety, quality and financial sustainability of provider trusts and also supported trusts with their quality improvement agendas. Helen joined NHSI from Rotherham, Doncaster and South Humber NHS Foundation Trust (RDaSH) where she held progressive roles including Director of Mental Health (2002 to 2005), Director of Operations (2005 to 2008), Acting Chief Executive Officer (2008 to 2009) and Deputy CEO/Director of Nursing and Partnerships (2009 to 2015). During her time at RDaSH, Helen also held a number of additional

roles including Specialist/Clinical Advisor to CHI/Healthcare Commission/Care Quality Commission (CQC) and National Taskforce Advisor to the Better Care Fund.

Helen's early career began with clinical nursing posts (general and mental health) (1984 to 1991), prior to progression to senior management roles in provider organisations (1991 to 2002). Helen holds professional dual registration as a nurse.

Stephen Dalton, Non-Executive Director and Vice Chair

Stephen has over forty years' experience in the NHS. He started his NHS career in 1976 as a general nurse on Merseyside, followed by a period working in mental health services in South Manchester and a series of clinical leadership roles including as a Director of Nursing. Stephen spent 17 years as a Trust Chief Executive, in Merseyside and Cumbria, responsible for delivering frontline clinical services and describes his career passion as mental health services.

Stephen is known nationally for his work as Chief Executive of the NHS Confederation and of the Mental Health Network, both roles demanded engagement at the highest level of government and the NHS. He is currently sponsored by NHS Employers to lead Chief Executive Development Groups at a national level.

Stephen is Trust Vice Chair and Chair of the Board Finance and Investment Committee.

Andrea Harrison, Non-Executive Director

Andrea is a chartered accountant with over 20 years business and financial experience in the life sciences sector and is currently an independent business consultant, advising life science and health sector clients. Andrea brings a wealth of experience in strategic and operational planning, performance management, merger & acquisition integration and digital transformation.

Andrea is Chair of the Audit Committee.

Julie Jarman, Non-Executive Director

Julie joined GMMH in 2014. Julie has over 17 years' experience of senior management in the voluntary sector both in the UK and in international development. She also works as a management coach and mentor. Julie currently works as a Senior Principal Strategy lead for the Equality and Human Rights Commission. She is also a trustee of two charities (MIND in Salford and CLASS) and Chair of HomeWorkers Worldwide.

Julie is Chair of the Board Quality Improvement Committee.

Pauleen Lane CBE, Non-Executive Director and Senior Independent Director

Pauleen is the Professional Lead for Infrastructure at the Planning Inspectorate and a school governor in Trafford. She has a doctorate in numerical modelling from Manchester University and is a civil engineer by profession. She has previously served as a Non-executive Director for Liverpool Women's Hospital Foundation Trust and on the Tenants Services Authority, English Partnerships and the Coal Authority. She was a Councillor for Trafford MBC until 2012 and a member of Audit Commission and was awarded a CBE in 2005 for services to value for money in public bodies and regeneration in communities.

Pauleen is the Trust's Senior Independent Director.

Executive Directors

Neil Thwaite, Chief Executive

Neil started his career in the NHS in 1993 and has worked across many NHS sectors including acute care, primary care, the Cancer Network and the Strategic Health Authority. Neil is formally qualified in business and project management, most recently successfully attaining a Master's in Business Administration at Manchester Business School. Neil joined GMMH in 2006 and was the Executive lead for the successful Foundation Trust application. He has a great deal of experience and a strong interest in service development, business planning, contracting, performance improvement and strategy.

Elizabeth Calder, Director of Performance and Strategic Development

Liz joined GMMH in 2019 from the Northern Care Alliance NHS Group, where she held the post of Deputy Director of Strategy and Planning and provided strategic leadership and support to key programmes of work. Since joining the NHS as a Graduate Management Trainee in 1994 Liz has worked in senior roles across the North West of England including commissioning, community, acute and tertiary organisations. As an Economics graduate with an MA from University of Manchester Liz has extensive experience in strategic change, significant transactions, service developments, contracting, tenders, planning and operational management. Recent roles have included working with partners to establish the first Integrated Care Organisation in the country and the national proton therapy service at The Christie.

Gill Green, Director of Nursing and Governance

Gill joined the Trust in August 2011. Gill has extensive experience in delivering nursing care in both acute and community settings and has worked for a number of different NHS organisations including Clatterbridge Hospital in Bebington, James Cook University Hospital in Middlesborough, Barnsley Care Services Direct and South West Yorkshire Partnership NHS Foundation Trust.

Gill also works closely with third sector providers and offers experience of trusteeships in this area. She is particularly involved in nursing workforce education and nursing leadership across the Greater Manchester area.

Andrew Maloney, Director of Human Resources and Deputy Chief Executive

Andrew has worked in senior HR positions across a broad range of NHS sectors. From 2000 to 2004 he worked as the Assistant Director of HR for Sefton Health Authority and Sefton Primary Care Trust working on HR change management projects that supported the establishment of PCTs across Sefton. In 2004, Andrew joined The Walton Centre NHS Trust as Director of HR and was part of the executive team that led the organisation to Foundation Trust status. Andrew joined the Trust in 2009 as Director of HR and Governance and has more recently taken on wider responsibility for capital, estates and facilities (CEF) and corporate affairs. Andrew was also appointed as the Trust's Deputy Chief Executive in early 2019.

Deborah Partington, Director of Operations

Deborah began her NHS career over 30 years ago, when she started her nurse training in Salford. Since then she has held a variety of senior posts at the Trust including Clinical Leader, Head of Operations, Network Director and Associate Director of Operations. She was seconded to the NHS Confederation – Mental Health Network for a year working with them to represent health organisations across England within national strategic developments. As well as her nursing qualifications, Deborah also has a Masters in Health Services Management from the University of Manchester. A key focus of Deborah's current role is providing executive oversight of the operational management of all clinical services

Suzanne Robinson, Director of Finance and IM&T

Suzanne joined the Trust in August 2020 as Director of Finance and IM&T. With almost 20 years of experience working at a senior level within large acute and specialist providers as well as commissioning organisations in the North West of England, Suzanne has held the role of Director of Finance at Pennine Care NHS Foundation Trust. Previous to this, she held roles of Director of Finance, Performance and Digital at North Staffordshire Combined Healthcare NHS Trust and Finance Director of Staffordshire Stoke-on-Trent Sustainability and Transformation Partnership (STP).

Suzanne serves as Chair of the Health Financial Management Association (HFMA) Mental Health Finance Faculty and she is also Senior Responsible Officer for the Future Focused Finance Valuemakers Programme which represents over 2000 finance staff across the country.

Dr Alice Seabourne, Medical Director

Alice's careers spans almost 30 years within the NHS. She has worked as a Consultant Psychiatrist in our Later Life Services since 1999 and continues to deliver this role, in our community services in Bolton, alongside her Medical Director commitments. Prior to taking on the role of Medical Director in 2019, Alice was also the Trust's Associate Medical Director for Rehabilitation, IAPT, Bolton and Salford from 2017 and is the Trust's responsible officer for medical staff. She is the Executive lead for Research and Innovation, chair of the incident review panel and deputy chair of the Quality Improvement Committee. Alice is actively involved in developing and implementing the

Trust's Quality Improvement Strategy and is a member of the North West Medical Directors Network.

Janine Taylor, Acting Director of Finance and IM&T

Janine joined the Trust Board from 1 April 2020 as "Acting" Director of Finance and IM&T following the resignation of the then Director of Finance and IM&T, Ismail Hafeji on 31 March 2020. Janine undertook the role until 31 July 2020 when Suzanne Robinson was appointed to the substantive post of Director of Finance and IM&T from 1 August 2020. Janine has worked for the Trust since Nov 2011 assuming a number of roles until August 2015 when she was appointed Associate Director of Finance, Planning and Reporting.

Sections 3.3, Audit Committee Report; 3.5, Remuneration Report; and 3.9, Annual Governance Statement sets out Board Committee members and their attendance at meetings.

Meetings of the Board of Directors

The Board of Directors met on 10 separate occasions during 2020/21. The following table sets out the attendance of individual directors.

Name	Meetings Attended
Non-Executive Directors	
Rupert Nichols, Chair	10/10
Anthony Bell, Non-Executive Director	10/10
Helen Dabbs, Non-Executive Director	10/10
Stephen Dalton, Non-Executive Director	10/10
Andrea Harrison, Non-Executive Director	10/10
Julie Jarman, Non-Executive Director	10/10
Pauleen Lane, Non-Executive Director & Senior Independent Director	10/10
Executive Directors	
Neil Thwaite, Chief Executive	10/10
Elizabeth Calder, Director of Performance and Strategic Development	10/10
Gill Green, Director of Nursing and Governance	10/10
Andrew Maloney, Director of HR and Deputy Chief Executive	09/10
Deborah Partington, Director of Operations	09/10
Suzanne Robinson, Director of Finance and IM&T (From August 2020)	06/07
Alice Seabourne, Medical Director	09/10
Janine Taylor, Acting Director of Finance and IM&T (April - July 2020)	03/03

Governance Arrangements

The Board of Directors ensure that the Trust's governance arrangements are sound and fit for purpose, both in the short-term and looking forward. Temporary measures put in place in March 2020, adapted the Board assurance and governance arrangements in response to COVID-19. These arrangements are described in more detail in section 3.8 - Annual Governance Statement, along with further information on the Trust's incident response and business continuity arrangements.

During the year under review, the Board comprised of seven independent non-executive directors, including the chair and senior independent director, and seven executive directors, including the Chief Executive. The Trust is committed to having a diverse Board in terms of gender and diversity of

experience, skill, knowledge and background. The biographical details of the directors, together with details senior independent director are set out above. All Board and Board committee meetings held during the year were quorate. All decisions made by the Board of Directors and its committees were approved and recorded appropriately.

Non-Executive Directors bring a wealth of experience at Board level and complement the executive director representation in providing, support, challenge, and scrutiny on operational and strategic matters. Further details on the appointment of Executive and Non- Executive Directors can be found in section 3.5, Remuneration Report. In accordance with the requirements of the NHS Foundation Trust Code of Governance, all non-executive directors are considered to be independent. Other significant commitments held by the Chair during the reporting period, and other non-executive directors, can be found in the Board of Directors' Register of Interests at www.gmmh.nhs.uk/declarations-of-interest.

The directors have a collective responsibility for setting the strategic direction for the Trust, and the effective stewardship of the Trust's affairs, ensuring compliance with its provider licence, constitution, mandatory guidance and contractual and statutory duties. The Board provides effective and proactive leadership of the Trust within a robust governance framework of clearly defined internal controls and risk management processes and approves the Trust's financial and operational plans, taking into account the views of governors. The Board sets the Trust's vision, values and standards of conduct and behaviour, ensuring that its obligations to stakeholders, including service users and members are met; ensures the quality and safety of services, research and education and application of clinical governance standards including those set by NHS England/Improvement, the Care Quality Commission, NHS Resolution and other relevant bodies. The Board has a formal schedule of matters reserved for Board decisions; these are included in the Trust's scheme of reservation and delegation.

The unitary nature of the Board means that Non-Executive Directors and Executive Directors have equal responsibility to challenge Board decisions and for development of Trust operations and strategy. The Board delegates operational management and the execution of strategy to the Chief Executive and the executive team and has established a governance committee structure to provide assurances that it is discharging its responsibilities.

All directors have full and timely access to relevant information to enable them to discharge their responsibilities. At its meetings the Board reviews the Trust's key performance information, including reports on quality and safety, service user experience and care, operational activity, financial analyses and strategic matters. The proceedings at all Board and committee meetings are documented through a process that allows any director's concerns to be recorded and assurances provided. The Board meetings are held in public and associated papers are published on the Trust's website in advance of meetings. Additional meetings are held for private discussion and Board development.

Directors are able seek individual professional advice or training at the Trust's expense in the furtherance of their duties. The directors and governors have direct access to advice from the Company Secretary who ensures that procedures for Board meetings, Council of Governors meetings and Committee meetings are followed and that arrangements are compliant with any applicable regulations.

There is a clear division of responsibilities between the chair and chief executive. The chair is responsible for leadership of both the Board of Directors and Council of Governors, ensuring their effectiveness. The Board and Council receive accurate, timely and clear information appropriate for their respective duties. The chair facilitates effective contribution from all directors and ensures that there is a constructive relationship that exists between the Board and the Council of Governors. The

Chief Executive is responsible for the performance of the executive directors, the day-to-day effective management of the Trust and the implementation and delivery of the Trust's approved strategy and policies.

Understanding the views of the governors, members and the public

The Council of Governors provide local accountability by representing the interests of members and partner organisations. The Board of Directors retains overall responsibility for decision-making except where the Council of Governors has statutory responsibilities (see Section 3.3, Council of Governors).

The Board of Directors and Council of Governors have a good working relationship, and each body is kept advised of the other's progress through the Chair. Members of the Board routinely attend Council of Governors meetings (see Section 3.3, Council of Governors for more information). Members of the Council of Governors have access to Board meeting agendas and papers and, along with other members of the public, are welcome to attend and observe meetings of the Board held in public to gain an understanding and appreciation of the business being conducted by the Board of Directors. Governors are encouraged to attend the Board meetings to observe the participation of the non-executive directors.

NHS Foundation Trust Code of Governance

The Trust has applied the principles of the NHS Foundation Trust Code of Governance on a 'comply or explain' basis. The NHS Foundation Trust Code of Governance, most recently revised in July 2014, is based on the principles of the UK Corporate Governance Code issued in 2012. The Board of Directors is committed to achieving the highest standards of governance within the Trust and has established processes to enable it to comply with the Code of Governance. The code requires foundation trusts to make a full disclosure on their governance arrangements for the financial year 2020-21. The code also requires the Board to explain how the main principles and supporting principles of the code had been applied. The information satisfying this requirement can be found throughout the annual report and accounts.

The Trust is required to provide a statement either confirming compliance with the provisions of the code or where appropriate, an explanation in each case why the Trust has departed from the code. The code also requires the directors to make specific information available in the annual report, or to provide certain descriptions of governance arrangements. The annual report addresses these requirements, placing much of the information and appropriate statements in its content.

NHS Foundation Trust Code of Governance – Compliance with the Code

For the year 2020/21 the Board of Directors confirms that the Trust complies with the provisions of the Code with the following deviations: (i) The Trust's Constitution provides for parity between executive and non-executive directors (including the Chair) which departs from the code which requires at least half the Board (excluding the Chair) comprising non-executive directors. The Board does not feel that this provision within the constitution inhibits or detracts from the Board undertaking its duties and responsibilities appropriately to the benefit of the Trust and service users. (ii) Code reference B.6.2, which requires that at least every three years (extended by NHS England/Improvement to five years in their guidance published in 2017) the Board undertakes an external evaluation of its performance. The most recent external review was undertaken by KPMG which was reported to the Board in 2015, due organisational changes to the Trust and the impact of the COVID-19 pandemic the Trust has delayed its external review to a more suitable time. The following section "NHS England/Improvement's Well-Led Framework/Care Quality Commission Inspection" sets out the CQC's inspectors views of the Trust's leadership following CQC's most recent independent inspection which provided the Board with assurance regarding its performance against the well-led framework.

NHS England/Improvement's Well-Led Framework/Care Quality Commission Inspection

During our most recent Care Quality Commission (CQC) full inspection in July 2019, the CQC Inspectors reviewed the Trust's leadership and governance arrangements against the ***well-led framework,*** which brings together the CQC's key lines of enquiry for well-led and NHS Improvement's framework for leadership and governance. The Trust's overall rating for well-led was '**Good'**. This rating takes into consideration the CQC inspectors' views on leadership in individual services. The CQC rated the Trust's leadership as '**Good'** citing the following:

- The Trust had an experienced and stable Board with a range of experiences that brought effective challenge and collective leadership. Leaders understood the challenges faced by the Trust and recognised the positive progress that it had made. Leaders were able to identify where further improvement was required and worked together to ensure delivery of services.
- Leadership, governance and culture supported the delivery of high-quality care. Leaders were visible and approachable.
- Strategies and plans in place were aligned to the wider health and social care system. Plans were monitored and consistently implemented and there was evidence of improvement in the quality of services. The Trust had completed a two-year programme to improve mental health services in the City of Manchester and was now developing strategy and priorities for the next five years.
- The Board of Directors had identified, monitored and responded to current and future risks and there was an effective audit process in place and actions had been taken when issues were identified.
- There was an open and transparent culture which was promoted by the Board of Directors and senior leadership team. Staff were encouraged to raise concerns and felt able to do so. When things went wrong, staff adhered to the Duty of Candour, investigated what happened and acted to improve services.
- The Board of Directors and senior leadership team engaged constructively with staff and people who use services, working proactively to gather people's views and developed services with their full participation and showed commitment to act on feedback received regarding the services.
- The Trust continued to maintain strong financial management, with financial position closely monitored and understood by the Board of Directors. Financial decisions were considered against their impact on quality-of-service delivery and patient safety.
- There were systems in place to support improvement and innovation. The Board of Directors and senior leadership team played an active and lead role in supporting the development and delivery of mental health services across Greater Manchester, working collaboratively with other providers, including Greater Manchester Health and Social Care Partnership, to share learning and develop innovative services to meet the needs of the populations serve by the Trust.
- The Trust had a strong research strategy and a high level of research activity taking place throughout the organisation, with an aim for the Trust's services to be academically informed and that research and innovation were embedded in the Trust's services and policies.

Under the well-led domain, the CQC identified the need to improve Trust-wide processes for monitoring supervision provision and compliance as a 'Must Do'. Since the inspection, the Trust has commenced a Trust wide Quality Improvement (QI) initiative, which has incorporated the launch of a revised Supervision Policy and the introduction of a centralised electronic system for recording supervision. Phase 1 of the ***'Improving Access and Quality of Supervision'*** QI Project was completed in December 2020 with an increase in compliance of supervision to 80% across the Trust. Phase 2 was initiated in January 2021 following the Breakthrough Series Collaborative approach focusing both on quality of supervision and compliance. The Expert Faculty has recruited Innovation Teams representing different professional group across the Trust and the 1st Learning Session Event is being scheduled. Innovation Teams will receive training on QI methodology, discuss definitions of

supervision and will co-produce with the Expert Faculty a set of standards indicating good quality of supervision.

No material inconsistencies had been identified between the outcomes of the CQC's most recent well-led assessment and the Trust's evaluation of the organisation's performance and system of internal control as set out in the Performance Report, Accountability Report, Annual Governance Statement and in the Trust's corporate governance statement under provider licence FT4.

Evaluating Board Performance and Effectiveness

Performance evaluation of both executive and non-executive members of the Board of Directors is by individual appraisal and collective evaluation. The Chair conducts all non-executive appraisals and appraises the Chief Executive, the Chair's performance is appraised by the Senior Independent Director. The Chief Executive appraises individual executive director performance. The appraisal process is competency-based, targeted towards the specific requirements of individual roles and includes self- and peer-assessment. Objectives and personal development plans for the upcoming year are agreed through the appraisal process.

Completion of 2019/20 appraisals for non-executive directors and the chair was planned for Quarter 1 2020/21, but due to the COVID-19 pandemic this was deferred until December 2021. The Council of Governors Nominations Committee received a report on the outcomes of the chair and non-executive director appraisal process in December 2020, which provided assurance on the robustness of the process. The appraisal outcomes were subsequently considered at a full meeting of the Council of Governors. The Board remuneration and terms of service committee was briefed on the outcomes of the 2019/20 chief executive and executive director appraisal process. A process for the chair and non-executive directors' appraisals for 2020/21 has been agreed by the Council of Governors at its meeting on 19 April 2021.

Board development activity during the reporting period followed a formal schedule which had been streamlined where possible to enable focus on the Trust's incident response and recovery planning and other business critical issues because of the COVID-19 pandemic, in line with guidance from NHS England/Improvement.

All directors have completed an annual self-assessment against the requirements of the Fit and Proper Persons Regulations to determine that they are of good character, are physically and mentally fit, and offer the necessary skills, qualifications and experience. No issues had been identified.

Directors have also continued to evaluate the effectiveness of Board meetings at the end of each meeting with feedback reviewed at the subsequent meeting and informing future Board development activity.

Board Committee Structures

The Board of Directors has been supported by three statutory committees: Charitable Funds Committee, Audit Committee and Remuneration and Terms of Service Committee, each are chaired by an independent non-executive director with exception of the Remuneration and Terms of Service Committee which is chaired by the Trust chair. There were four additional committees during 2020/21, each chaired by an independent non-executive director; Quality Improvement Committee; Strategic EDI Working Group; Covid-19 Board Assurance Committee (from May 2020 - July 2020); and Finance and Investment Committee (from September 2020). Each Committee works closely with the Audit Committee but reports directly to the Board by way of Committee chair reporting and access to minutes. Urgent matters are escalated by the Committee Chair to the Board through the Chairs' Reports. Additional information on the role and work for the Committees can be found elsewhere in

the Annual Report and specifically in section 3.2, Audit Committee Report, section 3.5, Remuneration Report and 3.8, Annual Governance Statement.

Additional reporting information

Additional information or statements which fall into other sections within the annual report and accounts are signposted below:

- The Trust has not made any political donations during the year.
- A statement on accounting policies for pensions and other retirement benefits are set out in note 8 to the accounts and details of senior employees' remuneration can be found in the section 3.5 Remuneration Report.
- Trust policies on employment and training of disabled persons, details of Sickness absence data, and details of the Trust's approach to communications with its employees can be found in the Staff Report section 3.6.
- Details of the Trust's financial risk management objectives and policies and exposure to price, credit, liquidity and cash flow risk can be found in note 29 of the annual accounts.

3.2 Audit Committee Report

The Audit Committee comprises solely of independent Non-Executive Directors. The Chair of the Committee during 2021/22 was Andrea Harrison. The other members of the committee during the year under review were Anthony Bell and Pauleen Lane. All members of the Committee have recent and relevant financial experience in compliance with the Code of Governance.

The Director of Finance and IM&T, Director of HR and Deputy Chief Executive, Director of Nursing and Governance, Company Secretary and external and internal auditors are usually in attendance at meetings of the Committee. Executive directors and other managers are required to attend for specific items, as is the local counter fraud specialist. Copies of the terms of reference of the Audit Committee can be obtained from the Trust Secretary.

The Audit Committee met five times in 2020/21 and the table below shows each member's attendance.

Name	Meetings Attended
Anthony Bell, Committee Member and Vice-Chair	5/5
Andrea Harrison, Committee Chair	5/5
Pauleen Lane, Committee Member	5/5

Audit Committee members have had opportunity to meet privately with external and internal auditors during 2020/21. Right of access to the Committee Chair for internal audit, external audit and counter-fraud has also been maintained throughout the year.

The Committee is responsible on behalf of the Board of Directors for independently reviewing the Trust's systems of governance, control, risk management and assurance. The Committee has a duty to monitor the integrity of the financial statements and related reporting. The latest Terms of Reference for the Committee are available on request from the Company Secretary.

Audit Committee Effectiveness

The Audit Committee completed a review of effectiveness in February 2020. The review was informed by an assessment, completed by the Committee Chair and Company Secretary, focused on committee administration, internal audit, external audit and anti-fraud. The outcomes of the review were positive overall, with two improvement actions related to - internal auditor compliance with Public Sector

Internal Audit Standards. The next review will be undertaken during 2021/22 which will also consider the outcomes and actions arising from the 2020/21 review.

Assurance - Internal Audit

The Trust's internal audit function for the year under review is provided by Mersey Internal Audit Agency (MIAA).

The internal audit annual plan is designed to support the Board of Directors and Audit Committee in discharging their governance responsibilities. The outcomes of internal audits give assurance to the Board, through the Audit Committee, that risks are understood and being addressed or reduced to an acceptable level. Internal audit plans fully comply with national standards and guidance.

The Internal Audit Plan for 2020/21 was agreed by the Audit Committee in April 2020 and reflected the Trust's risk assessment, assurance requirements and strategic objectives. The plan was reviewed during the year and amended as appropriate to reflect changing priorities. The plan was delivered in accordance with the schedule agreed by the Audit Committee at the start of the financial year however due to the impact of the pandemic, there was limited coverage of the risk-based areas of the plan including quality and IM&T reviews. These areas will be considered as part of the 2021/22 risk assessment and planning process.

Mersey Internal Audit Agency issued six internal assurance opinions during the reporting period, of which five were a 'Substantial' assurance opinion and one was a 'Moderate' opinion. No critical recommendations and two high risk recommendations were raised in respect of the completed audits. The two high risk recommendations related to the review of compliance with the Mental Health Act Code of Practice, the Audit Committee continues to secure assurance on progress with audit recommendations via twice-yearly follow-up reports.

