NHS

Midlands Partnership

NHS Foundation Trust

A Keele University Teaching Trust

Annual Report and Accounts

2020-21

Midlands Partnership NHS Foundation Trust

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Contents

Performance Report

Overview

The purpose of the overview is to give the user a short summary that provides them with sufficient information to understand the organisation, its purpose, the key risks to the achievement of its objectives and how it has performed during the year.

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Midlands Partnership NHS Foundation Trust was formed on 1 June 2018 following a merger between South Staffordshire and Shropshire Healthcare NHS Foundation Trust and Staffordshire and Stoke on Trent Partnership NHS Trust.

Midlands Partnership NHS Foundation Trust provides physical and mental health, learning disability and adult social care services across Staffordshire, Stoke-on-Trent and Shropshire. We provide a vast range of community services for adults and children and specialised services such as rheumatology and rehabilitation, which are delivered in venues ranging from health centres, GP practices, community hospitals and people's own homes.

The Trust also provides services on a wider regional or national basis including perinatal, eating disorder and forensic services. We deliver out of area sexual health services and our Inclusion service offers psychological and drug and alcohol services, in the community and in prisons, and has contracts across the country. We also provide genitourinary medicine services.

As an organisation we serve a population of 1.5 million, over a core geography of 2,400 square miles, and employ around 8,500 members of staff.

We have close links with local universities including Keele and Staffordshire.

Our turnover for the year was around £490 million.

For more information, log on to our website at https://www.mpft.nhs.uk/

Business Model and Strategy

Our mission

Our mission statement ‘focusses on today and what we do’ not on ‘tomorrow and what we want to become’. It is focussed around the service user: ‘**Together we are making life better for our communities**’.

Our values

People
Whilst it was fed back that all of the values we engaged on were equally as important as each other the core value that resonated the most was ‘putting our staff, service users, carers & communities at the centre of what we do’. We have simply captured this as ‘**Putting people at the heart of what we do**’.

Empowerment
Having the opportunity to make choices, take the initiative and make decisions was also highlighted as important. Not only to feel empowered to transform services, drive improvement but also empowered to improve care and wellbeing – this was also true of our service users and patients and the importance of being able to self-manage their own health and care. We have captured this in our value: ‘**Empowering people to improve care and wellbeing**’

Partnership
We all recognise the importance of partnership working and feedback clearly supported this. ‘**Delivering better health, better care in partnership**’ sets out our ambition to build relationships for the future that will improve services, improve access to services, deliver better care co-ordination, reduce duplication and ensure that quality health care is maintained.

Our behaviours

Our behaviours set out what we expect of ourselves and each other, they bring our values to life and guide the way we behave and make our culture ‘do-able’ – we believe that by leading by example, being caring and compassionate, honest and trustworthy, respectful and listening to and engaging with our colleagues, service users and patients we can absolutely bring our values to life and in so doing help to define our responsibilities as employees of MPFT to improve the quality of care we provide as well as ensuring that MPFT is a great place to be.

Strategic Framework

Strategic framework

Objectives

To provide high quality health & social care services

- Our CQC rating will not fall below an overall rating of 'Good' and the CQC will see evidence of outstanding practice in an increasing number of services
- We will engage in a comprehensive programme of research to enable practice to be built on the best available evidence
- People who use our services will be happy about the way they are treated and will have genuine opportunities to make an impact on service improvements
- Teams will be supported to make continuous quality improvement the norm
- We will learn from mistakes and take steps to reduce future errors

Building partnerships to benefit the health and wellbeing of our local population

- To be a key partner in the delivery of the STPs strategic objectives
- To be an active partner in Alliance Boards working together to achieve the vision for an ICS
- Working in partnership to deliver ICTs and STs
- Developing pathways across organisational boundaries to reduce hospital attendance / admission
- Establish strategic partnerships across core sectors and identify new partnership opportunities

To expand our service portfolio to enrich services

- Identify opportunities for business growth
- Identify opportunities to grow the business organically
- Identify opportunities for new business growth in defined areas
- Retain service contracts that are profitable

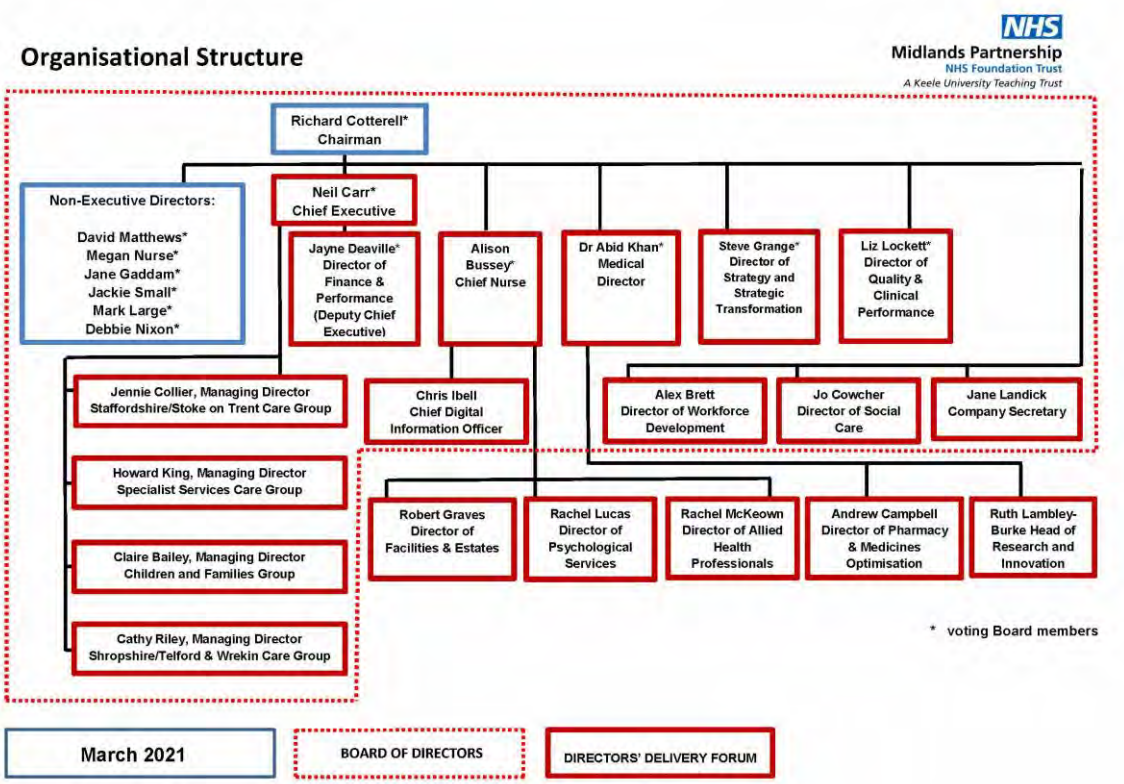
To make our Trust a fantastic place to work

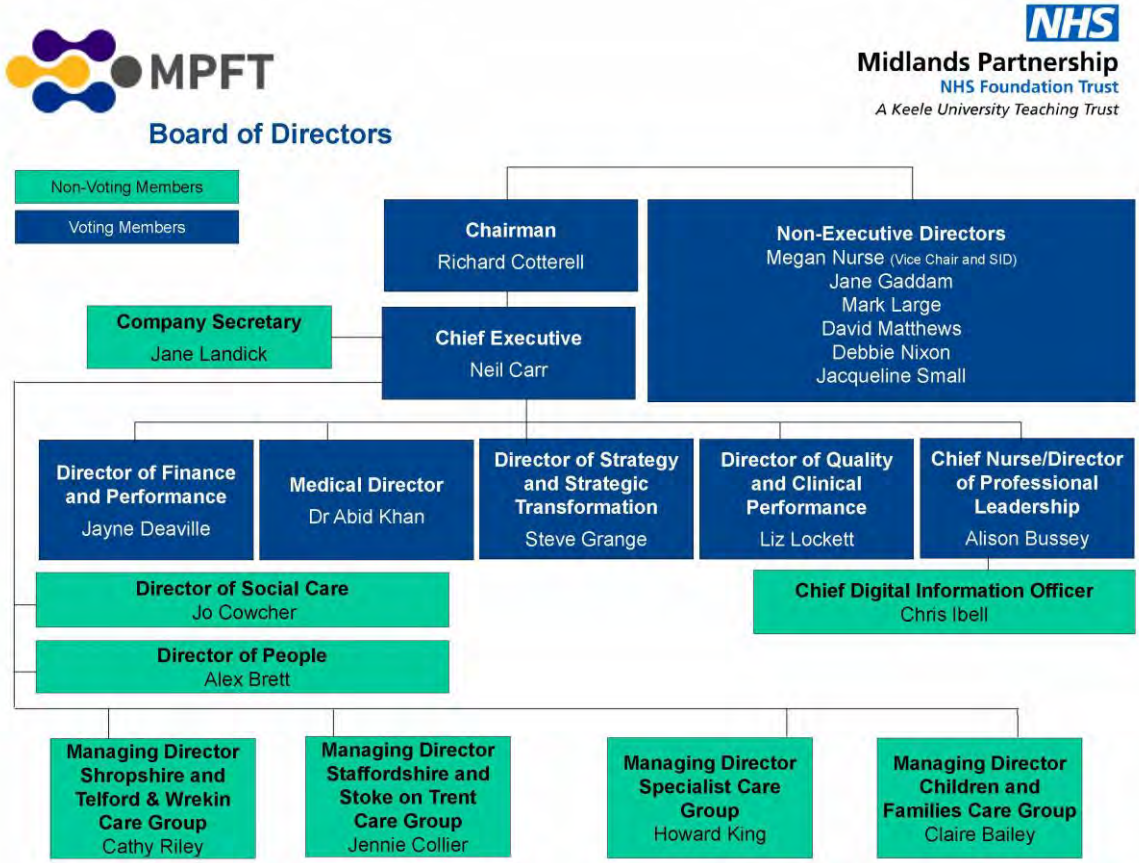
- Staff engagement and empowerment
- Talent attraction and development
- Staff health and wellbeing
- Leadership and team working

To use our resources to maintain a sustainable, effective organisational offer

- Estates
- IM&T and Integrated Care Records
- Workforce
- Governance and processes
- Effective Financial management

Organisation Structure





Introduction from the Trust Chairman

Richard Cotterell

I took over as Chairman in July 2020 having been a Non Executive Director for the previous four years. When I began my term of office we were just coming out of the first national lockdown and I think most of us hoped the worst of the Coronavirus pandemic was over. This has subsequently proved not to be the case and our new working arrangements, acceptance of social distancing and universal mask wearing has become the 'new normal'. I have been so impressed by this organisation's ability to adapt and respond to whatever challenges have arisen, and beyond this, to continue to develop new services; make improvements; and play a vital part in the national vaccination roll out.

I am therefore delighted to report a positive year for the Trust during which we have continued to consolidate our organisation and increasingly see the benefits of physical and mental health services coming together, including improved access to services, less duplication and more clarity, and ultimately more effective and efficient services to manage increasing demand. A report to our Trust Board in September 2020 showed that of the original 55 benefits we identified as achievable through the creation of our new organisation, 40 had already been realised. MPFT has been heralded as an example of national best practice for our post-merger integration plan not just for the structure, framework and strategy that we went through but also the cultural alignment of why we wanted to do this, and the way in which we supported our staff through the process.

As Chairman I am well supported by both the Trust Board and the Council of Governors and am confident of the experience and effective skill mix of our Executive and Non Executive Directors. It has been good to welcome two new Non Executive Directors, Mark Large and Debbie Nixon, and our Associate Non Executive Director, Geeta Patel. They have brought a new perspective and challenge to our team which has helped ensure we continue to be a dynamic, responsive organisation.

On behalf of the Trust Board I would like to extend my thanks to all those involved in ensuring our organisation retains its focus on our service users and carers. We have extremely hardworking and committed people working at all levels of our organisation and we would not be able to provide the high quality, effective care that we do without the contribution of both clinical and corporate staff. I was delighted therefore, to be part of our #BigShoutOut to recognise and thank our staff for their efforts during the pandemic. This virtual event included celebrity shout outs, performances and activities as well as a celebration of all the ways in which staff supported their own and each other's wellbeing during this difficult time. It was a truly inspiring event.

Richard Cotterell
Chairman

… and from the Chief Executive

Neil Carr

This has been a challenging year with unprecedented demands on our service however, despite everything, I am proud to report on a successful year which has seen positive reports from external bodies, partners and our staff.

We have continued to have a clear focus on the delivery of high quality care for our service users and their carers and supported and encouraged our workforce. At the same time we have achieved all of our financial targets and continued to maintain and develop services. I am proud that we have successfully launched Offender Personality Disorders Community Services, Derbyshire & Leicestershire and Community Heart Failure Services in East Staffordshire. We are also successfully leading the West Midlands Eating Disorders Collaborative which is already demonstrating benefits to patients including reduced travel times for treatment and shorter inpatient lengths of stay. This year has also seen MPFT take on Staffordshire Community Improving Access to Psychological Therapies (IAPT) Service and East Staffordshire Community Services and development of a number of Mental Health Support Teams in schools across Staffordshire and Telford & Wrekin. We have also successfully bid for mental health transformation funds which will enable us to make a real difference to the way mental wellbeing services are organised and delivered, and, working in partnership with people with experience of receiving care, ensure they are more responsive to local need.

Our mission, values and behaviours, identified by service users, carers, staff and partners are well embedded throughout the Trust and we continue to work together to ensure we are truly living these values and demonstrating our commitment to providing a positive patient experience at all times.

I am delighted to report that this year, despite the difficult conditions staff were working under, we had the best national NHS staff survey results in our history, in a year where the NHS has been pushed to its limits, fighting an international pandemic. 95% of colleagues who responded to the survey agreed that the organisation takes positive action on health and wellbeing which is a phenomenal achievement, given the challenges of the last 12 months. I am incredibly proud that our staff have felt supported. This is so important because valued staff provide better care to the people they are looking after and that's a fact.

The people who use our services and those who care for them are at the heart of all we do and ensuring they have the perfect patient experience motivates all staff, from Board to ward. At Board level we continue to have patient stories at all of our meetings, and to ensure the learning from these is recognised and acted upon. Patient feedback at all levels informs service development and improvement and we are continually looking at how we can better engage with people who have lived experience of our services. Much of this engagement has been virtual this year and I commend all those who have worked to ensure we can still effectively hear the patient voice.

We are committed to continuous quality improvement and our goal is to bring about positive change. Key to this is providing staff with the tools and techniques to make, and

sustain, improvements and around a third of our staff have been involved in Quality Improvement (QI) training. Over 1,800 have completed the first of a three stage training package. 150 have completed the more intensive second stage and 58 are now QI Academy Fellow Graduates.

I believe we have continued to be an effective and valued partner and this has been demonstrated in the response to Covid-19. Services quickly came together to support the emergency response, sharing equipment, experience and insight. On a longer-term basis the system has also jointly developed new multi-disciplinary and multi-agency Long-Covid clinics to meet the ongoing health and care implications of this disease. MPFT has also been a lead partner in establishing three mass vaccination centres across Staffordshire on behalf of the system. We could not have had these up and running so quickly without the fantastic support of colleagues from across the community including volunteers, medical and nursing trainees, retired professionals coming back to practice and redeployed leisure staff, to name but a few. I am also proud that MPFT was selected to host the successful West Midlands phase 3 Novavax Covid-19 vaccine study in partnership with the National Institute of Health Research, Clinical Research Network West Midlands, Keele University and Primary Care. The team recruited 500 volunteers to take part in the trials at Cheadle Hospital in Staffordshire.

Our external regulator, the Care Quality Commission carried out a successful virtual visit in February and we have also seen other external recognition of our services. We were delighted to be shortlisted as a mental health trust of the year by the HSJ and to win the Driving Efficiency Through Technology Award, in partnership with University Hospital of North Midlands, Midlands Partnership FT, Health2Works, Simple Shared Health and Signum Health, for the Smart with Your Heart initiative. We have also been shortlisted for two HSJ Value Awards for the West Midlands Eating Disorders Collaborative and our innovative staff engagement and wellbeing platform, In Our Gift.

I look forward to the coming year and to continued efforts to provide effective, timely services, where and how people need them. We are committed to continuing to play our part in the successful delivery of integrated care services across Staffordshire and Shropshire and will continue to look for opportunities to improve and develop care for local people.

I know all at MPFT are committed to our continued delivery of the best possible community health care, mental health, learning disability and social care services to benefit our local communities, staff and the partners we work with.

Neil Carr OBE
Chief Executive

Highlights 2020-21

As Covid-19 spread the community were keen to support the NHS like never before and sent gifts and messages of support. Staff were featured on TV and even on a giant screen at Piccadilly Circus, London

Our In Our Gift hub has established a digital community that provides an important space for colleagues to keep connected, collaborate and find solutions to pressing challenges.

INVOLVEMENT FOR IMPACT

Our annual Service User and Carer Celebration went online and broadcasts over a week of events saw almost 900 views.

Despite the pandemic, colleagues have continued to win awards, develop new services and keep learning. We celebrated our second birthday; launched a new Health for Teens website; recognised colleagues with our Mission Excellence Awards; were recognised as great placement partners by Keele University; gained a silver award at the Salon Culinaire contest; opened a new base for our CAMHS services in Cannock; and developed our social care workforce.

Rapid deployment of online consultation

As the emergency response to Covid-19 triggered, our Trust needed to find a way of ensuring people continued to receive a full range of care to meet their needs within the confines of lockdown and infection control measures. By rapidly deploying OneConsultation virtual appointments people were receiving effective virtual engagement within a few weeks of usual appointments being stood down.

Micro-elimination of Hepatitis C

One Recovery Bucks provides community support and treatment to patients affected by drug and alcohol issues across Buckinghamshire. The team have now almost achieved micro elimination of Hepatitis C for people using their services in the High Wycombe area. Through partnership working the care pathway has been streamlined, better taking account of the needs of patients, supporting them to access services and maintain treatment.

Improved care through joint physical and mental health reviews

MPFT has been working with local Care Commissioning Groups, GPs and service users to develop a new service model to provide joint physical and mental health reviews for people living with a Serious Mental Illness (SMI). When compared with the general population, the life expectancy for people with SMI (such as Schizophrenia and Bipolar Disorder) is on average 15-20 years shorter. This new service model has had a positive impact on patient experience and improved physical and mental health outcomes.

Arts for Health despite Covid-19

In collaboration with clinical staff, external artists/musicians, local arts organisations, third sector agencies and local authorities, we bring practitioners into care environments and community settings, engaging with around 5,000 people each year. In response to Covid-19, the service was radically altered to keep everyone safe within the Trust and the community taking account of social distancing and infection control requirements. This included recorded performances; art packs; and online gallery and 'ring and sing' contact with people with dementia.

MPFT staff featured in a national NHS recruitment campaign

Vaccinating staff at The Redwoods, Shrewsbury

Prime Minister Boris Johnson visited the Tunstall Mass Vaccination Centre

MPFT hosted a trial of the Novavax coronavirus vaccine

Our Services

STAFFORDSHIRE & STOKE-ON-TRENT CARE GROUP

North Staffordshire and Stoke-on-Trent

Physical Health

- Home First
- Social Care - Assessment Case Management, Review & Safeguarding (S75 N Staffordshire Only))
- Hospital Social Care Assessment Support
- AHP Referral Centre
- Community Nursing
- Cancer and support therapies
- Palliative Care
- Community Rapid Intervention Service (CRIS)
- Tissue Viability
- Occupational Therapy
- Physiotherapy / MSK
- Speech & Language Therapy
- Podiatry
- Specialist Pelvic Health
- Long Term Conditions; Heart Failure, Respiratory & Diabetes
- Specialist Falls
- Physical Health Psychology - Neuro-Psychology
- Dietetics
- Asylum Team
- Chronic Pain Management
- Falls Service
- Community Rehabilitation
- Intensive Support Team (Care Homes)

Mental Health

- IAPT
- Mental Health Social Work (S75 N Staffordshire Only)

Hospital Based

- Walk-in Centre (Haywood) / Minor Injuries Unit (Leek Moorlands)
- Intermediate Care and Rehab Inpatient wards
- Specialist Rehab Medicine Ward / Outpatient Services
- Amputee Rehab & Limb Fitting
- Spasticity Management Service inc Botulinum and Intrathecal Baclofen
- Stroke Rehab Ward
- Community Stroke Team
- Rheumatology Day Care and outpatient services
- IMPACT Community Pain Team
- Specialist Physio and Occupational Therapy Services
- Musculoskeletal Interface Service
- Osteoporosis & Fracture Liaison Service

South West Staffordshire

Physical Health

- Intermediate Care / Community Intervention Service
- Community Rapid Intervention Service (CRIS)
- Social Care - Assessment Case Management, Review and Safeguarding (S75)
- Hospital Social Care Assessment Support
- Hospital Discharge Teams
- Community Nursing
- Palliative Care
- Tissue Viability
- Occupational Therapy
- Physiotherapy / MSK
- Speech & Language Therapy
- Podiatry
- Specialist Pelvic Health
- Long Term Conditions; Heart Failure, Respiratory & Diabetes
- Specialist Falls
- Physical Health Psychology - Neuro-Psychology
- Dietetics
- Asylum Team
- Chronic Pain Management
- Falls Service
- Community Rehabilitation
- Intensive Support Team (Care Homes)

Mental Health

- IAPT
- In-patients (adult acute, older adult, MOD, PICU)
- Dementia Memory Service
- Dudley Dementia Team
- Dementia Liaison Team
- Crisis Resolution/Home Treatment
- Mental Health Pathway Teams
- Mental Health Social Work (S75)
- Adult Liaison Psychiatry
- Community Libraries

South East Staffordshire

Physical Health

- Community Nursing
- Social Care - Assessment Case Management, Review and Safeguarding (S75)
- Stroke Rehabilitation
- Rapid Response & Community Intervention Service
- In-Reach OT HMP Dovegate
- Palliative Care
- Tissue Viability
- Occupational Therapy
- Physiotherapy / MSK
- Speech & Language Therapy
- Podiatry
- Specialist Pelvic Health
- Long Term Conditions; Heart Failure, Respiratory & Diabetes
- Specialist Falls
- Physical Health Psychology - Neuro-Psychology
- Dietetics
- Asylum Team
- Chronic Pain Management
- Falls Service
- Community Rehabilitation / Adult Ability
- Intensive Support Team (Care Homes

Mental Health

- IAPT
- In-patients (adult acute, older adult, MOD, PICU)
- Dementia Memory Service
- Dudley Dementia Team
- Dementia Liaison Team
- Crisis Resolution/Home Treatment
- Mental Health Pathway Teams
- Mental Health Social Work (S75)
- Adult Liaison Psychiatry
- Community Libraries

SPECIALIST SERVICES CARE GROUP

Sexual Health

- Sexual Health and HIV (Stoke-on-Trent and N Staffordshire; S Staffordshire; Shropshire, Telford & Wrekin and Leicester)

Forensic Services

- In-patients : Security Team (Stafford and Shropshire); Medium Secure (Stafford); Low Secure (Stafford and Shropshire)
- Reach Out and Community Forensics (Stafford and Shropshire)
- Offender Personality Disorder Services (Stafford)
- Mental Health Treatment Requirement Pathway
- Offender Personality Disorder Pathway
- Youth Offender Health (Staffordshire and Stoke-on-Trent)
- Liaison and Diversion
- Forensic Intensive Recovery Support Team

Improving Access to Psychological Therapies (IAPT)

- Thurrock

Learning Disabilities

- Learning Disabilities (Community)
- Intensive Support Service
- Learning Disabilities Nursing
- Telford Autism Hub

Inclusion Services

- Substance Misuse/Drug and Alcohol (Buckingham, Thurrock, Hampshire, Isle of Wight and Telford)
- Prisons (Buckinghamshire, Isle of Wight, Yorkshire, Birmingham, Worcestershire, Oxfordshire, Staffordshire, Derbyshire, Rutland)

Adult Physical Health

- Dental
- Diabetic Retinopathy (Staffordshire and Shropshire
- Court Diversion

Other Specialist

- Eating Disorders – in-patients and community and lead West Midlands Eating Disorder Collaborative
- Speech and Language Therapy (Staffs)
- Physical and Adult Disability Team (Staffordshire)

CHILDREN & FAMILIES CARE GROUP

Universal Services

- 0-19 Family Health & Wellbeing Service (Staffordshire)
  Health Visiting (0-5) (Stoke-on-Trent)
- Public Health Advisory Service (5-10) (Stoke-on-Trent)
- Targeted Intervention (School Nursing 5-19) (Stoke-On Trent)
- School Age Immunisation Service (Staffordshire and Stoke-on-Trent)

Targeted Services

- Children's Dietetics (South Staffordshire)
- Children's Podiatry (South Staffordshire)
- Children's Physiotherapy (Staffordshire & Stoke-on-Trent)
- Children's Speech & Language Therapy Physiotherapy (Staffordshire & Stoke-on-Trent)
- Children's Occupational Therapy (Staffordshire & Stoke–on-Trent))
- Children's Audiology (South Staffordshire)
- Community Paediatrics (South Staffordshire)
- Special School Nursing (Staffordshire)
- Children's Diabetes Nursing Team (North Staffordshire)
- Children's Epilepsy & Respiratory Nurse (North Staffordshire)
- Children's Community Nursing & Hospital at Home (Staffordshire & Stoke-on-Trent)
- Community Complex Care (Staffordshire & Stoke-on-Trent)
- Looked After Children's Nursing Service (South Staffordshire)

Mental Health Services

- CAMHS (South Staffordshire)
- CAMHS Early Years (South Staffordshire)
- CAMHS Outreach (South Staffordshire)
- CAMHS Learning Disabilities (South Staffordshire)
- CAMHS Eating Disorders (South Staffordshire)
- Schools Mental Health Support (East Staffordshire & Cannock)
- Children and Young People Autism Services (South Staffordshire)
- Perinatal Mental Health (South Staffordshire & Shropshire Community & Regional Inpatient Unit)

SHROPSHIRE TELFORD & WREKIN CARE GROUP

Adult Mental Health

- In-patients (adult acute, older adult, dementia)
- IAPT (Telford and Shropshire)
- Admin. hubs
- Dementia Memory Service
- Community Mental Health Pathway Teams
- Crisis Resolution/Home Treatment
- Adult Liaison Psychiatry
- Maternal and family mental health services

Children's Mental Health

- BeeU services

New and Significantly Revised Services

The Trust has a number of new or significantly revised services this year;

- Offender Personality Disorders Community Services, Derbyshire & Leicestershire
- Staffordshire Community Improving Access to Psychological Therapies (IAPT) Service
- East Staffordshire Community Services
- West Midlands Eating Disorders Collaborative
- Community Heart Failure Service East Staffordshire
- Mental Health Support Teams in schools – Trailblazer initiative
- Remodelled Autism Service (following transfer from another provider)
- Remodelled Community Paediatrics (incl. implementing nurse led pathways)
- Long Covid Assessment Service
- Care Home Intensive Support Team
- Maternal mental health service, Shropshire, Telford & Wrekin (from 1 April 2021)

MPFT 2021-22 Annual Activity and Selected KPIs

Physical Health	**2020/21**
Hospital Daycase	2,311
Hospital Inpatient Spells	1,786
Hospital Outpatients Appointments	64,904
Physical Health Contacts	1,775,842
Walk in Centre / Minor Injuries Unit Attendances	47,244
Percentage of patients on incomplete pathways waiting no more than 18 weeks from referral to treatment (RTT)	71.8%
Percentage of A&E Patients with a total time in the department of 4 hours or less	99.3%

MPFT / Mental Health	**2020/21**
Hospital Inpatient Spells	1,733
Mental Health Contacts	499,839

The proportion of those on Care Programme Approach (CPA) discharged from inpatient care who are followed up within 7 day	94.3%
The number of admissions to the Trust's acute wards that were gate kept by the crisis resolution home treatment team	99.7%

Key Issues, Opportunities and Risks

The Trust promotes a positive risk culture that encourages its employees to consistently use its risk management policies, Assurance Plan and Risk Register to:

- Identify and control risks which may adversely affect the Trust's operational ability to meet its principal objectives
- Where possible, eliminate or transfer risks or reduce them to an acceptable and cost effective level

Trust Risk Appetite, strategic and other risks confronting the organisation and their associated action plans, form the Trust Board Assurance Framework (BAF), and these risks are recorded using the Midlands Partnership NHS Foundation Trust Assurance Plan and Risk Register. The Trust uses a Risk Appetite assessment matrix and agrees the level of risk appetite the Trust is prepared to take in relation to key risk areas and in line with the Trust objectives service development and business opportunities. The Trust's willingness to accept a risk will depend on which of the corporate objectives is at risk and the impact that the risk would have, should it materialise. This flexible approach is seen as the most appropriate way to allow the Trust to make informed decisions for each specific risk exposure. Midlands Partnership NHS Foundation Trust has the greatest appetite to take considered risk to pursue commercial gain and partnerships, with a lower appetite to accept risk that has a material impact on safety and quality (which may mean the activity would not be pursued).

Both the Assurance Plan and Risk Register are dynamic documents and are updated to reflect the changing risk environment of the Trust. The Trust operates a live web-based risk register system where risks to the Trust, including those related to quality, are held and managed. Risk Appetite is reviewed on a quarterly basis at The Trust Board and is included within debates and decision making at committee level and a Trust strategic risk is deemed as one that exceeds the Risk Appetite at a point in time.

As at March 2021 there are four risks that exceed the Trust's risk appetite tolerance levels. The table below identifies the Trust objective the risks are linked to and the actions to bring the risk under control;

Trust Objective	Strategic Risk	Actions to bring risk within tolerance
To make the Trust a fantastic place to work	Maintaining and supporting the Health and Wellbeing of Staff	• Comprehensive programme of work underway across the Trust around Staff Health and Wellbeing in line with the Covid response. • Trust Workforce and Development Strategy and the Health and Wellbeing Strategy.
To make the Trust a fantastic place to work	The Trust may not be able to recruit and retain sufficient numbers of clinical, technical and managerial staff due to national workforce supply issues and skills shortages	• Recruitment and Retention strategies in place • Bank expansion • Retirement and Flexible working policies • System wide approaches to recruitment • Memorandum of understanding to allow staff movement across systems • New ways of working • Workforce plans in place as part of Business Planning • Apprenticeship Programmes in place
To Provide High Quality Health & Social Care Services	Failure to achieve the national zero inpatient suicide ambition could result in increased regulatory interest, adverse media attention and reduced service user and carer confidence in the safety of services	Upgrade required to parts of the inpatient mental health estate in line with Trust Ligature Assessment
To Provide High Quality Health & Social Care Services	Under 18 admissions into 136 suite - Risk of barriers to flow in acute care pathway due to accepting under 18 persons into section 136 suite, due to challenges in accessing tier 4 beds nationally in a timely way. This has on occasions led to closure of suite and delay in patient flow. In addition, there is a risk to providing optimal care to the young person by suitably trained and experienced staff from this clinical background, and can lead to further distress to a young person at this point of need.	Process to be developed to address potential gap if under 18 person is brought in to 136 suite out of hours, which currently relies on the site manager to co-ordinate finding a bed and managing situation until CAMHS services take over

All key risks (those scoring as high) are assigned to a Board member and are managed through the Directors Delivery Forum, with additional oversight from the assigned Board Committee and Trust Board.

Risks and Covid-19

The Trust has a number of risks associated with the pandemic and these are detailed on the Trust Board Risk Register. These high-level risks capture the impact to service delivery across the Care Groups within the Trust due to Covid-19. They detail the potential for harm to patients/ service users as a direct and indirect result of the pandemic resulting in waiting lists, delayed treatments and patients/ services users declining to access services during the pandemic. There are also further risks on the Trust Board Risk Register that capture the financial, workforce and specific service delivery impacts as a direct or indirect impact of Covid-19.

