



















Annu	al Report	t 2020/21	Contents	Annua	l Report	2020/21	Contents
Co	ntent	ts			3.1.3	Statement of Directors' responsibilities in respect of the accounts	76
					3.1.4	Statement of the Chief Executive's responsibilities as the Accountable Officer of the Trust Annual Governance Statement 2020/21	77
Da	4.1	ntunduction	Л		3.1.5		78 70
Pal	T II	ntroduction	4		3.1.5.1 3.1.5.2	Scope of responsibility The purpose of the system of internal control	78 70
					3.1.5.2	Capacity to handle risk	78 78
Welco	me to Walsa	all Healthcare NHS Trust's Annual Report and Accounts	6		3.1.5.4	The risk and control framework	78
					3.1.5.5	Review of economy, efficiency and effectiveness of the use of resources	86
Pai	rt 2: F	Performance Report	8		3.1.5.6	Information governance	88
		cirormanee Report			3.1.5.7	Review of effectiveness	89
2.1	Perforr	mance Overview	10		3.1.5.8	Modern Slavery Act 2015 - Transparency in Supply Chains	92
	2.1.1	Purpose of Section	10		3.1.5.9	Conclusion	92
	2.1.2	Chief Executive's summary of performance and key risks	11	3.2		eration Report	93
	2.1.3	Who we are and who we serve	13	5.2	3.2.1	Remuneration Policy for Directors	93
	2.1.4	Activity Overview 2020/2021 and Effect of COVID-19	13		3.2.2	Remuneration Report Tables	93
	2.1.5	Our Structure	15		3.2.3	Compensation on Early Retirement or for Loss of Office/Payments to Past Directors	95
	2.1.6	Statement of Going Concern	16		3.2.4	Fair Pay Disclosure	95
	2.1.7	Our Vision, Values and Objectives	16		3.2.5	Pay Multiples	96
	2.1.7.1	Improvement Programme: A look ahead to our Priorities for 2021/22	17	3.3	Staff Re		96
	2.1.8	Care Quality Commission Inspection	18		3.3.1	Staff Numbers and Costs	96
	2.1.9	Key Highlights for 2020/21	19		3.3.2	Staff Composition	96
2.2	Perforr	mance Analysis	32		3.3.3	Sickness Absence Data	98
	2.2.1	Purpose of Section	32		3.3.4	Staff Turnover Percentage	98
	2.2.2	Expanded Risk Profile	33		3.3.5	Staff Engagement Percentage Scores	100
	2.2.3	How Performance is Measured and Analysed	34		3.3.6	Staff Policies applied during the Financial Year	103
	2.2.4	Acute Performance	35		3.3.7	Trade Union Facility Time Reporting Requirements	105
	2.2.5	Community Performance	40		3.3.8	Health and Safety at Work	105
	2.2.6	Financial Performance	43		3.3.9	Expenditure on Consultancy	107
	2.2.7	Engagement with Public and Patients	46		3.3.10	Off-Payroll Engagements	107
	2.2.8	Diversity and Human Rights	49		3.3.11	Exit Packages	108
	2.2.9	Counter Fraud and Corruption	50	Trust Ac	counts Co	nsolidated (TAC) Summarisation Schedules	109
	2.2.10	Environmental and Sustainability	50				
Pai	rt 3: /	Accountability Report	52	Par	t 4: F	inancial Statements	110
3.1	Corpor	rate Governance Report	54	4.1	Financia	al Statements	110
	3.1.1	Directors Report	54		4.1.1	Statement of Comprehensive Income	112
	3.1.1.1	The Trust Board	54		4.1.2	Statement of Financial Position	114
	3.1.1.2	Trust Board Composition	54		4.1.3	Statement of Changes in Equity for the year ended 31 March 2021	116
	3.1.1.3	Directors who left during the financial year	73		4.1.4	Statement of Cash Flows	117
	3.1.1.4	Fit and Proper Person	73	4.2		r's Letter	119
	3.1.1.5	Board Committees	74		4.2.1	Independent auditor's report to the Directors of Walsall Healthcare NHS Trust	119
	3.1.1.6	Board of Trustees and Charitable Funds Committee	74		4.2.2	Report on the Trust's arrangements for securing economy, efficiency	
	3.1.1.7	Accountability	74		4.0.5	and effectiveness in the use of resources	121
	3.1.1.8	Personal data incidents 2020/2021	75		4.2.3	Report on other legal and regulatory requirements	122
	3.1.2	Statement of Disclosure to Auditors	76		4.2.4	Audit Completion Certificate	123

Part 1: Introduction



4

Welcome to Walsall Healthcare NHS Trust's Annual Report and Accounts

As we compiled last year's Annual Report we described how, moving into 2020, the NHS had been involved in responding to the biggest public health crisis in over 100 years - the COVID-19 (Coronavirus) pandemic.

We knew there would be significant challenges for our organisation; critical care demand increases, staffing resilience, communication in a time of unprecedented stress and eventual recovery and restoration to name just a few. In many respects, however, the bigger challenges lie in the months ahead as we deal with the aftermath and its impact on our staff.

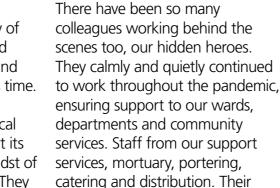
Most of you will have seen images on television from critical care units up and down the country and interviews with families struggling to cope with being unable to see loved ones due to the necessary restrictions enforced to minimise infection risk.

That said, it is difficult to truly appreciate the sheer enormity of the situation that our staff and Walsall communities have found themselves in throughout this time.

For our teams working in critical care this virus was relentless at its peak. Being at work in the midst of it was, at times, nightmarish. They have cared for their own colleagues and friends as well as strangers who they spent more time with than their own concerned loved ones.

Staff from other areas stepped up and supported teams throughout the hospital and community. They were scared and apprehensive, but colleagues who were redeployed made such a difference to patients and families.

We have seen some exemplary leadership as they have steered our organisation through this crisis.



the Trust.

Our leaders and managers had to change the way they and their teams work, suggest improvements and come up with innovations against really tight deadlines. We have seen some exemplary leadership as they have steered our organisation through this crisis.

input has been invaluable and they

helped to keep things running for

Part 1: Introduction

Walsall Healthcare was announced as the first site in the Black Country and West Birmingham to start administering the COVID-19 vaccination, a massive logistical undertaking, and from early December it played a major part in the largest ever vaccination programme the world has ever seen.

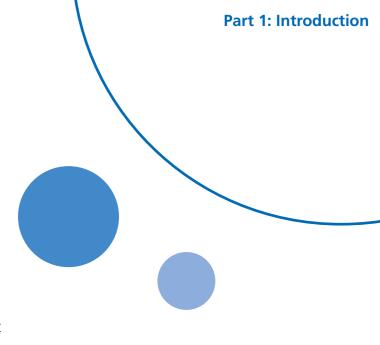
We lost some valued colleagues during this pandemic and will never forget them or the patients who sadly died as a result of COVID-19 despite our combined best efforts. We should also allow ourselves some time to reflect positively on all those who have been discharged home after our care and support, who have managed to be reunited with their loved ones, and who genuinely feel their recovery has been nothing short of miraculous at a time when there were so many odds stacked against them.

In the middle of this unprecedented period the Care Quality Commission carried out inspections in our Emergency Department and Maternity Services as part of its more targeted and focused regulatory approach in response to the pandemic. More detail on its findings can be found at 2.1.8 Whilst our teams have shown great resilience we cannot underestimate the huge and continued impact of the pandemic. Our staff are exhausted and need time to heal and recover. The pandemic has undoubtedly had consequences for the "business as usual" functions of the Trust and there is a lot of work still to do around our recovery and restoration.

During the year, we have also commenced a closer working relationship with The Royal Wolverhampton NHS Trust (RWT). We have cross-directorships on both Trust Boards to allow for ease of partnership working and collaboration.

For some time now our Trust has been working more closely together with RWT providing healthcare services to patients. This has already delivered improvements such as the creation of The Black Country Pathology Service, the transfer of acute and hyper acute stroke services from Walsall to Wolverhampton and the appointment of a Walsall Clinical Director to a shared Dermatology service, to name just a few.

The relationship between the two Trusts has also been vital during the year in our fight against COVID-19. Offering support and mutual aid has helped both Trusts and has led to closer working of the leadership teams.



Each Trust has the opportunity to build on and strengthen the collaborative work we have developed so far to improve the health of our populations, to make services more sustainable and of a higher quality to our patients in the Black Country. This will help us further to attract and retain the best possible workforce and to drive improvements in the health of our populations.

We are all hoping for a better year – a year without lockdowns, restrictions and disruptions to vital services. Realistically, the after effects of COVID-19 will continue to be felt for some time to come and will continue to test the Trust well into 2021.





Part 2: Performance Report



 $oldsymbol{8}$

2.1 Performance Overview

2.1.1 Purpose of Section

This overview is a short summary to inform an understanding of the organisation, its purpose, the key risks to the achievement of its objectives and how it has performed during the year. It includes:

- A **statement from the Chief Executive**, providing a summary of how we have performed during 2020/2021
- An introduction to our organisation, which sets out what we do, the services we provide and our organisational structure
- Our organisation's vision, values and strategic objectives
- A statement of 'going concern' and what that means for our organisation
- The **key highlights** for us during 2020/21 and **our priorities** for 2021/22



2.1.2 Chief Executive's summary of performance and key risks

2020/21 has been one of the most challenging years in the history of the NHS. The COVID-19 pandemic has seen unprecedented numbers of acutely unwell patients requiring treatment, and has required our services in both the community and hospital settings to adapt at incredible speed to meet the needs of those who need our care. It has tested us to the limit at times, but has also demonstrated the incredible skill, professionalism, compassion, teamwork and respect that our staff bring to their work every day. Despite the extraordinary pressures that the Trust has faced over the last year, we have made progress against all of our strategic objectives.

Progress against our objective to **Provide Safe, High Quality Care** is covered in greater detail in our Quality
Account which includes highlights such as a reduction
in falls and most importantly a reduction in falls with
severe harm, the launch of our Nutrition Ambition,
improvements in the timeliness of observations to
detect deteriorating patients and improvements
in clinical outcomes in key pathways such as the
fractured neck of femur pathway. The Care Quality
Commission inspection of September 2020 underlined
that there is much more improvement required for
the Trust to be consistently delivering safe, high
quality care and this will remain a key priority Strategic
Objective in 2021/22.

Progress against our strategic objective to deliver **Care at Home** has accelerated over the last year under our Walsall Together partnership. The number of patients in hospital who are medically stable for discharge has been at record low levels. The pandemic has revolutionised outpatient services with much greater use of virtual consultations, and has prompted real innovation with pathways such as the Safe at Home pathway where patients can receive pulse oximetry monitoring in their own home rather than in hospital, and the Integrated Assessment Unit where hospital-based frailty specialists work alongside community colleagues to provide integrated care pathways for our frail and complex patients.

As the Walsall Together partnership continues to strengthen, our work will increasingly focus on reducing the health inequalities that persist in the borough and that will have been exacerbated by the socio-economic impact of the pandemic as well as the direct health impact itself.

Our partnership working in secondary care services has strengthened further too this year. The Trust has played a lead role in integrating Dermatology services with The Royal Wolverhampton NHS Trust; has integrated out of hours emergency Ear, Nose and Throat services with The Royal Wolverhampton NHS Trust and The Dudley Group NHS Foundation Trust; has integrated procurement functions with University Hospital North Midlands NHS Trust and The Royal Wolverhampton NHS Trust; and has completed further phases of the Black Country Pathology Service integration. As we move into 2021/22, we will continue to Work Closely with our Partners for the benefit of patients and staff and aim to strengthen the integration of services such as Urology, Radiology and Bariatric Surgery in coming months.

The pandemic has shone a light on the incredible work of our staff. It has also exposed some of the differential experiences that colleagues have working at the Trust, and the fact that we still have significant improvements to deliver if the experience and engagement of our staff is to be commensurate with the best Trusts in the country. We have made progress this year with a comprehensive staff wellbeing offer, the commencement of our Divisional and Care Group Leadership Development Programmes in conjunction with the Faculty of Medical Leadership & Management, and with the development of our Equality, Diversity and Inclusion Strategy. We recognise as a Trust there is much more to do, and our Value our Colleagues Improvement Programme will accelerate progress in this area during 2021/22.

For a Trust that has had a highly challenging financial history at times, it gives me great pleasure to present the Annual Report which confirms that the Trust has delivered its financial plan for the second consecutive year and has generated a modest surplus in its pursuit to Use Resources Well. This has been achieved whilst also improving access to our services. We end the year having achieved our highest ranking nationally for the 4-hour Emergency Access Standard on record (14th out of 113 reporting general Acute Trusts), with the second best Diagnostic (DM01) waiting times in the country, and with 18-week Referral to Treatment, 52-week Referral to Treatment and 62-day Cancer Referral to Treatment waiting times that are all better than national averages for general acute Trusts too.

The key risks to the delivery of our strategic objectives are managed and monitored through the Board Assurance Framework, and include:



Failure to deliver excellence in care outcomes, and/ or patient/public experience, which impacts on the Trust's ability to deliver services which are safe and meet the needs of our local population.

BAF S02 - Care at Home

Failure to work with partners and communities to understand population health and inequalities, integrate place-based services and deliver them through a whole population approach would result in a continuation of poor health and wellbeing and widening of health inequalities.

BAF S03 - Work Closely with Partners:

Failure to integrate functional and organisational form change within the Black Country will result in lack of resilience in workforce and clinical services, potentially damaging the Trust's ability to deliver sustainable high quality care.

BAF S04 - Value our Colleagues:

Lack of an inclusive and open culture impacts on staff morale, staff engagement, staff recruitment, retention and patient care.

BAF S05 - Use Resources Well:

The Trust's financial sustainability is jeopardised if it cannot deliver the services it provides to their best value. If resources (financial, human, physical assets, and technology) are not utilised to their optimum, opportunities are lost to invest in improving quality of care. Failure to deliver agreed financial targets reduces the ability of the Trust to invest in improving quality of care, and constrains available capital to invest in Estate, Medical Equipment and Technological assets in turn leading to a less productive use of resources.

BAF S06 – COVID-19:

The impact of COVID-19 and recovering from the initial wave of the pandemic on our clinical and managerial operations is such that it prevents the organisation from delivering its strategic objectives and annual priorities.

Chief Executive's summary of performance and key risks

2.1.3 Who we are and who we serve

Walsall Healthcare NHS Trust is an integrated Trust and the only provider of NHS acute care in Walsall, providing inpatient and outpatient services at the Manor Hospital as well as a wide range of services in the community. Walsall Manor Hospital houses the full range of district general hospital services under one roof. The £170 million development of our Pleck Road site was completed in 2010 and the continued upgrading of existing areas ensures the Trust now has a state-of-the-art Critical Care Unit, Neonatal Unit, Obstetric Theatre and Integrated Assessment Unit facilities. The Trust has also started work on its multi-million pound new Emergency Care development which will house a new Emergency Department (including Children's Emergency Department), co-located Paediatric Assessment Unit, Acute Medical Unit and Urgent Care Centre.

We provide high quality, friendly and effective community health services from some 60 sites including Health Centres and GP surgeries. Covering Walsall and beyond, our multidisciplinary services include rapid response in the community and home-based care, so that those with long-term conditions and the frail and elderly, can remain in their own homes to be cared for wherever appropriate.

2.1.4 Activity Overview 2020/2021 and Effect of COVID-19

	2020/2021	2019/2020	2018/2019
The population we serve	285,500 ¹	283,400	
Outpatient Appointments	214,179	534,432	511,684
Accident and Emergency Visits	67,689	83,536	79,222
Emergency Admissions	34,171	37,825	33,956
Births	3,510	3,661	3,549
Planned Admissions	16,598	33,469	33,060

The management of COVID-19 as a level 4 national incident has resulted in a profound impact on emergency, cancer, diagnostic and elective care.

COVID-19 admissions first peaked in early April 2020 with over 50% of inpatients COVID-positive at the height of the initial wave. The planning assumptions regarding a COVID-19 second wave included the base-case scenario that the second wave reached 50% of the April peak, however this was significantly exceeded, with COVID-19 positive inpatients exceeding 140% of the April 2020 peak during January 2021.

The Trust implemented a clear strategy that segregated the Outpatient & Day Case Centre wing of the hospital for planned outpatient, diagnostic and procedural activity based on the specialist recommendations of the Infection, Prevention & Control and Microbiology teams. Ward 20A was set up as a ring-fenced elective ward to accommodate post-operative elective patients for all surgical specialties and a dedicated four-bedded Enhanced Care Recovery Unit within Ward 20A was also created. The Chemotherapy unit relocated into this wing of the hospital to minimise the risk of cross-infection for some of the most vulnerable patients the Trust treats.

2020/21 has been

one of the most challenging years in the history of the NHS.

¹ ONS 2019 mid-year estimates

COVID-19 resulted in the need for the Trust to treble its Critical Care capacity and consequently it had to reduce elective surgery considerably during wave 1. Elective Surgery started again on the Manor site on 28th May 2020, and partnership working with Spire Little Aston provided elective theatre capacity to supplement Walsall Manor Hospital's capacity.

Due to the significant impact of the second wave, routine elective surgery reduced again during November and December 2020, and January and February 2021 to release theatres and anaesthetic staff once again to support Critical Care, which negatively affected the restoration and recovery of elective waiting times. The Adult Critical Care Network has facilitated transfers out of Level 3 patients to other Critical Care Units during the second and third waves.

The community nursing teams worked with all patients and their families/carers to agree the care that would be provided safely. The service moved to deliver more reviews by phone to minimise contact and reduce the risk of transmitting COVID-19. Some routine work was reduced and staff re-allocated to provide urgent care in the community. New services supporting patients discharged from hospital with COVID-19 and those with long term effects of COVID-19 were introduced during the year. Community Services worked with partners in Walsall Council and GPs to provide extra support to care homes which were affected by COVID-19.



for a wide range of palliative care and end of life services. Our teams, in the centre and the community, provide high quality medical, nursing and therapy care for local people living with cancer and other serious illnesses, as well as offering support for their families and carers. The Trust took on responsibility for the inpatient hospice at Goscote this year.

2.1 Performance Overview

2.1.5 Our Structure

Our organisational structure features three acute hospital Divisions, a Community Division, Estates and Facilities division and Corporate Services. Each clinical Division is led by a team which encompasses a Divisional Director (clinician by background), a Director of Operations and a Director of Nursing/Midwifery. Together they provide medical, nursing and operational leadership. The Estate & Facilities Division is led by a Divisional Director.

The six Divisions are as follows:

- Surgery
- Medicine and Long-Term Conditions
- Women's, Children's and Clinical Support Services
- Adult Community
- Estates and Facilities
- Corporate Services

Below provides an overview of the services provided by each of these Divisions and Corporate Services:

DIVISION OF SURGERY	MEDICINE AND LONG TERM CONDITIONS	WOMEN'S CHILDREN'S AND CLINICAL SUPPORT SERVICES
 Musculoskeletal (inc. trauma & Orthopaedics and Rheumatology) Outpatients Pain Cancer Head and Neck General Surgery Theatres Anaesthetics (inc. Pain) Critical Care 	 Emergency Medicine Acute Medicine Long Term Conditions (inc. Respiratory, Endocrinology, Dermatology & Neurology) Cardiology Gastroenterology Elderly and Frailty 	 Paediatrics Women's Sexual Health Pathology Pharmacy Clinical Measurement Unit Imaging

COMMUNITY SERVICES	ESTATES AND FACILITIES	CORPORATE SERVICES
 Specialist Rehabilitation Care Group Children's Care Group Place Based Care Groups (North, South, East and West) Palliative Care and End of Life Care Group Intermediate/Community Urgent Care Group Therapy Services 	 Portering Housekeeping Accommodation Catering Electronic and Biomedical Engineering Fire Safety Private Finance Initiative (PFI) Contract Security Car Parking Capital Projects Community Sites 	 Chief Executive Office Governance Planning and Improvement Finance Informatics Nurse Directorate Medical Directorate Operations Directorate People & Culture

Annual Report 2020/21 2.1 Performance Overview Annual Report 2020/21

2.1.6 Statement of Going Concern

The Trust's statement of accounts 2020/21 have been prepared on a going concern basis.

In line with Practice Note 10 issued by The Public Audit Forum and approved by the Financial Reporting Council, the Trust has considered if it is anticipated to continue with its provision of services.

The Trust has concluded that services will continue to be provided and is a going concern on that basis. The Trust believes that confirmation in April 2021 that the Department of Health and Social Care would grant £36m of funding for the building of a new Emergency Department at Walsall Manor Hospital, and no formal plans to cease services, would confirm a going concern judgement.

2.1.7 Our Vision, Values and Objectives



Walsall Healthcare NHS Trust is guided by five strategic objectives which combine to form the overall 'vision' for the organisation.

Complementing this are our 'values', a set of ndividual behaviours that we wish to project amongst our workforce in order to deliver effective care for all.

Our Vision: Caring for Walsall together

"Caring for Walsall together" reflects our ambition for safe integrated care, delivered in partnership with social care, mental health, public health and associated charitable and community organisations.

Our Objectives: Underpinning the vision

The organisation has five strategic objectives which underpin our vision of 'Caring for Walsall together', and they are to:



Provide Safe, high-quality care; We will deliver excellent quality of care as measured by an outstanding CQC rating by 2022.



Care at Home; We will host the integration of Walsall together partners, addressing health inequalities and delivering care closer to home.



Work Closely with Partners;
We will deliver sustainable best practice in secondary care, through working with partners across the Black Country and West Birmingham System.



without exception.



16



Our Values: Upholding what's important to us as a Trust

Our values, coupled with individual behaviours, represent what we wish to project in our working environments.

Respect	We are open, transparent and honest, and treat everyone with dignity and respect. I appreciate others and treat them courteously with regard for their wishes, beliefs and rights. I understand my behaviour has an impact on people and strive to ensure that my contact with them is positive. I embrace and promote equality and fairness. I value diversity and understand and accept our differences. I am mindful of others in all that I do.
Compassion	We value people and behave in a caring, supportive and considerate way. I treat everyone with compassion. I take time to understand people's needs, putting them at the heart of my actions. I actively listen so I can empathise with others and include them in decisions that affect them. I recognise that people are different and I take time to truly understand the needs of others. I am welcoming, polite and friendly to all.
Professionalism	We are proud of what we do and are motivated to make improvements, develop and grow. I take ownership and have a 'can-do' attitude. I take pride in what I do and strive for the highest standards. I don't blame others. I seek feedback and learn from mistakes to make changes to help me achieve excellence in everything I do. I act safely and empower myself and others to provide high quality, effective patient-centred services.
Teamwork	We understand that to achieve the best outcomes we must work in partnership with others. I value all people as individuals, recognising that everyone has a part to play and can make a difference. I use my skills and experience effectively to bring out the best in everyone else. I work in partnership with people across all communities and organisations.

2.1.7.1 Improvement Programme: A look ahead to our Priorities for 2021/22

The Improvement Programme is the vehicle through which our strategic objectives are delivered. The significant progress made in the 2020/21 year, despite the pandemic, is set out in the Chief Executive's overview of performance at 2.1.2

2021/22 is the second year of our Improvement Programme, with a number of exciting projects being delivered to improve patient care and patient experience, and the experience and satisfaction of our staff. Key highlights include:

Workstream	2021/22 Priorities
Safe, high quality care Provide Safe High Quality Care	 Delivery of safe, high quality care through the promotion of harm free care; Pathways to Excellence ward accreditation; Launch of the Care Excellence Strategy; Establish and main safe, sustainable staffing.
Care at Home	 Fully established seven day service for the Integrated Assessment Hub; Establish third and fourth locality teams to support delivery of continuity of carer for maternity; Outpatient service redesign co-produced with public involvement; Digitally enhanced support for clinical services.
Work Closely with Partners	 Work in collaboration with the Royal Wolverhampton NHS Trust on the delivery of urology and haematology services; Development of a Black Country and West Birmingham (BCWB) micrographic surgery for skin cancer in collaboration with BCWB partners; Lead the development of a collaborative Bariatric service.
Value colleagues Value our Colleagues	 Leadership development, in collaboration with The Royal Wolverhampton NHS Trust and embedding a just and learning culture; Embed the Equality, Diversity and Inclusion Strategy; Maintain enhanced health and wellbeing support for staff; Consolidate the Trust as an anchor employer.
Resources Use Resources Well	 Recovery and restoration of elective services post COVID-19; Maintain and enhance 62-day cancer performance; Maintain and improve same day emergency care performance.
Governance and Well-Led	 Integrated Performance reporting; Development and implementation of an Accountability Framework; Implementation of Risk Management framework; Enhance Information Governance and Data Quality Assurance. Development of the Corporate Governance Handbook

2.1 Performance Overview



Staff felt "positive and proud" to work in Maternity Services

2.1.8 Care Quality Commission Inspection

Staffing levels and sepsis screening and management were two key areas identified for improvement at Walsall Manor Hospital following Care Quality Commission (CQC) inspections within its Emergency Department and Maternity Services in September. The CQC's overall rating for the Trust remained the same - "Requires Improvement", with care rated as "Outstanding".

In the Emergency Department, inspectors reported that the documentation of sepsis screening and management needed to be more robust and raised concerns over the detail in patient records and documentation.

Ann-Marie Riley, Walsall Healthcare's Director of Nursing, said: "Immediate actions were put in place to mitigate risk which will remain in place until a planned digital solution is embedded. The Trust continues to work with staff, patients and families to raise awareness of sepsis and has also held a number of training sessions around deteriorating patients to focus this effort further".

"The CQC also stated that the service did not have enough nursing staff to provide the right care and treatment. The team is doing all it can to fill any rota gaps and reduce vacancies; this includes a rolling advert for registered nurses."

In maternity whilst the CQC acknowledged that the service had enough staff, with the right mix of qualifications and skills to keep patients safe and provide the right care and treatment, inspectors were concerned that systems for monitoring the provision of staffing were not robust enough.

The CQC downgraded the Trust's rating from Good to Requires Improvement under the well-led domain in Urgent and Emergency Services and Maternity Services as a result of a lack of assurance that the Trust had the right information systems in place.

The report also highlighted the need to drive the Trust's mandatory training levels up higher.

Inspectors noted in the Emergency Department that staff felt "respected, supported and valued" and the service had "an open culture" where patients, families and staff could raise concerns without fear. Staff felt "positive and proud" to work in Maternity Services and supported to develop in their roles with leaders appreciating the day to day pressures they faced.

2.1.9 Key Highlights for 2020/21

Here are some of the key achievements in 2020/21:

Emergency Department Development

Work is well underway on our major **Emergency Department and Acute Medical** Unit development project which is due to be completed in autumn 2022. The c£40m development, being delivered by Tilbury Douglas Construction Limited (formerly Interserve Construction), is set to significantly improve our emergency care facilities and capacity. The development includes an Urgent Treatment Centre; Emergency Department including Resus and Rapid Assessment and Treatment area, and Children's Emergency Department; colocated Paediatric Assessment Unit; Acute Medical Unit and provision for Ambulatory Emergency Care services in a future phase.

It also includes re-configuration of the current Emergency Department footprint, to incorporate improved Ambulatory Emergency Care and Imaging services.

Various specialist facilities are located throughout, such as an isolation room for infectious patients, bariatric provision and digital x-ray rooms. All areas have been designed specifically to enhance clinical staff efficiency, provide improved quality of care, improved patient experience, and a much improved working environment for staff.

Built adjacent to the existing Emergency Department provision, the existing building will also be reconfigured and refurbished to provide additional support space.



Chemotherapy unit relocation

Walsall Manor Hospital's chemotherapy unit was re-located into the former physiotherapy department on route 106 of the hospital. Associated clinics were also housed in that area for patients who need blood transfusions and other treatments.

Amy Turley, Ward Manager, said:

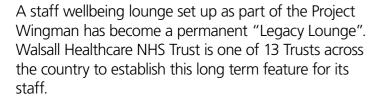
"The location works well for patients as it is a more integrated area with the clinics being in the same vicinity and it is nearer to the Macmillan Cancer Information and Support Hub. The medical day case unit will also be housed within 106."

2.1.8

Staff wellbeing focus

Our Haven rooms were officially opened in April 2020 to provide a safe space for staff. The space allows colleagues to pause a while, relax, breathe and reflect.

As well as being a calm environment to take a break, mindfulness sessions have been run from the Haven and staff have been able to access team counselling, psychology and video conferencing.



Project Wingman was set up in 2020 by airline crew who were furloughed or made redundant to run in hospitals throughout the country. They initially created a first class lounge environment to serve food and drink to NHS staff who have been working flat out during the COVID-19 pandemic. But this drive to encourage staff to relax and recharge on a proper break, away from their busy work environment, is continuing.







Remembering those we've lost

The pandemic has claimed the lives of a number of our colleagues.

In May the Trust gave staff an opportunity to lay a stone representing remembrance, reflection or positivity at a small, local event

Matron Anna Harding came up with the idea after talking to staff. These stones have been laid in a remembrance and reflection garden area that has been created near to the main entrance of the hospital.

The Trust also set up a Scholarship in memory of Staff Nurse Areema Nasreen, who was the first member of Walsall Healthcare staff to die after contracting COVID-19, Walsall Healthcare's Well Wishers charity, HR and the Professional Development Unit worked with Areema's sister on the scholarship to financially benefit someone who is trying to reach their healthcare career goal and needs a little extra help to do so.

Sheila Kerai, a Clinical Support Worker, was awarded the Scholarship, which has been specifically tailored to her. She will actually start as a Trainee Nursing Associate in September and will be eligible to step on to year two of the nursing degree programme once that two year training programme has finished.

Annual Report 2020/21

Supporting Patients' Families

The Trust's Patient Relations Team set up a COVID-19 Family Liaison Team and Parcels to Patients service to support relatives and carers concerned about their loved ones during the pandemic.

The Family Liaison Team is a non-medical team that supports people whose relatives have been admitted to hospital as a result of suspected or confirmed COVID-19.

The Parcels to Patients service helped hospital patients receive personal belongings during their stay by arranging family and friends drop off collections.

Nursing Team Children, young people, parents

Children, young people, parents and carers have been supported throughout the COVID-19 pandemic by Walsall School Nursing Service.

School nurses have been holding regular telephone and video consultations, as well as virtual workshops, which parents in particular have been accessing. And with repeated closures, they have been working with Public Health colleagues to ensure school staff can call on them for advice and guidance as they work to provide a safe return

Invaluable support from School Drive through swab testing

Patients who are due to come into Walsall Manor Hospital for a planned procedure now use a new drive through swabbing unit as part of their pre-assessment.

2.1 Performance Overview

The drive through swab test assessment is in Pleck Road, opposite the main hospital entrance.

All patients who are due to come into hospital for an elective procedure or attend an outpatient appointment for a procedure are contacted and given an appointment time to attend for a swab test, along with details about what to expect.

Hospital Hub Vaccination Centre

Critical Care Senior Sister Ly Fletcher was accompanied by a round of applause, smiles and the odd tear when she became the first member of staff to have her COVID-19 vaccination at Walsall Manor Hospital.

COVID-19 vaccines arrived at Walsall Healthcare NHS Trust early in December as it became the first site in the Black Country and West Birmingham to start administering them to the over 80s and healthcare workers.

Ly, said: "Working in critical care throughout the pandemic we've seen first-hand how serious this virus is and I want to do everything I can to stop any more families suffering as a result of it. It has been quite emotional actually being the first member of staff to be vaccinated; it's a big day for everyone involved."

Trevor Kirby, aged 81, was the first patient to have the vaccination and he said he was used to firsts having been one of the first to have the polio vaccination back in the 1960s.

He said: "We want to eradicate this virus and I think it's important to be vaccinated. We need to look after each other and this is a good way to do that."







2.1.9 2.1.9 2.1.9 Ey Highlights for 2020/21 Key Highlights for 2020/21 Key Highlights for 2020/21

New Non-Invasive Ventilation Unit

Our Respiratory Team worked with speed to open a new Non Invasive Ventilation (NIV) Unit for COVID-19 patients to ease the pressure within the hospital's Critical Care Unit.

Staff from Estates, EBME (Electrical and BioMedical Engineering), Microbiology, IT and Infection Prevention and Control got the unit up and running on Ward 17 in January 2021.

The service works closely with Critical Care to provide level 2 care to COVID-19 positive patients who require airway support and more advanced respiratory care. It is also further evidence of a developing Specialty at Walsall Healthcare NHS Trust.

Pharmacy service in Outpatients

A Pharmacy dispensing service has now been set up within the Outpatients
Department of Walsall Manor Hospital so that patients can collect their medication much closer to the clinics they have attended.

This service has been set up in the area that was previously the Purple Hub, along the outpatients corridor, near to the main entrance of the hospital.