Three reviews additional reviews were completed by Mersey Internal Audit during 2020/21 relating to the Board Assurance Framework, Data Security and Protection Toolkit (DSPT) progress review and Travel Expenses. Due to the nature of the work assurance ratings were not applicable to the reviews. In terms of the Assurance Framework review, the Assurance Framework was found to be structured to meet NHS requirements, visibly used by the Board and clearly reflective of the risks discussed by the Board.

The Committee received the Head of Internal Audit's opinion on the effectiveness of the Trust's system of internal control for the financial year 2020/21 in April 2021. The overall opinion was that 'Substantial Assurance' can be given that there is a good system of internal control designed to meet the organisation's objectives, and that controls are generally being applied consistently.

In 2020/21, the fees attributable to internal audit and anti-fraud services provided by Mersey Internal Audit Agency was £124,570.

Assurance - Anti-Fraud

Our anti-fraud services have continued to be provided by Mersey Internal Audit during the period and operated by a dedicated local Anti-Fraud Specialist. Our annual anti-fraud work plan was approved by the Audit Committee in April 2021 and was informed by national and regional risk areas, Trust identified strategic risks, management requests, national standards and best practice. The Audit Committee received regular reports on the progress and outcomes of anti-fraud work during the period under review, in addition to briefings on 'live' anti-fraud investigations to enable more timely action.

The Trust completed its annual self-assessment against the NHS Counter Fraud Authority's fraud, bribery and corruption standards for providers for 2020/21 with performance rated as 'Green' in all areas with no corrective actions required.

All employees have been given an overview of the Trust's 'Anti-Fraud, Bribery and Corruption Policy' at induction with awareness sessions conducted on an ad hoc basis and the policy available to all staff thereafter.

On the basis of the information received by the Audit Committee, the Committee has been able to provide assurance to the Board, via the Committee Chair's Assurance Reports, on the overall adequacy of the arrangements in place to counter fraud, corruption and bribery. The Committee will continue to strengthen its oversight of anti-fraud work in 2021/22.

Assurance - External Audit

External audit services have continued to be provided by KPMG LLP during 2020/21. KPMG's current contract term as our external auditors commenced in December 2016. In April 2019, the Council of Governors agreed a two-year extension to KPMG's current contract (effective from 1 December 2019) on the recommendation of the Audit Committee. This followed a fully satisfactory review of the auditor's performance completed by the Audit Committee on the Council of Governors' behalf. The effectiveness of KPMG's services was judged on the basis of the quality of their audit provision, level of challenge, timeliness of reporting, engagement and communication, and value for money. In February 2021, KPMG confirmed their independence and policy on the provision of non-audit services.

KPMG have continued to provide technical updates to the Audit Committee on accounting, business and regulatory matters that are relevant to our organisation and the wider healthcare sector during 2020/21.

In January 2021, the Audit Committee considered and approved the 'External Audit Plan for 2020/21, including the planned audit approach, materiality levels and financial statements and value for money risk assessments and in April 2021 the Audit Committee received an updated position on value for money risk assessment. The update removed the significant risk over the valuation of the LGPS liability and updated the risk of fraud in revenue and expenditure recognition noting that KPMG will not report the valuation of the LGPS liability as a significant risk in their ISA260.

The Trust incurred fees of £66,490 (excluding VAT) in 2020/21 (£57,896k (excluding VAT); 2019/20) for external audit services, comprising statutory audit fees of £66,490. There were no non-audit fees for audit-related assurance services.

Financial Statements, Operations and Compliance

On 26 April 2021, the Audit Committee reviewed a summary of the Trust's performance, based on the annual accounts for the period 1 April 2020 to 31 March 2021. The Committee noted any variations from performance in 2019/20 including any explanations provided. Management brought to the Committee's attention significant movements in the accounts over the period.

The Committee reviewed the Trust's financial statements, with a particular focus on:

- Statement of Comprehensive Income
- Other Operating Income
- Operating Expenses
- Statement of Changes in Equity
- Statement of Cashflows

The Committee considered the significant audit risks identified in relation to the financial statements, including valuation of land and building assets, valuation of Local Government Pension Scheme (LGPS) liability.

In relation to revaluation and impairment regarding property, plant and equipment, a desktop valuation of land and building assets had been undertaken, the Committee received the results of the valuation. The Committee agreed to defer the implementation of IRFS16 until 1 April 2022, consequently the lease for Laureate House continued to be accounted for as an operating lease under IA17. In relation to the Greater Manchester Pension Fund, an annual IAS19 actuarial valuation was undertaken by the scheme actuary Hymans Robertson LLP which showed the liability had increased and had been accounted for.

On 8 June 2021 the committee also reviewed the trust's annual report and accounts 2020/21 including its performance report, accountability report, remuneration report and annual governance statement, together with the external auditors findings and external audit management letter (ISA260).

Going concern statement 2020/21

The going concern statement 2020/21 included in the Annual Report 2020/21 was presented to audit committee at the committee meeting on 8 June 2021 at which it was discussed and approved.

Annual Governance Statement

At its meeting on 8 June 2021, the Audit Committee reviewed the draft Annual Governance Statement for 2020/21. The statement was judged consistent with the Audit Committee's view on the Trust's system of internal control.

Other Assurance

The committee routinely received reports during 2020/21 on such areas as Payables & Receivables Balances; Losses and Special Payments; changes to the trust's standing financial instruments (SFI) and Scheme of Delegation; SFI Compliance – waivers and retrospective orders; Investment Performance; and Risk Management Framework. During the year the committee met privately with the internal and external auditors, without the presence of a trust officer. There is a policy in place for the provision of non-audit services by the external auditor, in recognition of the need to safeguard auditor objectivity and independence. During 2020/21, the external auditor had not been engaged in any non-audit activity.

3.3 Council of Governors

The Council of Governors comprises elected and appointed governors who represent the interests of our members, the wider public and our partner organisations. Governors hold the Board of Directors to account for the performance of the Trust through non-executive directors and also exercise their statutory duties as set out in legislation.

The chair of the Board of Directors is also chair of Council of Governors. The Chief Executive and other executive and non-executive directors regularly attend all meetings of the Council of Governors. Attendance at meetings enables Board members to understand the views of governors and members. Should any conflicts or disagreements arise between the Council of Governors and the Board of Directors are resolved in accordance with the procedures laid down in the Trust's Constitution. The Lead Governor and Senior Independent Director would also play a key role in any dispute resolution.

Minutes and papers for our Council of Governors meetings are publicly available on the Trusts website.

Maureen Burke, Public Governor is the appointed lead governor and is the point of contact between NHS England/Improvement and the Council, in circumstances only where it would be inappropriate for NHS England/Improvement to contact the Trust chair.

Governor Activities

During 2020/21, key duties exercised by the Council of Governors have included:

- Re-appointing the non-executive directors for second terms of office (for further information see Section 3.5, Remuneration Report) and receiving the outcomes of the Chair and Non-Executive Director annual appraisal process (for further information see Section 3.5, Remuneration Report);
- Receiving a report from the Trust's external auditors on their annual audit findings and opinion; and
- Giving views on the Trust's forward plans and key strategic developments and challenges – this includes advising on the Trust's new five-year strategy and key enabling strategies.

Committees and Working Groups

The Council of Governors has one formal committee, the Nominations Committee and one Working Group focused on implementation of our Membership Engagement Strategy. Both groups operate within clear Terms of Reference and report progress to the Council of Governors.

Governor Development

Much of the work on the Strategy over the past year has been to focus on governor development. A range of opportunities had been developed for governors to be involved with the business of the Trust at several levels, recognising the diversity of experiences, interests, and available time of governors. For newly appointed Governors, opportunities to be exposed to the range of activities on offer at the Trust has been restricted to 'virtual' meetings and training programmes given the current pandemic.

Key governor development opportunities over the past year have included:

(i) Membership Strategy Working Group – responsible for delivering on the Membership Strategy across membership recruitment, representation, and governor development.

(ii) NHS Providers – access to the national Govern Well programme providing opportunities for governors to network and learn from peers.

(iii) Strategic, Equality, Diversity, and Inclusion (EDI) Working Group – two governors are members of the working group which is chaired by a non-executive director and has on its membership executive directors and members of the senior leadership team.

(iv) New Park House Redevelopment – Governor representation on Clinical and Operational model workstream for the new building and engagement at key stages with Manchester public governors and service user governors.

(v) Recovery Academy and Research and Innovation – opportunities for governors to attend free courses of interest provided by the Academy and access to research projects underway. Both initiatives have been affected by the current COVID-19 pandemic, where possible activity is taking place virtually.

In addition to the above, the Lead Governor has conducted a needs and skills analysis survey of all governors and the response informed the following governor development opportunities:

(i) Masterclasses – programme of Masterclasses from executive directors covering Quality of Care and the Bronze for Leaders Quality Improvement session; Strategic Planning; and Business Intelligence. These interactive sessions provide governors with an understanding of the Trust's approach and key issues.

(ii) Leadership Programme March to October 2021 – the development of a full learning programme led by Maureen Burke, Lead Governor and Rob Booth, Trust's OD and Learning Manager to meet

the needs of those who responded to the questionnaire. Currently three governors have indicated a wish to attend.

To ensure Governors were appraised of the Trusts response to COVID-19, Governors received briefings on the latest Trust news on a regular basis and received all daily briefings in relation to COVID-19 and all urgent 'red banner' briefings circulated to staff. Board of Directors meeting held in public agendas are circulated to all governors in advance with an opportunity to view papers and observe the meeting. Each month a CEO Brief is provided to Governors which gives an overview of key issues of national, regional and local importance, including identifying opportunities for local engagement at Trust events and activities. It also includes no surprises briefings including financial and performance of the Trust. A CEO Briefing is considered at each Council of Governor meeting.

Elections

No Governor elections took place during 2020/21. As a consequence of the transfer of Wigan Borough Mental Health Services from North West Boroughs Healthcare NHS Foundation Trust to the Trust on 1 April 2021, the Trust amended its constitution to provide for 2 additional public Governors to be appointed from a Wigan public constituency. Elections for this public constituency are due to take place during the summer 2021.

Attendance at Meetings

The Council of Governors met on five occasions in 2019/20. The following table shows governor attendance at meetings during the period.

Constituency	Governor	Term of Office	Number of Meetings Attended
Elected Governors			
Public: Bolton	Les Allen	31.03.2023	5/5
	Emma Wood	31.03.2022	0/5
Public: Salford	Maureen Burke	31.03.2022	5/5
	Paul Connolly	31.03.2023	3/5
Public: Trafford	Gary Cooke	31.03.2022	0/5
	Iris Nickson	31.03.2023	4/5
Public: City of Manchester	Jermaine Chappell	31.03.2022	0/5
	Nayla Cookson	31.03.2022	4/5
	Terence Corbett	31.03.2023	2/5
Public: Other England and Wales	Sharon Mason	31.03.2023	5/5
	Angela Beadsworth	31.03.2022	5/5
Service User and Carer	Avril Clarke	31.03.2023	5/5
	Nathan Prescott	31.03.2022	5/5
	Dan Stears	31.03.2023	5/5
	Margaret Willis	31.03.2022	0/5
Staff: Medical	Judy Harrison	31.03.2023	3/5
Staff: Nursing	Stuart Edmondson	31.03.2023	5/5
	Lesley O'Neill	31.03.2023	2/5
Staff: Psychological Therapies	Diomidis Psomas	31.03.2023	4/5
Staff: Allied Health Professionals	Jane Lee	31.03.2023	4/5

Constituency	Governor	Term of Office	Number of Meetings Attended
Staff: Non-Clinical Staff	Arif Patel	31.03.2023	4/5
Staff: Social Care	Rick Wright	31.03.2023	4/5
Appointed Governors			
University of Salford	Margaret Rowe, Executive Dean of the School of Health and Society	March 2023	2/5
Greater Manchester Police (GMP)	DCI Amanda Whittaker-Murray	October 2022	1/5
University of Manchester	Dr Tim Bradshaw, Reader in Mental Health, Division of Nursing Midwifery and Social Work	July 2021	5/5
Greater Manchester Combined Authority (GMCA)	Matt Ainsworth, Assistant Director for Employment (Strategy, Policy and Delivery)	September 2021	4/5
Greater Manchester Voluntary Sector	Stewart Lucas, Strategic Lead at Mind in Greater Manchester	October 2021	5/5

The table below shows attendance by Directors at meetings of the Council of Governors in 2019/20. Attendance at Council of Governors meetings by Board members is optional but encouraged, particularly to support discussions on key strategic issues. However, where individual directors are unable to attend Council of Governors meetings the views of the Board are represented by those directors in attendance. Governors are also encouraged to observe Board of Directors meetings to support them in enacting their statutory duties.

Name	Number of Meetings Attended
Non-Executive Directors	
Rupert Nichols, Chair of the Board of Directors and Council of Governors	5/5
Anthony Bell, Non-Executive Director	4/5
Helen Dabbs, Non-Executive Director	4/5
Stephen Dalton, Non-Executive Director	0/5
Andrea Harrison, Non-Executive Director	4/5
Julie Jarman, Non-Executive Director	4/5
Pauleen Lane, Non-Executive Director	4/5
Executive Directors Neil Thwaite, Chief Executive	4/5
Elizabeth Calder, Director of Performance and Strategic Development	4/5
Gill Green, Director of Nursing and Governance	5/5
Andrew Maloney, Director of HR and Deputy Chief Executive	5/5
Deborah Partington, Director of Operations	2/5
Suzanne Robinson, Director of Finance and IM&T (from August 2020)	1/3
Alice Seabourne, Medical Director	3/5
Janine Taylor, Acting Director of Finance and IM&T (to July 2020)	1/2

Council of Governors Effectiveness Review

Due to the Codid-19 pandemic the Council did not undertake an effectiveness review in 2020/21, postponing the review to a more appropriate time. In response to the effectiveness review undertaken in October 2019 agreed areas for improvement were identified and actioned within the Membership Engagement Strategy action plan which is reviewed by both the Membership Engagement Working Group and the full Council of Governors.

Register of Interests – Council of Governors

All governors have a responsibility to declare any material or relevant interests. Declarations are reported publicly and recorded in a Register of Interests, which is maintained on the Trust website at www.gmmh.nhs.uk/declarations-of-interest.

3.4 Membership

The Trust's membership community is made up of public, service user and carer, and staff members. From the membership, governors are elected to sit on our Council of Governors to represent members' interests in how our services are delivered and developed and receive assurance on how the Trust is run. The Trust's constitution, which is publicly available on the Trust's website, sets out the eligibility criteria for joining our different membership constituencies and the boundaries for public constituency areas. Eligible staff are automatically 'opted in' as members of the Trust and have the option to 'opt out' if they prefer.

In line with the Trust's our Constitution, members have the following rights and benefits to:

- elect Governors.
- stand as a Governor.
- receive regular information about our activities, such as newsletters.
- provide opinions and be kept informed of plans for future developments.
- be involved and consulted on issues such as changes and improvements to services.
- act as an ambassador for their community or interest group
- attend member events.

Our Current Membership

The following table provides a breakdown of the Trust's membership as at 31 March 2021.

Constituency		2021	2020
Public	Bolton	686	693
	Salford	574	581
	Trafford	534	540
	City of Manchester	2073	2114
	Other England and Wales	883	884
Sub-Total Public		**4750**	**4812**
Service Users and Carers		1249	1271
Total Public, Service User and Carer Membership		**5999**	**6083**

The Trust routinely monitor and validate the numbers and profile of the membership. Through the work of the Membership Engagement Working Group, the Council of Governors aims to take targeted action to engage a more representative membership community.

Membership Engagement

Strategy - the Council of Governors approved a new three-year Membership Strategy in 2020. The strategy aims to guide governors in their role of engaging with local communities and helping to improve the Trust's services through governors' understanding and sharing of the needs of the communities they represent. The strategy is focussed on three key priorities of the membership

community, engagement with members and supporting governor development. However, the impact presented by COVID-19 pandemic have impacted on the Trusts ability to take forward much of its planned activities.

Membership Community – Planned membership recruitment activities had and continue to be curtailed due to the COVID-19 pandemic resulting in the membership figures remaining static. The membership database is refreshed each month to ensure the Trust retains accurate membership numbers with the governor working group ensuring the Trust's membership reflects its constituencies; with a particular focus on young people, using social media to encourage interest in mental health and the Trust's services.

Membership Engagement – opportunities for members to be engaged with the Trust continued in 2020/21 with invitations to take part in strategic planning events and online courses hosted by the Trust's Recovery Academy. Specific public engagement activities included the opportunity for members to attend public consultation events in relation to the replacement of Park House on the North Manchester General Hospital site. In addition, service users and carers are represented on the working groups planning aspects of the new building to ensure the needs of service users and cares are taken into consideration.

Interested in Becoming a Member?

Membership is free and you can choose your level of engagement as a member from very active to as little as receiving newsletters and updates. If you are interested in becoming a member of Greater Manchester Mental Health NHS Foundation Trust, and are eligible to do so, please contact Steph Neville, Head of Corporate Affairs via steph.neville@gmmh.nhs.uk or on 0161 358 1607.

If you are an existing member and would like to contact your governor representative, or a director of the Trust, please also contact Steph Neville or visit our website at www.gmmh.nhs.uk/contact-us.

Signed

Neil Thwaite, Chief Executive
Date: 8 June 2021

3.5 Remuneration Report

Chair's Annual Statement on Remuneration

The remuneration report outlines the Trust's approach to setting the remuneration of our senior managers and the decisions and payments made during the reporting period. For the purposes of the remuneration report the term 'senior managers' relates to those persons in senior positions having authority or responsibility for directing or controlling the major activities of the Trust and covers the Chair, executive directors and non-executive directors of the Trust.

The Board of Directors delegates the responsibility to a Board Remuneration and Terms of Service Committee to make decisions regarding the nomination, appointment, remuneration and conditions of service for executive directors including the Chief Executive. This Committee also has general oversight of the Trust's pay policies, but only determines the reward package for directors and staff not covered by agenda for change. The Council of Governors are responsible for the appointment of the Chair and non-executive directors and setting the terms and conditions of their appointment. Council of Governors undertakes this activity through its Nominations Committee.

The Board Remuneration and Terms of Service Committee made a number of decisions during the year relating to Executive Directors and Senior Managers including: approval of a 1.03% consolidated uplift to the Chief Executive and executive director remuneration in line with national pay increase guidance, effective from 1 April 2020; approval of an uplift to associate director pay in line with the 2020/21 'Agenda for Change' pay points, effective from 1 April 2020; and considered and approved a recommendation from the Chief Executive for an increase in annual remuneration to be applied to the role of Director of Performance and Strategic Development with effect from 1st April 2020. Details of the executive and non-executive directors' remuneration can be found in the annual report on remuneration below.

Senior Managers' Remuneration Policy

The Trust does not apply performance related pay conditions linked to Executive Directors' or Non-Executive Directors' remuneration. The Trust is required to report what constitutes the senior managers' remuneration in tabular format set out below:

Components of Remuneration Package of Executive and Non-Executive Directors	Basic pay and benefits in kind are in accordance with their contract of employment (executive) and letters of appointment (non-executive)
Components of Remuneration that is of relevance to the short and long term Strategic Objectives of the Trust	The directors do not receive any remuneration tailored towards the achievement of Strategic Objectives.
Explanation of how the Components of Remuneration operate	The Trust's senior managers' remuneration policy seeks to attract and retain high-performing and talented individuals. The Trust takes account of the financial challenges facing the wider-NHS when implementing this policy. The Trust's remuneration policy for directors is based on a spot rate informed by external benchmarking data. Remuneration is subject to periodic review, as indicated in the 'Annual Statement on Remuneration'. Increases in pay are informed by recommendations from the National Pay Review bodies for Very Senior Managers (VSM). It is the Trust's policy to not pay any annual or long-term performance-related bonuses. Performance against agreed strategic objectives is monitored through the annual appraisal process.

	The only non-cash elements of executive director remuneration relate to pension-related benefits accrued under the NHS pension scheme and car leases. Pension contributions are made by both the employer and employee in accordance with the rules of the national scheme. Basic pay of the non-executive directors is determined by the Council of Governors.
Maximum amount that could be paid in respect of the component	Maximum payable is the director's annual salaries as determined by the relevant Board and Council committees.
Explanation of any provisions for recovery	If an individual is overpaid in error, there is a contracted right to recover overpayment.

The Trust's senior managers' remuneration policy reflects Trust-wide commitment to strengthening equality, diversity and inclusion. Both the Board Remuneration and Terms of Service Committee and Council of Governors recognise diversity when preparing role descriptions and person specifications and when agreeing the search and selection process. The Trust utilises external recruitment consultants in ensuring access to diverse talent pools and supporting candidates through recruitment processes. All selection panels include independent external advisors and, where possible, reflect the diversity of the Trust and a broad range of protected characteristics. Remuneration levels are benchmarked against national data to ensure consistency, equity and fairness.

All contracts for executive directors are substantive NHS contracts and are subject to three months' notice by either party, except for the Chief Executive and the Director of Finance and IM&T who are subject to six-month notice by either party. The Trust's disciplinary and performance management policies apply to all senior managers and the redundancy policy is consistent with the NHS redundancy terms for all staff.

The Chair and non-executive directors are appointed by the Council of Governors for fixed terms of office, usually for an initial term of office of three years, following which they may be appointed for an additional term of three years. The term of office can be extended further in accordance with the NHS Foundation Trust Code of Governance should the Council of Governors agree. The Chair and Non-Executive Directors are not entitled to compensation for loss of office. The term of office of the Chair and Non-Executive Directors are listed below:

Name	Commencement date	Term of Office expiry
Rupert Nichols, Chair	1 July 2016	30 June 2022
Anthony Bell, Non-Executive Director	1 August 2014	31 January 2022
Helen Dabbs, Non-Executive Director	1 October 2018	30 September 2021
Stephen Dalton, Non-Executive Director	1 January 2017	31 December 2022
Andrea Harrison, Non-Executive Director	1 January 2017	31 December 2022
Julie Jarman, Non-Executive Director	1 August 2014	31 January 2022
Pauleen Lane, Non-Executive Director	1 January 2017	31 December 2022

Annual Report on Remuneration

Board Remuneration and Terms of Service Committee

The Board Remuneration and Terms of Service Committee determines the remuneration, terms and conditions of the Trust's Chief Executive and executive directors and considers executives' annual appraisals. The Chief Executive and executive directors have objectives set at the beginning of the

financial year which are drawn from the Trust's agreed corporate objectives. Performance against these objectives is reviewed annually and shared with the Board's Remuneration and Terms of Service Committee. The Chair appraises the Chief Executive. The Chief Executive appraises the individual executive directors.

The membership of the Board's Remuneration and Terms of Service Committee comprised of the Trust's Chair and the Non-Executive Directors. The Company Secretary is secretary to the Committee. At the Committee's invitation the Chief Executive (for the remuneration part of the meeting) and Director of Human Resources and Deputy Chief Executive attend the meetings. The Remuneration and Terms of Service Committee is chaired by Rupert Nichols, Chair of the Board of Directors and Council of Governors. All non-executive directors are members of the Committee. During 2020/21, the Remuneration and Terms of Service Committee met on two occasions. Attendance at each meeting was as follows:

Name	Number of Meetings Attended
Rupert Nichols, Chair	2/2
Anthony Bell, Non-Executive Director	2/2
Helen Dabbs, Non-Executive Director	2/2
Stephen Dalton, Non-Executive Director	2/2
Andrea Harrison, Non-Executive Director	2/2
Julie Jarman, Non-Executive Director	2/2
Pauleen Lane, Non-Executive Director	1/2

*On the occasions where non-executive directors were unable to attend meetings of the Remuneration and Terms of Service Committee, the Chair sought their opinion/views in advance of the meeting. Neil Thwaite, Chief Executive attended one of the meetings in an advisory capacity.

During the year under review the Remuneration and Terms of Service Committee met to discuss the composition of the Executive Team and the following decisions were made in relation to Remuneration that included: (i) approval of a 1.03% consolidated uplift to the Chief Executive and executive director remuneration in line with national pay increase guidance, effective from 1 April 2020; (ii) approval of an uplift to associate director pay in line with the 2020/21 'Agenda for Change' pay points, effective from 1 April 2020; and (iii) approval of an increase in salary of the Director of Performance and Strategic Development effective from 1st April 2020. The Committee approved the recommendation taking into consideration the annual salary of other executive directors (excluding the Chief Executive) and reflected the achievement of key objectives since the post-holder started in the role.