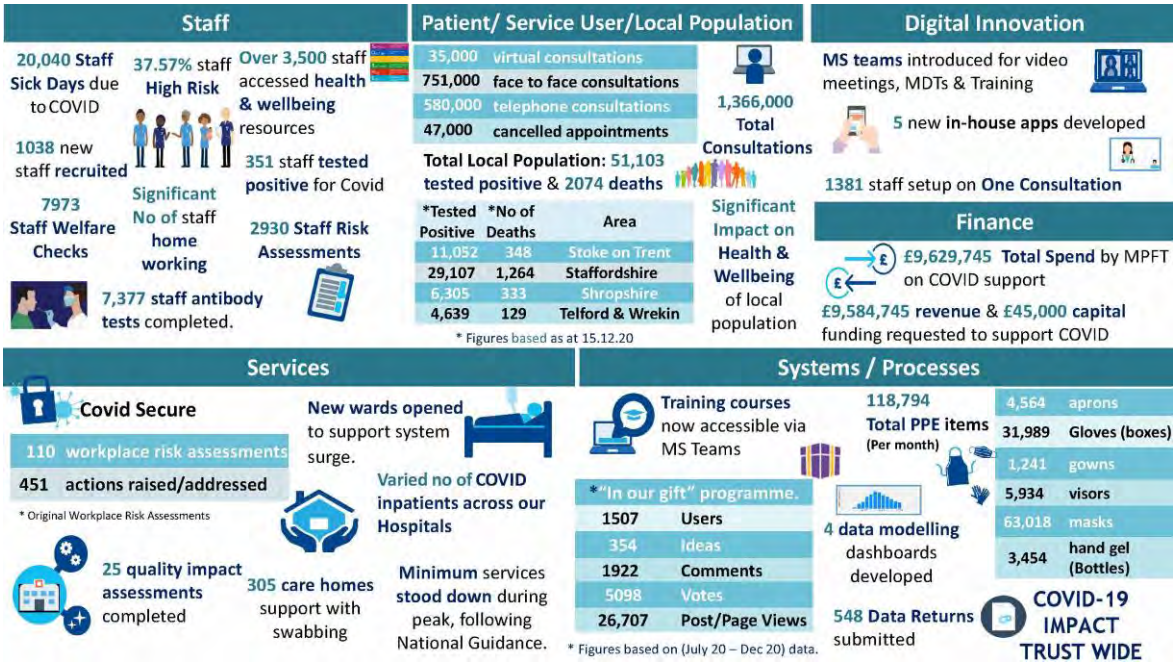
COVID-19 Impact Evaluation

The Trust has undertaken a comprehensive evaluation of the impact that the COVID -19 Pandemic has had on our staff, patients, service users and local population. This has involved a process of engagement with key stakeholders across the Trust, as well as the collation and analysis of qualitative and quantitative data/information through existing questionnaires, key reports and secondary research information. The outcomes of this work have already initiated the sharing and adoption of good practice across the Trust and will further inform the restoration and recovery process, as well as assist the work of the transformational change required through our reimagine programme of work.

The evaluation considers the positive impact of change to services, service users, productivity and outcomes that we may want to keep and expand on, as well as the negative impact of change, looking at what hasn't worked so well and what we do not want to keep. The evaluation also considers the emergency in its wider context; determining longer -term and wider impacts and risks with strategic implications.

The Impact Evaluation has allowed the Trust to identify hot spots where change is required; it has driven discussions with stakeholders to gain a common understanding of the issues, challenges and interventions needed during the response and beyond. It has highlighted the overall scope and scale of the impact and has given us an insight into our lessons learned and what has worked well that we want to further develop and build on, and what hasn't worked so well and areas that we need to further improve.

It has been identified that a considerable amount of work has already been undertaken by services and corporate teams across the Trust to embrace the areas of good practice and to enhance and further develop them to support the development and transformation of our service offer and also to address the improvements required as we move through our response to COVID -19. Following our review of the recommendations we will identify what actions remain that we will need to take forward by whom and how progress against these will be monitored.



Snapshot of response to Covid-19
July to December 2020

Opportunities

MPFT is committed to continuing to play its part in the successful delivery of integrated care services across Staffordshire and Shropshire and will continue to look for opportunities to improve and develop care for local people. Opportunities for the coming year include;

- Community Mental Health Transformation in line with the Long Term Plan and Mental Health Investment Standards (Mental Health, Learning Disabilities & Autism & Perinatal)
- Improved integration for children's services including redesigning our access function and the development of integrated pathways across a number of services
- Implementing and embedding a new 0-19 universal service model in Stoke City and working with partner organisations on the deployment of the thrive at five strategy for the City of Stoke
- Transforming services in line with population health needs including remodelling or expansion of services (e.g. paediatric podiatry, school aged immunisation, Looked After Children)
- Expansion of Mental Health Support Teams into other localities
- Mobilising a programme of work to continue to enhance our digital offer across pathways and care delivery, offering more choice to service users
- Greater engagement with the Primary Care Network programme to explore our contribution, add value and improve integration, for example supporting the new Primary Care Networks and opportunities around the Additional Reimbursable Roles scheme
- Further development of schemes currently being piloted with winter pressure funding such as a service which assesses the social needs of people being discharged from mental health inpatient care and provides the support of a recovery worker for the first

two weeks after discharge. This is already reducing delayed transfers of care and is showing early evidence of reducing readmission rates.
- Enhancement of mental health liaison services at acute hospitals with the aim of reducing admission rates through greater integration of physical and mental health care.
- Developing a fully functioning adult eating disorder collaborative model and reviewing other collaborative opportunities
- Reviewing agile working based on the learning from the last 12 months and adapting service models and delivery

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 on operational existence for at least twelve months from the date of approval of the financial statements.

Equality and Diversity

The Equality Diversity and Inclusion (EDI) agenda has remained a key focus for our work over the pandemic. The Health inequalities experienced by staff, service users and communities heightened under the pandemic have been closely monitored through our health and well-being programmes for both staff and service uses.

We have supported the Integrated Care System (ICS) for Staffordshire and Shropshire to focus through the EDI lens in relation to engaging with communities and staff. This has included leading on the translations and access to information and services for our diverse communities. The Trust has provided remote access to language and community support services by providing video and telephone language and BSL interpreters. The three vaccination centres where the Trust lead the vaccinations programme have heavily utilised the remote interpreter and communication service. This good practice has influenced the use of such resources across the wider centres for vaccinations.

Our staff equality networks both at ICS and Trust level have enabled us to enhance our response to the concerns and experiences of staff during the pandemic, both for their own and for service user accessibility, safety and well-being. Engaging and involving staff within our decision making processes and actions has been reflected within the staff survey results; highlighting an increased engagement score for staff from diverse ethnic groups. However it is recognised that there is much more work to be delivered to support an inclusive, safe and just culture across our Trust.

The Trust has continued to provide information to staff through its intranet, regular communications through an emailed global weekly update, an e-staff magazine (PEP Talk), video introductions and messages from senior staff, desktop messaging and social media.

We have established a communities2gether network which has supported the steer to the system response for the vaccination programme. This has enabled the critical friend approach and enabled prompt action to access information, expertise and reflect on the delivery of this programme. This network will support, inform and challenge practices in relation to recruitment and the Frailty Strategy over the next few months so that we are implementing accessible, fair and just practices and services. This network and the service user panels have enabled the Trust to communicate effectively with service users and community groups/representatives throughout the pandemic- the network was formalised in January 2021 but had been informal and remote during the height of the pandemic.

The Trust's Equality and Inclusion Assurance Group continues to provide governance across the Trust and four Care Groups on the delivery of the Equality Objectives which form the Equality and Inclusion Strategy. The Trust has launched its Equality, Diversity and Inclusion Policy which has been well received by staff and community members though our consultation and equality analysis process. We have reviewed and updated the policy for Accessible Information Translation and Interpretation services and its related Easy Read Standard Operating Procedure. The Trust's Workforce Strategy reflects the Equality Objectives in relation to workforce and enforces the delivery of a safe and inclusive culture. It reflects our findings from the workforce race and disability equality standards.

The Trust has developed a joint quality and equality impact assessment which following a pilot for use is now being developed as best practice and an Equality Analysis Policy is currently being written to reflect how the Trust records its decisions for "Due Regard" under the Public Sector Equality Duty (PSED). This will enable a clear pathway for compliance for equality analysis of strategy, policy and service redesign/development: inclusive of Quality Improvement projects and initiatives.

The governance remains with the Equality Inclusion and Assurance Group (EIAG) which monitors the Trust approach and delivery to it Equality Strategy, objectives and wider directives such as the WRES (Workforce Race Equality Standard), WDES (Workforce Disability Equality Standard), NHS People Plan and the region's Workforce Race equality and Inclusion Strategy. This is monitored through the reports from the Care Group level EDI working groups.

The Trust has reviewed its patient data sets and work is underway to improve the quality of service user data across equality groups. This will be monitored by the Data Quality Group and reported into the EIAG and Quality Governance Committee.

Each EDI working group has delivered listening events to support identification of systemic and direct discrimination at a local level. This feedback will inform the local level EDI action plans which encompass the WRES, WDES and WREI corporate actions. In development are the workforce equality data dashboards which will be developed to reflect the local level WRES and WDES findings.

The Gender Pay Report will be submitted and available on the Trust's website https://www.mpft.nhs.uk/about-us/equality-and-inclusion alongside the strategy and objectives for equality and inclusion. Information is also available from the Cabinet Office website (https://gender-pay-gap.service.gov.uk/). The extended national submission deadline is October 2021.

The Trust is working in partnership with NHSE/I to trial the revised Equality Delivery System paperwork. This initiative has been shared across the NHS system partners who are also part of the trial. Within the Trust each Care group will be assessing one specific service and formally this will be graded by end September/ early October. The progress is being monitored through the EIAG.

The Trust continues to deliver on the commitments under the Mindful Employer Charter, Disability Confident and Stonewall Diversity Champion. These will link with the recently revised Trust's Health and Wellbeing work streams. Staff equality networks have been developed. Each staff network has a Board Sponsor who will escalate and report themes from the network groups to improve Board decision making processes and challenge as required. This has enabled Trust Board development and discussions at Board with network members.

The Trust has been successful in establishing the NHS Rainbow Badge Pledge and has further increased its offer for training staff re: Lesbian, Gay, Bisexual and Trans+ Equality in policy and practice. We have also, in partnership with NHSE/I, offered BSL awareness to staff at service level to support effective communication with communities with sensory loss.

The Equality and Inclusion Team continue to work with colleagues to increase the equality and inclusion training and awareness portfolio for staff to develop wider understanding, skills and knowledge to support the reduction of health and social care inequalities for staff, service users and the communities we serve.

The Trust is keen to ensure that our services recognise and deliver culturally sensitive, inclusive, accessible and appropriate services which make a difference to individual lives and to ensure that the services provided do so without discrimination. We are committed to ensuring that our approach to our staff is the same as our approach to our service users: being open and transparent, focussed and based on our values.

Environmental Impact

Our vision is to be a sustainable Trust delivering high quality care in a resource efficient and sustainable manner. We will achieve this through a combination of investment in energy efficient technologies (e.g. LED lighting, updated heating systems, renewable

technologies); implementing small but important changes to sustainable development models; promoting sustainability via environmental campaigns and Sustainability Champions and involving stakeholders, staff and service users in shaping sustainable future.

Over the past year we have completed a number of sustainability actions;

- We support the running of local food banks and have food collection points at St George's Hospital and St Michael's Court
- A combination of solar panels and smart lighting has been installed at the Bridge, Stafford and solar panels have been installed on Trust Headquarters, Brocton House and Chebsey House at St George's Hospital.
- MPFT collaborates with charities such as 'Beat the Cold' and 'Keep Shropshire Warm' that offer free energy advice and warm homes discounts for eligible service users.
- Electric vehicle charging points have been installed at St George's Hospital, Redwoods and Haywood Hospital. These points are available for staff, service users and visitors.
- An energy/sustainability quiz has been created and is available online for all staff. The aim of the quiz is to promote an awareness of energy spend within MPFT and its environmental impact.
- Policies to reduce single use products such as food containers, cups, cutlery, plates etc have been put in place. This includes encouraging staff to bring their own cups and bottles to meetings and to provide their own containers for takeaway meals from staff restaurants.
- Bottle tops are being collected to be recycled/reused to make playground surfaces.
- LED lighting upgrade at Kidsgrove Health Centre
- Active consideration of a Trust-wide Building Management System upgrade to improve efficiency, reduce travel to and from site and ultimately improve our carbon footprint.
- Utility meter upgrades to reduce travel to and from sites.

Other community initiatives

The Trust is keen to play its part in the life of the local community and particularly recognises the importance of promoting health and wellbeing messages and helping to reduce the stigma traditionally associated with mental ill health. Although our ability to support such initiatives has been affected by Covid-19 the organisation has supported a number of campaigns virtually using social media and has received fantastic support and encouragement from our local communities, including donations of PPE; gifts of sweets and chocolates; and drawings and messages from local school children.

Due to Covid-19, we have been unable to support face to face work experience opportunities. However, we have taken part in some virtual career events with schools. These have included presentations about our volunteer and apprenticeship programmes along with answering pre-set questions from the school asking about different careers at MPFT and in the NHS. We have also supported with mock interviews for a-level students

via teams. This gave students the opportunity to experience the type of questions they may get at an interview scenario.

Colleagues across the Trust also contribute time and money to local and national charities through various fundraising activities.

Signed:  Date: 7 June 2021

Neil Carr
Chief Executive

Accountability Report

Directors' Report:

The Directors of the Trust are:

Chairman:
Richard Cotterell

Non Executive Directors
Jane Gaddum
Mark Large
David Matthews
Debbie Nixon
Megan Nurse
Jacqueline Small

Associate Non Executive Director
Geeta Patel

Chief Executive
Neil Carr

Executive Directors
Alison Bussey
Jayne Deaville
Steve Grange
Abid Khan
Liz Lockett

Directors
Jo Cowcher
Alex Brett

More information about all the Directors can be found in the section on the NHS Foundation Trust Code of Governance from page 65. This includes details of other individuals who have been Directors at any point during the financial year.

It is the view of the Directors that this Annual Report and Accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the Trust's performance, business model and strategy. (C 1.1)

A register of interests is maintained in relation to all Trust Board members. This is available on the Trust website or by application to the Company Secretary at Trust Headquarters.

The Trust has not made or received any political donations.

The NHS foundation trust has complied with the cost allocation and charging guidance issued by HM Treasury.

Better Payment Practice Code

The Trust's performance against the policy has remained consistent throughout 2020/21. The cumulative Public Sector Payment Policy (PSPP) for the financial year 2020/21 was 91.8% for number of invoices and 81.9% for the value of invoices paid within 30 days.

	31st March 2021 Number of Invoices	**31st March 2021 £'000**
Non NHS		
Total bills paid in the year	98,066	195,270
Total bills paid within target	90,513	176,497
Percentage of bills paid within target	**92.3%**	**90.4%**
NHS		
Total bills paid in the year	1,235	80,008
Total bills paid within target	683	48,880
Percentage of bills paid within target	**55.3%**	**61.1%**
Total		
Total bills paid in the year	99,301	275,278
Total bills paid within target	91,196	225,377
Percentage of bills paid within target	**91.8%**	**81.9%**

The Trust paid £5k interest under the Late Payment of Commercial Debts (Interest) Act 1998 and these were all Non NHS invoices.

The Trust has other income totalling £33m and total income from the provision of goods and services for the purposes of the health service in England of £457m which is greater than its other income and therefore has met its requirements under Section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012).

NHS Improvement's Well Led Framework

The Care Quality Commission Inspection Report published in July 2019 rated the Trust "good" for well-led. In particular the report found that the managers at all levels in the trust had the right skills and abilities to run a service providing high-quality sustainable care and that leaders had the skills, knowledge and experience to perform their roles, had a good understanding of the services they managed and were visible in the service and approachable for patients and staff. In addition, the trust had a vision of what it wanted to achieve and workable plans to turn it into action and managers had developed the vision with involvement from staff, patients, and key groups representing the local community. The report found that staff knew and understood the trust's vision and values and applied them to the work of their team and that managers across the trust promoted a positive culture that supported and valued staff, creating a sense of common purpose based on shared values. The senior leadership team modelled those values and behaviours and had high visibility throughout the organisation.

The Trust's governance arrangements which were implemented when the Trust was established in June 2018 is undertaken annual and was received by the Board in October 2020. The review concluded that the governance arrangements in place were robust and fit for purpose and the Board were able to confirm that it was assured that this was the case. During 2020, additional governance reviews were completed in April and November 2020 to provide assurance that governance was proportionate, flexible, responsive and robust so as to be able to monitor and support the challenges of the Covid-19 pandemic whilst not creating additional demands on the workforce.

There are no material inconsistencies between the annual governance statement, annual and quarterly board statements required by the Compliance Framework; the quality report and the annual report or reports arising from Care Quality Commission planned and responsive reviews of the NHS foundation trust and any consequent action plans developed by the NHS foundation trust.

The governance of quality is assured through the Quality Governance Committee (QGC), reporting to the Board of Directors. Each year, the QGC reviews its terms of reference and conducts an evaluation to provide assurance that its duties are fully delivered. The meeting action log ensures that improvements identified are monitored and closed when complete. During 2020/21 these included improvements to Care Group reporting.

Patient care:

Being a foundation trust enables us to;

- Build on and improve positive relationships with service users, carers, staff, partners and local people and be more accountable to the communities we serve.
- Strengthen our internal processes and systems to meet the challenges of modern health services
- Develop locally based specialist services
- Respond better to market opportunities
- Continue to invest in capital developments

Information on the Trust's performance against key health targets can be found on page 17 and in addition the Trust annual report on the quality of health and social care services we deliver can be found in the annual quality accounts on our website https://www.mpft.nhs.uk/about-us/quality/quality-accounts This report includes progress towards meeting targets agreed with local commissioners, together with details of other quality improvements.

Pages 13-21 offer a broad overview of service developments and improvements during the year including any new or significantly revised services.

The Trust has not been in breach or suspected breach of its licence during this financial year.

CQC Ratings

The Trust's core services were rated by the CQC last year as reported in the 2019/2020 Quality Account. This included nine of the Trust's 16 core services. The reports can be accessed via **https://www.cqc.org.uk/provider/RRE**

The Trust has an overall rating of 'Good'

The Trust has delivered a comprehensive action plan in response to the feedback received from the CQC. During 2020/2021 the Trust has provided assurance to CQC in relation to two core services assessed as part of their transitional regulatory approach; Acute wards for adults of working age and psychiatric intensive care units; and Specialist community mental health services for children and young people. The reviews were positive and whilst they did not result in a report or a change to ratings, assurance provided to the CQC informs future monitoring and regulatory activity.

During December 2020, the CQC undertook a focused visit of services at Home First Stafford and rated the service Good for "Is the Service Safe" and "Is the Service Well led. Overall the service is rated as 'Requires Improvement'. Midlands Partnership NHS Foundation Trust has delivered actions in response to the inspection of our Home First Services. The CQC will assess how well improvements have been sustained as part of future inspection activity. The reports can be accessed via **https://www.cqc.org.uk/provider/RRE**

Formal Consultation

The Trust has not initiated any formal consultations in this financial year.

However, the Trust remains committed to ensuring all stakeholders are given the opportunity to be engaged in improving and developing services. Service users, carers, commissioners, representatives of partner and local third sector organisations regularly contribute to discussion and debate around future plans and feedback is welcomed and acted upon.

Involvement for Impact

The Trust intention and value is that any engagement and involvement with service users and carers is meaningful and makes a difference, by improving services and the health, wellbeing and recovery of service users and carers.

Involvement is key to developing and delivering responsive services. For effective involvement, people need to feel supported and for their contribution to be respected, valued and have an impact. It is really important to us that the people who use our services have the opportunity to get involved in shaping services.

The Trust is signed up to the 4Pi National Involvement Standards which is a framework developed with service users and carers. This is a framework on which we base our standards for good practice and is what we use to monitor and evaluate involvement.

Despite the restrictions of the pandemic, service users and carers continued to engage in activities using virtual solutions such as Microsoft Office 'Teams' and Zoom. This opened up opportunities for lived experience representatives (service users and carers who are 'signed up' to involvement) to engage in a breadth of activities which brought representatives from physical health and social care services together with people who are using mental health and specialist services.

During 2020/2021, 5 service user and carer co-production sessions have taken place on Microsoft Teams to prepare for the submission and vision for the future of Community Mental Health Services in Staffordshire and Stoke-on-Trent during the transformation and redesign of pathways. The sessions have included service users and carers from MPFT and North Staffordshire Combined Healthcare and staff from the Voluntary Sector and Community Enterprise sector, commissioning colleagues, the local authority, MPFT and North Staffordshire Combined Healthcare. Service users and carers have been integral to the planning of pathways and vision for the future. Their feedback was used to support a successful bid for funding. Lived experience representative will continue to be involved with the project to transform and redesign pathways.

During 2020/2021, surveys were developed to explore the experiences of people who use our services with a focus on experience of using digital solutions for consultation and preferences for future engagement and consultation, such as how people wish to engage with clinical teams (face-to-face/video consultation/telephone etc)

We launched a new virtual Trust-wide service user and carer forum in November 2020. Forums focus on reviewing consistent themes from feedback and co-producing solutions, for example improvements to discharge planning and sharing involvement opportunities, with speakers attending to gain specific feedback on a new initiative, involving service users and carers in the process.

Service User & Carer Involvement Week 2020 was a virtual festival which reached over 500 online viewers. During the week we recognised the contributions patients, service users, carers and volunteers have made to the improvement of services we provide. The theme for the week was 'Celebrating the Impact of Involvement during Change'. We shared some fantastic stories about involvement and showcased Research and Innovation, Inclusion Services volunteers, Service User representatives, and many more.

Complaints Handling

The Trust's process of complaints handling is based on the model of the Local Authority Social Services and National Health Service Complaints (England) Regulations 2009 and Principles of Good Complaint Handling released by the Parliamentary and Health Service Ombudsman (PHSO). The Trust supports and works to the principles advocated by the Parliamentary and Health Service Ombudsman and complies with the following standards outlined in "My Expectations for Raising Concerns and Complaints" (PHSO 2014).

The Trust observes the principles set out in the Trust's Duty of Candour Standard Operating Procedure in the complaint handling process, by offering full and honest explanations, which is in accordance with Duty of Candour and CQC Regulation 20 (Duty of Candour).

Good quality complaints handling is vital to ensuring continuous improvement in the quality and safety of care we provide. It is therefore essential that we listen to what service users, carers and families tell us about our services, particularly when they feel they have had a poor experience, or when things have gone wrong. It is essential as care providers that we recognise the humanity and individuality of the people raising concerns or complaints and respond to them with sensitivity, compassion and professionalism.

The Trust is committed to improving people's experiences by identifying mistakes, putting them right quickly, apologising, promoting a culture of openness and actively encouraging feedback and sharing of learning. This reflects the requirements of the Local Authority Social Services and National Health Service Complaints (England) Regulations 2009.

Rather than making a distinction between formal or informal complaints, PALS concerns or other feedback from service users or their representatives, the Trust's overriding concern is that however they are classified, the issues raised are taken seriously and resolved, whenever possible, at a local level by front-line staff and managers. Greater emphasis is placed on the swift resolution of straightforward complaints at source and every member of staff is responsible for supporting people who wish to give feedback or raise concerns about the services they receive.

The Trust is committed to:

- Ensure that patients, service user and their representatives are treated with courtesy and that they receive appropriate support throughout the handling of a complaint and the fact that a complaint has been made this will not adversely affect the patient or service user's future treatment
- Acknowledge mistakes when they happen, apologise and explain what went wrong and put things right quickly and effectively
- Ensure that the organisation learns lessons from complaints and uses these to improve NHS services

Patient Advice and Liaison Service

We strive to put service users and carers at the centre of everything we do. The Trust welcomes the opportunity to learn from feedback received via PALS concerns, compliments and surveys which often results in service improvements.

We are an organisation that considers learning from complaints as an essential and valuable opportunity to share good working practice and to improve standards of service delivery. The PALS and Experience Team work closely within our clinical teams to highlight any themes and trends on a regular basis and provide support to the teams to bring about positive change, and to share good practice across the Trust. Information is reported to the Quality Governance Committee and Care Group Quality Sub-Committees, where opportunities for learning are explored and share improvements made as a result of feedback. On an annual basis, a review of the themes and trends from complaints, concerns and compliments is undertaken, which includes learning and service improvements that has taken place over the year.

Rather than making a distinction between formal or informal complaints, PALS concerns or other feedback from service users or their representatives, the Trust's overriding concern is that however they are classified, the issues raised are taken seriously and resolved, whenever possible, at a local level by front-line staff and managers. Every member of staff is responsible for supporting people who wish to give feedback or raise concerns about the services they receive and greater emphasis is placed on the swift resolution for the service user.

The Patient Advice and Liaison Service (PALS) listen to concerns and advise how they are able to help to resolve these issues promptly. PALS provide information, such as signposting to internal and external teams who may be able to help them. PALS take measures, where appropriate, to provide information so that policies and working practices are amended to improve services and prevent the concern happening again. The aim of PALS is to be influential in improving standards of care by listening to and acting on service users' and carers' comments.

Stakeholder relations

We believe that partnerships are our future, both for the way in which we deliver services and also in the way that we deliver the 'business'. We deploy a robust framework in order to assess our current and potential partners which protects our organisation and ensures we fully understand what kind of relationship we are getting into. All formal partnerships and potential partners are tested against a core set of values based qualities and these partnerships are then detailed legally in contracts and sub contracts.

An illustration of our key relationships;

- Local Authorities, including county and borough councils
- Clinical Commissioning Groups (CCGs)
- NHS Trust Development Agency
- NHS Improvement
- Care Quality Commission
- Third sector (social enterprise and community interest companies), voluntary and charitable organisations
- Healthwatch
- Health Overview and Scrutiny Committees
- Universities
- Local MPs
- Ministry of Defence
- Home Office and Prisons
- Other trusts, including NHS foundation trusts
- Independent sector
- NHS Vanguard partners
- Primary Care Networks

We have a track record of working in partnership to develop and deliver services.

Our contract with the Ministry of Defence to provide inpatient mental health care for serving military personnel is now in its fourteenth year. This service is delivered as part of a network with the Trust acting as the lead for the seven participating NHS organisations.

An innovative partnership has been established with the Armed Forces Institute of Mental Health Pakistan with Pakistani military doctors spending time in the Trust to gain additional skills in mental health and psychiatry. The Trust benefits from the knowledge and skills of the military doctors who bring a fresh perspective and also provide additional medical capacity to local mental health services.

The West Midlands Adult Eating Disorders Provider Collaborative which is led by MPFT, is a new way of working which offers a real opportunity to look at how services can be delivered differently. The Collaborative consists of five core partners together with people who use the service, their carers and other partner organisations. It provides adult eating disorder services serving a population of 4.5 million covering the West Midlands. Through working together, the partners in the collaborative have improved the quality and consistency of service, including reducing the distance many patients need to travel to

receive care. Since the launch of the collaborative, fewer patients have needed to be admitted to hospital for care of their eating disorder, improving patient satisfaction and reducing disruption to their lives. Those who have had to be admitted to hospital have not had to travel outside of the West Midlands, and have also stayed in hospital for a shorter time.

The Community Rapid Intervention Service (CRIS) is an integrated service provided in partnership by University Hospital of North Midlands (UHNM) and Midlands Partnership NHS Foundation Trust (MPFT) for patients at risk of needing an admission to hospital. This service aims to provide care closer to home and prevent an unnecessary visit to Accident and Emergency (A&E). During the Covid-19 pandemic the team have also offered Care Home Support, staff swabbing and advice to GPs managing Covid-positive patients.

Agencies ranging across mental health, social care and the voluntary sector of the Shropshire, Telford and Wrekin STP worked collaboratively to agree a number of schemes to create extra capacity as a result of anticipated increased demands over the winter period. This has included mental health support for 'rough sleepers'; access to wellbeing support at A&E, including a taxi service to take vulnerable patients to the Sanctuary, run by MIND and offering one to one support; provision of supported bed and breakfast accommodation; and an inreach worker into inpatient wards at the Redwoods to support with housing, benefits and lower level social care support which helps reduce length of stay.

MPFT has led on providing three large Covid-19 vaccination centres in partnership with system partners across Staffordshire and Stoke-on-Trent. Partners have worked closely together to support workforce requirements and ensure that everyone who is involved in the centres has appropriate training, supervision and support. Workforce includes redeployed MPFT staff, individuals from across the health and care system, professionals who have offered to work at the large vaccination centres in addition to their normal roles and a large team of volunteers. More than 340 people have stepped forward to help as volunteer marshals and car park stewards, a combination of MPFT staff, other voluntary organisations such as the Guides, St John's Ambulance, and the general public.

The hard work and dedication of the Children and Young People's Autism Service in South Staffordshire has resulted in a key priority being achieved in the support of young people and their families. The service has been aware that families were experiencing long waits to access an autism assessment and often felt as though they were being passed between services. In order to improve this, the team have been working with external providers to reduce the waiting times for assessment and have made significant improvements to the assessment process which has resulted in them meeting their target of achieving a referral accepted to assessment commencing within 12 weeks.

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 suspected breach of its licence.

Segmentation

MPFT has been placed in segment 2 meaning targeted support required in areas of finance and use of resources. There are currently no enforcement actions being taken by NHS Improvement (Monitor) and for further actions being taken by the Trust please see the Annual Governance Statement on page 99 within this annual report.

The segmentation information is the Trust's position as at 18th May 2021. Current segmentation information for NHS Trusts and Foundation Trusts is published on the NHS Improvement website.

Statement as to disclosure to auditors

For each individual who is a director at the time that the report is approved, so far as the director is aware, there is no relevant audit information of which the NHS foundation trust's external auditor is unaware and the director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the NHS foundation trust's external auditor is aware of that information.

Income disclosures required by Section 43(2A) of the NHS Act 2006

The Trust has met the requirement of Section 43(2A) of the NHS Act 2006 requires that the income from the provision of goods and services for the purposes of the health service in England must be greater than its income from the provision of goods and services for any other purposes.

Remuneration Report

Senior managers' Remuneration Policy

With regard to the requirement to outline payments to those staff earning above the threshold of £150,000 this currently applies to the Chief Executive Officer and the Director of Finance and Performance, who also holds the post of Deputy Chief Executive. The Medical Director's remuneration is also above this threshold, however, this reflects the clinical role held by the postholder in addition to the Medical Director component of the role. As with all senior manager remuneration, the pay rates are set are based what is considered reasonable based on benchmarked data from NHS providers of a comparable size, turnover, staffing numbers and complexity

Senior Managers' Remuneration Policy - Executive Directors

Very Senior Manager (VSM) pay is used in the Trust for Executive Directors. This enables pay at higher rates than Agenda for Change pay rates and is the most common reward mechanism for senior staff in the NHS. Salary is the key remuneration component of the overall reward package for all staff and is designed to support the long-term strategic objective of recruiting and retaining appropriately educated, trained and motivated staff.

A performance related bonus element of the executive director pay structure is designed to support the strategic objective of ensuring our staff are engaged and empowered to deliver the highest quality of service. The decisions of the Remuneration and Nominations Committee are summarised below along with the criteria used to determine the bonus award.

The Committee is supported in its decision making by a robust appraisal and supervision framework. Executive Directors are subject to the same capability arrangements as other Trust staff. The primary performance measurement is an annual appraisal conducted by the Chief Executive for the Executive Directors and by the Trust Chair for the Chief Executive. Performance is assessed against individual objectives and the overall performance of the Trust with a clear line of sight to the Trust's long and short term strategic objectives and their achievement. The Remuneration and Nominations Committee has the discretion to vary starting salary for those on VSMs terms and conditions within the agreed salary scale in line with skills, experience and market conditions.