Pharmacy Operations Manager, Nalini Patel, who has worked on this project over the last few months, described it as "a milestone for Pharmacy" and said it was a great achievement for Walsall Healthcare NHS Trust as it continues to work to make services as safe as possible throughout the COVID-19 pandemic and beyond.

A Black Country first

Walsall Healthcare set up the first point of care, lab-free COVID-19 testing service for patients – turning around results in less than two hours.

Nine DnaNudge testing machines were installed in the Emergency Department and while around ten patients a day are being tested currently, it is planned to increase this to around 90 a day.



Digitally transforming patient care

The Trust implemented a new Electronic

Patient Record (EPR) system in September 2020 as part of its exciting digital transformation journey.

EPR is the collection of patient medical information containing both clinical and administrative data, which is accurately, electronically stored. It is one of the Trust's key priorities as it works towards a more effective and efficient NHS, bringing benefits to both staff and patients.

This transformation has had a huge impact on all of our clinicians across the healthcare economy as it provides essential information to support them in providing safer, more efficient clinical decisions at the point of care.

A FORCE for the future

A Faculty of Research and Clinical Education

(FORCE) was launched by the Trust on International Clinical Trials Day in May 2020. This is an important move towards the Trust working with patients and staff to increase the availability of research and learning to improve public health across the borough.

The establishment of this faculty means the culture of research and professional development in the Trust can be strengthened while involving more patients to help shape and improve care.



BAME Shared Decision Making Council launched

In June Walsall Healthcare set up a BAME (Black And Minority Ethnic) Shared Decision Making Council with its Chair Matron Joan Dyer and Vice Chair Senior Sister Angela Cope.

Joan said: "We've never had a forum like this at the Trust before and it's long overdue. But it's definitely a step in the right direction.

"What matters to staff is that they are given a voice but – vitally – that their voices are not lost. It would be easy to set up a group like this as a box ticking exercise but we do have buy-in from the Executive Team at Walsall Healthcare. Executive and Non-Executive Board Members sit on the Cabinet to create, discuss and review the effectiveness of any actions taken. They know that they have to show commitment and belief in its aims because this is too important a forum to simply pay lip service to

"For me the Shared Decision Making Council is empowering BAME staff to achieve their potential through positive change."

Vice Chair Angela added: "For me it is a vehicle to drive organisational change and to eradicate workplace racial injustice. It is about improving through inclusion of equality and diversity and being an advocate for those who feel they have not got a voice.

"There is a real energy in our meetings and a real belief that BAME staff are finally being empowered."

The first piece of work the council got involved in was a focus on the impact of COVID-19 on BAME colleagues.

Continuity of Carer for mums-to-be

Walsall mums-to-be are supported by a designated team of midwives, with a named midwife who they will see for the majority of their care, thanks to the Wyndlow team, named after nursing heroine Dorothy "Sister Dora" Pattison.

The team delivers Continuity of Carer for low risk women and was developed by Better Birth Clinical Lead Lucy Johnson, Midwifery-Led Unit (MLU) former Matron Kate Horton and MLU Manager Carol King-Stephens.

Continuity of Carer, which was rolled out across the country as part of Better Births, means that midwives are able to develop relationships with women and their families throughout their pregnancy, birth and beyond. This relationship building has been shown to reduce complications such as pre-term birth as well as reducing the need for an epidural or episiotomy in labour.

Walsall's Midwifery-Led Unit (MLU) was able to re-open for births in October 2020 after temporarily suspending births there due to the pandemic.

The unit on Charles Street is the Black Country's only freestanding MLU.

New pleural clinic

A new weekly pleural clinic has been set up at Walsall Manor Hospital to offer a wide range of timely diagnostic tests and treatment for patients. The pleura is the covering of the lungs and chest wall and many different diseases can affect this part of the chest.

The service is run by Respiratory Consultant Dr Kutaeba Ibrahim, Respiratory Consultant Dr Nadia Sayeed and specialist nursing support.

Dr Kutaeba Ibrahim said: "A pleural service reduces unnecessary hospital admission without compromising patient's safety. It improves patients' experience and outcome.

"Pleural clinic set-up allows full assessment in a 'one-stop' approach with dedicated time and space for provision of common pleural procedures including thoracic ultrasound and/or aspirations. The pleural disease clinic also presents a controlled environment for trainees to acquire skills in thoracic ultrasound and pleural procedures."

The Trust's pleural team provides a wide range of diagnostic tests and treatments for pleural disease.





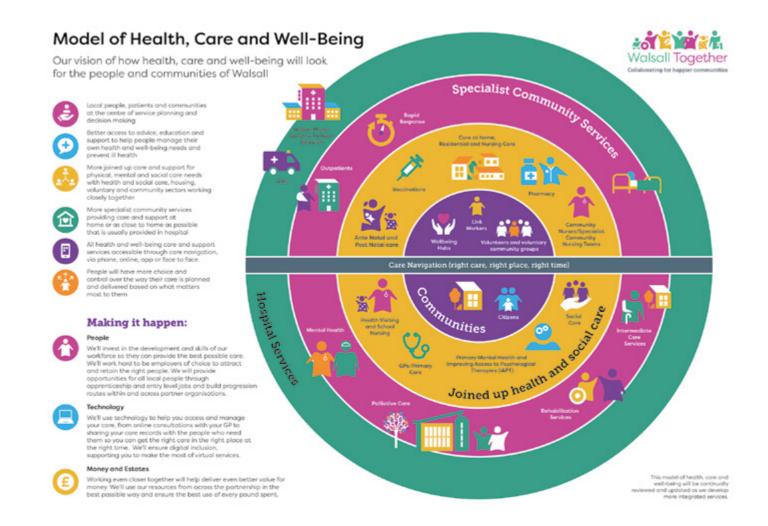
Walsall Together Partnership

Walsall Together is a partnership of health, social, housing, voluntary and community association organisations that are working together to improve physical and mental health outcomes, promote wellbeing and reduce inequalities across the borough.

As a partnership we are focused on reducing health inequalities, by focusing on not just health but the wider determinants of health, such as housing, education and employment and the vital role that people and communities play in health and well-being.

Reducing health inequalities means giving everyone the same opportunities to lead a healthy life, no matter where they live or who they are.

Prioritising early intervention and prevention rather than treatment, we are looking at ways we can support people and our communities, to live independently and have active, prosperous and healthy lives.



Achievements so far

The COVID-19 pandemic brought to the fore the strength of partnership and has undoubtedly had a significant impact on both the health outcomes of the population and the reduced pressure on hospital services. Over the last year, despite the unprecedented challenges, we have successfully implemented many new initiatives.

These include:

- Implementation of a Care
 Navigation Centre that takes
 direct referrals from GPs and
 West Midlands Ambulance
 Service who have identified
 someone who is well enough
 to remain at home, but requires
 some additional support
- Opened an Integrated
 Assessment Hub which is
 staffed by Multi-Disciplinary
 Teams, providing an alternative
 to the Emergency Department,
 for patients who arrive but
 can be cared for within the
 community. The inclusion of
 social care makes it one of the
 first fully integrated assessment
 hubs in the country
- Established an Enhanced Quality in Care Team (EQiCT) to support care homes struggling with the challenges of COVID-19 and our most vulnerable residents
- Set up The Saddlers Vaccination Centre with the capacity to deliver 5,000 vaccinations a day if required
- Recruitment of volunteers during the pandemic to support those isolated or shielding with shopping and medication delivery, as well as supporting many local groups and charities with initiatives such as food banks, over the phone befriending services and support at vaccination sites

- Extended mental health support services via phone and online for those struggling with lockdown
- Launch of the Family
 Safeguarding Model across
 Walsall a whole family
 approach which makes it easy
 for parents and children to
 access all the support they
 need from within one MDT
 team, to help them deal with
 the complex issues of domestic
 abuse, mental health and drug/
 alcohol abuse that harm their
 lives and those of their children
- Established weekly Multi-Disciplinary Teams meeting to support people with one or more health or social care needs
- Recruitment of social link workers within Primary Care and Locality Teams and whg
 Recruitment initiative between
- whg and Walsall Healthcare, combining available entry level job opportunities for people in long- term unemployment, together with whg's expertise with working in communities. Empowers residents with low aspirations to develop their confidence and skills and maximise their chances of success when applying for jobs

- Successful bid for NHS Charities funding (awarded in January) investing in the reduction of health inequalities through the whg Kindness Counts project (reducing loneliness and social isolation), health inequalities engagement, and coproduction training and development for the partnership
- Development of wider resident and community engagement workstreams including whg, Healthwatch, One Walsall and Community Associations
- Holiday Activity and Food Programme (investment of £1.8m from the Department for Education during Easter, Summer and Christmas holidays in 2021 to 14,000 children on Free School Meals)

Reducing health inequalities means giving everyone the same opportunities to lead a healthy life, no matter where they live or who they are.

Integrated Care Provider Contract

As a partnership we currently work under an Alliance Agreement which sets out ways the partnership will work together to deliver sustainable, effective and efficient services without requiring any contractual amendments.

Since the establishment of this agreement the partnership has developed closer working relationships, trust and confidence and we are now ready to take the next steps to formalising Walsall Together through an Integrated Care Provider Contract. An Integrated Care Provider (ICP) contractual arrangement will deliver integrated provision of general practice, wider NHS services (Walsall Healthcare and Black Country Healthcare) and, limited to the existing section 75 agreement, local authority services. Walsall Healthcare NHS Trust will be the Lead Provider.

Formalising this contract will be the next step in enabling us to deliver fully integrated services that meet the needs of our entire population. It will facilitate a move to a whole population budget approach with one provider (Walsall Healthcare NHS Trust) receiving an annual budget based on population size from the Clinical Commissioning Group. The budget will be based on outcomes rather than activity, which will enable more of a focus on prevention rather that treatment. For example, instead of measuring how many hip replacements we do, we will look at the hip health of the population and how we can improve that.

Next steps

Our plans for the future include:

- Development and implementation of a People Strategy for Walsall that covers workforce challenges, health inequalities and integration across the partnership
- Integration with Primary Care Networks (PCNs) including expansion of First Contact Practitioners and agreement on the approach to recruitment of the additional roles outlined in the PCN contract
- Delivery of digital programmes including the Integrated Shared Care Record and Electronic Palliative Care Co-ordination System (EPaCCS) and deployment of the Population Health module
- Implementation of a partnership approach to population health management and reducing health inequalities
- Transfer of Medicines Management functions within the Clinical Commissioning Group to Walsall Healthcare
- Integration of place-based (Walsall borough)
 mental health provision including Improving Access
 to Psychological Therapies (IAPT), Primary Mental
 Health, new roles through the GP Additional Roles
 Reimbursement Scheme and the Community
 Mental Health Framework, and Clinical Psychology
 within the Family Safeguarding Model
- A full, clinically-led programme of redesign for Outpatients/Diagnostics that will look at achieving an ideal balance between virtual and face to face contacts as we move into COVID-19 recovery, and then move to defining a future model of provision with a focus on improving population outcomes and reducing health inequalities

If you would like to find out more about Walsall Together visit <u>www.walsalltogether.co.uk</u>.



Equality, Diversity and Inclusion consultation

"We will have a workplace culture where equality, diversity and inclusion is fully embraced, understood and clearly articulated by all of our staff. We want to ensure that participation, by the people who use our services, enables us to understand and be more responsive to their needs. This includes those people who have the poorest health to help us to improve access to services and reduce differences in health outcomes for patients with a protected characteristic."

In the summer the Trust launched a consultation around Walsall Healthcare's Equality, Diversity and Inclusion Strategy.

The purpose of this strategy, which covers 2020-2023, was to set out our organisation's approach to delivering equality, diversity and inclusion for the benefit of both our patients and our staff who work for the Trust and live in Walsall in line with the aims and objectives of the Equality Act 2010 and the Public Sector Equality Duty

We are working towards an environment where everyone feels included and feels appreciated for the work that they do and where our Trust values of Respect, Compassion, Professionalism and Teamwork are firmly embedded in our organisational culture.

The strategy is vital if our ambition to eliminate unlawful discrimination, harassment, bullying and abuse, whilst working with our partners to reduce the health inequalities that affect so many of our communities in this borough is to be truly realised.

It has four priority themes to enable its delivery which are Governance and mainstreaming of EDI, Inclusive workplace culture, Sustained and meaningful engagement and Accountability, visibility and transparency.

Food for thought revamps our menus

Roast Vegetable Tart, Chicken Tikka Masala and Lamb Pie are just some of the options added to our menus to tickle patients' taste buds and help them on the road to recovery. Eight new meals were added following feedback via a Food Faves survey that was carried out in the summer and attracted hundreds of responses from patients.

As well as the dishes above, patients are now offered Vegetable Lasagne, Vegetarian Meatballs in Tomato Sauce, Salmon and Dill Bake and Chicken and Mushroom Pie. Around 37% of patients may be at risk of malnutrition when they are admitted to hospital and around 8% of patients may lose 5% or more of their body weight during their time in a care setting.

We carried out the Food Faves survey so we can be sure that when people need to stay in our hospital or be supported by our community services we are offering choices that they will want to eat when they are feeling unwell. Poor appetite also affects patients' medication and treatment which may not work as effectively. By widening the menu choice we hope this encourages appetites and helps patients in their recovery. Further food choices are being developed and were due to be made available from Spring 2021. Gluten free options are also being explored following survey suggestions.



Well Wishers charity

Well Wishers started 2020, as it does every new year, with a diary full of fundraising events. These included favourites such as a fashion show, boxing match, Trust's Got Talent and regular craft fairs and musical entertainment.

The charity managed to put on its fashion show in March 2020 but, sadly, this was the last event it was able to stage due to the global Coronavirus pandemic.

The financial impact of the pandemic has obviously been felt across the world – on a local level, here at Walsall Healthcare, it has been devastating for the charity as it has been for charities everywhere.

Well Wishers also had to stop selling books and other items from the Purple Hub, which has been its base for the last five years, as the hospital closed to visitors and all staff worked to minimise the risk of infection and keep everyone as safe as possible.

The charity also had to move out of the Purple Hub to make way for a dispensing Pharmacy service in the Outpatients Department; another consequence of the pandemic. Thanks to money raised through NHS Charities, however, Well Wishers now has its own Fundraising Hub in the main atrium of Walsall Manor Hospital, although it had to temporarily move out to make way for staff running the Hospital Hub vaccination centre.

It has had to evolve into more of a staff health and wellbeing service during this time in order to keep its profile alive and to further foster links with community organisations, businesses and other charities.

The charity team has concentrated on the distribution of donations from the community to staff working on the frontline including staff in critical care and across wards who were unable to leave their work environment because of wearing full Personal Protective Equipment (PPE). As well as food, water and snacks, donations included mask savers to try and minimise the soreness caused by wearing facial PPE, lip balms, and hand creams. A host of groups also made uniform bags for staff.

The charity received numerous rainbow pictures from local children which were distributed across the hospital and community – these have now been used to create a permanent montage and this is on display in the hospital.

Thanks to money raised through NHS
Charities, Well Wishers now has its own
Fundraising Hub in the main atrium of Walsall
Manor Hospital!



2.1.9 2.1.9 2.1.9 Xey Highlights for 2020/21 Key Highlights for 2020/21 Key Highlights for 2020/21

Working with NHS Charities

Inspirational fundraiser Captain Sir Tom Moore, aged 100, raised almost £33m for NHS charities by walking laps in his garden. Thanks to his amazing efforts, funds reached the length and breadth of the UK working with 241 member charities.

For Walsall Healthcare NHS Trust's Well Wishers charity in particular, we have been able to use these funds in a variety of ways:

- **1. Wheelchairs** The first sum to benefit the Trust was used to purchase 20 much-needed wheelchairs for the main atrium.
- 2. Fundraising Hub The second sum will be used to refurbish the Fundraising Hub in the main atrium which is a real boost for Well Wishers as this area has finally given the charity a home and a proper base for all of its work.
- 3. Chapel refurbishment A third and final bid will be used to refurbish our Chapel. This project has been discussed for over 18 months as the current facilities are inadequate, old-fashioned and uninviting for a place that holds services, private prayer time, group prayers and weddings and blessings. The revamp will create a private prayer/counselling room, a more modern worship area, window coverings and hopefully new flooring, a new ceiling and decoration.
- 4. Black Country and West Birmingham
 Sustainability Transformation Partnership Walsall Healthcare through Well Wishers has also
 been successful in a joint bid with Black Country
 & West Birmingham Sustainability Transformation
 Partnership and money received is being used to
 tackle health inequalities with Walsall Together
 taking the lead on this borough-wide work.

Want to support Well Wishers? Contact Georgie Westley on 01922 656643 / 07974 616377 or email: georgie.westley@walsallhealthcare.nhs.uk

To donate, please visit: www.justgiving.com/whnhstgcf





Annual Report 2020/21 2.2 Performance Analysis Annual Report 2020/21 2.2 Performance Analysis

2.2 Performance Analysis

2.2.1 Purpose of Section

This section provides detail on how we measure our performance, and how we have performed against our key performance indicators during the year. It includes:

- How **COVID-19 has impacted** on Performance in 2020/2021, in both a positive and negative way
- An expanded **risk profile**
- How our organisation measures and analyses performance
- **Key performance indicators** for the acute hospital, community and finance



2.2.2 Expanded Risk Profile

2020/21 has, without doubt, presented an unprecedented challenge for the NHS. The COVID-19 pandemic has impacted on all levels of NHS business from a clinical, workforce, operational and financial perspective. Identification and management of risks to the achievement of the Trust's strategic objectives are maintained in the Board Assurance Framework. Those risks are referenced in the Performance Overview section at 2.1.2, with COVID-19 having a significant impact on:

Workforce: Our caring and compassionate staff have worked relentlessly during the pandemic to provide continued healthcare provision to the local population. Maintaining sufficient skilled employees to deliver a full range of clinical services is however one of our greatest risks. Increased staffing pressures have been exacerbated by sickness absence, outbreak management and care pathways, directly and indirectly attributable to COVID-19.

To mitigate this risk we continue to think innovatively regarding our workforce models. A Care Excellence Strategy has been developed reflecting the Professional Practice model which offers a structured programme to support achievement in excellence, care outcomes, patient/ public experience and staff experience.

Operational: Demand on acute and community service capacity has been significant throughout each wave of the pandemic and even more so through the winter months and second wave. The Trust had the 7th highest proportion of its hospital beds occupied by COVID-19 positive patients in the country in early November 2020, and consistently one of the highest Critical Care bed occupancy relative to baseline commissioned capacity across the Midlands region during the second and third waves. The achievement of the Emergency Access Standard has been constantly challenging throughout the pandemic due to streaming of patients. Ambulance handover times remained the best in the West Midlands region, however the Trust ended the year with the highest 4-hour Emergency Access Standard performance ranking in its history (14th best performing Trust out of 113 general acute Trusts). The rehabilitation of patients recovering from COVID-19 has also placed a continued pressure on community services.

Managing patient flow, developing and maintaining effective working partnerships through Walsall Together including primary and social care teams and working collaboratively across the wider health system to reduce avoidable admissions to hospital are some of the risk treatment strategies deployed to mitigate this risk going forward.

Finance: The financial environment of the NHS currently carries a significant amount of uncertainty. The Trust needs to be able to secure sufficient funds to meet planned expenditure, maintain or replace vital assets, and be able to reduce expenditure in line with system-wide control totals. The pandemic has offered some benefits in terms of COVID-19 funding allocation specifically provision of much needed critical care medical equipment. Limited capital funding may not be sufficient however to reduce the backlog maintenance, critical infrastructure and mechanical/engineering risks resulting in the Trust not being able to utilise necessary facilities.

To mitigate, a local and system-wide financial improvement plan was designed to address the financial challenge and deliver financial outturn in accordance with agreed control totals, gradually progressing towards break-even (no surplus or deficit at the year-end).

As we move forward, the greatest risk will be how the NHS recovers from the longer term impact of the pandemic on the health of the population.

Annual Report 2020/21 2.2 Performance Analysis Annual Report 2020/21

2021/22 As we move forward, the greatest risk will be how the NHS recovers from the longer term impact of the pandemic on the health of the population. As we progress into 2021/22, elective activity cancelled during previous waves of the pandemic will be visible in waiting list increases and potentially through poor clinical outcomes. Recovery of this position will be a national focus and the Trust will need to understand the impact of this on our services as we move into the recovery phase. It is expected that this will add to the operational risks already faced by the Trust. The long term impact of sustained workplace pressure within both clinical and nonclinical staffing groups has the potential to exacerbate workforce pressures as the physical and psychological impact of the pandemic is realised.

2.2.3 How Performance is Measured and Analysed

Performance information is subject to regular review at all levels through the organisation to ensure that it is reliable and continues to meet the requirements of the Trust.

The Executive team receives monthly, a full suite of performance data from across the Trust via structured committee meetings. The committees ensure any areas which are starting to be a concern are highlighted and take immediate A further suite of performance action to address them. The Board and its committees review a more selective set of data, which enables them to focus on the key areas of strategic performance, together with exception reporting to identify the underlying cause of underperformance and the steps being taken to bring performance back to the required standard

Performance information produced through data systems is regularly triangulated against the Quality elements of care, using qualitative information from sources such as complaints and complements, national and local surveys of patients experience (including the 'Friends and Family' test), and triangulation visits from Board Members, External visits and reviews.

Mismatches are challenged in a variety of forums, and it is a responsibility of the Director of Finance and Performance to ensure that mismatches are explored to ensure that the data reporting systems remain reliable. Performance reporting systems are also subject to regular review by both the Internal and External Audit services.

data is used as part of the Trusts' Performance Review Process with Divisional and Corporate teams (Accountability frameworks). The Trust has developed the way data is reported and interpreted by introducing statistical process control charts within committees and board reports. These charts highlight statistical fluctuations within data and plot data over time supporting better decision making and moving away from only using traffic light RAG ratings.

As part of the Well-Led work stream within the Trusts Improvement Programme the current accountability framework is under review with plans to refresh from the new financial year. Benchmarking data (including NHSE/I published data, Model Hospital and GIRFT (Getting It Right First Time)) is also routinely included within committee and board reports to further add context to the Trust reported performance. The data used to generate these reports is subject to rigorous, and routine, validation. Performance, Finance, and Investment Committee has provided a forum for the Trust Board to seek additional assurance in relation to all aspects of financial and general performance, including performance against nationally set and locally agreed targets.

2.2.4 Acute Performance

Please note that Statistical Process Charts (SPC) symbols are explained in Appendix 5.1

(a) 4 Hour Emergency Access **Standard:**

This measures compliance against the national standard of: 95% of patients attending the Emergency Department (ED) should leave the department within 4 hours. The Trust's performance can be seen from July 2019 to March 2021

As can be seen above, the COVID-19 pandemic led to significant variations in performance during the 2020/21 financial year, and can be best understood in four distinct periods:

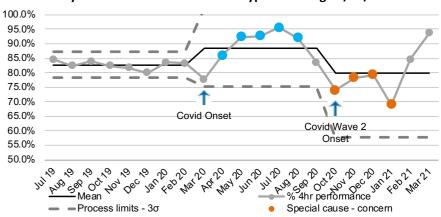
April - August 2020: **COVID-19 First Wave** and Recovery:

The rapid growth of COVID-19 positive inpatients from zero on 12th March 2020 to 188 on 10th April 2020 necessitated a reconfiguration of wards and new streaming processes. This adversely affected performance, however low hospital ED attendances and occupancy following the first national lockdown contributed to four successive months of performance above 91%. Of particular note, July was the first month on record that the Trust met the 95% constitutional standard.

September - October 2020: Medway Implementation:

The Trust implemented the first phase of its new Electronic Patient Record (EPR) in September 2020 and ED moved to an electronic clinical record for the first time. This temporarily adversely affected performance whilst the service adjusted to EPR

Monthly ED 4 hour Performance - All types- starting 01/07/19



November 2020 - January 2021: Recovery, Second Wave and

Third Wave: After significant work on internal processes and staffing, performance improved in November and December to 78% and 79% respectively. These improvements were impacted by the COVID-19 second wave which led to COVID-19 positive inpatients increasing throughout autumn to a peak of 157 on 10th November 2020. January 2021 saw the COVID-19 third wave result in COVID-19 positive inpatients rising from 114 on 1st January to 268 on 18th January 2021. This extreme increase saw Walsall become the Trust with the highest proportion of COVID-19 positive inpatients in the Midlands, causing extreme pressure on the emergency care pathway.

February and March 2021 – **Recovery:**

2.2 Performance Analysis

As wave 3 subsided, the ED leadership team has driven improvements to processes, staffing, leadership and morale. This has resulted in the highest proportion of patients being triaged within 15 minutes in the organisation's history; the highest proportion of patients seen by a doctor/practitioner within 60 minutes of arrival; and the best ambulance handover times (within 30minutes) in the West Midlands. These improvements have also led to 4-hour Emergency Access Standard performance in March 2021 achieving 93.72% and the Trust being ranked 14th best in the country – the highest national ranking on record.

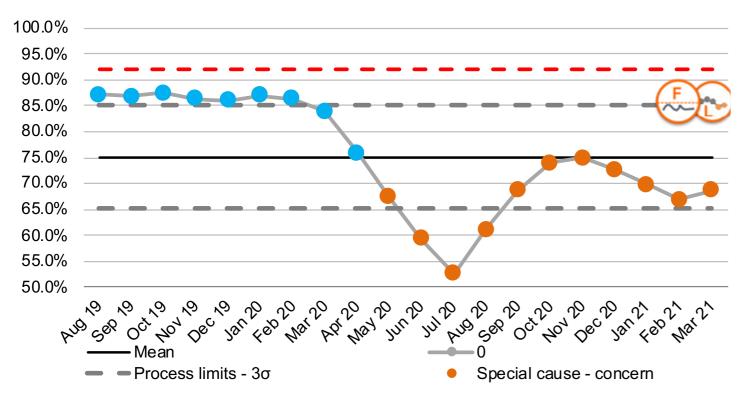
As the Trust was one of the most affected in the country by the pandemic, we experienced significant variance in performance and national ranking corresponding with the three waves of the virus.

Annual Report 2020/21 2.2 Performance Analysis Annual Report 2020/21

(b) Referral to Treatment:

This measures compliance against the national standard of: 92% of patients should wait no longer than 18 weeks from GP referral to treatment (reported as a month end snapshot).

18 weeks Referral to Treatment - % within 18 weeks - Incomplete- starting 01/08/19

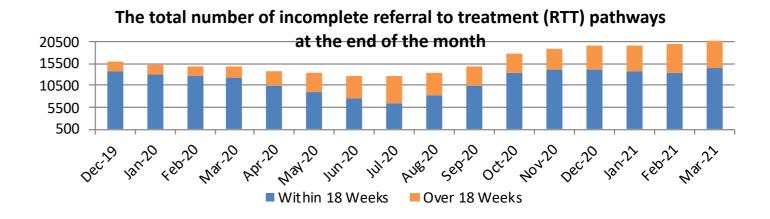


The NHS Chief Executive, issued instructions on 17th March 2020 setting out actions for Trusts in response to the COVID-19 pandemic. Trusts were advised to free up maximum inpatient and critical care capacity, and to assume the postponement of all routine elective activity from 15th April 2020 for a period of at least three months. Waiting lists were reviewed and patients prioritised based on those most urgently requiring surgery. National contracts were quickly mobilised with the independent sector to support elective procedures particularly for cancer and urgent patients. Appointments were converted to video or telephone in place of face to face where possible reducing the numbers of patients attending the hospital.

Clinical staff were redeployed to support COVID-19 Critical Care expansion plans and strengthened emergency care. The reduced level of elective theatre capacity and routine outpatient activity resulted in a decline in 18 weeks referral to treatment performance from February 2020 to August 2020, not only in Walsall but across the country.

Recovery planning started during April 2020 and the Trust established an Executive-led governance structure to safely restore and recover outpatient, diagnostic and elective surgical services. The key tenet of the strategy was the outpatient and day case centre wing of the hospital segregated as a designated elective care (outpatient, diagnostic and surgery/procedures) centre, and the use of virtual or community delivered outpatients maximised wherever possible.

The chart below shows the number of patients waiting at each month end snapshot.



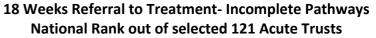
As the first lockdown relaxed, a phased return to elective surgery started. The second surge of COVID-19 over autumn 2020 however exceeded planning parameters of only being at half the level of April's surge. Consequently, the Trust once again reduced routine elective surgery from November 2020 and reduced targeted outpatient clinics as well, to release staff to safely cover non-elective inpatient wards and critical care.

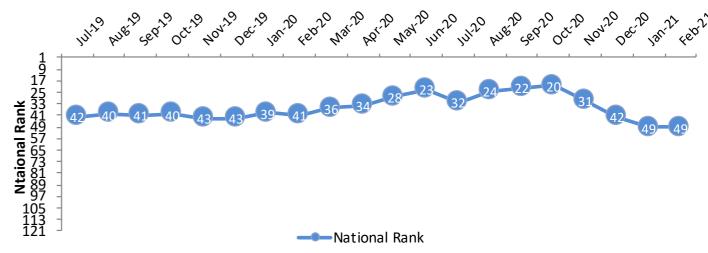
During February 2021 the Division of Surgery developed an elective surgical restoration plan that, over an 8-week period, built in recuperation time through annual leave and psychological wellbeing support for staff that had worked on Critical Care during the pandemic, before material increases in routine elective surgical operating begin.

These plans started on 8th March 2021, and resulted in a return to seven elective operating theatres from May 2021. Patients were prioritised using the Federation of Surgical Speciality Associations national clinical validation of surgical waiting lists framework. Despite cessation of routine elective services during March and April 2020, and reduced elective operating capacity again since November 2020 over the second and third waves, the Trust's 18 week referral to treatment national ranking position remains in the Top 50.

2.2 Performance Analysis

As a result of reduced elective activity, the number of patients waiting 52 weeks or more for treatment has increased. When compared to Trusts within the Midlands region however, the Trust ends the year with the third lowest proportion of its incomplete waitlist over 52 weeks in the Midlands.



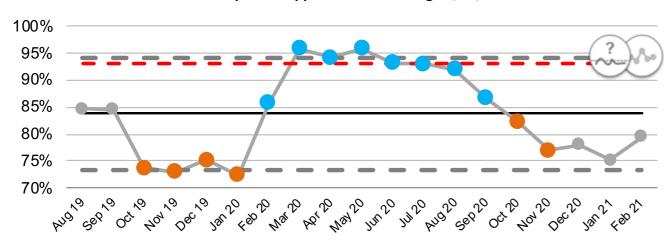


(c) Cancer

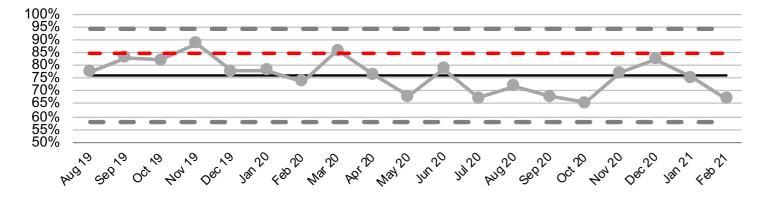
Collaborative working across the region via the West Midlands Cancer Alliance to improve the 2 week wait performance resulted in Walsall receiving increased referrals from out of borough. These have adversely affected 2 week waiting times, particularly for patients with suspected Breast Cancer.

Suspected Cancer performance:

Cancer - 2 week GP referral to 1st outpatient appointment- starting 01/08/19



Cancer - 62 day referral to treatment of all cancers - starting 01/08/19



Although the national directive was to postpone all routine elective activity from 15th April 2020 for a period of at least three months, cancer patients were prioritised for surgery.

Contracts with the Independent sector mobilised guickly which enabled patients to be treated at Little Aston Hospital. Performance was affected however due to insufficient capacity, not only within Walsall but across the region. Despite being below the constitutional standard of 85%, 62 day cancer performance is significantly better than West Midlands Cancer Alliance average performance and is in line with the national average.

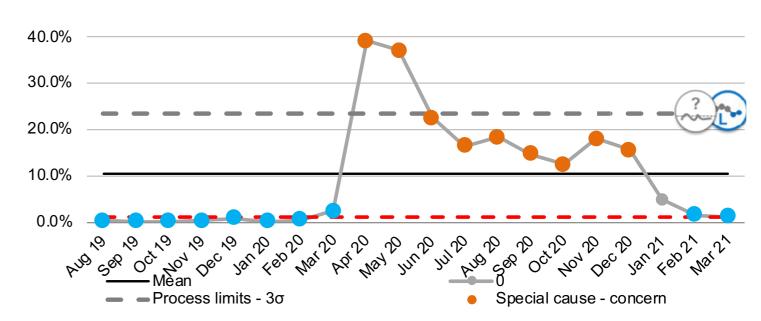
38

The Trust currently forecasts to have recovered to meet Cancer constitutional standards by late Summer 2021.