Following the resignation of Ismail Hafeji as the Director of Finance and IM&T on 31 March 2021, Janine Taylor, Associate Director of Finance, Planning and Reporting was appointed Acting Director of Finance and IM&T effective from 1 April 2020 until Suzanne Robinson assumed the substantive role of Director of Finance and IM&T on 1 August 2020 following the recruitment process reported in the Remuneration Report 2019/20.

Council of Governors Nominations Committee

The Council of Governors Nomination Committee role is to make recommendations to the Council of governors relating to the following: the appointment and re-appointment process on behalf of the Council of Governors of the Chair and non-executive directors; assurance to the Council of Governors that the agreed appraisal process for the Chair and non-executive directors had been followed; and any changes the terms and conditions of appointment of the Chair's and non-executive.

The Nominations Committee was convened on three occasions in 2020/21: to review the appraisal process of the Chair and non-executive directors; to re-appoint non-executive directors; and agree an

additional allowance for the non-executive director Chair of the Board Finance and Investment Committee Chair.

In July 2019, the Council of Governors approved the re-appointment of Julie Jarman as a non-executive director of the Trust for a period of 12 months from 1 August 2020 to retain her experience and expertise in relation to quality improvement, the Mental Health Act and the VCSE (Voluntary, Community and Social Enterprise) sector - and maintain stability on the Board during the Trust's continued response to COVID-19 pandemic. The Council retained an option at that time to extend this term at the end of the twelve-month period, subject to assessment of the strategic context, Board composition and opportunities and challenges facing the Trust at that point. In February 2021, in response to the continued pressures on the Board of Directors arising from the COVID-19 pandemic, the Council agreed a further six-month extension to Julie Jarman's term of office from 1 August 2021 to 31 January 2022. As the same meeting the Council also approved a six-month extension to the term of office of Anthony Bell, from 31 July 2021 to 31 January 2022. The re-appointments were made following recommendations received from the Nominations Committee, having undertaken a full and rigorous review of their individual and collective performance.

The Chair of the Board of Directors and Council of Governors is also Chair of the Nominations Committee unless matters relating to the Chair needs to be considered. In such circumstances the Senior Independent Director chairs the meeting. Attendance of Committee members was as follows:

Name	Number of Meetings Attended
Rupert Nichols, Chair	3/3
Angela Beadsworth, Public Governor (Other England and Wales)	2/3
Stuart Edmondson, Staff Governor (Nursing)	1/3
Iris Nickson, Public Governor (Trafford)	1/3
Maureen Willis, Lead Governor	2/3
Nathan Prescott, Service User and Carer Governor	3/3
Dan Stears, Service User and Carer Governor	3/3
Margaret Willis, Service User and Carer Governor	1/3
Pauleen Lane, Non-Executive Director and Senior Independent Director	1/1

Civil Service Threshold

One senior manager received a salary more than the £150,000 threshold for disclosure used in the Civil Service for their Board-level role during 2020/21. When originally agreeing the salary, the Remuneration and Terms of Services Committee considered benchmarking data and advice received from NHS England/Improvement. Committee members continue to view the agreed baseline salary and subsequent uplifts as appropriate to the role.

Remuneration of Board Members

The audited remuneration, benefits in kind and pension benefits of senior managers are disclosed in this report and can be found below. Accounting policies for pensions are set out in note 8. There are no entries in respect of pensions for Non-Executive Directors as they do not receive pensionable remuneration. Details of off-payroll engagements and exit packages in 2020/21 are provided in section 3.5 - Staff Report.

Name	Title	2020/21 Salary and Fees	Taxable Benefits	2020/21 All Pension Related Benefits *	2020/21 Total Remuneration	2019/20 Salary and Fees	Taxable Benefits	2019/20 All Pension Related Benefits *	2019/20 Total Remuneration
		(Bands of £5,000) £'000	(To nearest £100) £	(Bands of £2,500) £'000	(Bands of £5,000) £'000	(Bands of £5,000) £'000	(To nearest £100) £	(Bands of £2,500) £'000	(Bands of £5,000) £'000
Chair and Non-Executive Directors									
R Nichols	Non-Executive Chair	45 - 50	-	-	45 – 50	45 - 50	-	-	45 - 50
A Harrison	Non-Executive Director	15 - 20	-	-	15 - 20	15 - 20	-	-	15 - 20
P Lane	Non-Executive Director	10 - 15	-	-	10 - 15	10 - 15	-	-	10 - 15
S Dalton	Non-Executive Director	10 - 15	-	-	10 - 15	10 - 15	-	-	10 - 15
H Dabbs	Non-Executive Director	10 - 15	-	-	10 - 15	5 - 10	-	-	5 – 10
A Bell	Non-Executive Director	10 - 15	-	-	10 - 15	10 - 15	-	-	10 - 15
J Jarman	Non-Executive Director	15 - 20	-	-	15 - 20	15 - 20	-	-	15 - 20
Executive Directors									
N Thwaite	Chief Executive	180 - 185	2,400	200 – 202.5	380 – 385	175 - 180	5,900	147.5 - 150	335 - 340
G Green	Director of Nursing and Governance	135 - 140	-	-	135 – 140	135 - 140	-	-	135 - 140
J Taylor	Acting Director of Finance and IM&T *to 31/07/2020*	30 - 35	-	27.5 - 30	60 – 65	n/a	n/a	n/a	n/a
S Robinson	Director of Finance and IM&T *from 01/08/2020*	90 - 95	-	15 – 17.5	110 - 115	n/a	n/a	n/a	n/a
I Hafeji	Director of Finance and IM&T	n/a	n/a	n/a	n/a	135 - 140	5,500	30 – 32.5	170 - 175
A Maloney	Director of HR and Deputy Chief Executive	135 - 140	5,500	230 – 232.5	375 - 380	135 - 140	5,900	-	140 - 145

D Partington	Director of Operations	135 - 140	4,200	-	140 - 145	135 – 140	5,000	-	140 – 145
C Daly	Medical Director	n/a	n/a	n/a	n/a	85 - 90	-	1,765 – 1,767.5	1,850 – 1,855
A Seabourne	Medical Director	65 - 70	-	-	65 - 70	50 -55	-	955 – 957.5	1,005 – 1,010
E Calder	Director of Performance and Strategic Development	130 - 135	-	67.5 - 70	200 - 205	120 – 123	-	172.5 -175	295 -300

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

Pension Benefit Disclosures

The pension benefit disclosures of executive directors are detailed in the table below. Non-executive director remuneration is non-pensionable.

Notes to the pension benefits disclosures:

1) *A 'Cash Equivalent Transfer Value' (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV and the other pension figures, include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.*

2) *A 'Real Increase in CETV' takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.*

3) *McCloud judgement - NHS Pensions are using pension and lump sum data from their systems without any adjustment for a potential future legal remedy required as a result of the McCloud judgement. (This is a legal case concerning age discrimination over the manner in which UK public service pension schemes introduced a CARE benefit design in 2015 for all but the oldest members who retained a Final Salary design.). We believe this approach is appropriate given that there is still considerable uncertainty on how the affected benefits within the new NHS 2015 Scheme would be adjusted in future once legal proceedings are completed.*

Name	Title	Real Increase in Pension at at Pension Age (Bands of £2,500) £'000	Real Increase in 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	Total Accrued Lump Sum at Pension Age at 31 March 2021 (Bands of £5,000) £'000	Cash Equivalent Transfer Value at 31 March 2021 £'000	Cash Equivalent Transfer Value at 31 March 2020 £'000	Real increase in Cash Equivalent Transfer Value £'000	Employer's Contribution to Stakeholder Pension £'000
N Thwaite	Chief Executive	7.5 - 10	17.5 - 20	65 - 70	160 - 165	1,213	1,003	175	17
J Taylor	Director of Finance and IM&T *to 31.07.2020*	0 – 2.5	2.5 - 5	15 - 20	55 - 60	0	434	0	5
S Robinson	Director of Finance and IM&T *from 01.08.2020*	0 – 2.5	0 – 2.5	35 - 40	70 - 75	550	409	120	13
A Maloney	Director of HR and Deputy Chief Executive	10 – 12.5	25 – 27.5	45 - 50	105-110	814	633	151	18
A Seabourne	Medical Director			40 - 45	125 - 130	940	906	13	6
E Calder	Director of Performance and Strategic Development	2.5 - 5	2.5 - 5	35 - 40	85- 90	689	603	57	19

NB Gill Green, Director of Nursing and Governance and Deborah Partington, Director of Operations were not members of the NHS Pension Scheme during 2020/21 and are therefore not included in the above table.

Reporting bodies are required to disclose the relationship between the remuneration of their highest paid senior manager and the median remuneration of the organisation's workforce. The banded remuneration of our highest-paid director in 2020/21 was £180,000 - £185,000(excluding taxable and pension-related benefits). As shown in the following table this was 6.58 times the median remuneration of the entire workforce, calculated on the basis of full-time staff as at 31 March 2021 with amounts annualised according to whole time equivalents and hours paid.

	2020/21	2019/20
Band of Highest Paid Director Total	180 -185 (£000s)	175 – 180 (£000s)
Mid-point of Highest Paid Director	182.5	177.5
Staff Median Total Remuneration	£27,554	£26,568
Ratio	6.58 times	6.76 times

Governor and Director Expenses

The Trust reimburse expenses necessarily incurred by directors and governors in the course of their business for the Trust. Expenses paid include mileage re-imbursement, parking expenses and other transport costs such as rail fares. The Trust paid expenses to the value of the following to governors and members of the Board of Directors during the financial year.

	2020/21		2019/20	
	Governors	Directors	Governors	Directors
Total Number in Office during the year	27	15	27	15
Number Receiving Expenses	3	4	6	11
Aggregate Expenses Sum Paid (to the nearest £'00)	188	667	400	13,091

Neil Thwaite
Chief Executive
Date: 8 June 2021

3.6 Staff Report

The Trust's Workforce and Organisational Development Strategy has been developed as a 3-year strategy for the period 2018 to 2021 and focused on 4 High Impact Areas; Supply, Recruitment and Retention, Creating an Outstanding Place to Work, Transforming our Workforce and Outstanding Leadership and Management Development. The impact of COVID-19 pandemic on the delivery of the Workforce and Organisational Development Strategy has been significant, the Trust has focused on responding to the pandemic, providing support and advice to staff and managers in what has been a continuously changing and challenging environment.

The high impact areas identified in the Workforce and Organisational Strategy continue to be relevant and work continues in these areas with much of the activity having been integrated into business as usual for the Trust.

Response to Covid; providing support to our Staff and Managers

Throughout the pandemic the Trust supported managers and staff across the organisation to respond to a unique and challenging situation. This included the development of new guidance such as Working from Home, supporting clinically extremely vulnerable staff, return to work and Individual Risk Assessments. The Trust also supported managers to identify suitable redeployment opportunities for those individuals who were unable to continue in their substantive roles because of the risks present by the virus.

In addition, the Trust undertook additional recruitment required to ensure that workforce was in place, this included campaigns to recruit aspirant nurses and NHS returners.

North West Boroughs Healthcare NHS Foundation Trust Transfer of Staff

The Trust provided expert TUPE advice to support the transfer of staff from North West Boroughs Healthcare NHS Foundation Trust on 1 April 2021. This included ensuring appropriate consultation took place, making sure all workforce information was transferred into the Trust's systems, review of HR policies, process and systems, developing and coordinating the induction process to support transferring staff.

Home Working

During COVID-19 over 1200 of the Trust's staff were able to work from home with added flexibility. The Trust is building on its successes and seeks to reconfigure how staff can continue to work flexibly beyond the COVID-19 pandemic to enable the Trust to become a modern and model employer. In response The Trust has developed a Homeworking Deal that outlines the mutual agreement that will exist to support staff to undertake elements of their role from home.

The Trust recognises that home working provides staff with the opportunity to agree a more flexible work schedule which supports them with caring responsibilities, preferred working styles and maintain a better standard of wellbeing to reduce absence and remain in work. The Trust also know that through contributing to the reduction in staff having to undertake the daily commute it is having an overall positive impact on climate through the reduction in fuel, greenhouse gas emissions and office waste.

As a provider of Mental Health services, the Trust recognises that not all roles can benefit from this arrangement, particularly those who are delivering front line care to our service users, however it remains committed to ensuring that all staff can benefit from a range of flexible working options and this option is just one way staff can be supported to have a healthy work life balance.

2021 People Priorities: The Trust's People Plan 2021/22

A review of the current Workforce and Organisational Development Strategy has been carried out to support the development of a refreshed Workforce & Development Strategy and as part of this review the Trust considered the informal feedback from stakeholders. The Trust also took consideration the experiences over the last 12 months during the COVID-19 pandemic. It was clear that the Trust needed to prioritise and keep its workforce plans simple, focused, and achievable. A Trust People Plan 2021/22 has been developed which set outs clear themes which will help focus the Trust's priorities over the next 12 months. This will enable the Trust to adapt and change to reflect the changing internal and external environment that impacts on its workforce and its ability to deliver its vision of working together to improve lives and support optimistic futures. In the development of the People Plan the Trust has taken account of the NHS People Plan which is a key national driver.

The Trust continue to have a number of workforce challenges and the needs of its workforce are changing; shortages of key clinical staff, recruitment and retention challenges alongside a requirement for flexible and agile working arrangements and supporting the wellbeing of our workforce are all key to achieving our objective to create an outstanding place to work, ensuring staff feel valued and are supported to reach their potential. It was important that our People Plan 2021/22 provides a flexible framework that enables the Trust's response to these challenges along with recognising the opportunities the pandemic has provided to positively innovate, embrace technology and change the way that we work.

The Trust's People Plan 2021/22 has been developed around 4 key themes and which are aligned with the NHS People Plan.

- We are safe, and physically and mentally healthy and well.
- We are open and inclusive, and staff have a voice.
- New ways of working and delivering care.
- Recruiting and retaining our people.

A number of priority programmes of work have been identified in line with each of the 4 key themes. Further development of each of the identified priority programmes will be carried out in partnership with the Trust's clinical and operational colleagues. Joint working will be essential to successful delivery of the identified priority programmes and the Trust will work to engage colleagues utilising collaborative change and improvement approaches.

Staff Costs

The Trust's total staff costs incurred in 2020/21 was £241.7million (2019/20 £240.2million).

	Staff Group		2020/21	2019/20
	Permanent (£'000)	Other (£'000)	Total Costs (£'000)	Total Costs (£'000)
Salaries and wages	185,864	-	172	166,841
Social security costs	16,800	-	-	14,745
Apprenticeship levy	867	-	-	750
Employer's contributions to NHS pensions	22,337	-	-	20,417
Pension cost – other	9,777	-	-	8,936
Other post-employment benefits	98	-	-	107
Other employment benefits	-	-	-	
Termination benefits	42	-	-	74
Temporary staff	-	-	35,652	29,816

Total Gross Staff Costs	**235,785**	**-**	**35,824**	**241,686**
Recoveries in respect of seconded staff	(2,231)	-	(2,231)	(1,532)
Total Staff Costs	**233,554**	**-**	**35,824**	**240,154**
Of which:				
Costs capitalised as part of assets	572	14	586	351

Workforce Demographics

We employ a diverse workforce including doctors, nurses, therapists, specialist practitioners and administrators who work in a variety of settings within local communities and hospitals.

As at 31 March 2021, the Trust employed 5,743 whole time equivalent (WTE) staff, the breakdown of which is as follows:

	Permanently Employed (No.)	Other Employment Arrangement (No.)	Total Number 31 March 2021 (WTE)	Total Number 31 MARCH 2020 (WTE)
Medical and dental	294	42	336	327
Ambulance staff	-	-	-	-
Administration and estates	171	8	179	245
Healthcare assistants and other support staff	2,100	419	2,519	2,260
Nursing, midwifery and health visiting staff	1,329	150	1,480	1,376*
Nursing, midwifery and health visiting learners	28	-	28	35*
Scientific, therapeutic and technical staff	885	48	933	842
Healthcare science staff	-	-	-	-
Social care staff	111	-	111	105
Other	157	-	157	135
Total	5,076	667	5,743	5,325*
Of which: Number of employees engaged on capital projects	11	-	11	7

**restated from figures reported in the Annual Report 2019/20*
'Other' employment includes employees that do not have a permanent (UK) employment contract with the Trust.

The number of male and female staff (calculated on a headcount basis and including bank staff) as at 31 March 2021 was:

	Male	Female	Total
Directors	5	9	14
Workforce (excluding Directors)	1386	4057	5443
Total	**1391**	**4066**	**5457**

Gender Pay Gap

The Trust's Workforce and Organisational Development Strategy sets out its ambition to create an inclusive environment which embraces diversity. The annual Gender Pay Gap Report provides valuable intelligence to enable the Trust to move towards achieving this ambition. Due to coronavirus, the national deadline for completing and publishing our gender pay gap report has been extended. It is anticipated that the Trust's gender pay gap report will be published following updated guidance and timescales are released. The 2019/20 Gender Gap Report can be found at: https://www.gmmh.nhs.uk/gender-pay-gap-reporting.

Sickness Absence

The Trust's sickness absence rates can be found at: https://digital.nhs.uk/data-and-information/publications/statistical/nhs-sickness-absence-rates.

Equality, Diversity and Inclusion (EDI)

The Trust continues to recognise the key role equality, diversity and inclusion plays in building a successful organisation. The Trust has taken significant steps to develop and improve the Trust's approach to EDI. This work has been led by the Director of Nursing and Governance, supported by a Strategic Lead for Equality and Diversity who has a focus on service users and carers. The Trust's over-arching Workforce Equality Plan is available to view at https://www.gmmh.nhs.uk/equality-and-diversity. This plan sets out how the Trust seeks to continue to improve performance against both the Workforce Race Equality Standard (WRES) and the Workforce Disability Equality Standard (WDES).

Development work is planned and delivered through multi-professional groups, whose membership includes directors, staff and Staff Side representatives. Groups include the Board Strategic EDI working Group, Workforce Race Equality Standards (WRES) Group and Workforce Disability Equality Standard (WDES) group. The Trust has also introduced a number of new and growing Staff Networks to support the development of our BAME, LGBT+ and disabled workforce.

The Trust's current position against the WRES and WDES are set out in the tables below:

Workforce Race Equality Indicators	**GMMH Position 2020**	**GMMH Position 2019**
Relative likelihood of staff being appointed from shortlisting across all posts	Likelihood of White staff being appointed from shortlisting is 1.47 greater than BME staff	Likelihood of White staff being appointed from shortlisting is 1.57 greater than BME staff

Relative likelihood of staff entering the formal disciplinary process, as measured by entry into a formal disciplinary investigation. This indicator will be based on data from a two year rolling average of the current year and the previous year	Likelihood of BME staff entering disciplinary process is 1.77 greater than white staff	Likelihood of BME staff entering disciplinary process is 2.64 greater than white staff
Relative likelihood of staff accessing non-mandatory training and CPD	Likelihood of white staff accessing non-mandatory training and CPD is 0.94 greater than BME staff	Likelihood of white staff accessing non-mandatory training and CPD is 1.02 greater than BME staff
Percentage of staff experiencing harassment, bullying or abuse from patients, relatives or the public in last 12 months	White – 32% BME – 42%	White – 31% BME – 40%
Percentage of staff experiencing harassment, bullying or abuse from staff in last 12 months	White – 23% BME – 26%	White – 23% BME – 24%
Percentage believing the Trust provides equal opportunities for career progression or promotion	White – 86% BME – 69%	White – 85% BME – 71%
In the last 12 months have you personal experienced discrimination at work from any of the following: b) manager/team leaders or other colleagues	White – 8% BME – 17%	White – 7% BME – 14%
Percentage difference between the organisations' Board voting membership and its overall workforce	Board BME - 14.3 % Workforce BME - 15.9% Difference -1.6%	Board BME 14.3% Workforce BME 14.7% Difference -0.4%

Workforce Disability Equality Indicators	**GMMH Position 2020**	**GMMH Position 2019**
Relative likelihood of disabled staff compared to non-disabled staff being appointed from shortlisting across all posts	1.10	1.28
Relative likelihood of disabled staff compared to non-disabled staff entering the formal capability process, as measured by entry into the formal capability procedure	12.84	26.65
% of staff experiencing harassment, bullying or abuse from patients/service users, their relatives or other members of the public in the last 12 months	Disabled staff 35.2% Non-disabled staff 33.5%	Disabled staff 37.9% Non-disabled staff 30%
% of staff experiencing harassment, bullying or abuse from managers in the last 12 months	Disabled staff 18.8% Non-disabled staff 10.4%	Disabled staff 18.7% Non-disabled staff 10.8%

% of staff experiencing harassment, bullying or abuse from colleagues in the last 12 months	Disabled staff 23% Non-disabled staff 12.8%	Disabled staff 20.6% Non-disabled staff 12.8%
% of staff saying that the last time they experienced harassment, bullying or abuse at work, they or a colleague reported it in the last 12 months	Disabled staff 59.5% Non-disabled staff 63.7%	Disabled staff 62.7% Non-disabled staff 64.7%
% of staff experiencing believing that the Trust provides equal opportunities for career progression or promotion	Disabled staff 73.5% Non-disabled staff 87.3%	Disabled staff 75.1% Non-disabled staff 86.3%
% of staff saying they have felt pressure to come to work despite not feeling well enough to perform their duties	Disabled staff 27% Non-disabled staff 16.8%	Disabled staff 28.9% Non-disabled staff 18.3%
% of staff saying that they are satisfied with the extent to which their organisation values their work	Disabled staff 40.8% Non-disabled staff 52.4%	Disabled staff 38.7% Non-disabled staff 53.4%
% of disabled staff saying that their employer has made adequate adjustments to enable them to carry out their work	72.6%	73.2%

Health and Wellbeing

The Trust has progressed our commitment to improving staff health and wellbeing during 2020/21. People Asset Management (PAM) continued to provide the Trust's Occupational Health and Employee Assistance Programme services over the last twelve months. Employee assistance data shows that 4539 appointments took place over 2020/21 for health surveillance appointments, management and well-being referrals. The Trust is currently at the final stages of retendering the Occupational Health service which has been carried out in partnership with other Greater Manchester Trusts.

The employee assistance data shows that there were 1131 recorded contact to the helpline and website. This information is used to help develop and guide health and well-being activity and there are plans to further promote the Occupational Health and Employee Assistance Programme to staff. The Trust has also been able to 'flex' the offering provided as part of the Occupational Health and Employee Assistance Programme during the COVID-19 pandemic, with the introduction of specific COVID-19 referrals and follow up advice and guidance from Occupational Health for staff who have been tested for COVID-19.

Staff Engagement

The Trust takes the views of its staff into account when making decisions that are likely to affect their interests. Members of Board of Directors meet with staff-side (Trade Union) representatives monthly through a Joint Consultation and Negotiating Committee (JCNC). The Committee discusses all policies, organisation change programmes and service developments and is replicated for medical staff via the Local Negotiating Committee (LNC), which meets every two months. Trust managers also run regular Staff Forums in partnership with staff-side. These forums enable staff to raise concerns, including about issues that impact on wellbeing, and facilitate early resolution.

NHS Staff Survey

This section summarises the findings of our 2020 National Staff Survey. This is the third year that the survey has been broken down into themes covering the following ten areas of staff experience:

- Equality, diversity and inclusion
- Health and wellbeing
- Immediate managers
- Morale
- Quality of care
- Safe environment – bullying and harassment
- Safe environment – violence
- Safety culture
- Staff engagement
- Team working

The Trust received a response rate of 48 % against a national average of peer Trusts of 49% in the 2020 Survey. Whilst this was a 1% reduction in response rate from 2019, nationally the response rate of Peer Trusts dropped by 5%.

National Reporting of the Staff Survey results

Each NHS Trust is assigned an appropriate benchmarking group. The benchmarking Group for the Trust is "Mental Health & Learning Disability and Mental Health, Learning Disability & Community Trusts".

Benchmarking data is provided in the reports provided by the Survey Coordination Centre (SCC) showing the best, worst and average scores for each key theme.

The Covid-19 Pandemic – Changes to Working Life

In addition to the usual questions, this year the NHS staff survey asked staff to confirm:

- Have you worked on a Covid-19 specific ward or area at any time?
- Have you been redeployed due to the Covid-19 pandemic at any time?
- Have you required to work remotely / work from home due to the Covid-19 pandemic?
- Have you been shielding?

The ten themes have then been given a weighted score for each category, so that the Trust can compare staff feedback comparing those who have been working from home to who has been redeployed for example. The summary of this data is provided alongside the overall results for information. From this data we can see that those working from home report more positively, however, the timing of the survey should be taken into consideration, and at that point staff will have been working from home for approximately 6 months. The Trust intends to resurvey home workers to assess what work needs to be done to support staff to comfortably work from home without impacting health and wellbeing or team working.