As a high-performing Trust, MPFT regularly reviews VSM and remuneration policies through the Remuneration and Nominations Committee with a view to successfully attracting, recruiting and retaining well qualified, experienced executives, including clinicians, into the most senior leadership positions. MPFT has a strong track record of developing its own talent and has an executive remuneration policy that has enabled a flexible and autonomous approach with full accountability to the Board.

Both the executive director and non-executive director Remuneration and Nominations Committees have a clear mandate to ensure compliance with the Trust's policies on recruitment and retention with respect to equality and inclusion, as well as actions identified in support of the Workforce Race Equality Standard (WRES), the Workforce Disability Standard (WDES) and the overall Equality Delivery System, which reflects the Trust's strategic aims regarding the equality and inclusion agenda and priorities.

No individual is involved in any discussion or decision regarding their own pay.

Senior Managers' Remuneration Policy – Non Executive Directors

The remuneration policy for the Trust's Non-Executive Directors is in line with national guidance. The Non-Executive Directors are entitled to receive remuneration only in relation to the period for which they hold office; there is no entitlement to compensation for loss of office. Non-Executive Directors' remuneration is non-pensionable. No individual is involved in any discussion or decision regarding their own pay.

Service contracts obligations

There is no obligation on the foundation trust which:

- is contained in all senior managers' service contracts;
- is contained in the service contracts of any one or more existing senior managers (not including any obligations in the preceding disclosure); and/or
- the foundation trust proposes would be contained in senior managers' service contracts to be entered into and which could give rise to, or impact on, remuneration payments or payments for loss of office but which is not disclosed elsewhere in the remuneration report.

The Fit and Proper Persons test is applied to executive, non-executive directors and non-voting members of the Trust Board. All members of the Board have declared their compliance with this and their contracts reflect the requirements of the test.

Policy on payment for loss of office

All Executive Directors have permanent contracts of employment with the Trust. Agenda for Change terms and conditions regarding loss of office apply to all senior managers other than Executive Directors, who are entitled to six months' notice.

Where loss of office (dismissal) occurs, payments will be paid in accordance with the senior manager's contract, including notice and contractual redundancy pay (if applicable).

The circumstances of the loss of office and the senior manager's performance are not relevant to any exercise of discretion.

Executive Director Remuneration and Nominations Committee (B 2.10)

Remuneration: The Remuneration and Nominations Committee, established to consider the remuneration of Executive Directors and other staff not covered under Agenda for Change, comprises Non-Executive Directors and is chaired by Trust Chair. The main functions include:

- To advise the Trust Board of Directors about remuneration and terms of employment for the Chief Executive and Executive Directors and other members of staff not covered under Agenda for Change.
- To review the structure, size and executive composition of the Board of Directors, including development and succession planning.

- To identify nominations and recommend appointments to Executive Directors posts within the Trust
- To advise on pay awards for staff not covered by Agenda for Change

Key areas discussed by the Executive Director Remuneration and Nominations Committee in support of the strategic objectives of the Trust and to ensure the Board attracts and retains high calibre personnel with the skills to deliver the organisation's objectives were as follows:

  - the basic remuneration of executive directors and non-voting Board members represents a set sum with no incremental progression and was reviewed based on NHS Improvement benchmarking data and in comparison with staff on Agenda for Change payscales as well as taking into account the current portfolios of postholders and other than agreement of an inflationary increase equivalent to that applied to staff on Agenda for Change, no other changes were found to be required during 2020/21.
  - The committee reviewed the performance criteria on which payment would be paid for 2019/20 and agreed the following
    - A 5% performance bonus for 2019/20 was agreed for executive and non-voting Board members based on three strategic performance areas of finance, quality and workforce: control totals having been met, no enforcement notices having been received from the CQC and with no Staff Survey themes below the national average
    - A 12.5% bonus for 2019/2020 was agreed for the Chief Executive, subject to the same conditions as above.
  - The RANC agreed to review the criteria used to evaluate the performance bonus on an annual basis and during 2020/21, agreed that the criteria should be amended as follows:
    - **Finance** – The Trust should achieve the financial plan position as agreed within the STP
    - **Quality** – There should be no CQC enforcement notices received
    - **People** – The Trust should demonstrate performance in the top 20% of Trust's with respect to the Staff Opinion Survey results for 2019/20 and in addition, of the 75 questions within the survey there should be at least 80% of scores equivalent to or significantly above the national average.
- The Committee is supported in its work by Jane Landick, Company Secretary and Alex Brett, Director of Workforce and Development and for matters relating to the remuneration of the Director of Workforce and Development, by Angie Astley, Head of Workforce Development and Learning
- In line with national guidance, the Trust received from NHS Improvement, approval of the Remuneration and Nominations Committee's recommendation and rationale to pay the Chief Executive and Director of Finance and Performance/Deputy Chief Executive more than £150K. This recommendation was based on national benchmark information relating to relevant comparators.
- The Remuneration and Nomination committee will be meeting in 2021/22 to further review the executive remuneration using relevant benchmarking data, national

guidance and comparisons with Agenda for Change pay grades, alongside the expected new national pay framework.

Nominations: The RANC (ED) made no Executive Director appointments during 2020/21.

One new non-voting Board member was appointed during 2020/21 with the appointment of Chris Ibell who was appointed as Chief Digital Information Officer from 1st September 2020 reflecting a decision of the Board of Directors to recognise the key strategic impact of digital transformation in health and social care and the need to strengthen and add to the knowledge and expertise in this area at Board level.

Remuneration and Nominations Committee (ED) * not in post	23/04/2020	20/10/2020	16/02/2021
Martin Gower (Chair) – up to 30th June 2020	✓	*	*
Richard Cotterell (Chair) – from 1st April 2020	✓	✓	✓
Megan Nurse (Non-Executive Director/Vice Chair/SID)	✓	✓	✓
David Matthews (Non-Executive Director)	✓	✓	✓
Jacqueline Small (Non-Executive Director)	✓	✓	✓
Jane Gaddum (Non-Executive Director)	✓	✓	✓
Mark Large (Non-Executive Director)	*	✓	✓
Debbie Nixon (Non-Executive Director)	*	✓	✓
Paul Bunting (Non-Executive Director)	✓	*	*

Non-Executive Director Remuneration and Nominations Committee

The Remuneration and Nominations Committee, established to consider the remuneration of Non-Executive Directors, comprises Governor Members and is chaired by the Lead Governor/Deputy Chair of the Council of Governors.

The Remuneration and Nominations Committee (Non-Executive Director) is appointed and authorised by the Council of Governors, to set appropriate remuneration and terms of appointment for the Chair and Non-Executive Directors, and is guided by best practice and market trends. It may also be called upon to provide advice to the Council of Governors on other contractual issues relating to Non-Executive Director appointments in the Foundation Trust, such as remuneration, which includes all aspects of remuneration (including any allowances), provisions for other benefits, as well as arrangements for termination of appointment. The main functions include:

- To receive advice as necessary on overall remuneration and terms and conditions of appointment for Non-Executive Directors

- To set levels of remuneration and terms of appointment for Non Executives
- To advise the Board of appropriate remuneration strategies for Non-Executive Directors
- To monitor the performance of Non-Executive Directors through the Trust Chair
- To monitor the performance of the Trust Chair

The Remuneration and Nominations Committee have a fundamental role to assist the Board of Directors with its oversight role by:

- Periodic review of the numbers, structure and composition (including the person specifications) of Non-Executive Directors, to reflect the expertise and experience required, and to make recommendations to the Council of Governors.
- Developing succession plans for Non-Executive Directors, taking into account the challenges and opportunities facing the trust
- Identifying and nominating candidates to fill Non-Executive Director posts
- Keeping the leadership requirements of the Trust under review, to ensure the continued ability to provide cost effective, high quality and appropriate health services.

The Non-Executive Director Remuneration and Nominations Committee met on three occasions during 2020/21:

Remuneration and Nominations Committee (NED) * virtual meeting	08/07/2020	07/09/2020	08/09/2020
Simon Jones, Lead Governor and Committee Chair	✓	✓	✓
Richard Cotterell, Trust Chair	✓	✓	✓
Ravi Bhakhri, Governor Member	✓	✓	✓
Ian McComiskie, Governor Member	✓	X	X
Lilian Owens, Governor Member	✓	✓	✓
Karen Nixon, Governor Member	X	X	✓

As a consequence of these meetings:

- In July 2020 the Remuneration and Nominations Committee agreed the recruitment process for the recruitment to two non-executive director vacancies; one to replace Richard Cotterell who had been appointed Chair of the Trust from 1st July 2020 as reported in the 2019/20 annual report; and the second as a replacement to the post vacated by Elizabeth Jarrett in December 2019.

- At the July 2020 meeting, the Remuneration and Nominations Committee also reviewed the NHS guidance relating to NED remuneration and noted the requirement for NHS Improvement authorisation in order to vary the implementation timeframe for the Chair and NED remuneration framework. A request was subsequently made by the Trust and authorisation was received to enable the top rate of remuneration of

£13K to be paid to the new NEDs so as not to create a differential compared with existing postholders.

- In September 2020, the Remuneration and Nominations Committee completed the recruitment and selection process to the two non-executive director vacancies referred to above, with the appointment of Debbie Nixon and Mark Large. The recommendation with respect to their appointment was formally confirmed by the Council of Governors at the Annual Members' Meeting on 9th September 2020 and both postholders commenced a three year term of office on 1st October 2020.

- The non-executive director remuneration table reflects additional payments for individuals carrying out the roles of Audit Committee Chair, Vice Chair and Senior Independent Director which are in line with equivalent payments to non-executive directors in the NHS

- The Committee is supported in its work by Jane Landick, Company Secretary and Alex Brett, Director of Workforce and Development. No other advice was sought from any individual, who was not a director or employee of the Trust

Salaries and Allowances of Senior Managers

See table on page 44-45

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest-paid director in Midlands Partnership NHS FT in the financial year 2020/21 was £220k - £225k (2019/20, £215k - £220k). This was 7.3 times (2019/20, 8.06) the median remuneration of the workforce, which was £30,615 (2019/20, £27,260).

The movement is a reduction between the year on year multiples with no significant reason for the slight 0.76 decrease in the multiple. This multiple has been calculated on the same basis of previous years.

In 2020/21, 0 (2019/20, 0) employees received remuneration in excess of the highest-paid director. Remuneration ranged from £9,489 to £223,600 (2019/20 £14,856 - £219,774).

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

The performance related pay element is contingent on two conditions being met; delivery of the 2020/21 Financial Plan, and the Trust not receiving any formal Warning Notices from the Care Quality Commission. Provided these two conditions are met the element will be paid in full. Partial performance will not be recognised, ie if either the Financial Plan is not delivered and/or a Warning Notice is received from the CQC, no performance related element will be paid to any eligible Director.

In accordance with Department of Health guidance on Very Senior Manager remuneration all remuneration over £150,000 is referred to the Secretary of State for approval following benchmarking of national comparators.

(nb Median Remuneration Disclosure has been subject to audit and the calculation excludes agency staff as the Trust does not compile data in a form where it would be able to extract remuneration for agency staff by individual).

There have been no payments for loss of office during this financial year.

Salaries and Allowances of Senior Managers

Name and title	2020-21							2019-20						
	Salary & Fees	Taxable Benefits	Annual Performance-Related Bonuses **	Long Term Performance Related Bonuses	Pension-related Benefits	Other	Total	Salary & Fees	Taxable Benefits	Annual Performance Related Bonuses	Long Term Performance Related Bonuses	Pension-related Benefits	Other	Total
	(bands of £5,000)	(to the nearest £100)	(bands of £5,000)	(bands of £5,000)	(bands of £2,500)	(bands of £5,000)	(bands of £5,000)	(bands of £5,000)	(to the nearest £100)	(bands of £5,000)	(bands of £5,000)	(bands of £2,500)	(bands of £5,000)	(bands of £5,000)
	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
M Gower - Chairman, commenced 1/7/14 and left 30/6/20	10-15	0	0	0	0	0	10-15	55-60	0	0	0	0	0	55-60
R Cotterell - Chairman commenced on 1/7/20 previously Non Executive commenced 26/5/16	40-45	0	0	0	0	0	40-45	15-20	0	0	0	0	0	15-20
M Nurse - Non Executive, commenced 13/6/16	20-25	0	0	0	0	0	20-25	15-20	0	0	0	0	0	15-20
D Matthews - Non Executive, commenced 1/09/16	20-25	0	0	0	0	0	20-25	20-25	0	0	0	0	0	20-25
J Gaddum - Non Executive, commenced 1/6/18	15-20	0	0	0	0	0	15-20	15-20	0	0	0	0	0	15-20
E Jarrett - Non Executive, left 31/12/19	0	0	0	0	0	0	0	10-15	0	0	0	0	0	10-15
J Small- Non Executive, commenced 1/12/18	15-20	0	0	0	0	0	15-20	15-20	0	0	0	0	0	15-20
Paul Bunting - Non-Executive, commenced 1/4/20 and left 30/9/20	5-10	0	0	0	0	0	5-10	0	0	0	0	0	0	0
Mark Large - Non-Executive, commenced 1/10/20	5-10	0	0	0	0	0	5-10	0	0	0	0	0	0	0
Debbie Nixon - Non-Executive, commenced 1/10/20	5-10	0	0	0	0	0	5-10	0	0	0	0	0	0	0
N Carr - Chief Executive	185-190	6,400	20-25	0	0	10-15	230-235	175-180	6,400	15-20	0	0	0	205-210
J Deaville – Director of Finance & Performance	155-160	4,600	5-10	0	95-97.5	0	260-265	145-150	4,600	05-10	0	1132.5-1135	0	1290-1295
A Bussey- Chief Nurse, commenced 19/12/13	135-140	0	5-10	0	0	0	145-150	125-130	3,300	0-5	0	155-157.5	0-5	290-295
A Khan - Medical Director - Commenced 8/11/15 *	180-185	2,300	0-5	0	0	60-65	250-255	215-220	2,300	0-5	0	0	0	220-225
S Grange - Director of Strategy& Strategic Transformation, commenced 1/4/10 ***	140-145	4,600	5-10	0	42.5-45	15-20	215-220	135-140	4,600	0-5	0	5-7.5	05-10	155-160
T Moyes - Director of Quality & Clinical Performance, left 9/6/19	0	0	0	0	0	0	0	20-25	0	0-5	0	0	0-5	25-30
L Lockett - Director of Quality& Clinical Performance, commenced 10/6/19	125-130	0	0-5	0	80-82.5	0	210-215	95-100	0	0	0	1230-1232.5	0-5	1330-1335
G Moores - Director of Workforce & Development, left 31/5/19	0	0	0	0	0	0	0	15-20	300	0-5	0	0	0	20-25
A Brett - Director of Workforce & Development, commenced 3/6/19 ****	130-135	0	0-5	0	35-37.5	0	175-180	90-95	0	0	0	87.5-90	0	180-185
J Cowcher - Director of Adult Social Care, left 1/9/19	0	0	0	0	0	0	0	40-45	0	0-5	0	157.5-160	0	205-210
J Collier - Managing Director Staffordshire Care Group, commenced 2/1/19	110-115	0	5-10	0	35-37.5	0	150-155	105-110	0	0-5	0	37.5-40	0	145-150
C Bailey- Managing Director Children & Families Care Group, commenced 2/1/19	110-115	1,700	5-10	0	42.5-45	0	160-165	105-110	1700	0-5	0	702.5-705	0	810-815
H King- Managing Director Specialist Care Group, commenced 1/6/18	110-115	2,460	5-10	0	25-27.5	0	145-150	105-110	2500	0-5	0	425-427.5	0	535-540
C Riley- Managing Director Shropshire & Telford Care Group, commenced 1/6/18	110-115	3,100	5-10	0	10-12.5	0	130-135	105-110	3100	0-5	0	20-22.5	0	130-135
C Ibell - Chief Digital Information Officer, commenced 1/9/20	60-65	0	0	0	15-17.5	0	75-80	0	0	0	0	0	0	0

Taxable Benefits' relates to motor vehicles

* Medical Director Salary & Fees is split £67k in relation to his Director Role and £151k in relation to his clinical duties within the organisation

** All Annual Performance Related Bonuses are deferred until the accounts have been completed and signed off. The figures included in the table relate to payments made in 2020/21 in relation to 2019/20 bonus as it is not paid until all requirements have been met see page 38 Executive Director Remuneration and Nominations Committee for the criteria.

*** Director of Strategy & Strategic Transformation commenced August 2016 as Programme Director - Enhanced Primary and Community Care Transformation, Staffordshire STP in addition to his substantive role within SSSFT. An additional payment of £10k per annum has been allocated to the additional role of Programme Director in support of system change and delivery of the Sustainability and Transformation Plan within Staffordshire, alongside an additional payment of £10k for the role of Strategic Lead for the STP Transformation Delivery Unit.

**** Director of Workforce & Development commenced as Programme Director – Workforce, Staffordshire STP in addition to her substantive role within MPFT. An additional payment of £10k per annum has been allocated to this additional role.

Pension Benefits

Name and title		2020-21							2019-20						
		Real increase in pension at pension age (bands of £2,500)	Real increase in pension lump sum at pension age (bands of £2,500)	Total accrued pension at pension age at 31 March 2019 (bands of £5,000)	Lump sum at pension age related to accrued pension at 31 March 2019 (bands of £5,000)	Cash Equivalent Transfer Value at 1 April 2018 (to the nearest £1,000)	Real increase in Cash Equivalent Transfer Value (to the nearest £1,000)	Cash Equivalent Transfer Value at 31 March 2019 (to the nearest £1,000)	Real increase in pension at pension age (bands of £2,500)	Real increase in pension lump sum at pension age (bands of £2,500)	Total accrued pension at pension age at 31 March 2018 (bands of £5,000)	Lump sum at pension age related to accrued pension at 31 March 2018 (bands of £5,000)	Cash Equivalent Transfer Value at 1 April 2017 (to the nearest £1,000)	Real increase in Cash Equivalent Transfer Value (to the nearest £1,000)	Cash Equivalent Transfer Value at 31 March 2018 (to the nearest £1,000)
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
J Deaville – Director of Finance & Performance	60	5-7.5	15-17.5	55-60	165-170	0	0	0	47.5-50	147.5-150	45-50	145-150	0	0	0
S Grange - Director of Commercial Development	60	2.5-5	0-2.5	40-45	85-90	660	37	726	0-2.5	0	35-40	80-85	624	4	660
L Lockett - Director of Quality & Clinical Performance, commenced 10/6/19	60	2.5-5	5-7.5	60-65	155-160	1,057	85	1,177	42.5-45	117.5-120	55-60	145-150	0	838	1057
A Bussey, Chief Operating Officer	55	0	0	0	0	0	0	0	7.5-10	22.5-25	65-70	195-200	1253	187	1489
A Brett - Director of Workforce & Development, commenced 3/6/19	65	0-2.5	0	30-35	70-75	560	31	611	2.5-5	5-7.5	30-35	65-70	460	59	560
J Collier - Managing Director Staffordshire Care Group		0-2.5	0-2.5	25-30	50-55	341	18	380	2.5-5	0-2.5	20-25	50-55	299	20	341
C Bailey - Acting Managing Director Children & Families Care Group		2.5-5	0-2.5	35-40	80-85	587	37	649	30-32.5	70-72.5	30-35	70-75	0	527	587
H King- Managing Director Specialist Care Group		0-2.5	0	20-25	5-10	294	17	332	20-22.5	5-7.5	20-25	5-10	0	280	294
C Riley- Managing Director Shropshire & Telford Care Group		0	30-32.5	30-35	50-55	488	107	618	0-2.5	0	30-35	20-25	442	21	488
J Cowcher - Director of Adult Social Care left 1/9/19		0	0	0	0	0	0	0	2.5-5	0	5-10	0	0	35	99
C Ibell - Chief Digital Information Officer		0-2.5	0	0-5	0	0	2	18	0	0	0	0	0	0	0

Note: Non-Executive members do not receive pensionable remuneration. A Khan Medical Director employments are non-pensionable and N Carr & A Bussey are not in the Pension Scheme. J Deaville left the pension scheme in 2017-18 and rejoined in 2019-20

Director and Governor Expenses

Name	Position	2020/21 Total	2019/20 Total
		£00	£00
N Carr	Chief Exec	7	26
J Deaville	Exec	0	5
A Khan	Exec	0	7
T Moyes	Exec	0	0
L Lockett	Exec	0	7
A Bussey	Exec	0	4
S Grange	Exec	0	4
M Gower	Chair left 30/6/20	3	65
R Cotterill	Non Executive Director/Chair commenced 1/7/20	0	24
P Bunting	Non Executive Director	0	0
E Nicholson	Non Executive Director	0	0
D Matthews	Non Executive Director	8	28
J Gaddum	Non Executive Director	10	24
S Nixon	Non Executive Director	0	0
M Nurse	Non Executive Director	8	29
E Jarrett	Non Executive Director	0	4
J Small	Non Executive Director	10	38
G Patel	Associate Non Executive Director	0	0
Eccleston	Governor Member	0	1
Gilmore	Governor Member	0	2
Haroon	Governor Member	0	2
Iles	Governor Member	0	1
Matthews	Governor Member	0	5
Mccomiskie	Governor Member	0	1
J Millham	Governor Member	0	8
L Owens	Governor Member	1	0
L Roberts	Governor Member	1	2
Smith	Governor Member	0	4
P Lythgoe	Governor Member	1	0
		49	**291**

Cash Equivalent Transfer Values

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 disclosure applies. The CETV figures and the other pension details 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 and currently do not allow for a potential future adjustment arising from the McCloud judgement.

Real Increase in CETV

This reflects the increase in CETV effectively funded by the employer. It 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 scheme or arrangement) and uses common market valuation factors for the start and end of the period.

The CETV may have been calculated using different methodologies at 31st March 2019 and 31st March 2020 due to the introduction of GMP indexation (also known as GMP equalisation), and therefore this may have an impact on the calculated real increase in CETV figure.

Signed: Neil Carr Date: 7 June 2021

Chief Executive

Staff Report

The Trust has around 8,958 members of staff, based in our services across the country. We are committed to ensuring they are properly equipped and supported to carry out their roles effectively.

Note 4.2 Average number of employees (WTE basis)	2020/21 Total Number	2020/21 Permanent Number	2020/21 Other Number	2019/20 Total Number	2019/20 Permanent Number	2019/20 Other Number
Medical and dental	**208**	185	23	**209**	183	26
Ambulance staff	**0**	0	0	**0**	0	0
Administration and estates	**931**	889	42	**904**	854	50
Healthcare assistants and other support staff	**2,650**	2,470	180	**2,918**	2,754	164
Nursing, midwifery and health visiting staff	**2,245**	2,116	129	**2,118**	2,012	106
Nursing, midwifery and health visiting learners	**0**	0	0	**0**	0	0
Scientific, therapeutic and technical staff	**1,175**	1,045	130	**1,135**	964	171
Healthcare science staff	**0**	0	0	**4**	4	0
Social care staff	**787**	787	0	**216**	216	0
Other	**0**	0	0	**0**	0	0
Total average numbers	**7,996**	**7,492**	**504**	**7,504**	**6,987**	**517**
Of Which:						
Number of employees (WTE) engaged on capital projects	**5**	5	0	**0**	5	0

	Total £000	Permanently employed total £000	Other total £000
Salaries and wages	**268,793**	268,793	0
Social security costs	**25,138**	25,138	0
Pension cost - defined contribution plans employer's contributions to NHS pensions	**47,237**	47,237	0
Apprenticeship Levy	**1,298**	1,298	0
Pension cost - other	**517**	517	0
Termination benefits	**0**	0	0
Temporary staff - external bank	**13,499**		13,499
TOTAL STAFF COSTS	**356,482**	**342,983**	**13,499**

Staff in Post by Gender – headcount 2020-21

Role	Female	Male	Grand Total
Board Level Director	7	6	13
Senior Manager	4	1	5
Employee	7576	1364	8940
Grand Total	**7587**	**1371**	**8958**

Annual Turnover Rate by Staff Group

Staff Group	Annual Turnover %
Add Prof Scientific and Technic	8.43%
Additional Clinical Services	10.40%
Administrative and Clerical	8.22%
Allied Health Professionals	9.87%
Estates and Ancillary	8.97%
Healthcare Scientists	0.00%
Medical and Dental	13.68%
Nursing and Midwifery Registered	8.57%
Grand Total	**9.27%**

Annual Sickness by Staff Group 2019/20

Staff Group	Absence Rate %
Add Prof Scientific and Technic	2.62%
Additional Clinical Services	6.56%
Administrative and Clerical	3.16%
Allied Health Professionals	2.53%
Estates and Ancillary	4.28%
Healthcare Scientists	1.73%
Medical and Dental	2.67%
Nursing and Midwifery Registered	4.92%
Grand Total	**4.56%**

All of our Employment Polices and associated SOPs are Equality Impact Assessed using an assessment tool. The EqIA ensure that the Trust thinks about the likely impact of any proposed changes to Employment Policies and associated SOPs on its workforce. It helps to predict the impacts of the policy/SOP on different cohorts of the workforce (protected within the Equality Act 2010) and ensures any adverse or negative impacts are considered, reduced and mitigated. For example, the Trust is a Disability Confident Employer and as such guarantees an interview to candidates with a disability that meet the essential criteria for any advertised post. It is committed to making reasonable adjustments for candidates when attending for interview where such adjustments are required. The Trust has also, through its Managing Attendance Policy and close working with occupational health specialists, supported staff whose health poses a challenge to their work and made a wide range of adjustments that help support individuals. In addition, the Trust has continued to make provisions for the access of training by staff with disabilities, for example provision of equipment and materials for staff with visual impairment.

Equality and Inclusion

See section in the Performance Report page 22

Health and Safety

The health and safety of our staff, those who use our services and visitors is of key importance to the Trust and continues to be embedded within our culture.

The Health, Safety and Security Team offers oversight, advice, guidance and support to all staff throughout the Trust. Areas where support is offered includes: assault, threats, verbal abuse, lone working, risk assessments, security management, display screen equipment, work related stress, first aid and more.

Policies and standard operating procedures are written for staff to use to ensure their health, safety and wellbeing and to ensure that we all meet the legal requirements of health and safety regulations.

The Trust uses two approaches to ensuring we meet our legal obligations; proactive planned monitoring of health and safety practice together with responsive intervention and support where incidents or risks are reported.

- **Proactive Planned Activity**
  Team self-assessment allows services to understand their own health and safety performance using a structured process. The results of the self-assessment allow us to develop a focused programme of support across the Trust to close gaps in process or raise awareness of health and safety requirements.

  Assessments of premises are carried out by the Health, Safety and Security Team each generating a report detailing recommendations and actions to maintain health, safety and wellbeing for staff, patients, service users, visitors, and contractors.

- **Responsive Activity**
  The Trust uses an electronic incident reporting system to capture incidents and near misses. When an incident related to health and safety is reported, the Health, Safety and Security Team receive an automatic notification allowing timely oversight and support to be given to our services. By proactively encouraging the reporting of incidents and near misses, the Trust supports an open and transparent reporting culture allowing lessons to be learned which can help prevent incidents from occurring again in the future.

  The outcomes of proactive and responsive activity and data on health and safety incidents and near misses is reported through a number of governance routes within the Trust to ensure oversight, assurance and strong decision making. Reports are sent to the Trust's Health and Safety Committee, Quality Governance Committee and Operational Forums.

- **Inspection Activity**
  In July 2019, the Health and Safety Executive (HSE) carried out an announced inspection of Trust Services as part of their national inspection programme across the NHS. The Trust received a report following the inspection and was subsequently issued with three improvement notices to comply with against set timescales. The

improvement notices have since been closed and the learning taken from this is being applied across the Trust where relevant.

Our focus on health and safety allows the Trust to forge a strong health and safety culture which helps to ensure the health, safety and wellbeing of staff and all those that use, or come in contact, with our services.

Counter Fraud and Anti Bribery Culture

The Trust seeks to ensure that a comprehensive counter fraud and anti-bribery culture exists throughout the organisation as detailed in the Trust Policy for Fraud and Corruption and through the work undertaken by the Local Counter Fraud Specialist (LCFS). All such policy and procedure is subject to review by the LCFS to ensure all documentations is maintained in accordance with Service Condition 24 (SC24) of the NHS Standard Contract 2020/21. Fraud information is available on the Trust intranet and is effectively signposted on the Trust website, including information about the Trust's approach to Freedom to Speak Up. Regular articles appear in staff newsletters highlighting this important issue. The LCFS actively promotes such policies at all awareness events.

Freedom to Speak Up

Effective speaking up arrangements protect patients and improve the experience of NHS workers. Ensuring all staff feel free to speak up about any concern they may have at work is really important. In fact, it is vital because it will help us to keep improving our services for all patients and the working environment and relationships for our staff.

Senior leaders and the entire Board at our Trust are committed to an open and honest culture and want to encourage staff to raise any concerns they might have at the earliest possible time. The Trust's Freedom to Speak Up (FTSU) Guardians promote the importance of 'speaking up' up to local leadership as business as usual, and receiving appropriate and compassionate responses. The Guardians ensure staff have easy and confidential access to help and support in raising any concerns. The Guardian's regularly report to the Trust Board on issues and themes raised with them. The FTSU Guardians and network of Champions are linking closely with Organisational Development as diagnostics are being improved to include more supportive mechanisms, become more proactive and implement lessons learnt. The FTSU Guardians are especially focused on staff wellbeing and the impact this can have on safety and quality of service delivery. Therefore the FTSU Guardians are actively supporting work to improve colleague's wellbeing and experiences, promoting the Trust's values and behaviours.

Staff Survey

Staff Engagement Approach

In August 2020, a new 3 year major people and organisational development transformational programme was launched within MPFT called in 'In Our Gift'. In Our Gift is about inclusively and collectively re-imagining the future of MPFT and what's possible together with every one of our 8500 staff members serving a population of 1.5 million patients, service users and caregivers.

The vision for In Our Gift is about creating a way of working which includes coming together, sharing best practice, creating a community network through social collaboration and together realising the art of the possible. By its very nature 'In our Gift' is a collective ambition so owned by all staff within MPFT. The In Our Gift Approach has recently been shortlisted for a Health Service Journal Value Award in the category of People and Organisational Development Initiative of the Year.

In Our Gift is made up of 4 Quadrants, supported by Trust Values and Behaviours and Governance processes. The approach is enabled by the use of Digital Technology and a suite of facilitation tools known as Liberating Structures.

Key goals for the In Our Gift Approach were set out right from the start and included;

- The requirement for a robust and accessible well-being offer for all colleagues
- A collaboration engine that captures the hearts and minds of the workforce through idea generation, making the impossible possible and ideas that could be implemented without heavy governance, just happen
- A strong digital application for access and agility
- A delivery methodology to complement our existing Quality Improvement (QI) approach which is based on the Virginia Mason model
- An ongoing and never-ending resource that could be developed at the point of need
- Support for leaders to implement the 'how' and the associated aims within our gift
- A recognition scheme to compliment impact and achievement
- Quick and easy sharing of best practice.
- A new pulse check with a section that uniquely links CQC domains to trust values including a happiness index.
- Talent management pilot

Staff Survey Results

In 2020, staff were invited to take part in the annual NHS Staff Survey. 4969 staff responded representing 59% of the workforce. This is the highest number of responses we have ever had as an organisation. MPFT is now benchmarked against a bigger category of NHS organisation which include all Mental Health and Learning and Mental Health, Learning Disability and Community Trusts, and in this bigger category MPFT achieved a joint 7th highest response rate nationally. Within this category we achieved the highest number of responses.