(d) Diagnostic (DM01)

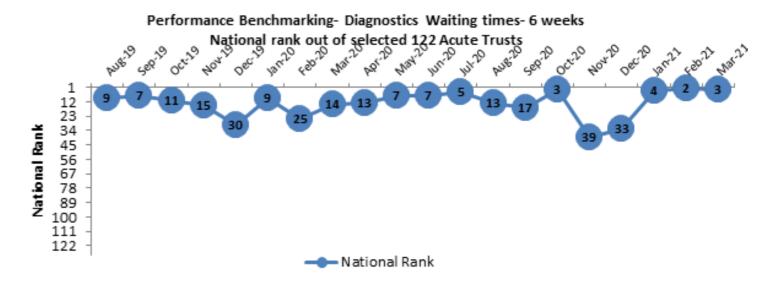
This measures compliance against the national standard of: no more than 1% of patients should be waiting 6 weeks or more at the month end for a diagnostic test.

% of Service Users waiting 6 weeks or more from Referral for a Diagnostic Test- starting 50.0



Pre-April 2020 the Trust was able to consistently meet this constitutional standard. The COVID-19 pandemic presented a significant challenge to the delivery of diagnostics however, and was detrimental to performance, particularly during wave 1. Restoration and recovery work across diagnostics services started following the first wave of disease and has proved very successful driving an improvement in overall Trust DM01 from 36.99% in May 2020 to 1.12% in March 2021.

Despite cessation of most routine 6 week wait diagnostics during March and April 2020 and the reduction in capacity for routine diagnostics resulting from measures implemented to maintain COVID-19 pathway segregation, the Trust's national DM01 ranking position has performed very well improving to second best in England in March 2021 out of 122 reporting general Acute Trusts.



2.2.4

Acute Performance

2.2.4

Annual Report 2020/21 2.2 Performance Analysis Annual Report 2020/21

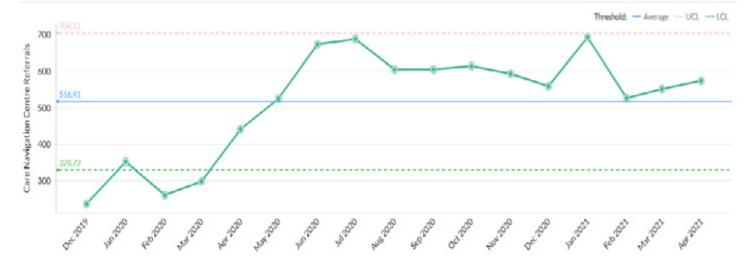
2.2.5 Community Performance

(a) Avoiding Hospital Admission: Care Navigation Centre (CNC)

The CNC provides a point of referral for clinical support in the community. It receives calls from health and social care professionals and is able to provide advice and guidance as well as refer patients onto a range of community teams which are able to provide same day support

The CNC has extended its availability and increased the number of calls that it can deal with. It also hosts the 'Safe at Home'(S@H) pathway for patients with COVID-19 who have been discharged from Walsall Manor Hospital with pulse oximetry. They are monitored by the CNC for three times a day for two weeks per patient. Without this service, these people would have remained as inpatients. This specific pathway was established in December 2020 and this service was looking after 66 patients at one point in January. Hours of availability have increased with highest number of calls recorded in January 2021

Care Navigation Centre Referrals

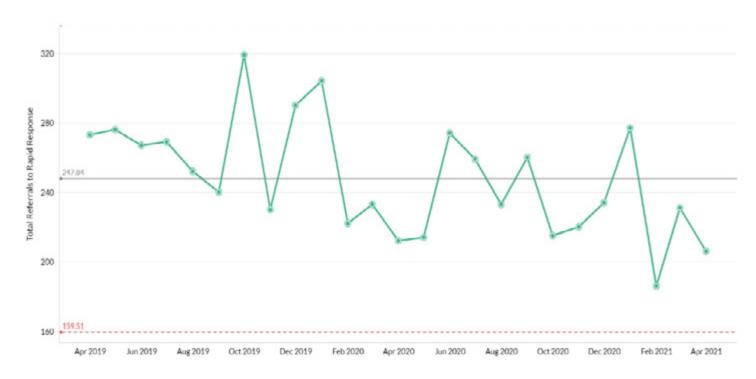


Care Navigation Centre not Accepted due to Capacity



(b) Avoiding Hospital Admission: Rapid Response

The Rapid Response Team deals with referrals from GPs, West Midlands Ambulance Service, Care Homes and Community Nurses for patients who are unwell. If Rapid Response was unable to see them, these patients would have to be sent to hospital for clinical review and potentially be admitted.



Over the last 12 months the service has had over 2,800 referrals and is able to avoid conveyance to hospital in more than 86% of cases. It should be noted that the reduction in Rapid Response numbers is an effect of better and more efficient routing of urgent calls through CNC and also the availability of more urgent pathways within the locality teams meeting urgent need. The admission avoidance effectiveness of the Rapid Response team remains strong



2.2.5

Community Performance

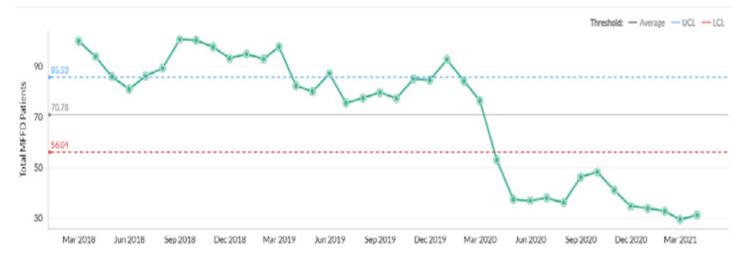
2.2 Performance Analysis

(c) Supporting Hospital Discharge: Medically Stable for Discharge (MSFD) numbers remain low

There was a greater focus on hospital discharge during COVID-19 and new pathways and funding agreements meant that the number of people who were in hospital but who could have been cared for elsewhere reduced significantly. The approach now deployed by the wider Walsall Together partnership is so effective that numbers of patient delays and length of stay on the lists is at an absolute low and stable.

This pattern has continued throughout 2020/21 and contributed towards the Manor Hospital's ability to have beds available for new patient admissions at times of peak demand.

Medically Safe For Discharge - Total Patients



Medically Safe for Discharge - Average days per person

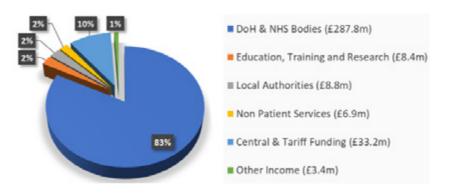


2.2.6 Financial Performance

(a) Summary Financial Performance to 31 March 2021

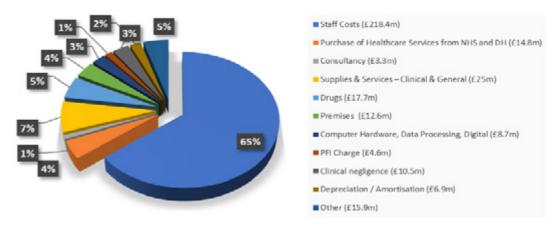
SUMMARY FINANCIAL PERFORMANCE FOR THE YEAR TO 31 MARCH 2021				
Description	£m's			
Income	348.5			
Expenditure	(338.5)			
Operating Surplus	10.0			
Interest	(8.9)			
Donated assets/consumables	(1.0)			
Surplus For The Year	0.1			

Income £348.5m



Please note: Examples of other income are trading income, injury cost recovery scheme and training income.

Expenditure £338.5m



Please note: Examples of other income are trading income, injury cost recovery scheme and training income.

Capital Expenditure

What we spent our capital on in 2020/21				
Description	£m's	£m's		
Buildings Maintenance & lifecycle Urgent & Emergency Care Accident & Emergency Unit	6.1 4.1 6.1	16.3		
Equipment & Other Equipment Replacement COVID-19 Equipment	3.0 1.2	4.2		
IM&T IT Development (including mobile technology) COVID-19 related IM&T	0.6 0.4	1.3		
TOTAL		21.8		

(b) Financial Plan 2021/22 (Horizon 1)

Please note:

- For the first six months of 2021/22. The Integrated Care System (ICS) is able to request additional funding to support Elective recovery throughout 2021/22.
- At this time funding for months seven to 12 is yet to be confirmed.

The 2021/22 Financial Plan (Based on initial months)		
Description	£m's	
Healthcare Income	157.9	
Expenditure (Net Cat C Income)	(157.9)	
TOTAL	(0)	

(c) Capital Plan 2021/22 (Draft)

2021/22 Capital Plan				
Description	£m's	£m's		
Buildings Accident & Emergency Department Estate maintenance & lifecycle Critical Infrastructure works Theatre Refurbishment	17.4 3.3 0.9 3.0	24.6		
Equipment & Other Medical Equipment Replacement	2.5	2.5		
IM&T Computer Replacement Software	1.1 0.3	1.4		
TOTAL		28.5		

(d) Charitable Funds 2020/21 (Draft)

Income from Donations, Legacies, fundraising etc	£437,000
Investment Income	£6,000
Total Income	£443,000
Total Expenditure	£89,000

The Charity holds funds in excess of £970,000.

Annual Report 2020/21 2.2 Performance Analysis Annual Report 2020/21

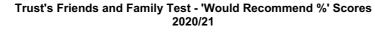
2.2.7 Engagement with Public and Patients

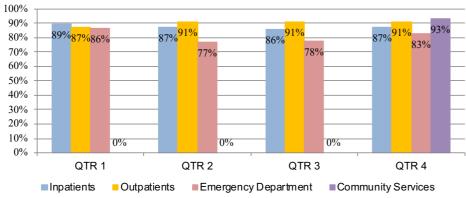
Over the last year, we have progressed further with our work for putting patients and carers' voices at the heart of our services to ensure that the Trust has a coordinated approach of 'listening to' and 'learning from' feedback. We have particularly increased patient involvement in production and design of services and clinical units.

Around 88% of patients who used our hospital and community services said they would recommend us to their friends and family if they needed similar care or treatment. This recommendation score is based on over 25,000 Friends and Family Test (FFT) surveys completed by our patients and service users. Our national survey results continued to show improvements and also highlight areas where more work is needed such as communication, patient involvement in decisions about care and treatment, arrangements around discharge and waiting times.

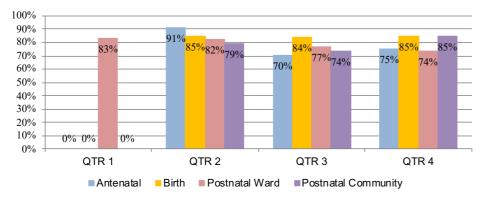
The Trust's overall recommendation figure has seen a slight decrease when compared to the previous year, the number people who have responded to the Friends and Family Test is also lower than the previous year due to the pandemic. The change in methodology, the lower response rate and the temporary national suspension in the Friends and Family Test would explain why our overall recommendation rate is lower.

The chart below shows average FFT results for positive recommendation scores (%) for Emergency Department, Maternity Services, Outpatients and Community Services during 2020-2021. Protected characteristics are not collected currently for the FFT.





Trust's Friends and Family Test - Maternity Services Touchpoints 'Would Recommend %' Scores 2020/21



As part of the Safe, High Quality Care Improvement Programme there are specific workstreams focused on improving patient experience for patients with a protected characteristic. The Trust regularly carries out customer satisfaction surveys via the FFT and monitors and reports on patient complaints.

These results are disaggregated by the nine protected characteristics and the feedback is used to continuously make improvements.

• Ethnicity:

39% of respondents identified themselves as White British, 13% Polish, 10% Black British, 3% Pakistani, 3% Bangladeshi and 7 British Asian.

Age:

23% were aged 31-40, 23% 51-60, 22% 21-30, 10% 41-50, 10% 61-70, 6% 51-60 3% 81plus.

• Religion or belief:

42% Christianity, 29% no-religion, 10% Islam, 7% Buddhism, 6% did not specify

Sexual Orientation:

90% Heterosexual, 7% Bisexual, 3% preferred not to say

• Gender:

52% Female, Male 42%, 6% did not answer

Gender re-assignment:

58% No, 42% did not say

Relationship status:

3% Married, 15% living with partner, 11% single, 2% did not respond

2.2 Performance Analysis

Pregnancy:

93% were not pregnant at time of making a complaint, 4% were. 3% preferred not to say

• Disability:

74% stated no, 26% yes.

Some of the improvements using this feedback include:

- Following a complaint about lack of support for an inpatient with hearing loss, the Trust has purchased six mobile digital interpreting units, called Wordskii on Wheels, or WOW. These units will enable bedside access to a British Sign Language (BSL) interpreter via video conferencing where guick access to an interpreter is
- We have also incorporated learnings around this area into our Equality, Diversity and Inclusion e-learning package, so that staff across the Trust have up-to-date guidance.
- Development of a communications toolkit that will be available digitally in an accessible format to all Trust staff. The toolkit will provide details on how to book and provide an interpreter, in addition to providing staff with some basic information about the communication needs people may have, including a picture, symbol, photo resource which can be used to help staff and patients communicate together.
- The Emergency Department has now allocated two learning disability champions to for patients with learning disabilities who attend the Emergency Department to assist with reasonable adjustments required.
- 2547 patients have benefitted from video calling service to the Trust to help keep patients connected with their loved ones while the hospital is restricted to visiting.
- The Hospital 2 Home Project was launched to help discharged patients who may be in need of extra support when leaving hospital e.g. this could be if the patients has no family or friends to support them when leaving hospital.

Annual Report 2020/21 2.2 Performance Analysis Annual Report 2020/21

Feedback comments themes

Patients positively commented the most about staff attitude, implementation of care, the environment and the clinical treatment. The themes include:

→ Positive		Negative	
1. Staff attitude	4784	1. Staff attitude	507
2. Implementation of care	2529	2. Environment	399
3. Environment	1774	3. Implementation of care	361
4. Clinical Treatment	1530	4. Communication	359
5. Patient Mood/Feeling	1477	5. Waiting time	314
6. Communication	1255	6. Clinical Treatment	287
7. Waiting time	875	7. Patient Mood/Feeling	252
8. Admission	838	8. Admission	221
9. Staffing levels	283	9. Staffing levels	98
10. Catering	63	10. Catering	35



2.2.8 Diversity and Human Rights

There has been a significant increase in the level of ethnic diversity in Walsall over the past decade. While 'White British' remains the largest single group at 76.9%, the number of residents from a minority ethnic group has risen to almost one in four. This figure of 23.1% residents is an increase on the 14.8% in 2001 (and higher than the 19.5% in England and Wales in 2011).

The largest increase is in people of Asian background, with a rise from 10.4% in 2001 to 15.2% in 2011. Within this group, those of Pakistani background have increased the most to 5.3% of all residents (although Asian Indian remains the largest minority ethnic group at 6.1%).

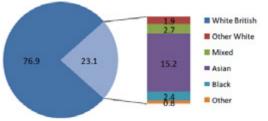
This change has implications for community cohesion, as some areas have seen major changes in their ethnic composition over a relatively short period of time. Minority ethnic groups are highly concentrated in certain parts of the borough, with some wards experiencing much greater change than the borough average.

The Trust is committed to promoting equality and human rights and valuing diversity in all areas of the Trust. It does this by ensuring that Equality Impact Assessments are integrated into core business ensuring due regard to the aims of the Equality Act at the point when decisions are made. The purpose of an Equality Impact Assessment (EIA) is to improve the work of the Trust by making sure it does not discriminate and that, where possible, promotes equality. The Trust has recently revised its Equality Impact Assessment Framework to ensure that due regard is given to any adverse impact on the nine protected groups. This involves anticipating the consequences of activities on these groups and making sure that, as far as possible, any negative consequences are eliminated or minimised and opportunities for promoting equality are maximised The requirement to complete an EIA has also been embedded within the Trust's governance processes (e.g. Board and committee report templates).

	Walsall %	E & W %	Walsall %
White British	76.9	80.5	85.2
All other White	1.9	5.4	1.2
Mixed	2.7	2.2	1.4
Asian	15.2	7.5	10.4
Black	2.3	3.4	1.4
Other	0.8	1.0	0.4

Our Equality Diversity and Inclusion Annual Report sets out how the Trust has met the aims of the Public Sector Equality Duty, including:

- Progress against our equality objectives
- Activities undertaken to promote equality, diversity and inclusion over the previous year
- Compliance and governance arrangements for equality, diversity and inclusion
- Information about our workforce and patient demographics
- A summary of the results from the Equality Delivery System2 self-assessment exercise the Trust's commitment to continuous improvement with equality, diversity and inclusion for the benefit of staff and the patient population of Walsall.



2.2 Performance Analysis

The Trust Board Pledge demonstrates the Board's commitment to a zero tolerance approach to inappropriate behaviour in the workplace and treating people fairly, and inclusively. In 2020 the Trust developed a revised EDI Strategy following extensive consultation with staff and patients. This strategy is due to be published in May 2021.

The Trust will be repeating the Equality Delivery System3 exercise in 2021 to ensure that managers undertake an assessment of equality diversity and inclusion in service delivery for the services they are responsible for. During the Pandemic the Trust worked with Walsall for All throughout the pandemic to provide and ensure updated translated material/guidance was shared and accessible on the Trust website.

Engagement with Public and Patients

Annual Report 2020/21 2.2 Performance Analysis Annual Report 2020/21

2.2.9 Counter Fraud and Corruption

In accordance with NHS Standard contract, the Trust has an on-going programme to prevent fraud and bribery and ensure proper use of public funds. The Counter Fraud service at Walsall Healthcare NHS Trust aims to prevent fraudulent activity which threatens this principle. This is supported by the Trust's Counter Fraud, Bribery and Corruption Policy.

2020/21 has provided limited opportunity to actively promote the awareness of fraud and bribery ensuring colleagues are aware of their role and responsibilities with regard to identifying and preventing suspicious activity.

During the pandemic we have continued to proactively identify and prevent fraud, undertaking proactive reviews and working alongside Internal Audit, as well as assisting with the implementation and review of key policies and procedures, in accordance with best practice guidance. Where referrals have been received, the Trust has demonstrated a zero tolerance approach and internal and external investigations have been undertaken where necessary.

We have an annual counter fraud plan which will continue to raise the awareness of fraud and bribery and respond to emerging issues identified nationally and locally by the NHS Counter Fraud Authority, so that appropriate controls are implemented to safeguard public funds as well as meeting the new Government Functional Standard 013. The Trust has implemented recommendations following a review of counter fraud arrangements last year and continues to perform well against this organisational assessment.

2.2.10 Environmental and Sustainability

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

Our plan is challenging, aiming to address our legal obligations and contribute beneficial outcomes to deliver the sustainability vision for the wider Black Country and West Birmingham Integrated Care System.

For the plan to be successful it requires everyone within the organisation to work collaboratively with other partners whose services impact all facets of healthcare provision. This includes clinicians looking at care pathways, procurement for goods and services, and finance to where investment is needed in order to meet standards and generate efficiencies.

Areas of focus are aligned with the elements of the Sustainable Development Assessment Framework in order to simplify the tracking and reporting process.

This includes:

- Corporate Approach
- Asset management and utilities
- Travel and logistics
- Climate adaption
- Capital projects
- Green Spaces and Biodiversity
- Sustainable care models
- Our People
- Sustainable Use of Resources
- Carbon/GHGs

As each green area of focus has different aspects that can be applied to different areas of the organisation, where appropriate each area will be aligned and assessed in its applicability to the Trust considering four cross cutting themes of:

- Governance and Policy,
- Core Responsibilities,
- Procurement and Supply Chain,
- Working with Patients, Staff and Local Communities.

As a Trust we aspire to use energy efficient equipment for all our organisational assets where it is practicable to do so. This includes large assets; such as buildings and critical operational plant and equipment e.g. boilers or chiller plants, through to smaller assets such as mobile clinical equipment or computers, mobile assets, and equipment used in the community.

We are working with our PFI Partners and are focussed on the continual reduction of operational resource use, and running costs of essential utilities such as water, electricity, gas and fuel oil, which can also provide opportunities for cost reductions. We will be continually monitoring and reporting on utility consumption data and the associated CO2e emissions. We will assess and endeavour to implement any recommendations relating to environmental impacts during maintenance and capital upgrades of the Trust's assets and utilities. Prioritisation will be given where upgrades, replacement or removal of assets and utilities can improve energy efficiency.

It is an ambition that future asset purchases/leases will include an energy evaluation at business case stage, especially for ICT and items of medical and other equipment.

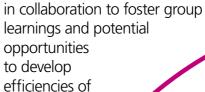
2.2 Performance Analysis

We are looking to work with other partners and in the future, a communication strategy for sustainability, aligned with the Trust's corporate communications strategy, will be employed.

It is likely to include:

- Internal communications e.g. newsletters, internal magazines, champions networks etc.
- External communications e.g. trade bodies, awards, industry journals, case studies etc.

In support of the environmental agenda, the Trust is a part of the Black Country and West Birmingham Integrated Care System that has created an active sustainability network with leads from each partner organisation. It is the intention that our participation in this network will assist





Counter Fraud and Corruption

2.2.9

Part 3: Accountability Report



52 53

3.1 Corporate Governance Report

3.1.1 Directors Report

3.1.1.1 The Trust Board

The Trust Board is responsible for overseeing our strategy, managing strategic risks, providing leadership and accountability, and for shaping our culture. Our Executive Team has delegated authority from the Board for the operational and performance management of clinical and non-clinical services of the Trust.

The Trust Board met ten times in public in 2020/2021, with the agenda and papers available on the Trust website ahead of each meeting. Meetings were held virtually via Microsoft Teams from April 2020 due to COVID-19 restrictions, and public meetings were advertised for virtual attendance from September 2020. In addition, the Trust Board took part in nine development session which included discussions on the accountability framework and governance review; Emergency Department new build; Freedom To Speak Up; equality, diversity and inclusion; the roadmap to Integrated Care Provider status; restoration and recovery; and health inequalities.

The Trust Board held its Annual General Meeting virtually on 29th September 2020.

3.1.1.2 Trust Board Composition

The voting membership of the Trust Board is comprised of the Chair, six Non-Executive Directors and five Directors. Each voting member has equal voting rights. The Trust Board is supported by three Associate Non-Executive Directors and four Directors who are non-voting but fully participate in discussion and debate.

Non-Executive Directors are not employees of the Trust and are appointed to provide independent support and challenge to the Trust Board. Executive Directors are responsible to the Trust Board for the delivery and performance of services within their portfolios. All Directors are required to comply with the Trust's conflict of interest policy and declare any actual or potential conflicts of interest.

Ms Danielle Oum was the Chair of the Trust from 1 April 2020 until 28 February 2021. From 1 March 2021, Professor Steve Field CBE became the joint Chair of Walsall Healthcare NHS Trust and The Royal Wolverhampton NHS Trust. Mr Junior Hemans also joined the Trust Board in the 2020/21 year, and both he and Professor Steve Field received a full and tailored induction.

Mr Richard Beeken was the Chief Executive of the Trust, and the Accountable Officer to Parliament until 31 January 2021 when he was seconded to Sandwell and West Birmingham NHS Trust. From 1 January 2021 to 31 March 2021 Daren Fradgley was acting Chief Executive and Accountable Officer to Parliament. From 9 April 2021, Prof David Loughton was appointed as the Interim Chief Executive Officer and Accountable Officer to Parliament.

The names of the Directors of the Trust from 1 April 2020 to 31 March 2021, together with their biographies, tenure, board attendance and interests on the register of interests appear on the following pages. The individuals in the table form the composition of the Trust Board and have authority and/or responsibility for directing or controlling the major activities of the Trust during the year.

In addition to the interests of members set out below, the register of interests is also available on our public website and can be found by using the following link: www.walsallhealthcare.nhs.uk

The register is updated as interests are declared at least annually and is reviewed by the Audit Committee and the Trust Board.

Professor Steve Field, CBE FRCP FFPH FRCGP

Chair of the Board (voting)
Chair of Board of Trustees
Chair of Nominations and Remuneration Committee

Appointed: 1st March 2021

Current Term: 1st March 2021 to 1st March 2022



Professor Field holds a number of roles at various organisations including Chair at the Royal Wolverhampton NHS Trust, Trustee at Nishkam Healthcare Trust, and Trustee of Pathway - Healthcare for Homeless People.

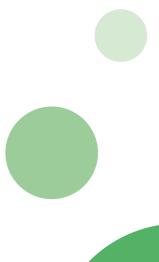
Steve was the Chief Inspector of General Practice, Primary Medical Services and Integrated Care at the Care Quality Commission (CQC). He has held several Board positions in the NHS including, Non-Executive Director at University College London Partners Academic Health Science Partnership Board, Deputy National Medical Director at NHS England, Regional Postgraduate Dean for NHS West Midlands, and Chairman of the Government's Inclusion Health Board. He also held the position of Chairman of The Royal College of GPs, and has been a faculty member at the Harvard Macy Institute of Harvard University in the USA.

He has been awarded a number of honorary degrees and also holds academic appointments at the University of Birmingham and the University of Warwick.

Board Attendances in 2020/21: 1/1

Declaration of Interests:

- Chair, Royal Wolverhampton NHS Trust
- Director, EJC Associates
- Trustee for Charity, Pathway Healthcare for Homeless People
- Trustee, Nishkam Healthcare Trust Birmingham
- Honorary Professor, University of Warwick
- Honorary Professor, University of Birmingham





3.1.1

Directors Report

3.1 Corporate Governance Report

Annual Report 2020/21

3.1 Corporate Governance Report

Mr John Dunn

Vice Chair of the Board Non-Executive Director (voting) Chair - Performance, Finance and Investment Committee

ttee

Appointed: February 2015

Current Term: 4th March 2021 to 3rd March 2022

Mr Dunn's professional life was spent almost exclusively in the Telecoms sector and he has extensive experience in the field of operations, and customer service. His career includes 20 years' experience at divisional board level in a variety of Executive and Non-Executive roles and his last position with British Telecom was as Managing Director - Openreach. As Managing Director, he was responsible for the delivery and repair of customer service and for the provision and maintenance of the local access network for the south of the UK.

Mr Dunn chairs the Trust's Performance, Finance and Investment Committee, and is a member of the Audit Committee, Remuneration Committee, and Board of Trustees.

Board Attendances in 2020/21: 10/10

Declaration of Interests:

• Non-Executive Director, Royal Wolverhampton NHS Trust



Non-Executive Director (voting)
Chair - Walsall Together Partnership Board



Appointed: July 2018

Current Term: 13th December 2020 to 13th December 2022

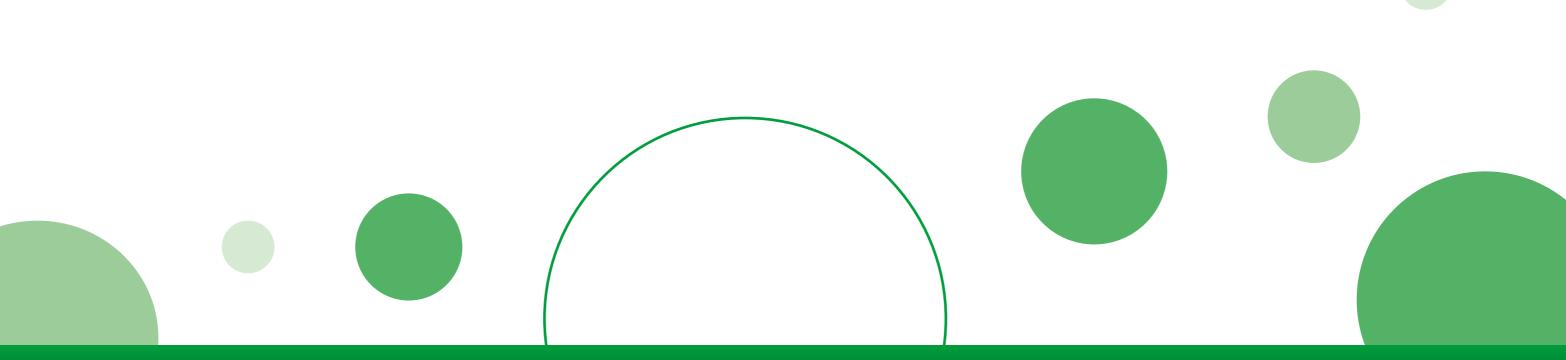
Mrs Baines has had over 40 years' experience within the NHS in the West Midlands. Before taking semiretirement in 2017 she had spent the last 15 years in and around Board level roles in both providing and commissioning roles covering strategy, business development and transformation, communications and HR. She was the Director of Strategy at Walsall Healthcare NHS Trust from 2010-2014 and is happy to have returned as a Non-Executive member as she has fond memories of the Trust and colleagues working there.

Mrs Baines was appointed by the Trust and partners in September 2019 as the Chair of Walsall Together Partnership, which is hosted by the Trust and is developing greater collaborative working on the journey to becoming an Integrated Care Partnership. Mrs Baines is also a member of the Performance, Finance and Investment Committee, the Audit Committee, the Remuneration Committee and the Board of Trustees. Mrs Baines is also the Non-Executive Director lead for Palliative Care.

Board Attendances in 2020/21: 10/10

Declaration of Interests:

- Director/Consultant at Middlefield Two Ltd
- Associate Consultant at Provex Solutions Ltd



Mrs Pamela Bradbury

Non-Executive Director (voting)
Chair - Quality, Patient Experience and Safety Committee

Appointed: 1st December 2018

Current Term: 1st December 2020 to 30th November 2022

Mrs Bradbury was a Registered Nurse for 40 years and worked in the NHS for the majority of her career, she spent four years as Nursing Officer at the Department of Health, providing professional advice on policies related to improving access to Primary Care, including the development of nurse led services to include NHS walk-in centres and NHS Direct.

Mrs Bradbury is well known in her field for challenging existing practice to improve outcomes and experience for individuals and has been recognised for her contribution to developing integrated, patient focused services.

Since retirement Mrs Bradbury has continued to champion the voice of local people and spent five years as Chair of Healthwatch Dudley and Committee Member of Healthwatch England and People Champion at the NHS Leadership Academy.

Mrs Bradbury is Chair of the Quality, Patient Experience and Safety Committee and a member of the People, Organisation and Development Committee, the Audit Committee, Remuneration Committee and Board of Trustees.

Mrs Bradbury is also the Non-Executive lead for safeguarding.

Board Attendances in 2020/21: 10/10

Declaration of Interests:

- Dudley Group Foundation Trust COVID-19 vaccination bank
- Partner, Dr George Solomon is a Non-Executive Director at Dudley Integrated Health and Care Trust

Mr Ben Diamond Non-Executive Director (voting)

Appointed: 1st October 2019

Current Term: 1st October 2019 to 30th September 2021



Mr Diamond retired from the Fire Service in 2019 after a career working in emergency response and senior management positions throughout the West Midlands.

During his time with emergency services, he developed many innovative partnerships, focussing on prevention of incidents and ill health including work to help address health inequalities in the city of Coventry.

Mr Diamond is a member of the People & Organisational Development Committee, Quality, Patient Experience and Safety Committee, Walsall Together Partnership Board, Remuneration Committee, and Board of Trustees.

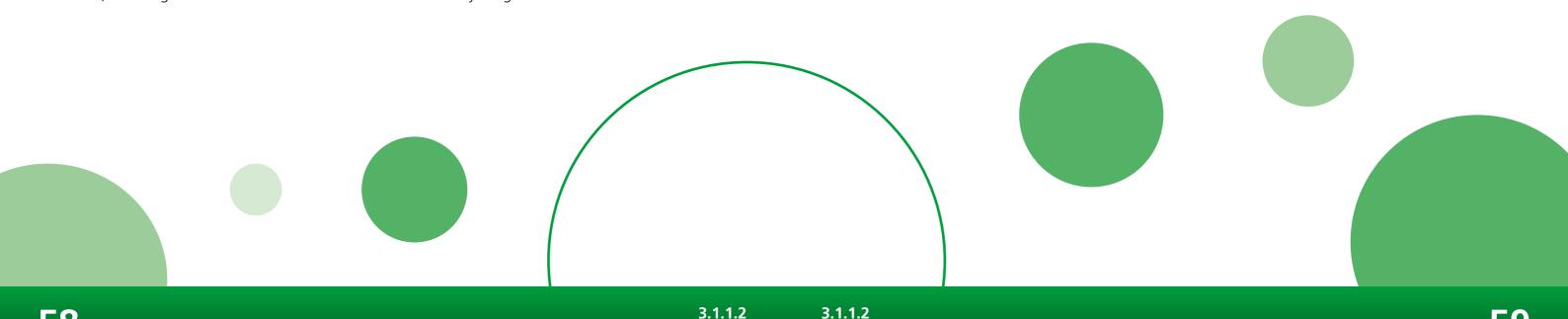
A strong advocate for the wellbeing of our colleagues, Mr Diamond is our Trust's Wellbeing Guardian and lead for Freedom to Speak Up and Health Inequalities.