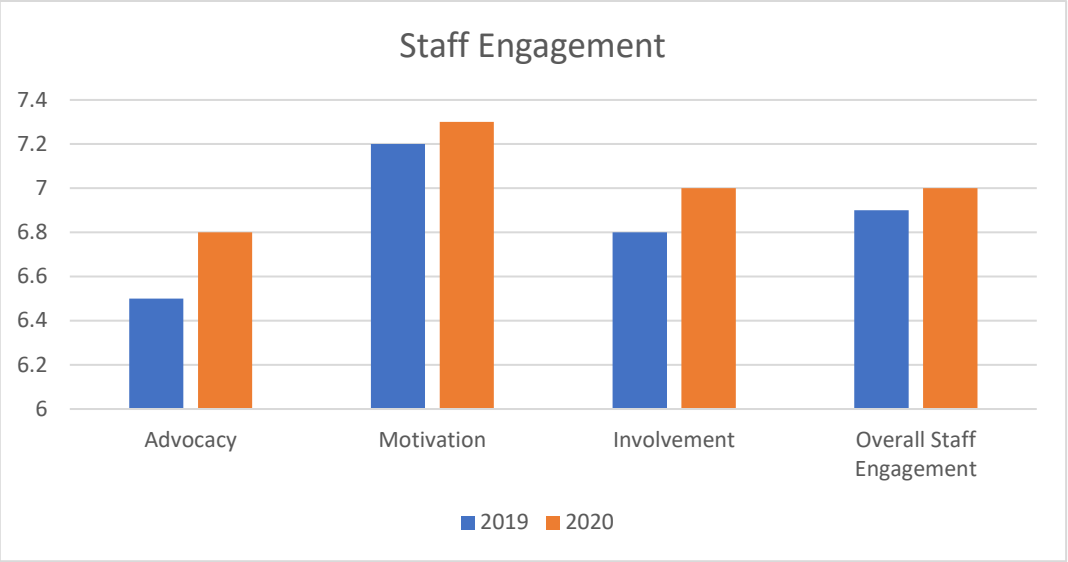
Summary of Trust Results – Overall Staff Engagement

As in previous years, the overall staff engagement score is based on three factors; recommendation of the organisation as a place to work / receive treatment (advocacy); staff motivation at work (motivation) and contribution towards improvements at work (involvement).

Nationally the overall staff engagement score has remained static at 7.0 since 2016. The Trust reported staff engagement score is 7.0 which is a 0.1 increase from 2019 and the first time the Trust

has seen an increase since the commencement of the new format of the staff survey in 2017. The SCC considers this to be a statistically significant improvement.

The chart below compares the 2019 and 2020 staff engagement scores across the factors of advocacy, motivation, and involvement, and highlights the positive improvements made.



Key Results – Themes

The Trust is delighted to report that no score has deteriorated across any of the 10 themes for 2020. The Trust has shown improvements across 9 out of the 10 themes surveyed and of those improvements 7 can be classed as statistically significant (as defined by the SCC) when benchmarked with other Trusts. The below table shows the summary of the scores, and further detail against the themes can be seen in the main body of this report.

Theme	**Peer Avg. 2020**	**2018 Score**	**2019 Score**	**2020 Score**	**Statistically Significant (2019 compared to 2020)**
Equality, Diversity & Inclusion	9.1	8.8	8.9	9.0	Not significant
Health & Wellbeing	6.4	5.8	5.7	6.2	Significant
Immediate Managers	7.3	7.1	7.2	7.4	Significant
Morale	6.4	6.0	6.1	6.3	Significant
Quality of Care	7.5	7.1	7.1	7.3	Not significant
Bullying & Harassment	8.3	7.9	7.9	8.1	Significant
Violence	9.5	9.1	9.2	9.2	Not significant
Safety Culture	6.9	6.7	6.7	6.8	Significant
Staff Engagement	7.2	6.9	6.9	7.0	Significant
Team Working	7.0	6.6	6.7	6.8	Significant

Nationally changes were shown as follows:

- 3 key theme scores improved – health & wellbeing: bullying & harassment and violence.
- 6 key theme scores remained the same – morale; staff engagement; immediate managers; equality, diversity, and inclusion; quality of care and safety culture.
- 1 key theme score declined – team working.

Equality, Diversity & Inclusion

Nationally, the survey results show some concerning trends relating to the variable experience of staff at work in the NHS. A particular discrepancy exists for Black, Asian and minority ethnic (BAME) staff who report being disproportionately subject to abuse and poor behaviour from colleagues and patients, and do not have access to the same positive opportunities as their white colleagues. The Trust has seen significant improvements in the area of bullying and harassment reported by BAME colleagues, with a positive reduction of 6.5%, whereas nationally the improvements in peer Trusts only identified a 3% improvement as follows:

	2017	2018	2019	2020
White: Your org	35.2%	30.8%	32.3%	29.3%
BME: Your org	39.8%	40.3%	42.4%	35.9%
White: Average	28.1%	27.8%	27.6%	25.4%
BME: Average	33.4%	33.3%	35.5%	32.1%

Of concern is the experience of the Trust's disabled staff which, when viewed in local reports, the Trust can see that disabled staff have consistently reported a less positive experience than non-disabled staff across all questions.

Next Steps and Key Actions for 2021/22

- The detail provided by the NHS staff survey will be used to inform actions required to improve the experience of staff and will feed directly into the priority actions as descried in the Trust's People Plan.
- A specific focus on the finalisation and launch of the leadership strategy together with the continuation of the work led by the Strategic Equality, Diversity & Inclusion Group are essential to show improvements into 2021.
- In tandem with these each Division will be supported to review what specific actions are needed to make improvements locally.
- Detailed presentations will be delivered to JCNC and Staff Networks to ensure feedback on the results can be driven through staff engagement and the data can be validated.

Reporting Trade Union Facilities Time

Under the Trade Union (Facility Time Publication Requirements) Regulations 2017, which came into force on 1 April 2018, public sector employers are now required to publish information on employees who are trade union officials and the facility time taken by them during the preceding 12-month period.

The following tables confirm:

- the total number of our employees who were union officials during the period 1 April 2020 to 31 March 2021
- the percentage of each of the above employee's working time spent on trade union duties (facility time);
- the percentage of our total pay bill spent on facility time; and
- the hours spent by employees who were union officials on paid trade union activities, as a percentage of total paid facility time hours

Relevant Union Officials:

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
6	4.8

Percentage of Time Spent on Facility Time:

Percentage of time	Number of employees
0%	0
1-50%	1
51-99%	2
100%	3

Percentage of Pay Bill Spent on Facility Time:

Total cost of facility time	£142,253.10
Total pay bill	£241.7 million
Percentage of the total pay bill spent on facility time, calculated as:	0.06%

Paid Trade Union Activities:

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated	100%

Expenditure on Consultancy

We have not incurred any expenditure on external consultancy services during 2020/21.

Off-Payroll Engagements

It is the Trust's policy that all executive directors and other senior managers and clinicians are paid via our payroll. The Trust only appoints individuals off-payroll in exceptional circumstances, for example, contractors undertaking temporary project work. Where off-payroll engagements are used, the Trust undertake risk-based assessments on whether assurance is required from the individual that they are paying the right amount of tax.

The following tables detail our use of existing and new off-payroll engagements in 2020/21, including lengths of engagement at the time of reporting. We can confirm that we had no off-payroll engagements, costing more than £245 per day and lasting longer than six months, as of year-end.

Table 1 – For all off-payroll engagements as of 31 March 2021, costing more than £245 per day and lasting longer than six months	**2020/21**
No. of existing engagements as of 31 March 2021	0
Of which:	
No. that have existed for less than one year at time of reporting	0
No. that have existed for between one and two years at time of reporting	0
No. that have existed for between two and three years at time of reporting	0
No. that have existed for between three and four years at time of reporting	0
No. that have existed for four or more years at time of reporting	0

The Trust had no new off-payroll engagements, or any that reached six months in duration, that cost more than £245 per day and lasted longer than six months during 2020/21.

Table 2 – For all new off-payroll engagements, or those that reached six months in duration, between 01 April 2020 and 31 March 2021, costing more than £245 per day and lasting longer than six months	2020/21
No. of new engagements, or those that reached six months in duration, between 1 April 2020 and 31 March 2021	0
Of which:	
No. assessed as within the scope of IR35 (the 'off-payroll rules')	0
No. assessed as not within the scope of IR35	0
No. engaged directly (via PSC (personal service company) contracted to trust) and are on the Trust's payroll	0
No. of engagements reassessed for consistency/assurance purposes during the year	0
No. of engagements that saw a change to IR35 status following the consistency review	0

The Trust had not appointed any Board members or senior officials with significant financial responsibility, or individuals deemed as such, via off-payroll engagements in 2020/21.

Table 3 - For any off-payroll engagements of Board members, and/or senior officials with significant financial responsibility, between 01 April 2020 and 31 March 2021	2020/21
No. of off-payroll engagements of Board members, and/or, senior officials with significant financial responsibility, during the financial year	0
No. of individuals that have been deemed 'Board members and/or senior officials with significant financial responsibility' during the financial year. This figure must include both off-payroll and on-payroll engagements	0

Exit Packages

The following tables disclose the number of compulsory and other (non-compulsory) departures which attracted an exit package during 2020/21. The value and type of associated payment is also detailed. The total cost of exit packages in 2020/21 was £42k, compared to £74k in 2019/20. We funded no exit packages in excess of £100k in 2020/21.

Exit Packages Cost Band (incl. any special payment element)	Number of Compulsory Redundancies		Number of Other Departures		Total Number of Exit Packages	
	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20
<£10,000	-	-	-	-	-	-
£10,001 - £25,000	-	-	-	-	-	-
£25,001 - £50,000	1	2	-	-	1	2
£50,001 - £100,000	-	-	-	-	-	-
£100,001 - £150,000	-	-	-	-	-	-
£150,001 - £200,000	-	-	-	-	-	-
>£200,000	-	-	-	-	-	-
Total Number of Exit Packages by Type						
Total Resource Cost (£)	**£42,000**	**£74,000**	**£0**	**£0**	**£42,000**	**£74,000**

As demonstrated in the following table, the non-compulsory departure payments incurred in 2019/20 related to voluntary redundancies. No payments required Treasury approval.

	2020/21		2019/20	
	Payments Agreed (No.)	Total Value of Agreements (£'000)	Payments Agreed (No.)	Total Value of Agreements (£'000)
Voluntary redundancies including early retirement contractual costs	0	0	0	0
Mutually agreed resignations (MARS) contractual costs	0	0	0	0
Early retirements in the efficiency of the service contractual costs	0	0	0	0
Contractual payments in lieu of notice	0	0	0	0
Exit payments following Employment Tribunals or court orders	0	0	0	0
Non-contractual payments requiring Treasury approval	0	0	0	0
Total	**0**	**0**	**0**	**0**
Of which:				
Non-contractual payments requiring Treasury approval made to individuals where the payment value was more than 12 months' of their annual salary	0	0	0	0

3.7 NHS 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)

Based on information from these themes, providers are segmented from 1 to 4, where '4' reflects providers receiving the most support, and '1' reflects providers with maximum autonomy. A foundation trust will only be in segments 3 or 4 where it has been found to be in breach or suspects breach of its licence.

Segmentation

The Trust has been placed in Segment 2. Providers in segment 2 are described as being offered targeted support from NHS Improvement and have potential support needs in one or more of the five themes but is not in breach of their provider licence and formal action is not needed. This segmentation information is the Trust's position as at 31 March 2021. Current segmentation information for NHS trusts and foundation trusts is published on the NHS Improvement website.

3.8 Statement of Accounting Officer's Responsibilities

Statement of the Chief Executive's Responsibilities as the Accounting Officer of Greater Manchester Mental Health NHS Foundation Trust

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

NHS Improvement, in exercise of the powers conferred on Monitor by the NHS Act 2006, has given Accounts Directions which require [name] 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 [name] NHS foundation trust and of its income and expenditure, other items of comprehensive income and cash flows for the financial year.

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

- observe the Accounts Direction issued by NHS 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 them to ensure that the accounts comply with requirements outlined in the above mentioned Act. The Accounting Officer is also responsible for safeguarding the assets of the NHS foundation trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

relevant audit information and to establish that the entity's auditors are aware of that information. To the best of my knowledge and belief, I have properly discharged the responsibilities set out in the NHS Foundation Trust Accounting Officer Memorandum.

Signed

Neil Thwaite, Chief Executive
Date: 8 June 2021

3.8 Annual Governance Statement

Scope of Responsibility

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

The Purpose of the System of Internal Control

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

Capacity to Handle Risk

As Accounting Officer, I have overall responsibility for ensuring that an effective system of risk management is in operation within the Trust. I have delegated responsibility for this, including responsibility for the development and implementation of our 'Risk Management Framework' and for the identification, assessment, treatment and management of risk, to the Director of Nursing and Governance during the reporting period.

Our Risk Management Framework is consistent with best practice and Department of Health guidance. It provides a clear, structured, systematic approach to the management of risks to ensure that risk assessment is an integral part of clinical, managerial and financial processes across the organisation.

The following senior managers are identified as accountable to me, and responsible for providing assurance on specific risk areas, in the Risk Management Framework:

Risk Area	Responsible Director
Safeguarding, clinical governance, infection prevention and control, health and safety, security (as the nominated Security Management Director) and emergency preparedness (as the Accountable Emergency Officer)	Director of Nursing and Governance
Human Resources, Estates and Facilities (including fire and food safety)	Director of HR and Deputy Chief Executive
Finance and information (as the Senior Information Risk Owner (SIRO))	Director of Finance and IM&T
Clinical and operational services	Director of Operations

Business development and compliance with Care Quality Commission standards	Director of Performance and Strategic Development
Clinical, medicines management and standards of medical practice	Medical Director

A supporting system for managing risk has been devolved to the Associate Director of Nursing and Governance with support from the Head of Risk Management. The Risk Management Framework also clearly defines risk and clinical governance structures within divisions and the responsibilities of senior managers, managers and all other staff in relation to risk.

The Audit Committee of the Board of Directors has delegated responsibility for the establishment and maintenance of an effective system of governance, risk management and internal control, which operates across the Trust and supports the achievement of our key strategic objectives. The Audit Committee is concerned with evidencing the probity and efficiency of the risk management system in relation to the Trust's financial, governance and clinical operations. The Board's Quality Improvement Committee oversees the system of quality governance and the overall assurance process associated with managing clinical service delivery effectively. The Board of Directors routinely receive minutes and briefings from all committees.

The Risk Management Committee serves as a sub-group of the Audit Committee and is responsible for ensuring the effective application of risk management across the Trust. The Committee has been chaired by the Director of Nursing and Governance during 2020/21, with membership including the Associate Directors of Nursing and Governance, Finance and HR; the Director of Pharmacy; Heads of Service/Deputy Directors or their Risk Management Leads from each division/department; and senior Trust managers with responsibility for patient safety, governance and risk management.

The Risk Management Committee is able to constitute advisory sub-groups to deal with specialist and specific risk issues. Sub-groups monitor risks relevant to their specialist area and escalate risks scoring 12 and above to the Risk Management Committee.

The Trust-wide Training Needs Analysis identifies risk management training requirements for specific staff groups, which are appropriate to the grade, role and location of staff, examples include safeguarding training (adults and children), prevention and management of violence and aggression (PMVA) and basic and intermediate life support. Tailored training for specific roles is also identified by managers and agreed with individual members of staff via the annual appraisal and personal development planning process. Root-cause analysis training is provided to staff members with direct responsibility for risk management within their area of work. Training uptake is monitored centrally and at a divisional/service level.

The Trust aims to ensure learning from both good practice and experience. Actions and recommendations from incidents, events, complaints and inquests are recorded on our incident reporting and risk management system (Datix), with local services held responsible for monitoring progress against these. We use our internal audit programme and clinical audit programme to test and evidence that changes in practice have been implemented.

The Trust communicates lessons learnt across the services in a number of different ways. These include briefings, newsletters and learning events, and with external stakeholders. The Board of Directors receives reports on the numbers and levels of serious untoward incidents and any emerging trends and action taken. Reflective practice is encouraged both collectively, including through Schwarz Rounds, and individually through clinical supervision. We have introduced in 2019/20 a new, centralised system for monitoring supervision compliance through our electronic Learning Hub.

The Trust has effective mechanisms in place to act upon alerts and recommendations made by all relevant central bodies including the National Patient Safety Agency (NPSA), NHS Resolution and the Health and Safety Executive (HSE).

The Risk and Control Framework

The Trust's integrated governance structure, including scopes of work and accountabilities of Board committees, are detailed in Section 3, Accountability Report.

The Trust activated its Major Incident Plan in response to the emergence of COVID-19 in January 2020. Planning and control over decision-making was subsequently escalated to Gold Command in March 2020. Gold Command comprises the Chief Executive, Director of Nursing and Governance, Medical Director, Director of Human Resources / Deputy Chief Executive and Director of Operations, supported by planning and implementation leads and sub-groups focused on digital; Mental Health Act; physical healthcare and infection, prevention and control; clinical guidance; clinical ethics; and workforce planning. All local business continuity plans were refreshed as part of our early response with a clear service escalation plan also agreed. A Clinical Ethics Forum was established, accountable to Gold Command, in early April 2020 in partnership with Pennine Care NHS Foundation Trust and North West Boroughs Healthcare NHS Foundation and advises member Trusts on complex ethical issues and decisions arising from the crisis.

As part of our incident response we took temporary measures, from March 2020, to adapt our Board assurance and governance arrangements. This included holding all Board, Board committee and Council of Governors meeting remotely (via audio or video conference; reviewing quorum; suspending meetings were assessed as safe and appropriate; refocusing agendas to prioritise COVID-19 and business critical items only; and establishing clear mechanisms for either deferring non-critical information and assurance items or decisions or managing those items outside of meetings. The right to use Emergency Powers to make decisions, as enabled through the Trust's Standing Orders, was also retained. Effective from May 2020, the Board of Directors introduced a new, interim Board assurance committee focused on COVID-19. The aim of this committee is to provide the Board of Directors with assurance on the monitoring of safety, quality, risk, financial and contracting arrangements during our planning and response to COVID-19. The Committee was stood down in July 2020 and its activities transferred to the Quality Improvement Committee and the Finance and Investment Committee. In May 2020 the Trust introduced a Covid-19 Recovery Planning Group to co-ordinate the Trust's COVID-19 recovery plan and lead the Trust's reconstruction and progression to 'new normal' working conditions. Recovery has continued to remain a primary focus ensuring the Trust is enhancing the support and wellbeing offer for our service users as much as possible.

Records of decisions taken, and changes made as part of our COVID-19 response are being maintained to inform against the Trust's recovery planning. All changes reflect the rapidly changing environment and the significant and sustained pressure placed on the Senior Leaders and other staff. By introducing a more streamlined governance and assurance framework, the Trust has been able to maintain business continuity whilst also reducing the burden on staff.

Risk Management

Risk management is embedded throughout the organisation and all staff are encouraged to report incidents and raise concerns. All services are required to identify core risks to the delivery of their business plans as part of the annual planning process.

The Trust's Risk Management Framework, which has continued to be applied during COVID-19, establishes a formal structured approach to the identification, assessment, treatment and

management of risks. The process starts with a systematic identification of risks throughout the organisation which are documented within risk registers. These risks are then analysed in order to determine their relative importance using a risk scoring matrix. Low scoring risks are managed by the area in which they are found. Higher scoring risks are managed at progressively higher levels within the organisation and escalated to the Risk Management Committee every two months for monitoring and consideration for escalation to the Board Assurance Framework. Achieving control of the higher scoring risks is given priority over lower scoring risks. Risk control measures are identified and taken to reduce the potential for harm.

The Board reviews and approves the Board Assurance Framework on a quarterly basis. The Board receives updates on assurances, controls and actions being taken to mitigate risk from the designated lead Committees/groups and agrees any further actions required or changes to the Board Assurance Framework. Changes may include the addition of new strategic risks, which have arisen through Board papers or Board discussion and may reflect current or likely future challenge within the health economy, or de-escalation of risks from the Board Assurance for local management and monitoring. When approving the Board Assurance Framework, the Board considers risk appetite.

As documented elsewhere in this report the most critical strategic risks facing the organisation at the end of the reporting period with a risk score of 16 or more that are being managed and mitigated at Board of Directors level relate to:

- Coronavirus (COVID-19) pandemic – The Trust has maintained a separate register of the operational risks associated with COVID-19 reviewed by Gold Command.
- Performance - Failure to reduce the number of OAPs will impact on patient safety and experience and act as a barrier to recovery.
- Performance - Failure to meet national and local targets and regulatory standards will impact on quality of care, reputation and could incur financial penalties and/or intervention from regulators.
- Recruitment and retention - Failure to recruit and retain high quality staff will impact on quality of care and staff satisfaction.
- Sustainable workforce model - Failure to develop a sustainable and resilient workforce model will impact on the Trust's ability to deliver safe and effective care.
- Future commissioning arrangements – The move towards integrated care systems and the devolvement of specialised commissioning budgets to Lead Provider Collaboratives may impact on the resources available to the Trust.
- Financial sustainability – Failure to deliver the Trust's annual financial plan and longer-term financial strategy will impact on the Trust's sustainability, ratings and ability to deliver quality improvements.
- Capital and estates – Failure to invest to improve the standard of the Trust's estate and environments will impact on patient experience and quality of care.

Our Board Assurance Framework sets out the controls and assurances the Board relies on to manage and mitigate these risks and identifies actions to address any gaps. During the year, the Board of Directors accepted and de-escalated one risk from the Board Assurance Framework relating to Mental Health Act and Mental Capacity Compliance. De-escalation of the risk was based on a risk assessment had been carried out which identified that significant controls and assurances were in place.

Actual and potential risks, which may impact on external stakeholders and key partner agencies, including local authorities, commissioners, other NHS providers, the judicial system, voluntary organisation and service users, are handled through structured mechanisms and forums such as Overview and Scrutiny Committees, contract monitoring meetings, Council of Governor meetings and service user forums.

NHS England/Improvement Well-led Framework

Outcomes of the last external review commissioned by the Trust, carried out by KPMG LLP, were reported in 2015. The basis for this review pre-dated the revised Well-Led Framework published by NHS Improvement in June 2017 that provided guidance to foundation trusts regarding undertaking an externally facilitated reviews of their leadership and governance every three to five years, according to their circumstances. Due the to the impact of the COVID-19 pandemic the Trust has delayed its external review to a more suitable time. As reported in the section 3.1, Directors Report the Trust's compliance with the Care Quality Commission's well-led framework was tested as part of the CQC's independent inspection in 2019. The Trust maintained an overall well-led rating of '**Good'** across all of its core services as an outcome of the inspection which provided the Board with assurance regarding its performance against the well-led framework.

Quality Governance

The Trusts Quality Governance Framework defines its approach to quality improvement and innovation. The framework describes the structures and processes in place at and below Board level for delivering effective quality assurance. It ensures that the Trust's intentions and systems for delivering robust quality governance are clear and accessible to all staff involved in the planning, delivery and monitoring of services. It also reinforces the importance of embedding the principles of quality within our clinical approaches to support the delivery of high quality, safe and effective care. By defining explicit roles and responsibilities, the framework ensures that we make effective use of Board executives, clinical leaders and service directors in driving the quality agenda. The framework also contributes to developing the Board's capability to understand and promote continuous quality improvement. Quality governance activities are routinely reported to the Board of Directors through the Quality Improvement Committee, which leads on setting the quality agenda and measuring performance against agreed quality priorities.

The Trust is fully compliant with the registration requirements of the Care Quality Commission (CQC). Assurance has been obtained on compliance with the CQC registration requirements and the fundamental need to ensure the provision of services that are safe, effective, caring, responsive and well-led through the work of the Quality Improvement Committee and via the following mechanisms:

Internal Controls	External Controls	Quality Assurance Reports
Service User and Carer Feedback	Royal College of Psychiatrists (RCPsych) Service Accreditation	Deep Dive Audit Reports
Mental Health Safety Thermometer	NICE guidance	CQC insight and intelligence reports
Positive and Safe Forum	NICE Quality Standards	Quality Board Performance Report
QI projects and programmes	PLACE Activity	Quality Key Performance Indicators
Local and Trust-wide Clinical Audit	National Staff & Patient Surveys	Single Oversight Framework
Clinical Governance Systems	Healthwatch Feedback	Board Assurance Framework
Complaints & Incidents	CQC Mental Health Act visits	Board Performance Reporting

Internal Controls	External Controls	Quality Assurance Reports
CQUIN Programme	CQC regulatory inspections	Quality Improvement Single Page Plan and high-level project updates
Council of Governors	Mersey Internal Audit Agency	Service User and Carer Experience Meeting Activity Reports
The Dragons' Den	Quality Accounts and Quality Improvement Priorities (QIPs)	Quality Improvement Quarterly Update Progress Reports
Non-Executive Director and Governor service visits	External Benchmarking	Positive and Safe DashBoards
Task and Finish Groups	POMH (Prescribing Observatory for Mental Health) Improvement Programmes	Safewards reports

Work to deliver our Quality Improvement Strategy, as detailed elsewhere in this report and in our Quality Account 2020/21, complements our approach to quality governance.