The 2020 staff survey remained largely the same as the 2019 survey, however it did not include the section on personal development. This was replaced with a section on staff experience of working through the pandemic. Two new questions were added to the survey; "I feel safe in my work" and "I feel safe to speak up about anything that concerns me in this organisation".

Benchmarking Key Theme Results

The staff survey comprises of 78 questions, which make up 10 key themes. Each theme is scored out of ten, with increments of 0.1 noted as a significant change. These can be seen in Table 1 below. With regards to these 10 key themes, MPFT scored above

average on all 10 themes of the benchmarking themes, only 1 of 2 Trusts of our type to achieve this. Comparing the theme scores with results from 2019 staff survey scores, we have seen statistically significant positive change in all 10 themes, with a change in score in 9 out of 10 themes.

We have been rated as the 5th most improved Trust of type by the Health Service Journal. Furthermore, MPFT is 1 of only 10 Trusts of type who have seen improvement across 9 or more benchmarking themes. Within the benchmarking category, MPFT is 1 of 2 trusts with 10 themes scoring above average.

As can be seen in Table 1 the biggest increases can be seen in the Health and Well-being (0.5 score increase) and Morale (0.3 score increase). The theme of Safe Environment – violence has remained the same at 9.6.

Table 1 below shows our bench-marking performance from 2018/19 to 2020/21

	2020/ 21		2019/ 20		2018/ 19	
	Trust	**Benchmarking Group**	**Trust**	**Benchmarking Group**	**Trust**	**Benchmarking Group**
Equality, diversity and inclusion	9.4	9.1	9.3	9.1	9.3	9.2
Health and wellbeing	6.6	6.4	6.1	6.1	6.1	6.1
Immediate managers	7.4	7.3	7.2	7.2	7.2	7.2
Morale	6.6	6.4	6.3	6.3	6.3	6.2
Quality of appraisals	N/A	N/A	6.0	5.7	5.8	5.5
Quality of care	7.6	7.5	7.5	7.4	7.4	7.4
Safe environment – bullying and harassment	8.5	8.3	8.3	8.2	8.4	8.2
Safe environment – violence	9.6	9.5	9.6	9.5	9.6	9.5
Safety culture	7.1	6.9	6.9	6.8	6.8	6.8
Staff engagement	7.3	7.2	7.1	7.1	7.0	7.0
Team working	7.1	7.0	6.9	6.9	N/A	N/A

In understanding the results across the 75 questions, scores significantly improved on 45 questions, 30 questions had no significant difference and 0 questions were significantly worse when compared to 2019 results. The most improved questions are listed in Table 2 below.

Table 2: The 10 most improved question scores

Theme	Question	% Score	% Increase since 2019
Health and well-being	In last 3 months, have not come to work when not feeling well enough	56%	15%
	Organisation takes positive action on health and well-being	43%	12%
Staff Engagement	Would recommend organisation as place to work	71%	9%
	If friend/relative needed treatment would be happy	78%	7%
	Care of patients/service users is organisation's top priority	82%	8%
Morale	I am unlikely to look for a job at a new organisation in the next 12 months	61%	9%
	I don't often think about leaving this organisation	55%	8%
	I am not planning on leaving this organisation	67%	7%
Not Applicable	Enough staff at organisation to do my job properly	44%	11%
	Communication between senior management and staff is effective	53%	11%

MFPT has seen the largest increase in the Health and well-being theme and is 0.2 above the national average for Trusts of the same type. 4 out of 5 questions health and well-being saw an improvement, with the most significant highlights being a 12% increase in the organisation taking positive action on this area, 7% increase in satisfaction with flexible working patterns and a 15% reduction in staff coming into work when they are not well enough to complete their duties. For staff self-describing in the survey as belonging to a Black, Asian or minority Ethnic background, there was an improvement of 17% around the organisation taking positive action on health and well-being and a 9% reduction in work-related stress. Additionally, staff reported a further 3% increase in reasonable adjustments being made by their employer.

These results are likely to be reflective of the increased focus on staff well-being through the pandemic and the launch of the new, wide-ranging and inclusive health and well-being offer known as SOOTHE. This approach and the interactive web-based handbook has been nationally recognised by NHSi as a best practice example and has recently been featured via video at a NHS Employers conference in March 2021. The interactive handbook can be found here https://view.pagetiger.com/soothe.

Morale as a theme has seen a 0.3 increase and is 0.2 above average for Trusts of a similar type. Scores across all 9 questions which make up this theme have improved. The most significant improvements include 7-9% improvements on the questions asking staff if they are considering leaving the organisation. This means that less staff are considering looking for a job outside of MPFT.

Further significant improvements for the staff survey results were noted in the questions asking staff about their experience of senior leaders within the organisation. Of these questions, there was an 11% improvement in score on the question relating to the effectiveness of communication between senior leader and staff, 6% increase in senior leaders involving staff in important decisions and a 5% improvement in senior managers acting on staff feedback.

Staff engagement

The Trust has achieved a score for this theme of 7.3, which reflects a 0.2 increase since 2019. The average score for the benchmarking category has seen a 0.1 increase.

This key theme is made up of 9 questions exploring 3 key areas; motivation, the ability to contribute to improvements and recommendation of the organisation as a place to work or receive treatment. Significant increases have been seen in the domain of advocacy with 9% - 7% increases across the 3 questions. With regards to the question about recommending the organisation as a place to work, MPFT has seen the second highest increase nationally within its benchmarking category. Increases can also been across the 3 questions pertaining to involvement in decision making. The area of motivation has seen the least improvement, with only 1 of 3 questions seeing an improvement. This is perhaps not surprising given the context of the pandemic.

Table 3 Staff engagement comparison with 2019

Staff Engagement Question	2019	2020
Advocacy		
Would recommend organisation as place to work	62%	71%
If friend/relative needed treatment would be happy with standard of care provided by organisation	71%	78%
Care of patients/service users is organisation's top priority	74%	82%
Involvement		
Able to make suggestions to improve the work of my team/dept.	75%	78%
Opportunities to show initiative frequently in my role	71%	73%
Able to make improvements happen in my area of work	56%	59%
Motivation		
Often/always look forward to going to work	61%	63%
Often/always enthusiastic about my job	77%	77%
Time often/always passes quickly when I am working	81%	80%

Future priorities and targets

The results of the 2020 Staff survey will be used to inform our next steps within our In Our Gift approach. The following areas will be priority areas to focus upon

Well-being and Experience

The health and wellbeing of our staff is fundamental to ensuring they are fit and able to provide care for others and the Trust is committed to ensuring it has the right mechanisms in place to support staff to create the culture in which they are helped to stay healthy and well and also to support staff when they are unwell. This involves having the right management structures, work environment, policies or procedures, occupational health services, and opportunities to receive care and support in relation to physical and emotional well-being. The Trust is committed to preventing ill health and continues to work hard to ensure that staff within the Trust recognise that their health and wellbeing is taken seriously.

Whilst we have made significant progress with our approach to health and well-being through our SOOTHE approach, there remains further work to progress due to the ongoing impact of working within the NHS during the Covid-19 pandemic. It is also likely that many staff have experienced difficulties, including loss within their families and social relationships. Through SOOTHE we will continue to build upon on our offer to ensure we are both recognising the impact upon well-being and offering support in wide ranging and inclusive ways. This includes the development of a bespoke staff offer delivered by out Well-being and Recovery College.

Our core Occupational Health and Well Being Service is provided across the Trust's geography primarily by Team Prevent UK Ltd. In addition to this core offer, our comprehensive wellbeing support package which is based British Psychological Guidance (2020), national guidance and the evidence base includes:

- Executive briefing –to increase visibility of senior leaders, answer key questions and share key messages
- Regular updates via email – a key space for information, updated with key messages highlighted to ensure staff are informed and have clear guidance
- Dedicated intranet space and updates for well-being, weekly communications about well-being (SOOTHE). This includes Well-being Wednesdays where key messages and events around well-being are shared
- Dedicated interactive web-based handbook for our well-being offer https://view.pagetiger.com/soothe
- Support groups and spaces to chat to promote connection and support including Shielding Space to Chat, A Parents Place to Park and Menopause Matters
- Coaching offer for leaders to seek support, emotional defusing, time out or work through specific issues for leaders/managers
- Virtual Staff networks to connect individuals across our diverse staff groups – BAME, Disability, LT conditions, LGBT+
- Team support and listening ear service, in conjunction with F2SU, Equality lead and staff side representation
- Lead Psychologist identified to consult with hotspot areas such as District Nursing, Palliative Care, Home First, All Inpatient services

- Increased funding provided to our Specialist Staff Psychology Service to meet increased need
- Bespoke offer for staff delivered by the Well-being and Recovery College that includes webinars, brief sessions and team support on a range of well-being topics

Social Collaboration

At the heart of the In Our Gift approach is social collaboration – working in a collective and collaborative way to improve both patient/service user and staff experience. It's not just a way of working it's the way we work by coming together and sharing best practice. The aim is to create community networks through social collaboration and together realising the art of the possible. A key part of this has been the introduction of the In Our Gift Ideas Hub in August 2021, a digital platform for staff to share ideas and innovations and collaborate together.

Whilst our staff survey results evidence that staff are experiencing more involvement and opportunities to affect change within MPFT, this quadrant of In Our Gift will enable us to focus on improving these results further. This way of working together in MPFT will be key as we continue to shape both the experience of staff and patient care post pandemic.

Leadership

For the 'In Our Gift' philosophy to be realised to its full potential, leaders in MPFT must influence and develop a culture within their teams that supports a collective and compassionate approach. This means working together to create a strong team ethos where every single member of Team MPFT understands how important their contribution is to the overall success of the organisation. The continued development of a leadership offer that both supports our leaders as they support others and delivers a collective and compassionate approach will be the focus through 2021/2022.

Continuous Improvement

Our approach to continuous improvement is based on our Quality Improvement (QI) methodology, the foundations of which are constructed on Lean thinking and the aim that everybody; everywhere is working towards improving their service. By putting service users and carers right at the centre and staff in the driving seat of change, we believe that staff will develop their own effective and sustainable solutions to improving their areas of work. This works best when supported by a clearly structured and actively facilitative QI framework and leaders who will support and break down any barriers to change. Given the agenda to continue to improve patient experience and staff experience in new ways of working this methodology will be key and utilised through 2021/2022

Monitoring Progress

The monitoring of plans aligned to the In our Gift Approach and methodology to improve the experience and well-being of our staff sits with the People Committee and ultimately, Trust Board, with improvement being measured through the yearly National Staff Survey and the regular In Our Gift pulse check.

The analysis of staff survey results undertaken will also target team hotspots and also areas of success so that good practice can be shared. Care Groups and Corporate Directorates will be expected to act on survey results and build into their ongoing workforce plan. Care Groups have developed action plans to localise our response to the staff survey and integrated these into their on-going In Our Gift plans which will be a key focus for Managing Directors (MDs) of the Care Groups. MDs report progress to the People Committee which reports into the Trust Board. Progress will also be reviewed at the next staff survey.

Trade Union Facility Time disclosures

The data provided below is for 2019-20. Data for 2020-21 is not yet available, the reporting deadline is end of July. This information will be placed on the Trust website.

Table 1 Relevant union officials

What was the total number of your employees who were relevant union officials during the relevant period?

Number of employees who were relevant union officials during the relevant period	Full time equivalent employee number
12	10.47

Table 2 Percentage of time spent on facility time

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

Percentage of time	Number of employees
0%	0
1-50%	9
51%-99%	2
100%	1

Table 3 Percentage of pay bill spent on facility time

Provide the figures requested in the first column of the table below to determine the percentage of your total pay bill spent on paying employees who were relevant union officials for facility time during the relevant period.

Provide the total cost of facility time	£73843.62
Provide the total pay bill	£292741000.00
Provide the percentage of the total pay bill spent on facility time, calculated as:	0.03%
(total cost of facility time ÷ total pay bill) x 100	

Table 4 Paid trade union activities

As a percentage of total paid facility time hours, how many hours were spent by employees who were relevant union officials during the relevant period on paid trade union activities?

Hours spent on paid facility time	4405
Hours spent on paid trade union activities	154
Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	3.50%

Table 1: For all off-payroll engagements as of 31 March 2021, for more than £245:

No. of existing engagements as of 31 Mar 2021	88
Of which:	
Number that have existed for less than one year at the time of reporting	27
Number that have existed for between one and two years at the time of reporting	8
Number that have existed for between two and three years at the time of reporting	12
Number that have existed for between three and four years at the time of reporting	21
Number that have existed for four or more years at the time of reporting	20

Table 2: For all off-payroll engagements between 1 April 2020 and 31 March 2021, for more than £245 per day:

Number of temporary off-payroll workers engaged between 01 Apr 2020 and 31 Mar 2021	149
Of which:	
Number not subject to off-payroll legislation (see note)	0
Number subject to off-payroll legislation and determined as in scope of IR35 (see note)	101
Number subject to off-payroll legislation and determined as out of scope of IR35 (see note)	48
Number of engagements reassessed for compliance or assurance purposes during the year	101
Of which, number of engagements that saw a change to IR35 status following review	0

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

Table 3: For any off-payroll engagements of board members, and/or senior officials with significant financial responsibility, between 1 April 2020 and 31 March 2021

Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	0
Number of individuals that have been deemed "board members and/or senior officials with significant financial responsibility" during the financial year. This figure should include both off-payroll and on-payroll engagements.	6

The Trust has Guidelines on the engagement of off payroll workers (*Managers Information for IR35 Assessments and Governance Checks for Off Payroll Workers*) which sets out the requirement to seek authorisation for Off Payroll Workers via the Temporary Staffing Team (non medical) and Medical Staffing Team (medical locums) prior to engagement, this documentation includes authorisation documentation and flowcharts.

Expenditure on Consultancy

	2020/21	2019/20	2018/19	2017/18	2016/17
	£000	£000	£000	£000	£000
Total Costs	724	295	638	220	312

Staff Exit Packages

		Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages
Staff Exit Packages Agreed		**2020/21**	**2020/21**	**2020/21**
Exit package cost band (including any special payment element)				
<£10,000		4	0	**4**
£10,000 - £25,000		3	0	**3**
£25,001 - 50,000		3	0	**3**
£50,001 - £100,000		1	0	**1**
£100,001 - £150,000		1	0	**1**
£150,001 - £200,000		0	0	**0**
>£200,000		0	0	**0**
Total Number of exit packages by type		**12**	**0**	**12**
Total resource cost		316	0	316

The use of exit packages within the year are specifically related to management of change exercises that have been undertaken to support the Trust's portfolio of services and their changing service requirements.

The Trust made no non-contractual payments in 2020/21.

NHS Foundation Trust Code of Governance

The role of the Board of Directors (A.1.1)

The Board manages the Trust by:

- setting the overall strategic direction of the Trust within the context of NHS priorities
- regularly monitoring our performance against objectives
- providing effective financial stewardship through value for money, financial control and financial planning
- ensuring that the Trust provides high quality, effective and patient-focused services through effective clinical governance
- ensuring high standards of corporate governance and personal conduct
- promoting effective dialogue between the Trust and the local communities we serve

Decisions delegated to management are as defined within the Scheme of Delegation which is available via the Trust website or by request from the Company Secretary.

The Council of Governors advises the Trust on how best to carry out its work to meet the needs of service users and the wider community. It has a number of statutory duties, including to appoint the Chairman and Non-Executive Directors, and to ratify the appointment of the Chief Executive. The Council of Governors also determines the remuneration of the Chairman and Non-Executive Directors, receives the Trust's Annual Report and Accounts and Auditor's report, and appoints the Trust's external auditor. In addition the Council of Governors is required to hold the Non-Executive Directors, individually and collectively, to account for the performance of the Board of Directors; approve significant transactions; approve an application by the Trust to enter into a merger, acquisition, separation or dissolution; decide whether the Trust's non-NHS work would significantly interfere with its principal purpose; and approve amendments to the Trust's constitution.

Board of Directors:

The Trust Board recognises its responsibility collectively and individually for all aspects of the leadership of the Trust and the duty placed upon it, to conduct its affairs effectively and demonstrate measurable outcomes that build patient, public and stakeholder confidence that we provide high quality, sustainable health and social care.

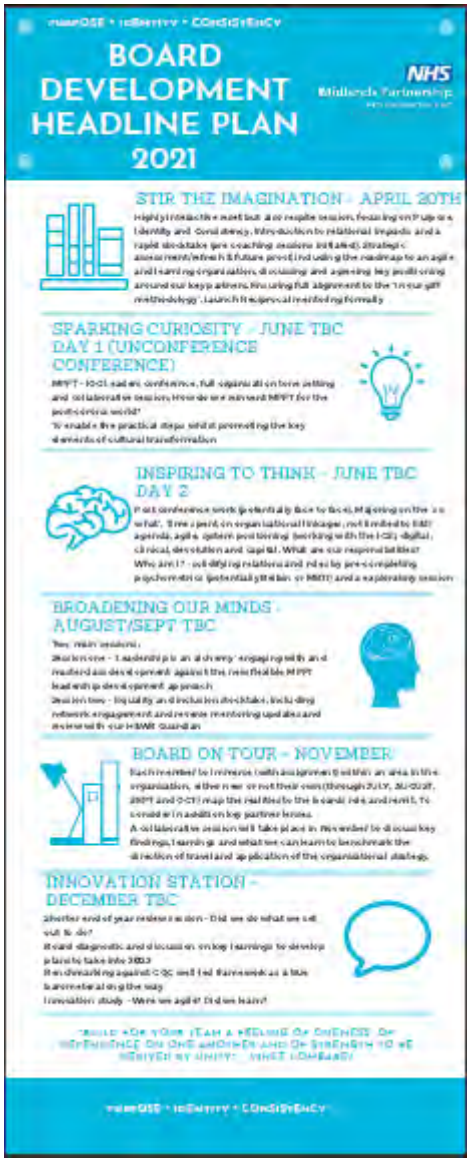
Equally, it is important that the Trust's leaders equip and encourage people at all levels to deliver continuous improvement in local health and care systems and gain pride and joy from their work and that there are robust governance processes in place to give the leaders of organisations, those who work in them, and those who regulate them, confidence about their capability to maintain and continuously improve services.

The Board of Directors regularly reviews its own performance through a process of self-assessment and peer review. Throughout the year externally facilitated Board Development Sessions have taken place on a regular basis. There has also been a continued focus on ensuring all Board members maintain compliance with mandatory training requirements and that new Non-Executive Directors appointed during the year benefitted from a comprehensive induction customised to their individual needs. (B 6.1)

Board Development

During 2020/21, in keeping with the constraints of the Covid-19 pandemic, held all of its Board Development activities online. This included the difficult task of ensuring an effective induction for the non-executive directors appointed during the year and who took up post on 1st October 2020. The timing of a Board Development session in October 2020 was specifically planned to align to their commencement dates. In addition, a Board Development session also took place in August 2020. During these two sessions, the Board focused on:

- an introduction to Reverse Mentoring as a means of supporting the action focused leadership required to achieve organisational transformation and to support learning, awareness and confidence among Board members.
- The Board and Trust's role and responsibilities to collaborate and partner as system leaders in the new worlds of Integrated Care Systems/Integrated Care Partnerships and Primary Care Networks



- Exploring a new approach to the rating of risk appetite to evaluate and respond to the key strategic risks facing the Trust.
- Leading the way in Equality and Inclusion: exploring the equality and inclusion priorities for the Trust and Board, aligned to the People Plan
- Agile working: the Covid-19 response and future ways of working linked to restoration and surge planning
- Insights into Digital Maturity and Strategy: supporting the Board to chart their digital journey, with specific emphasis on the HIMSS Maturity Model approach and a re-imagining of service delivery through digitisation.

Development activity also included:

- Personal development arising from appraisal – all Board members have an annual appraisal, informing development needs for the Board as a collective as well as individually.
- Chair's meeting – the Chair meets routinely with the Non-Executive Directors as a group to discuss development needs and identify areas for improvement

In February 2021, the Board took the opportunity to review and refocus its Board Development plans to reflect current and future needs and a robust plan for 2021/22 which combined a focus on strategic and cultural development based on both individual and collective learning and leadership and included the themes and focus illustrated in the infographic.

Board Committees:

Midlands Partnership NHS Foundation Trust routinely undertakes an annual review of Board and committee governance. During 2020/21 this was undertaken during August/September 2020 and received by the Board of Directors at its October 2020 meeting. In addition, the Board took the opportunity to review its governance arrangements in May 2020 and November 2020 in light of the first and second waves of the pandemic to reflect national guidance and to provide the Board with assurance that the governance arrangements in place during this time was both robust and proportionate.

During 2020/21, following the appointment and addition to the Board of a Chief Digital Information Officer as a non-voting Board member and a non-executive director with a special interest in digital, the Board formally established a Digital Committee as a new committee of the Board. The committee is responsible for ensuring that an effective system of governance is in place for delivery of the Digital Strategy 2020-25 and all its constituent parts including the IM&T Transformation Plan 2020-25 and the resulting change programmes/projects. The committee held its first meeting in January 2020.

Directors: (B1.1)

Annual performance appraisals are routinely undertaken for all Board members, summaries of which are made available to the Remuneration and Nomination Committees. With respect to Non-Executive Directors, the appraisal processes include an evaluation and assessment of the independence of all Non-Executive Board members.

Based on the expertise and experience listed above, the Foundation Trust is confident that the necessary range of knowledge and skills exists within the Board of Directors and that its balance, completeness and appropriateness to the requirements of the NHS Foundation Trust constitutes a high performing Board. (B 1.4)

Non-Executive Directors (NEDs) are normally appointed for a term of three years. If any of the grounds for exclusion or disqualification set out in the Constitution as it may be amended from time to time apply to a NED, then the appointment may be terminated. A NED must immediately notify the Chairman and the Company Secretary if any event occurs which would or may disqualify them from or make them ineligible to continue in the role as a NED. In addition, a NED may be removed as a NED at a general meeting of the Council of Governors at which the removal is approved by three-quarters of its members. (additional requirement)

A register of interests is maintained in relation to all Trust Board members. This is available on the Trust website or by application to the Company Secretary at Trust Headquarters. (additional requirement)

Making Sure the Board Understands the Views of Governor Members and Members (E1.5)

Board members routinely attend each Council of Governors meeting. The Chief Executive delivers a report including an environment scan of key local and national policy developments and issues at each Council of Governors meeting. Summary reports of Council of Governors meetings are received by the Board, and in turn Governor Members receive the minutes and agenda for Board meetings and are encouraged to attend the

public section. During 2020/21 in recognition of the need to find different ways to engage and communicate with governors during the pandemic, a series of governor briefings have taken place at two weekly intervals to ensure an emphasis is placed on ensuring the involvement of the Council of Governors in developing, shaping and commenting on the Board's strategic vision and forward planning and although during the peaks of the pandemic, governor engagement groups were stood down for short periods, Council of Governors meetings have continued to take place virtually. A Non-Executive Director sits on each Governor Member Engagement Group and two Non-Executive Directors routinely attend the Governor Member Steering Group. (B 5.6) Regular meetings also take place between the Chair, Lead Governor and Company Secretary and 1:1 meetings are regularly scheduled between the Chair and all governor members.

All Directors confirm that so far as they are aware, there is no relevant audit information of which the Trust auditor is unaware and they have taken all the steps required to make themselves aware of any such information and establish that the Trust auditor is aware of it.

The Trust has a policy agreed by the Audit Committee and the Trust Board for the engagement of External Auditors for Non Audit Work. This policy sets out what threats to audit independence theoretically exist and thus provides a definition of non-audit work which can be shared by the Trust and KPMG LLP. It then seeks to establish the approval processes and corporate reporting mechanisms that will be put in place for any audit work that KPMG is asked to perform. No non-audit work has taken place in this financial year.

Compliance with the NHS Foundation Trust Code of Governance

The Board of Directors and the Council of Governors are committed to the principles of good corporate governance as detailed in the NHS Foundation Trust Code of Governance. Following publication of the revised Code of Governance in December 2013 (updated January 2014), a detailed review of the compliance position is undertaken each year in preparation for the annual report submission and the evidence to support compliance against each provision is referenced throughout the annual report. The Trust is therefore able to declare compliance with the code provisions with the following exceptions:

Code Provision (D.2.2) The Remuneration should have delegated responsibility for setting remuneration for all Executive Directors, including pension rights and any compensation payments. The Committee should also recommend and monitor the level and structure of remuneration for senior management. The definition of 'senior management' for this purpose should be determined by the Board but should normally include the first layer of management below Board level.

Explanation

The Remuneration (and Nominations) Committee has delegated responsibility for setting the remuneration for Board Members comprising Executive Directors and non-voting Board members. All other senior managers are paid on Agenda for Change pay scales and salaries are set according to the job matching and evaluation processes as applied to all Trust staff and they do not therefore fall within the remit of the RANC.

Code Provision (B.1.d) All directors should be able to exercise one full vote, with the chairperson having a second or casting vote on occasions where voting is tied.

Explanation

The Board currently comprises of six executive directors (including the Chief Executive, seven non-executive directors (including the Chair) and seven non-voting Board members, whose contribution and expertise is considered essential and integral to the Board's core role but without the need to assign voting rights to these individuals.

Information on Board Members (B 1.4)

Non-Executive Directors

Richard Cotterell Chairman (B 3.1)
Start Date: 26 May 2016 (as Chair from 1st July 2020)
Current term of office end date: 30th June 2023

Richard Cotterell has been a Managing Director at Caterpillar Inc. since 2009 where he is responsible for a global Division which designs and manufactures off highway diesel and gas engines. He first started out with Caterpillar Inc. in 1997 and has undertaken a number of global executive roles and prior to joining the company worked in Consultancy, Telecoms and Defence sectors. Richard holds a BSc in Business Studies and an MBA from Warwick University. Richard brings extensive operational, commercial and financial skills to the Board.

Jane Gaddum Non-Executive Director
Start Date: 1 June 2018
Current term of office end date: 30 November 2021

Jane joined MPFT as a Non-Executive Director as its formation in 2018, having been on the Board at one of the antecedent Trusts since 2015. She has spent nearly 20 years as a global commercial leader at AstraZeneca, working in partnership with scientists, drug development colleagues and international affiliates to design valued future medicines and to influence investment decisions. At MPFT, Jane chairs Business Development and Investment Committee and is a member of the Digital Committee, Major Transactions Committee, Audit Committee, Strategic Direction Group and Community Engagement Group. She is the lead NED for the Staffordshire Care Group and the Board member sponsoring the equality agenda for LGBT+. Alongside her MPFT role, Jane is Director of a Silk and Technical Textiles company and is a visiting lecturer in Pharmaceutical Business Development at the University of Manchester.

Mark Large Non-Executive Director
Start Date: 1st October 2020
Current term of office end date: 30th September 2023

Mark Large joined the Board having been a successful healthcare consultant with clients including NHS and private sector clients. Mark has a mixed background of public and private sector experience, including 13 years employment in the NHS with experience across multiple care settings (acute, tertiary specialist, community and mental Health). Work in the private sector includes more than eight years at Oracle Corporation (UK) where he held the posts of Senior Practice Manager of Server Technology and Technical Architecture consulting practices. Mark has experience of delivering real transformation to multiple organisations. Mark's interest and experience lie in helping NHS organisations deliver effective change that improves equality of access to services in collaboration with their service users and staff.

David Matthews Non-Executive Director
Start Date: 1 September 2016
Current term of office end date: 31 August 2022

A qualified CPFA accountant, David joined the Board from Dudley and Walsall Mental Health Partnership where for 6 years he had been a Non-Executive Director and chair of its Audit Committee. He lives in Walsall and has previously been Director of Resources at two Staffordshire based Housing Associations and the Non-Executive Chair of a small Housing Association based in Walsall. Prior to this he held roles with Birmingham and Walsall Councils and the Black Country Development Corporation. David has personal experience of mental health services as a result of which he is committed to the provision of high quality services across all of the Trusts operations. David chairs the Trust Audit Committee and is a member of the Finance and Performance Committee, Service User and Carer Committee (virtual), Significant Transactions Committee, Remuneration and Nominations and Trust Board.

Debbie Nixon Non-Executive Director
Start Date: 1st October 2020
Current term of office end date: 30th September 2023

Debbie Nixon joined the Board as a Non Executive Director (NED) in October 2020. Debbie is Chair of the Finance and Performance Committee, and a member of Audit and Business Development Committees. She is also the Board Sponsor for the Staff Disability and LTC Equality Network. She previously served as NED for Black Country Health Care NHS Foundation Trust, formerly Dudley and Walsall Mental Health Partnership NHS Trust and worked as a Specialist Advisor for the Academic Health Science Network in The North West Coast. Debbie is a Registered Nurse and District Nurse and has worked in a variety of clinical and national roles, including a Senior Consultant for The National Institute of Mental Health England and an accredited Gateway Reviewer for the Department of Health. Former Executive positions include Director of Commissioning for Manchester PCT and Chief Operating Officer for Blackburn with Darwen Clinical Commissioning Group, leading on all elements of strategy, primary care, business development and partnerships. This included the integration of health and care services with the Local Authority and wider stakeholders including a major reconfiguration of Mental Health and Learning Disability Services across the Lancashire and South Cumbria Integrated Care System. Debbie is an innovator and a collaborator and is passionate about delivering high quality, integrated services to improve health and social outcomes for service users and local communities.

Megan Nurse Vice Chair and Senior Independent Director
Start Date: 13 June 2016
Current term of office end date: 12 June 2022

Megan Nurse joined the Board from Calderstones Partnership NHS Foundation Trust where she served as a Non Executive Director. Calderstones provided specialist learning disability services across the North of England. Prior to this, Megan worked in Local Government and the Police Force within Greater Manchester. Megan was Assistant Chief Executive at Tameside Metropolitan Borough Council, where she led a multi-million transformation and change programme, alongside leading on strategy, engagement,

quality and performance across the authority. Her interest and expertise lie particularly in ensuring the quality of services and in driving improvement in the use of resources and delivery of better services to service users. Megan is the Vice Chair and Senior Independent Director (B 1.1) with specific responsibility for Shropshire, Telford and Wrekin. Megan is a member of the Shropshire, Telford and Wrekin ICS Board, and is the lead Non Executive for health inequalities across the system. Megan is MPFT's Wellbeing Guardian, and is the lead Non Executive Director for Freedom to Speak Up (F2SU) and Doctors with Concerns. Megan is the Chair of the Major Transaction Committee and the People Committee; and is a member of the Audit and Quality Governance Committees.

Jacqueline Small Non-Executive Director
Start date: 1 December 2018
Current term of office end date: 30 November 2021

Jacqueline Small has had a varied career in a range of senior Public Health management and executive level roles within the NHS and local government in London, Birmingham and Staffordshire. She joined the Board from the Royal Wolverhampton NHS Trust where she served as a Non-Executive Director since 2017. Her working life has resulted in her having extensive experience in the fields of health improvement, commissioning, partnership working, community-based health improvement and wellbeing services and campaigns, and programme and project management. Jacqueline initially trained as a Nurse and Midwife in Birmingham, then later took a degree in Social Policy Having been appointed to the role of Non-Executive Director for MPFT in 1st December 2018, Jacqueline now chairs the Quality Governance Committee and is a member of the Trust Board, Remuneration and Nominations Committee, Finance and Performance Committee, Workforce and Development Committee, Digital Committee, and is non-executive lead for Mental Health Legislation, Service User and Carer Involvement, Infection Prevention & Control and the BAME Staff Equality Network.

Geeta Patel Associate Non-Executive Director
Start date: 1 July 2020
Current term of office end date: 30th June 2021

Geeta has over 30 years of experience in leadership and governance roles in the voluntary, healthcare and public sectors. She has led work on public and patient involvement, developing the leadership skills of women and ethnic minorities, and is a recognised expert in defining and demonstrating strategic outcomes. Joining the Board in 2020 as a NExT Director, which supports people from underrepresented groups to gain insight and experience at a board level in the NHS, Geeta is also a board director at Wolverhampton Citizens Advice and chairs her local GP practice's patient participation group. Geeta has a roving brief over all of the Board Committees, with a focus on Business Development and Investment and the Council of Governors.