Board Attendances in 2020/21: 10/10

Declaration of Interests:

Trust Board Composition

- Director of the Aerial Business Ltd.
- Volunteer at Gracewell of Sutton Coldfield Care Home
- Partner Registered nurse and General Manager at Gracewell of Sutton Coldfield Care Home
- Volunteer Vaccinator with St John's Ambulance



Trust Board Composition

3.1 Corporate Governance Report

Annual Report 2020/21

3.1 Corporate Governance Report

Mr Junior Hemans

Non-Executive Director (voting) Chair - People and Organisational Development Committee

Appointed: 1st February 2021

Current Term: 1st February 2021 to 31st January 2023



Mr Hemans has significant years of experience within the public and voluntary sectors. He previously worked for the Housing Corporation for ten years as a regulation manager and as a consultant for PricewaterhouseCoopers for ten years, and is a Non-Executive Director at the Royal Wolverhampton NHS Trust.

Mr Hemans was a founding member and the first treasurer of the African Caribbean Community Initiative Mental Health Project, which provides support to individuals and families that are experiencing mental health issues. He has also served as treasurer to the West Midlands Caribbean Parents & Friends Association and to the Heath Town Senior Citizens Welfare Project.

Mr Hemans currently runs his own small consultancy and is a property developer/landlord. He specialises in governance, business start-up, business development and social housing and regeneration. He is also a vising lecturer at the University of Wolverhampton Business School, lecturing in strategic management, marketing, leisure and operations.

Mr Hemans chairs the People and Organisational Development Committee, and is a member of the Audit Committee, Remuneration Committee and Board of Trustees.

Board Attendances in 2020/21: 2/2

Declaration of Interests:

- Non-executive Director Royal Wolverhampton NHS Trust
- Visiting Lecturer University of Wolverhampton
- Director Libran Enterprises (2011) Ltd
- Chair/Director Wolverhampton African Caribbean Resource Centre
- Chair Tuntum Housing Association (Nottingham)
- Company Secretary The Kairos Experience Ltd.
- Member Labour Party
- Mentor Prince's Trust



Mr Richard Beeken

Chief Executive Officer (voting) 1 April 2020 to 31 January 2021

Appointed: February 2018

Seconded to Sandwell and West Birmingham Hospital NHS Trust on 1 February 2021

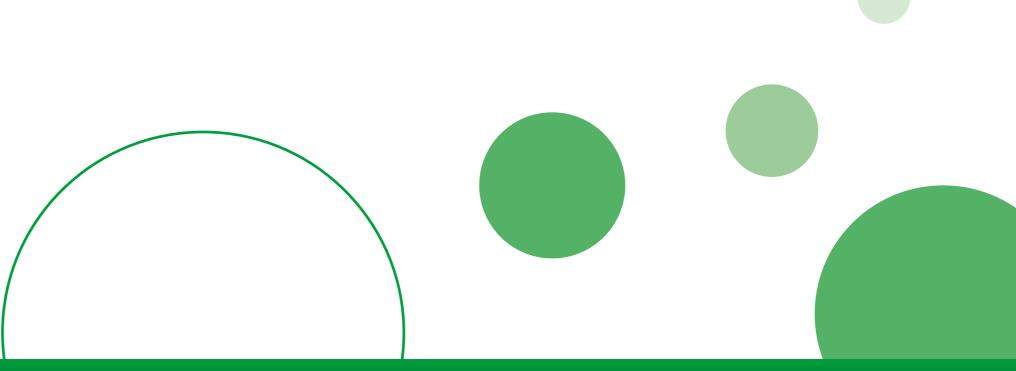
A graduate of the NHS Management Training Scheme and the NHS Top Leaders Programme, Mr Beeken has extensive NHS Leadership experience, having been an executive director since January 2005. As Chief Executive at Wye Valley NHS Trust, Richard led the organisation out of special measures.

He was previously Delivery and Improvement Director for NHS Improvement West Midlands, Interim Chief Executive at Worcestershire Acute Hospitals NHS Trust, and most recently was the Chief Operating Officer for University Hospitals of North Midlands NHS Trust.

Board Attendances in 2020/21: 8/8

Declaration of Interests:

• Spouse, Fiona Beeken is a Midwifery Lecturer at Wolverhampton University



3.1.1.2

Mr Daren Fradgley Director of Integration/Deputy CEO (voting)

Appointed: January 2016

Acting Chief Executive from 1st February 2021 to 31 March 2021

Mr Fradgley joined the Trust after holding numerous operational and director posts at West Midlands Ambulance Service NHS Foundation Trust (WMAS). A paramedic by background he joined WMAS in 1994 on frontline operations initially in the Black Country and then Birmingham before moving to the Emergency Control Rooms in 2005. He then went on to manage the Trust Performance Improvement team including informatics and Business Intelligence team. In 2013 he became the A&E Operations Director before moving to NHS 111.

Board Attendances in 2020/21: 10/10

Declaration of Interests:

- Director of Oaklands Management Company
- Spouse, Helen Willan, is Systems Manager at West Midlands Ambulance Service
- Clinical Adviser NHS 111/Out of Hours
- Non-Executive Director at whg (Walsall Housing Group)

Mr Russell Caldicott

Director of Finance and Performance (voting)

Appointed: July 2015



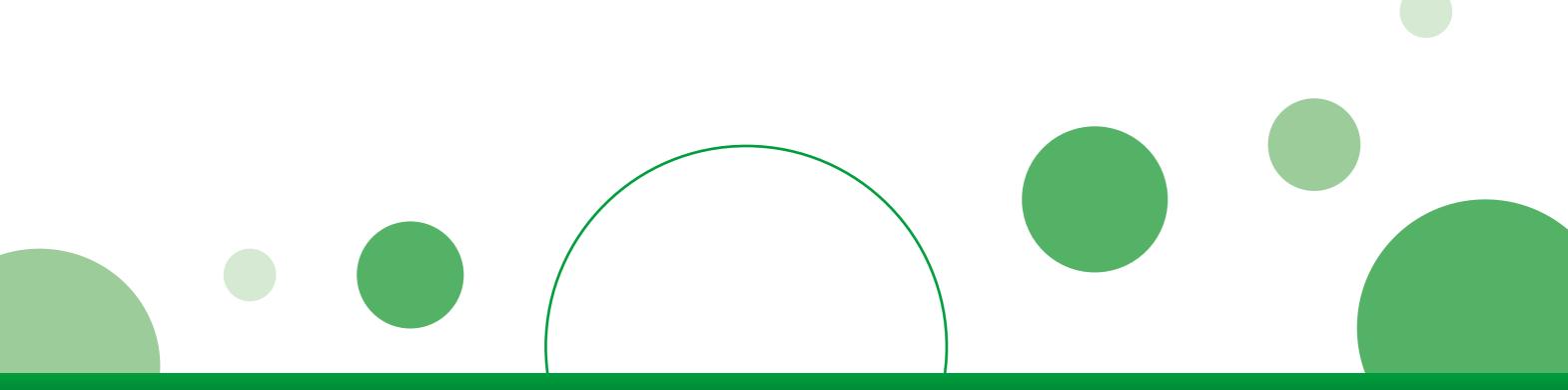
Mr Caldicott lives locally and has in excess of 20 years' experience of working within the NHS in a number of Senior Finance roles. He previously worked in a large teaching hospital, with this experience complemented through working within the Private Sector and Local Authority. A Qualified Accountant and graduate of the University of Birmingham Masters of Business Administration (MBA) degree programme, he is an active member of the University Alumni and a keen advocate of continuing professional development, occupying the role of Executive on the Board of the West Midlands Healthcare Financial Management Association (HFMA) providing support and opportunities for development to the finance teams located throughout Central England.

Mr Caldicott is the Executive Lead for the Audit Committee, the Performance, Finance and Investment Committee, and the Charitable Funds Committee.

Board Attendances in 2020/21: 10/10

Declaration of Interests:

• Member of the Executive for the West Midlands Healthcare Financial Management Association (HFMA)



Appointed: June 2019

Mr Ned Hobbs Chief Operating Officer (voting)



Dr Matthew Lewis Medical Director (voting) **Appointed:** October 2018



Mr Hobbs graduated from the University of Nottingham with a first class degree in Pure Mathematics before joining the NHS Graduate Management Training scheme in 2008 in the West Midlands region. He completed his Masters in Health & Public Leadership from Birmingham's HSMC in 2011 and has carried out a variety of operational management roles – predominantly in the acute hospital sector and within mental health. Mr Hobbs' previous role was as Director of Operations for the Division of Surgery, Women & Children at Dudley Group NHS Foundation Trust where he delivered the fifth best elective 18-week Referral to Treatment waiting times in the country.

He has a passion for clinical leadership, having written his dissertation on this subject, and has lectured to medical students and doctors in training on leadership in the NHS. He also has a keen interest in quality improvement and the use of comparative clinical outcome measurements to improve patient care.

Since joining the Trust Mr Hobbs has led its operational services to deliver waiting times that are in the best quartile nationally for access to Diagnostics (6 week wait DM01) and elective treatment (18-week Referral to Treatment standard), and significantly improved Emergency Care access performance too.

Board Attendances in 2020/21: 10/10

Declaration of Interests:

- Father Governor Oxford Health FT
- Sister in Law Head of Specialist Services, St Giles Hospice

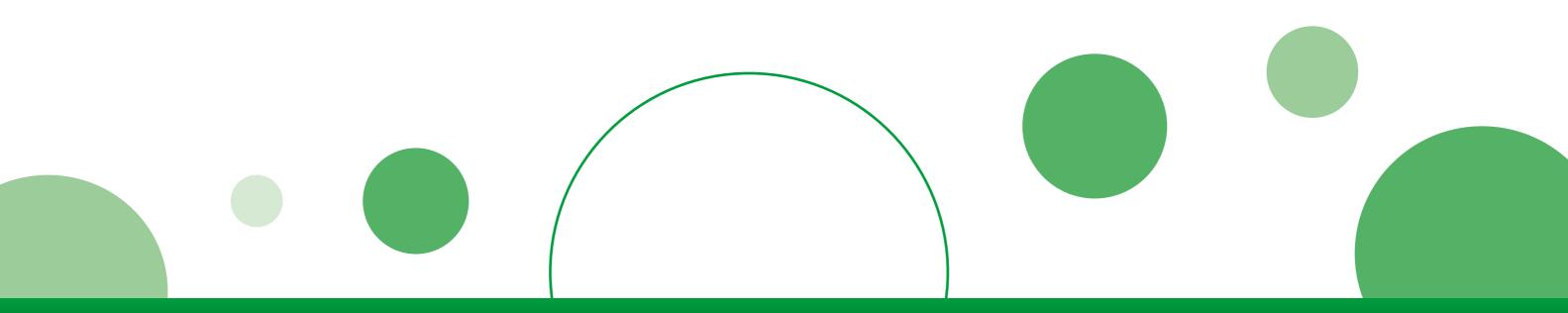
Dr Lewis was previously Consultant Gastroenterologist at Sandwell & West Birmingham Hospitals NHS Trust, where he was also a Divisional Director. As Medical Director at Walsall Healthcare NHS Trust, his key areas of focus are to further develop our service integration with primary care and other hospitals, to improve medical engagement in quality governance and patient safety and to better link service plans to medical workforce plans.

Dr Lewis is the Executive Lead for the Quality, Patient Experience and Safety Committee, the Trust's Caldicott Guardian and executive for Mental Health. Patient safety, quality of care and clinical research are key priorities for Dr Lewis in ensuring that our clinical outcomes for patients are of a high standard.

Board Attendances in 2020/21: 9/10

Declaration of Interests:

- Spouse, Dr Anne Lewis, is a partner in general practice at the Oaks Medical, Great Barr
- Director of Dr MJV Lewis Private Practice Ltd.



Mrs Ann-Marie Riley Director of Nursing (voting)



3.1 Corporate Governance Report

Appointed: Interim from March 2020, and substantively in post from

December 2020

Mrs Riley joined the Trust from Nottingham University Hospitals (NUH) where she was deputy Chief Nurse. A resident of the Black Country, Ann-Marie has a clinical background in Critical Care and has worked in senior nursing positions in the Birmingham and the Black Country. At Nottingham she supported the oversight of the Magnet Programme Office and the achievement of NUH becoming the only organisation in the UK to hold Magnet recognition.

Mrs Riley is an experienced leader with a passion for supporting the development of positive practice cultures and delivery of care excellence. She has implemented some award-winning innovative ideas such as #NUHmemorymenu as well as being one of the key people behind the international #endPJparalysis campaign.

Board Attendances in 2020/21: 9/10

Declaration of Interests:

No interests to declare



Non voting members of the board:

Mr Paul Assinder

Associate Non-Executive Director (non-voting) Chair - Charitable Funds Committee



Appointed: 1st October 2019

1st October 2019 to 30th September 2021 **Current Term:**

Mr Assinder was appointed to the post of Chief Executive Officer of Dudley Integrated Health & Care NHS Trust in March 2020. He has enjoyed a long career as one of the most respected finance professionals working in healthcare in the UK. He was elected as National President of the Healthcare Financial Management Association (HFMA), the leading professional body for finance staff working in UK healthcare, in December 2009 and has more than 25 years' experience at board level in both the public and commercial sectors. Doubly qualified as an accountant, with a university background in both economics and management, he trained and worked with Ernst & Young Co in the UK after graduation, before specialising in the healthcare and technology sectors.

Mr Assinder is a graduate of the Senior Managers Course at Insead (French Business School) and was one of the first finance directors to be selected to join the elite NHS Top Leaders Programme in 2010. Paul has a broad portfolio of financial and business experience most recently as European CFO of the US transformational genomics provider Nant Health Inc. In the local NHS, he has advised policy makers on transformational change through the NHS STP Programme and has also served as Director of Finance and Deputy Chief Executive of Dudley Group NHS Foundation Trust. Before that he held similar positions at Sandwell & West Birmingham Hospitals NHS Trust, Birmingham City Hospital NHS Trust and a number of other board-level appointments in the NHS and private sector. He is committed to the development of the next generation of healthcare leaders and held the position of Senior lecturer at the University of Wolverhampton Business School and with others, founded the MBA qualification in Business & Finance for the HFMA Academy, in 2017.

Mr Assinder chairs the Trust's Charitable Funds Committee, and is a member of the Audit Committee, the Performance, Finance and Investment Committee, the Remuneration Committee and Board of Trustees.

Board Attendances in 2020/21: 10/10

Declaration of Interests:

- Chief Executive Officer Dudley Integrated Health & Care Trust
- Director of Rodborough Consultancy Ltd.
- Governor of Solihull College & University Centre
- Honorary Lecturer, University of Wolverhampton
- Associate of Provex Solutions Ltd.



3.1 Corporate Governance Report

Annual Report 2020/21

3.1 Corporate Governance Report

Mrs Sally Rowe

Associate Non-Executive Director (non-voting)

Appointed: 1st April 2019

Current term: 1st April 2019 to 31st March 2022



Mrs Rowe has been a qualified social worker for 30 years, working across children's and adults services in different types of local authorities and in frontline and management roles. She has also spent time as Her Majesty's Inspector of Local Authorities and a senior manager within Ofsted. She is now Director of Children's Services and Customer Engagement for Walsall Council and a Board Member of the Association of Directors of Children's Services.

Mrs Rowe is also member of the Walsall Together Partnership Board, the Remuneration Committee and the Board of Trustees.

Board Attendances in 2020/21: 4/10

Declaration of Interests:

- Executive Director Children's Services Walsall MBC
- Trustee of the Association of Directors of Children's Services

Mr Rajpal Virdee

Associate Non-Executive Director (non-voting)



Current term: 1st October 2019 to 30th September 2021



Mr Virdee has in excess of 30 years of being involved in both the public and voluntary sector; initially, a social worker rapidly moving through to senior management in Dudley Social Services and latterly at Birmingham Social Services.

He has extensive experience with health care bodies, in the capacity of a Non-Executive Director, which included East Birmingham Primary Care Trust, Walsall Primary Care Trust and Walsall Clinical Commissioning Group.

Amongst his many achievements as a Non–Executive Director include, the development of Castle Vale Health Care Centre, Pelsall Medical Health Centre and Walsall Hospice where he was the Chair of the project.

Another passion of his is the provision of affordable housing and he has been involved with numerous hosing associations, including Black Country Housing Group where as Vice Chair he led the development of numerous affordable housing schemes, to the benefit of local families.

Mr Virdee was appointed in 2002 by the Judiciary to sit as a Lay Member at the Birmingham Employment Tribunal, which deals with employment disputes between employers and employees over employment rights.

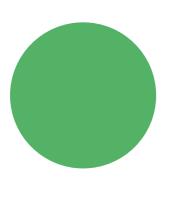
He is a member of the Quality, Patient Experience and Safety Committee, the People and Organisational Development Committee, the Remuneration Committee and the Board of Trustees.

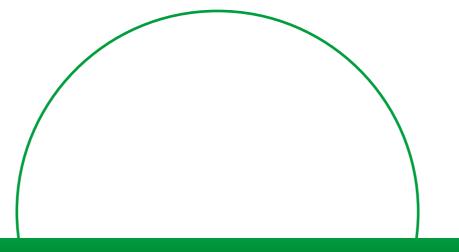
Board Attendances in 2020/21: 8/10

Declaration of Interests:

• Lay Member, Employment Tribunal Birmingham











Mrs Glenda Augustine

Director of Planning and Improvement (non-voting)



Appointed: August 2020

Mrs Augustine was previously the Head of Intelligence, Knowledge Management and Innovation for RightCare, an NHS England and NHS Improvement transformational programme. She has had a wide and varied career in the NHS, training as a general nurse, midwife and health visitor, working as a clinical nurse specialist, lead nurse and specialist midwife in haemoglobin disorders and with the National Screening Committee as National Lead for Child Health Screening Co-ordinators. During this period she was also a bank midwife at Walsall. She has maintained her long-standing interest in haemoglobin disorders and she is currently chair of the National Sickle Cell and Thalassaemia Advisory Group.

Her interest in prevention, population health and inequalities led to the completion of a Masters in Public Health at the University of Nottingham, before joining the Public Health Training Scheme in the East Midlands. She was a Consultant in Public Health in Stoke and Wolverhampton prior to her post in RightCare and she has maintained Public Health registration alongside nursing registration.

Mrs Augustine is responsible for Planning and Improvement for the Trust and is keen to work across the organisation to improve quality and outcomes, reduce unwarranted variation and inequalities through the intelligent use of data, evidence-based planning and Quality Improvement.

Board Attendances in 2020/21: 5/6

Declaration of Interests:

No interests to declare



Appointed: September 2018



Ms Griffiths has a background in local government and more than 20 years' experience of HR and large-scale service transformation and redesign. Her expertise lies in employee engagement and empowering those around her to make positive changes for the benefit of the organisation and its service users.

She joined the NHS for the first time in 2015 where she took on the role of Deputy Director of HR as part of Royal Wolverhampton NHS Trust. She then made the move to Walsall Healthcare in September 2018.

Her focus is to ensure a positive and inclusive culture amongst the workforce to ensure staff have the support they need to develop their own talents in order to improve patient experience. Her role also means ensuring staff are living by the Trust values (Respect, Compassion, Professionalism and Teamwork) and are supported to be happy and healthy while at work.

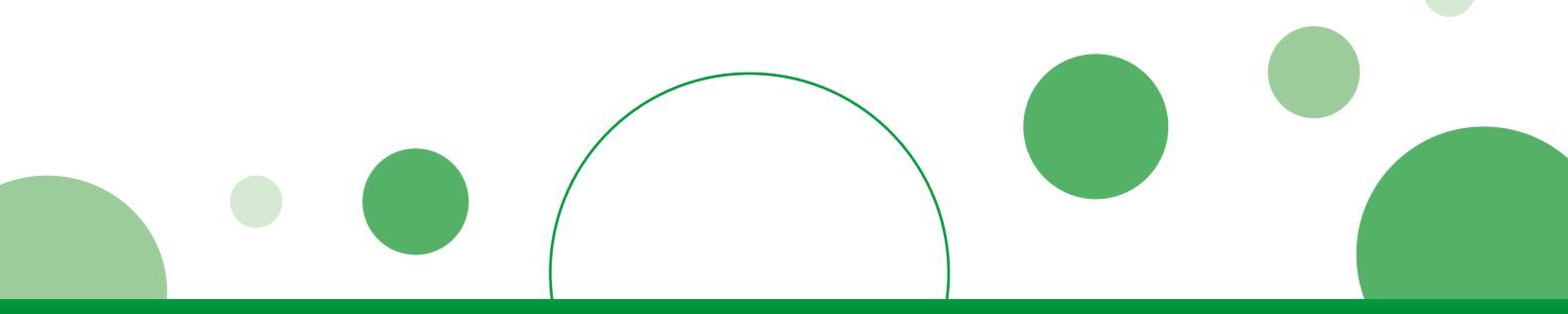
Ms Griffiths has lived in and around the West Midlands for more than 25 years and is qualified at Masters level in Strategic HR management and holds an LLM in Employment Law.

Mrs Griffiths is the Executive lead for the People and Organisational Development Committee.

Board Attendances in 2020/21: 10/10

Declaration of Interests:

- Catherine Griffiths Consultancy Ltd
- Chartered Institute of Personnel (CIPD)



Ms Jenna Davies Director of Governance (non-voting)



Appointed: June 2018

Ms Davies joined the NHS in 2008 and has predominately worked in senior leadership roles in the Corporate and Clinical Governance fields. Jenna studied Law at the University of Birmingham and qualified in June 2008. She has led and contributed to a number of large scale improvement programmes including a highly complex organisational development project and preparation for Foundation Trust application status.

Ms Davies is responsible for the efficient administration of the Trust, particularly with regard to ensuring compliance with statutory and regulatory requirements and for ensuring that decisions of the Board of Directors are implemented. She is the lead for Governance across the organisation including Health and Safety, Quality Governance and Information Governance.

Board Attendances in 2020/21: 10/10

Declaration of Interests: No interests to declare



Mr Matthew Dodd

Acting Director of Integration (non-voting)



Appointed: Acting Director from February 2021 to 31 March 2021

Mr Dodd has significant NHS operational experience in senior roles within both hospital and community settings. A Registered General Nurse by background, he has worked in Primary Care development in Birmingham and Derbyshire, as well as being Deputy Chief Operating Officer at Sandwell & West Birmingham Hospitals NHS Trust.

Board Attendances in 2020/21: 1/1

Declaration of Interests: No interests to declare

3.1.1.3

Directors who left during the financial year

Sukhbinder Heer - Non-Executive Director and Chair of Audit Committee 31st March 2020 to 14th December 2020 Board Attendances in 2020/21: 6/8

Danielle Oum - Chair 31st March 2020 to 28th February 2021 Board Attendances in 2020/21: 9/9

Philip Gayle - Non-Executive Director and Chair of People and Organisational Committee 31st March 2020 to 31st January 2021 Board Attendances in 2020/21: 8/8

3.1.1.4 Fit and Proper Person

In 2020/21, the Directors individually updated their declarations to confirm continuing compliance with the Fit and Proper Person Test.







3.1.1.5 Board Committees

The Trust Board is supported by committees with particular oversight for the provision of safe, high quality care; the effective use of our resources; the value we place on our colleagues; our provision of care at home in partnership with others; our charity; and our governance, risk and internal controls.

The Board committees undertook effectiveness reviews in 2020/21 which led to changes to their terms of

reference and a maturing of their cycles of business. Board committees are chaired by a Non-Executive Director and report to the public Trust Board by way of a highlight report following each meeting. The Board committees in place during the 2020/2021 year were:

- Audit Committee
- Nominations and Remuneration Committee
- Quality, Patient Experience and Safety Committee
- People and Organisational Development Committee
- Performance, Finance and Investment Committee
- Walsall Together Partnership Board
- Charitable Funds Committee

The Audit Committee provides assurance to the Board on the establishment and maintenance of an effective system of integrated governance, risk management and internal control to support achievement of the organisation's objectives. Membership of the Audit Committee comprises a Chair and Chairs of the Board committees are as follows:

- Chair from 1st April 2020 to 14th December 2020 -Mr Sukhbinder Heer (attendance 6/6)
- Acting Chair from 15th December 2020 to 31st March 2021 – Mr John Dunn (attendance 7/9)
- Mrs Anne Baines (attendance 7/9)
- Mrs Pamela Bradbury (attendance 5/9)
- Mr Junior Hemans (from 1st February 2021) (attendance 0/2)
- Mr Paul Assinder (from 4th March 2021) (0/1)

3.1.1.6 Board of Trustees and Charitable Funds Committee

The Trust Board acts as Corporate Trustee. The Trustees are accountable to the Charity Commission for those funds deemed to be charitable as well as to the Secretary of State for Health and Social Care.

The Trustees have established the Charitable Funds Committee, whose role is to advise the Trust on the appropriate receipt, use and security of charitable monies.

3.1.1.7 Accountability

NHS England and Improvement is responsible for appointing Trust Chairs and other Non-Executive Directors. All these appointments are subject to annual review and appraisal as well as fit and proper person requirements. The remuneration of Non-Executive Directors is determined nationally.

All substantive Executive Directors are appointed through national advertisement on permanent contracts. Acting positions appointed during the year for Executive Directors were approved by the Nominations and Remuneration Committee. Performance of the Chief Executive is evaluated by the Chair and is reported to the Nominations and Remuneration Committee. The performance of other Executive Directors and senior managers is evaluated by the Chief Executive. Any changes in remuneration for Executive Directors are agreed by the Nominations and Remuneration Committee.

3.1.1.8 Personal data incidents 2020/2021

The Trust has a robust Information Governance function and framework that utilises subject matter expertise from Information Governance, Digital Services, Informatics, Health Records and systems administration. The Trust's Senior Information Risk Owner (SIRO) and Caldicott Guardian are members of the Information Governance Steering Group.

Two incidents were referred to the Information Commissioner's Office during 2020/21, both of which were classified as 'not requiring external reporting' and therefore not accepted by the Commissioner's Office as notifiable.

The Trust continues to monitor and assess information governance breaches. When weaknesses in systems or processes are identified, interventions will be undertaken. Low-level and near miss events will be monitored and when there are common themes we undertake Trust-wide communications to address this. We continue to support information governance training via the national e-learning tool and all staff undertake annual refresher training as a reminder of their information governance obligations. The Information Governance Team continues to deliver briefings to new starters as part of the Trust's induction programme.





3.1.1.5

Board Committees

3.1.2 Statement of Disclosure to Auditors

Each individual who is, or was, a member of the Trust Board in the year covered by this report confirmed that, as far as they are aware, there is no information which would be relevant to the auditors for the purposes of their audit report, and of which the auditors are not aware, and have taken all the steps that they ought to have taken to make themselves aware of any such information and to establish that the auditors are aware of it.

3.1.3 Statement of Directors' responsibilities in respect of the accounts

The Directors are required under the National Health Service Act 2006 to prepare accounts for each financial year. The Secretary of State, with the approval of HM Treasury, directs that these accounts give a true and fair view of the state of affairs of the Trust and of the income and expenditure, other items of comprehensive income and cash flows for the year. In preparing those accounts, the Directors are required to:

- apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury;
- make judgements and estimates which are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- Prepare the financial statements on a going concern basis and disclose any material uncertainties over going concern.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction of the Secretary of State. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the accounts.

The Directors 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 Trust's performance, business model and strategy

By order of the Board

Prof David Loughton CBE, Interim Chief Executive Officer

Date: 23rd June 2021

Russell Caldicott, Director of Finance and Performance

Date: 23rd June 2021

76

3.1.4 Statement of the Chief Executive's responsibilities as the Accountable Officer of the Trust

The Chief Executive of NHS Improvement, in exercise of powers conferred on the NHS Trust Development Authority, has designated that the Chief Executive should be the Accountable Officer of the Trust. The relevant responsibilities of Accountable Officers are set out in the NHS Trust Accountable Officer Memorandum. These include ensuring that:

- there are effective management systems in place to safeguard public funds and assets and assist in the implementation of corporate governance;
- value for money is achieved from the resources available to the Trust;
- the expenditure and income of the Trust has been applied to the purposes intended by Parliament and conform to the authorities which govern them;
- effective and sound financial management systems are in place; and
- annual statutory accounts are prepared in a format directed by the Secretary of State to give a true and fair view of the state of affairs as at the end of the financial year and the income and expenditure, other items of comprehensive income and cash flows for the year.

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

> To the best of my knowledge and belief, I have properly discharged the responsibilities set out in my letter of appointment as an Accountable Officer.



Annual Report 2020/21

3.1 Corporate Governance Report

Annual Report 2020/21

3.1.5 Annual Governance Statement 2020/21

3.1.5.1 Scope of responsibility

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the NHS 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 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 Accountable Officers' Memorandum.

3.1.5.2 The purpose of the system of internal control

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

3.1.5.3 Capacity to handle risk

Risk Management Leadership: The Board has overall responsibility for ensuring systems and controls are in place, sufficient to mitigate risks which may threaten the achievement of the Trust's objectives. The Board achieves this primarily through:

- The work of its committees
- Use of Internal Audit and other independent inspection
- Systematic collection and scrutiny of performance data to evidence the achievement of the objectives
- Robust oversight of the risks to achievement of the objectives

The Board has the ultimate responsibility for risk management and must be satisfied that appropriate policies and strategies are in place and that systems are functioning effectively.

The Board has established an Audit Committee, which assists the Board in this process by performing an annual review of the effectiveness of the risk management activities supported by the Chief Internal Auditor's annual work, report and opinion on the effectiveness of the system of internal control.

The Trust Board is supported by the Board committees that scrutinise and review assurances on internal control. Individual committees have responsibility for a specific portfolio:

- Performance Finance and Investment Committee
 Financial matters and restoration and recovery of elective services.
- Quality, Patient Experience and Safety Clinical quality, Patient Safety and Experience matters.
- People and Organisational Development Committee - Workforce matters including staff wellbeing.

The Board maintains a Board Assurance Framework (BAF), reflecting the risks identified to the achievement of the Trust's strategic objectives and how they are managed. The Board and Board committees regularly review the BAF and high rated corporate risks, as well as future opportunities and risks for each strategic objective. This allows the Trust Board to scan the horizon for emergent opportunities or threats, and considers the nature and timing of the response required in order to ensure risk is kept under prudent control at all times. The BAF has matured during the 2020/21 year to include future threats and opportunities to allow the Board and the Board committees particular focus in this area.

Operationally, all staff have both the opportunity and expectation of reporting risks within their area of operation, which are then subject to a process of review, validation and, where appropriate, scoring and management. Management of risk is undertaken at a level appropriate to the potential impact of the risk, including departments, care groups, divisions and on a cross-divisional basis. Our Risk Executive Group focuses on all high or significant risk exposures and oversees risk treatment to ensure: (a) the correct strategy is adopted for managing risk; (b) controls are present and effective; and (c) action plans are robust for those risks that remain intolerant. In 2020/21 our Risk Executive Group was chaired by the Chief Executive and comprised all Executive Directors and Divisional Directors.

We have kept under review and updated risk management policies during the course of the year. The output of the Risk Committee's work is reported to our Audit Committee and our Board.

Training and education are key elements of the development of a positive risk management culture. Risk management forms a fundamental aspect of many training activities throughout the Trust, where staff are provided with the necessary awareness, knowledge and skills to work safely and to minimise risks at all levels. Risk management awareness training is delivered to all members of staff through our induction programme and to existing staff through mandatory training programmes.

The programme of training and education was augmented in 2020/21 by a series of development sessions for the Board, and individually with Directors. These sessions included a general risk management refresher, but focused on refining the Board Assurance Framework and the Trust's risk appetite statements against each risk based on best practice. Similar sessions were delivered to all senior managers within the Trust.

Training has been impacted by COVID-19, however a virtual package has been implemented within the Trust. In addition, the Governance Team has provided training to staff who require further support on risk assessment, incident reporting and incident investigation.

3.1.5.4 The risk and control framework

COVID-19 and Restoration and Recovery Governance

The response to this risk is being undertaken through the Emergency Preparedness, Resilience and Response (EPRR) route, with national leadership and co-ordination provided by NHS England/Improvement and the Department of Health and Social Care. Internally, the Trust has adopted a command and control structure, with clear levels of responsibility. The Board has approved temporary changes to the Standing Orders, Standing Financial Instructions, Scheme of Delegation and related documents, to reflect this and to ensure that necessary expenditure for COVID-19 can be approved, whilst retaining appropriate levels of control.

On May 2020 a COVID-19 Governance Continuity Plan was approved by the Board to support the incident management structures. The continuity plan altered the decision and governance-making processes within the organisation for business as usual and routine business to enable us to focus on supporting the critical delivery of the response to the pandemic. The Board and its committees continued to meet with a reduced agenda that focused on COVID-19, risks and the Improvement Programme; crucial operational committees continued with others being stood down; and Standing Financial Instructions were amended to support the incident command structure.