Compliance with NHS Foundation Trust Condition 4 (FT Governance)

I can report there were no principal risks to compliance with the NHS foundation trust licence condition 4 (FT governance) other than the risks described elsewhere in this report. The Trust has complied with this condition throughout 2020/21 and are planning continued compliance in 2021/22. The Trust has effective systems in place for the collection, analysis and reporting of information, which provides assurance on compliance with the licence.

The Board of Directors maintains oversight of the Trust's performance through review of monthly Performance Reports focused on regulatory and workforce standards and finance and a separate quarterly Performance Report focused on quality. The Board's quarterly Quality Report was strengthened in 2019/20 in line with the increased focus on using improvement-oriented data to drive, monitor and inform the Trust's quality improvement activity.

The Trust's governance structure, including the Terms of Reference for the key assurance committees of the Board of Directors are set out below and are subject to continuous review to ensure that they are sound and fit for purpose. Reporting lines and lines of accountability are clear and communicated across the organisation. The responsibilities of individual directors are set out in job descriptions and monitored through the annual appraisal process. The Board of Directors are therefore able to assure itself of the validity of the Corporate Governance Statement through the systems of oversight and scrutiny described in this Annual Governance Statement and the wider report. To assure itself of the validity of its annual governance statement required under NHS FT Condition 4 the Board of Directors receives the annual Corporate Governance Statement in May of each year.
During 2020/21 the Board of Directors Assurance committees comprised of:

Audit Committee

The Audit Committee is responsible for reviewing the establishment and maintenance of an effective system of integrated governance, risk management and internal control across the whole of the organisation's activities, on behalf of the Board of Directors. The Audit Committee ensures that an effective internal audit function is in operation, which meets all required standards, and reviews and monitors the work and findings of the Trust's external auditors. The Committee is also responsible for

ensuring that the Trust has adequate anti-fraud arrangements in place. The Audit Committee Terms of Reference were subject to annual review. The report from the audit Committee can be found under section 3.2 - Audit Committee Report.

Quality Improvement Committee

The Quality Improvement Committee provides leadership and oversight for the Trust's quality and integrated governance agenda, ensuring that the Board of Directors has a clear focus on quality, effectiveness, and safety. The Committee has maintained a tight grip on assurance, control and planning to complement the Trust's improvement activities. The breadth of quality improvement activity undertaken in 2020/21 is included in the Trust's Quality Account 2020/21. Members of the Trust's staff attend the Committee meetings to ensure appropriate expert representation from the Trust's clinical services, professional leads and the governance team. The Committee met on seven occasions during the financial year. Between May 2020 and July 2020, the Committee ceased activity ceding its activity to the COVID-19 Board Assurance committee. The Committee met seven times during 2020/21 and the Committee Board of Directors members and attendance is set out in the table below:

Name	Meetings Attended
Non-Executive Directors	
Helen Dabbs, Committee Member	7/7
Julie Jarman, Committee Chair	7/7
Executive Directors	
Gill Green, Director of Nursing and Governance	7/7
Alice Seabourne, Medical Director and Vice-Chair	7/7

Other Executive Directors attend the QIC when requested. If the Director of Operations is unable to attend, she is represented at the meeting by an Associate Director of Operations.

Strategic EDI Working Group

The Strategic EDI Working Group was formed by the Board of Directors to strategically review all current EDI activity and produce a single workplan across 2020/21 and 2021/22 which supports the Trust in delivering improved outcomes and reduce inequalities for service users, as well as ensuring the Trust, as a workplace, is diverse and free from discrimination. The EDI activity consists of, but not limited to: Equality, Diversity & Inclusion Strategy; Workforce Race Equality Standard (WRES); Workforce Disability Equality Standard (WDES); Gender Pay Gap; Public Sector Equality Duty (PSED) Equality Delivery System (EDS); and Race Equality at GMMH briefing July 2020. Members of the Trust's staff and external stakeholders attend the Committee meetings to ensure appropriate expert representation. The Group met five times during 2020/21 and the Committee Board of Directors membership and attendance is set out in the table below:

Name	Meetings Attended
Non-Executive Directors	
Anthony Bell, Committee Chair	5/5
Julie Jarman, Committee Deputy Chair	5/5
Rupert Nichols, Trust Chair	1/1
Executive Directors and Senior Leaders	
Neil Thwaite, Chief Executive	5/5
Andrew Maloney, Director of HR and Deputy Chief Executive	5/5
Gill Green, Director of Nursing & Governance	5/5

* The Director of Operations is represented at the meeting by an Associate Director of Operations.

Covid-19 Board Assurance Committee (May 2020 – July 2020)

The Covid-19 Board Assurance Committee was formed by the Board of Directors to adapt its governance arrangements for an interim period to facilitate the organisation's response to and recovery from the COVID-19 pandemic. The Committee provided assurance on safety, quality, risk and financial arrangements during its period of operation and the meetings of the Quality Improvement Committee was suspended during the Committee's period of operation. The Committee ceased operation in July 2020 and assurance for safety, quality, risk and financial arrangements passed to the Quality Improvement Committee and Finance and Investment Committee. The Committee met three times during 2020/21 and the Committee Board of Directors membership and attendance is set out in the table below:

Name	Meetings Attended
Non-Executive Directors	
Julie Jarman, Committee Chair	3/3
Andrea Harrison, Committee Member	3/3
Stephen Dalton, Committee Member	2/3
Helen Dabbs, Committee Member	2/3
Executive Directors and Senior Leaders	
Gill Green, Director of Nursing & Governance	3/3
Deborah Partington, Director of Operations	2/3
Alice Seabourne, Medical Director	3/3
Janine Taylor, Acting Director of Finance and IM&T	3/3

Finance and Investment Committee

The Finance and Investment Committee was commenced its activity in September 2020 following the cessation of the COVID-19 Board Assurance Committee and provides assurance on the Trust's financial performance and sustainability and to ensure that appropriate action is taken to achieve the Trust's financial objectives. This includes delivery of capital investment, cost improvement programmes and strategic developments. The Committee met five times during 2020/21 and the Committee Board of Directors membership and attendance is set out in the table below:

Name	Meetings Attended
Non-Executive Directors	
Stephen Dalton, Committee Chair	5/5
Anthony Bell, Committee Member	5/5
Andrea Harrison, Committee Member	5/5
Executive Directors and Senior Leaders	
Suzanne Robinson, Director of Finance and IM&T	5/5
Andrew Maloney, Director of HR and Deputy Chief Executive	4/5
Deborah Partington, Director of Operations	4/5
Elizabeth Calder, Director of Performance & Strategic Development	4/4

Remuneration and Terms of Service Committee

The Remuneration and Terms of Service Committee is responsible for reviewing the Trust's leadership requirements and identifying and appointing candidates to fill executive director vacancies on the Board. The Committee also monitors and evaluates the performance of executive directors and makes recommendations to the Board of Directors on remuneration and other conditions of service. Further information on the work of the Remuneration and Terms of Service Committee in 2020/21, including Committee membership and attendance at meetings, is provided in section 3.5 - Remuneration Report.

Charitable Funds Committee

The Trust's Charitable Funds Committee aims to ensure that the Trust properly discharges its responsibilities as Corporate Trustee of the Trust's Charitable Funds. The Committee continues to consider the longer-term strategic direction of the charity, including its messaging and approach to fund-raising. The Trust will retain its charitable status going forward with the Charitable Funds Committee determining the focus of any fundraising activities as and when the need arises. The Committee met twice during 2020/21 and the Committee Board of Directors membership and attendance is set out in the table below:

Name	Meetings Attended
Non-Executive Directors	
Anthony Bell, Committee Chair	2/2
Julie Jarman, Committee Member	2/2
Executive Directors	
Gill Green, Director of Nursing and Governance	1/2
Suzanne Robinson, Director of Finance and IM&T	2/2
Janine Taylor, Acting Director of Finance and IM&T	-

Workforce Safeguards

The Trust is committed to ensuring that all of its clinical areas are staffed to a safe and effective level. The Trust complies with 'Developing Workforce Safeguards' and the associated 'Safe, Sustainable and Productive Staffing' guidance produced by NHS England/Improvement on behalf of the National Quality Board. The guidance recommends a triangulated approach to governing and managing safe staffing levels, combining the need to use professional judgements with evidenced-based tools and data.

All of the Trust's wards have an agreed safe staffing establishment and skill mix, which is displayed in ward areas. Each ward has a standing staffing profile that can be adjusted according to acuity, demand and professional judgement.

Safe and sustainable staffing is dependent on many variables beyond numbers of staff. Staffing level and skill mix are also influenced by ward-specific guidance, including Accreditation for Inpatient Mental Health Services (AIMS) and other quality standards. The Trust also monitor a range of quality metrics - including staff-related indictors (e.g. job satisfaction), service user indicators (e.g. use of restrictive interventions) and process-related indicators (e.g. complaints) - and triangulate these through our reporting mechanisms.

The Trust applies a standard operating procedure for reporting and monitoring safe staffing, which is complemented by a Resourcing Policy. The Associate Directors of Nursing and Governance and Associate Directors of Operations are responsible for reporting and monitoring staffing levels. Staffing levels are monitored locally through operational Network Hubs, with updates provided to the Operational Leadership Committee. A number of services also run daily 'Safety Huddles' and serve as a real-time, useful sense-check of staffing levels within inpatient services, taking into account the complexity of service users at that time.

We are one of a small number of Trusts in England to have piloted the Mental Health Optimal Staffing Tool (MHOST). The MHOST is an evidence-based, multi-disciplinary safer staffing support tool and following the successful pilot on our adult forensic wards, work has taken place to rollout MHOST across our inpatient wards.

Information on safe staffing (fill rates and skill mix) is reported to the Board of Directors on a quarterly basis, following review by the Quality Improvement Committee. In 2019/20, the Trust introduced the use of Statistical Process Control (SPC) in the safe staffing reports to enable more effective tracking of

staffing levels over time and identification of trends and hotspots. Staff are encouraged to report any concerns they may have about the safety of care on their wards, including staffing levels, using Datix.

Staffing levels and skill mix are aligned with strategic and operational plans to sustain high quality care. The Trust operates an annual workforce planning process, led by the services, which reviews our workforce (establishment, skills and roles) in the context of planned and anticipated local, regional and national changes. A key aim is ensuring as a Trust we have the right workforce profile to deliver the Trust's future strategic objectives.

Safe staffing and a sustainable workforce model are identified as key strategic risks on the Board Assurance Framework. Controls to mitigate these risks include safe staffing governance arrangements, as described here, and the continued implementation of the Trust's Workforce and Organisational Development Strategy, which sets out targeted and proactive action to address supply, recruitment and retention challenges.

Conflicts of Interest

We have published on our website an up-to-date register of interests, including gifts and hospitality, for decision-making staff (as defined in our Conflicts of Interest Policy) within the past twelve months, as required by the 'Managing Conflicts of Interest in the NHS' guidance.

Compliance with NHS Pension Scheme

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

Equality, Diversity and Human Rights

Control measures are in place to ensure that all the Trust's obligations under equality, diversity and human rights legislation are complied with. Arrangements to ensure that equality, diversity and human rights are incorporated into core trust business are described elsewhere in the Annual Report.

Sustainable Development

The Trust has undertaken risk assessments and have a sustainable development management plan in place which takes account of UK Climate Projections 2018 (UKCP18) and ensures that its obligations under the Climate Change Act and Adaptation Reporting requirements are complied with.

Review of Economy, Efficiency and Effectiveness of the Use of Resources

Network and divisional performance is monitored through local Senior Leadership Teams (SLTs), Network Hubs and the Operational Leadership Committee. In 2019/20, the Executive introduced a Financial Oversight Group to strengthen financial oversight and reinforce local ownership and accountability. The Board of Directors maintains oversight of the Trust's performance through several sources. In September 2020 the Board of Directors formed a Finance and Investment Committee chaired by a non-executive director and included an additional non-executive director to provide assurance on the Trust's financial performance and sustainability and to ensure that appropriate action is taken to achieve the Trust's objectives, including the delivery of capital investment, cost improvement programmes and strategic developments (additional information including membership of the Committee can be found in section 31, Directors Report). The Board also reviews of Performance Reports focused on regulatory and workforce standards, finance and quality.

During 2020/21 the NHS planning framework was paused and national planning directions were given to NHS Foundation Trusts as part of the COVID-19 Level 4 National Incident response. NHSE/I issued a series of national planning letters during the response with requirements for NHS Foundation Trusts to follow, including specific requirements for mental health services. This included bringing forward the establishment of services set out in the Long Term Plan to assist with the response to people's needs. A detailed "Phase 3" plan was developed at a Greater Manchester system level, setting out how people's needs would be met for the remainder of the year. The planning and delivery of our response has been overseen by the Trust's Gold Command and Recovery Groups, reporting monthly to the Board of Directors with updates also provided to the Council of Governors.
The response to the COVID-19 pandemic has meant that the national guidance for 2021/22 planning was issued later than usual. Priorities for mental health include delivering the Long Term Plan requirements for 2021/22 and bringing forward plans for 2022/23 where these would help to meet people's needs as a result of the Covid-19 pandemic. Nationally plans for 2021/22 are required at a system level and a Greater Manchester plan is being finalised for national submission on 3rd June 2021, including mental health information. The plan includes mental health financial and workforce planning information that will be incorporated into the Trust's annual plan for 2021/22 and business plans for services. The finance regime in place in the second half of 2020/21 (H2) will continue into the first half (H1) of 2021/22.

The Greater Manchester (GM) system has been issued a financial envelope for both revenue and capital. The Trust has been working with system colleagues to agree the rapid flow of new investment that was announced in the spending review, and there's lots of exiting plans on how the Trust services will develop as a consequence. The expectation is that the GM system will deliver a break-even plan, consequently the Trust has been working on this basis.

During 2020/21, performance against the Trust's strategic objectives has been monitored through several channels, including:

- Monthly reporting to the Board of Directors on performance against key performance indicators and quality standards, including NHS Improvement targets, CQC requirements, contractual performance targets, workforce and activity measures.
- Regular reporting to the Board of Directors on progress in the delivery of key strategic priorities/work programmes.
- Routine briefings to the Executive Management Team on changes to, influences on, the Trust's financial position and operational performance.
- Routine reporting to the Council of Governors.
- Periodic reporting to NHS England/Improvement
- Compliance with the requirements of the Trust's provider licence
- Performance management of individual divisions and services
- Compliance with our Standing Financial Instructions and Scheme of Reservation and Delegation
- Decision-making on all key strategic issues reserved for the Executive Management Team or Board of Directors

Looking forward, in February 2021 the Department of Health and Social Care published the White Paper "Integration and innovation: working together to improve health and social care for all". The aim of the White Paper is to build on the collaborative approach undertaken by the NHS and partners as part of the Covid-19 response. It proposes to establish Integrated Care Systems as statutory bodies from 1 April 2022, subject to legislation, with all Clinical Commissioning Groups functions moving to Integrated Care Systems. The proposals seek to reduce bureaucracy with significant changes to procurement and competition in the NHS, which again is subject to legislation. The Trust is working closely with local partners and the Greater Manchester Health and Social Care Partnership to develop

plans to implement the White Paper in Greater Manchester, including the development of "place-based" approaches and Provider Collaboratives. The Board of Directors has received updates with regard to this work which is expected to continue in to 2021/22 in readiness for 1 April 2022 commencement, subject to legislation.

Head of Internal Audit Opinion

Mersey Internal Audit Agency, the Trust's internal auditors, have provided an overall opinion of 'Substantial Assurance' as to the effectiveness of the Trust's system of internal control. This opinion demonstrates that the Trust's system of internal control is designed to meet the Trust objectives and that controls are generally being applied consistently.

The Head of Internal Audit Opinion is underpinned by the work conducted through the risk-based internal audit plan and is provided in the context that the Trust, like other NHS organisations, is facing a number of challenging issues and wider organisational factors. The Head of Internal Audit Opinion has not been affected by the COVID-19 pandemic.

In 2020/21, the key areas covered by the Trust's internal audit plan which received a Substantial Assurance opinion included the review of: Key Financial Systems; ESR/Payroll; COVID-19 Governance and Claims; Board Reporting; and Agency. There was one limited assurance received on compliance with the Mental Health Act Code of Practice.

The Audit Committee reviewed all completed internal audit reports and secured assurance on recommendations made. Internal Audit follow up progress reports against recommendations made and agreed by the Trust will be included in the Internal Audit plan for 2021/22.

An Internal Audit review of the Trust's Board Assurance Framework found that the Board Assurance Framework was structured to meet NHS requirements, was visibly used by Board of Directors and clearly reflects the risks discussed by the Board.

Information Governance

The Trust aims to deliver a high standard of excellence in information governance by ensuring that information is collated, stored, used and disposed of securely, efficiently and effectively and that all of its processes adhere to legal requirements. In line with the General Data Protection Regulation (GDPR) and the Data Protection Act 2018, the Trust reviews all of its information governance policies regularly ensuring that service user, staff and organisational information is treated in the strictest of confidence at all times.

The Trust is fully compliant with the national Data Security and Protection (DS&P) Toolkit, which sets standards for maintaining high levels of security and confidentiality of information at all times. In March 2021, the Trust undertook the submission of its 2020/21 DS&P Toolkit, which requires an independent audit of its information governance and security controls and procedures, in line with a published assessment methodology, which must provide:

"An assessment of the overall risk associated with the organisation's data security and data protection control environment. i.e. the level of risk associated with controls failing and data security and protection objectives not being achieved."

Following a recent audit, the Trust received the highest level of risk assurance, "significant", with the internal auditor report noting the following of areas good practice:

- The Trust have been able to achieve Cyber Essentials Plus while also obtaining Secure Email accreditation;
- There are clear documented processes in place to manage information governance and security;
- Technical controls have been implemented and are regularly monitored to provide assurance regarding IT security management; and
- The Trust's overall DS&P risk assurance level demonstrates the robustness of its information governance processes and procedures and data protection compliance.

All information governance incidents are investigated to understand the cause and consequences of the breach and any actions taken or required. Incidents are also assessed in terms of risk and impact and classified in line with the Toolkit, and the Trust classified 53 of the 160 incidents reported to it between 1st April 2020 – 31st March 2021 as Level 2.

The Trust continues to work closely with the ICO and report, as a minimum, any incidents categorised as Level 4 or above. During 2020/21 it reported 11 incidents to the ICO, with detail of each of the incidents and ICO actions available in the table below:

Reference No:	Incident Details	ICO Actions
23033	A service user recorded other patients (and staff) on the ward on an electronic device (tablet) and posted the video on Facebook.	ICO - closed without incident No further action
23032	A letter containing sensitive information about a patient was enclosed in another patients letter and sent/received by the other patient.	ICO - closed without incident No further action
21735	A letter containing sensitive information about a patient was sent/addressed to the patients step mother instead of the patient.	ICO - closed without incident No further action
21731	SAR request was sent to the wrong patient.	ICO - closed without incident No further action
20973	A patient requested that letters are not sent to their home address. A letter was sent to their home address in error and a family member opened the letter. This caused distress and upset to the patient as the letter contained very personal information	ICO - closed without incident No further action
20862	An AA letter for a patient was attached to the back of another patients letter.	ICO - closed without incident No further action
20786	Staff member accessed a family members record without a legitimate reason.	ICO - closed without incident No further action
20588	A staff member has accessed his sons Mental Health record with no legitimate reason.	ICO - closed without incident No further action
20190	A care plan for a patient was sent to a Health Centre with no GP name on the envelope. An administrator opened the care plan and saw it was for a staff members daughter. The administrator then telephoned the staff member to inform them a letter hadbeen sent to the H/C for their daughter. The staff member did not know the daughter was under services and the daughter stated she did not want her listed carer (staff member) to receive any documentation relating to her.	ICO - closed without incident No further action
19923	2 patient letters were printed and put in the same envelope and posted on or around 20.1.20. A telephone call was received from the client's GP to state the client had contacted them to report that the letter had been forwarded to them by the clientLetter was dated 20.1.20 but client only received it on 4.5.20.	ICO - closed without incident No further action
19378	A student nurse has accessed her daughters MH notes with no legitimate reason to do so in accordance with her role as a student nurse on placement with our team.	ICO - closed without incident No further action

The Trust did not receive any punitive or restrictive notifications from the ICO during the reporting period.

Data Quality and Governance

The Trust took the following steps to assure the Board of Directors that appropriate controls are in place to ensure the accuracy of data:

- **Governance and Leadership –** as set out in our Quality Governance Framework, I am ultimately responsible for achieving robust clinical quality across the organisation, whilst the Director of

Nursing and Governance is responsible for ensuring compliance with the Trust's Quality Account. The Director of Nursing and Governance and Medical Director share responsibility for ensuring that quality governance principles are embedded throughout the Trust, monitoring trends in key clinical quality and clinical outcome measures and accounting for quality governance.

The Quality Improvement Committee develops and defines our quality strategy on behalf of the Board of Directors and identifies our key quality priorities, goals and standards. This Committee also regularly tracks progress against agreed Quality Account priorities, ensuring that the required standards are achieved and action is taken on sub-standard performance.

- **Policies and Protocols –** recognising the importance of high-quality information to the effective functioning of the organisation, the Trust operates a range of policies covering all aspects of information governance. Ensuring high quality data is the responsibility of all staff. The Trust's 'Clinical System Data Quality' policy provides guidance for all staff involved in the capture, processing or use of patient-related data and information. The Trust's 'Information Governance' policy provides guidance in relation to openness and information sharing, information security, information quality assurance and compliance with legal requirements. Considered alongside the Trust's other information governance policies, these provide an integrated framework of requirements, standards and best practice.

- **Systems and Processes, Data Use and Reporting –** the Trust's has robust systems in place for checking the quality and reliability of all performance information, including waiting time data, reported to the Board of Directors. Information is recorded in the relevant electronic system and data quality and validation checks completed by Trust personnel, both in local services and its central corporate teams, prior to reporting to the Board.

  The Trust operates a regular audit cycle to check the accuracy of data and support services to make improvements. The remit of our 'Performance Measures and Data Quality Group' includes raising awareness of the importance of data quality, ensuring all staff are aware of their data quality responsibilities and supporting the development of policies and procedures to improve data quality. Training is also provided to ensure staff have the necessary skills to deliver our data quality commitments.

- **People and Skills –** Roles and responsibilities in relation to quality are clearly defined in job descriptions and policies and procedures. Where new ways of collecting, monitoring or reporting data are agreed, these are shared with all affected staff. Training is provided, where required, to ensure staff have the necessary skills to implement new ways of working and improve service quality.

Review of Effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS Foundation Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, Audit Committee, Quality Improvement Committee and Finance and Investment Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The process applied in maintaining and reviewing the effectiveness of the system of internal control throughout this financial year has included:

- Regular review of economy, efficiency and effectiveness by the Board of Directors, its committees.
- Completion of the annual risk-based internal audit plan with scrutiny by the Audit Committee of all completed internal audit reports and associated controls.
- Quarterly review of the Board Assurance Framework by the Board of Directors.
- Risk Management Committee review of high scoring operational risks and regular review of local operational risk registers at a service-level.
- Assessment and monitoring of care quality by the Quality Improvement Committee and its sub-groups.
- Quality Improvement Committee oversight of the clinical audit programme through an annual report from our 'Quality Improvement in Clinical Care Group'.
- Finance and Investment Committee oversight of the Trust's the Trust's financial performance and sustainability and to ensure that appropriate action is taken to achieve the Trust's objectives.
- Review of serious incidents and learning by the Quality Improvement Committee, including those related to risk management and clinical effectiveness.
- Weekly meetings of the Executive Management Team, providing opportunity for consideration of any performance concerns or emerging or changing risks.
- Review and monitoring by sub-groups of the Executive Management Team of the implementation of our Workforce and Organisational Development Strategy, Digital Strategy and annual capital investment programme.
- Clear Terms of Reference and reporting lines for all committees of the Board of Directors, and any sub-groups, allowing for clear escalation of any concerns or issues.