Executive Directors

Neil Carr OBE Chief Executive
Start date: May 2001
Chief Executive: 16 May 2007

Neil Carr joined the Trust at its inception in 2001 and has successfully led the Trust as CEO since 2007. A mental health nurse at heart and by background and training, supported by a wealth of experience and accolades including an OBE for services to nursing, fellowship of the Royal College of Nursing and in 2021 an honorary doctorate of science from Keele University Medical School. A graduate of Birmingham City University, Neil has spent his career championing nurses and nurse leadership and working in collaboration with colleagues from Yale University led nationally on the development of nurse prescribing. He has also been instrumental in developing and establishing sub-specialties in the field of mental health care, including services for eating disorders, peri-natal mental health and psychiatric intensive care. A real passion and personal ambition has always been the establishment of a strong research focus outside of the traditional research centres to the extent that the Trust's research credentials and reputation can be compared favourably with the very best and Neil is very proud to serve as Regional Chair of the Clinical Research Network. His other interests and notable achievements include a relentless focus on quality improvement based on the Virginia Mason model which aligned to a commitment to collaboration and engagement has delivered a culture of collaborative and compassionate leadership and has supported and sustained him in his role of Chief Executive Office of Midlands Partnership NHS Foundation Trust and its predecessors for the past fourteen years. Over the past 12 months he has led from the front in the delivery of the Covid response programme in Staffordshire.

Alison Bussey Chief Nurse/Director of Professional Leadership
Start date: June 2018
Director of Nursing and Chief Operating Officer
Start date: December 2013 End date: June 2018
Director of Specialist Services
Start date: June 2012 End date: December 2013

Alison Bussey joined the Trust in June 2012 having worked at Oxford Health holding both Nursing and Operational Director roles. She started her career in the NHS as a Nurse having qualified as both an Adult and Mental Health Nurse. Alison has held a number of clinical and senior operational leadership positions, in Hertfordshire and Buckinghamshire. Her particular interests lie in leadership, patient safety, quality improvement and staff engagement.

Jayne Deaville Director of Finance and Performance and Deputy Chief Executive
Start date: March 2001

Jayne is Director of Finance and Performance / Deputy Chief Executive at Midlands Partnership NHS Foundation Trust and has worked locally in Staffordshire in a number of NHS organisations for 30 years. She has experience across a broad range of services including Ambulance, Acute, Mental Health and Community Care. Jayne's particular

interests are in the strategic leadership of the finance and performance function and organisational governance, ensuring that excellent services go hand in hand with excellent financial performance. Jayne's experience over the past 21 years has included the merger of 3 organisations into one, programme managing this merged organisation to Foundation status in May 2006, playing an instrumental role in the acquisition of Shropshire Mental Health and Learning Disability Services in June 2007 and developing the business case for the re-design of services in Shropshire including the provision of a new inpatient facility. Latterly in 2018 she financially led the acquisition of community and social care services in Staffordshire to form one of the largest integrated Trusts. She now represents the organisation's financial interests in the Strategic Transformation Partnership arrangements across Staffordshire & Shropshire alongside her strategic leadership role at MPFT. Jayne is a Fellow of the Chartered Institute of Management Accountants and holds a Master of Business Administration - Health Executive.

Steve Grange Executive Director of Strategy, Commercial & Strategic Development and Programme Director: Enhanced Primary and Community Care STP Staffordshire
Start date: January 2005
Executive Director: 1 April 2010

Steve started in Industry and has worked across many NHS sectors including the Department of Health, Strategic Health Authority, Modernisation Agency, Primary Care Trusts, Specialised Services, Acute Sector and in the USA with the US Veterans. Steve has a background in Specialised Clinical and IT Purchasing, Reforming Emergency Care, the development of Strategic Clinical Networks and a wide experience of general acute management in community, primary, secondary and tertiary care. He lectures on Healthcare Strategy, Programme Management, Partnership working, Clinical Network Development and NHS Commercial development. Steve is also a visiting professor of Wagner College New York. Steve's particular interests revolve around leadership, strategic/organisational and commercial development and the formulation of strategic partnerships. He is formally qualified in Business and Project Management at degree level and has visiting seats in a number of universities including New York, USA. Steve has managed a number of large projects, many of them national and is very proud to have project-led one of the first Mental Health style Foundation Trusts, and a number of complex acquisitions. Steve has worked with the Military (MOD) and Veterans Agencies for many years, helping to align strategies and services to the UK and USA Military to Mental Health provision. Steve chairs the National NHS MOD Network and a number of military/NHS forums. More recently Steve leads a programme supporting the redesign and enhancement of new models of care, primary care and general practice and alliance partnerships within the Staffordshire STP. Steve has always been committed to network style working and has developed numerous prime and sub-contracting, joint venture and social enterprise models that facilitate improved partnership leading to better care. Steve is currently in his second term of chairing the NHS Providers Finance Directors & Commercial Leads Network. Steve's personal passion revolves around martial arts and Chinese philosophy. Steve is a qualified martial arts instructor and martial arts author. He has been teaching for over 22 years.

Dr Abid Khan Medical Director
Start Date: June 1993 (Medical Director from November 2015)

Dr Abid Khan is a Consultant Psychiatrist and the Clinical Lead for the Psychiatric Intensive Care Unit (PICU) here at Stafford. He has been involved in medical management for a number of years. He has past experience of being a Clinical Director of Mental Health Services for 13 years and held the office of Associate Medical Director and Deputy Medical Director before taking up his current role. In addition to the Medical Director role he also oversees the Caldicott Guardian role for the Trust.

Liz Lockett Director of Quality and Clinical Performance
Start Date: September 2009
Executive Director: June 2019

Liz is a Registered Mental Health Nurse and has been qualified for 29 years. She has worked in a number of specialist nursing roles including that of Eating Disorders Clinical Nurse Specialist. Liz's passion for quality improvement and governance has driven her career over the past 16 years and for the last 11 years she has worked in for the Trust in a senior leadership role managing the quality agenda. Liz' executive portfolio spans safety; including investigations, duty of candour and family liaison, involvement and experience, quality improvement, Clinical Audit Health & Safety, Information Governance and CQC regulatory performance. She is executive lead with responsibility for the Trust Quality Governance Committee and works closely with Clinical and Care Directors and Managing Directors to ensure quality and safety is consistently a key priority and focus for the Trust.

Non Voting Board Members

Claire Bailey – Managing Director of Children & Families Care Group
Start date as Managing Director: October 2018

Claire took up the role of Managing Director of Children & Families Care Group in October 2018 and has worked for the NHS for 25 years. Claire is a qualified Adult Nurse by background and has nursed in both acute hospital and community settings before operationally managing community services across health & social care. Claire's career has embraced the integration agenda within a strategic and partnership perspective, and she has performed recent roles including: Acting Director of Strategy, Business & Redesign; and Deputy Director of Strategic Partnerships. Claire brings a wealth of experience in managing community services, redesigning and leading transformation of services, and working with Commissioners and Partners across the system. Claire is passionate about continuous improvement, developing and delivering effective community services, and the associated coproduction and engagement with staff and service users.

Alex Brett – Director of Workforce and Development
Start date: June 2019

Alex worked at the former SSSFT from 2009 as the Head of Organisational Development and then latterly as the Deputy Director of Workforce and Development. She left briefly in

2016 to undertake the Deputy Director role at Shrewsbury and Telford Hospitals to gain Acute Trust experience and went on to work as the Executive Director of Workforce at Combined Healthcare in 2017, before returning to MPFT in 2018 and successfully stepping into the Director of Workforce and Development role in June 2019. In addition to her role at MPFT, she currently leads the ICS Workforce/ People Programme across Staffordshire and Stoke on Trent and is Vice Chair of the ICS People Board. She started her career originally as a nurse and was Professional Lead for District Nursing across North Staffordshire in conjunction with a Lecturer in Nursing role at Keele University, before moving on to operationally leading and managing community services in Stoke-on-Trent. She went on to pursue a career in Organisational and Workforce Development which progressed to her leading the full range of workforce and development services for many years as a Deputy Director, before she became a Board level Director. She is also a qualified Executive Coach and Team Coach. She has a Master of Arts degree in Management Learning and Leadership from Lancaster University (Business School) and is a Fellow of the Chartered Institute of Personnel and Development (CIPD).

Jennie Collier, Managing Director – Staffordshire and Stoke-on-Trent Care Group
Start Date: February 2009
Managing Director: June 2018

Jennie holds a professional qualification in Human Resource Management and has worked in a range of HR roles across the private and public sector, both in the UK and overseas. The early part of Jennie's NHS career was spent working across mental health services, community services and commissioning within Birmingham; she moved to Staffordshire in 2009. Jennie transferred from Human Resources into Operational leadership in 2011 initially managing child and adolescent mental health services and latterly the Trust's specialist and family services directorate. Jennie has successfully led a range of service transformation programmes across both children and adult services, she has been a Governor Member for the Ambulance Service and worked for a short period in the acute sector. Jennie holds a Masters in Leadership for Health Service Improvement and is passionate about high quality health and social care leadership, supporting staff to deliver care that achieves the best possible outcomes for the people we are here to serve. Jennie's Managing Director portfolio spans adult community services, adult social care and adult mental health services.

Jo Cowcher Director of Adult Social Care
Start Date: July 1995
Director of Adult Social Care: April 2017

Jo began her career as a Social Worker in a generic adult team before moving to a mental health team and remains a registered social worker to this day. From there Jo has taken a number of leadership roles which have been focussed both on adult social care and integrated health and social care team. Jo has specific interests in mental health and older people and the impact that physical health has upon this, safeguarding and driving forward the quality of social work and social care practice. She is committed to keeping social care high on the agenda of the organisation. Jo's current joint role with Staffordshire County Council gives her responsibility across all adult social care in Staffordshire.

Chris Ibell Chief Digital Information Officer
Start Date: September 2020

Chris is responsible for driving the Trust's digital transformation agenda and is accountable for providing assurance regarding the IM&T function and demonstrating leadership in progressing the digital agenda. A proponent of strong clinical engagement, Chris aims to ensure that digital service innovation is prioritised to improve patient care and to help staff in the efficient and effective delivery of that care. Chris has a lengthy background in Health Sciences IT consulting, software development, cloud services and commercial management, covering provider, payer and life sciences domains, both locally in the UK and globally.

Cathy Riley Managing Director of Shropshire, Telford & Wrekin Care Group
Start Date: February 2007
Managing Director: June 2018

Cathy is a Registered Pharmacist and has been qualified for 36 years. She has worked in a number of senior pharmacist roles in commissioning, primary and community care, and mental health, before moving into wider senior operational and strategic management roles since 2013. Cathy's passion for service improvement, staff development and partnership has driven her career over the past 15 years and for the last 6 years she has worked in for the Trust in a senior role leading services in Shropshire, Telford & Wrekin. As a managing director, and non-voting member of the Trust Board, Cathy's portfolio spans the quality agenda, operational and strategic management, performance and resource management, as well as focussing externally on effective partnership working in the Shropshire, Telford & Wrekin Integrated Care System. She has lead responsibility for the Trust in respect to the services delivered in the Shropshire, Telford & Wrekin Care Group, ensuring that the Trust achieves its strategic aims there, and Trust values and behaviours are deployed. As an effective partner in the Shropshire, Telford & Wrekin system, she is the SRO for the Mental Health, Learning Disabilities and Autism ICS Programme. She is passionate about improving the lives of people of all ages living with mental health, learning disabilities and autism and reducing health inequalities.

Directors who held office at some point during this financial year:

Martin Gower Chairman
Start date: 1 July 2014
Term of office end date: 30 June 2020

Martin Gower, Chairman, joined the Trust in July 2014. He had previously spent 3 years as Chairman of Coventry and Warwickshire Partnership NHS Trust who provided Mental Health, Learning Disabilities and general Community Services. He joined the NHS as a Non-Executive Director in August 2009. Previously his career had been in the Media in the UK, Ireland and the USA. He was Managing Director of South West Wales Publications and West Country Publications, then members of the Daily Mail and General Trust plc and later worked in the same capacity for Mirror Group Ireland, based in Belfast and at The Coventry Telegraph. Immediately prior to his work in the Daily Mail Group he was President and CEO of United Syndicated Services in Los Angeles, California. He has also served on the boards of the Prince's Trust in Wales, Young Enterprise Northern Ireland and was Chairman of the Institute of Directors in Coventry and Warwickshire. In

his role as Chair of an NHS organisation Martin is committed to ensuring the delivery of safe, high quality services and to developments that will not only better the patient experience but that will be able to sustain these services in the long term.

Paul Bunting Non-Executive Director
Start Date: 1st April 2020
Term of office end date: 30th September 2020
Paul returned to the Trust for a six month term of office following the Covid-19 outbreak in order for the Trust to focus on the pandemic response without the distraction of non-executive director recruitments. Having formerly been a non-executive director with the Trust for six years from 2012 to 2018, Paul was ideally placed to help out with this temporary appointment. He has significant leadership experience in Chief Executive and Managing Director roles in the transport sector. His most recent executive role was as the Commercial and New Business Director at Stagecoach Group prior to which he spent five years in Paris working for the SNCF Group on a major European transport project. Previous senior roles include Chief Executive at National Express Limited and Managing Director of the Midland Mainline rail franchise operating high speed trains between South Yorkshire, the East Midlands and London. Paul is also a non-executive director at the Empower multi academy educational trust.

Committees of the Board:

Quality Governance	Jackie Small (Chair) Megan Nurse Mark Large Paul Bunting
Finance and Performance	Debbie Nixon (Chair) David Matthews Jackie Small Paul Bunting
Business Development and Investment	Jane Gaddum (Chair) Debbie Nixon David Matthews
People	Megan Nurse (Chair) Jackie Small Mark Large
Audit	David Matthews (Chair) Debbie Nixon Megan Nurse Jane Gaddum Paul Bunting
Digital	Mark Large (Chair) Jane Gaddum Megan Nurse
Service User and Carer (Involvement for Impact Workshops)	Debbie Nixon David Matthews Richard Cotterell Jackie Small (Lead) Megan Nurse Jane Gaddum Mark Large Paul Bunting
Remuneration and Nominations Committee (Executive Director) (RANC)	Richard Cotterell (Chair) Jane Gaddum Debbie Nixon David Matthews Jackie Small Megan Nurse Mark Large Paul Bunting

Audit Committee

(A1.2)

Summary of Audit Committee Role (C 2.2) (C3.9)

The Audit Committee is responsible for ensuring the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the Organisation's activities in support of the achievement of the Organisation's objectives. It achieves this by:

- ensuring that there is an effective internal audit function providing appropriate independent assurance to the Audit Committee, Chief Executive and Board
- reviewing the work and findings of the External Auditor
- reviewing the findings of other significant assurance functions, both internal and external to the organisation
- reviewing the work of other committees within the organisation, whose work can provide relevant assurance to the Audit Committee's own scope of work
- requesting and reviewing reports and positive assurances from directors and managers on the overall arrangements for governance, risk management and internal control
- reviewing the Annual Report and Financial Statements before submission to the Board and ensuring that the systems for financial reporting to the Board, including those of budgetary control, are subject to review as to completeness and accuracy of the information provided

The Committee submits annual reports to the Board on the work that has been undertaken during the year, and undertakes a review of its effectiveness incorporating the views of the External and Internal Auditors.

KPMG LLP were appointed as the Trust's External Auditors following a competitive tender process on 4 January 2019, replacing PWC LLP. KPMG LLP have not undertaken any non-audit services

Audit Committee NR – attendance not required	**22/06/2020**	**07/09/2020**	**30/11/2020**	**08/02/2020**	**29/03/2021**
Richard Cotterell	✓				
Jane Gaddum	✓	✓	✓	✓	✓
David Matthews	✓	✓	✓	✓	✓
Megan Nurse	✓	✓	✓	✓	✓
Paul Bunting	✓	✓			
Debbie Nixon			✓	✓	✓
Neil Carr	✓	NR	NR	NR	NR
Jayne Deaville	✓	x	✓	✓	✓
Liz Lockett	✓	✓	✓	✓	✓

Trust Board

Membership	**30/04/2020**	**28/05/2020**	**25/06/2020**	**30/07/2020**	**27/08/2020**	**24/09/2020**	**29/10/2020**	**26/11/2020**	**17/12/2020**	**28/01/2021**	**25/02/2021**	**25/03/2021**
Martin Gower	✓	✓	✓									
Richard Cotterell	✓	✓	✓	✓	✓	✓	X	✓	✓	part	✓	✓
Claire Bailey	✓	✓	✓	✓	X	X	✓	✓	✓	✓	✓	✓
Alex Brett	✓	✓	✓	X	✓	✓	✓	✓	✓	✓	✓	✓
Paul Bunting	✓	✓	✓	✓	✓	✓						
Alison Bussey	✓	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	✓
Neil Carr	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Jennie Collier	✓	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	X
Jo Cowcher	✓	✓	✓	✓	✓	✓	✓	X	X	X	✓	✓
Jayne Deaville	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Jane Gaddum	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	X
Steve Grange	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Chris Ibell						✓	✓	✓	✓	✓	✓	X
Dr Abid Khan	✓	✓	✓	X	X	✓	X	✓	✓	✓	✓	✓
Howard King	✓	✓	✓	✓	✓	✓	X	✓	X	✓	✓	✓
Liz Lockett	✓	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	✓
Mark Large							✓	✓	✓	✓	✓	✓
David Matthews	✓	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	✓
Debbie Nixon							✓	✓	✓	✓	✓	✓
Megan Nurse	✓	✓	✓	X	✓	✓	✓	✓	✓	part	✓	✓
Cathy Riley	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	✓	X
Jackie Small	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Quality Governance

Membership	09/04/2020	14/05/2020	11/06/2020	09/07/2020	13/08/2020	10/09/2020	08/10/2020	12/11/2020	10/12/2020	14/01/2021	11/02/2021	11/03/2021
Liz Lockett	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	✓	✓
Jacqueline Small	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Megan Nurse	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mark Large							✓	✓	✓	✓	✓	✓
Paul Bunting	✓	✓	✓	✓	✓	✓						
Jayne Deaville	✓	✓	✓	✓	✓	X	X	✓	X	X	X	✓
Alison Bussey	✓	✓	✓	✓	✓	✓	✓	✓	X	✓	✓	✓
Jennie Collier	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Finance and Performance

Membership	24/04/2020	15/05/2020	12/06/2020	10/07/2020	14/08/2020	18/09/2020	16/10/2020	13/11/2020	11/12/2020	22/01/2020	12/02/2021	12/03/2021
Richard Cotterell	✓	✓	✓									
Paul Bunting				✓	✓	✓						
Debbie Nixon							x	✓	✓	✓	✓	✓
David Matthews	✓	✓	✓	✓	✓	x	✓	✓	✓	✓	✓	✓
Jacqueline Small	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Jayne Deaville	✓	✓	✓	✓	✓	✓	x	✓	✓	✓	✓	✓
Liz Lockett	✓	✓	✓	✓	x	✓	✓	x	✓	✓	✓	x

Business Development and Investment

Membership	27/04/2020	27/05/2020	27/07/2020	24/08/2020	28/09/2020	26/10/2020	23/11/2020	19/02/2021	22/03/2021
Jane Gaddum	✓	✓	✓	✓	✓	✓	✓	✓	✓
David Matthews			✓	✓		✓	✓	✓	✓
Richard Cotterell	X	X							
Debbie Nixon						✓	✓	✓	✓
Steve Grange	✓	✓	✓	✓	✓	✓	✓	✓	X
Jayne Deaville			✓	✓	✓	✓	✓	✓	✓
Howard King		✓	X	X	X	X	✓	X	X
Alex Brett			X	X	✓	✓	X	✓	X
Claire Bailey								✓	✓

Please note that for April and May 2020, the meetings were scaled down due to Covid-19 and it was agreed that there was no requirement for the full Committee to convene

People (formerly the Workforce and Development Committee prior to 16/09/2020)

Membership	20/05/2020	15/07/2020	16/09/2020	18/11/2020	20/01/2021	17/03/2021
Megan Nurse	✓	✓	✓	✓	✓	✓
Mark Large				✓	✓	✓
Geeta Patel		✓	✓	✓	✓	✓
Jacqueline Small	✓	✓	✓	✓	✓	✓
Alison Bussey	✓	✓	X	X	✓	✓
Alex Brett	✓	✓	✓	✓	✓	✓
Claire Bailey	✓	✓	✓	✓	✓	✓
Jennie Collier	✓	X	✓	X	✓	✓
Howard King	X	X	X	X	X	✓
Cathy Riley	✓	✓	X	X	X	X

Digital

Membership	**21/01/2021**	**18/02/2021**	**18/03/2021**
Mark Large	✓	✓	✓
Jane Gaddum	✓	✓	✓
Debbie Nixon		✓	✓
Megan Nurse	✓		
Jacqueline Small		✓	✓
Alison Bussey	x	✓	✓
Jayne Deaville	✓	✓	✓
Steve Grange	✓	✓	✓
Chris Ibell	✓	✓	✓

Trust Board attendance at Council of Governors

Membership	**08/04/2020***	**24/06/2020**	**09/09/2020**	**09/12/2020**	**24/02/2021**	**21/04/2021**
Alison Bussey	-	X	✓	X	X	X
Jennie Collier	-	✓	X	X	X	X
Geeta Patel	-	**	✓	✓	✓	X
Jayne Deaville	-	✓	X	X	X	✓
David Matthews	-	✓	✓	✓	✓	✓
Jacqueline Small	-	✓	✓	✓	✓	✓
Claire Bailey	-	X	✓	✓	X	X
Howard King	-	X	X	X	X	X
Richard Cotterell	-	X	✓	✓	✓	✓
Neil Carr	-	✓	✓	✓	✓	X
Liz Lockett	-	✓	✓	✓	X	✓
Abid Khan	-	✓	✓	✓	X	✓
Jane Gaddum	-	✓	✓	✓	✓	✓
Cathy Riley	-	✓	✓	X	X	X
Alex Brett	-	✓	X	✓	✓	✓
Mark Large	-	✓	✓	✓	✓	✓
Megan Nurse	-	X	✓	✓	✓	X
Steve Grange	-	✓	✓	✓	✓	✓
Debbie Nixon	-	X	X	✓	✓	✓
Paul Bunting	-	X	✓	**	**	**

*Meeting cancelled due to Covid-19

**Not in post

Council of Governors (A 5.3)

Governor Member	Constituency	Sub Division	Term of Office (if elected)	End date	08/04/2020**	24/06/2020	09/09/2020	09/10/2020	24/02/2021
Sarah Marie-Bailey	Public/Service User/Carer	Shropshire, Telford and Wrekin	3	09/2022	-	X	X	✓	✓
Jack Barber	Public/Service User/Carer	Shropshire, Telford and Wrekin	3	09/2021	-	✓	✓	✓	✓
Ravi Bhakhri	Public/Service User/Carer	Staffordshire	3	09/2021	-	x	✓	✓	✓
Fiona Doran	Public/Service User/Carer	Shropshire, Telford and Wrekin	3	09/2021	-	✓	✓	✓	✓
Gareth Eccleston	Public/Service User/Carer	Staffordshire	3	09/2021	-	✓	✓	✓	✓
Cllr Ann Edgeller	Partner	Stoke on Trent Council	n/a	n/a	-	X	✓	✓	x
Sharon Edwards	Staff	Allied Health Professionals	3	09/2021	-	X	X	X	X
Nicholas Iles	Public/Service User/Carer	Shropshire, Telford and Wrekin	3	09/2021	-	X	✓	✓	✓
Simon Jones	Partner	Shropshire County Council	n/a	n/a	-	✓	✓	✓	✓
Paul Lythgoe	Public/Service User/Carer	Staffordshire	3	09/2022	-	✓	✓	✓	✓
Margaret (Maggie) Matthews	Public/Service User/Carer	Staffordshire	3	09/2021	-	X	X	✓	X
Ian McComiskie	Public/Service User/Carer	Staffordshire	3	09/2021	-	✓	*	*	*
John Millham	Public/Service User/Carer	Shropshire, Telford and Wrekin	3	09/2021	-	X	X	X	X
Karen Nixon	Staff	Social Care	3	09/2022	-	✓	✓	✓	✓
Lilian Owens	Partner	Telford and Wrekin Voluntary Sector Forum	n/a	n/a	-	X	✓	✓	✓
Lesley Roberts	Public/Service User/Carer	Staffordshire	3	09/2021	-	✓	✓	✓	✓
Nicola Sherwood	Staff	Non-Clinical Support	3	09/2022	-	X	✓	✓	X
Marvin Shortman	Staff	Clinical Support	3	09/2022	-	X	X	✓	✓
Helen Smart	Public/Service User/Carer	Staffordshire	3	09/2020	-	X	X	X	X
Emma Smith	Staff	Nursing	3	09/2023	-	X	X	X	X

Janet Smith	Public/Service User/Carer	Regional/National	3	09/2020 ***	-	X	✓	✓	✓
Guru Srinivasan	Staff	Medical	3	09/2022	-	✓	X	X	X
Paul Stanley	Public/Service User/Carer	Shropshire, Telford and Wrekin	3	09/2021	-	X	X	X	X
David Tillet	Public/Service User/Carer	Shropshire, Telford and Wrekin	3	09/2022	-	X	X	X	X

* Not in post
** Cancelled
*** Continued as non-voting governor until 09/21 in light of no elections taking place in 2020/21 due to Covid-19

Signed: Neil Carr Date: 7 June 2021

Chief Executive

Membership Report

Contact us: (E 1.4)

The Membership Office
Freepost RLUS_GBES_KBYL
Trust Headquarters
Corporation Street
Stafford
ST16 3SR

Telephone: 01785 783068 or 01785 783069
Email: membership@mpft.nhs.uk
Website: membership.mpft.nhs.uk

Deputy Company Secretary/Membership Manager – Jenny Smit
Membership Administrator – Phoebe Wickens
Corporate Administration Support Officer – Sandra Davis
Corporate Administration Support Officer – Millie McMahon
Corporate Administration Support Officer – Laura Henderson

The nominated lead governor up to 1 January 2021 was Councillor Simon Jones, Partner Governor for Shropshire Council. From 1 January 2021 the Lead Governor is Ravi Bhakhri, Public/Service User/Carer Governor for Staffordshire/Stoke-on-Trent (A5,3)

Membership

To be eligible for membership of the public, service user and carer constituency, an individual needs to be aged 11 or over and live within Staffordshire, Shropshire, Telford/Wrekin; or in other parts of England and Wales. (additional requirement)
The staff constituency is divided into six classes: medical, nursing, allied health professionals, clinical support staff, non-clinical support staff and social care staff.
For the purposes of membership the constituency boundaries are Staffordshire/Stoke-on-Trent, Shropshire, Telford/Wrekin and the rest of England and Wales as the boundary of the Regional/National Constituency. (additional requirement)

Number of members and in each constituency (additional requirement)

Constituency	**Number of members**
Staffordshire/Stoke on Trent	10550
Shropshire, Telford and Wrekin	2938
Regional/National	2301
Total Public/Service User/Carer	**15790**
Staff	9471
Total	**25261**

Membership Strategy (additional requirement)

The purpose of this Strategy is to demonstrate how the Trust plans to retain its membership base, but more importantly to plan and evidence meaningful engagement with its members.

The Trust values the contribution of its membership and focuses on qualitative rather than quantitative membership levels and engagement. Our membership strategy outlines the various ways the Trust ensures we have a coherent and consistent approach to implementing the vision and objectives of the Trust and to how we maintain good governance of the organisation.

We aim to develop an active, progressive and developmental Membership base, which is representative of our geography and population. The strategy outlines a strong emphasis on using communication and engagement tools to deliver this objective with the support of our existing members, Governors, service users and carers.

The Strategy will be supported by an implementation plan, a live document which is regularly updated. The implementation of the strategy is closely monitored and supported by the Membership Steering Group, reporting where appropriate to the Council of Governors.

The membership strategy aims to:

- Ensure that membership is representative of the community it serves and that all staff groups are given equal opportunity to become involved. This is supported by a governor working group focussing on membership recruitment.
- Enable varying levels of participation according to the needs and wishes of individual members.
- Ensure that there is a consistent approach to the development of the membership, ensuring active engagement with the current membership and the recruitment of new members and to also ensure that the membership is of sufficient size to deliver credible elections to the Council of Governors.

The membership strategy is a public document available on the Trust's website and by printed copy via the membership office. The strategy outlines the involvement of members, service users (via the Involvement and Experience strategy) and the local community. (E.1.1)

The Trust has made progress in growing the membership and making this more representative of the communities we serve. The Board is confident that progress has been made in delivering the membership strategy and with regards to the effectiveness of members' engagement.(E.1.6 E 1.5)

The Council of Governors comprises 32 Governors led by the Foundation Trust Chair. The Deputy Chair and Lead Governor of the Council of Governors up to 1st January 2020 was Cllr Simon Jones, Partner Governor representing Shropshire County Council and from 1st January 2020 the post has been held by Ravi Bhakhri, Public/Service User/Carer Governor for the Staffordshire/Stoke-on-Trent constituency.

Constituency Meetings

The Council of Governors, with Trust support, normally run a series of public constituency meetings each year. Constrained by the pandemic both in terms of restrictions on face to face engagement and the capacity to support these meetings, constituency meetings have not taken place during 2020/21 (B.5.6)

Governors attending and/or participating in Trust events such as Board meetings, events, committees or engagement groups as agreed or invited by the Trust, and whose expenses are not paid by another organisation, are entitled to claim expenses including mileage or public transport costs, car parking, subsistence allowance and carer's allowance. However members have been able to virtually attend Board and Council of Governors meetings through Microsoft Teams and contact Governor Members with any queries through the membership office in lieu of physical meetings and events. The

current rates payable are outlined in the Policy for the Reimbursement of Expenses of Governors and Members.

A register of interests is maintained in relation to all Governor Members on the Council of Governors. This is available from the Trust website or by application to the Company Secretary.

About the Council of Governors

The Council of Governors works in partnership with the Trust Board to ensure that the needs of the local communities are met.

The Council of Governors represents the views of the Trust's membership and the wider public; they seek assurance from the Board and in turn hold the Board of Directors to account through the Non-Executive Directors.

Whilst the Council of Governors meets 5 times per year, Governor led (and chaired) engagement groups deliver the duties, as follows:

Strategic Direction Group

The Trust's Strategic Direction Group continues to provide Governor Members an opportunity for engagement and influence on the strategic direction of the Trust. The group aims:

- to support the Trust Board's decisions to be commercially competent in strategic direction
- to be engaged and provide an external strategic focus on the direction of travel of the organisation
- to evaluate and provide mitigates to the risks associated with the above.

Over the past year there has been a focus on the future direction of the Trust and through this group Governors have been involved, informed and engaged and have had the opportunity to comment, influence and gain assurance with regards to future plans. These meetings have been held digitally, sometimes with reduced frequency through parts of the pandemic.

Membership Steering Group

The Membership Steering Group has a range of responsibilities including advising on Governor development and training, Governor engagement, ensuring effective joint working with the Board of Directors and effective Council of Governors' meetings, setting Council of Governors meeting agendas and monitoring delivery of the Membership Strategy and implementation plan as well as other key tasks.

Performance and Assurance Group

The Performance and Assurance Group continues to seek assurance on key performance areas, where the Trust provides Governors with assurance regarding the Trust's performance.

The group plays an integral part in the Annual Quality Accounts process when required by commenting on how the Trust is performing against the essential standards of quality and safety as set out in the current CQC registration regulations. These meetings have been held digitally, sometimes with reduced frequency through parts of the pandemic.

Governor Training and Development

In addition to the Governors having access to training offered by the Trust for trust staff, the Trust provide an extended training and development plan designed specifically for Governors.