Annual Report 2020/21

3.1 Corporate Governance Report

Annual Report 2020/21

3.1 Corporate Governance Report

Risk Management Strategy

The Risk Management Strategy provides a framework for managing risks across the Trust and is consistent with best practice and Department of Health and Social Care guidance. The Risk Management Strategy provides a clear, structured and systematic approach to the management of risks to ensure that risk assessment is an integral part of clinical, managerial and financial processes across the organisation. The Risk Management Strategy sets out the role of the Trust Board and its committees, together with the individual responsibilities of the Chief Executive, Executive Directors and all staff, in managing risk.

The Board recognises that, working in a healthcare environment, many of its day-to-day activities will carry relatively high risks that are not susceptible to effective reduction. This arises from the specialist nature of many medical procedures, and also the need to provide care and treatment for individuals who are undergoing acute health challenges. The risk management policy ensures that risks are managed at the level appropriate to the identified impact and likelihood of the risk eventuating, including departmental, divisional and cross-divisional structures. We monitor risk through a multiplicity of sources such as incidents, complaints, claims, audit, external visits, patient feedback and more. This intelligence is routinely analysed to determine any care or service delivery failings to ensure lessons are learned and future risk is mitigated. Any residual risk is assessed to establish the most appropriate management route, determine controls are present and effective and develop robust action plans to mitigate gaps in control measures. High scoring risks are held on our Corporate Risk Register, owned by a member of the Executive Team, reviewed and reported monthly to the Board. The strategic risks are defined as those risks that would prevent the Trust from delivering the core strategic objectives and are reported to the Board through the Board Assurance Framework, together with the high rated risks on the Corporate Risk Register.

Risk Appetite

The Board has adopted an approach to risk appetite, and during 2020/21 development sessions were held with the Board and with individual Directors to review the risk appetite statements against each identified risk. These were reviewed by the Board committees in March 2021 and are due to be approved by the Board in July 2021.

The assessment of each risk includes an assessment of the related risk appetite, which seeks to identify the Trust's willingness to accept risk in that area; and a target score is set, which seeks to express the irreducible minimum risk associated with the activity (the point where the decision becomes to accept the risk or cease the activity). Risk appetite levels have been determined by the Board around the Trust's strategic objectives.

The risk appetite statements will continue to be developed as our risk management processes continue to mature.

Board Assurance Framework

Our Board Assurance Framework provides a structure and process that enables the Board to focus on principle risks which might compromise achievement of the organisation's Strategic Objectives. The Board Assurance Framework maps out the key controls which are in place to support delivery of those objectives and to mitigate risk and provide a framework of assurance which the Board can draw upon when considering the effectiveness of those controls. These controls and assurances have been set out in line with the 'HM Treasury 3 lines of defence' model aiding the identification of areas of weakness.

The Board Assurance Framework is designed to provide the Board with a simple but comprehensive method for the effective and focused management of these key risks. The Board defines the principal risks and ensures that each is assigned to a lead Director as well as to a Board committee:

 The Lead Director is responsible for assessing any principal risks assigned to them by the Board and for providing assurance as to the effectiveness of primary risk controls to the relevant Board committee.

- The role of the Board committee is to review the Lead Director's assessment of their principal risks, consider the range of assurances received as to the effectiveness of primary risk controls, and to recommend to the Lead Director any changes to the Board Assurance Framework to ensure that it continues to reflect the extent of risk exposure at that time.
- The Audit Committee is responsible for reviewing the whole Board Assurance Framework in order to provide assurance to the Board that principal risks are appropriately rated and are being effectively managed; and for advising the Board as to the inclusion within the Board Assurance Framework of additional risks that are of strategic significance.

Risk descriptors were updated during the year with the Board committees and Executive Director Leads. Principle risks identified and monitored through the Board Assurance Framework in 2020/21 were:

BAF S01 - Provide Safe, High Quality Care: The Trust fails to deliver excellence in care outcomes, and/or patient/public experience, which impacts its ability to deliver services which are safe and meet the needs of our local population.

BAF S02- Care At Home:

Failure to work with partners and communities to understand population health and inequalities, integrate place-based services and deliver them through a whole population approach would result in a continuation of poor health and wellbeing and widening of health inequalities.

BAF S03 - Work Closely With

Partners: Failure to integrate functional and organisational form change within the Black Country will result in lack of resilience in workforce and clinical services, potentially damaging the Trust's ability to deliver sustainable high quality care.

BAF S04 - Value Our

Colleagues: Lack of an inclusive and open culture impacts on staff morale, staff engagement, staff recruitment, retention and patient care

BAF S05 - Use Resources Well:

- The Trust's financial sustainability is jeopardised if it cannot deliver the services it provides to their best value.
- If resources (financial, human, physical assets, and technology) are not utilised to their optimum, opportunities are lost to invest in improving quality of care.
- Failure to deliver agreed financial targets reduces the ability of the Trust to invest in improving quality of care, and constrains available capital to invest in Estate, Medical Equipment and Technological assets in turn leading to a less productive use of resources.

The Trust Board included an additional Board Assurance Framework risk during the pandemic:

BAF 06 - COVID-19: The impact of Covid-19 and recovery from the initial wave of the pandemic on our clinical and managerial operations is such that it prevents the organisation from delivering its strategic objectives and annual priorities.

The Board approved a revised template for the Board Assurance Framework in 2020/2021 which provides for details of the "three lines of defence" for controls and assurance, and enables the Trust Board to have oversight of the actions in place to mitigate and manage risk. This also enables the Trust to direct resources in a more targeted fashion.

The Trust Board has received and reviewed the full Board Assurance Framework three times during the year. In addition, since April 2020, the Board has received the extract from the Board Assurance Framework for each strategic objective, and analysis of mitigations and management, in the Executives' monthly report to the Board. The Performance, Finance and Investment, Quality, Patient Experience and Safety, and the People and Organisational Development Committees have reviewed the Board Assurance Framework during the year, challenging the risk articulation, scoring and mitigation, together with controls and assurances. Internal Audit has reviewed the Board Assurance Framework including the processes and controls. The conclusion of the audit was that partial assurance with improvement required. The audit identified some moderate weaknesses in the activities and controls and raised four medium risk rated recommendations. The audit recognised that the Trust has worked hard to enhance the format of the Board Assurance Framework and the management of strategic risks during the year despite the challenges of the pandemic.

Quality

Ensuring that quality is at the heart of everything that the Trust does for patients is a key activity for the Board.

At each scheduled meeting, the Board receives a detailed performance report, which includes performance data for all significant areas of activity relevant to the Trust's strategic objectives. Areas that have failed to achieve the agreed or nationally set targets are subject to exception reporting, which outlines the details of the failures, any identified underlying causes, and the steps being taken by management to bring performance back to target. The Board has the opportunity to challenge the steps proposed, and to require further or different actions to be taken in order to address these challenges.

The Quality, Patient Experience and Safety Committee is responsible to the Board for detailed oversight of management actions to ensure the quality of services; and for recommending to the Board strategic actions to improve service quality. The committee meets on a monthly basis, and exercises detailed oversight of the quality of services provided by the Trust; including reviewing deaths and serious untoward incidents, quality performance data, and feedback from patients. The committee reports both findings and recommendations to the Board at each Board meeting following a committee meeting, for consideration and approval. The Board also hears patient stories to understand the journey and experience of care at the Trust. The committee has oversight of the CQC action plan to ensure compliance with the 'must do' and 'should do' actions arising from the 2019 and 2020 CQC inspections.

The People and Organisational Development Committee has a key focus on ensuring the workforce is sufficient in numbers and skills to provide safe and quality care. The committee reviews performance and future strategy on workforce and Organisational Development matters. The Board regularly reviews information of nursing staffing on a ward basis, together with details of new and continuing investigations where exclusion or partial exclusions have been judged necessary.

The Audit Committee is responsible for scrutinising the overall systems of internal control (clinical and non-clinical) and for ensuring the provision of effective independent assurance via internal audit, external audit and local anti-fraud services. The Audit Committee reports to the Board via a highlight report after every meeting and annually on its work via the Annual Report of the Audit Committee in support of the Annual Governance Statement, the completeness and extent to which risk management is embedded in the Trust and the integration of governance arrangements. The Audit Committee also assesses its own effectiveness, what it has accomplished and whether it has fulfilled its responsibilities along with that of the Board committees.

During the course of the year, the Board has undertaken a programme of development focused on addressing key areas of Board responsibility, as well as delivering sessions focused on the delivery of the strategic objectives. The Board has overseen the effectiveness reviews of all Board committees and received their annual reports. In February 2021 the Board embarked on a 12 month programme of development with an external facilitator.

Performance information is subject to regular review, to ensure that it is reliable and continues to meet the requirements of the Trust. Performance information produced through data systems is regularly triangulated against the quality elements of care, using qualitative information from sources such as complaints and complements, national and local surveys of patients experience (including the 'Friends and Family' test), and triangulation visits from Board Members (held virtually in 2020/21), external visits and reviews. Mismatches are challenged in a variety of forums, and it is a responsibility of the Director of Finance and Performance to ensure that mismatches are explored so that the data reporting systems remain reliable. Performance reporting systems are also subject to regular review by both the Internal and External Audit services.

Improvement Programme

The Trust's approach to quality improvement is clear that quality is the responsibility of all staff. The Board is committed to ensuring patients receive the highest level of safe, high quality, compassionate care, through a shift to a culture of continuous quality improvement based upon the sustainable implementation of a Trust wide Improvement Programme. Reporting processes and mechanisms through Trust Board, it's committees, Executive Team and through to Divisions and their governance processes reflect this approach.

Accountability Framework

Accountability for quality is clear through the leadership and management arrangements within the Trust. The revised governance and assurance structure implemented in 2015 continues and is aligned with the clinically led management model in the Divisions providing integrated reporting and assurance. Divisions continue to enable better and more rapid decision-making, as close as possible to the point of care delivery, which, in turn, enables more effective clinical engagement and leadership in service development and delivery as well as providing service users with greater access to decision-making.

Quality Governance

Executive leadership, accountability and responsibility for quality governance is held by the Director of Nursing and the Medical Director. Quality governance oversight and integration with corporate governance is overseen by the Director of Governance.

The Trust's approach to clinical quality improvement is supported by the Quality Improvement Faculty which has been established to support colleagues on the improvement journey. This encompasses the existing Listening into Action Programme and the Service Improvement Team. This provides additional innovative, research, and evidence-based support to the services and clinicians.

The Trust's strategic priorities and combined support service offer aligns clinical services and support functions to deliver the best care possible to those who use Trust services. Trust Board receives regular reports, directly and through the Quality, Patient Experience and Safety Committee, on all aspects of clinical quality and safety including management of incidents and complaints, equality and diversity, service user experience, control of infection and research and development.

3.1.5.4

The Quality, Patient Experience and Safety Committee provides assurance to Trust Board that issues and risks identified in a number of portfolio areas, such as managing aggression and violence, safeguarding adults and children, infection prevention and control, and information governance, are being addressed. Where Quality, Patient Experience and Safety Committee identifies an area of concern, which has been raised at a particular time, it scrutinises that on behalf of the Board by receiving regular reports for a period.

The Trust's quality governance framework provides the Trust Board with assurance that essential standards of quality and safety are being delivered within the Trust. It provides assurance that the processes for the governance of quality are embedded through the Trust. Performance and quality reports to Trust Board provide assurance against a range of key performance indicators relating to service quality and, where reports indicate underperformance, action plans are provided to and monitored by Trust Board.

The Trust recognises that it is vital to ensure that risk management is embedded throughout the Trust. There are a range of systems and procedures in place that support this embedding, including:-

• The Trust continues to encourage all staff, at all levels, to identify and report incidents, including 'near misses'. There is a comprehensive system in place to enable colleagues to report incidents, supported by dedicated resource that reviews all reports and identifies the appropriate level for response. Learning from incidents is a key part of the process, and each colleague who reports an incident is entitled to a response that identifies both the response of the Trust and how learning will be taken to prevent recurrence of that type of incident. During the course of the year, the Trust has identified the need to improve our current system and process and this will delivered through the Safe, High Quality Care workstream of our Improvement Programme in 2021/22.

3.1 Corporate Governance Report

- Similarly, there are systems in place to enable risk at all levels to be identified, from the 'ward' to the Board of Directors. Risks are regularly reviewed at the appropriate level: with the management-level Risk Management Group on a monthly basis. Each Board committee has responsibility for review and assessing available levels of assurance for risks within its area of responsibility, and the Board regularly reviews both the Board Assurance Framework and the high-rated risks on the Corporate Risk Register.
- Each death of a patient under the care of the Trust is subject to review, with the aim of identifying and sharing learning; this may be either good practice, or areas for development. There are established systems to ensure that this learning is shared and embedded across the care that the Trust provides.

The Trust has a clear policy process in place, to ensure that the care provided to patients is safe and to the highest standards. It is important, in this context, to keep in mind that the general approach is that policies should normally be followed; but that it is recognised that, in some circumstances, the professional judgement of clinical colleagues will justify a departure from policy in the individual case and for the best interests of the patient. Policies are subject to a formal process of development, approval and regular review, to ensure that they continue to reflect best practice. In respect of each patient, the policy is to provide a care plan that responds to the individual needs of the patient, with a view to ensuring that they are cared for in a way that minimises the period and impact of their condition. In appropriate cases, plans will be prepared on a multi-disciplinary basis, including colleagues from other agencies, in order to ensure that all relevant conditions are taken into account and that care is planned across agencies.

The Trust has developed its capability for Referral-to-treatment (RTT) time monitoring and reporting, using its data warehouse and bespoke reporting tool and based on national RTT guidance, to ensure that it is able to maintain compliance with the requirements. The data used to generate these reports is subject to rigorous, and routine, validation.

Compliance with NHS Provider License

In 2020/21, NHS Trusts have been required to make an annual statement of confirmation in relation to compliance with elements of the NHS Provider Licence as follows:

- G6 Meeting the requirements of the licence and the NHS Constitution, and, having implemented effective arrangements for the management of risk
- FT4 Relates to corporate governance arrangements covering systems and processes of corporate governance being in place and effective; effective Board and committee arrangements; compliance with healthcare standards; effective financial decision making; sufficient capability and capacity at Trust Board and all levels in the organisation; accountability and reporting lines.

Developing Workforce Safeguards and Workforce Planning

The NHS Long-Term Plan informs workforce strategy; recognising that all strategic and operational objectives depend on the collective skills, power and strength of our workforce. This principle underpins a workforce planning methodology, which places long-term sustainability, achieved through systemwide improvement approach, at the heart of all Trust objectives.

In line with recommendations, outlined within 'Developing Workforce Safeguards', the Trust will address workforce challenges, maximise opportunities and deploy safe staffing by;

- Setting medical and nursing establishments
- Proactively managing temporary staffing usage
- Taking a proactive approach to Brexit related risks
- Implement new roles and workforce opportunities

Regular reviews of both the medical and nursing establishment provide evidence-based intelligence to inform proactive decision making, both at board and service level. A clinically led Safeguarding Team ensures that suitably qualified and competent colleagues are providing safe, effective care to patients. Workforce Transformation forums, adhering to both current legislation and best practice, provide professional accountability in regard to new processes or working practice.

Equality, Diversity and Inclusion

The Trust is committed to promoting equality and human rights and valuing diversity in all areas of the Trust. It does this by ensuring that Equality Impact Assessments are integrated into core business ensuring due regard to the aims of the Equality Act 2010 at the point when decisions are made. The purpose of an Equality Impact Assessment is to improve the work of the Trust by making sure it does not discriminate and that, where possible, promotes equality. The Equality Impact Assessment focuses on systematically assessing and recording the likely equality impact of an activity or policy. There is a focus on assessing the impact on people with protected characteristics. This involves anticipating the consequences of activities on these groups and making sure that, as far as possible, any negative consequences are eliminated or minimised and opportunities for promoting equality are maximised. The Trust has made limited progress in year in aligning the Equality Impact Assessment processes into our business processes, for example of annual planning cycle. However, with the Equality, Diversity and Inclusion Strategy due approved by the Board in May 2021, and the Value our Colleagues workstream of the Improvement Programme these processes will be further embedded and improved.

The Board and Board committees are alerted to any equality, diversity and inclusion issues in matters before them, and improvements made to this process were agreed at the People and Organisational Development Committee which will alert the Board and committees more overtly to any equality, diversity or inclusion risk. This will embedded in the 2021/22 year through the Well-Led workstream of the Improvement Programme.

The implementation plan that accompanies the Equality, Diversity and Inclusion Strategy will address issues raised through the Workforce Race Equality Standards (WRES), Workforce Disability Equality Standards (WDES), and the staff survey. The delivery will be overseen by the Equality Diversity and Inclusion Group and the People and Organisational Development Committee.

The Trust is fully compliant with the registration requirements of the Care Quality Commission.

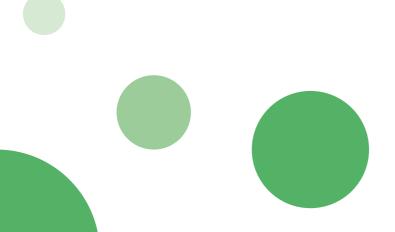
The Trust has published on its website an up-to-date register of interests, including gifts and hospitality, for decision-making staff within the past 12 months, as required by the 'Managing Conflicts of Interest in the NHS' guidance.

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's rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.

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

The Trust recognises that there are ongoing challenges to the Trust ensuring services achieve best outcomes against the premises of achieving financial balance; no impact on the quality of care; and maintaining the quality of patient, service user and staff experience.

The most significant risk to becoming an outstanding Trust is poor colleague experience of the Trust as a place to work and the fact that structural inequalities persist. Our WRES, WDES and NHS staff survey results evidence discrimination in recruitment and career progression opportunities and heightened experience of bullying. Our focus group work with colleagues evidence the Trust values are not a lived experience. Whilst the Improvement Programme seeks to address the evident inequalities and to change behaviours that are not in line with Trust values, the actions are not embedded yet and have not yet made an impact on the long-standing organisational culture challenges the Trust faces.



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

I and the Trust recognise that Parliament has set out a requirement for the Trust to ensure that the services that are provided have due regard to the economy, efficiency and effectiveness of the use of public resources. The Trust undertakes a number of activities to seek to ensure the Trust's activities deliver all three of these requirements, each of which Parliament has given an equal weighting.

Ultimate responsibility for ensuring that the Trust complies with this legal duty rests with the Board, through setting the strategic direction of the Trust, together with monitoring and oversight of performance. This work is supported by the Boards committees, which look more closely at both performance and strategic direction and provide advice and recommendations to the Board. In particular, the Finance, Performance and Investment Committee provides scrutiny and review in respect of Trust performance relating to a number of areas including efficient and effective use of resources. The committee has oversight of the Improvement Programme, which is the vehicle established to deliver the strategic objectives of the Trust. The Quality, Patient Experience and Safety Committee oversee the quality impacts, which impacts on the efficiency and effectiveness of delivery of services: both preventive of illness and treating illness when it arises.

The Trust's Executive leadership is also aware of the need to ensure the provision of services meet these requirements. When considering service developments, consideration is given as to how the proposals will impact on these requirements, both when proposals are being developed and considered through governance for approval. In line with regulatory requirements, efficiency is recognised through the need for quality impact assessments for all significant projects. When reviewing implementation, consideration is given to how well the project or development has advanced these requirements, and where further improvements might give better achievement of them. The Quality, Patient Experience and Safety Committee reviewed the quality impact assessment in February 2021 and has oversight.

The effective and efficient use of resources is managed by the following key policies:

Standing Orders

The Standing Orders are contained within the Trust's legal and regulatory framework and set out the regulatory processes and proceedings for the Trust Board and its committees and working groups including the Audit Committee, thus ensuring the efficient use of resources.

From May 2020 to 31st March 2021 the Trust was operating under a COVID-19 Governance Continuity Plan. That plan amended the Standing Orders with respect to Board and Board committee meeting, quorum and voting requirements in line with national guidance from NHS England and Improvement.

Standing Financial Instructions

The Standing Financial Instructions detail the financial responsibilities, policies and principles adopted by the Trust in relation to financial governance. They are designed to ensure that its financial transactions are carried out in accordance with the law and government policy in order to achieve probity, accuracy, economy, efficiency and effectiveness.

They do this by laying out very clearly who has responsibility for all the key aspects of policy and decision making in relation to the key financial matters. This ensures that there are clear divisions of duties, very transparent policies in relation to competitive procurement processes, effective and equitable recruitment and payroll systems and processes. The budget planning and allocation process is clear and robust and ensures costs are maintained within budget or highlighted for action.

The Standing Financial Instructions are to be used in conjunction with the Trust's Standing Orders and the Scheme of Reservation and Delegation and the individual detailed procedures set by directorates.

From May 2020 to 31 March 2021 the Trust was operating under a COVID-19 Governance Continuity Plan. That plan amended the Standing Financial Instructions with respect financial delegations in line with national guidance from NHS England and Improvement, and to allow the Trust to adopt a command and control response.

Scheme of Reservation and Delegation

This sets out those matters that are reserved to the Trust Board and the areas of delegated responsibility to Board committees and individuals. The document sets out who is responsible and the nature and purpose of that responsibility. It assists in the achievement of the efficient and effective resources by ensuring that decisions are taken at an appropriate level within the organisation by those with the experience and oversight relevant to the decision being made. It ensures that the focus and rigor of the decision-making processes are aligned with the strategic priorities of the Trust and it ensures that the Trust puts in place best practice in relation to its decision making.

3.1.5.5

Anti-Fraud, Bribery and Corruption Policy

The Bribery Act 2010 makes it a criminal offence for commercial organisations to fail to prevent bribes being paid on their behalf. Failure to take appropriate measures to avoid (or at least minimise) the risk of bribery taking place could lead to the imposition of fines, or imprisonment of the individuals involved and those who failed to act to prevent it. This will help ensure that the taking or receiving of bribes is less likely and improve the integrity and transparency of the Trust's transactions and decisions.

On behalf of the board, the Audit Committee ensures appropriate and sound governance arrangements are in place to deliver the efficient and effective use of resources and the Trust's internal control systems are robust and can be evidenced.

The Audit Committee agrees an annual work programme for the Trust's Internal Auditors and the Local Counter Fraud Service, and reviews progress on implementation of recommendations following audit and other assurance reports and reviews.

3.1.5.6 Information governance

Management of risk to the security of the data held by the Trust, both on patients and staff colleagues, is a key activity. Data risks are included within the overall risk management process, and regularly reviewed. A comprehensive suite of policies and procedures are in place to ensure that data is handled appropriately and with care, and these are supported by a comprehensive programme of training for staff. The Trust participates in the annual assessment of our compliance through the national Data Security and Protection Toolkit (which has replaced the Information Governance Toolkit), and our compliance has been reviewed by the Internal Audit service, which reported Significant Assurance in April 2020.

Where a data security incident is identified, it will be treated as a serious incident and investigated accordingly. All incidents meeting the requirements of the Information Commissioner are reported to its office as a matter of course, and that office may also choose to investigate independently. Two incidents were referred to the Information Commissioner's Office during 2020/21, both of which were classified as 'not requiring external reporting' and therefore not accepted by the Commissioner's Office as notifiable.

Cyber and Data Security

Cyber and data security continues to be an important focus for the Trust, particularly in light of the events on 12 May 2017 when the NHS was subject to a well-publicised worldwide cyber-attack. As a result of the co-ordinated emergency response to the threat by the Information Communications Technology (ICT) Department, the Trust defended itself against this particular attack and suffered no operational impact to the Trust.

3.1 Corporate Governance Report

The Trust's Information Governance Steering Group receives regular reports on plans and actions to maintain and improve cyber-security defences across the Trust. Some of the proactive work undertaken has included a cyber-security awareness campaign.

Each year the Trust undertakes a cyber-penetration as part of its internal audit plan. This involves being subjected to a simulated cyber-attack probing both our external and internal networks. The results provide areas for improving including specific recommendations which are implemented to strengthen our cyber security.

Ensuring Data Quality

The Trust recognises the importance of having effective data collection and analysis, in order to understand the operation of the services and enable the Board to effectively judge what actions are needed to improve performance. The Trust has in place a number of systems for the collection of data regarding the operation of services, and these are automated where possible in order to reduce the possibility of human error. The Executive Team receives monthly a full suite of performance data from across the Trust, which is reviewed to identify any areas which are starting to be a concern and take immediate action to address them. This suite of performance data is used as part of the Trusts' Performance Review Process with Divisional and Corporate teams. The Board and its committees review a more selective set of data, which enables them to focus on the key areas of strategic performance, together with exception reporting to identify the underlying cause of underperformance and the steps being taken to bring performance back to the required standard.

3.1.5.7 Review of effectiveness

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the information provided in this annual report and other 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 Trust Board, the Audit Committee, Quality, Patient Experience & Safety Committee, Finance, Performance and Investment Committee, People and Organisational Development Committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

- In describing the process that had been applied in maintaining and reviewing the effectiveness of the system of internal control, I have set out below some examples of the work undertaken and the roles of the Trust Board and committees in this process:
- the Board has met in public session on ten occasions and each meeting has been both well attended and guorate. During the early days of the COVID-19 pandemic, it was not possible to hold meetings in person, therefore meetings were held virtually via Microsoft Teams. Public access to the Microsoft Teams meetings started with the May 2020 meeting, however Board materials were available on the website and the public were able to send questions to the Trust Secretary.
- the committees of the Board operate to formal terms of reference that the Board has approved, and carry out a range of Board work at a level of detail and scrutiny that is not possible within the confines of a Board meeting. The committees each reviewed their effectiveness in 2020/21 and provided an annual report and amended terms of reference to the Board for approval. Their cycles of business were updated to reflect the revised terms of reference.
- each of the committees provides assurance to the Board in relation to the activities defined within its terms of reference; this is reported to the next meeting of the Board in the form of a highlight report to ensure that necessary issues are highlighted in a timely way. The minutes of the meetings of each of the committees once approved are made available to the Board.

3.1.5.7

Review of effectiveness

- The work that has been undertaken by the committees includes:
 - scrutiny and approval of the annual financial statements, annual report and quality account;
 - receiving all reports prepared by the Trust's Internal and External Auditors and tracking of the agreed management actions arising;
 - monitoring the Clinical Audit Programme, serious incidents and never events and ensuring that risk is effectively and efficiently managed and that lessons are learned and shared.
 - monitoring of compliance with external regulatory standards including the Care Quality Commission and the Data Security and Protection Toolkit:
 - monitoring of the Improvement Programme and the delivery of strategic objectives;
 - ensuring the adequacy of the Trust's Strategic Financial Planning;
- Taking account of national and local context, the strategic direction for the Trust has been reviewed by the Trust Board. Areas key to the delivery of the Trust's business strategy are managed and monitored by the Trust Board and the committees of the Board.
- The Trust Board recognises the importance of ensuring that it is fit for purpose to lead the Trust and a programme of Board Development activity has taken place during the year through a programme of Board Development. Non-Executive Directors have also taken 'virtual Board walks', visiting wards and services to obtain firsthand accounts of the issues that colleagues are dealing with during COVID-19.

- The Audit Committee has primary responsibility for oversight of the controls systems for the Trust, including financial and governance, and for advising the Board as to the available levels of assurance. It is supported in this work by the internal and external audit providers, the Local Counter Fraud Service, and work undertaken by other committees. Key functions that it undertakes which enable it to judge the amount of available assurance include:-
 - The regular reports of the Internal Audit service, which provide specific advice on the level of assurance available in relation to the area reviewed. These also enable the Audit Committee to review management's response and proposed actions to the review's findings, and to form a view about the level of assurance those responses provide;
 - Advice from both the internal and external audit providers on the environment in which the Trust is operating;
 - The work of the Local Counter Fraud Service which provides evidence for the committee to judge the available assurance for systems to detect and prevent fraud and misappropriation on the public funds made available to the Trust:
 - Regular review of the main documentation related to the Trust's control systems - this will usually cover the Standing Financial Instructions, the Schedule of Delegations, and the Schedule of Matters Reserved to the Board of Directors.
- The Trust Board is required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended in 2011 and 2012) to prepare a Quality Account for each financial year.

- The Quality, Patient Experience, and Safety Committee also has oversight on behalf of the Board of clinical audit activities, which form an important part of the Trust's work. A plan for clinical audits is agreed at the start of every year, and progress is monitored through the course of the year to ensure that the work plan is being appropriately prosecuted. The majority of the programme reflects national audit programmes and similar, which the Trust is expected to participate in, and details of which are provided in the Quality Report. The Trust does seek to ensure that it obtains learning and implements change as a result of the work of clinical audit, and the Quality, Patient Experience, and Safety Committee is responsible for assessing the assurance available and reporting to the Board.
- Performance, Finance, and Investment Committee
 has provided a forum for the Trust Board to seek
 additional assurance in relation to all aspects of
 financial and general performance, including
 performance against nationally set and locally
 agreed targets, and monitoring of COVID-19
 Expenditure.
- The People and Organisational Development Committee is the forum which seeks assurance in relation to organisational development and workforce strategy, and the support of staff in the provision and delivery of safe, high quality care.
- The internal audit plan, which is risk based, is approved by the Audit Committee at the beginning of each year. Progress reports are then presented to the Audit Committee at each meeting with the facility to highlight any major issues. The Chair of the Audit Committee can, in turn, quickly escalate any areas of concern to the Trust Board via a Highlight Report and produces an annual report on the work of the committee and a self-evaluation of its effectiveness. The plan also has the flexibility to change during the year.
- The Head of Internal Audit's overall opinion for the period 1 April 2020 to 31 March 2021 is "Our overall opinion for the period 1 April 2020 to 31 March 2021, based on the scope of reviews completed, including our testing on a sample basis only, Partial assurance with improvement required can be concluded over the adequacy and effectiveness of the Trust's systems of governance, risk and control. Whilst further progress had been made to strengthen risk management arrangements, which underpin the Board Assurance Framework, these are yet to be fully embedded consistently across the Trust. The risk management improvements, until embedded, could impact on the ability of the Trust to achieve its strategic objectives as set out. This position is acknowledged in the Trust's Annual Governance Statement (unaudited annual report and accounts 2020/21). Our internal audit recommendations should continue to be implemented in full to address the gaps we have identified in either design and / or operation of internal controls, including governance and risk. In particular our recommendations reported in the individual reports on Electronic Discharge Summary Data Quality, Walsall Together, Compliance with Attendance at Work Policy, Temporary Medical Staffing and the Trust's overall Improvement Programme.
- On 9 March 2021, the CQC inspected the core services of Medicine. The Trust was issued a Section 29a warning notice on the 31 March 2021 and the final CQC report was published on 19 May 2021.

3.1.5.7

Review of effectiveness

Annual Report 2020/21

3.1 Corporate Governance Report

Annual Report 2020/21

3.2 Remuneration Report

3.1.5.8 Modern Slavery Act 2015 - Transparency in Supply Chains

The Modern Slavery Act 2015 established a duty for commercial organisations to prepare an annual slavery and human trafficking statement of the steps it has taken during the financial year to ensure that slavery and human trafficking is not taking place in any of its supply chains or in any part of its own business.

The Department of Health and Social Care and the Home Office have established that NHS bodies are not considered to be carrying on a business where they are engaged in publicly funded activities and that it was not intended that such activities should be within the scope of the Act. Income earned by NHS providers like the Trust from government sources, including Clinical Commissioning Groups and local authorities, is considered to be publicly funded for this purpose so the Trust does not meet the threshold for having to provide a statement. Nevertheless the Trust undertakes its procurement from suppliers in line with NHS standards and includes standard NHS terms. In relation to its own activities, the Trust has employment, identity and employee welfare arrangements in place to combat any exploitation of people.

In accordance with the Modern Slavery Act 2015, the Trust ensures that Modern Slavery i.e. slavery and human trafficking, is not taking place in any part of its own business or any of its supply chains. This is achieved through ensuring that services are procured through approved providers only or tendered through robust procurement processes.

3.1.5.9 Conclusion

The Trust has made improvements to internal control systems during the financial year 2020/21, however we acknowledge that there are still weaknesses that require improvement. A number of control Issues classified as limited assurance by our core internal audit processes were noted during the year, the Trust Board Assurance Framework and Risk Management internal audits both received partial assurance with improvement required.

Ten internal audit reports were issued in 2020/21 of which three reports were issued with significant assurance with some improvement required, and seven reports were issued with partial assurance with improvement required.

In addition to the areas identified through Internal Audit, the Trust has also highlighted through the Annual Governance Statement that our overall staff survey results and our Workforce Race Equality Standards remain a concern and risk for the Trust. The Trust has agreed improvement plans to address both of these risks that will be overseen by the People and Organisational Development Committee.

Modern Slavery Act 2015 - Transparency in Supply Chains

In All

Prof David Loughton CBE, Interim Chief Executive Officer

Date: 23rd June 2021

3.2 Remuneration Report

3.2.1 Remuneration Policy for Directors

The Trust has a Nominations and Remuneration Committee whose role is to advise the Board on appropriate remuneration and terms of service for the Chief Executive and other Executive Directors. Membership of the committee comprises of the Chair and the Non-Executive Directors.