The Board Assurance Framework itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its strategic objectives have been reviewed. My review is also informed by the work of external audit, the Care Quality Commission, NHS Resolution and other external inspections, accreditations and reviews.

Conclusion

No significant internal control issues or gaps in control have been identified in this Annual Governance Statement. The Trust has continued to strengthen its system of internal control during the period to ensure that it remains fit for purpose and has adapted this system to enable an appropriate Trust response to the COVID-19 pandemic.

Signed

Neil Thwaite, Chief Executive
Date: 8 June 2021

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF GOVERNORS OF GREATER MANCHESTER MENTAL HEALTH NHS FOUNDATION TRUST

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Greater Manchester Mental Health NHS Foundation Trust ("the Trust") for the year ended 31 March 2021 which comprise the Trust Statements of Comprehensive Income, Trust Statements of Financial Position, Trust Statements of Changes in Taxpayers Equity and Trust Statements of Cash Flows, and the related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 March 2021 and of the Trust's income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Accounts Direction issued under paragraphs 24 and 25 of Schedule 7 of the National Health Service Act 2006 and the Department of Health and Social Care Group Accounting Manual 2020/21.

Basis for opinion

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

Going concern

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

In our evaluation of the Directors' conclusions, we considered the inherent risks to the Trust's business model and analysed how those risks might affect the Trust's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

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

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Trust will continue in operation.

Fraud and breaches of laws and regulations – ability to detect
Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an

opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of management, the Audit and Risk Committee and internal audit and inspection of policy documentation as to the Trust's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Trust's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Assessing the incentives for management to manipulate reported financial performance as a result of the need to achieve control totals delegated to the Trust by NHS Improvement
- Reading Board and Audit and Risk Committee minutes.
- Using analytical procedures to identify any usual or unexpected relationships.
- Reviewing the Trust's accounting policies.

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

As required by auditing standards, and taking into account possible pressures to meet delegated targets, we performed procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk of incentive for revenue to be manipulated into the wrong period around the year end and the risk that Trust management may be in a position to make inappropriate accounting entries.

In line with the guidance set out in Practice Note 10 Audit of Financial Statements of Public Sector Bodies in the United Kingdom we also recognised a fraud risk related to expenditure recognition, particularly in relation to year-end accruals. We consider this risk to be applicable to non-payroll and non-depreciation expenditure, in particular year-end accruals.

We did not identify any additional fraud risks.

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included combinations of users who seldom post journals, postings by users where segregation of duty had not been followed, unusual postings to cash accounts and unusual pairings to/from accounts linked to COVID expenditure.
- Assessing significant estimates for bias.
- Inspecting transactions in the period prior to and following 31 March 2021 to verify expenditure had been recognised in the correct accounting period.
- Evaluating accruals posted as at 31 March 2021 and verifying accruals are appropriate and accurately recorded.
- Assessing the completeness of disclosed related party transactions and verifying they had been accurately recorded within the financial statements.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

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

As the Trust is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

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

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

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

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

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

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

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

Other information in the Annual Report

The Directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

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

- we have not identified material misstatements in the other information; and
- in our opinion the other information included in the Annual Report for the financial year is consistent with the financial statements.

Annual Governance Statement

We are required to report to you if the Annual Governance Statement has not been prepared in accordance with the requirements of the NHS Foundation Trust Annual Reporting Manual 2020/21. We have nothing to report in this respect.

Remuneration and Staff Reports

In our opinion the parts of the Remuneration and Staff Reports subject to audit have been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2020/21.

Accounting Officer's responsibilities

As explained more f ully in the statement set out on page 71, the Accounting Officer is responsible for the preparation of financial statements that give a true and fair view. They are

also responsible for: such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the 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 Trust without the transfer of their services to another public sector entity.

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

REPORT ON OTHER LEGAL AND REGULATORY MATTERS

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

Under the Code of Audit Practice, we are required to report if we identify any significant weaknesses in the arrangements that have been made by the Trust to secure economy, efficiency and effectiveness in its use of resources.

We have nothing to report in this respect.

Respective responsibilities in respect of our review of arrangements for securing economy, efficiency and effectiveness in the use of resources

The Trust is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in the use of resources.

Under Section 62(1) and paragraph 1(d) of Schedule 10 of the National Health Service Act 2006 we have a duty to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in the use of resources.

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

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

Statutory reporting matters

We are required by Schedule 2 to the Code of Audit Practice to report to you if:

- any reports to the Regulator have been made under paragraph 6 of Schedule 10 of the National Health Service Act 2006.
- any matters have been reported in the public interest under paragraph 3 of Schedule 10 of the National Health Service Act 2006 in the course of, or at the end of the audit.

We have nothing to report in these respects.

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

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

CERTIFICATE OF COMPLETION OF THE AUDIT

We certify that we have completed the audit of the accounts of Greater Manchester Mental Health NHS Foundation Trust for the year ended 31 March 2021 in accordance with the requirements of Schedule 10 of the National Health Service Act 2006 and the Code of Audit Practice.

Rashpal Khangura
for and on behalf of KPMG LLP
Chartered Accountants
Leeds

22 June 2021

5. FINANCIAL REVIEW

Foreword to the Accounts

These accounts for the year ended 31 March 2021 have been prepared by Greater Manchester Mental Health NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 within the NHS Act 2006.

Signed

Neil Thwaite, Chief Executive
Date: 8 June 2021

Greater Manchester Mental Health NHS Foundation Trust
Statement of Comprehensive Income

	Note	2020/21 £000	2019/20 £000
Operating income from patient care activities	3	326,333	299,829
Other operating income	4	47,530	37,564
Operating expenses	5	(365,087)	(327,649)
Operating surplus/(deficit) from continuing operations		**8,776**	**9,744**
Finance income	10	4	185
Finance expenses	11	(44)	(96)
PDC dividends payable		(4,882)	(6,216)
Net finance costs		**(4,922)**	**(6,127)**
Other gains / (losses)	12.1	-	8
Surplus / (deficit) for the year from continuing operations		**3,854**	**3,625**
Surplus / (deficit) for the year		**3,854**	**3,625**
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	6	(4,888)	-
Revaluations		2,020	-
Other recognised gains and losses:		-	-
Remeasurements of the net defined benefit pension scheme liability / asset	28	(1,498)	2,003
Other reserve movements		(15)	(15)
Total comprehensive income / (expense) for the period		**(527)**	**5,613**

Greater Manchester Mental Health NHS Foundation Trust
Statement of Financial Position

	Note	31 March 2021 £000	31 March 2020 £000
Non-current assets			
Intangible assets	13	4,188	2,297
Property, plant and equipment	14	195,661	194,660
Receivables	16	11,539	10,933
Total non-current assets		**211,388**	**207,890**
Current assets			
Inventories		-	-
Receivables	16	12,382	21,339
Assets Held For Sale	17	260	260
Cash and cash equivalents	19	72,945	31,012
Total current assets		**85,587**	**52,611**
Current liabilities			
Trade and other payables	20	(39,469)	(31,648)
Borrowings	22	(325)	(326)
Other financial liabilities		-	-
Provisions	24	(1,735)	(454)
Other liabilities	21	(28,884)	(10,662)
Liabilities in disposal groups	18	-	-
Total current liabilities		**(70,413)**	**(43,090)**
Total assets less current liabilities		**226,562**	**217,411**
Non-current liabilities			
Trade and other payables	20	-	-
Borrowings	22	(1,477)	(1,801)
Other financial liabilities		-	-
Provisions	24	(3,521)	(3,474)
Other liabilities	21	(1,733)	(214)
Total non-current liabilities		**(6,731)**	**(5,489)**
Total assets employed		**219,831**	**211,922**
Financed by			
Public dividend capital		118,881	110,445
Revaluation reserve		27,791	30,659
Pension reserve		523	2,021
Other reserves		380	395
Income and expenditure reserve		72,256	68,402
Total taxpayers' equity		**219,831**	**211,922**

The notes on pages 6 to 39 form part of these accounts.
The financial statements were approved by the Trust Board on 8 June 2021 and signed on its behalf by:

Name **Neil Thwaite**
Position Chief Executive Date **8 June 2021**

Greater Manchester Mental Health NHS Foundation Trust
Statement of Changes in Equity for the year ended 31 March 2021

	Public dividend capital £000	Revaluation reserve £000	Pension Reserve £000	Other reserves £000	Income and expenditure reserve £000	Total £000
Taxpayers' equity at 1 April 2020 - brought forward	**110,445**	**30,659**	**2,021**	**395**	**68,402**	**211,922**
Surplus/(deficit) for the year	-	-	-	-	3,854	**3,854**
Transfers by absorption: transfers between reserves	-	-	-	-	-	**-**
Transfer from revaluation reserve to income and expenditure reserve for impairments arising from consumption of economic benefits	-	-	-	-	-	**-**
Other transfers between reserves	-	-	-	-	-	**-**
Impairments	-	-	-	-	-	**-**
Revaluations	-	(2,868)	-	-	-	**(2,868)**
Transfer to retained earnings on disposal of assets	-	-	-	-	-	**-**
Share of comprehensive income from associates and joint ventures	-	-	-	-	-	**-**
Fair value gains/(losses) on financial assets mandated at fair value through OCI	-	-	-	-	-	**-**
Fair value gains/(losses) on equity instruments designated at fair value through OCI	-	-	-	-	-	**-**
Recycling gains/(losses) on disposal of financial assets mandated at fair value through OCI	-	-	-	-	-	**-**
Foreign exchange gains/(losses) recognised directly in OCI	-	-	-	-	-	**-**
Other recognised gains and losses	-	-	-	-	-	**-**
Remeasurements of the defined net benefit pension scheme liability/asset	-	-	(1,498)	-	-	**(1,498)**
Public dividend capital received	8,436	-	-	-	-	**8,436**
Public dividend capital repaid	-	-	-	-	-	**-**
Public dividend capital written off	-	-	-	-	-	**-**
Other movements in public dividend capital in year	-	-	-	-	-	**-**
Other reserve movements	-	-	-	(15)	-	**(15)**
Taxpayers' equity at 31 March 2021	**118,881**	**27,791**	**523**	**380**	**72,256**	**219,831**

Greater Manchester Mental Health NHS Foundation Trust
Statement of Changes in Equity for the year ended 31 March 2020

	Public dividend capital £000	Revaluation reserve £000	Pension Reserve £000	Other reserves £000	Income and expenditure reserve £000	Total £000
Taxpayers' equity at 1 April 2019 - brought forward	108,991	30,659	18	410	64,777	**204,855**
Prior period adjustment						
Taxpayers' equity at 1 April 2019 - restated	**108,991**	**30,659**	**18**	**410**	**64,777**	**204,855**
Surplus/(deficit) for the year	-	-	-	-	3,625	**3,625**
Transfers by absorption: transfers between reserves	-	-	-	-	-	**-**
Transfer from revaluation reserve to income and expenditure reserve for impairments arising from consumption of economic benefits	-	-	-	-	-	**-**
Other transfers between reserves	-	-	-	-	-	**-**
Impairments	-	-	-	-	-	**-**
Revaluations	-	-	-	-	-	**-**
Transfer to retained earnings on disposal of assets	-	-	-	-	-	**-**
Share of comprehensive income from associates and joint ventures	-	-	-	-	-	**-**
Fair value gains/(losses) on available-for-sale financial investments	-	-	-	-	-	**-**
Recycling gains/(losses) on available-for-sale financial investments	-	-	-	-	-	**-**
Foreign exchange gains/(losses) recognised directly in OCI	-	-	-	-	-	**-**
Other recognised gains and losses	-	-	-	-	-	**-**
Remeasurements of the defined net benefit pension scheme liability/asset	-	-	2,003		-	**2,003**
Public dividend capital received	1,454	-	-	-	-	**1,454**
Public dividend capital repaid	-	-	-	-	-	**-**
Public dividend capital written off	-	-	-	-	-	**-**
Other movements in public dividend capital in year	-	-	-	-	-	**-**
Other reserve movements	-	-	-	(15)	-	**(15)**
Taxpayers' equity at 31 March 2020	**110,445**	**30,659**	**2,021**	**395**	**68,402**	**211,922**

Information on reserves

Public dividend capital
Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. Additional PDC may also be issued to Trusts by the Department of Health and Social Care on the acquisition of/or merger with another NHS Trust or for DHSC funded capital expenditure. 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.

Pension reserve
This relates to the Trust's membership as an admitted body of the Greater Manchester Pension Fund. Actuarial gains and losses arising from changes in the actuarial assumption used in the annual IAS 19 valuation of the fund are recorded in the pension reserve.

Other Reserves
The balance of this reserve is from the transfer of a property to the Trust in 2000/01.

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

Greater Manchester Mental Health NHS Foundation Trust
Statement of Cash Flows

	Note	2020/21 £000	2019/20 £000
Cash flows from operating activities			
Operating surplus / (deficit)		8,776	9,744
Non-cash income and expense:			
Depreciation and amortisation	5.1	7,645	7,324
Net impairments	6	1,331	-
Non-cash movements in on-SoFP pension liability		21	43
(Increase) / decrease in receivables and other assets		9,881	1,354
(Increase) / decrease in inventories		-	-
Increase / (decrease) in payables and other liabilties		25,162	(2,385)
Increase / (decrease) in provisions		1,327	204
Other movements in operating cash flows		(15)	(16)
Net cash generated from / (used in) operating activities		**54,128**	**16,268**
Cash flows from investing activities			
Interest received		4	185
Purchase and sale of financial assets / investments		-	-
Purchase of intangible assets		(2,685)	(936)
Sales of intangible assets		-	-
Purchase of property, plant, equipment and investment property		(11,170)	(8,741)
Sales of property, plant, equipment and investment property		-	12
Receipt of cash donations to purchase capital assets		-	-
Net cash generated from / (used in) investing activities		**(13,851)**	**(9,480)**
Cash flows from financing activities			
Public dividend capital received		8,436	1,454
Public dividend capital repaid		-	-
Movement on loans from the Department of Health and Social Care		(324)	(324)
Interest on loans		(40)	(44)
Other interest		-	-
PDC dividend (paid) / refunded		(6,412)	(6,389)
Cash flows from (used in) other financing activities		(4)	(51)
Net cash generated from / (used in) financing activities		**1,656**	**(5,354)**
Increase / (decrease) in cash and cash equivalents		**41,933**	**1,434**
Cash and cash equivalents at 1 April - brought forward		**31,012**	**29,578**
		-	-
Cash and cash equivalents at 31 March	19.1	**72,945**	**31,012**

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

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 2018/19 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

Note 1.1.1 Accounting convention

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

Note 1.2 Going concern

These accounts have been prepared on a going concern basis.

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

Note 1.3 Interests in other entities

The Trust does not have any interests in other entities and consequently is not required to produce consolidated accounts under IAS27.

Note 1.4 Revenue

Note 1.4.1 Revenue from contracts with customers

Where income is derived from contracts with customers, it is accounted for under IFRS 15. The GAM expands the definition of a contract to include legislation and regulations which enables an entity to receive cash or another financial asset that is not classified as a tax by the Office of National Statistics (ONS).
Revenue in respect of goods/services provided is recognised when (or as) performance obligations are satisfied by transferring promised goods/services to the customer and is measured at the amount of the transaction price allocated to those performance obligations. At the year end, the Trust accrues income relating to performance obligations satisfied in that year. Where the Trust's entitlement to consideration for those goods or services is unconditional a contract receivable will be recognised. Where entitlement to consideration is conditional on a further factor other than the passage of time, a contract asset will be recognised. Where consideration received or receivable relates to a performance obligation that is to be satisfied in a future period, the income is deferred and recognised as a contract liability.

Revenue from NHS contracts

The accounting policies for revenue recognition and the application of IFRS 15 are consistently applied. 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

The main source of income for the Trust is contracts with commissioners for health care services. 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 [Integrated Care System/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 wais generally satisfied over time as healthcare iwas received and consumed simultaneously by the customer as the Trust performsed it. The customer in such a contract iwas the commissioner, but the customer benefitsed as services awere provided to their patient. Even where a contract could be broken down into separate performance obligations, healthcare generally alignsed with paragraph 22(b) of the Standard entailing a delivery of a series of goods or services that weare substantially the same and haved 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 wais 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.

Revenue from research contracts

Where research contracts fall under IFRS 15, revenue is recognised as and when performance obligations are satisfied. At contract inception, the Trust assesses the outputs promised in the research contract to identify as a performance obligation each promise to transfer either a good or service that is distinct or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer. The Trust recognises revenue as these performance obligations are met, which may be at a point in time or over time depending upon the terms of the contract.

Note 1.4.2 Revenue grants and other contributions to expenditure

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.

The value of the benefit received when accessing funds from the 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, the corresponding notional expense is also recognised at the point of recognition for the benefit.

Note 1.4.3 Other income

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.

Note 1.5 Expenditure on employee benefits

Short-term employee benefits

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

Pension costs

NHS Pension Scheme

Past and present employees are covered by the provisions of the NHS Pension Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of Secretary of State, in England and Wales. The scheme is not designed in a way that would enable employers to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as though it is a defined contribution scheme.

Employer's pension cost contributions are charged to operating expenses as and when they become due.

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

Local Government Pension Scheme

Staff who transferred from Manchester City Council on 1 September 2010 can remain members of the GMPF, which in turn is a member of the Local Government Pension Scheme (LGPS). Details of this scheme can be obtained from the GMPF, Council Offices, Wellington Road, Ashton under Lyne, OL6 6DL.

Details of the Trust assets and liabilities as a member of the scheme have been calculated by an independent actuary, Hyman Robertson LLP. A full actuarial report for the full GMPF was produced in March 2019. This report set out member contribution rates up to and including 2022/23.

The Trust has a number of employees who are members of the above fund. The funds within the LGPS are multi-employer schemes and each employer's share of the underlying assets and liabilities can be identified. Hence a defined benefit accounting approach is followed. The scheme has full actuarial valuation at intervals not exceeding three years. In between the full actuarial valuations, the assets and liabilities are updated at the year end, using the principal actuarial assumptions at that date. The full disclosure requirements of IAS19 Employee Benefits are given in note 28.

The pension scheme assets are measured using market value. Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high quality corporate bond of equivalent terms and currency to the liability. The increase in the present value of the liabilities of the defined benefit pension scheme expected to arise from employee service in the period is charged to operating expenses.

The expected return on the scheme assets and the increase during the year in the present value of the schemes' liabilities arising from the passage of time are included in other finance costs.

Actuarial gains and losses are recognised within retained earnings in the Statement of Changes in Taxpayers' Equity and in Other Comprehensive Income.

National Employment Savings Pension Scheme (NEST)

Under the Pensions Act 2008 employers must offer a pension scheme to all its employees. As from the 1st July 2013, when the scheme came into operation in the Trust, staff who are not eligible to join the NHS Pensions Scheme or LGPS are automatically enrolled into NEST. This scheme is a defined contribution pension scheme created as part of the government's workplace pensions reforms.

Accounting for defined contribution plans requires the Trust to report on the amounts contributed for that period. Consequently, no actuarial assumptions are required to measure the obligation for the expense and there is no possibility of any actuarial gain or loss. The Trust settles its obligations within the annual reporting period in which the employees render the related service.

Note 1.6 Expenditure on other goods and services

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

Note 1.7 Property, plant and equipment

Note 1.7.1 Recognition

Property, plant and equipment is capitalised where:

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

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

Note 1.7.2 Measurement

Valuation

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Note 1.7.3 De-recognition

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

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

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

Note 1.7.4 Donated and grant funded assets

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

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

Note 1.7.5 Private Finance Initiative (PFI) and Local Improvement Finance Trust (LIFT) transactions

The Trust does not have any PFI or LIFT assets.

Note 1.7.6 Useful lives of property, plant and equipment

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

	Min life Years	Max life Years
Buildings, excluding dwellings	1	90
Plant & machinery	5	15
Transport equipment	7	7
Information technology	3	7
Furniture & fittings	3	3

Finance-leased assets (including land) are depreciated over the shorter of the useful life or the lease term, unless the Trust expects to acquire the asset at the end of the lease term in which case the assets are depreciated in the same manner as owned assets above.

Note 1.8 Intangible assets

Note 1.8.1 Recognition

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

Internally generated intangible assets

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

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

Software

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

Note 1.8.2 Measurement

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

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 of IFRS 5.

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

Amortisation

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

Note 1.8.3 Useful economic life of intangible assets

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

	Min life Years	Max life Years
Development expenditure	3	7
Software licences	3	7
Other (purchased)	3	7

Note 1.9 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the first in, first out (FIFO) method.
The Trust does not hold any inventories.

Note 1.10 Investment properties

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

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

Note 1.11 Cash and cash equivalents

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

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

Note 1.12 Carbon Reduction Commitment scheme (CRC)

The CRC scheme is a mandatory cap and trade scheme for non-transport CO2 emissions. The Trust is not registered with the CRC scheme.

Note 1.13 Financial assets and financial liabilities

Note 1.13.1 Recognition

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

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

Note 1.13.2 Classification and measurement

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

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

Financial assets are classified as subsequently measured at amortised cost.

Financial liabilities classified as subsequently measured at amortised cost.

Financial assets and financial liabilities at amortised cost

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

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

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

Impairment of financial assets

For all financial assets measured at amortised cost including lease receivables, contract receivables and contract assets, the Trust recognises an allowance for expected credit losses.

The Trust adopts the simplified approach to impairment for contract and other receivables, contract assets and lease receivables, measuring expected losses as at an amount equal to lifetime expected losses. For other financial assets, the loss allowance is initially measured at an amount equal to 12-month expected credit losses (stage 1) and subsequently at an amount equal to lifetime expected credit losses if the credit risk assessed for the financial asset significantly increases (stage 2).

For financial assets that have become credit impaired since initial recognition (stage 3), expected credit losses at the reporting date are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

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

Note 1.13.3 De-recognition

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

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

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market.

The Trust's loans and receivables comprise: cash and cash equivalents, NHS receivables, accrued income and other receivables.

Loans and receivables are recognised initially at fair value, net of transactions costs, and are measured subsequently at amortised cost, using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

Interest on loans and receivables is calculated using the effective interest method and credited to the Statement of Comprehensive Income.

Available-for-sale financial assets
Available-for-sale financial assets are non-derivative financial assets which are either designated in this category or not classified in any of the other categories. They are included in long-term assets unless the Trust intends to dispose of them within 12 months of the Statement of Financial Position date. The Trust does not hold any Available-for-sale Financial Assets.

Note 1.14 Leases
Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

Note 1.14.1 The Trust as lessee
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 implicit interest rate is that hich produces a constant periodic rate of interest on the outstanding liability.

The asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for an item of property plant and equipment.

The annual rental charge 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 to Finance Costs in the Statement of Comprehensive Income.

Operating leases
Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term.

Contingent rentals are recognised as an expense in the period in which they are incurred.

Leases of land and buildings
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.

Note 1.14.2 The Trust as lessor
Finance leases
Amounts due from lessees under finance leases are recorded as receivables at the amount of the Trust's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the Trust's net investment outstanding in respect of the leases.

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

Note 1.15 Provisions
The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation.

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

		Nominal rate
Short-term	Up to 5 years	Minus 0.02%
Medium-term	After 5 years up to 10 years	0.18%
Long-term	Exceeding 10 years	1.99%

HM Treasury provides discount rates for general provisions on a nominal rate basis. Expected future cash flows are therefore adjusted for the impact of inflation before discounting using nominal rates.

The following inflation rates are set by HM Treasury, effective 31 March 2021:

	Inflation rate
Year 1	1.00%
Year 2	1.60%
Into perpetuity	2.00%

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the Trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the Trust is disclosed at note 25 but is not recognised in the Trust's accounts.

Non-clinical risk pooling

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

Note 1.16 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 26 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 26, unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

• possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or

• present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

Note 1.17 Public dividend capital

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

The Secretary of State can issue new PDC to, and require repayments of PDC from, the Trust. PDC is recorded at the value received.

A charge, reflecting the cost of capital utilised by the Trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, with certain additions and deductions as defined by the Department of Health and Social Care.

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

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

Note 1.18 Value added tax

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

Note 1.19 Corporation tax

The Trust does not pay any corporation tax.

Note 1.20 Foreign exchange

The functional and presentational currency of the Trust is sterling.

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

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

- monetary items are translated at the spot exchange rate on 31 March
- non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction and
- non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

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

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

Note 1.21 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Trust has no beneficial interest in them. However, they are disclosed in a separate note to the accounts in accordance with the requirements of HM Treasury's FReM.