During 2020/21 training has been offered to Governors. A development days were held covering key areas including Foundation Trust Governance and Assurance, Trust Constitution, Freedom to Speak Up, PALS, Involvement and Experience and Finance and Performance.

In addition, the Council of Governors are offered external training and development by attending network meetings and the GovernWell programme facilitated/provided by NHS Providers.

Holding the Board to account

The Trust endeavours to create and offer many opportunities to support and allow Governors the opportunity to hold the Board, to account through the Non-Executive Directors.

Examples include:

- Appraising the performance of the Chairman and Non-Executive Directors
- Receiving the Trust's Annual Report and accounts
- Gaining assurance and considering performance reports from the Board of Directors
- Receiving regular briefings from the Chief Executive at Council of Governors meetings
- Attending public Board meetings and reviewing Board papers and minutes
- Listening to the views of service users, carers and the general public, and escalating when appropriate
- Regular attendance at engagement groups and the Council of Governors meetings by the Board of Directors
- A non-executive director is assigned to each Governor engagement group
- Service ambassadors
- Non-Executive Director and Governor visits to services, which have continued on a virtual basis during the pandemic when capacity has allowed
- Reports on non-executive director activity and contributions at Council of Governors meetings.

Governors also take part in a number of initiatives that enable the Trust to monitor and ensure the quality of services that it provides.

Examples include:

- Quality Standards Assurance visits (QSAV) to teams, wards and services across the Trust. These have been conducted virtually.
- Both executive directors and non-executive directors are invited to and regularly attend the Council of Governors meetings.
- Non-Executive Director membership of Governor Engagement Groups, with invitations extended to Executive Directors and other senior managers.

Elections to Council of Governors 2020-21

In line with many Foundation Trusts and following the guidance issued by NHS Improvement/England to delay Governor elections until 2021 to assist in reducing burden and releasing capacity at NHS providers and commissioners to manage the COVID-19 pandemic, the Trust took the decision that it would not proceed with the planned elections to the Council of Governors in the public/service user/carer constituencies during 2020/21. Staff Governor elections in the clinical support and non-clinical support constituencies progressed and were elected to with the former seat going to Marvin Shortman and Nicola Sherwood re-elected to the latter.

As a consequence of this decision, the Trust's Constitution was temporarily amended to allow for the Trust to reduce the required numbers of Governors for quoracy purposes at Council of Governors meetings from a third to a quarter of all governors including not less than one quarter of public/service user/carer governors, not less than one quarter of staff governors and not less than one quarter of appointed governors.

The following seats were affected by this decision and governors who would have ended their term of office during 2020/21 were given the opportunity to remain as non-voting governors for a further 12 months, pending elections to be held in the Spring of 2021. One governor, Janet Smith, confirmed her willingness to remain as governor in this capacity and one governor elected to stand down as planned. Sadly 2020/21 saw the passing of Pauline Pearsall, an existing and long standing public/service user/carer governor for Staffordshire/Stoke-on-Trent who was and will continue to be greatly missed. Another public/service user/carer governor stood down having been appointed as a member of staff and was therefore no longer eligible to remain in the constituency to which she had been elected. The total number of vacant seats during 2020/21 numbered four in total (including the non-voting seat held by Janet Smith).

NHS FT Code of Governance disclosures

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

Part of schedule A (see above)	**Relating to**	***Code of Governance* reference**	**Summary of requirement**	**Page**
2: Disclose	Board and Council of Governors	A.1.1	The schedule of matters reserved for the board of directors should include a clear statement detailing the roles and responsibilities of the council of governors. This statement should also describe how any disagreements between the council of governors and the board of directors will be resolved. The annual report should include this schedule of matters or a summary statement of how the board of directors and the council of governors operate, including a summary of the types of decisions to be taken by each of the boards and which are delegated to the executive management of the board of directors.	63
2: Disclose	Board, Nomination Committee(s), Audit Committee, Remuneration Committee		The annual report should identify the chairperson, the deputy chairperson (where there is one), the chief executive, the senior independent director (see A.4.1) and the chairperson and members of the nominations, audit and remuneration committees. It should also set out the number of meetings of the board and those committees and individual attendance by directors. ***Part of this requirement is also contained within paragraph 7.25 as part of the directors' report.***	9 27 65 76 78
2: Disclose	Council of Governors	A.5.3	The annual report should identify the members of the council of governors, including a description of the constituency or organisation that they represent, whether they were elected or appointed, and the duration of their appointments. The annual report should	83

Part of schedule A (see above)	Relating to	*Code of Governance* reference	Summary of requirement	Page
			also identify the nominated lead governor.	
Additional requirement of FT ARM	Council of Governors	n/a	The annual report should include a statement about the number of meetings of the council of governors and individual attendance by governors and directors.	83 82
2: Disclose	Board	B.1.1	The board of directors should identify in the annual report each non-executive director it considers to be independent, with reasons where necessary.	69
2: Disclose	Board	B.1.4	The board of directors should include in its annual report a description of each director's skills, expertise and experience. Alongside this, in the annual report, the board should make a clear statement about its own balance, completeness and appropriateness to the requirements of the NHS foundation trust.	65 68
Additional requirement of FT ARM	Board	n/a	The annual report should include a brief description of the length of appointments of the non-executive directors, and how they may be terminated	65
2: Disclose	Nominations Committee(s)	B.2.10	A separate section of the annual report should describe the work of the nominations committee(s), including the process it has used in relation to board appointments.	38
Additional requirement of FT ARM	Nominations Committee(s)	n/a	The disclosure in the annual report on the work of the nominations committee should include an explanation if neither an external search consultancy nor open advertising has been used in the appointment of a chair or non-executive director.	n/a
2: Disclose	Chair / Council of Governors	B.3.1	A chairperson's other significant commitments should be disclosed to the council of governors before appointment and included in the annual report. Changes to such	68

Part of schedule A (see above)	Relating to	*Code of Governance* reference	Summary of requirement	Page
			commitments should be reported to the council of governors as they arise, and included in the next annual report.	
2: Disclose	Council of Governors	B.5.6	Governors should canvass the opinion of the trust's members and the public, and for appointed governors the body they represent, on the NHS foundation trust's forward plan, including its objectives, priorities and strategy, and their views should be communicated to the board of directors. The annual report should contain a statement as to how this requirement has been undertaken and satisfied.	66
Additional requirement of FT ARM	Council of Governors	n/a	If, during the financial year, the Governors have exercised their power* under paragraph 10C** of schedule 7 of the NHS Act 2006, then information on this must be included in the annual report. This is required by paragraph 26(2)(aa) of schedule 7 to the NHS Act 2006, as amended by section 151 (8) of the Health and Social Care Act 2012. * Power to require one or more of the directors to attend a governors' meeting for the purpose of obtaining information about the foundation trust's performance of its functions or the directors' performance of their duties (and deciding whether to propose a vote on the foundation trust's or directors' performance). ** As inserted by section 151 (6) of the Health and Social Care Act 2012)	n/a
2: Disclose	Board	B.6.1	The board of directors should state in the annual report how performance evaluation of the board, its committees, and its directors, including the chairperson, has been conducted.	63
2: Disclose	Board	B.6.2	Where there has been external	n/a

Part of schedule A (see above)	Relating to	*Code of Governance* reference	Summary of requirement	Page
			evaluation of the board and/or governance of the trust, the external facilitator should be identified in the annual report and a statement made as to whether they have any other connection to the trust.	
2: Disclose	Board	C.1.1	The directors should explain in the annual report their responsibility for preparing the annual report and accounts, and state that they consider the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the NHS foundation trust's performance, business model and strategy. Directors should also explain their approach to quality governance in the Annual Governance Statement (within the annual report). See also ARM paragraph 7.92.	27
2: Disclose	Board	C.2.1	The annual report should contain a statement that the board has conducted a review of the effectiveness of its system of internal controls.	105
2: Disclose	Audit Committee / control environment	C.2.2	A trust should disclose in the annual report: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	77
2: Disclose	Audit Committee / Council of Governors	C.3.5	If the council of governors does not accept the audit committee's recommendation on the appointment, reappointment or removal of an external auditor, the board of directors	n/a

Part of schedule A (see above)	Relating to	*Code of Governance* reference	Summary of requirement	Page
			should include in the annual report a statement from the audit committee explaining the recommendation and should set out reasons why the council of governors has taken a different position.	
2: Disclose	Audit Committee	C.3.9	A separate section of the annual report should describe the work of the audit committee in discharging its responsibilities. The report should include: • the significant issues that the committee considered in relation to financial statements, operations and compliance, and how these issues were addressed; • an explanation of how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or re-appointment of the external auditor, the value of external audit services and information on the length of tenure of the current audit firm and when a tender was last conducted; and if the external auditor provides non-audit services, the value of the non-audit services provided and an explanation of how auditor objectivity and independence are safeguarded.	77
2: Disclose	Board / Remuneration Committee	D.1.3	Where an NHS foundation trust releases an executive director, for example to serve as a non-executive director elsewhere, the remuneration disclosures of the annual report should include a statement of whether or not the director will retain such earnings.	n/a
2: Disclose	Board	E.1.5	The board of directors should state in the annual report the steps they have taken to ensure that the members of the board, and in particular the non-executive directors, develop an understanding of the views of governors and members about the	87

Part of schedule A (see above)	Relating to	*Code of Governance* reference	Summary of requirement	Page
			NHS foundation trust, for example through attendance at meetings of the council of governors, direct face-to-face contact, surveys of members' opinions and consultations.	
2: Disclose	Board / Membership	E.1.6	The board of directors should monitor how representative the NHS foundation trust's membership is and the level and effectiveness of member engagement and report on this in the annual report.	87
2: Disclose	Membership	E.1.4	Contact procedures for members who wish to communicate with governors and/or directors should be made clearly available to members on the NHS foundation trust's website and in the annual report.	85
Additional requirement of FT ARM	Membership	n/a	The annual report should include: • a brief description of the eligibility requirements for joining different membership constituencies, including the boundaries for public membership; • information on the number of members and the number of members in each constituency; and a summary of the membership strategy, an assessment of the membership and a description of any steps taken during the year to ensure a representative membership [see also E.1.6 above], including progress towards any recruitment targets for members.	86
Additional requirement of FT ARM (based on FReM Require-ment)	Board / Council of Governors	n/a	The annual report should disclose details of company directorships or other material interests in companies held by governors and/or directors where those companies or related parties are likely to do business, or are possibly seeking to do business, with the NHS foundation trust. As each NHS foundation trust must have registers of governors' and directors'	27 88

Part of schedule A (see above)	Relating to	*Code of Governance* reference	Summary of requirement	Page
			interests which are available to the public, an alternative disclosure is for the annual report to simply state how members of the public can gain access to the registers instead of listing all the interests in the annual report. See also ARM paragraph 2.22 as directors' report requirement.	
Comply or explain	Remuneration Committee	D 2.2	The remuneration committee should have delegated responsibility for setting remuneration for all executive directors, including pension rights and any compensation payments.	37

Statement of Chief Executive's Responsibilities as Accounting Officer of Midlands Partnership 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 Midlands Partnership 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 Midlands Partnership 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 trusts 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 trusts 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 Carr
Chief Executive

Date: 7 June 2021

Midlands Partnership NHS Foundation Trust 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 Midlands Partnership 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 Midlands Partnership 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

The Care Quality Commission rated the Trust as "good" at its last review in July 2019. This included the Well Led domain indicating that the Trust had a strong and experienced leadership team, supported by efficient reporting and governance structures. Non-executive directors and the council of governors continue to be very active in providing independent oversight of the executive team.

Leadership arrangements for risk management are clearly documented in the Risk Management strategy, and further supported by Trust Business Plan objectives and individual job descriptions. Leadership starts with the Chief Executive having overall responsibility, and delegation to named Executive Directors and Group Managing Directors. The leadership is further embedded by ownership at a local level by managers taking responsibility for risk identification, assessment and analysis. In addition, the risk management system provides a holistic approach to risk, and terms of reference clearly outline the responsibilities of the overarching committee for risk management and other supporting risk committees and groups.

All new members of staff are required to attend a mandatory induction that covers key elements of risk management. This is further supplemented by local induction. The organisation provides mandatory and statutory training that all staff must attend, and in addition to this, specific training appropriate to individuals' responsibilities as detailed within the Risk Management Policy, is also provided. All training courses are available to all staff, and managers are encouraged to support further risk management training for all. There are many ways that the organisation seeks to learn from good practice and this includes incident reporting procedures, complaints and pro-active risk assessment. This

information is filtered to frontline staff via a number of processes including the Trust intranet, group reports and staff newsletters.

The risk and control framework

The Trust Board of Directors is committed to leading the organisation in the delivery of quality services through the continual development and implementation of robust Integrated Governance structures and processes. To achieve success in the delivery of quality it is essential that governance themes, assurance and risk are aligned to the Trust's Strategy and that its strategic objectives are delivered in a coherent way. The Trust Board of Directors intends that the Risk Management Strategy will support the Trust in the achievement of its strategic objectives whilst ensuring that the best use is made of public funds.

The Trust promotes a positive risk culture that encourages its employees to consistently use its risk management policies, Assurance Plan and Risk Register to:

- Identify and control risks which may adversely affect the Trust's operational ability to meet its principal objectives
- Where possible, eliminate or transfer risks or reduce them to an acceptable and cost effective level

The Trust Risk Management Strategy sets out the strategic objectives for risk management over the next three years. The Trust's strategy for risk management is fundamentally preventative; focusing on protection from harm through robust safety systems that foster positive risk behaviour and reflect innovation and best practice in safety and risk management; and the development an open, transparent organisational culture that supports the identification and management of risk and learning when things go wrong.

Risk Appetite

Risk appetite can be defined as "the amount and type of risk that an organisation is prepared to pursue, retain or take in pursuit of its strategic objectives". It is key to achieving effective risk management and it represents a balance between the potential benefits of innovation and the threats that change inevitably brings, and therefore should be at the heart of an organisation's risk management strategy – and indeed its overarching strategy.

In July 2020 the Board agreed a new risk appetite assessment framework, and completed a refresh of the strategic risks.

Using the Good Governance Institute Risk Appetite Matrix as a framework, the Trust wide risk appetite statement for the next 12 months was agreed alongside a more detailed breakdown of risk appetite against each of the Trust strategic objectives. In addition risk tolerance parameters were set that correlate with the risk appetite level. The tolerance parameters are used against each risk contained within the MPFT Assurance Plan and Trust Risk Register with those risks exceeding the risk appetite tolerance level being more closely reviewed by the Trust Board and assigned committee. Risk Appetite is reviewed on an annual basis.

Following approval of our new risk appetite assessment model (2020/21) and the approval of the strategic risks (2020/21) a new quarterly Board Assurance Framework report was implemented in September 2020. The format and content of the report enables the Board to focus on management of risk rather than risk articulation.

Trust Risk Appetite, strategic and other risks confronting the organisation and their associated action plans, form the Trust Board Assurance Framework (BAF), and these risks are recorded using the Midlands Partnership NHS Foundation Trust Assurance Plan

and Risk Register. The Trust uses a Risk Appetite assessment matrix and agrees the level of risk appetite the Trust is prepared to take in relation to key risk areas and in line with the Trust objectives. The Trust's willingness to accept a risk will depend on which of the corporate objectives is at risk and the impact that the risk would have, should it materialise. This flexible approach is seen as the most appropriate way to allow the Trust to make informed decisions for each specific risk exposure. Midlands Partnership NHS Foundation Trust has the greatest appetite to take considered risk to pursue commercial gain and partnerships with a lower appetite to accept risk that has a material impact on safety and quality.

Strategic Risk Review:

The Trust Assurance Plan is a high level document that records the principal risks that could impact on the Trust achieving its strategic objectives. It provides assurance of where risks are being managed effectively and where objectives are delivered. It also identifies objectives where there are gaps in controls and therefore insufficient assurance. Both the Assurance Plan and Risk Register are dynamic documents and are updated to reflect the changing risk environment of the Trust. A Trust strategic risk is deemed as one that exceeds the Risk Appetite at a point in time.

The Trust operates a live web-based risk register system. The Risk Register holds hold key operational risks to the organisation and is managed in three tiers, according to the level of risk. Lower lever risks (green) are managed at individual team level, moderate level risks (amber) are managed at care group / directorate level and high level risks (red) are assigned to a Board member and are managed through the Directors Delivery Forum, with additional oversight from the assigned Board Committee and Trust Board.

The key risks grappled with during the 2020/21 financial year have included the management of the financial position of the Trust including the system position and in particular the cost improvement programmes; evidencing that services achieve and maintain high quality services; the recruitment and retention of sufficient numbers of clinical, technical and managerial staff owing to national workforce supply issues and skill shortages and to achieve all of the above against the backdrop of Covid-19. As part of risk mitigation all schemes and plans associated with service development and planning have been subject to robust quality impact assessment. During 2020/21, improvements have been made to align quality and equality impact assessment and the benefits in ensuring that any changes implemented are done so with a clear understanding and awareness of the potential impacts on all individuals, services and communities is an important source of assurance to the Trust and the Board.

Risk management is embedded within the organisation. An open culture aids the confident use of the incident reporting procedures throughout the organisation without stifling innovation. The Trust is conscious that this culture needs to be owned and supported by staff and has therefore introduced many opportunities for staff to be trained not only in the mandatory and statutory areas but also risk management, including how to undertake risk assessments and how to report incidents. The Trust has performance management processes that measures performance monthly against Trust Business Plan objectives, which ensures that the risk management process is ongoing and embedded. Along with regular Trust wide and Group reports on Incidents, Complaints and Claims, the Trust also produces a comprehensive quarterly Risk Management report.

The Trust continually seeks to improve its Assurance Framework, refine its Principal Objectives, and further develop the Assurance Plan in order to assess the potential risks that threaten the achievement of the organisational objectives, the existing control measures in place, where assurances are gained and any gaps in the same. The Trust has maintained its assurance plan, which has been subject to regular review to support the 2020/21 Business Plan objectives. Assurance for 2020/21 can further be drawn from

regular performance reporting, review of the risk register and specific Board and Committee reporting on key issues and assurances, which provides assurance to the Chief Executive to enable sign off of the Annual Governance Statement. The organisation is involved with a multitude of partners including Clinical Commissioning Groups, Social Services, Education, Police, Prisons and the voluntary sector. The Trust Executive, Group Managing Directors and operational Heads of Services work closely with the above partners, to provide a local integrated service to our public and stakeholders.

The Foundation Trust is fully compliant with the registration requirements of the Care Quality Commission. The Trust Quality Framework and associated quality governance structures and processes are established to monitor and test compliance with requirements of the Care Quality Commission.

Valuing staff is one of the Trust's core values and the trust works hard to engage and involve staff at all levels. The Trust's workforce strategy enforces the approach to provide assurance that staffing levels, with the right skill mix provide the care hours needed to provide safe and effective services. This is reported regularly to the Workforce Development committee and in summary to the Trust board, in line with the Developing Workforce Safeguards' recommendations.

The Foundation Trust has published on its website an up to date register of interests, including gifts and hospitality for decision making staff (as defined by the Trust with reference to the guidance) within the past twelve months, as required by the "Managing Conflicts of Interest in the NHS" guidance.

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

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 introduces 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.

Control measures are embedded in Trust processes to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with. The Foundation Trust has undertaken risk assessments and has a sustainable development management plan in place that takes account of UK Climate Projections 2018 (UKCP18). The Trust ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

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

The Trust has a dynamic process for setting business objectives across the whole organisation which is documented and reviewed on an ongoing basis in order to drive forward improvements in clinical and non-clinical services. The Trust engages with its partners both individually and on a grouped basis. In particular the Trust makes full use of its Council of Governors to influence and drive service improvements. All objectives are quantifiable and measurable and are regularly reviewed via the performance

management arrangements embedded within the organisation. The Performance Plus System and dashboards in use in the Trust more simply enable key performance indicators, targets, business and improvement objectives to be effectively monitored, enabling all Groups and Directorates to take forward required actions and to deposit evidence that work has been delivered. These are subsequently used to provide evidence to third parties where required but also to the Board so that they have assurance with evidence. The systems support the internal performance reviews where Groups and Directorates are held to account for those areas that they are expected to deliver on.

During the year the Trust proactively used internal audit in an advisory capacity to look at the following five areas:

1. Governance: Board Skills Assessment
2. Patient Advice and Liaison Service (PALS) and Complaints
3. CDT (Complex Discharge Tracker) System
4. PFI Contract Management
5. Data Security Protection Toolkit

The Trust has a dynamic strategy to communicate effectively with its staff, service users and carers and partners. The sharing of this information drives forward the delivery of business objectives and ensures action is taken on feedback from any quarter. The Trust has worked hard to communicate with all its population including hard to reach groups. The Council of Governors continues to play significant role in the sharing and dissemination of such information through an active membership of the Community Engagement Group.

The Trust has an embedded performance management, monitoring and improvement system. All performance areas based around the Care Quality Commission's domains are evidenced and centrally collected. Risks to any area are entered onto risk registers and actions plans to resolve issues developed, managed and monitored for delivery through the Performance Plus system. The Audit Committee has reviewed these systems and approved them as being appropriate and sufficient for purpose.

During the last year the Trust further embedded Service Line Management which is used to ensure that services operate within the income available to them and will inform management of areas that require cost improvement. The inclusion of the patient experience and quality assessments continue to deliver a more rounded approach to service quality, delivery and improvement. The Trust has strong evidence of delivery against cash releasing improvement plans (CRIP) and the Finance and Performance Committee regularly reviews the delivery of all finance plans and pays particular attention to the delivery of recurrent CRIP. This enables demonstrable sustainability and regular improvements in economy and efficiency.

Continual evaluation is an embedded function of service delivery in both clinical and non-clinical areas, where services are regularly reviewed and benchmarked to provide evidence of improvements. The Trust continues to use the Virginia Mason Production System of Lean, known locally as QI (Quality Improvement) which seeks to identify areas that require improvement and provides tools to address these areas. All executive directors and a significant number of key managers, clinicians, practitioners and leaders are now fully trained and active in using this methodology. During the year

- 2329 staff have now received First Steps training, with 657 staff having received First Steps training virtually via Microsoft Teams (MST)
- 183 people have completed Leading Quality Improvement (LQI) training to date.
- Over 300 teams now have a Virtual Huddle Board on MST
- 46 Certified Leaders have been trained to deliver First Steps training.

- 35% (N=3136 staff) of the Trust have received some form of QI training
- 29 Teams have received a Quality Award

Information Governance
The Trust uses the Data Security Protection Toolkit to identify and manage information risks and reports all incidents regularly to the Trust Board.
Data Security risks are managed as part of a comprehensive framework of risk management concerning Information Governance within the Trust. Risks are managed through use of a risk register. Action plans are developed where necessary. Specific issues are also raised through the Information Governance Group and Digital Assurance Group. Information Governance reports to the Finance and Performance Committee, and now the Digital Committee, which in turn reports to the Trust Board. Assurance is also provided through a comprehensive programme of internal and external audit which provides assurance on the effectiveness of security controls. Data security risks are further managed through close working with the Health Informatics Service and regular Information Security Reviews.
During the year the Trust reported one Information Governance incident to the Information Commissioner's Office, it was investigated appropriately with no further action taken.

Data Quality and Governance

The Trust Quality Account for 2020/2021 has been produced in line with this year's requirements for assuring the accuracy of data.

Quality is central to the delivery of our Trust strategy and through the hard work and commitment of our staff we continue to deliver safe, effective and high quality services whilst at the same time targeting priority areas for improvement. Quality of service is monitored through our Clinical and Practice Networks and Group structures through to the Board committee tasked with ensuring Quality Governance. Directors have taken steps to satisfy themselves that data quality is consistent with internal and external sources of information including feedback from commissioners, the Trust's complaints reports, the National NHS Staff Survey 2020, CQC's regular feedback processes, and the Head of Internal Audit annual opinion over the Trust's control environment.

During the year the Trust has completed a programme of work to align its core clinical information systems enabling the alignment of information reporting from a single source and enhancing data quality and reporting.

In February 2021, the Board established a Digital Committee as a new committee of the Board which amongst its duties include a focus on data quality and reporting, ensuring that robust governance of information systems is delivered and assured, and includes a clinical as well as a technical and business focus. This further strengthens our governance around use of data in its broadest sense.

Trust policies are available on the website and all staff are encouraged to participate in consultation around new and updated policies through regular updates on the intranet. Newly approved policies are published through a network of policy leads and also in the monthly briefing issued to staff.

Engaging staff is at the heart of this organisation's culture – they facilitate and empower rather than control or restrict and they treat others with appreciation and respect showing commitment to development and improvement. Learning and development opportunities are available for all staff, at all stages of their learning journey. A comprehensive menu of formal and self-directed and innovative approaches are offered to ensure effective staff engagement and to equip individuals with the knowledge and skills they need to lead and manage effectively.

The Trust aims to keep staff informed about finance and performance issues, what's on, opportunities and examples of good practice, by a range of briefings and newsletters produced regularly in a number of ways. The Trust has an extensive website and an intranet which reaches all staff. The well-being of staff is of key importance and as part of its commitment to providing comprehensive support services as an Exemplar Employer, the Trust has a Staff Health and Wellbeing service and during 2020/21 has significantly expanded its health and wellbeing offer in response to the challenges faced by the organisation as a result of the pandemic. The Trust had an over-arching engagement strategy in place for the year, which sets out how it engages with partners and staff, and an involvement strategy which sets out how it involves service users and carers. The staff opinion survey is carried out each year across the NHS and is designed to collect the views of staff about how they feel about their job, their personal development and the organisation they work for. Their views are used to help provide better care for patients and improve the working lives of those providing the care.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control (C 2.1). My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS foundation trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the board, the Audit Committee and Quality Governance committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Head of Internal Audit Opinion for the trust for the twelve month period ending 31 March 2021 states that "The organisation has an adequate and effective framework for risk management, governance and internal control". However our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective. Positive opinions in respect of the work undertaken in 2020/21 by internal audit have been issued where either substantial or reasonable assurance opinions have been issued. During the year seven reports received Substantial Assurance; Governance: Board Observations, CQC Validation of Actions, Accounts Payable, Payroll, Consultant Job Planning, S75 Adult Social Care, Trust Assurance Plan. . Reasonable Assurance has been assigned to the following internal audits; Governance: Board Pack Review, Safer Staffing, General Ledger, Asset Management, Accounts Receivable, Follow Up of Medium and High Priority Management Actions, Cash Management, Appraisals – compliance with Trust Policy and Data Quality, Sickness Absence – compliance with Trust Policy and Data Quality, Performance Reviews, Transformation Delivery Unit, Pre-Employment Checks – Legacy SSSFT and SSOTP Staff, Follow up – Cyber Security Actions.

There were no areas where only partial assurance could be provided. Owing to Covid 19, the NHS Chief Executive and Chief Operating Officer recommended that an urgent review of financial governance be undertaken to ensure decisions to commit resources in response to Covid 19 were robust. The review was conducted on an agreed upon procedures basis and as such no assurance opinion was provided. Overall the review confirmed that the Trust was generally compliant with the assessment criteria in the context of the Trust's response to Covid 19.

The Trust regularly reviews the interface and terms of reference of each of the board committees that support internal control. The last review was concluded in October 2020 in line with the 'Well-led framework for Governance Reviews'[1] to ensure the leadership,

management and governance of the Trust achieves the objective of assuring the delivery of high quality care for patients, supports learning and innovation and promotes an open and fair culture. As with previous years, each Board committee was asked to review its governance arrangements and terms of reference and with the aim of ensuring that revised arrangements improve the overall internal control framework, taking into account the current Trust Strategy and the duties of Board committees to ensure deployment of the Trust Strategy and delivery of its strategic aims. A template was used to enable each committee to review their terms of reference to assess whether the duties of each committee were being delivered through appropriate inputs and outcomes and in doing so, to identify any gaps or duplications with the work of other committees. No notable changes were identified as being required, providing adequate assurance that arrangements were in place for the whole of the financial year.

During 2020/21 the Internal Audit Team completed the first three elements of an assessment against their "The Governance Framework" which is designed for public sector organisations of all sizes and combines self-assessment with expert independent facilitation and review to help Boards, and the governance professionals that support them, to ensure that their governance systems are effective. The areas tested during 2020/21 were Board meeting observation, Board skills assessment and Board pack and document review and showed good compliance in all areas tested. The outcomes of this work were reported to the Audit Committee. The Audit Committee also completed its annual report of its own role and effectiveness and relevant assurance was received and confirmed.

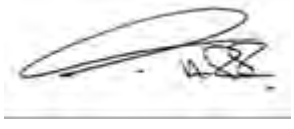
From March 2020, in light of the Covid-19 pandemic, it was necessary to review the Trust's governance arrangements to balance the need to ensure that resources were focused on necessary clinical and operational matters to enable safe and sustainable service delivery whilst maintaining the robustness of decision making in a fast moving environment and providing the appropriate level of Board assurance. To this end, the Board agreed revised governance arrangements to provide assurance that there was a sufficiently robust and proportionate governance framework for the period during which the pandemic required them to be in force (initially April, May and June 2020) including:

- Amendment of Board Committee Terms of Reference to make specific provision for electronic resolutions and Chair's action.
- Establishment of an Ethics sub-committee reporting to the Quality Governance Committee.
- Temporary amendment of the Trust's Standing Orders to reflect the revised arrangements.

The establishment of a fast-track process for the approval and ratification of policies and standard operating procedures relevant to the pandemic.

Conclusion

No significant internal control issues have been identified.



Signed: _____

Neil Carr

Chief Executive Date: 7 June 2021

[1] Well Led Framework for Governance Reviews

Financial Report

Financial performance 2020/21

The Trust was authorised as an NHS foundation trust on 1st May 2006. The financial review below covers the organisations achievements during the thirteenth financial period as a NHS Foundation Trust. The review finally highlights key service and financial issues across the year as a whole, before taking a forward look into 2021/22.

NHS England and NHS Improvement's Oversight Framework

This provides the framework for overseeing the trusts and foundation trusts and identifies potential support needs. The framework looks at five themes quality of care, finance use of resources, operational performance, strategic change and leadership and improvement capability (well-led). The five measures are scored from 1 to 4 where '1' reflects the strongest performance. The trust scored a 2 and therefore is able to operate – and plan to operate – flexibly so long as those elements of the single oversight framework are adhered to. The Trust achieved its financial targets at the financial year-end and reported an outturn Surplus of £1.611m. When adjusting for allowable technical items the adjusted Surplus reported to NHSE/I was £1.341m which is in line with the phase III plan.

All NHS provider Trusts reported a break-even position during months one to six under the national COVID-19 financial arrangements. The phase III financial planning regime commenced at month seven whereby funding was allocated to local healthcare systems to manage.

During the financial year the Trust received additional NHSE income amounting to £18.366m due to the pandemic. This related to Top-up payments, COVID-19 funding, 'loss of income' funding, and the vaccination programme. The Trust incurred incremental expenditure of £11.851m relating to COVID-19 and the vaccination programme.

In terms of long term borrowing – ie, for capital investment purposes, the Trust has received a loan of £30m from the Foundation Trust Financing Facility for the Redwoods Centre capital scheme. £15m of this was drawn down in 2011/12, with the balance being drawn down in 2013/14. Upon the acquisition of Staffordshire and Stoke on Trent Partnership Trust loans transferred to the trust totalled £40.1m of which £13.3m is revenue support and £26.8m is a revolving working capital facility. The loans transferred from SSOTP to the Trust on merger were subject to a change in financial regime and converted to Public Dividend Capital at the beginning of the financial year.

Capital investment of £8.6m was funded through internally generated resources in 2020/21. This was the first year the Trust has operated within a capital resource limit for the Staffordshire STP and it met its allocated resource limit.