Remuneration for the Trust's Executive Directors is set by reference to job scope, personal responsibility and performance. This also takes into account the comparison with remuneration levels for similar posts, both within the NHS and the local economy. Whilst performance is taken into account in setting and reviewing remuneration, there are currently no arrangements in place for performance related pay.

It is not the Trust's policy to employ Executive Directors on "rolling" or "fixed term" contracts. All Directors' contracts conform to NHS standard for Directors, with arrangements for termination in normal circumstances by either party with written notice of six months.

Remuneration for the Trust's Executive and Non-Executive Directors during the financial year ended 31 March 2021 is set out in section 3.2.2.

3.2.2 Remuneration Report Tables

Name and Title	2020/2021								
	Salary	Other Remuneration	Long-term Performance Pay & Bonuses	Expense Payments	All Pension Related Benefits	TOTAL			
	(bands of £5000) £000	(bands of £5000) £000	(bands of £5000) £000	(taxable) to the nearest £100	(bands of £2500) £000	(bands of £5000) £000			
Prof S.FIELD, Chair (from 1 March 2021)	0-5					0-5			
Ms D.OUM, Chair (from 8 April 2016 to 28 February 2021)	30-35				0	30-35			
Mr D FRADGLEY, Executive Director of Integration, Acting Chief Executive (from 1 February 2021)	135-140				132.5-135	270-275			
Mr R.BEEKEN, Chief Executive (from 26 February 2018, Secondment to Sandwell West Birmingham Hospitals NHS Trust from 1 February 2021)	135-140				0	135-140			
Mr R.CALDICOTT, Director of Finance (from 1 July 2015)	130-135				30-32.5	160-165			
Mr E.HOBBS, Chief Operating Officer (from 17 June 2019)	110-115				32.5-35	145-150			
Mr M.LEWIS, Medical Director (from 22 October 2018)	125-130	25-30	30-35		40-42.5	225-230			
Mrs A.RILEY, Director of Nursing, (Secondment from Nottinghamshire Healthcare Foundation NHS Trust in March 2020, substantive from 1 December 2020)	110-115				80-82.5	190-195			
DR K.DUNDERDALE, Director of Nursing (Seconded on 24 February 2020, left 1 October 2020)						0			
Ms C.GRIFFITHS, Director of Culture & People (from 10 September 2018)	110-115				25-27.5	135-140			
Mrs J.DAVIES, Director of Governance (from 4 June 2018)	90-95					90-95			
Mrs G AUGUSTINE, Director of Planning and Improvement (from 3 August 2020)	70-75				35-37.5	105-110			
Mr J.DUNN, Non-Executive Director (from 1 February 2015)	10-15					10-15			
MRS J.BAINES, Non-Executive Director (from 1 July 2018)	10-15					10-15			
MS P.BRADBURY, Non-Executive Director (from 1 December 2018)	10-15					10-15			
Mr P.ASSINDER, Non-Executive Director (from 1 October 2019)	10-15					10-15			
Mr R.VIRDEE, Non-Executive Director (from 1 October 2019)	10-15					10-15			
Mr B.DIAMOND, Non-Executive Director (from 1 October 2019)	10-15					10-15			
Mr P.GAYLE, Associate Non-Executive Director (from 1 August 2016 to 31 January 2021)	5-10					5-10			
Mr S.HEER, Non-Executive Director (from 15 September 2016 to 14 December 2020)	5-10					5-10			



Annual Report 2020/21

3.2 Remuneration Report

Annual Report 2020/21

3.2 Remuneration Report

3.2.2 Remuneration Report Tables

Name and Title	2019/20								
	Salary	Other Remuneration	Long-term Performance Pay & Bonuses	Expense Payments	All Pension Related Benefits	TOTAL			
	(bands of £5000) £000	(bands of £5000) £000	(bands of £5000) £000	(taxable) to the nearest £100	(bands of £2500) £000	(bands of £5000) £000			
Prof S.FIELD, Chair (from 1 March 2021)	0					0			
Ms D.OUM, Chair (from 8 April 2016 to 28 February 2021)	30-35					30-35			
Mr D FRADGLEY, Executive Director of Integration, Acting Chief Executive (from 1 February 2021)	110-115				25-27.5	140-145			
Mr R.BEEKEN, Chief Executive (from 26 February 2018, Secondment to Sandwell West Birmingham Hospitals NHS Trust from 1 February 2021)	165-170				27.5-30	195-200			
Mr R.CALDICOTT, Director of Finance (from 1 July 2015)	125-130				27.5-30	155-160			
Mr E.HOBBS, Chief Operating Officer (from 17 June 2019)	85-90				47.5-50	135-140			
Mr M.LEWIS, Medical Director (from 22 October 2018)	60-65	85-90	30-35		85-87.5	265-270			
Mrs A.RILEY, Director of Nursing, (Secondment from Nottinghamshire Healthcare Foundation NHS Trust in March 2020, substantive from 1 December 2020)	0					0			
DR K.DUNDERDALE, Director of Nursing (Seconded on 24 February 2020, left 1 October 2020)	135-140					135-140			
Ms C.GRIFFITHS, Director of Culture & People (from 10 September 2018)	110-115					110-115			
Mrs J.DAVIES, Director of Governance (from 4 June 2018)	95-100					95-100			
Mrs G AUGUSTINE, Director of Planning and Improvement (from 3 August 2020)	0					0			
Mr J.DUNN, Non-Executive Director (from 1 February 2015)	5-10					5-10			
MRS J.BAINES, Non-Executive Director (from 1 July 2018)	5-10					5-10			
MS P.BRADBURY, Non-Executive Director (from 1 December 2018)	5-10					5-10			
Mr P.ASSINDER, Non-Executive Director (from 1 October 2019)	0-5					0-5			
Mr R.VIRDEE, Non-Executive Director (from 1 October 2019)	0-5					0-5			
Mr B.DIAMOND, Non-Executive Director (from 1 October 2019)	0-5					0-5			
Mr P.GAYLE, Associate Non-Executive Director (from 1 August 2016 to 31 January 2021)	5-10					5-10			
Mr S.HEER, Non-Executive Director (from 15 September 2016 to 14 December 2020)	5-10					5-10			

Salary and Pension Entitlements of Senior Managers

	Real increase in pension at pension age	Real increase in pension lump sum at pension age	Total accrued pension as pension age at 31 March 2021	Lump sum at pension age related to accrued pension at 31 March 2021	Cash Equivalent Transfer Value at 31 March 2021	Cash Equivalent Transfer Value at 31 March 2020	Real Increase in Cash Equivalent Transfer Value - Employer Funded contribution	Real Increase in Cash Equivalent Transfer Value	All Pension Related Benefits	All Pension Related Benefits
Name and Title	in Bands of (£2,500)	in Bands of (£2,500)	in Bands of (£5,000)	in Bands of (£5,000)	£000	£000	£000	£000	£000	in Bands of (£2,500)
Mr D FRADGLEY, Acting Chief Executive (1 February 2021)	7	13	45	95	727	593	87	124	134	132.5-135
Mr R.BEEKEN, Chief Executive (from 26 February 2018) Secondment from 1 February 2021	0	(0)	58	127	1,022	984	13	18	(25)	0
Mrs G AUGUSTINE, Director of Planning and Improvement (from 3 August 2020)	2	6	42	127	972	867	41	59	37	35-37.5
Mr E.HOBBS, Chief Operating Officer (from 17 June 2019)	3	0	23	0	205	176	18	25	35	32.5-35

Salary and Pension Entitlements of Senior Managers

	Real increase in pension at pension age	Real increase in pension lump sum at pension age	Total accrued pension as pension age at 31 March 2021	Lump sum at pension age related to accrued pension at 31 March 2021	Cash Equivalent Transfer Value at 31 March 2021	Cash Equivalent Transfer Value at 31 March 2020	Real Increase in Cash Equivalent Transfer Value - Employer Funded contribution	Real Increase in Cash Equivalent Transfer Value	All Pension Related Benefits	All Pension Related Benefits
Name and Title	in Bands of (£2,500)	in Bands of (£2,500)	in Bands of (£5,000)	in Bands of (£5,000)	£000	£000	£000	£000	£000	in Bands of (£2,500)
Ms C.GRIFFITHS, Director of Culture & People (from 10 September 2018)	2	0	2	0	28	0	20	28	25	25-27.5
Mr R.CALDICOTT, Director of Finance (from 1 July 2015)	2	(0)	39	75	648	595	30	42	30	30-32.5
Mr M.LEWIS, Medical Director (from 22 October 2018)	3	0	63	139	1,275	1,182	51	73	42	40-42.5
Mrs A.RILEY, Director of Nursing, (from 1 December 2020)	4	6	30	58	560	471	57	81	82	80-82.5

3.2.3 Compensation on Early Retirement or for Loss of Office/Payments to Past Directors

There were no compensation payments during the financial year ending on 31st March 2021 for early retirements or loss of office or payments made to past Directors.

3.2.4 Fair Pay Disclosure

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.

In 2020/21, zero employees received remuneration in excess of the highest paid Director (there were zero in 2019/20 and in 2018/19).

Remuneration ranged from £18,185 to £165,906 (the range was £18,005 to £165,479 in 2019/20, and £17,652 to £162,075 in 2018/19).

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

The Nominations and Remuneration Committee agrees remuneration packages for Executive Directors. The notice period and termination payments are defined within the NHS Agenda for Change payment model as for all employees. No performance bonus payments were made to Directors during the financial year.

The information contained within summary financial statements has been subject to external audit scrutiny. In addition, the Directors' remuneration tables have been audited for compliance with Statutory Instrument 2008 No 410.

3.2.5 Pay Multiples

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 Walsall Healthcare NHS Trust in the financial year 2020/21 was £165,906 (in 2019-20 it was £165,479). This was 5.48 times (in 2019-20 it was 6.04 times) the median remuneration of the workforce, which was £30,287 (and £27,416 in 2019/20).

In 2020/21 no employees received remuneration in excess of the highest paid Director.

The pay multiple has reduced to 5.48 from 6.04 times the median salary. This is largely due to the increased reliance upon temporary staffing as a result of the pandemic moving the median remuneration to a higher point compared to increase of pay for the highest paid Director.

3.3 Staff Report

3.3.1 Staff Numbers and Costs

As of 31st March 2021, Walsall Healthcare NHS Trust employed 4369 substantive staff. Of these, 3957 colleagues were permanently employed on recurrent, open-ended contracts of employment. A further 412 colleagues were employed on fixed-term contracts of employment.

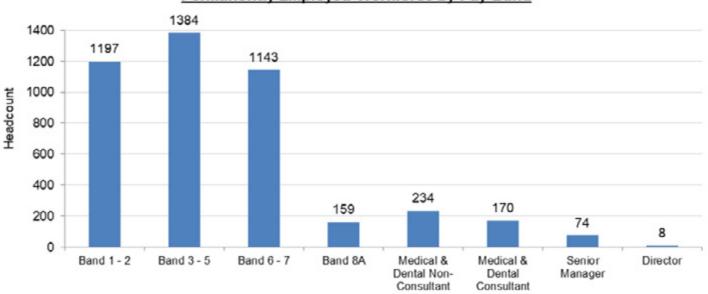
3.3.2 Staff Composition

During 2020/21, the average full-time equivalent (FTE) workforce totalled 4189. The following table provides a snapshot of the average workforce composition during this period:

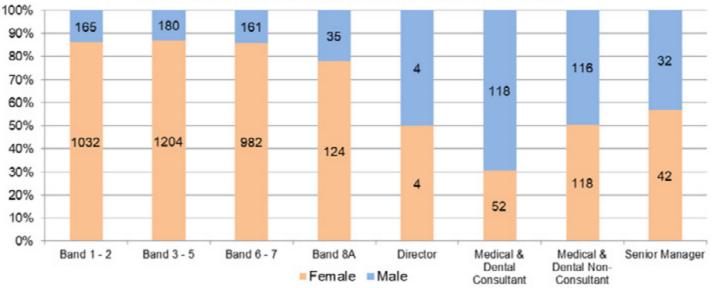
20/21 Average FTE (Full-Time Equivalent Workforce)	Permanently Employed ²	Other ³	Total Workforce
Registered Nursing & Midwifery	1,187	227	1,414
Registered Allied Health Professionals	231	1	232
Registered Healthcare Scientists	10	0	10
Registered Scientific, Therapeutic and Technical	83	0	83
Clinical Support	666	143	809
Infrastructure Support ⁴	1,099	57	1,156
Medical and Dental	371	116	487

² Inclusive of colleagues employed on a permanent/fixed-term substantive contract.

Permanently Employed Workforce by Pay Band







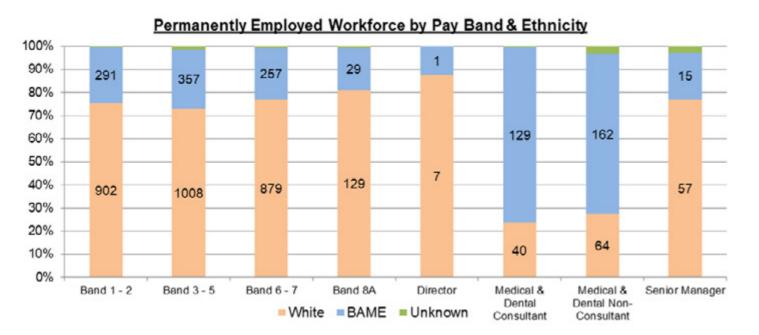
Our workforce is predominately female (81%), and this is the predominant gender in all of the staff groups except for medical staff and senior managers where the position is the reverse.

In line with national arrangements agreed by The Equality and Human Rights Commission (EHRC) in response to the pandemic, the Trusts Gender Pay Gap analysis and report for 20/21 will be completed and published by the end of Q2, October 2021.

Throughout 20/21 the Trust has continued to address gender inequality by improving recruitment and selection processes with a particular focus on providing recruiting managers with training around good recruitment practices and interview techniques and skills. This last year has amplified the value of enhanced flexible working opportunities to recruit and retain staff and this will be a key area of focus from now on.

³ Representative of bank and agency colleagues employed by the Trust

⁴ Inclusive of Administrative, Clerical and Estates colleagues.



99% of the substantive colleagues have shared their ethnicity, with 28.4% of colleagues recorded as having a Back, Asian or Minority Ethnic (BAME) background, which is representative of the local population (21%) and national NHS Workforce. (NHS BAME Workforce population 13%).

BAME (Black, Asian and Minority Ethnic) colleagues account for 75% of the medical consultant workforce, whilst 20% of the Band 8A – Band 8D workforce have identified themselves as being from a BAME background. The Trust has a proud and diverse workforce, reflective of the communities being served.

The Trust recognises the importance of addressing challenges facing by individual ethnicities, and as such, seeks to provide a platform for those from a minority background, to ensure any ethnicity-specific health and employment inequalities are acknowledged and then addressed.

Substantive Workforce by Ethnic Background	Headcount	%
Asian or Asian British - Bangladeshi	37	0.85%
Asian or Asian British - Chinese	16	0.37%
Asian or Asian British - Indian	450	10.30%
Asian or Asian British - Pakistani	191	4.37%
Asian or Asian British - Any other Asian background	87	1.99%
Black or Black British - African	91	2.08%
Black or Black British - Caribbean	138	3.16%
Black or Black British - Any other Black background	23	0.53%
Dual Heritage - White & Asian	56	1.28%
Dual Heritage - White & Black African	11	0.25%
Dual Heritage - White & Black Caribbean	58	1.33%
Dual Heritage - Any other mixed background	18	0.41%
White - British	2993	68.51%
White - Irish	19	0.43%
White - Any other background	74	1.69%
Any Other Ethnic Group	65	1.49%
Unknown	42	0.96%

3.3.3 Sickness Absence Data

The NHS Digital publication of NHS sickness absence rates can be found by following this link: https://digital.nhs.uk/data-and-information/publications/statistical/nhs-sickness-absence-rates

3.3.4 Staff Turnover Percentage

Turnover % (Normalised)	2020/21	Target						202	1/22						2020/21 Average
- Rolling 12 Months	Mar-20		Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	3
Overall Turnover	11.64%	10%	12.43%	9.79%	8.39%	7.15%	7.90%	9.21%	8.25%	7.98%	8.14%	7.40%	7.15%	9.30%	8.59%
Add Prof Scientific and Technic	20.04%	10%	16.89%	21.05%	22.13%	22.44%	21.63%	20.00%	13.99%	14.55%	11.54%	7.32%	6.57%	8.16%	15.52%
Additional Clinical Services	11.04%	10%	12.55%	10.77%	11.69%	8.11%	7.66%	12.09%	7.97%	6.34%	6.95%	5.63%	6.17%	9.52%	8.79%
Administrative and Clerical	10.97%	10%	14.11%	8.22%	4.16%	4.02%	6.86%	8.60%	8.07%	8.49%	4.85%	7.69%	5.52%	8.74%	7.44%
Allied Health Professionals	14.78%	10%	14.62%	13.04%	12.30%	9.69%	8.80%	7.53%	9.00%	9.54%	9.35%	10.67%	14.27%	16.29%	11.26%
Estates and Ancillary	7.17%	10%	7.92%	6.86%	6.17%	5.88%	4.19%	3.48%	3.71%	4.53%	6.31%	6.05%	7.20%	9.09%	5.95%
Healthcare Scientists	10.35%	10%	11.73%	13.02%	7.01%	7.25%	7.42%	7.24%	2.94%	3.67%	5.60%	4.47%	3.95%	6.56%	6.74%
Medical and Dental	8.05%	10%	6.44%	6.79%	8.49%	7.97%	7.09%	6.84%	5.90%	5.45%	5.96%	5.25%	6.22%	8.79%	6.77%
Nursing and Midwifery Registered	12.48%	10%	12.28%	9.51%	7.90%	6.79%	8.06%	9.04%	9.42%	8.87%	11.36%	8.33%	7.84%	8.65%	9.00%

Turnover rates are calculated by measuring the full-time equivalent (FTE) of colleagues leaving the Trust against the average staff in post FTE during an applicable 12 month period. Turnover figures are 'normalised' through the exclusion of Rotational Doctors, Students, TUPE Transfers and End of Fixed Term Temp contracts. The rolling 12-month nature of this key performance indicator can lead to significant swings in the turnover rate, when historical leaver intelligence is no longer relevant to the reporting cycle. This is evident when comparing the overall turnover rates of Apr-20 vs May 20. This reduction in turnover, and the subsequent stability of performance thereafter, is assurance that the organisation has secured sustainable turnover rates below the 10% target threshold.

3.3.3

Sickness Absence Data

3.3.5 Staff Engagement Percentage Scores

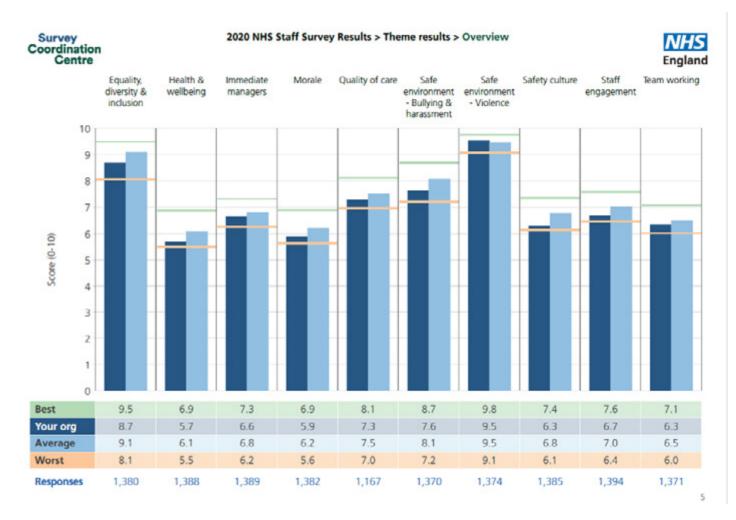
There remains significant improvement required to bring staff experience and engagement metrics in line with the national average benchmark scores across the Trust. The Trust's performance on the National Staff Survey is lower quartile nationally. There are areas of the Trust demonstrating good practice that matches and exceeds national performance; however there are also areas for significant improvement. The chart below shows how the Trust compares with the ten overall theme scores within the National Staff Survey 2020 at Trust level and illustrates the level of improvement required (theme results table below). The chart below shows how different divisional areas within the Trust perform against the overall theme scores within the National Staff Story 2020 (Trust Wide Divisional Overview Table below). The Improvement Programme work-stream Value our Colleagues provides the detailed plan for improving staff experience metrics and outcomes and ensuring these are consistent across the Trust such that the organisational culture is a healthy culture and one where staff will recommend the Trust as a place to work and as a place to be treated, staff experience and engagement has a direct impact on the patient experience and outcomes.

The areas of concern relating to bullying and harassment and to discrimination are of particular Board focus. The board pledge provides a board commitment to improving the culture across the Trust and not tolerating behaviours that are not in-line with Trust values and eliminating bullying and discrimination. The EDI Strategy and Value our Colleagues work-stream of the Improvement Programme are designed to address this and assurance is provided on progress against staff experience and engagement metrics to the People and Organisation Development Committee and the Trust Board.

"Demonstrate through our actions that we listen and support people. We will ensure the organisation treats people equally, fairly and inclusively, with zero tolerance of bullying. We uphold and role model the Trust values chosen by you".



Theme Results Table:



Although our 2020 NHS Staff Survey results showed an overall improvement across six of the ten themes compared to the results of the 2019 survey, the tables above demonstrate there is significant improvement to make to achieve average performance and in addition the response rate a proxy in itself of staff engagement needs to improve. In response to the outcomes of the 2019 survey and to support colleague's responding to the COVID-19 pandemic, throughout 2020 the Trust applied a particular focus to the health and wellbeing of colleagues and made a strategic commitment to addressing workforce inequality by ensuring inclusion and the voice of our colleagues were consulted and involved in critical decision making.

This year's survey provided encouragement that colleagues had recognised the improvement health and wellbeing support available to them in that:

- Our health and wellbeing index score increased from 5.5 in 2019 to 5.7 in 2020.
- More staff told us that their line manager took a positive interest in their health and wellbeing. An increase from 68.2% in 2019 to 69.2% in 2020.

Trust Wide Divisional Overview Table:

	Benchmark Average	Trust	Community	MLTC	Surgery	wccss	EAF	CSO & Sovemana	Transformation & Strategy	Finance	Informatica	Nursing Directorate	Operations	PAC
Response Rate (%)	45	22	42	20	25	24	26	74	0/0	51	27	51	26	57
CD1	9.1	8.7	9.2	4.0	0.0	0.7	0.0	9.3	7.5	9.3	0.0	9	6.5	0.0
HWG	6.1	5.7	5.9	55	5.3	5.6	6.1	5.9	6.6	7	49	5.0	2.4	6.6
Immediate Managers	6.0	3.0	72	6.7	6.2	6.0	5.5	7.1	5.8	7.1	54	7.1	5.2	75
Morale	6.2	5.9	6.1	47	5.7	6	59 +	5.0	47 🛊	5.0	48	5.0	5.2	4
Quality of Care	7.5	75	74 🏋	7.5	7.2	7.5	7.8	na #	nda	73 🛊	4.5	60 ¥	nis	75 #
Safe Environment Bullying Harassment	8.1	7.6	10 t	6.4	7	7.7	6.7	8.1	7.7	9.1	7.6	6.1	36	w ×
Safe Environment Violence	9.5	9.5	9.7 X	46	9.5	9.7	95\$	10 🏋	9.6	90 X	9.9	9.0	8.1	22 \$
Safety Culture	6.0	63 \$	u X	6.4	a 🕏	as #	di X	ce 🛊	5a X	57 🎗	as 🛊	62 🕏	5.4	65 \$
Staff Engagement	7.	6.7	7.4	6.7	6.4	6.7	6.5	72 🛊	6.6	6.0	56	6.7	6.2	72
Team Working	6.5	6.3	· 60 🛊	6.2	5.0	- cc 🛊	5.5	66 🛊	5.4	72 🛊	5.2	7.1 🛊	24	7 🛊
	0.1 below rust score		Equal to rust score		to 0.2 Trust so		0.3 & a Trust s		Best Soor for Trust	•	*		to or abor	

From an equality, diversity and inclusion perspective, the survey results clarified that there is still much work to do as the index outcome fell from 8.8 in 2019 to 8.7 in 2020. Throughout 2020 the Trust undertook a comprehensive consultation and engagement exercise with colleagues and service users to understand what was most important to them in terms of equality, diversity and inclusion. This feedback was core the development of the Equality, Diversity and Inclusion Strategy which is underpinned by a detailed delivery plan which will be overseen by the People and Organisational Development Committee in 2021-2022. The committee will also focus on the Trust's operational and strategic interventions which aim to improve staff experience and eliminate differential colleague experience based on ethnicity, age, disability, sexuality, gender, religion and other protected characteristics which are highlighted as areas requiring improvement from the 2020 National Staff Survey.

Our Employee Engagement Index score increased from 6.6 in 2019 to 6.7 in 2020, with staff telling us this year that they felt more able to make suggestions and improvements in the work of their team/department compared to previous years. The number of colleagues advocating for the Trust as a place to work and a place to be treated increased to the highest rate in five years. This complements an increased index score of 7.3 for quality of care compared to 7.2 in 2019 and is encouraging considering a significant proportion of our workforce live within the community that the Trust serves. There remains significant improvement required to bring staff experience metrics in line with the national average benchmark scores across the Trust. The chart below shows how the Trust compares with the ten overall theme scores within the National Staff Survey 2020 and illustrates the level of improvement required. The Improvement Programme work-stream Value our Colleagues provides the detailed plan for improving staff experience metrics and outcomes.

3.3.6 Staff Policies applied during the Financial Year

All reviewed and updated workforce policies align with our Trust values and one of the three subsets of the Value our Colleagues Improvement Programme:

- Leadership, Culture and Organisational Development;
- Organisational Effectiveness; and
- Making Walsall and the Black Country the best place to work

This helps to ensure that our processes are people centric, reflecting the People Promise made within the NHS People Plan and aligned with system opportunities through the Black Country and West Birmingham Integrated Care System.

Our focus over 2020/21 has been to strengthen our recruitment and selection processes to ensure recruitment is seen to be open, transparent and supports equality. The Attendance Policy has been reviewed to provide a strong focus on staff wellbeing and our Occupational Health and Wellbeing Service has provided a framework for staff wellbeing that provides support for physical health, mental health, spiritual health, financial health and supports life and work balance. The service also ensures that reasonable adjustments are made to support staff to maintain attendance through appropriate training, support and redeployment opportunities. Throughout 2020/21 the Trust developed a significant number of interim policies and guidance documents to support colleagues during the pandemic.

The Trust monitors its employment policies to ensure actions are taken to avoid unlawful discrimination whether director or indirect. In 2020 our Equality and Diversity Policy and Recruitment and Selection Policy and Guidelines were substantially updated to accentuate the Trust's commitment to ensuring that all staff, including those who have a disability, are treated fairly and equitably in relation to the appointment processes. This commitment is supported by the work of our Cultural Ambassador programme which has trained over 40 colleagues to identify and challenge discrimination and cultural bias.

The Trust Board Pledge shown above demonstrates the Board's commitment to a zero tolerance approach to inappropriate behaviour in the workplace and treating people fairly, and inclusively. In 2020 the Trust developed a revised Equality, Diversity and Inclusion Strategy following extensive consultation with staff and patients. This strategy was due to be published in May 2021.

Staff Policies applied during the Financial Year

The Trust recognises that having a diverse workforce and culture that enables everyone to 'bring their true selves to work' enables greater levels of engagement and advocacy. Diversity enhances creativity; it encourages the search for new information and perspectives, leading to better decision making, problem-solving and quality of care. We can only provide the best possible care for our patients if we also recognise and meet the diverse needs of our staff, value the richness that diversity brings and its positive influences on the services that the Trust provides to patients.

The outcome of our 2020 Workforce Race and Disability Equality Standards (WRES and WDES) results together with the 2020 staff survey results tell us that much more needs to be done to improve the experience of colleagues at work and to address the structural inequalities that persist in the form of discrimination in recruitment and career progression opportunities and heightened experience of bullying in the workplace.

We can only provide the best possible care for our patients if we also recognise and meet the diverse needs of our staff

With regard to enhancing the experience of colleagues with long term conditions and illness the Trust is committed to:

- Making reasonable adjustments to maintain the services of an employee who develops a long term illness, including training and development, provision of special equipment and reviewing working patterns
- Giving full and proper consideration to disabled people who apply for jobs, having regard to reasonable adjustments
- Making every effort to ensure our key areas and events are accessible for staff with physical disabilities

The Value Our Colleagues Improvement Programme seeks to address evident inequalities and to change behaviours that are not in line with Trust values. The actions are not embedded yet and have not yet made an impact on the long-standing organisational culture challenges the Trust faces, however during 2020/21 the following interventions were made:

- Established a Black, Asian and Minority Ethnic shared decision making council
- Supported the growth of our staff networks
- Completed an assessment of equality, diversity and inclusion performance using the Equality Delivery System 2 and published the outcomes on the
- Reviewed and updated the Equality Impact Assessment Framework which is now embedded across all areas of the Improvement Programme
- Improved interpretation and translation services to ensure seamless and accessible communication methods for patients whose first language is not English and for patients with a hearing impairment
- Enhanced the collection of patient and workforce equality and inclusion demographic information
- Supported our Black and Minority Ethnic Staff to attend the Stepping Up Positive Action programme

As a public sector organisation, and the largest employer within the Walsall borough, the Trust has a responsibility to improve unacceptable health inequalities. As a provider of both acute and community services, the Trust is in an influential position to make a lasting difference to the health and wellbeing of the population. During 2020/21 we have laid the foundations to become recognised as an 'anchor employer' in Walsall. Working in partnership with whg (Walsall Housing Group), local job centres and higher education institutes we support retraining for people identified as being disadvantaged, including those who have been adversely affected and faced job losses as a result of the pandemic within the Walsall area that will lead to substantive employment with the Trust.

The Trust maintains an excellent partnership relationship with staff side representatives through established employee and management consultation and negotiating forums (Joint Staff Consultation and Negotiating Committee, Local Negotiating Committee and Junior Doctors' Forum). These forums were essential to develop local arrangements to specifically support colleagues to work within the pandemic. The forums continue to provide invaluable feedback to Trust management on matters of concern to employees and allows for consultation of any proposed changes.

3.3.7 Trade Union Facility Time Reporting Requirements

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
2	2 FTE

Percentage of time spent on facility time	Number of Employees
0%	
1-50%	
51-99%	
100%	2 FTE

Percentage of pay bill spent on facility time	
Provide the total cost of facility time	£68.6k
Provide the total pay bill	£170m
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time \div total pay bill) x 100	0.04%

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

3.3.8 Health and Safety at Work

Health, safety and wellbeing is an integral and important part of everyone's duties. The Trust's commitment to Health, Safety and Wellbeing therefore ranks equally with all other aims, objectives and activities. All organisations have a legal duty to put suitable arrangements in place to manage health and safety.

During the 2020/21, the Health and Safety Executive (HSE) issued additional guidance to support employers in their response to the COVID-19 pandemic, and the Trust's Health and Safety Team has provided continual advice to support colleagues in the application of that guidance. This has enabled the Health and Safety Team to broaden its influence to better support all areas of the organisation managing health and safety. The Team has worked closely with Clinical Leaders, Infection Prevention and Control, Microbiology, Human Resources, Procurement and our Occupational Health and Wellbeing colleagues to put mitigations in place to reduce the risk of transmission of the virus.

3.3.6

During the past year, Occupational Health has had to prioritise services to help reduce the impact of the COVID-19 pandemic to staff within the Trust. This has been done by altering service provision to meet exceptionally high demands for COVID-19 staff contact tracing and outbreak management. This is in addition to providing other vital COVID-19 related services such as mental health support to individuals and groups of staff; carrying out staff health assessments; providing shielding advice to managers and staff; and providing advice for staff with skin and face mask problems.

The Health and Safety Group acts as the main mechanism for consultation on work related health and safety matters. However, during the pandemic, the Trust adopted a Control & Command reporting structure to ensure timely decision making and necessary actions were taken in terms of emerging risks associated with the pandemic. As such, for the duration of the pandemic, a representative from the Health and Safety Team has attended (at times daily) multidisciplinary-team meetings, with representation from unions and staff-side, to offer specialist health and safety advice and support. This included development and implementation of the Working Safely during COVID-19 guided risk assessment template and associated Standard Operating Procedure; development of an interim working from home procedure with a requirement for managers to justify why staff needed to work on site rather than why not; exploration of alternative ventilation solutions for areas of our older estate; and liaising with manufacturers of Perspex screens for areas where social distancing is compromised. The Health and Safety Group has now been re-established as part of our Health and Safety recovery and restoration plan.