Note 1.22 Losses and special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis.

The losses and special payments note is compiled directly from the losses and compensations register which reports on an accrual basis with the exception of provisions for future losses.

Note 1.23 Gifts

Gifts are items that are voluntarily donated, with no preconditions and without the expectation of any return. Gifts include all transactions economically equivalent to free and unremunerated transfers, such as the loan of an asset for its expected useful life, and the sale or lease of assets at below market value.

Note 1.24 Critical judgements in applying accounting policies

The following are the judgements, apart from those involving estimations (see below) that management has made in the process of applying the Trust accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

The Trust as lessee, has classified a lease between the Trust and Manchester University NHS Foundation Trust (formerly University Hospital of South Manchester NHS Foundation Trust) relating to Laureate House as an operating lease.This lease has been classified as an operating lease following an assessment of the lease agreement against the International Financial Reporting Standards (IFRS) criteria which identified that the asset does not transfer to the Trust at the end of the lease nor does the Trust have any option to purchase the asset. The lease is not for the major part of the economic life of the asset and the asset is not specialised in nature. Although the present value of the minimum lease payments at inception is substantially all of the fair value of Laureate House, the Trust has judged that this in itself is not sufficient to classify the lease as a finance lease and in substance therefore, the lease is an operating lease.

Note 1.24.1 Sources of estimation uncertainty

The following are assumptions about the future and other major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Modern Equivalent Asset Valuation

Independent valuers have provided valuations of the Trust's land and building assets (estimated financial value and estimated remaining useful life), applying a Modern Equivalent Asset method of valuation. For 2020/21 the Trust has engaged the District Valuer to undertake a desktop revaluation and has revalued its land and building assets accordingly. Future revaluations of the Trust's property may result in further material change to the carrying value of land and buildings assets. For 2020/21 the District Valuer has applied Royal Institute of Chartered Surveyors (RICS) forecast rebuild indices, the BCIS Tender Price Indices, for assets valued at depreciated replacement cost, resulting in a total decrease in carrying values of £4,198k.

It is impracticable to disclose the extent of the possible effects of an assumption or another source of estimation uncertainty at the end of the reporting period. On the basis of existing knowledge, outcomes within the next financial year that are different from the assumption around the valuation of our land, property, plant and equipment could require a material adjustment to the carrying amount of the asset recorded in note 14.

Financial Value of Provisions for Liabilities and Charges

The Trust make financial provisions for obligations of uncertain timing or amount at the date of the Statement of Financial Position. These are based on estimates, using as much relevant information as is available at the time the accounts are prepared. They are reviewed to confirm that the values included in the financial statements best reflect the current relevant information, and where necessary the values of the provisions are amended.

Greater Manchester Pension Fund (GMPF)

To facilitate the TUPE transfer of social care staff from Manchester City Council to the former Manchester Mental Health and Social Care Trust on 1 September 2010, the Care Trust became an admitted body to the GMPF. With effect from 1 January 2017, this admitted body status transfered to Greater Manchester Mental Health Foundation Trust. Full actuarial valuations of the fund are undertaken every 3 years, the latest being March 2016. In between full actuarial valuations, the assets and liabilities are updated at each year end using principal actuarial assumptions as at that date.

An actuarial report is produced detailing the opening and closing assets and liabilities of the Trust share of the GMPF.

The principal actuarial assumptions used at 31 March 2021 and 31 March 2020 in measuring the present value of the defined benefit scheme liabilities are:

Financial Assumptions	31 March 2021	31 March 2020
	% pa	% pa
Pension Increase Rate (CPI)	2.9%	1.9%
Salary Increase Rate	3.6%	2.7%
Discount Rate	2.0%	2.3%

The expected return on assets is based on the long term future expected investment return for each asset class.

Demographic Assumptions (life expectancies)	31 March 2021 Years	31 March 2020 Years
Current Pensioners - Male	20.5	20.5
Current Pensioners - Female	23.3	23.1
Future Pensioners - Male	21.9	22.0
Future Pensioners - Female	25.3	25.0

Sensitivity Analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are as follows :

	31 March 2021	
	%	£000
0.5% decrease in real discount rate	11%	2,283
0.5% increase in salary increase rate	0%	54
0.5% increase in pension increase rate	10%	2,193

	31 March 2020	
	%	£000
0.5% decrease in real discount rate	10%	1,734
0.5% increase in salary increase rate	0%	45
0.5% increase in pension increase rate	10%	1,684

Note 1.25 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2020/21.

Note 1.26 Standards, amendments and interpretations in issue but not yet effective or adopted

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 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. For existing peppercorn leases not classified as finance leases, a right of use asset will be measured at current value in existing use or fair value. The difference between the asset value and the calculated lease liability will be recognised in the income and expenditure reserve on transition. 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.

	£000
Estimated impact on 1 April 2022 statement of financial position	
Additional right of use assets recognised for existing operating leases	43,557
Additional lease obligations recognised for existing operating leases	(52,314)
Changes to other statement of financial postion line items ***	(12,118)
Net impact on net assets on 1 April 2022	(20,875)

*** This relates to the reversal of the non current prepayment

	£000
Estimated in-year impact in 2022/23	
Additional depreciation on right of use assets	(5,406)
Additional finance costs on lease liabilities	(528)
Lease rentals no longer charged to operating expenditure	5,604
Other impacts on income / expenditure	-
Estimated impact on surplus/deficit in 2022/23	(330)
Estimated increase in capital additions in 2022/23	-
	-

Note 2 Operating Segments

All of GMMH's activities are in the provision of healthcare, which is an aggregate of all the individual specialty components included therein. Similarly, the large majority of the Foundation Trust's income originates with the UK Whole of Government Accounting (WGA) bodies. The majority of expenses incurred are payroll expenditure on staff involved in the production or support of healthcare activities generally across the Trust together with the related supplies and overheads needed to establish this production. The business activities which earn revenue and incur expenses are therefore of one broad combined nature and therefore on this basis one segment of Healthcare is deemed appropriate.

The operating results of the Foundation Trust are reviewed monthly or more frequently by the Trust's chief operating decision maker which is the overall Foundation Trust Board and which includes senior professional non-executive directors. The Trust Board review the financial position of the Foundation Trust as a whole in their decision making process, rather than individual components included in the totals, in terms of allocating resources. This process again implies a single operating segment under IFRS 8.

The finance report considered monthly by the Trust Board contains summary figures for the whole Trust together with graphical line and bar charts relating to different total income activity levels, and directorate expense budgets with their cost improvement positions. Similarly only total balance sheet positions and cash flow forecasts are considered for the whole Foundation Trust. The Board as chief operating decision maker therefore only considers one segment of healthcare in its decision making process.

The single segment of 'Healthcare' has therefore been identified consistent with the core principle of IFRS8 which is to enable users of the financial statements to evaluate the nature and financial effects of business activities and economic environments."

Note 3 Operating income from patient care activities

All income from patient care activities relates to contract income recognised in line with accounting policy 1.4.1

Note 3.1 Income from patient care activities (by nature)	2020/21	2019/20
	£000	£000
Mental health services		
Block contract / system envelope income	316,098	288,107
Clinical partnerships providing mandatory services (including S75 agreements)	-	-
Clinical income for the secondary commissioning of mandatory services	-	-
Other clinical income from mandatory services	432	2,786
All trusts		
Private patient income	8	-
Additional pension contribution central funding	9,777	8,936
Other clinical income***	18	-
Total income from activities	**326,333**	**299,829**

As outlined at note 1.4.1, the Trusts primary source of income was received under block contract and system envelope arrangements.
*** Other clinical income relates to the 6.3% central employer pension contributions made by NHS England on behalf of the Trust as per National guidance

Note 3.2 Income from patient care activities (by source)

Income from patient care activities received from:	2020/21	2019/20
	£000	£000
NHS England	88,013	77,333
Clinical commissioning groups	213,634	195,004
NHS Foundation Trusts	233	2,587
NHS Trusts	199	199
Local authorities	22,460	22,058
Department of Health and Social Care	-	
NHS other (including Public Health England)	550	
Non-NHS: private patients	-	-
Non-NHS: overseas patients (chargeable to patient)	-	-
Injury cost recovery scheme	-	-
Non NHS: other	1,244	2,648
Total income from activities	**326,333**	**299,829**
Of which:		
Related to continuing operations	326,333	299,829
Related to discontinued operations	-	-

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

The Trust's only overseas visitor activities are in respect of reciprocal EU treatments which do not generate income.

Note 4 Other operating income

	2020/21	2019/20
	£000	£000
Other operating income from contracts with customers:		
Research and development (contract)	5,311	5,342
Education and training (excluding notional apprenticeship levy income)	11,573	16,460
Non-patient care services to other bodies	-	-
Provider sustainability / sustainability and transformation fund income (PSF/ STF)	-	3,335
Reimbursement and top up funding	20,506	
Income in respect of employee benefits accounted on a gross basis	-	-
Other (recognised in accordance with IFRS 15) ***	6,200	12,044
Other non-contract operating income		
Research and development (non-contract)	-	-
Education and training - notional income from apprenticeship fund	-	-
Receipt of capital grants and donations	-	-
Charitable and other contributions to expenditure	-	-
Support from the Department of Health and Social Care for mergers	-	-
Charitable and other contributions to expenditure - received from other bodies	15	15
Contributions to expenditure - receipt of equipment donated from DHSC for COVID response below capitalisation threshold ****	8	
Contributions to expenditure - consumables (inventory) donated from DHSC group bodies for COVID response ****	3,553	
Rental revenue from operating leases	364	368
Amortisation of PFI deferred income / credits	-	-
Other non-contract income	-	-
Total other operating income	**47,530**	**37,564**
Of which:		
Related to continuing operations	47,530	37,564
Related to discontinued operations	-	-

*** **Other Income comprises:**	2020/21	2019/20
	£000	£000
Car parking	10	269
Clinical excellence awards	104	154
Property rental (not lease income)		367
Catering	7	172
Other income not already covered (recognised under IFRS 15)	6,079	11,082
	6,200	**12,044**

**** These values reflect items which were centrally funded by DHSC and for which maching expendituree is shownn at note 5.1.

Note 4.1 Additional information on revenue from contracts with customers recognised in the period

	2020/21 £000	2019/20 £000
Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end	-	6,516
Revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods	-	-

Note 4.2 Transaction price allocated to remaining performance obligations

Revenue from existing contracts allocated to remaining performance obligations is expected to be recognised:	2020/21 £000	2019/20 £000
within one year		
after one year, not later than five years	-	-
after five years	-	-
Total revenue allocated to remainig performance obligations	**-**	**-**

The Trust has exercised the practical expedients permitted by IFRS 15 paragraph 121 in preparing this disclosure. Revenue from (i) contracts with an expected duration of one year or less and (ii) contracts where the Trust recognises revenue directly corresponding to work done to date is not disclosed.

Note 4.3 Income from activities arising from commissioner requested services

Under the terms of its provider licence, the Trust is required to analyse the level of income from activities that has arisen from commissioner requested and non-commissioner requested services. Commissioner requested services are defined in the provider license and are services that commissioners believe would need to be protected in the event of provider failure. This information is provided in the table below:

	2020/21 £000	2019/20 £000
Income from services designated as commissioner requested services	326,333	299,829
Income from services not designated as commissioner requested services	47,530	37,564
Total	**373,863**	**337,393**

Note 5.1 Operating expenses

	2020/21 £000	2019/20 £000
Purchase of healthcare from NHS and DHSC bodies	6,157	11,563
Purchase of healthcare from non-NHS and non-DHSC bodies	25,170	18,109
Purchase of social care	592	586
Staff and executive directors costs	263,951	235,542
Remuneration of non-executive directors	144	146
Supplies and services - clinical (excluding drugs costs)	4,102	4,294
Supplies and services – clinical: utilisation of consumables donated from DHSC group bodies for COVID response	3,553	-
Supplies and services - general	7,271	7,341
Supplies and services - general: notional cost of equipment donated from DHSC for COVID response below capitalisation threshold	8	-
Drugs costs (drugs inventory consumed and purchase of non-inventory drugs)	6,966	5,363
Consultancy costs	-	-
Establishment	2,676	4,228

Premises - business rates collected by local authorities	1,120	1,176
Premises - other	10,889	8,231
Transport (business travel only)	1,402	2,384
Transport - other (including patient travel)	306	196
Depreciation on property, plant and equipment	6,851	6,341
Amortisation on intangible assets	794	983
Net impairments	1,331	-
Movement in credit loss allowance: contract receivables / contract assets	44	190
Movement in credit loss allowance: all other receivables and investments	-	-
Increase/(decrease) in other provisions	1,267	360
Change in provisions discount rate(s)	172	297
Audit fees payable to the external auditor		
audit services- statutory audit	80	66
other auditor remuneration (external auditor only)	-	4
Internal audit costs	127	122
Clinical negligence	1,265	970
Legal fees	1,366	831
Insurance	36	51
Research and development - staff costs	2,516	2,756
Research and development - non-staff	2,790	2,541
Education and training - staff costs	2,283	1,431
Education and training - non-staff	2,920	3,870
Operating lease expenditure (net)	5,604	5417
Redundancy	42	74
Car parking and security	590	328
Hospitality	45	32
Losses, ex gratia & special payments	27	78
Grossing up consortium arrangements	-	-
Other services, eg external payroll	262	257
Other	368	1,491
Total	**365,087**	**327,649**
Of which:		
Related to continuing operations	365,087	327,649
Related to discontinued operations	-	-

Note 5.2 Other auditor remuneration

	2020/21 £000	2019/20 £000
Other auditor remuneration paid to the external auditor:		
1. Audit of accounts of any associate of the trust	-	-
2. Audit-related assurance services	-	4
3. Taxation compliance services	-	-
4. All taxation advisory services not falling within item 3 above	-	-
5. Internal audit services	-	-
6. All assurance services not falling within items 1 to 5	-	-
7. Corporate finance transaction services not falling within items 1 to 6 above	-	-
8. Other non-audit services not falling within items 2 to 7 above	-	-
Total	**-**	**4**

Note 5.3 Limitation on auditor's liability

The limitation on auditor's liability for external audit work is £1m (2019/20: £2m).

Note 6 Impairment of assets

	2020/21 £000	2019/20 £000
Net impairments charged to operating surplus / deficit resulting from:		
Changes in market price	1,331	-
Other	-	-
Total net impairments charged to operating surplus / deficit	**1,331**	**-**
Impairments charged to the revaluation reserve	4,888	-
Total net impairments	**6,219**	**-**

A desktop revaluation of land and buildings was undertaken as at 31 March 2021 by the District Valuer which resulted in the recognition of a total impairment of £6,219k (19/20 £Nil)

Note 7 Employee benefits

	2020/21 Total £000	2019/20 Total £000
Salaries and wages	186,036	166,841
Social security costs	16,800	14,745
Apprenticeship levy	867	750
Employer's contributions to NHS pensions	22,337	20,417
Pension cost - other*	9,777	8,936
Other post employment benefits	98	107
Other employment benefits	-	-
Termination benefits	42	74
Temporary staff (including agency)	35,652	29,816
Total gross staff costs	**271,609**	**241,686**
Recoveries from DHSC Group bodies in respect of staff cost netted off expenditure	(1,026)	(1,095)
Recoveries from other bodies in respect of staff cost netted off expenditure	(1,205)	(437)
Total staff costs	**269,378**	**240,591**
Of which		
Costs capitalised as part of assets	586	351

* This relates to employer contributions of 6.3% paid by NHSE on behalf of the Trust.

Note 7.1 Retirements due to ill-health

During 2020/21 there were 5 early retirements from the Trust agreed on the grounds of ill-health (1 in the year ended 31 March 2020). The estimated additional pension liabilities of these ill-health retirements is £141k (£69k in 2019/20).

The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

Note 7.2 Directors Remuneration

The aggregate amounts payable to directors were:

	2020/21 £	2019/20 £
Salary	1,177,297	1,184,826
Taxable benefits	12,100	22,289
Employer's pension contributions	78,677	73,291
Total	**1,268,074**	**1,280,406**

Further details of directors' remuneration can be found in the remuneration report.

There have been no payments to directors for long term incentive schemes, other pension benefits, guarantees and advances.

Note 8 Pension costs

Note 8.1 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 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 at 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 at 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.

The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgment from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

Note 8.2 National Employment Savings Pension Scheme (NEST)

Under the Pensions Act 2008 employers must offer a pension scheme to all its employees. As from the 1st July 2013 when the scheme came into operation in the Trust (its staging date), staff who are not eligible to join the NHS Pension Scheme are automatically enrolled into NEST. The scheme is a defined contribution pension scheme. Under a defined contribution plan, an entity pays fixed contributions to a separate entity (a fund) and has no obligation to pay further contributions if the fund does not hold sufficient assets to pay employee benefits.

Contributions payable to a defined contribution plan are recognised as an expense as the employee provides services in exchange for the contribution. The Trust contributes 1% of their pensionable pay. The total contribution by the Trust for 2019/20 has been fully charged to expenses in the period. Details of the scheme can be found on the NEST Pensions website at
http://www.nestpensions.org.uk/schemeweb/NestWeb/includes/public/docs/understanding-NEST.PDF.pdf

Note 9 Operating leases

Note 9.1 Greater Manchester Mental Health NHS Foundation Trust as a lessor

This note discloses income generated in operating lease agreements where Greater Manchester Mental Health NHS Foundation Trust is the lessor.

	2020/21	2019/20
	£000	£000
Operating lease revenue		
Minimum lease receipts	364	368
Contingent rent	-	-
Other	-	-
Total	**364**	**368**

	31 March 2021	31 March 2020
	£000	£000
Future minimum lease receipts due:		
- not later than one year;	364	368
- later than one year and not later than five years;	1,456	1,472
- later than five years.	1,456	1,840
Total	**3,276**	**3,680**

The Trust is a lessor in a small number of operating leases for various premises, the longest of which expires in 2033.

Note 9.2 Greater Manchester Mental Health NHS Foundation Trust as a lessee

This note discloses costs and commitments incurred in operating lease arrangements where Greater Manchester Mental Health NHS Foundation Trust is the lessee.

Each lease has standard terms and conditions without the option to purchase upon the expiry of the lease.

Under existing arrangements there are no operating restrictions imposed by the leases. Proposals to change the use would require consultation with the relevant landlord.

In classifying its leases as operating leases, The Trust has assessed all leases against the IFRS criteria, and assessed that for all leases other than for Laureate House:

i) ownership of the asset does not transfer to the lessee at the end of the lease

ii) the Trust as lessee does not have the option to buy the asset at a price below the fair value of the asset

iii) the lease is not for the major part of the economic life of the asset

iv) at inception, the present value of the minimum lease payments is not at least substantially all of the fair value of the asset

v) the assets are not specialised in nature

The most significant of these in annual value are for the lease of Laureate House which ends in 2033.

In the case of the Laureate House lease, although the present value of the minimum lease payments at inception is substantially all of the fair value of Laureate House, the Trust has judged that this in itself is not sufficient to classify the lease as a finance lease and in substance, the lease is an operating lease as all the other indicators set out above are met.

	2020/21 £000	2019/20 £000
Operating lease expense		
Minimum lease payments	5,604	5,417
Total	**5,604**	**5,417**

	31 March 2021 £000	31 March 2020 £000
Future minimum lease payments due:		
- not later than one year;	5,630	5,610
- later than one year and not later than five years;	15,858	16,052
- later than five years.	32,434	36,337
Total	**53,922**	**57,999**
Future minimum sublease payments to be received	-	-

Note 10 Finance income

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

	2020/21 £000	2019/20 £000
Interest on bank accounts	4	185
Total finance income	**4**	**185**

Note 11.1 Finance expenditure

Finance expenditure represents interest and other charges involved in the borrowing of money, the unwinding of discount and finance costs associated with GMPF.

	2020/21	2019/20
	£000	£000
Interest expense:		
Loans from the Department of Health and Social Care	39	44
Total interest expense	**39**	**44**
Unwinding of discount on provisions	(1)	1
Other finance costs	6	51
Total finance costs	**44**	**96**

Note 11.2 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015

The Trust did not incur any late payment of commercial debt interest.

Note 12.1 Other gains / (losses)

	2020/21	2019/20
	£000	£000
Gains on disposal of assets	-	12
Losses on disposal of assets	-	(4)
Total gains / (losses) on disposal of assets	**-**	**8**
Total other gains / (losses)	**-**	**8**

Note 12.2 Discontinued Operations

The Trust has no discontinued operations.

Note 13.1 Intangible assets - 2020/21

	Software licences	Development expenditure	Intangible assets under construction	Other (purchased)	Total
	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2020 - brought forward	**3,328**	**1,842**	**77**	**96**	**5,343**
Transfers by absorption	-	-	-	-	**-**
Additions	421	2,000	264	-	**2,685**
Impairments	-	-	-	-	**-**
Reversals of impairments	-	-	-	-	**-**
Revaluations	-	-	-	-	**-**
Reclassifications	-	38	(38)	-	**-**
Transfers to / from assets held for sale	-	-	-	-	**-**
Disposals / derecognition	(2,595)	-	-	(86)	**(2,681)**
Valuation / gross cost at 31 March 2021	**1,154**	**3,880**	**303**	**10**	**5,347**
Amortisation at 1 April 2020 - brought forward	**2,721**	**237**	**-**	**88**	**3,046**
Transfers by absorption	-	-	-	-	**-**
Provided during the year	359	431	-	4	**794**
Impairments	-	-	-	-	**-**
Reversals of impairments	-	-	-	-	**-**
Revaluations	-	-	-	-	**-**
Reclassifications	-	-	-	-	**-**
Transfers to / from assets held for sale	-	-	-	-	**-**
Disposals / derecognition	(2,595)	-	-	(86)	**(2,681)**
Amortisation at 31 March 2021	**485**	**668**	**-**	**6**	**1,159**
Net book value at 31 March 2021	**669**	**3,212**	**303**	**4**	**4,188**
Net book value at 1 April 2020	**607**	**1,605**	**77**	**8**	**2,297**

Note 13.2 Intangible assets - 2019/20

	Software licences	Development expenditure	Intangible assets under construction	Other (purchased)	Total
	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2019 - as previously stated	**3,328**	**983**	**-**	**96**	**4,407**
Prior period adjustments	-	-	-	-	**-**
Valuation / gross cost at 1 April 2019 - restated	**3,328**	**983**	**-**	**96**	**4,407**
Transfers by absorption	-	-	-	-	**-**
Additions	-	859	77	-	**936**
Impairments	-	-	-	-	**-**
Reversals of impairments	-	-	-	-	**-**
Revaluations	-	-	-	-	**-**
Reclassifications	-	-	-	-	**-**
Transfers to / from assets held for sale	-	-	-	-	**-**
Disposals / derecognition	-	-	-	-	**-**
Valuation / gross cost at 31 March 2020	**3,328**	**1,842**	**77**	**96**	**5,343**
Amortisation at 1 April 2019 - as previously stated	**1,982**	**-**	**-**	**81**	**2,063**
Prior period adjustments	-	-	-	-	**-**
Amortisation at 1 April 2019 - restated	**1,982**	**-**	**-**	**81**	**2,063**
Transfers by absorption	-	-	-	-	**-**
Provided during the year	739	237	-	7	**983**
Impairments	-	-	-	-	**-**
Reversals of impairments	-	-	-	-	**-**
Revaluations	-	-	-	-	**-**
Reclassifications	-	-	-	-	**-**
Transfers to / from assets held for sale	-	-	-	-	**-**
Disposals / derecognition	-	-	-	-	**-**
Amortisation at 31 March 2020	**2,721**	**237**	**-**	**88**	**3,046**
Net book value at 31 March 2020	**607**	**1,605**	**77**	**8**	**2,297**
Net book value at 1 April 2019	**1,346**	**983**	**-**	**15**	**2,344**