The Trust's cash position during 2020/21 increased from £84.5m to £130.5m. The increase in the cash position is due to the change in funding regime due to the pandemic.

Operational review, 2020/21

The Trust reported an in-year Cost Improvement Programme (CIP) target shortfall of £6.16m (29%) of its CIP target of £21.43m. With a recurrent CIP shortfall of £9.69m

(45%). This included the Trusts £5.58m share of the planned £37m Staffordshire STP system transformation savings which was not delivered due to the pandemic.

The Trust has been working on a number of significant projects that will impact in future years:

- Taking account of the overall National and Local financial position the Trust updated its future financial plans.
- The changes to NHS commissioning as GP clusters develop has required the Trust to focus on providing services that are valued both by service users and carers and commissioners. The Trust has gained contracts but has also been unsuccessful with some tenders across the country.

2021/22 - Forward Look

As mentioned above the Trust financial plans continue to take account of the overall NHS financial outlook and in particular of that in the local health economy. This requires us to both make greater operational efficiencies and disinvest from some elements of service.

The Trust is refreshing its estates strategy to ensure that the estate is fit for purpose and offers a high quality environment. Previously a new hub was opened at the end of 2016/17. The development of this strategy continues into 2021/22 with public consultation having already been undertaken with regards to three new hubs within North Staffordshire being further developed in 2021/22 which will commit resources over a 5 year programme.

The organisation will also continue to seek market opportunities in terms of expanding its service and contract portfolio. The Trust will continue to respond to Tenders in areas where it has clinical expertise.

Statement of Comprehensive Income

	2020/21		2019/20
	£'000		£'000
Operating income from patient care activities	**457,631**		416,319
Other operating income	**33,120**		26,256
Operating expenses of continuing operations	**-486,001**		-435,892
Operating Surplus/(Deficit)	**4,750**		6,683
Finance Costs			
Finance income	**-34**		589
Finance Costs – Financial Liabilities	**-2,901**		-4,248
PDC Dividends Payable	**0**		0
Net Finance Costs	**-2,935**		-3,659
(Losses)/gains on disposal of assets	**-204**		-14
Gains/(losses) from transfer by absorption	**0**		0
Surplus/(deficit) for the year	**1,611**		3,010
Other Comprehensive (Expenses)/Income			
Will not be reclassified to Income and Expenditure:			
Revaluations	**1,082**		12,086
Remeasurements of net defined benefit pension scheme liability/asset	**-208**		585
Other reserve movements	**0**		0
Fair value gains/(losses) on financial assets mandated at FV through the OCI	**1,104**		0
Total Comprehensive Income/(Expenses) for the Period	**3,589**		15,681

Statement of Financial Position

	31st March 2021		31st March 2020
	£'000		£'000
Non Current Assets			
Property, plant & equipment	**138,336**		134,843
Intangibles	**544**		536
Trade & other receivables	**1,015**		925
Other Assets	**1,260**		1,446
Total Non Current Assets	**141,155**		137,750
Current Assets			
Inventories	**942**		666
Trade & other receivables	**18,973**		31,593
Cash and cash equivalents	**130,519**		84,505
Total Current Assets	**150,434**		116,764
Current Liabilities			
Trade & other payables	**-73,101**		-53,791
Borrowings	**-2,315**		-42,579
Provisions	**-7,528**		-4,363
Other liabilities	**-19,584**		-8,077
Total Current Liabilities	**-102,528**		-108,810
Total Assets less Current Liabilities	**189,061**		145,704
Non-Current Liabilities			
Provisions	**-1,624**		-1,113
Borrowings	**-48,746**		-51,027
Total Non-Current Liabilities	**-50,370**		-52,140
Total Assets Employed	**138,691**		93,564
Financed by (taxpayers equity):			
Public dividend capital	**119,166**		77,628
Revaluation reserve	**34,168**		33,086
Pensions reserve	**595**		803
Income and expenditure reserve	**-15,238**		-17,953
Total Taxpayers Equity	**138,691**		93,564

Signed: _____

Neil Carr
Chief Executive

Date: 7 June 2021

Statement of Changes in Taxpayers Equity

	Public Dividend Capital	Revaluation Reserve	Income & Expenditure Reserve	Financial Assets at FV through OCI Reserve	Pension Reserve	Total Tax Payers Equity
	£'000	£'000	£'000	£'000	£'000	£'000
Taxpayers equity at 1st April 2019	**77,203**	**21,000**	**-20,963**	**0**	**218**	**77,458**
Surplus for the year	0	0	3,010	0	0	**3,010**
Revaluations – Property, Plant & Equipment	0	12,086	0	0	0	**12,086**
Remeasurements of defined net benefit pension scheme liability/asset	0	0	0	0	585	**585**
Public diviendend capital received	425	0	0	0	0	**425**
Taxpayers Equity at 31st March 2020 / 1st April 2020	**77,628**	**33,086**	**-17,953**	**0**	**803**	**93,564**
Surplus/(Deficit) for the year	0	0	1,611	0	0	**1,611**
Revaluations – Property, Plant & Equipment	0	1,082	0	0	0	**1,082**
Fair value gains/(losses) on financial assets mandated at FV through OCI	0	0	0	1,104	0	**1,104**
Remeasurements of defined net pension scheme liability/asset	0	0	0		-208	**-208**
Public diviendend capital received	41,538	0	0		0	**41,538**
Other reserve movements	0	0	1,104	-1,104	0	**0**
Taxpayers Equity at 31st March 2020	**119,166**	**34,168**	**-15,238**	**0**	**595**	**138,691**

Statement of Cashflows for the Year Ended 31 March 2021

	31 March 2021		31 March 2020
	£'000		£'000
Cash Flows from Operating Activities			
Operating surplus/(deficit) from continuing operations	**4,750**		6,683
Non Cash Income and Expense:			
Depreciation and amortisation	**5,692**		4,860
Impairments	**0**		0
On SoFP Pension liability – employer contributions paid less net charge to the SOCI	**-22**		41
(Increase)/Decrease in trade and other receivables	**13,710**		-2,244
(Increase)/Decrease in inventories	**-276**		-180
(Decrease) in trade and other payables	**17352**		-2082
(Decrease) in other liabilities	**11,507**		2324
Increase/(Decrease) in provisions	**3676**		-11
Other movements in operating cash flows	**52**		-75
Net cash Generated from/(Used in) Operations	**56,441**		9,316
Cash Flows from Investing Activities			
Interest received	**0**		589
Purchase of property, plant and equipment	**-7,133**		-4,781
Sale of property, plant and equipment	**260**		638
Net Cash Generated from/(Used in) Investing Activities	**-6,873**		-3,554
Cash Flows from Financing Activities			
Loans repaid to the Independent Trust Financing Facility	**-41,432**		-1,332
Capital element of PFI	**-920**		-871
Interest paid	**-998**		-2,268
Other interest	**-28**		-5
Interest element of PFI	**-1,052**		-1,937
PDC Dividend Received	**41538**		425
PDC Dividends (paid)/refunded	**-662**		1,077
Net Cash Generated from/(Used in) Financing Activities	**-3,554**		-4,911
Increase/(Decrease) in Cash and Cash Equivalents	**46,014**		851
Cash and Cash Equivalents at 1st April 2019/20	**84,505**		83,654
Cash and Cash Equivalents treansferred by absorption	**0**		0
Cash and Cash Equivalents at 31st March 2020/21	**130,519**		84,505

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF GOVERNORS OF MIDLANDS PARTNERSHIP NHS FOUNDATION TRUST

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Midlands Partnership Hospital NHS Foundation Trust ("the Trust") for the year ended 31 March 2021 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Taxpayers Equity and Statement 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 its 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 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.
- Reading Board and Audit 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 the current financial regime, 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.

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 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 unexpected account pairings to cash, seldom used accounts, limited descriptions and accounts associated with an estimate.
- Evaluating the business purpose of significant unusual transactions.
- Assessing significant estimates for bias.
- Inspecting transactions in the period prior to and following 31 March 2021 to verify revenue had been recognised in the correct accounting period.
- 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 financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

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

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 fully in the statement set out on page 98, 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 Midlands Partnership 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.

Andrew Cardoza
for and on behalf of KPMG LLP
Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

8 June 2021

Midlands Partnership NHS Foundation Trust

Annual Accounts for the period ended 31st March 2021

FOREWORD TO THE ANNUAL ACCOUNTS

MIDLANDS PARTNERSHIP NHS FOUNDATION TRUST

These accounts, for the year ended 31st March 2021 have been prepared by Midlands Partnership NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 within the National Health Service Act 2006.

Neil Carr

Date: 7th June 2021

Chief Executive

Statement of Comprehensive Income

	Note	2020/ 2021 £000	2019/ 2020 £000
Operating income from patient care activities	2.1	457,631	416,319
Other operating income	3	33,120	26,256
Operating expenses	5	(486,001)	(435,892)
Operating Surplus/(Deficit)		**4,750**	**6,683**
Finance Income	8	(34)	589
Finance Expense	8.1	(2,901)	(4,248)
PDC Dividend Charge		0	0
Net finance costs		**(2,935)**	**(3,659)**
Other gains/(losses)	8.3	(204)	(14)
Surplus/(Deficit) for the year		**1,611**	**3,010**
Other comprehensive income			
Will not be reclassified to income and expenditure			
Revaluations		1,082	12,086
Remeasurements of net defined benfit pension scheme liability/asset		(208)	585
Fair value gains on financial assets mandated at fair value through OCI		1,104	0
Total comprehensive (expense)/income for the period		**3,589**	**15,681**
Adjusted financial performance for the year			
Retained deficit for the year		1,611	3,010
Remove net impact of DHSC centrally procured inventories		(247)	0
Remove impact of prior year PSF post accounts reallocation		0	(206)
Remove capital donations/grans I&E impact		(22)	41
Adjusted financial perfomance surplus/(deficit)		**1,342**	**2,845**
Adjusted financial performance excluding PSF		**1,342**	**2,845**

The notes on pages 7 to 44 form part of these accounts.

Statement of Financial Position

	Note	31 March 2021 £000	31 March 2020 £000
Non Current Assets			
Intangible assets	9	544	536
Property, plant and equipment	10	138,336	134,843
Trade and other receivables	14	1,015	925
Other assets	29.2	1,260	1,446
Total non-current assets		**141,155**	**137,750**
Current Assets			
Inventories	13	942	666
Trade and other receivables	14	18,973	31,593
Cash and cash equivalents	16	130,519	84,505
Total current assets		**150,434**	**116,764**
Current liabilities			
Trade and other payables	18	(73,101)	(53,791)
Borrowings	20	(2,315)	(42,579)
Provisions	21	(7,528)	(4,363)
Other liabilities	19	(19,584)	(8,077)
Total current liabilities		**(102,528)**	**(108,810)**
Total assets less current liabilities		**189,061**	**145,704**
Non-current liabilities			
Borrowings	20	(48,746)	(51,027)
Provisions	21	(1,624)	(1,113)
Total non-current liabities		**(50,370)**	**(52,140)**
Total assets employed		**138,691**	**93,564**
Finance by			
Public dividend capital		119,166	77,628
Revaluation reserve		34,168	33,086
Other reserves		595	803
Income and expenditure reserve		(15,238)	(17,953)
Total taxpayers' equity		**138,691**	**93,564**

The notes on pages 7 to 44 form part of these accounts.

Neil Carr

Chief Executive

7th June 2021

Statement of Changes in Equity for the period ended 31st March 2021

	Public Dividend Capital £000	Revaluation Reserve £000	Pension Reserve £000	Financial Assets at FV through OCI Reserve £000	Income and Expenditure Reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2019	77,203	21,000	218	0	(20,963)	77,458
Surplus for the year	0	0	0	0	3,010	3,010
Revaluations - property plant and equipment	0	12,086	0	0	0	12,086
Remeasurements of defined net benefit pension scheme liability / asset	0	0	585	0	0	585
Public dividend capital received	425	0	0	0	0	425
Taxpayers' and others' equity at 31 March 2020	**77,628**	**33,086**	**803**	**0**	**(17,953)**	**93,564**
Taxpayers' and others' equity at 1 April 2020	77,628	33,086	803	0	(17,953)	93,564
Surplus for the year	0	0	0	0	1,611	1,611
Revaluations - property plant and equipment	0	1,082	0	0	0	1,082
Remeasurements of defined net benefit pension scheme liability / asset	0	0	(208)	0	0	(208)
Fair value gains on financial assets mandated at FV through OCI	0	0	0	1,104	0	1,104
Other reserve movements	0	0	0	(1,104)	1,104	0
Public dividend capital received	41,538	0	0	0	0	41,538
Taxpayers' and others' equity at 31 March 2021	**119,166**	**34,168**	**595**	**0**	**(15,238)**	**138,691**

The notes on pages 7 to 44 form part of these accounts.

Information on reserves

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

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

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

Pension reserve
This is in connection with the Staffordshire County Council Pension Fund.

Financial Assets at Fair Value reserve
This is monies received from additional properties sold on the Shelton site which have been used against capital expenditure.

Statement of Cash flows

	Note	31 March 2021 £000	31 March 2020 £000
Cash flows from operating activities			
Operating surplus/deficit		4,750	6,683
Non-cash income and expense:			
Depreciation and amortisation	5	5,692	4,860
On SoFP pension liability - employer contributions paid less net charge to the SoCI		(22)	41
(Increase)/decrease in receivables	14	13,710	(2,244)
(Increase)/decrease in inventories	13	(276)	(180)
Increase/(decrease) in trade and other payables	18	17,352	(2,082)
(Increase)/decrease in other liabilities		11,507	2,324
Increase/(decrease) in provisions	21	3,676	(11)
Other movements in operating cash flows		52	(75)
Net cash generated from/(used in) operating activities		**56,441**	**9,316**
Cash flows from investing activities			
Interest received	9	0	589
Purchase of property, plant and equipment	10	(7,133)	(4,781)
Proceeds from sales of property, plant and equipment and investment property		260	638
Net cash generated from/(used in) investing activities		**(6,873)**	**(3,554)**
Cash flows from financing activities			
Public dividend capital received		41,538	425
Movement in loans from the Department of Health and Social Care	20	(41,432)	(1,332)
Capital element of PFI		(920)	(871)
Interest on loans		(998)	(2,268)
Other interest		(28)	(5)
Interest element on PFI		(1,052)	(1,937)
PDC dividend (paid)/refunded		(662)	1,077
Net cash generated from/(used in) financing activities		**(3,554)**	**(4,911)**
Increase in cash and cash equivalents		**46,014**	**851**
Cash and cash equivalents at 1 April		84,505	83,654
Cash and cash equivalents at 31 March	16	**130,519**	**84,505**

The notes on pages 7 to 44 form part of these accounts.

Notes to the Accounts

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 2020/21 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

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 1.1.2 Going concern

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 on operational existence for at least twelve months from the date of approval of the financial statements.

Note 1.2 Interests in other entities

The Trust does not have interest in other entities.

Note 1.3 Revenue

Income in respect of services provided is recognised when, and to the extent that, performance occurs and is measured at the fair value of the consideration receivable. The main source of income for the Trust is contracts with commissioners in respect of health care and adult social care services. The Trust also received income from the sale of goods, the majority of which is from canteen sales.

Note 1.3.1 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.
For NHS contracts the credit terms are fifteen days from issue of an invoice and in general these are paid within that time scale. Where payment is not made explanations are sought as to why the credit terms have not been met and these factors are reflected under IFRS 15.

Revenue from NHS contracts
The main source of income for the Trust is contracts with commissioners for health care services. A performance obligation relating to delivery of a spell of health care is generally satisfied over time as healthcare is received and consumed simultaneously by the customer as the Trust performs it. The customer in such a contract is the commissioner, but the customer benefits as services are provided to their patient. Even where a contract could be broken down into separate performance obligations, healthcare generally aligns with paragraph 22(b) of the Standard entailing a delivery of a series of goods or services that are substantially the same and have a similar pattern of transfer. At the year end, the Trust accrues income relating to activity delivered in that year, where a patient care spell is incomplete.

Where the Trust is aware of a penalty based on contractual performance, the Trust reflects this in the transaction price for its recognition of revenue. Revenue is reduced by the value of the penalty.

The Trust receives income from commissioners under Commissioning for Quality and Innovation (CQUIN) schemes. The Trust agrees schemes with its commissioner but they affect how care is provided to patients. That is, the CQUIN payments are not considered distinct performance obligations in their own right; instead they form part of the transaction price for performance obligations under the contract.

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

Note 1.3.2 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.

Apprenticeship service income
The value of the benefit received when accessing funds from the Government's apprenticeship service is recognised as income at the point of receipt of the training service. Where these funds are paid directly to an accredited training provider, the corresponding notional expense is also recognised at the point of recognition for the benefit.

Note 1.3.3 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 1.3.4 Operating Segment
The Trust operates under the one segments of Healthcare and therefore does not disclose any other segments within its financial statements.

The provision of healthcare (including medical treatment, research and education) is within one main geographical segment, the United Kingdom, and materiality from Departments of HM Government in England. Operational Healthcare refers to the core activities of the Trust that fall under the remit of

the Chief Operating Decision Maker (CDOM), which has been determined to be the Board of Directors. These activities are primarily the provision of NHS healthcare, the income for which is received through contracts with commissioners. The planned level of activity for these contracts is agreed with the commissioners for the year.
The Operational Healthcare segment comprises of four clinical directorates (Children and Families, Staffordshire, Shropshire and Specialist). These directorate have been aggregated into a single operating segment because they have similar economic characteristics, the nature of the services they provide are the same (NHS care), they have similar customers (the general public from surrounding geographical areas), and have the same regulators (NHSi, the Care Quality Commission and the Department of Health). The overlapping activities and interrelation between the directorates also suggests that aggregation is appropriate. The directorate management teams report to the CODM, and it is the CODM that ultimately makes the decisions about the allocation of budges, capital funding and other financial decisions.

The Corporate and Facilities departments are those that provide support services to the clinical directorates. These departments earn some income but as it is ancillary to the main purpose of the departments and relatively small in comparison to the income of the Trust, they are not deemed to be a segment of their own. Their results are included within the Operational Healthcare segment as their function is to support the provision of healthcare.

Note 1.4 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
Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to expenditure at the time Midlands Partnership NHS FT commits itself to the retirement, regardless of the method of payment.

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 and an accounting valuation of every year”. An outline of these follows:

a) Accounting valuation
A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary’s Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2021, is based on valuation data as 31 March 2020, updated to 31 March 2021 with summary global member and accounting data. In

undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.
The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

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

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

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

Local Government Pension Scheme
Some employees are members of the Local Government Pension Scheme (LGPS), which is a defined benefit pension scheme. The scheme assets and liabilities attributable to these employees can be identified and are recognised in the trust's accounts. The assets are measured at fair value, and the liabilities at the present value of future obligations.

The increase in the liability arising from pensionable service earned during the year is recognised within operating expenses. The net interest cost during the year arising from the unwinding of the discount on the net scheme liabilities is recognised within finance costs. Re-measurements of the defined benefit plan are recognised in the income and expenditure reserve and reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

A small number of employees who do not qualify to enter either of the NHS Pension Scheme or Local Government Superannuation Scheme are members of the National Employment Savings Trust (NEST), NEST is a defined contribution pension scheme.

Note 1.5 Transfer of functions
As public sector bodies are deemed to operate under common control, business reconfigurations within the DHSC group are outside the scope of IFRS 3 Business Combinations. Where functions transfer between two public sector bodies, the GAM requires the application of 'absorption accounting'. Absorption accounting requires that entities account for their transactions in the period in which they took place. Where assets and liabilities transfer, the gain or loss resulting is recognised in the Statement of Comprehensive [Income/Net Expenditure], and is disclosed separately from operating costs.

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.

Assets held at depreciated replacement cost have been valued on an alternative site basis where this would meet the location requirements of the services being provided.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional. 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 have 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 expenditure.

Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses.
Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

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 with 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 or liability recorded in note 10.1.

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.

At each financial year end, the Trust checks whether there is any indication that its property, plant and equipment or intangible assets have suffered an impairment loss. If there is indication of such an impairment, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount. Intangible assets not yet available for use are tested for impairment annually at the financial year end.

Note 1.7.3 De-recognition
Assets intended for disposal are reclassified as 'held for sale' once all of the following criteria are met:

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

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

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as 'held for sale' and instead is retained as an operational asset and the asset's 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) transactions
PFI transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's *FReM*, are accounted for as 'on-Statement of Financial Position' by the Trust. In accordance with HM Treasury's FReM, the underlying assets are recognised as property, plant and equipment, together with an equivalent liability. Subsequently, the assets are accounted for as property, plant and equipment and/or intangible assets as appropriate.

The annual contract payments are apportioned between the repayment of the liability, a finance cost, the charges for services and lifecycle replacement of components of the asset. The element of the annual unitary payment increase due to cumulative indexation is treated as contingent rent and is expensed as incurred.

The service charge is recognised in operating expenses and the finance cost is charged to finance costs in the Statement of Comprehensive Income.

Lifecycle replacement
Components of the asset replaced by the operator during the contract ('lifecycle replacement') are capitalised where they meet the Trust's criteria for capital expenditure. They are capitalised at the time they are provided by the operator and are measured initially at their fair value.

The element of the annual unitary payment allocated to lifecycle replacement is pre-determined for each year of the contract from the operator's planned programme of lifecycle replacement. Where the lifecycle component is provided earlier or later than expected, a short-term accrual or prepayment is recognised respectively.

Where the fair value of the lifecycle component is less than the amount determined in the contract, the difference is recognised as an expense the replacement is provided. If the fair value is greater than the amount determined in the contract, the difference is treated as a 'free' asset and a deferred income balance is recognised. The deferred income is released to cooperating income over the

shorter of the remaining contract period of the useful economic life of the replacement component.

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 only where all of the following can be demonstrated:

- the project is technically feasible to the point of completion and will result in an intangible asset for sale or use
- the Trust intends to complete the asset and sell or use it
- the Trust has the ability to sell or use the asset
- how the intangible asset will generate probable future economic or service delivery benefits, eg, the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset;
- adequate financial, technical and other resources are available to the Trust to complete the development and sell or use the asset and
- the Trust can measure reliably the expenses attributable to the asset during development.

Software
Software which is integral to the operation of hardware, 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 1.9 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.

In 2020/21, the Trust received inventories including personal protective equipment from the Department of Health and Social Care at nil cost. In line with the GAM and applying the principles of the IFRS Conceptual Framework, the Trust has accounted for the receipt of these inventories at a

deemed cost, reflecting the best available approximation of an imputed market value for the transaction based on the cost of acquisition by the Department.

Note 1.10 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 Financial assets and financial liabilities
Note 1.12.1 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 1.12.2 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 fair value through income and expenditure.

Loans from the Department of Health and Social Care are recognised at historic cost. Otherwise, financial liabilities classified as subsequently measured at fair value through income and expenditure.

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

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

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

Department of Health and Social Care, the effective interest rate is the nominal rate of interest charged on the loan.

Financial assets and financial liabilities at fair value through income and expenditure
Financial assets measured at fair value through profit or loss are those that are not otherwise measured at amortised cost or at fair value through other comprehensive income. This category also includes financial assets and liabilities acquired principally for the purpose of selling in the short term (held for trading) and derivatives. Derivatives which are embedded in other contracts, but which are separable from the host contract are measured within this category. Movements in the fair value of financial assets and liabilities in this category are recognised as gains or losses in the Statement of Comprehensive income.

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).

Credit losses are determined by the type of class it falls within NHS contracts are formally dealt with via the regular contract monitoring meetings and all other are dealt with on a case by case basis.

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 1.12.3 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.

Note 1.13 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 1.13.1 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 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. The lease liability, is de-recognised when the liability is discharged, cancelled or expires.

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 1.13.2 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 1.14 Provisions
The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rates effective 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	1.20%
Year 2	1.60%
Into perpetuity	2.00%

Early retirement provisions and injury benefit provisions both use the HM Treasury's pension discount rate of minus 0.95% in real terms.

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 21.1, £10,874k (£14,647k 2019-2020), 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 1.15 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 22 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 22, 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 1.16 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. The average relevant net assets are calculated as a simple average of opening and closing relevant net assets less the value of all liabilities, except for

(i) donated and grant funded assets (including assets purchased in response to COVID 19,
(ii) average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, and
(iii) any PDC dividend balance receivable or payable.

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 1.17 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 1.18 Corporation tax
The Trust has determined that it is has no corporation tax liability.

Note 1.19 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.
The Trust holds no foreign currency assets or liabilities.

Note 1.20 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 1.21 Losses and special payments
Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had the Trust not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).
However the losses and special payments note is compiled directly from the losses and compensations register which reports on an accrual basis with the exception of provisions for future losses.

Note 1.22 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 1.23 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:

Provisions – critical accounting judgement
Management will use their judgement to decide when to make provisions for probable legal obligations of uncertain timing or amount as at the reporting date. These are based on estimates using relevant and reliable information as is available at the time the financial statements are prepared. These provisions are estimates of the actual costs of future cash flows and are dependent on future events. Any difference between expectations and the actual future liability will be accounted for in the period when such determination is made.

The carrying amounts of the Trust's provisions are details in note 21 to the financial statements.

Note 1.23.1 Sources of estimation uncertainty
Apart from those involving estimations there has been a further assumption 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 of property – key sources of estimation uncertainty
As detailed in accounting policy note 1.7 Property, plant and equipment – valuation and note 10.6 Valuation of Property, Avison Young provided the Trust with a valuation of the land and building

assets (estimated fair value and remaining useful life). The result of this valuation, based on estimates provided by a suitably qualified professional in accordance with HM Treasury guidance, is disclosed in note 10 to the financial statements. Future revaluations of the Trust's property may result in further material changes to the carrying values of non-current assets.

Note 1.24 Early adoption of standards, amendments and interpretations
No new accounting standards or revisions to existing standards have been early adopted in 2020/21.

Note 1.25 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 a rate defined by HM Treasury. Currently this rate is 1.27% 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.

At the point of producing this set of accounts the impact of applying this change has not been quantified but is expected to be material for the Trust due to the number of lease properties it operates from.

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.

HM Treasury revised the implementation date for IFRS 16 in the UK public sector to 1 April 2022 in November 2020. Due to the need to reassess lease calculations, together with uncertainty on expected leasing activity from April 2022 and beyond, a quantification of the expected impact of applying the standard in 2022/23 is currently impracticable.

IFRS 14 Regulatory Deferral Accounts Not EU-endorsed* - Applies to first time adopters of IFRS after 1 January 2016. Therefore not applicable to DHSC group bodies.

IFRS17 Insurance Contracts Application required for accounting periods beginning on or after 1 January 2021. Standard is not yet adopted by the FReM which is expected to be from April 2023: early adoption is not permitted.

*The European Financial Reporting Advisory Group recommended in October 2015 that the Standard should not be endorsed as it is unlikely to be adopted by many EU countries.

Note 2 Operating income from patient care activities

Note 2.1 Income from patient care activities (by nature)

All income from patient care activities relates to contract income recognised in line with accounting policy 1.3

	31 March 2021 £000	31 March 2020 £000
Mental health services		
Block contract income	173,886	152,236
Clinical partnerships providing mandatory services	21,339	28,751
Clinical income for the secondary commissioning of mandatory services	11,666	12,139
Other clinical income from mandatory services	1,540	2,685
Community Services		
Block contract/system envelope income*	180,702	147,368
Income from other sources (eg local authorities)	56,773	51,924
All Trusts		
Private patient income	1	0
Additional pension contribution central funding **	14,324	12,954
Other clinical income ***	(2,600)	8,262
Total Income from activities	**457,631**	**416,319**

*As part of the coronavirus pandemic response, transaction flows were simplified in the NHS and providers and their commissioners moved onto block contract payments at the start of 2020/21. In the second half of the year, a revised financial framework built on these arrangements but with a greater focus on system partnership and providers derived most of their income from these system envelopes. Comparatives in this note are presented to be comparable with the current year activity. This does not reflect the contracting and payment mechanisms in place during the year.

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

*** Other clinical income is the deferral relating to MHIS, SDF and winter pressures.

Note 2.2 Income from patient care activities (by source)

Income from patient care activities received from:	31 March 2021 £000	31 March 2020 £000
NHS England	61,724	62,885
Clinical commissioning groups	311,617	252,905
NHS Foundation Trusts	1,462	1,543
NHS Trusts	2,819	3,502
Local authorities	70,436	74,883
Department of Health and Social Care	3	41
NHS overseas patients	1	0
Injury cost recovery scheme	352	313
Non NHS other *	9,217	20,247
Total Income from activities	**457,631**	**416,319**
Of which:		
Related to continuing operations	457,631	416,319
Related to discontinued operations	0	0

* Non NHS other income relates to transactions with Welsh local health boards and the Ministry of Defence.

Note 2.3 Overseas Visitors

	2020/21 £000	2019/20 £000
Income recognised this year	1	0

Note 3 Other operating income

	31 March 2021 £000	31 March 2020 £000
Research and development	1,273	1,036
Education and training	9,624	7,824
Non-patient care services to other bodies	9,239	8,451
Provider sustainability fund/Sustainability and transformation fund income (PSF/STF)	0	4,435
Reimbursement and top up funding	5,643	0
Other	2,821	3,928
Education and training - notional income from apprenticeship fund	602	582
Charitable and other contributions to expenditure	17	0
Contributions to expenditure - consumables (inventory) donated from DHSC group bodies for COVID response	3,901	0
Total other operating income	**33,120**	**26,256**
Of which:		
Related to continuing operations	33,120	26,256
Related to discontinued operations	0	0

Note 4.1 Additional information on contract revenue (IFRS 15) recognised in the period

	2020/21 £000	2019/20 £000
Revenue recognised in the reporting period that was included within contract liabilities at the previous period end	8,077	5,753

There was no revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods.

Note 4.2 Income from activities arising from commissioner requested services

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

	2020/21 £000	2019/20 £000
Income from services designated as commissioner requested services	448,061	395,103
Income from services not designated as commissioner requested services	9,570	21,216
	457,631	**416,319**

Note 5 Operating expenses

	31 March 2021 £000	31 March 2020 £000
Purchase of healthcare from NHS and DHSC bodies	7,008	7,352
Purchase of healthcare from non-NHS and non-DHSC bodies	10,198	4,783
Staff and executive directors	356,137	322,178
Non-executive directors	190	201
Supplies and services - clinical (excluding drug costs)	20,791	17,287
Supplies and services - clinical : utilisation of consumables donated from DHSC group bodies for COVID response	3,490	0
Supplies and services - general	8,212	5,231
Drug costs	14,433	16,127
Inventories written down (consumables donated from DHSC group bodies for COVID response)	164	0
Consultancy	724	295
Establishment	15,902	15,979
Premises - business rates collected by local authorities	1,967	2,033
Premises - other	12,310	8,053
Transport - business travel only	3,205	5,479
Transport - other (including patient travel)	1,455	1,677
Depreciation	5,604	4,328
Amortisation	88	532
Impairments net of reversals	0	0
Movement in credit loss allowance: contract receivables	(874)	2,399
Movement in credit loss allowance: other receivables	19	(619)
Change in provisions discount rate	256	312
Audit services - statutory audit *	87	87
Other services:audit related assurance services	0	2
Internal audit **	203	202
Clinical negligence	862	616
Legal Fees	657	646
Insurance	663	553
Research & Development	91	0
Education and training	1,477	1,331
Education and training - notional expenditure funded from apprenticeship fund	602	582
Operating lease expenditure net	12,901	10,761
Redundancy costs	1,499	1,588
Charges to operating expediture for on SoFP IFRIC 12 Schemes (PFI) on IFRS basis	3,856	4,281
Hospitality	19	45
Losses and special payments	10	(89)
Other	1,795	1,660
Total operating expenditure	**486,001**	**435,892**

* The audit fee disclosed for 2020/21 includes additional fees agreed in June 2020 as part of concluding the 2019/20 audit.
** Internal audit and counter fraud is outsourced and provided by RSM LLP.