Responding to changes in FFP3 disposable respirator provision from central stocks has been a significant challenge, specifically to the Trust's ability to maintain Fit Testing compliance. The Health and Safety Team has worked closely with procurement colleagues to ensure there is suitable and sustainable provision of new FFP3s which offer good protection to staff. Reusable FFP3s have been implemented in high use areas to mitigate this risk, additional staff were trained in Fit Testing and a Fixed Term member of staff recruited to the team as Respiratory Protective Equipment Facilitator to support with fit testing.

The Trust uses a range both reactive and proactive measures to monitor health and safety performance. The Managers Health and Safety Toolkit is a checklist designed to assist managers in identifying any deficiencies in health and safety management arrangements and a process for proactively developing actions to mitigate risks identified. During 2020/21, the Trust has purchased an additional module to the Ulysses Safeguard Risk Management System to enable performance to be captured electronically. During the pandemic, the Health and Safety team undertook over 70 onsite inspections to monitor compliance with COVID-19 safety measures, feeding outcomes back to managers.

The Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR) puts duties on employers, the self-employed and people in control of work premises to report certain serious workplace accidents, occupational diseases and specified dangerous occurrences (near misses). The Trust reported 27 RIDDOR incidents over the last 12 months. Predominantly these relate to lifting and handling, slips trips and falls and more recently occupational dermatitis as a result of increased hand sanitisation during the pandemic.

Over the next 12 months, the Health and Safety Team will focus on restoration and recovery and the proactive Health and Safety agenda including training, improving compliance with the managers' health and safety toolkit and reviewing policies and procedures.

3.3.9 Expenditure on Consultancy

The Trust paid £3.3m on consultancy costs during 2020/21.

3.3.10 Off-Payroll Engagements

For all off-payroll engagements as of 31 March 2021, for more than £245 per day and that last longer than six months:

Table 1: Off-payroll engagements

For all off payroll engagements as of 31.3.21, for more than £245 per day	No.
Number of existing engagements as of 31.3.2021	2
Of which, the number that have existed:	
less than 1 year at the time of time of reporting	2
for between 1 and 2 years at the time of reporting	
for between 2 and 3 years at the time of reporting	
for between 3 and 4 years at the time of reporting	
for 4 or more years at the time of reporting	

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

Table 2: All Off-payroll engagements

	No.
No. of temporary off-payroll workers engaged between 1 April 2020 and 31 March 2021	20
Of which:	
No. not subject to off-payroll legislation	0
No. subject to off-payroll legislation and determined as in-scope of IR35	0
No. subject to off-payroll legislation and determined as out of scope of IR35	20
No. of engagements reassessed for compliance or assurance purposes during the year	0
Of which: no. of engagements that saw a change to IR35 status following review	0

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

Table 3: Off-payroll board member/senior official engagements

Number of off payroll engagements of 'board members, and/or senior officers with significant financial responsibility' during the year (1)	0
Total No. of individuals on payroll and off-payroll that have been deemed 'board members and/or senior officials' with significant financial responsibility during the year. This figure includes both on payroll and off payroll engagements (2)	20

Annual Report 2020/21 Trust Accounts Consolidated (TAC) Summarisation Schedules

3.3.11 Exit Packages

Exit package cost band (including any special payment element)	Number of compulsory redundancies	Cost of compulsory redundancies	Number of other departures agreed	Cost of other departures agreed	Total number of exit packages	Total cost of exit packages	Number of departures where special payments have been made	Cost of special payment element included in exit packages
	Number	£000's	Number	£000's	Number	£000's	Number	£000's
Less than £10,000					0	0		
£10,000 - £25,000					0	0		
£25,001 - £50,000					0	0		
£50,001 - £100,000					0	0		
£100,001 - £150,000					0	0		
£150,001 - £200,000					0	0		
Greater than £200,000					0	0		
Total	0	0	0	0	0	0	0	0

There have been no redundancy and other departure costs paid in 2020/21. Exit costs in this note are accounted for in full in the year of departure. Where the Trust has agreed early retirements, the additional costs are met by the Trust and not by the NHS Pensions Scheme. Ill-health retirement costs are met by the NHS Pensions Scheme and are not included in the table.

A Mutually Agreed Resignation Scheme (MARS) is a scheme whereby organisations may offer a severance payment to an employee to leave their employment voluntarily. The scheme has been developed to assist employers in addressing some of the financial challenges facing the NHS and its key purpose is to create job vacancies for colleagues facing redundancy. The scheme is time limited and has HM Treasury approval. There have been no MARS agreements in the financial year.

This disclosure reports the number and value of exit packages agreed in the year. The expense associated with these departures may have been recognised in part or in full in a previous period. The figures are subject to audit.



Trust Accounts Consolidation (TAC) Summarisation Schedules for Walsall Healthcare NHS Trust

Summarisation schedules numbers TAC01 to TAC34 and accompanying WGA sheets for 2018/19 have been completed and this certificate accompanies them.

Finance Director Certificate

- 1. I certify that the attached TAC schedules have been compiled and are in accordance with:
- the financial records maintained by the NHS Trust
- accounting standards and policies which comply with the Department of Health and Social Care's Group Accounting Manual and
- the template accounting policies for NHS Trusts issued by NHS Improvement, or any deviation from these policies has been fully explained in the Confirmation questions in the TAC schedules.
- 2. I certify that the TAC schedules are internally consistent and that there are no validation errors.
- 3. I certify that the information in the TAC schedules is consistent with the financial statements of the NHS Trust.

But

Russell Caldicott, Director of Finance and Performance

Date: 23rd June 2021

Chief Executive Certificate

- 5. I acknowledge the attached TAC schedules, which have been prepared and certified by the Finance Director, as the TAC schedules which the Trust is required to submit to NHS Improvement.
- 6. I have reviewed the schedules and agree the statements made by the Director of Finance above.

Shill Till

Professor David Loughton CBE, Interim Chief Executive Officer

Date: 23rd June 2021

Part 4: Financial Statements



110

<u>142</u>

50

4.1 Financial Statements

The summary financial statements are an extract of the information in the full annual accounts. The summary financial statements only give an overview of the financial position and performance of the Trust but might not contain sufficient information for a full understanding of the Trust's performance. For more detailed information please refer to the full annual accounts for the Trust.

4.1.1 Statement of Comprehensive Income

		2020/21	2019/20
	Note	£000	£000
Operating income from patient care activities	3	291,583	257,026
Other operating income	4	56,871	37,133
Operating expenses	5, 7	(338,499)	(284,183)
Operating surplus from continuing operations		<u>9,955</u>	<u>9,976</u>
Finance income	10	-	86
Finance expenses	11	(8,351)	(10,960)
PDC dividends payable		(510)	-
Net finance costs		<u>(8,861)</u>	(10,874)
Other gains / (losses)	12	-	-
Share of profit / (losses) of associates / joint arrangements		-	-
Gains / (losses) arising from transfers by absorption		-	-
Corporation tax expense		-	-
Surplus / (deficit) for the year from continuing operations		<u>1,094</u>	(898)
Surplus / (deficit) on discontinued operations and the			
gain / (loss) on disposal of discontinued operations		-	-
Surplus / (deficit) for the year		<u>1,094</u>	<u>(898)</u>
Other comprehensive income			
Will not be reclassified to income and expenditure:			
have a linear state.	_		

Impairments	6	-	-
Revaluations	16	9,567	(983)
Share of comprehensive income from associates and joint ventures	S	-	-
Fair value gains / (losses) on equity instruments designated at fair v	alue through OCI	-	-
Other recognised gains and losses		-	-
Remeasurements of the net defined benefit pension scheme liabili	ity / asset	-	-
Gain / (loss) arising from on transfers by modified absorption		-	-
Other reserve movements		-	-

May be reclassified to income and expenditure when certain conditions are met:

Adjusted financial performance surplus / (deficit)

Fair value gains/(losses) on financial assets mandated at fair value through OCI	-	-
Recycling gains/(losses) on disposal of financial assets mandated at fair value thro	ough OCI -	-
Foreign exchange gains / (losses) recognised directly in OCI	-	-
Total comprehensive income / (expense) for the period	<u>10,661</u>	<u>(1,881)</u>
Adjusted financial performance (control total basis):		
Surplus / (deficit) for the period	1,094	(898)
Remove net impairments not scoring to the Departmental expenditure limit	-	983
Remove (gains) / losses on transfers by absorption	-	-
Remove I&E impact of capital grants and donations	(454)	130
Prior period adjustments	-	-
Remove non-cash element of on-SoFP pension costs	-	-
Remove 2018/19 post audit PSF reallocation (2019/20 only)		(165)
Remove net impact of inventories received from DHSC group bodies		
for COVID response	(498)	

The Trust has performed an internal indexation of assets valuation exercise in 20/21 in the absence of a professional full-site revaluation during the COVID-19 Pandemic and therefore not able to fully assess an impairment value for the capital enhancement works delivered in year. In 2019/20 a valuation exercise was undertaken on the refurbished Neonatal Unit and new Maternity Theatre which resulted in an impairment of £983k being charged to the Statement of Comprehensive.

<u>74,958</u>

(83,035)

4.1.2 Statement of Financial Position

		31 March '20	
	Note	£000	£000
Non-current assets			
Intangible assets	13	6,417	1,610
Property, plant and equipment	14	161,995	142,395
Investment property		-	-
Investments in associates and joint ventures		-	-
Other investments / financial assets	19	-	-
Receivables	19	561	861
Other assets		-	-
Total non-current assets		<u>168,973</u>	<u>144,866</u>
Current assets			
Inventories	18	2,951	2,620
Receivables	19	11,075	39,001
Other investments / financial assets	19	-	-
Other assets		-	-
Non-current assets for sale and assets in disposal groups		-	-
Cash and cash equivalents	20	43,532	9,056
Total current assets		<u>57,558</u>	<u>50,677</u>
Current liabilities			
Trade and other payables	21	(35,179)	(26,296)
Borrowings	23	(4,058)	(134,693)
Other financial liabilities	24	-	-
Provisions	25	(96)	(96)
Other liabilities	22	(284)	(1,480)
Liabilities in disposal groups		-	-
Total current liabilities		<u>(39,617)</u>	<u>(162,565)</u>
Total assets less current liabilities		<u>186,914</u>	<u>32,978</u>

Non-current liabilities			
Trade and other payables	21	-	-
Borrowings	23	(111,956)	(116,013)
Other financial liabilities	24	-	-
Provisions	25	-	-
Other liabilities	22	-	-
Total non-current liabilities		<u>(111,956)</u>	<u>(116,013)</u>
Total assets employed		<u>74,958</u>	<u>(83,035)</u>
Financed by			
Public dividend capital		215,632	68,300
Revaluation reserve		24,307	14,832
Financial assets reserve		-	-
Other reserves		-	-
Merger reserve		-	-
Income and expenditure reserve		(164,981)	(166,167)

The notes on the following pages form part of these accounts.

Name:

Professor David Loughton CBE

Position: Interim Chief Executive

Date: 23 June 2021

Total taxpayers' equity

4.1 Financial Statements 4.1 Financial Statements Annual Report 2020/21 Annual Report 2020/21

4.1.3 Statement of Changes in Equity for the year ended 31 March 2021

	Public dividend capital	Revaluation reserve	Financial assets reserve	Other reserves	Merger reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000	£000	£000	£000
Taxpayers' and others' equi	ty at 1 Ap 68,300	ril 2020 - bro 14,832	ought forw -	vard -	_	(166,167)	(83,035)
Surplus for the year	-	-	-	-	-	1,094	1,094
Revaluations	-	9,567	-	-	-	-	9,567
Public dividend capital receive	d 147,332	-	-	-	-	-	147,332

<u>- (164,981)</u>

74,958

Taxpayers' and others' equity at 31 March 2021

215,632

Public dividend capital

Information on reserves

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

24,307

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.

Financial assets reserve

This reserve comprises changes in the fair value of financial assets measured at fair value through other comprehensive income. When these instruments are derecognised, cumulative gains or losses previously recognised as other comprehensive income or expenditure are recycled to income or expenditure, unless the assets are equity instruments measured at fair value through other comprehensive income as a result of irrevocable election at recognition.

Merger reserve

his reserve reflects balances formed on merger of NHS bodies.

Income and expenditure reserve

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

4.1.4 Statement of Cash Flows

		2020/21	2019/20
	Note	£000	£000
Cash flows from operating activities		0.055	0.076
Operating surplus		9,955	9,976
Non-cash income and expense:			
Depreciation and amortisation	5.1	6,947	6,163
Net impairments	6	-	983
Income recognised in respect of capital donations	4	(642)	(93)
Amortisation of PFI deferred credit		-	-
Non-cash movements in on-SoFP pension liability		-	(22.5.40)
(Increase) / decrease in receivables and other assets		28,544	(22,549)
(Increase) / decrease in inventories		(331)	(258)
Increase / (decrease) in payables and other liabilities		4,495	(4,376)
Increase / (decrease) in provisions		-	320
Tax (paid) / received Operating cash flows from discontinued operations		-	-
Other movements in operating cash flows		-	-
Net cash flows from / (used in) operating activities		<u>48,968</u>	<u>(9,834)</u>
Net cash nows from / (used in) operating activities		40,300	<u>(3,034)</u>
Cash flows from investing activities			0.2
Interest received		-	83
Purchase and sale of financial assets / investments		- (1.0.42)	-
Purchase of intangible assets		(1,043)	(667)
Sales of intangible assets		- (16.010)	(10,020)
Purchase of PPE and investment property Sales of PPE and investment property		(16,910)	(10,039)
Receipt of cash donations to purchase assets		-	-
Prepayment of PFI capital contributions		_	-
Investing cash flows from discontinued operations		_	_
Cash from acquisitions / disposals of subsidiaries		_	_
Net cash flows used in investing activities		(17,953)	(10,623)
Cash flows from financing activities			
Cash flows from financing activities Public dividend capital received		147,332	4,110
Public dividend capital received Public dividend capital repaid		147,332	4,110
Movement on loans from DHSC		(129,967)	36,043
Movement on other loans		(123,307)	50,015
Other capital receipts		_	_
Capital element of finance lease rental payments		-	_
Capital element of PFI, LIFT and other service concession payments		(4,158)	(3,990)
Interest on loans		(567)	(2,603)
Other interest		·	-
Interest paid on finance lease liabilities		-	-
Interest paid on PFI, LIFT and other service concession obligations		(8,351)	(8,233)

(020)	
(828)	-
<u>3,461</u>	<u>25,327</u>
<u>34,476</u>	<u>4,870</u>
<u>9,056</u>	<u>4,186</u>
<u>9,056</u> - -	<u>4,186</u> - -
	<u>34,476</u> <u>9,056</u>

20.1

43,532

9,056

Annual Report 2020/21

Cash and cash equivalents at 31 March

Annual Report 2020/21

4.1 Financial Statements

4.2 Auditor's Letter

4.2 Auditor's Letter

The summary financial statements are an extract of the information in the full annual accounts. The summary financial statements only give an overview of the financial position and performance of the Trust but might not contain sufficient information for a full understanding of the Trust's performance. For more detailed information please refer to the full annual accounts for the Trust.

4.2.1 Independent auditor's report to the Directors of Walsall Healthcare NHS Trust

Report on the audit of the financial statements Opinion on the financial statements We have audited the financial statements of Walsall Healthcare NHS Trust ('the Trust') for the year ended 31 March 2021, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows, and notes to the financial statements, including the summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual 2020/21 as contained in the Department of Health and Social Care Group Accounting Manual 2020/21, and the Accounts Direction issued by the Secretary of State with the approval of HM Treasury as relevant to NHS Trusts in England.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Trust as at 31 March 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with the Department of Health and Social Care Group Accounting Manual 2020/21; and
- have been properly prepared in accordance with the requirements of the National Health Service Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

4.1.4

Annual Report 2020/21 4.2 Auditor's Letter Annual Report 2020/21 4.2 Auditor's Letter

Other information

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

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

We have nothing to report in this regard.

Responsibilities of the Directors and the Accountable Officer for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. The Directors are required to comply with the Department of Health and Social Care Group Accounting Manual 2020/21 and prepare the financial statements on a going concern basis, unless the Trust is informed of the intention for dissolution without transfer of services or function to another entity. The Directors are responsible for assessing each year whether or not it is appropriate for the Trust to prepare its accounts on the going concern basis and disclosing, as applicable, matters related to going concern.

As explained in the Statement of the Chief Executive's Responsibilities as the Accountable Officer of the Trust, the Accountable Officer is responsible for such internal control as the Accountable Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Accountable Officer is responsible for ensuring that the financial statements are prepared in a format directed by the Secretary of State. Auditor's responsibilities for the audit of the financial statements Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the Trust, we identified that the principal risks of non-compliance with laws and regulations related to the National Health Service Act 2006 (as amended by the Health and Social Care Act 2012), and we considered the extent to which non-compliance might have a material effect on the financial statements.

We evaluated the Accountable Officer's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to - posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, and any significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- discussing with management and the Audit Committee the policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of noncompliance throughout our audit; and
- considering the risk of acts by the Trust which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of management and the Audit Committee on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management and the Audit Committee. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

We are also required to conclude on whether the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. We performed our work in accordance with Practice Note 10: Audit of financial statement and regularity of public sector bodies in the United Kingdom, and Supplementary Guidance Note 01, issued by the NAO in April 2021.

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

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

Matter on which we are required to report by exception

We are required to report to you if, in our opinion, we are not satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2021. We have not completed our work on the Trust's arrangements. On the basis of our work to date, having regard to the guidance issued by the Comptroller and Auditor General in April 2021, we have not identified any significant weaknesses in arrangements for the year ended 31 March 2021.

We will report the outcome of our work on the Trust's arrangements in our commentary on those arrangements within the Auditor's Annual Report. Our audit completion certificate will set out any matters which we are required to report by exception.

Responsibilities of the Accountable Officer

As explained in the Statement of the Chief Executive's Responsibilities as the Accountable Officer of the Trust, the Accountable Officer is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in the use of the Trust's resources.

Annual Report 2020/21 4.2 Auditor's Letter Annual Report 2020/21 4.2 Auditor's Letter

Auditor's responsibilities for the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We are required under section 21(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources, and to report where we have not been able to satisfy ourselves that it has done so. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our work in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in April 2021.

4.2.3 Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Code of Audit Practice

In our opinion:

- the parts of the Remuneration Report and Staff Report subject to audit have been properly prepared in accordance with the Accounts Direction made under the National Health Service Act 2006: and
- the other information published together with the audited financial statements in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception under the Code of Audit Practice We are required to report to you if:

- in our opinion the Annual Governance Statement does not comply with the guidance issued by NHS Improvement; or
- we refer a matter to the Secretary of State under section 30 of the Local Audit and Accountability Act; or
- we issue a report in the public interest under section 24 and schedule 7(1) of the Local Audit and Accountability Act 2014; or
- we make a written recommendation to the Trust under section 24 and schedule 7(2) of the Local Audit and Accountability Act 2014.

We have nothing to report in respect of these matters.

Use of the audit report

This report is made solely to the Board of Directors of Walsall Healthcare NHS Trust, as a body, in accordance with part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the Directors of the Trust those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Directors of the Trust, as a body, for our audit work, for this report, or for the opinions we have formed.

4.2.4 Audit Completion Certificate issued to the Directors of Walsall Healthcare NHS Trust for the year ended 31 March 2021

In our auditor's report dated Walsall Healthcare NHS Trust we explained that the audit could not be formally concluded until we had completed the work necessary to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness is its use of resources. This work has now been completed.

No matters have come to our attention since 29 June 2021 that would have a material impact on the financial statements on which we gave our unqualified opinion.

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

We are required to report to you if, in our opinion, we are not satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2021.

On the basis of our work, having regard to the guidance issued by the Comptroller and Auditor General in April 2021, we have identified the following significant weaknesses in the Trust's arrangements for the year ended 31 March 2021:

Significant weakness in arrangements

Clinical performance

In September 2020, the Care Quality Commission (CQC) carried out a short notice announced focused inspection of the emergency department and maternity service at Manor Hospital in response to concerns around safety and governance. The CQC found areas for improvement including breaches of legal requirements that the Trust must put right, including:

- In Urgent and Emergency Services, ensuring staff participate in mandatory training, and deploying sufficient numbers of suitably qualified, competent, skilled and experienced staff to make sure that they can meet patient's care and treatment needs
- In Maternity Services, putting in place arrangements to effectively assess and monitor the provision of staffing.

In March 2021, the CQC carried out an unannounced focused inspection because it had received information of concern about the safety and quality of services within the medicine wards at the Manor Hospital. The Trust's medical services were rated as "inadequate" and a Section 29a warning notice was served on the Trust on the 31 March 2021 due to breaches in regulations in staffing, governance and the provision of safe care and treatment.

Recommendation(s)

1. In order to ensure systems, processes and training are in place to manage the risks relating to the health, safety, and welfare of service users, the Trust must ensure it embeds and sustains the action plans that it has put in place Trust-wide to address the patient care issues identified by the Care Quality Commission. In particular, it needs to ensure that robust monitoring and reporting processes are maintained, and that challenge, scrutiny and escalation arrangements drive the required improvements for patients and sustain the progress made to-date in implementing the actions to address the issues raised by the CQC.

4.2.3

Annual Report 2020/21 4.2 Auditor's Letter Annual Report 2020/21 4.2 Auditor's Letter

Significant weakness in arrangements

Recommendation(s) The areas of concern identified included:

- ensuring staff have access to the information they need to provide person centred care, including maintenance of complete and accurate records that describe patients' individual needs and preferences,
- ensuring staffing is actively assessed, reviewed and escalated appropriately to prevent exposing patients to the risk of harm and that staff are suitably qualified, skilled and competent to care for and meet the needs of patients within all areas of the medical services.
- ensuring effective risk and governance systems are embedded that supports safe, quality care and to investigate, immediately upon becoming aware of, any allegation or evidence of such abuse.
- ensuring all staff adhere to policies and procedures to ensure patients are kept safe from avoidable harm of infection.

Oversight of progress against CQC Must and Should Do actions continues via a monthly CQC action plan oversight group and a detailed action plan is monitored by the Director of Nursing and Director of Governance. The Trust was given three months to rectify the areas of concern and wrote to the CQC by the end of June 2021 to confirm it had addressed the key recommendations.

The matters identified by the CQC, specifically the breaches in legal requirements from September 2020 and the gaps in arrangements leading to the Section 29a warning notice in March 2021, are relevant to the financial year ending 31 March 2021 and, in our view, indicate a significant weakness in the Trust's arrangements under the Governance (how the body ensures that it makes informed decisions and properly manages its risks) and Improving Economy, Efficiency and Effectiveness (how the body uses information about its costs and performance to improve the way it manages and delivers its services) reporting criteria that can be reasonably expected to lead to a significant impact on the quality or effectiveness of service and the Trust's reputation.

Significant weakness in arrangements

Workforce - agency spend & staffing indicators

Each year, an NHS-wide staff survey takes place, covering several themes including morale, quality of care and staff engagement. The survey results, published in March 2021, show the Trust is below average in all but one area. The survey highlights low engagement and low participation scores (30% response rate) and that only 52% of staff would Recommend the Trust as a Place to Work (average is 67%) and 53% would Recommend the Trust as a Place to be Treated (Friends and Family Test) (average is 74%). In April 2021, the Trust Board and the People and Organisational Development Committee also received an update on Workforce Race Equality Standard (WRES) and Workforce Disability Equality Standard (WDES) Annual reports for 2020 which reported significant concerns regarding harassment and discrimination.

Within it's own Board Assurance Framework (BAF), the Trust recognises in Risk SO4 that a lack of an inclusive and open culture impacts on staff morale, staff engagement, staff recruitment, retention and patient care. At the end of 2020/21, we note the BAF included gaps in control regarding a delay to the leadership development programme.

The Trust Board and the People and Organisational Development Committee recognise the issues raised through the NHS Staff Survey, the Workforce Race Equality Standard (WRES) and Workforce Disability Equality Standard (WDES) Annual reports for 2020 and has taken a series of actions including:

- requesting each division to report to the People and Organisation Development Committee with their action plan and on progress; and
- introducing "Listening Circles", "Cultural Heatmaps" and a multi-disciplinary Oversight Task Force to report back to the People and Organisation Development Committee for monthly assurance.

Despite the Trust's recognition of the negative impacts on staff morale set out above, total expenditure on temporary staff, including agency (included in Note 7 of the 2020/21 audited financial statements) was £17.4m for 2020/21, an increase from £8.7m in 2018/19 and £10m in 2019/20. The average Sickness Absence rate, as recorded by NHS Digital is 5.7% over the period January 2018 – December 2020 (the most recent nationally available data), which is higher than the average of all acute Trusts (4.3%).

Recommendation(s)

- 1. The Trust should commence its leadership development programme, ensuring there is broad participation and a focus on inclusivity
- 2. The Trust should take steps to improve take-up in the NHS Staff Survey to improve the quality of feedback
- 3. The Trust should ensure the Culture and Leadership Programme demonstrates tangible and measurable improvements and that the People and Organisational Development Committee demonstrably challenge and scrutinise performance.
- 4. The Trust should work with system partners to tackle its recruitment deficit and manage agency costs.

4.2.4 4.2.4 Statement of Cash Flows Statement of Cash Flows

Significant weakness in arrangements In our view, the accumulation of matters above, and the actions taken by the Trust to improve workforce arrangements during 2020/21 do not demonstrate sufficient traction to evidence

sustained levels of improvement. NHS Staff Survey results and Race Equality and Disability Equality reports continue to show the Trust is performing poorly with long-standing issues in staff engagement, including recommending the Trust as a place to work or as a place to be treated, and inclusivity and its culture. As a result, this indicates a significant weakness in the Trust's arrangements under the "Financial Sustainability (how the body plans and manages its resources to ensure it can continue to deliver its services)" and "Improving Economy, Efficiency and Effectiveness (how the body uses information about its costs and performance to improve the way it manages and delivers its services)" reporting criteria that exposes the Trust to a significant risk to the quality and effectiveness of service as well as a risk of increased expenditure on agency costs.

Notes

Certificate

We certify that we have completed the audit of Walsall Healthcare NHS Trust in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Recommendation(s)

Mark Surridge, Key Audit Partner

For and on behalf of Mazars LLP 2 Chamberlain Square, Birmingham, B3 3AX 17 September 2021

Mark Sundge

4.2.4

Statement of Cash Flows



Annual Accounts 2021/21



















Walsall Healthcare NHS Trust

Annual accounts for the year ended 31 March 2021

Statement of Comprehensive Income

		2020/21	2019/20
	Note	£000	£000
Operating income from patient care activities	3	291,583	257,026
Other operating income	4	56,871	37,133
Operating expenses	5, 7	(338,499)	(284,183)
Operating surplus from continuing operations	_	9,955	9,976
Finance income	10	-	86
Finance expenses	11	(8,351)	(10,960)
PDC dividends payable	_	(510)	<u>-</u>
Net finance costs	_	(8,861)	(10,874)
Other gains / (losses)	12	-	-
Share of profit / (losses) of associates / joint arrangements		-	-
Gains / (losses) arising from transfers by absorption		-	-
Corporation tax expense	_	<u> </u>	<u>-</u>
Surplus / (deficit) for the year from continuing operations	_	1,094	(898)
Surplus / (deficit) on discontinued operations and the gain / (loss) on disposa of discontinued operations	l 	<u>-</u>	<u>-</u>
Surplus / (deficit) for the year	=	1,094	(898)
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	6	-	_
Revaluations	16	9,567	(983)
Share of comprehensive income from associates and joint ventures		-	-
Fair value gains / (losses) on equity instruments designated at fair value through OCI		-	_
Other recognised gains and losses		-	-
Remeasurements of the net defined benefit pension scheme liability / asset		-	-
Gain / (loss) arising from on transfers by modified absorption		-	-
Other reserve movements		-	-
May be reclassified to income and expenditure when certain conditions a Fair value gains/(losses) on financial assets mandated at fair value through	re met:		
OCI		-	-
Recycling gains/(losses) on disposal of financial assets mandated at fair value through OCI		_	_
Foreign exchange gains / (losses) recognised directly in OCI		-	_
Total comprehensive income / (expense) for the period	_	10,661	(1,881)
() ,	=		
Adjusted financial performance (control total basis):			
Surplus / (deficit) for the period		1,094	(898)
Remove net impairments not scoring to the Departmental expenditure limit		-	983
Remove (gains) / losses on transfers by absorption		-	-
Remove I&E impact of capital grants and donations		(454)	130
Prior period adjustments		-	-
Remove non-cash element of on-SoFP pension costs		-	- (10=)
Remove 2018/19 post audit PSF reallocation (2019/20 only) Remove net impact of inventories received from DHSC group bodies for			(165)
COVID response		(498)	
Adjusted financial performance surplus / (deficit)	_	142	50
· · · ·	=		

The Trust has performed an internal indexation of assets valuation exercise in 20/21 in the absence of a professional full-site revaluation during the COVID-19 Pandemic and therefore not able to fully assess an impairment value for the capital enhancement works delivered in year. In 2019/20 a valuation exercise was undertaken on the refurbished Neonatal Unit and new Maternity Theatre which resulted in an impairment of £983k being charged to the Statement of Comprehensive

Statement of Financial Position

		31 March 2021	31 March 2020
	Note	£000	£000
Non-current assets			
Intangible assets	13	6,417	1,610
Property, plant and equipment	14	161,995	142,395
Investment property		-	-
Investments in associates and joint ventures		-	-
Other investments / financial assets	19	-	-
Receivables	19	561	861
Other assets	_	<u> </u>	
Total non-current assets	_	168.973	<u> 144.866</u>
Current assets			
Inventories	18	2,951	2,620
Receivables	19	11,075	39,001
Other investments / financial assets	19	-	-
Other assets		-	-
Non-current assets for sale and assets in disposal groups		-	-
Cash and cash equivalents	20 _	43,532	9,056
Total current assets	_	57,558	50,677
Current liabilities			
Trade and other payables	21	(35,179)	(26,296)
Borrowings	23	(4,058)	(134,693)
Other financial liabilities	24	-	-
Provisions	25	(96)	(96)
Other liabilities	22	(284)	(1,480)
Liabilities in disposal groups			<u>-</u>
Total current liabilities	_	(39.617)	(162.565)
Total assets less current liabilities		186.914	32.978
Non-current liabilities			
Trade and other payables	21	-	-
Borrowings	23	(111,956)	(116,013)
Other financial liabilities	24	-	-
Provisions	25	-	-
Other liabilities	22	-	-
Total non-current liabilities	_	(111,956)	(116,013)
Total assets employed	_	74,958	(83,035)
Financed by	_		
Public dividend capital		215,632	68,300
Revaluation reserve		24,307	14,832
Financial assets reserve		24,307	14,032
Other reserves		_	_
Merger reserve		-	-
Income and expenditure reserve		- (164,981)	- (166,167)
Total taxpayers' equity	_	74,958	(83,035)
i otal taxpayers equity	_	14,330	(03,033)

The notes on the following pages form part of these accounts.