Note 14.1 Property, plant and equipment - 2020/21

	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2020 - brought forward	**21,578**	**195,402**	**5,288**	**1,383**	**761**	**9,470**	**2,774**	**236,656**
Transfers by absorption	-	-	-	-	-	-	-	**-**
Additions	-	3,056	4,398	172	63	4,213	149	**12,051**
Impairments charged to operating expenses		(9,171)						**(9,171)**
Impairments charged to the revaluation reserve	(135)	(13,374)						**(13,509)**
Reversal of impairments credited to operating expenses	288	(13,757)	-	-	-	-	-	**(13,469)**
Reversal of impairments credited to the revaluation reserve		-	-	-	-	-	-	**-**
Revaluations	829	(2,426)	-	-	-	-	-	**(1,597)**
Reclassifications		5,086	(5,086)	-	-	-	-	**-**
Transfers to / from assets held for sale	-	-	-	-	-	-	-	**-**
Disposals / derecognition	-	-		-	-	-	-	**-**
Valuation/gross cost at 31 March 2021	**22,560**	**164,816**	**4,600**	**1,555**	**824**	**13,683**	**2,923**	**210,961**
Accumulated depreciation at 1 April 2020 - brought forward		**31,675**	**-**	**842**	**530**	**6,414**	**2,535**	**41,996**
Transfers by absorption	-	-	-	-	-	-	-	**-**
Provided during the year	-	5,413	-	107	61	1,092	178	**6,851**
Impairments charged to operating expenses	-	(5,358)						**(5,358)**
Impairments charged to the revaluation reserve	-	(8,621)	-	-	-	-	-	**(8,621)**
Reversal of impairments credited to operating expenses	-	(15,951)	-	-	-	-	-	**(15,951)**
Reversal of impairments credited to the revaluation reserve	-	-	-	-	-	-	-	**-**
Reclassifications	-	(3,617)	-	-	-	-	-	**(3,617)**
Transfers to / from assets held for sale	-	-	-	-	-	-	-	**-**
Disposals / derecognition	-	-	-	-	-	-	-	**-**
Accumulated depreciation at 31 March 2021	**-**	**3,541**	**-**	**949**	**591**	**7,506**	**2,713**	**15,300**
Net book value at 31 March 2021	**22,560**	**161,275**	**4,600**	**606**	**233**	**6,177**	**210**	**195,661**
Net book value at 1 April 2020	**21,578**	**163,727**	**5,288**	**541**	**231**	**3,056**	**239**	**194,660**

Note 14.2 Property, plant and equipment - 2019/20

	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
	2019/20	2019/20	2019/20	2019/20	2019/20	2019/20	2019/20	
Valuation / gross cost at 1 April 2019 - as previously stated	**21,838**	**190,809**	**2,184**	**1,051**	**701**	**7,968**	**2,743**	**227,294**
Prior period adjustments	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Valuation / gross cost at 1 April 2019 - restated								
Transfers by absorption	-	-	-	-	-	-	-	**-**
Additions	-	3,304	4,452	332	60	1,573	31	**9,752**
Impairments	-	-	-	-	-	-	-	**-**
Reversals of impairments	-	-	-	-	-	-	-	**-**
Revaluations	-	-	-	-	-	-	-	**-**
Reclassifications	-	1,348	(1,348)	-	-	-	-	**-**
Transfers to / from assets held for sale	(260)	(59)	-	-	-	-	-	**(319)**
Disposals / derecognition	-	-	-	-	-	(71)	-	**(71)**
Valuation/gross cost at 31 March 2020	**21,578**	**195,402**	**5,288**	**1,383**	**761**	**9,470**	**2,774**	**236,656**
Accumulated depreciation at 1 April 2019 - as previously stated	**-**	**26,721**	**-**	**766**	**465**	**5,499**	**2,331**	**35,782**
Prior period adjustments	-	-	-	-	-	-	-	**-**
Accumulated depreciation at 1 April 2019 - restated	**-**	**26,721**	**-**	**766**	**465**	**5,499**	**2,331**	**35,782**
Transfers by absorption	-	-	-	-	-	-	-	**-**
Provided during the year	-	-	-	-	-	-	-	**-**
Impairments	-	5,013	-	76	65	983	204	**6,341**
Reversals of impairments	-	-	-	-	-	-	-	**-**
Revaluations	-	-	-	-	-	-	-	**-**
Reclassifications	-	-	-	-	-	-	-	**-**
Transfers to / from assets held for sale	-	(59)	-	-	-	-	-	**(59)**
Disposals / derecognition	-	-	-	-	-	(68)	-	**(68)**
Accumulated depreciation at 31 March 2020	**-**	**31,675**	**-**	**842**	**530**	**6,414**	**2,535**	**41,996**
Net book value at 31 March 2020	**21,578**	**163,727**	**5,288**	**541**	**231**	**3,056**	**239**	**194,660**
Net book value at 1 April 2019	**21,838**	**164,088**	**2,184**	**285**	**236**	**2,469**	**412**	**191,512**

Note 14.3 Property, plant and equipment financing - 2020/21

	Land	Buildings excluding dwellings	Assets under constructi on	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2021								
Owned - purchased	22,560	161,275	4,600	606	233	6,177	210	**195,661**
NBV total at 31 March 2021	**22,560**	**161,275**	**4,600**	**606**	**233**	**6,177**	**210**	**195,661**

Note 14.4 Property, plant and equipment financing - 2019/20

	Land	Buildings excluding dwellings	Assets under constructi on	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2020								
Owned - purchased	21,578	163,727	5,288	541	231	3,056	239	**194,660**
NBV total at 31 March 2020	**21,578**	**163,727**	**5,288**	**541**	**231**	**3,056**	**239**	**194,660**

Note 14.5 Gross carrying amount of any fully depreciated assets still in use

There are 475 (2019/20 421) equipment assets which are fully depreciated. The gross carrying cost of these totals £8,513,658 (2019/20 £7,538,359).

Note 15 Investment Property

The Trust does not hold any Investment Property.

Note 16 Trade receivables and other receivables

	31 March 2021 £000	31 March 2020 £000
Current		
Contract receivables	9,065	18,374
Allowance for impaired contract receivables / assets	(527)	(599)
Prepayments (non-PFI)	1,771	2,539
PDC dividend receivable	1,530	-
VAT receivable	480	1,018
Other receivables	63	7
Total current trade and other receivables	**12,382**	**21,339**
Non-current		
Prepayments (non-PFI)*	11,539	10,933
Total non-current trade and other receivables	**11,539**	**10,933**
Of which receivables from NHS and DHSC group bodies:		
Current	4,599	13,927
Non-current	11,539	10,933

*The Non-current prepayment relates to the lease of Laureate House from Manchester University NHS Foundation Trust

The majority of trade is with Clinical Commissioning Groups and NHS England, as commissioners for NHS patient care services. As CCGs' and NHS England are funded by Government to buy NHS patient care services, no credit scoring of them is considered necessary

Note 16.1 Allowances for credit losses

	2020/21		2019/20	
	Contract receivables and contract assets	All other receivables	Contract receivables and contract assets	All other receivables
	£000	£000	£000	£000
Allowances as at 1 Apr 2020 - brought forward	**599**	**-**	458	-
Impact of implementing IFRS 9 (and IFRS 15) on 1 April 2018	-	-	-	-
New allowances arising	431	-	461	-
Reversals of allowances	(387)	-	(271)	-
Utilisation of allowances (write offs)	(116)	-	(49)	-
Allowances as at 31 March 2021	**527**	**-**	599	-

With the exclusion of NHS debtors, receivables 90 days past their due date are fully impaired. Additionally, where specific circumstances are known individual invoices are impaired in full. Other debts are partially provided for.

Note 17 Non-current assets held for sale

	2020/21	2019/20
	£000	£000
NBV of non-current assets held for sale at 1 April 2019	**260**	-
Assets classified as held for sale in the year	**-**	260
NBV of non-current assets held for sale at 31 March 2020	**260**	260

During 19/20 2020 the Renal Dialysis Unit on the Prestwich site was re-classified as an asset held for resale.

Note 18 Liabilities in disposal groups

The Trust has no liabilities in disposal groups in 2020/21 (2019/20 Nil).

Note 19.1 Cash and cash equivalents movements

Cash and cash equivalents comprise cash at bank, in hand and cash equivalents. Cash equivalents are readily convertible investments of known value which are subject to an insignificant risk of change in value.

	2020/21	2019/20
	£000	£000
At 1 April	**31,012**	**29,578**
Prior period adjustments	-	-
At 1 April (restated)	**31,012**	**29,578**
Transfers by absorption	-	-
Net change in year	41,933	1,434
At 31 March	**72,945**	**31,012**
Broken down into:		
Cash at commercial banks and in hand	253	531
Cash with the Government Banking Service	72,692	30,481
Deposits with the National Loan Fund	-	-
Other current investments	-	-
Total cash and cash equivalents as in SoFP	**72,945**	**31,012**
Bank overdrafts (GBS and commercial banks)	-	-
Drawdown in committed facility	-	-
Total cash and cash equivalents as in SoCF	**72,945**	**31,012**

Note 19.2 Third party assets held by the Trust

The Trust held cash and cash equivalents which relate to monies held by the Trust on behalf of patients or other parties. This has been excluded from the cash and cash equivalents figure reported in the accounts.

	31 March 2021	31 March 2020
	£000	£000
Bank balances	271	212
Monies on deposit	651	602
Total third party assets	**922**	**814**

Note 20 Trade and other payables

	31 March 2021 £000	31 March 2020 £000
Current		
Trade payables	8,614	8,531
Capital payables	3,690	2,809
Accruals	17,354	12,687
Annual leave accrual	1,261	381
Social security costs	4,542	4,235
VAT payables	811	-
Other taxes payable	-	-
PDC dividend payable	-	-
Other payables**	3,197	3,005
Total current trade and other payables	**39,469**	**31,648**
Non-current		
Trade payables	-	-
Total non-current trade and other payables	**-**	**-**
Of which payables from NHS and DHSC group bodies:		
Current	6,937	5,450
Non-current	-	-

** Other payables includes outstanding NHS Pensions contributions of £3,043k (2019/20 £2,841k).

Note 20.1 Early retirements in NHS payables above

There is Nil (2019/20 Nil) included in payables above related to the cost of early retirements.

Note 21 Other liabilities

	31 March 2021 £000	31 March 2020 £000
Current		
Deferred income: contract liabilities	28,884	10,662
Total other current liabilities	**28,884**	**10,662**
Non-current		
Deferred income: contract liabilities	-	-
Net pension scheme liability	1,733	214
Total other non-current liabilities	**1,733**	**10,876**

Note 22 Borrowings

	31 March 2021 £000	31 March 2020 £000
Current		
Loans from the Department of Health and Social Care	325	326
Total current borrowings	**325**	**326**
Non-current		
Loans from the Department of Health and Social Care	1,477	1,801
Total non-current borrowings	**1,477**	**1,801**

Borrowings relate to a Capital Investment Loan taken out by the former Manchester Mental Health and Social Care Trust (MMHSCT) which transferred to Greater Manchester Mental Health NHS Foundation Trust as part of the acquisition of MMHSCT on 1 January 2017.

Note 22.1 Reconciliation of liabilities arising from financing activities

	Loans from DHSC £000	Total £000
Carrying value at 1 April 2020	**2,127**	**2,127**
At start of period for new FTs	**-**	**-**
Cash movements:		**-**
Financing cash flows - payments and receipts of principal	(324)	**(324)**
Financing cash flows - payments of interest	(40)	(40)
Non-cash movements:		**-**
Transfers by absorption	-	**-**
Additions	-	**-**
Application of effective interest rate	39	**39**
Change in effective interest rate	-	**-**
Changes in fair value	-	**-**
Carrying value at 31 March 2021	**1,802**	**1,802**

	Loans from DHSC £000	Total £000
Carrying value at 1 April 2019	**2,451**	**2,451**
At start of period for new FTs	**-**	**-**
Cash movements:		**-**
Financing cash flows - payments and receipts of principal	(324)	**(324)**
Financing cash flows - payments of interest	(44)	(44)
Non-cash movements:		**-**
Transfers by absorption	-	**-**
Additions	-	**-**
Application of effective interest rate	44	**44**
Change in effective interest rate	-	**-**
Changes in fair value	-	**-**
Carrying value at 31 March 2020	**2,127**	**2,127**

Note 23 Finance leases

The Trust has no finance leases.

Note 24 Provisions for liabilities and charges analysis

	Pensions: injury benefits	Legal claims	Redundancy	Other	Total
	£000	£000	£000	£000	£000
	2020/21	2020/21	2020/21	2020/21	
At 1 April 2020	3,638	290	-	-	**3,928**
At start of period for new FTs	**-**	**-**	**-**	**-**	**-**
Change in the discount rate	172	-	-	-	**172**
Arising during the year	43	(127)	267	1,084	**1,267**
Utilised during the year	(165)	55	-	-	**(110)**
Reversed unused					**-**
Unwinding of discount	(1)	-	-	-	**(1)**
At 31 March 2021	**3,687**	**218**	**267**	**1,084**	**5,256**
Expected timing of cash flows:					
- not later than one year;	166	218	267	1,084	**1,735**
- later than one year and not later than five years;	664	-	-	-	**664**
- later than five years.	2,857	-	-	-	**2,857**
Total	**3,687**	**218**	**267**	**1,084**	**5,256**

Provisions relate to:

Pensions - Injury Benefit	The pension rights of former employees who retired as a result of industrial injury.
Legal claims	The amounts due from the Trust in respect of non-clinical claims lodged with the NHSLA's Liability for Third Party claims scheme (LTPS). The LTPS is a risk-pooling scheme under which the Trust pays an annual contribution to the NHSLA and in return, receives assistance with the costs of claims arising.
Redundancy	The redundancy provision is in respect of services which will transfer out of GMMH during 2021/22.
Other	Other provisions relates to a equal pay claim received by the Trust.

Note 24.1 Clinical negligence liabilities

At 31 March 2021, £1,784k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Greater Manchester Mental Health NHS Foundation Trust (31 March 2020: £1,658k).

Note 25 Contingent assets and liabilities

	31 March 2021	31 March 2020
	£000	£000
Value of contingent liabilities		
NHS Resolution legal claims	(149)	(163)
Gross value of contingent liabilities	**(149)**	**(163)**
Amounts recoverable against liabilities	-	-
Net value of contingent liabilities	**(149)**	**(163)**
Net value of contingent assets	**-**	**-**

Note 26 Contractual capital commitments

	31 March 2021	31 March 2020
	£000	£000
Property, plant and equipment	386	1,018
Intangible assets	551	-
Total	**937**	**1,018**

Note 27 Other financial commitments

The Trust does not have any other financial commitments.

Note 28 Defined benefit pension schemes

Note 28.1 Changes in the defined benefit obligation and fair value of plan assets during the year

	2020/21	2019/20
	£000	£000
Present value of the defined benefit obligation at 1 April	**(16,622)**	**(20,066)**
Prior period adjustment		-
Present value of the defined benefit obligation at 1 April - restated	**(16,622)**	**(20,066)**
Transfers by absorption	-	-
Current service cost	(63)	(132)
Interest cost	(379)	(480)
Contribution by plan participants	(13)	(23)
Remeasurement of the net defined benefit (liability) / asset:		
- Actuarial (gains) / losses	(4,604)	3,785
Benefits paid	317	339
Past service costs	-	(45)
Present value of the defined benefit obligation at 31 March	**(21,364)**	**(16,622)**
Plan assets at fair value at 1 April	**16,408**	**17,892**
Prior period adjustment		-
Plan assets at fair value at 1 April -restated	**16,408**	**17,892**
Transfers by normal absorption	-	-
Interest income	374	429
Remeasurement of the net defined benefit (liability) / asset		
- Return on plan assets	-	-
- Actuarial gain / (losses)	3,106	(1,782)

- Changes in the effect of limiting a net defined benefit asset to the asset ceiling	-	-
Contributions by the employer	47	185
Contributions by the plan participants	13	23
Benefits paid	(317)	(339)
Plan assets at fair value at 31 March	**19,631**	**16,408**
Plan surplus/(deficit) at 31 March	**(1,733)**	**(214)**

Note 28.2 Reconciliation of the present value of the defined benefit obligation and the present value of the plan assets to the assets and liabilities recognised in the balance sheet

	2020/21	2019/20
	£000	£000
Present value of the defined benefit obligation	(21,364)	(16,622)
Plan assets at fair value	19,631	16,408
Net defined benefit (obligation) / asset recognised in the SoFP	**(1,733)**	**(214)**
Fair value of any reimbursement right	-	-
Net (liability) / asset recognised in the SoFP	**(1,733)**	**(214)**

Note 28.3 Amounts recognised in the SoCI

	2020/21	2019/20
	£000	£000
Current service cost	(63)	(132)
Interest expense / income	(5)	(51)
Past service cost	-	(45)
Total net (charge) / gain recognised in SOCI	**(68)**	**(228)**

Note 28.4 Changes in the defined benefit obligation and fair value of plan assets during the year

The fair value of the scheme's assets and liabilities recognised on the statement of financial position were as follows:

	Period ended 31 March 2021				Period ended 31 March 2020			
	Quoted prices in active markets	Quoted prices not in active markets	Total	Percentage of total assets	Quoted prices in active markets	Quoted prices not in active markets	Total	Percentage of total assets
	£000s	£000s	£000s		£000s	£000s	£000s	
Equity Securities:								
Consumer	1,723		**1,723**	**9%**	1,490		1,490	9%
Manufacturing	1,534		**1,534**	**8%**	1,261		1,261	8%
Energy and Utilities	952		**952**	**5%**	943		943	6%
Financial Institutions	2,062		**2,062**	**11%**	1,824		1,824	11%
Health and Care	981		**981**	**5%**	740		740	5%
Information Technology	1,037		**1,037**	**2%**	658		658	4%
Other	317		**317**	**2%**	342		342	2%
Debt Securities:								
Corporate Bonds (investment grade)	949		**949**	**5%**	621		621	4%
Corporate Bonds (non-investment grade)								
UK Government				**0%**				0%
Other	255		**255**	**1%**	529		529	3%
Private Equity:								
All		1,168	**1,168**	**6%**		847	847	5%
Real Estate:								
UK Property		734	**734**	**4%**		691	691	4%
Overseas Property								
Investment Funds and Unit Trusts:								
Equities	1,764		**1,764**	**9%**	1,646		1,646	10%
Bonds	2,488		**2,488**	**13%**	1,894		1,894	12%
Hedge Funds								
Commodities								
Infrastructure		1,001	**1,001**	**5%**		796	796	5%
Other	426	1,867	**2,292**	**12%**	412	1,454	1,866	11%

Note 28.4 Changes in the defined benefit obligation and fair value of plan assets during the year (continued)

	Period ended 31 March 2021				Period ended 31 March 2020			
	Quoted prices in active markets	Quoted prices not in active markets	Total	Percentage of total assets	Quoted prices in active markets	Quoted prices not in active markets	Total	Percentage of total assets
	£000s	£000s	£000s		£000s	£000s	£000s	
Derivatives:								
Inflation								
Interest Rate								
Foreign Exchange								
Other	(16)		**(16)**	**0%**			0	0%
Cash and Cash Equivalents:								
All	390		**390**	**2%**	260		260	2%
Totals			**19,631**	**100%**			16,408	100%
Present value of defined benefit obligation			**(21,364)**				(16,622)	
Net benefit deficit			**(1,733)**				**(214)**	

Note 29 Financial instruments

Note 29.1 Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Due to the service provider relationship the Trust has with Clinical Commissioning Groups (CCG): and the way those CCG 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 undertaking its activities. creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The Trust has restricted powers to borrow or invest surplus funds, and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

The Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the Trust's standing financial instructions and policies agreed by the Board of directors. Trust treasury activity is subject to review by the Trust's internal auditors.

Currency Risk

The Trust is principally a domestic organisation with the great majority or transactions, assets and liabilities being in the UK and sterling based. The Trust has no overseas operations. The Trust therefore has low exposure to currency rate fluctuations.

Interest rate risk

The Trust borrows from Government for capital expenditure subject to affordability as confirmed by NHS Improvement. The borrowings are for 1-25 years, in line with the associated assets and interest is charged at the national loans fund rate, fixed for the life of the loan. The Trust therefore has low exposure to interest rate fluctuations.

The Trust may also borrow from Government for revenue financing, subject to approval by NHS Improvement. Interest rates are confirmed by the Department of Health (the lender) at the point borrowing is undertaken. The Trust therefore has low exposure to interest rate fluctuations.

Credit risk

Because the majority of the Trust's revenue comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The Maximum exposures as at 31 March 2020 are in receivables from customers as disclosed in the Trade and Other Receiveables note

Liquidity risk

The Trust's operating costs are incurred under contracts with Clinical Commissioning Groups, which are financed from resources voted annually by Parliament. The Trust funds its capital expenditure from funds obtained within its prudential borrowing limit. The Trust is not therefore exposed to significant liquidity risk.

Note 29.2 Carrying values of financial assets

	Held at amortised cost	Held at fair value through I&E	Held at fair value through OCI	Total book value
Carrying values of financial assets as at 31 March 2021	**£000**	**£000**	**£000**	**£000**
Trade and other receivables excluding non financial assets	8,601	-	-	**8,601**
Cash and cash equivalents at bank and in hand	72,945	-	-	**72,945**
Total at 31 March 2021	**81,546**	**-**	**-**	**81,546**

	Assets at fair value through the I&E	Held to maturity	Available-for-sale	Total book value
Carrying values of financial assets as at 31 March 2020	**£000**	**£000**	**£000**	**£000**
Trade and other receivables excluding non financial assets	17,782	-	-	**17,782**
Cash and cash equivalents at bank and in hand	31,012	-	-	**31,012**
Total at 31 March 2020	**48,794**	**-**	**-**	**48,794**

Note 29.3 Carrying value of financial liabilities

	Held at amortised cost	Held at fair value through the I&E	Total book value
	£000	**£000**	**£000**
Carrying values of financial liabilities as at 31 March 2021			
Loans from the Department of Health and Social Care	1,802	-	**1,802**
Trade and other payables excluding non financial liabilities	32,855	-	**32,855**
Provisions under contract	3,687	-	**3,687**
Total at 31 March 2021	**38,344**	**-**	**38,344**

	Other financial liabilities	Held at fair value through the I&E	Total book value
	£000	**£000**	**£000**
Carrying values of financial liabilities as at 31 March 2020			
Loans from the Department of Health and Social Care	2,127	-	**2,127**
Trade and other payables excluding non financial liabilities	27,413	-	**27,413**
Provisions under contract	3,638	-	**3,638**
Total at 31 March 2020	**33,178**	**-**	**33,178**

Note 29.4 Fair values of financial assets and liabilities

The Trust deems that the book value (carrying value) of financial assets and liabilities is a reasonable approximation of fair value.

Note 29.5 Maturity of financial liabilities

	31 March 2021	31 March 2020
	£000	£000
In one year or less	33,377	27,941
In more than one year but not more than five years	2,036	2,041
In more than five years	3,040	3,338
Total	**38,453**	**33,320**

* This disclosure has previously been prepared using discounted cash flows. The comparatives have therefore been restated on an undiscounted basis.

Note 30 Losses and special payments

	2020/21		2019/20	
	Total number of cases	Total value of cases	Total number of cases	Total value of cases
	Number	£000	Number	£000
Losses				
Cash losses	1	-	1	1
Fruitless payments	-	-	-	-
Bad debts and claims abandoned	-	-	53	20
Other	1,144	71	1,111	62
Total losses	**1,145**	**71**	**1,165**	**83**
Special payments				
Compensation under court order or legally binding arbitration award	-	-	-	-
Extra-contractual payments	-	-	-	-
Ex-gratia payments	35	26	64	57
Special severence payments	-	-	-	-
Extra-statutory and extra-regulatory payments	-	-	-	-
Total special payments	**35**	**26**	**64**	**57**
Total losses and special payments	**1,180**	**97**	**1,229**	**140**
Compensation payments received		-		-

Note 31 Gifts

There were no gifts made.

Note 32 Related parties

The Department of Health and Social Care is regarded as a related party. During the year the Trust has had a number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department.

	Receivables		Payables	
	31 March 2021 £000	31 March 2020 £000	31 March 2021 £000	31 March 2020 £000
Value of balances with Related parties at 31 March 2021				
Department of Health and Social Care	-	359	**-**	-
Other NHS Bodies (DH Group)	**16,934**	24,502	**5,184**	6,182
Other (WGA + LA's)	**3,976**	3,637	**6,423**	10,802
Total	**20,910**	**28,498**	**11,607**	**16,984**

	Income		Expenditure	
	2020/21 £000	2019/20 £000	2020/21 £000	2019/20 £000
Value of balances with Related parties at 31 March 2021				
Department of Health and Social Care	**4,234**	3,973	**0**	-
Other NHS Bodies (DH Group)	**330,752**	291,331	**15,763**	21,568
Other (WGA + LA's)	**24,099**	23,988	**69,813**	46,325
Total	**359,085**	**319,292**	**85,576**	**67,893**

Note 33 Events after the reporting date

On 1 April 2021, the Trust aquired Wigan Mental Health Services from North West Boroughs NHS Foundation Trust. The expected impact is to increase Income and Expenditure by £46m in 2021/22.

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