Note 5.1 Limitation on auditor's liability

There is no limitation on auditor's liability for external audit work carried out for the financial years 2020/21 or 2019/20.

Note 6 Employee benefits

	31 March 2021 £000	31 March 2020 £000
Salaries and wages	268,793	238,903
Social security costs	25,138	22,535
Apprenticeship levy	1,298	1,170
Pension cost - employer contributions to NHS pension scheme	32,913	29,685
Pension cost - employer contributions paid by NHSE on provider's behalf (6.3%)	14,324	12,954
Pension cost - other	517	625
Temporary staff - agency/contract staff	13,499	16,471
Total staff costs	**356,482**	**322,343**
Of which		
Costs capitalised as part of assets	345	165

Note 6.1 Retirements due to ill-health

During 2020/2021 there were 5 early retirements from the trust agreed on the grounds of ill health (2 in year ended 31st March 2020). The estimated pension liabilities of these ill-health retirements are £201k (£67k in 2019-2020). These estimated costs are calculated on an average basis and will be borne by the NHS Pension Scheme.

Note 7 Operating leases

Note 7.1 Midlands Partnership NHS Foundation Trust as lessee

The Trust has a number of lease arrangements for the occupation of properties with NHS Property services Ltd and Community Health Partnerships. The contracts are for operating leases in respect of premises for the current financial year only. Additionally the Trust occupies a number of properties that it has lease arrangements for ranging over a number of years.

	31 March 2021 £000	31 March 2020 £000
Operating Lease expense		
Minimum lease payments	12,901	11,879
Sub lease receipts	0	(1,118)
Total	**12,901**	**10,761**
On buildings leases		
not later than one year	7,704	10,184
later than one year and not later than five years	18,508	28,385
later than five years	14,671	21,905
Total	**40,883**	**60,474**
On other leases		
not later than one year	1,944	1,463
later than one year and not later than five years	2,529	2,849
later than five years	0	0
Total	**4,473**	**4,312**
Future minimum lease payments due		
not later than one year	9,648	11,647
later than one year and not later than five years	21,037	31,234
later than five years	14,671	21,905
Total	**45,356**	**64,786**

Note 8 Finance income

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

	31 March 2021 £000	31 March 2020 £000
Interest on bank accounts	(34)	589

Note 8.1 Finance expenditure

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

	31 March 2021 £000	31 March 2020 £000
Interest on loans from the Department of Health and Social Care		
Capital Loans	805	851
Revenue support/working capital loans	0	455
Revolving working capital facilities	0	959
Interest on late payment of commercial debt	28	5
Finance costs on PFI and other service concession arrangements		
Main finance costs of PFI obligations	1,052	1,111
Contingent fiance costs	1,038	826
Other finance costs	(22)	41
Total Interest expense	**2,901**	**4,248**

Note 8.2 Late payment of commercial debts (interest) Act 1998/Public Contract Regulations 2015

	31 March 2021 £000	31 March 2020 £000
Amounts actually paid and included within other interest arising from claims made under legislation	28	5

Note 8.3 Gains or Losses on sale of Assets

	31 March 2021 £000	31 March 2020 £000
Losses on disposal of property, plant and equipment	(204)	(14)
	(204)	**(14)**

Note 9 Intangible assets

Intangible assets have not been revalued as historic cost is deemed to be reasonable proxy for fair value.
The useful economic life of software asset is determined by the duration of the licensing agreement but is typically in the range of 3 to 5 years. The life of development expenditure assets is in the range of 3 to 5 years as assessed by the Trust.

Note 9.1 Intangible assets 2020-21	Software licences £000	Development Expenditure £000	Assets Under Construction £000	Total £000
Valuation/gross cost at 1 April 2020	379	3,194	380	**3,953**
Additions - purchased	0	0	96	**96**
Reclassifications*	0	0	0	**0**
Disposals	0	0	0	**0**
Valuation/gross cost at 31 March 2021	**379**	**3,194**	**476**	**4,049**
Accumulated amortisation at 1 April 2020	223	3,194	0	**3,417**
Provided during the year	88	0	0	**88**
Disposals	0	0	0	**0**
Accumulated amortisation at 31 March 2021	**311**	**3,194**	**0**	**3,505**
Net book value at 31 March 2021	68	0	476	**544**
Net book value at 1 April 2020	156	0	380	**536**

* Reclassifications relate to assets that have been previously classed as ‘under construction’ but are now working assets

The trust holds some intangible assets which no longer have any value in use, the assets have been valued using the depreciated replacement cost.

Note 9.2 Intangible assets 2019-20	Software licences £000	Development Expenditure £000	Assets Under Construction £000	Total £000
Valuation/gross cost at 1 April 2019	393	3,194	0	**3,587**
Additions	0	0	380	**380**
Reclassifications *	4	0	0	**4**
Disposals	(18)	0	0	**(18)**
Valuation/gross cost at 31 March 2020	**379**	**3,194**	**380**	**3,953**
Accumulated amortisation at 1 April 2019	146	2,757	0	**2,903**
Provided during the year	95	437	0	**532**
Disposals	(18)	0	0	**(18)**
Accumulated amortisation at 31 March 2020	**223**	**3,194**	**0**	**3,417**
Net book value at 31 March 2020	156	0	380	**536**
Net book value at 1 April 2019	247	437	0	**684**

* Reclassifications relate to assets that have been previously classed as 'under construction' but are now operational assets

The trust holds some intangible assets which no longer have any value in use, the assets have been valued using the depreciated replacement cost.

Note 9.3 Useful lives of intangible assets

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

	Min life Years	Max life Years
Intangible assets - internally generated		
Information technology	-	-
Development expenditure	4	4
Websites	-	-
Intangible assets – purchased		
Software	3	5
Licences & trademarks	-	-
Patents	-	-
Other	-	-
Goodwill	-	-

Note 10 Property, Plant and equipment

Note 10.1 Property, plant and equipment 2020-21	Land £000	Buildings excluding dwellings £000	Assets under construction £000	Plant & machinery £000	Transport Equipment £000	Information Technology £000	Furniture & fittings £000	Total £000
Valuation/gross cost at 1 April 2020	24,581	106,053	1,457	3,514	52	6,348	529	**142,534**
Additions	0	0	8,477	0	0	0	0	**8,477**
Impairments charged to operating expenses	0	0	0	0	0	0	0	**0**
Revaluations	(473)	(1,645)	0	0	0	0	0	**(2,118)**
Reclassifications *	0	6,457	(7,596)	54	0	1,085	0	**0**
Transfers to/from assets held for sale and assets in disposal groups	0	0	0	0	0	0	0	**0**
Disposals/derecognition	(12)	(454)	0	0	0	0	0	**(466)**
Valuation/gross cost at 31 March 2021	**24,096**	**110,411**	**2,338**	**3,568**	**52**	**7,433**	**529**	**148,427**
Accumulated depreciation at 1 April 2020	0	478	0	3,142	52	3,574	445	**7,691**
Provided during the year	0	3,443	0	138	0	2,009	14	**5,604**
Impairments charged to operating expenses	0	0	0	0	0	0	0	**0**
Revaluations	0	(3,200)	0	0	0	0	0	**(3,200)**
Reclassifications	0	0	0	0	0	0	0	**0**
Disposals/derecognition	0	(4)	0	0	0	0	0	**(4)**
Accumulated depreciation at 31 March 2021	**0**	**717**	**0**	**3,280**	**52**	**5,583**	**459**	**10,091**
Net book value at 31 March 2021	24,096	109,694	2,338	288	0	1,850	70	**138,336**
Net book value at 1 April 2020	24,581	105,575	1,457	372	0	2,774	84	**134,843**

* Reclassifications relate to assets that have been previously classed as ‘under construction’ but are now operational assets

Note 10.2 Property, plant and eqiupment 2019-20	Land £000	Buildings excluding dwellings £000	Assets under construction £000	Plant & machinery £000	Transport Equipment £000	Information Technology £000	Furniture & fittings £000	Total £000
Valuation/gross cost at 1 April 2019	21,275	98,326	1,298	3,358	52	5,797	529	**130,635**
Additions	0	0	5,179	0	0	0	0	**5,179**
Revaluations	3,245	5,073	0	0	0	0	0	**8,318**
Reclassifications *	0	2,578	(5,020)	156	0	2,282	0	**(4)**
Transfers to/from assets held for sale and assets in disposal groups	61	76	0	0	0	0	0	**137**
Disposals/derecognition	0	0	0	0	0	(1,731)	0	**(1,731)**
Valuation/gross cost at 31 March 2020	**24,581**	**106,053**	**1,457**	**3,514**	**52**	**6,348**	**529**	**142,534**
Accumulated depreciation at 1 April 2019	0	501	0	3,012	52	4,866	431	**8,862**
Provided during the year	0	3,745	0	130	0	439	14	**4,328**
Revaluations	0	(3,768)	0	0	0	0	0	**(3,768)**
Disposals/derecognition	0	0	0	0	0	(1,731)	0	**(1,731)**
Valuation/gross cost at 31 March 2020	**0**	**478**	**0**	**3,142**	**52**	**3,574**	**445**	**7,691**
Net book value at 31 March 2020	**24,581**	**105,575**	**1,457**	**372**	**0**	**2,774**	**84**	**134,843**
Net book value at 1 April 2019	**21,275**	**97,825**	**1,298**	**346**	**0**	**931**	**98**	**121,773**

* Reclassifications relate to assets that have been previously classed as ‘under construction’ but are now operational assets

Note 10.3 Property Plant and equipment – financing – 2020-2021

	Land £000	Buildings excluding dwellings £000	Assets under construction £000	Plant & machinery £000	Transport Equipment £000	Information Technology £000	Furniture & fittings £000	Total £000
Net book value at 31st March 2021								
Owned - purchased	24,096	87,029	2,338	288	0	1,850	70	**115,671**
On-SoFP PFI contracts and other service concession arrangements	0	22,665	0	0	0	0	0	**22,665**
Owned - donated	0	0	0	0	0	0	0	**0**
Net book value at 31st March 2021	**24,096**	**109,694**	**2,338**	**288**	**0**	**1,850**	**70**	**138,336**

Note 10.4 Property Plant and equipment – financing – 2019-2020

	Land £000	Buildings excluding dwellings £000	Assets under construction £000	Plant & machinery £000	Transport Equipment £000	Information Technology £000	Furniture & fittings £000	Total £000
Net book value at 31st March 2020								
Owned - purchased	24,581	85,068	1,457	372	0	2,774	84	**114,336**
On-SoFP PFI contracts and other service concession arrangements	0	20,507	0	0	0	0	0	**20,507**
Owned - donated	0	0	0	0	0	0	0	**0**
Net book value at 31st March 2020	**24,581**	**105,575**	**1,457**	**372**	**0**	**2,774**	**84**	**134,843**

Note 10.5 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 is shown in the table below:

	Min life Years	Max life Years
Land	-	-
Buildings, excluding dwellings	3	70
Dwellings	-	-
Plant & machinery	1	15
Transport equipment	5	10
Information technology	2	10
Furniture & fittings	3	10

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 10.6 Valuation of Property

The estate was revalued on the 31 March 2021 undertaken by Mark Shelley, RICS Registered Valuer, CIS HypZert (MLV), Avison Young. Properties have been revalued under alternate site MEA.

The valuation exercise was carried out in February 2021 with a valuation date of 31 March 2021. The outbreak of Covid-19, declared by the World Health Organisation as a “Global Pandemic” on the 11 March 2020, has and continues to impact many aspects of daily life and the global economy – with some real estate markets having experienced lower levels of transactional activity and liquidity. Travel, movements and operational restrictions have been implemented by many countries, in some cases “lockdowns” have been applied to varying degrees and to reflect further “waves” of Covid-19; although these may imply a new stage of the crisis, they are not unprecedented in the same way as the initial impact.

The pandemic and the measures taken to tackle Covid-19 continue to affect economies and real estate markets globally. Nevertheless, at the valuation date some property markets have started to function again, with transaction volumes and other relevant evidence at levels where an adequate quantum of market evidence exists upon which to base opinions of value. Accordingly, and for the avoidance of doubt, the valuation is not reported as being subject to “material valuation uncertainty” as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards.

For the avoidance of doubt this explanatory note has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of Covid-19 we highlight the importance of the valuation date.

Note 11 Donations of property, plant and equipment

The Trust has not received any donated property, plant or equipment during 2020/2021 (2019/20: £nil).

Note 12 Disclosure of interests in other entities

The Trust has no interest in other entities.

Note 13 Inventories

	2020/2021 £000	2019/2020 £000
Opening Balance	666	486
Additions	7,205	7,797
Additions (donated) from DHSC	3,901	0
Inventories consumed	(10,666)	(7,617)
Write-down of inventories recognised as an expense	(164)	0
	942	**666**
Which is made up of:		
Drugs	483	459
Consumables	212	207
Consumables donated from DHSC group bodies	247	0
Total inventories	**942**	**666**
of which:		
Held at lower of cost and NRV	942	666

Inventories recognised in expenses for the year were £10,830k (2019-2020 £7,617k).
In response to the Covid 19 pandemic, the Department of Health and Social Care centrally procured personal protective equipment and passed these to NHS providers free of charge. During 2020/21 the Trust received £3,901k of items purchased by DHSC.
These inventories were recognised as additions to inventory at deemed cost with the corresponding benefit recognised in income. The utilisation of these items is included in expenses disclosed above.

Note 14 Current trade receivables and other receivables

	2020/2021 £000	2019/2020 £000
Contract receivables (IFRS 15): invoiced	19,191	30,892
Contract receivables (IFRS 15): not yet invoiced/non-invoiced	910	2,763
Allowance for impaired contract receivables/assets	(5,117)	(5,991)
Allowance for impaired other receivables	(143)	(13)
Prepayments (non-PFI)	2,933	2,899
PDC Dividend receivable	662	0
VAT Receivable	416	993
Clinician pension tax provision reimbursement funding from NHSE	121	50
Total current receivables	**18,973**	**31,593**
Of which receivable from NHS and DHSC group bodies:		
Current	8,812	11,736

Note 14.1 Non-Current trade receivables and other receivables

	2020/2021 £000	2019/2020 £000
Prepayments (non-PFI)	423	627
Clinician pension tax provision reimbursement funding from NHSE	592	298
Total non-current receivables	**1,015**	**925**
Of which receivable from NHS and DHSC group bodies:		
Non-current	592	298

The great majority of trade is with Clinical Commissioning Groups and Local Authorities, as commissioners for Patient Care Services and Adult Social Care Services. As Clinical Commissioning Groups and Local Authorities are funded by Government to buy services, no credit scoring of them is considered necessary.

Note 14.2 Allowances for credit losses (doubtful debts)

	Contract Receivables 2020-2021 £000	All other Receivables 2020-2021 £000	Contract Receivables 2019-2020 £000	All other Receivables 2019-2020 £000
Allowance for credit losses at 1 April	5,991	13	3,592	632
New allowances arising	3,634	19	5,499	13
Changes in the calculation of existing allowances	23	0	0	0
Reversals of allowances (where receiveable is collected in-year)	(4,531)	0	(3,100)	(632)
Utilisation of allowances (where receivable is written off)	0	111	0	0
Total current receivables	**5,117**	**143**	**5,991**	**13**
Loss/(gain) recognised in expenditure	**(874)**	**19**	2,399	(619)

Note 15 Non-current assets held for sale in disposal groups

	2020/2021 £000	2019/2020 £000
NBV of non-current assets for sale and assets in disposal groups at 1 April	0	788
Transfer by absorption	0	0
Plus assets classified as available for sale in the year	0	0
Less assets sold in year	0	(651)
Less assets no longer classified as held, for reasons other than disposal by sale	0	(137)
NBV of non-current assets for sale and assets in disposal groups at 31 March	**0**	**0**

Note 16 Cash and cash equivalents movements

Cash and cash equivalents comprise of 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.

	2020/2021 £000	2019/2020 £000
Cash and cash equivalents at 1 April	84,505	83,654
Transfer by absorption	0	0
Net change in year	46,014	851
Cash and cash equivalents at 31 March	**130,519**	**84,505**
Broken down into:		
Cash at commercial banks and in hand	174	91
Cash with the Government Banking Service	130,345	84,414
Total cash and cash equivalents in SoFP and SoCF	**130,519**	**84,505**

Note 17 Third party assets held by the trust.

The Trust has £834k (£283k 2019-2020) cash or 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.

Note 18 Trade and other payables

Note 18.1 Trade and other payables – current

	2020/2021 £000	2019/2020 £000
Trade payables	22,143	18,338
Capital payables	2,420	980
Accruals	35,410	26,133
Annual Leave Accrual	6,521	2,597
Social security costs	6,607	5,743
Total current trade payables	**73,101**	**53,791**
Of which payable from NHS and DHSC group bodies:		
Current	5,774	1,866

Note 18.2 Early retirements in NHS payables

There were no early retirements during the year to 31 March 2021 or in the previous financial year (2019-2020).

Note 19 Other liabilities

	2020/2021 £000	2019/2020 £000
Deferred income	19,584	8,077

Note 20 Borrowings

	2020/2021 £000	2019/2020 £000
Current		
Loans from the Department of Health and Social Care		
Capital loans	1,366	1,366
Revenue support/working capital loans	0	13,493
Revolving working capital facilities	0	26,800
Obligations under PFI	949	920
Total current borrowings	**2,315**	**42,579**
Non Current		
Loans from the Department of Health and Social Care		
Capital loans	18,678	20,010
Obligations under PFI	30,068	31,017
Total non-current borrowings	**48,746**	**51,027**

Note 20.1 Reconciliation of liabilities arising from financing activities – 2020/21

	Loans from DHSC £000	PFI schemes £000	Total £000
Carrying value at 1 April 2020	61,669	31,937	**93,606**
Cash movements:			**0**
Financing cash flows - payments of principal	(41,432)	(920)	**(42,352)**
Finnacing cash flows - payment of interest	(998)	(1,052)	**(2,050)**
Non-cash movements:			**0**
Application of effective interest rate	805	1,052	**1,857**
Other changes	0	0	**0**
Carrying value at 31 March 2021	**20,044**	**31,017**	**51,061**

Note 20.2 Reconciliation of liabilities arising from financing activities – 2019/20

	Loans from DHSC £000	PFI schemes £000	Total £000
Carrying value at 1 April 2019	63,004	32,841	**95,845**
Cash movements:			**0**
Financing cash flows - payments of principal	(1,332)	(871)	**(2,203)**
Finnacing cash flows - payments of interest	(2,268)	(1,111)	**(3,379)**
Non-cash movements:			**0**
Application of effective Interest rate	2,265	1,111	**3,376**
Other changes	0	(33)	**(33)**
Carrying value at 31 March 2020	**61,669**	**31,937**	**93,606**

Note 21 Provisions for liabilities and charges analysis

Pensions Injury benefits relate to ill health retirement pensions over the next twenty years.

Equal pay (including agenda for change) includes consultant contracts where the likelihood or timing of take up is undetermined at the year end.

Other relates to provisions for dilapidations of a number of leased properties which fall due on leaving the premises and contractual issues to be resolved.

	Pensions - Injury Benefits £000	Legal Claims £000	Equal pay (including agenda for change) £000	Redundancy £000	Clinician pension tax reimbursement £000	Other £000	Total £000
At 1 April 2020	852	152	271	632	348	3,221	**5,476**
Change in discount rate	256	0	0	0	0	0	**256**
Arising during the year	0	52	123	1,604	365	2,833	**4,977**
Utilised during the year - accruals	(38)	3	(124)	0	0	0	**(159)**
Reversed unused	0	(30)	0	(632)	0	(736)	**(1,398)**
At 31 March 2021	**1,070**	**177**	**270**	**1,604**	**713**	**5,318**	**9,152**
Expected timing of cash flows							
not later than one year	38	177	270	1,604	121	5,318	**7,528**
later than one year and not later than five years	117	0	0	0	87	0	**204**
later than five years	915	0	0	0	505	0	**1,420**
	1,070	**177**	**270**	**1,604**	**713**	**5,318**	**9,152**

Note 21.1 Clinical negligence liabilities

Whilst the Trust has legal liability for clinical negligence claims, these liabilities are recognised in the accounts of NHS Resolution. At 31 March 2021 £10,874k was recognised as a provision in the accounts of NHS Resolution in respect of clinical negligence liabilities of Midlands Partnership NHS Foundation Trust (£14,647k 31 March 2020).

Note 22 Contingent assets and liabilities

	2020/2021 £000	2019/2020 £000
Value of contingent liabilities		
NHS Resolution legal claims	(113)	(98)
Net value of contingent assets	**0**	**0**

The above relates to the member contingent liability relating to the excess due on clinical negligence cases covered by NHS Resolution.

NHS Resolution have stated they expect these legal claims to be resolved by 2021/2022.

Note 23 Contractual capital commitments

	2020/2021 £000	2019/2020 £000
Property, plant and equipment	4,992	2,243

Note 24 On-SoFP PFI, LIFT or other service concession

The Trust has a PFI commitment relating to the Haywood Hospital, a community hospital, that was redeveloped as part of an overall scheme “fit for the future” secondary care developments in North Staffordshire.

The contract commenced 2007 (taken by the Trust in 2013) for a period of 37 years ending in 2044. A monthly unitary payment for the use of the facility, and the provision of housekeeping, portering, catering and estates maintenance services, will be paid up to that point. At the end of this period the building reverts into the ownership of the Trust having met its PFI commitment.

The unitary payment is subject to annual increases in line with RPI. Services are subject to market testing every 7 years. The arrangement requires the operator to deliver services to the Trust in accordance with the service delivery specification.

Non delivery of quality of performance can lead to a reduction in the service charge being paid by the Trust. The Trust retains step in rights should the contractor fail to meet minimum standards as set out within the contract. Under IFRIC 12 the asset is treated as an asset of the Trust. The substance of the contract is that the Trust has a financial lease and payments comprise of two elements – imputed finance lease charges and service charges. Details of the imputed finance lease charges are included in the table below.

Note 24.1 Imputed finance lease obligations

Midlands Partnership NHS Foundation Trust has the following obligations in respect of the finance lease element of on-Statement financial position PFI.

	2020/2021 £000	2019/2020 £000
Gross PFI service concession lease liabilities of which liabilites are due:	45,084	47,056
not later than one year	1,970	1,972
latter than one year and not later than five years	7,834	7,844
later than five years	35,280	37,240
Finance charges allocated to future periods	(14,067)	(15,119)
Net PFI service concession lease obligation	**31,017**	**31,937**
not later than one year	949	920
later than one year and not later than five years	4,067	3,948
later than five years	26,001	27,069

Note 24.2 Total on-SoFP PFI concession arrangement commitments

When calculating the future unitary charge the Trust has applied an inflation increase in line with the prevailing Retail Price Index (RPI) and discounted those commitments in line with Treasury lending rate for NHS Trusts.

	2020/2021 £000	2019/2020 £000
Total future payments committed in respect of PFI service concession arrangements	225,691	246,834
of which liabilities are due:		
not later than one year	7,038	7,295
later than one year and not later than five years	29,954	31,049
later than five years	188,699	208,490

Note 24.3 Analysis of amounts payable to service concession

	2020/2021 £000	2019/2020 £000
Unitary payment payable to service concession opeator	6,866	7,089
Consisting of:		
Interest charge	1,052	1,111
Repayment of finance lease liability	920	871
Service element and other charges to operating expenditure excluding revenue lifecycle	3,557	4,009
Revenue lifecycle maintenance	299	272
Contingent rent	1,038	826
Total amount paid to service concession operator	**6,866**	**7,089**

Note 24.4 Service concession arrangement commitments

	31 March 2021 £000	31 March 2020 £000
Charge in respect of the service concession arrangements:	**114,846**	**132,341**
Commitments in respect of service concession arrangements:		
- not later than one year;	3,646	3,557
- later than one year and not later than five years	15,518	17,343
- lather than five years	95,682	111,441

The future obligations discloses the total payments the Trust is committed to paying in respect of the on SOFP PFI, the future payments are inflated at the inflation rate included within the operators model. The actual payments may change based on actual inflation.

Note 25 Financial instruments

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the continuing service provider relationship that the Trust has with Commissioners and the way those Commissioners are finance, the Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

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

Note 25.1 Currency risk

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

Note 25.2 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 life of 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 has borrowed from government for revenue finance subject to approval by NHS Improvement interest rates are confirmed by the Department of Health and Social Care (the lender) at the point borrowing is undertaken and it is fixed for the life of the loan. The Trust therefore has low exposure to interest rate fluctuations.

Note 25.3 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.

Note 25.4 Liquidity risk

The Trust's operating costs are incurred under contracts with Clinical Commissioning Groups, which are finance 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 risks.

Note 25.5 Carrying values of financial assets and liabilities

Carrying value and fair value of Financial Assets

	Carrying Value 31 March 2021 £000	Carrying Value 31 March 2020 £000
Receivables with DHSC group bodies	8,021	12,034
Receivables with other bodies	6,294	15,965
Cash and cash equivalents	130,519	84,505
	144,834	112,504

Carrying value and fair value of Financial liabilities

	Carrying Value 31 March 2021 £000	Carrying Value 31 March 2020 £000
DHSC Loans	20,044	61,669
Obligations under PFI service concession contracts	31,017	31,937
Trade and other payables with DHSC group bodies	5,766	1,866
Trade and other payables with other bodies	60,181	46,182
	117,008	141,654

Note 25.6 Maturity of financial liablilities	31 March 2021 £000	31 March 2020 £000
In one year or less	69,287	91,679
In more than two years but not more than five years	13,163	13,172
In more than five years	48,630	51,922
Total	**131,080**	**156,773**

Note 26 Losses and special payments

	2020/ 2021 No	2020/ 2021 £000	2019/ 2020 No	2019/ 2020 £000
Losses:				
Bad debts and claims abandoned in relation to:				
other	0	0	0	0
Damage to buildings, property etc due to other	5	2	6	1
Special Payments:				
loss of personal effects	4	1	31	16
personal injury with advice	0	0	1	0
other employment payments - redundancies	0	0	27	1,733
other	5	7	5	7
	14	**10**	**70**	**1,757**

These amounts are reported on an accruals basis but excluding provisions for future losses.

Note 27 Related parties

During the year to 31 March 2021 none of the Department of Health and Social Care ministers, Trust Board members or members of the key management staff, or parties related to any of them, has undertaken any material transactions with Midlands Partnership NHS Foundation Trust.

The trust is linked to South Staffordshire Community and Mental Health Charity, charity registration number 1061006, in so much as the Trust's board of directors is also the Charities Trustees.
The Trust has received £17k income from the charity for the administration of the charity.

The Department of Health and Social Care is regarded as the parent department of the trust and during the year to 31 March 2021 has had a significant number of material transactions within the department and with other entities:

NHS England

CCG's
NHS Cannock Chase CCG
NHS Cheshire CCG
NHS East Staffordshire CCG
NHS North Staffordshire CCG
NHS Shropshire CCG
NHS South East Staffordshire and Seisdon CCG
NHS Stafford and Surrounds CCG
NHS Stoke on Trent CCG
NHS Telford and Wrekin CCG
NHS Thurrock CCG

Other Health Bodies
Health Education England
NHS Property Services Limited
NHS Resolution
Community Health Partnerships

Other NHS Providers
Berkshire Healthcare NHS Foundation Trust
North Staffordshire Combined Healthcare NHS Trust
Shropshire Community Health NHS Trust
The Royal Wolverhampton NHS Trust
University Hospitals of Derby and Burton NHS Foundation Trust
University Hospitals of North Midlands NHS Trust

Local Authorities
Buckinghamshire County Council
Hampshire County Council
Isle of Wight Council
Leicster City Council
Leicestershire County Council
Staffordshire County Council
Stoke On Trent Council
Telford and Wrekin Council

Other government departments
HM Revenue and Customs
NHS Pensions service
Ministry of Defence
Welsh Health Bodies

Note 28 Events after the reporting date
There were no events after the reporting date.

Note 29 Local government superannuation scheme
The Trust participates in the Local Government Pension scheme for all employees, administered locally by Staffordshire County Council. This is a funded, defined benefit, final salary scheme, meaning that the Authority and employees pay contributions into a fund, calculated at a level intended to balance the pension's liabilities with investment assets. The Trust pays contributions to the Staffordshire County Council Pension Fund, which provides its members with defined benefits related to pay and service. The contribution rate is determined by the County Fund's Actuary based on

triennial actuarial valuation. The valuation on which 2020-2021 contributions were based was carried out on a full valuation carried out on the 31 March 2016. A roll forward valuation is performed by the actuary in the years between full valuations. This valuation will determine contribution rates payable with effect from 1 April 2017 up to 31 March 2021.

In addition to the recognised gains and losses included in the Statement of Comprehensive Income, actuarial profit of £208k (2019-2020 £585k loss). The cumulative amount of actuarial losses recognised in the Statement of Comprehensive income is £595k (£803k loss 2019-2020).

Note 29.1 Assets and Liabilities in Relation to Retirement Benefits
Reconciliation of present value of the Scheme Liabilities

	2020-2021 £000	2019-2020 £000
Balance as at 1 April	(10,358)	(12,342)
Current service cost	(103)	(142)
Interest cost	(237)	(296)
Contribution by plan participants	(19)	(19)
Actuarial (gains)/losses	(2,869)	2,260
Benefits paid	233	192
Past service costs	0	(11)
Balance as at 31 March	**(13,353)**	**(10,358)**

Reconciliation of fair value of Employer Assets

	2020-2021 £000	2019-2020 £000
Balance as at 1 April	11,804	13,244
Interest income	270	318
Actuarial gains/(losses)	2,661	(1,675)
Contibutions by employer	92	90
Contributions by plan participants	19	19
Benefits paid	(233)	(192)
Balance as at 31 March	**14,613**	**11,804**

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the statement of Financial Position date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

The actual return on scheme assets in the year was 25% (-6.5% 2019-2020).

Note 29.2 Scheme history

	31 March 2021 £000	31 March 2020 £000	31 March 2019 £000	31 March 2018 £000	31 March 2017 £000
Present value of scheme liabilities	(13,353)	(10,358)	(12,342)	(11,066)	(11,003)
Fair value of scheme assets	14,613	11,804	13,244	12,189	11,958
Asset/(liability)	**1,260**	**1,446**	**902**	**1,123**	**955**

Note 29.3 Amounts recognised in the SoCI

	31 March 2021 £000	31 March 2020 £000
Current service cost	(103)	(142)
Interest cost	33	22
Past service cost	0	(11)
	(70)	**(131)**

Note 29.4 Reconciliation of opening and closing SoFP balances

	2020-2021 £000	2019-2020 £000
Surplus/(deficit in the scheme at 1 April	1,446	902
Expenses recognised in the SoCI	(70)	(131)
Contributions paid by employer	92	90
Actuarial (gains)/losses in the current year	(208)	585
	1,260	**1,446**

Note 29.5 Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in the future years dependent on assumptions about mortality rates, salary levels, etc. The County Council fund liabilities have been assessed by the actuaries Hymans Robertson.

The principal assumptions used by the actuary have been:

Mortality assumptions

	2020-2021		2019-2020	
	Men Years	Women Years	Men Years	Women Years
Longevity at 65 for current pensioners	21.4	24	21.2	23.6
Longevity at 65 for future pensioners	22.5	25.7	22.1	25.0

Note 29.6 Constitution of the fair value of scheme assets

The local government pension scheme's assets consist of the following categories, by proportion to the total assets held:

	2020-2021		2019-2020	
	%	£000	%	£000
Equities	74%	10,785	72%	8,499
Bonds	15%	2,173	16%	1,942
Property	8%	1,136	10%	1,163
Cash	3%	519	2%	200
	100%	**14,613**	**100%**	**11,804**

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