Professor David Loughton CBE Interim Chief Executive

Date 23 June 2021

Name Position

Statement of Changes in Equity for the year ended 31 March 2021

	Public dividend capital £000	Revaluation reserve	Financial assets reserve £000	Other reserves £000	Merger reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2020 - brought forward	68,300	14,832	-	-	-	(166,167)	(83,035)
Surplus for the year	-	-	-	-	-	1,094	1,094
Gain/(loss) arising from transfers by modified absorption	-	-	-	-	-	-	-
Transfers by absorption: transfers between reserves	-	-	-	-	-	-	-
Transfer from revaluation reserve to income and expenditure reserve for impairments arising from consumption of economic benefits	-	-	-	-	-	-	_
Other transfers between reserves	-	(92)	-	-	-	92	-
Impairments	-	-	-	-	-	-	-
Revaluations	-	9,567	-	-	-	-	9,567
Transfer to retained earnings on disposal of assets	-	-	-	-	-	-	-
Share of comprehensive income from associates and joint ventures	-	-	-	-	-	-	-
Fair value gains/(losses) on financial assets mandated at fair value through OCI	-	-	-	-	-	-	-
Fair value gains/(losses) on equity instruments designated at fair value through OCI	-	-	-	-	-	-	-
Recycling gains/(losses) on disposal of financial assets mandated at fair value through OCI	-	-	-	-	_	-	-
Foreign exchange gains/(losses) recognised directly through OCI	-	-	-	-	-	-	-
Other recognised gains and losses	-	-	-	-	-	-	-
Remeasurements of the defined net benefit pension scheme liability/asset	-	-	-	-	-	-	-
Public dividend capital received	147,332	-	-	-	-	-	147,332
Public dividend capital repaid	-	-	-	-	-	-	-
Public dividend capital written off	-	-	-	-	-	-	-
Other movements in public dividend capital in year	-	-	-	-	-	-	-
Other reserve movements	-	-	-	-	-	-	<u>-</u>
Taxpayers' and others' equity at 31 March 2021	215,632	24,307	-	-	-	(164,981)	74,958

Statement of Changes in Equity for the year ended 31 March 2020

	Public dividend capital	Revaluation reserve	Financial assets reserve	Other reserves	Merger reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2019 - brought forward	64,190	15,925	-	-	-	(165,379)	(85,264)
Prior period adjustment	-	-	-	-	-	-	-
Taxpayers' and others' equity at 1 April 2019 - restated	64,190	15,925	-	-	-	(165,379)	(85,264)
Deficit for the year	-	-	-	-	-	(898)	(898)
Gain/(loss) arising from transfers by modified absorption	-	-	-	-	-	-	-
Transfers by absorption: transfers between reserves	-	-	-	-	-	-	-
Transfer from revaluation reserve to income and expenditure reserve for impairments arising from consumption of economic benefits	-	-	-	_	-	-	-
Other transfers between reserves	-	(110)	-	-	-	110	-
Impairments	-	-	-	-	-	-	-
Revaluations	-	(983)	-	-	-	-	(983)
Transfer to retained earnings on disposal of assets	-	-	-	-	-	-	-
Share of comprehensive income from associates and joint ventures	-	-	-	-	-	-	-
Fair value gains/(losses) on financial assets mandated at fair value							
through OCI	-	-	-	-	-	-	-
Fair value gains/(losses) on equity instruments designated at fair value							
through OCI	-	-	-	-	-	-	-
Recycling gains/(losses) on disposal of financial assets mandated at fair value through OCI	_	_	_	_	_	_	_
Foreign exchange gains/(losses) recognised directly through OCI	_	_	_	_	_		_
Other recognised gains and losses	_	_	_	_	_	_	_
Remeasurements of the defined net benefit pension scheme liability/asset	_	_	_	_	_	_	_
Public dividend capital received	4,110	_	_	_	_	_	4,110
Public dividend capital repaid	-1 ,110	_	_	_	_	_	4,110
Public dividend capital written off	_	_	_	_	_	_	_
Other movements in public dividend capital in year	_	_	_	_	_	_	_
Other reserve movements	_	_	_	_	_	-	_
Taxpayers' and others' equity at 31 March 2020	68,300	14,832	-	-	-	(166,167)	(83,035)

Information on reserves

Public dividend capital

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

Revaluation reserve

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

Financial assets reserve

This reserve comprises changes in the fair value of financial assets measured at fair value through other comprehensive income. When these instruments are derecognised, cumulative gains or losses previously recognised as other comprehensive income or expenditure are recycled to income or expenditure, unless the assets are equity instruments measured at fair value through other comprehensive income as a result of irrevocable election at recognition.

Merger reserve

This reserve reflects balances formed on merger of NHS bodies.

Income and expenditure reserve

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

Statement of Cash Flows

	Note	2020/21 £000	2019/20 £000
Cash flows from operating activities	11010		
Operating surplus		9,955	9,976
Non-cash income and expense:		0,000	0,0.0
Depreciation and amortisation	5.1	6,947	6,163
Net impairments	6	-	983
Income recognised in respect of capital donations	4	(642)	(93)
Amortisation of PFI deferred credit	'	(042)	(33)
Non-cash movements in on-SoFP pension liability		_	_
(Increase) / decrease in receivables and other assets		28,544	(22,549)
(Increase) / decrease in inventories		(331)	(258)
Increase / (decrease) in payables and other liabilities		4,495	(4,376)
Increase / (decrease) in payables and other habilities Increase / (decrease) in provisions		-,495	320
Tax (paid) / received		_	320
Operating cash flows from discontinued operations		-	-
Other movements in operating cash flows		-	-
Net cash flows from / (used in) operating activities	_	48,968	(9,834)
Cash flows from investing activities	_	40,900	(9,634)
Interest received			92
Purchase and sale of financial assets / investments		-	83
		- (4.042)	(667)
Purchase of intangible assets		(1,043)	(667)
Sales of intangible assets		(46.040)	(40.020)
Purchase of PPE and investment property		(16,910)	(10,039)
Sales of PPE and investment property		-	-
Receipt of cash donations to purchase assets Prepayment of PFI capital contributions		-	-
Investing cash flows from discontinued operations		-	-
Cash from acquisitions / disposals of subsidiaries		-	-
Net cash flows used in investing activities	_	(17,953)	(10,623)
Cash flows from financing activities	_	(17,333)	(10,023)
Public dividend capital received		147,332	4,110
Public dividend capital received Public dividend capital repaid		147,332	4,110
Movement on loans from DHSC		(129,967)	36,043
Movement on other loans		(123,301)	-
Other capital receipts		_	_
Capital element of finance lease rental payments		_	_
Capital element of finance lease rental payments Capital element of PFI, LIFT and other service concession payments		(4,158)	(3,990)
Interest on loans		(567)	(2,603)
Other interest		(301)	(2,003)
Interest paid on finance lease liabilities		-	_
Interest paid on PFI, LIFT and other service concession obligations		(8,351)	(8,233)
PDC dividend (paid) / refunded		(828)	(0,200)
Financing cash flows of discontinued operations		-	_
Cash flows from (used in) other financing activities		-	_
Net cash flows from financing activities	_	3,461	25,327
Increase / (decrease) in cash and cash equivalents	_	34,476	4,870
Cash and cash equivalents at 1 April - brought forward	_	9,056	4,186
Prior period adjustments		3,333	-,
Cash and cash equivalents at 1 April - restated	_	9,056	4,186
Cash and cash equivalents transferred under absorption accounting	_	-	-,,,,,,
Unrealised gains / (losses) on foreign exchange		-	_
Cash and cash equivalents at 31 March	20.1	43,532	9,056
•	_		

Notes to the Accounts

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

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

Accounting convention

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

Note 1.2 Going concern

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

The Trust has achieved its break-even duty by returning an adjusted performance surplus for the last 2 years, and future long-term plans are expected to continue the trend of acheiving a surplus thereby securing the future viability of the Trust.

Note 1.3 Interests in other entities

Joint operations

Walsall Healthcare NHS Trust is the host provider for 'Walsall Together'. Walsall Together is a partnership which, in line with proposed government legislation will allow an Integrated Care Partnership (ICP) from April 2022 (or when legislation is enacted). While proposals may result in TUPE transfers and contractual arrangements, the partnership in 2020/21 saw closer working relationships but not financial responsibility transfer from host providers.

Note 1.4 Revenue from contracts with customers

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

Revenue in respect of goods/services provided is recognised when (or as) performance obligations are satisfied by transferring promised goods/services to the customer and is measured at the amount of the transaction price allocated to those performance obligations. At the year end, the Trust accrues income relating to performance obligations satisfied in that year. Where the Trust's entitlement to consideration for those goods or services is unconditional a contract receivable will be recognised. Where entitlement to consideration is conditional on a further factor other than the passage of time, a contract asset will be recognised. Where consideration received or receivable relates to a performance obligation that is to be satisfied in a future period, the income is deferred and recognised as a contract liability.

The Trust receives payment of its contract activity income monthly and is adjusted where necessary following a forecast of performance which is agreed at the financial year-end. The income is invoiced and recognised in the accounts and may potentially have minor revisions following validation through the national contract reconciliation process.

Revenue from NHS contracts

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

2020/21

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

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

Comparative period (2019/20)

In the comparative period (2019/20), the Trust's contracts with NHS commissioners included those where the Trust's entitlement to income varied according to services delivered. A performance obligation relating to delivery of a spell of health care was generally satisfied over time as healthcare was received and consumed simultaneously by the customer as the Trust performed it. The customer in such a contract was the commissioner, but the customer benefited as services were provided to their patient. Even where a contract could be broken down into separate performance obligations, healthcare generally aligned with paragraph 22(b) of the Standard entailing a delivery of a series of goods or services that were substantially the same and had a similar pattern of transfer. At the year end, the Trust accrued income relating to activity delivered in that year, where a patient care spell was incomplete. This accrual was disclosed as a contract receivable as entitlement to payment for work completed was usually only dependent on the passage of time.

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

For 2020/21 and 2019/20

Revenue from research contracts

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

NHS injury cost recovery scheme

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

Note 1.5 Other forms of income

Grants and donations

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

Apprenticeship service income

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

Note 1.6 Expenditure on employee benefits

Short-term employee benefits

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

Pension costs

NHS Pension Scheme

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Both schemes are unfunded, defined benefit schemes that cover NHS employers, general practices and other bodies, allowed under the direction of Secretary of State for Health and Social Care in England and Wales. The scheme is not designed in a way that would enable employers to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as though it is a defined contribution scheme: the cost to the trust is taken as equal to the employer's pension contributions payable to the scheme for the accounting period. The contributions are charged to operating expenses as and when they become due.

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

Note 1.7 Expenditure on other goods and services

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

Note 1.8 Discontinued operations

Discontinued operations occur where activities either cease without transfer to another entity, or transfer to an entity outside of the boundary of Whole of Government Accounts, such as private or voluntary sectors. Such activities are accounted for in accordance with IFRS 5. Activities that are transferred to other bodies within the boundary of Whole of Government Accounts are 'machinery of government changes' and treated as continuing operations.

Note 1.9 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes
- it is probable that future economic benefits will flow to, or service potential be provided to, the trust
- it is expected to be used for more than one financial year
- the cost of the item can be measured reliably
- the item has cost of at least £5,000, or
- collectively, a number of items have a cost of at least £5,000 and individually have cost of more than £250, where theassets 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.

Subsequent expenditure

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

Measurement

Valuation

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

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

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

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

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

Valuation guidance issued by the Royal Institute of Chartered Surveyors states that valuations are performed net of VAT where the VAT is recoverable by the entity. This basis has **not** been applied to the Trust's Private Finance Initiative (PFI) scheme where the construction is completed by a special purpose vehicle and the costs have recoverable VAT for the Trust.

In making these judgements, the Trust is aware that the Royal Institute of Chartered Surveyors (RICS) has issued a valuation practice notice which gives guidance to valuers where a valuer declares a materiality uncertainty attached to a valuation in light of the impact of COVID-19 on markets. As explained above, the Trust has not obtained a valuation report for 2020/21. Given the judgements explained above in preparing these 2020/21 financial statements, the Trust has not deviated from its existing accounting policy by obtaining an additional valuation to which a materiality uncertainty might be attached.

In the absence of a professional full site valuation the Trust has performed an internal indexation of assets valuation following provision of industry indicators from the Trust's professional valuer advisor. The revaluation exercise ensures the Trust's assets have an appropriate value having applied the requirements of IAS 16 prior to a full-site professional revaluation in 2021/22.

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

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

Depreciation

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

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

Revaluation gains and losses

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

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

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

Impairments

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

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

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

De-recognition

Assets intended for disposal are reclassified as 'held for sale' once the criteria in IFRS 5 are met. The sale must be highly probable and the asset available for immediate sale in its present condition.

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

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

Donated and grant funded assets

Donated and grant funded property, plant and equipment assets are capitalised at their fair value on receipt. The donation/grant is credited to income at the same time, unless the donor has imposed a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the donor, in which case, the donation/grant is deferred within liabilities and is carried forward to future financial years to the extent that the 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.

In 2020/21 this includes assets donated to the Trust by the Department of Health and Social Care as part of the response to the coronavirus pandemic. As defined in the GAM, the Trust applies the principle of donated asset accounting to assets that the Trust controls and is obtaining economic benefits from at the year end.

Private Finance Initiative (PFI) 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 is capitalised annually and therefore included within the capital additions Property, Plant and Equipment note.

Useful lives of property, plant and equipment

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

	Min life	Max life
	Years	Years
Land	-	-
Buildings, excluding dwellings	1	62
Dwellings	1	20
Plant & machinery	1	15
Transport equipment	1	7
Information technology	1	10
Furniture & fittings	1	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 1.10 Intangible assets

Recognition

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

Internally generated intangible assets

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

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

Software

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

Measurement

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

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

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

Amortisation

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

Useful lives of intangible assets

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

	Min life	Max life
	Years	Years
Information technology	-	-
Development expenditure	-	-
Websites	-	-
Software licences	1	10
Licences & trademarks	-	-
Patents	-	-
Other (purchased)	-	-
Goodwill	-	-

Note 1.11 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the weighted average cost 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 1.12 Investment properties

The Trust does not have investment properties.

Note 1.13 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 1.14 Financial assets and financial liabilities

Recognition

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

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

Classification and measurement

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

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

Financial assets are classified as subsequently measured at amortised cost.

Financial liabilities classified as subsequently measured at amortised cost.

Financial assets and financial liabilities at amortised cost

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

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

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

Impairment of financial assets

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

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

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

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

Derecognition

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

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

Note 1.15 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.

The Trust as a lessee

Finance leases

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

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

The annual rental charge is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to finance costs in the Statement of Comprehensive Income.

Operating leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially in other liabilities on the statement of financial position 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.

The Trust as a 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 1.16 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	-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 2020:

	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 25.2 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 1.17 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 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, 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 1.18 Public dividend capital

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

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

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

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

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

Note 1.19 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 1.20 Corporation tax

The Trust has determined that it has no corporation tax liability.

Note 1.21 Climate change levy

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

Note 1.22 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.

Note 1.23 Third party assets

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

Note 1.24 Losses and special payments

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

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

Note 1.25 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 1.26 Transfers of functions to other NHS bodies

No transfers of functions took place in 2020/21.

Note 1.27 Early adoption of standards, amendments and interpretations

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

Note 1.28 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 will be defined by HM Treasury. Currently this rate is 0.91% but this may change between now and adoption of the standard. The related right of use asset will be measured equal to the lease liability adjusted for any prepaid or accrued lease payments. For existing peppercorn leases not classified as finance leases, a right of use asset will be measured at current value in existing use or fair value. The difference between the asset value and the calculated lease liability will be recognised in the income and expenditure reserve on transition. No adjustments will be made on 1 April 2022 for existing finance leases.

For leases commencing in 2022/23, the Trust will not recognise a right of use asset or lease liability for short term leases (less than or equal to 12 months) or for leases of low value assets (less than £5,000). Right of use assets will be subsequently measured on a basis consistent with owned assets and depreciated over the length of the lease term.

The implementation date for IFRS 16 in the NHS was revised to 1 April 2022 in November 2020. Due to the need to reassess lease calculations, together with uncertainty on expected leasing activity in from April 2022 and beyond, a quantification of the expected impact of applying the standard in 2022/23 is currently impracticable. However, the trust does expect this standard to have a material impact on non-current assets, liabilities and depreciation.

From 1 April 2022, the principles of IFRS 16 will also be applied to the Trust's PFI liabilities where future payments are linked to the rate of inflation. The PFI imputed lease liability will be remeasured when a change in the index causes a change in future imputed lease payments and that change has taken effect in the cash flow. Under existing accounting practices, amounts relating to changes in the price index are expensed as incurred. This is expected to increase the PFI liability on the statement of financial position upon transition to IFRS 16. The effect of this has not yet been quantified.

Other standards, amendments and interpretations

This is not applicable to the accounts for 2020/21.

Note 1.29 Critical judgements and estimation uncertainty in applying accounting policies

In the application of the Trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

Actual results may differ from those estimates and the estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The below are the judgements made in the process of applying the accounting policies and assumptions about the future and other major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities.

The Going Concern accounting rules (IAS 1) require management to assess, as part of the accounts preparation process, the NHS Trust's ability to continue as a going concern. This is discussed further in the earlier note 1.2.

Property Valuations and Asset Lives Valuations are undertaken by an independent external valuer in line with RICS guidance. These values will therefore be subject to changes in market conditions and marker values. The asset lives are also estimated by the independent external valuer. This was last undertaken at 31st March 2018.

The outbreak of Novel Coronavirus (COVID-19), declared by the World Health Organisation as a 'Global Pandemic' on the 11th March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries. Market activity is being impacted in many sectors. This has also restricted the Trust's ability to undertake a valuation exercise in year and instead an indexation approach has been taken.

Of the £138.84 million net book value of land and buildings subject to valuation, £128.24 million relates to specialised assets valued on a depreciated replacement cost basis.

Accruals

Accruals included within the accounts are based on the best available information. This is applied in conjunction with historical experience and based on individual circumstances. The total value of accruals included in these accounts is £11.50 million.

Annual Leave Accruals

Walsall Healthcare NHS Trust has written to all members of staff requesting details of their outstanding annual leave at the end of March 2021. The value of the outstanding amount has been calculated based on the returns received back from staff and their average salary. Walsall Healthcare NHS Trust is carrying £3.55 million for outstanding leave in the accounts.

Note 1.30 Sources of estimation uncertainty

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

The Trust in the absence of a professional revaluation during the COVID-19 Pandemic has applied the requirements of IAS 16 to appropriately value its assets. The Trust has applied the BCIS index to value the assets which includes the current estimate for March's index. The indexation of all land, building and and dwellings included in the accounts for 2020/21 totals £9.58 million. The BCIS index is yet to be confirmed at the date of reporting.

Note 2 Operating Segments

The Taylor bear and			provision of healthcare.
I NO I THE T NOC ON	andratina edament	Which is the	nrovigion of negitnegre
THE HUST HAS ONE	, obcialina scameni.	WILLOW IS LIFE	DIOVISION OF HEART ICAIC.

Note 3 Operating income from patient care activities

All income from patient care activities relates to contract income recognised in line with accounting policy 1.4

Note 3.1 Income from patient care activities (by nature)		2019/20 £000
Acute services		
Block contract / system envelope income*	236,405	145,904
High cost drugs income from commissioners (excluding pass-through costs)	3,719	13,084
Other NHS clinical income	2,060	48,475
Community services		
Block contract / system envelope income*	32,479	32,216
Income from other sources (e.g. local authorities)	8,770	9,261
All services		
Private patient income	18	43
Additional pension contribution central funding**	7,575	7,035
Other clinical income	557	1,008
Total income from activities	291,583	257,026

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

Note 3.2 Income from patient care activities (by source)

	2020/21	2019/20
Income from patient care activities received from:	£000	£000
NHS England	29,632	28,225
Clinical commissioning groups	250,546	216,791
Department of Health and Social Care	-	-
Other NHS providers	2,060	1,698
NHS other	-	-
Local authorities	8,770	9,261
Non-NHS: private patients	18	43
Non-NHS: overseas patients (chargeable to patient)	21	68
Injury cost recovery scheme	536	940
Non NHS: other		
Total income from activities	<u>291,583</u>	257,026
Of which:		
Related to continuing operations	291,583	257,026
Related to discontinued operations	-	-

^{**}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.

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

	2020/21	2019/20
	£000	£000
Income recognised this year	21	68
Cash payments received in-year	8	64
Amounts added to provision for impairment of receivables	-	-
Amounts written off in-year	-	-

Note 4 Other operating income		2020/21			2019/20	
	Contract income £000	Non-contract income £000	Total £000	Contract income £000	Non-contract income £000	Total £000
Research and development	216	-	216	366	-	366
Education and training	8,206	-	8,206	7,821	-	7,821
Non-patient care services to other bodies	6,895	-	6,895	4,807	-	4,807
Provider sustainability fund (2019/20 only)	-	-	-	5,665	-	5,665
Financial recovery fund (2019/20 only)	-	-	-	11,885	-	11,885
Marginal rate emergency tariff funding (2019/20 only)	-	-	-	1,383	-	1,383
Reimbursement and top up funding	33,151	-	33,151	-	-	-
Income in respect of employee benefits accounted on a gross basis	327	-	327	502	-	502
Receipt of capital grants and donations	-	642	642	-	93	93
Charitable and other contributions to expenditure	-	5,011	5,011	-	-	-
Support from the Department of Health and Social Care for mergers	-	-	-	-	-	-
Rental revenue from finance leases	-	-	-	-	-	-
Rental revenue from operating leases	-	206	206	-	201	201
Amortisation of PFI deferred income / credits	-	-	-	-	-	-
Other income	2,217	-	2,217	4,410	-	4,410
Total other operating income	51,012	5,859	56,871	36,839	294	37,133
Of which:						
Related to continuing operations			56,871			37,133
Related to discontinued operations			-			-

During the year the Department of Health & Social Care (DHSC) supplied the Trust with £5.01million of PPE stock to ensure frontline staff were appropriately equipped to provide the best and safest healthcare to patients during the COVID-19 Pandemic. The supply of PPE equipment has been included above as a charitable contribution.

Other income includes car parking income, IT recharges and other trading income.

Note 5.1 Operating expenses

Purchase of healthcare from NHS and DHSC bodies 2,528 1,652 Purchase of healthcare from non-NHS and non-DHSC bodies 2,528 1,653 Purchase of social care - - Staff and executive directors costs 218,420 186,929 Remuneration of non-executive directors 20,651 18,433 Supplies and services - clinical (excluding drugs costs) 20,651 18,433 Supplies and services - general 4,390 3,449 Drug costs (drugs inventory consumed and purchase of non-inventory drugs) 17,679 18,425 Inventories written down 172 59 Consultancy costs 3,288 1,064 Establishment 4,170 3,244 Premises 21,227 10,310 Transport (including patient travel) 1,270 1,515 Depreciation on property, plant and equipment 6,276 5,825 Amortisation on intangible assets 671 334 Net impairments 6 671 334 Movement in credit loss allowance: contract receivables and investments 6 6		2020/21 £000	2019/20 £000
Purchase of social care 218.42 and 28.62.25 186.92.29 Staff and executive directors costs 128 and 20.20,651 18.433 Supplies and services - clinical (excluding drugs costs) 20,651 18.433 Supplies and services - clinical (excluding drugs costs) 17,679 18.422 Drug costs (drugs inventory consumed and purchase of non-inventory drugs) 17,679 18.422 Inventories written down 172 59 Consultancy costs 3,288 1,064 Establishment 4,170 3,248 Premises 21,287 10,310 Transport (including patient travel) 1,270 1,515 Depreciation on property, plant and equipment 6,276 5,829 Amortisation on intangible assets 67 334 Not impairments 6 67 Movement in credit loss allowance: contract receivables / contract assets 356 67 Movement in credit loss allowance: all other receivables and investments 2 - Increase/(decrease) in other provisions 2 - Increase/(decrease) in other provisions 1	Purchase of healthcare from NHS and DHSC bodies	14,806	12,972
Staff and executive directors costs 218,420 102 Remuneration of non-executive directors 128 102 Supplies and services - General 4,390 3,449 Drug costs (drugs inventory consumed and purchase of non-inventory drugs) 17,679 18,422 Inventories written down 172 36 Consultancy costs 3,288 1,064 Establishment 4,170 3,244 Premises 21,287 10,310 Transport (including patient travel) 1,270 1,515 Depreciation on property, plant and equipment 6,276 5,829 Amortisation on intangible assets 671 334 Not impairments - 93 Movement in credit loss allowance: contract receivables / contract assets 356 67 Movement in credit loss allowance: all other receivables and investments - - Increase/(decrease) in other provisions - - Change in provisions discount rate(s) - - Change in provisions discount rate(s) - - Change in provisions discount rate(s)<	Purchase of healthcare from non-NHS and non-DHSC bodies	2,528	1,653
Remuneration of non-executive directors 128 102 Supplies and services - clinical (excluding drugs costs) 20,651 18,433 Supplies and services - general 4,390 3,449 Drug costs (drugs inventory consumed and purchase of non-inventory drugs) 17,679 18,422 Inventories written down 172 59 Consultancy costs 3,288 1,064 Establishment 4,170 3,244 Premises 21,287 10,310 Transport (including patient travel) 1,270 1,515 Depreciation on property, plant and equipment 6,276 5,829 Amortisation on intangible assets 671 334 Net impairments 5 983 Movement in credit loss allowance: contract receivables / contract assets 356 67 Movement in credit loss allowance: all other receivables and investments 5 6 Increase/(decrease) in other provisions 5 6 Change in provisions discount rate(s) 3 9 106 Audit fees payable to the external auditor 1 9 106 <td>Purchase of social care</td> <td>-</td> <td>-</td>	Purchase of social care	-	-
Supplies and services - clinical (excluding drugs costs) 20,651 18,439 Supplies and services - general 4,390 3,449 Drug costs (drugs inventory consumed and purchase of non-inventory drugs) 17,679 18,422 Inventories written down 172 59 Consultancy costs 3,288 1,064 Establishment 4,170 3,244 Premises 21,287 1,515 Transport (including patient travel) 1,270 1,515 Depreciation on property, plant and equipment 6,276 5,829 Amortisation on intangible assets 671 334 Net impairments 6 67 Movement in credit loss allowance: contract receivables / contract assets 356 67 Movement in credit loss allowance: all other receivables and investments - - Increase/(decrease) in other provisions - - - Change in provisions discount rate(s) - - - Audit fees payable to the external auditor - - - audit services- statutory audit 90 106	Staff and executive directors costs	218,420	186,929
Supplies and services - general 4,390 3.449 Drug costs (drugs inventory consumed and purchase of non-inventory drugs) 17,679 18,422 Inventories written down 172 59 Consultancy costs 3,288 1,064 Establishment 4,170 3,244 Premises 21,287 10,310 Transport (including patient travel) 1,270 130 Depreciation on property, plant and equipment 6,276 5,829 Amortisation on intangible assets 671 334 Net impairments 6 676 5,829 Movement in credit loss allowance: contract receivables / contract assets 356 67 Movement in credit loss allowance: all other receivables and investments 1 - Increase/(decrease) in other provisions 2 - Change in provisions discount rate(s) 3 1 Audit feets payable to the external auditor 9 106 other auditor remuneration (external auditor only) 1 1 Internal audit costs 113 9 Clinical negligence <td>Remuneration of non-executive directors</td> <td>128</td> <td>102</td>	Remuneration of non-executive directors	128	102
Drug costs (drugs inventory consumed and purchase of non-inventory drugs) Inventories written down 17,679 18,422 lnventories written down Consultancy costs 3,288 1,064 Establishment 4,170 3,244 Premises 21,287 10,310 Transport (including patient travel) 1,270 1,515 Depreciation on property, plant and equipment 6,276 5,829 Amortisation on intangible assets 671 334 Net impairments - 983 Movement in credit loss allowance: contract receivables / contract assets 356 67 Movement in credit loss allowance: all other receivables and investments - - Increase/(decrease) in other provisions - -	Supplies and services - clinical (excluding drugs costs)	20,651	18,433
Inventories written down 172 59 Consultancy costs 3,288 1,064 Establishment 4,170 3,244 Premises 21,287 10,310 Transport (including patient travel) 1,270 1,515 Depreciation on property, plant and equipment 6,276 5,829 Amortisation on intangible assets 671 334 Net impairments 671 334 Movement in credit loss allowance: contract receivables / contract assets 356 67 Movement in credit loss allowance: all other receivables and investments 2 6 Increase/(decrease) in other provisions 2 - Change in provisions discount rate(s) 2 - Change in provisions discount rate(s) 90 106 Audit fees payable to the external auditor 90 106 other auditor remuneration (external auditor only) 11 1 Internal audit costs 113 94 Clinical negligence 212 164 Insurance 212 164 Research a	Supplies and services - general	4,390	3,449
Consultancy costs 3.288 1,064 Establishment 4,170 3,244 Premises 21,287 10,310 Transport (including patient travel) 1,270 1,515 Depreciation on property, plant and equipment 6,276 5,829 Amortisation on intangible assets 671 334 Net impairments - 983 Movement in credit loss allowance: contract receivables / contract assets 356 67 Movement in credit loss allowance: all other receivables and investments - 983 Increase/(decrease) in other provisions - - - Increase/(decrease) in other provisions - - - Audit fees payable to the external auditor - - - Audit fees payable to the external auditor 90 106 - other auditor remuneration (external auditor only) - 17 - Internal audit costs 113 94 - - - - - - - - - - - -	Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	17,679	18,422
Establishment 4,170 3,244 Premises 21,287 10,310 Transport (including patient travel) 1,270 1,515 Depreciation on property, plant and equipment 6,276 5,829 Amortisation on intangible assets 671 334 Net impairments - 983 Movement in credit loss allowance: contract receivables / contract assets 356 67 Movement in credit loss allowance: all other receivables and investments - - Increase/(decrease) in other provisions - - Increase/(decrease) in other provisions - - Increase/(decrease) in other provisions - - Change in provisions discount rate(s) - - Audit fees payable to the external auditor - - audit services- statutory audit 90 106 other auditor remuneration (external auditor only) - 17 Internal audit costs 113 94 Clinical negligence 10,491 9,672 Legal fees 212 164	Inventories written down	172	59
Premises 21,287 10,310 Transport (including patient travel) 1,270 1,515 Depreciation on property, plant and equipment 6,276 5,829 Amortisation on intangible assets 671 334 Not impairments - 983 Movement in credit loss allowance: contract receivables / contract assets 356 67 Movement in credit loss allowance: all other receivables and investments - - Increase/(decrease) in other provisions - - Change in provisions discount rate(s) - - Audit fees payable to the external auditor 90 106 other auditor remuneration (external auditor only) - 17 Internal audit costs 113 94 Clinical negligence 10,491 9,672 Legal fees 212 164 Insurance 247 199 Research and development 75 458 Education and training 1,644 742 Rentals under operating leases 1,277 1,143 Early retirem	Consultancy costs	3,288	1,064
Transport (including patient travel) 1,270 1,515 Depreciation on property, plant and equipment 6,276 5,829 Amortisation on intangible assets 671 334 Net impairments	Establishment	4,170	3,244
Depreciation on property, plant and equipment 6,276 5,829 Amortisation on intangible assets 671 334 Net impairments	Premises	21,287	10,310
Amortisation on intangible assets 671 334 Net impairments - 983 Movement in credit loss allowance: contract receivables / contract assets 356 67 Movement in credit loss allowance: all other receivables and investments - - Increase/(decrease) in other provisions - - Change in provisions discount rate(s) - - Audit fees payable to the external auditor - - audit services- statutory audit 90 106 other auditor remuneration (external auditor only) - 17 Internal audit costs 113 94 Clinical negligence 10,491 9,672 Legal fees 212 164 Insurance 247 199 Research and development 759 458 Education and training 1,644 742 Rentals under operating leases 1,277 1,143 Early retirements - - Redundancy - - Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. P	Transport (including patient travel)	1,270	1,515
Net impairments - 983 Movement in credit loss allowance: contract receivables / contract assets 356 67 Movement in credit loss allowance: all other receivables and investments - - Increase/(decrease) in other provisions - - Change in provisions discount rate(s) - - Audit fees payable to the external auditor - - audit services- statutory audit 90 106 other auditor remuneration (external auditor only) - 17 Internal audit costs 113 94 Clinical negligence 10,491 9,672 Legal fees 212 164 Insurance 247 199 Research and development 759 458 Education and training 1,644 742 Rentals under operating leases 1,277 1,143 Early retirements - - Redundancy - - Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI) 4,595 4,486 Charges to operating expen	Depreciation on property, plant and equipment	6,276	5,829
Movement in credit loss allowance: all other receivables and investments 356 67 Movement in credit loss allowance: all other receivables and investments - - Increase/(decrease) in other provisions - - Change in provisions discount rate(s) - - Audit fees payable to the external auditor 90 106 audit services- statutory audit 90 106 other auditor remuneration (external auditor only) - 17 Internal audit costs 113 94 Clinical negligence 10,491 9,672 Legal fees 212 164 Insurance 247 199 Research and development 759 458 Education and training 1,644 742 Rentals under operating leases 1,277 1,143 Early retirements - - Redundancy - - Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI) 4,595 4,486 Charges to operating expenditure for off-SoFP PFI schemes - - - </td <td>Amortisation on intangible assets</td> <td>671</td> <td>334</td>	Amortisation on intangible assets	671	334
Movement in credit loss allowance: all other receivables and investments 356 67 Movement in credit loss allowance: all other receivables and investments - - Increase/(decrease) in other provisions - - Change in provisions discount rate(s) - - Audit fees payable to the external auditor 90 106 audit services- statutory audit 90 106 other auditor remuneration (external auditor only) - 17 Internal audit costs 113 94 Clinical negligence 10,491 9,672 Legal fees 212 164 Insurance 247 199 Research and development 759 458 Education and training 1,644 742 Rentals under operating leases 1,277 1,143 Early retirements - - Redundancy - - Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI) 4,595 4,486 Charges to operating expenditure for off-SoFP PFI schemes - - - </td <td>Net impairments</td> <td>-</td> <td>983</td>	Net impairments	-	983
Increase/(decrease) in other provisions - - Change in provisions discount rate(s) - - Audit fees payable to the external auditor 90 106 audit services- statutory audit 90 106 other auditor remuneration (external auditor only) - 17 Internal audit costs 10,491 9,672 Clinical negligence 10,491 9,672 Legal fees 212 164 Insurance 247 199 Research and development 759 458 Education and training 1,644 742 Rentals under operating leases 1,277 1,143 Early retirements - - Redundancy - - Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI) 4,595 4,486 Charges to operating expenditure for off-SoFP PFI schemes - - Car parking & security 771 647 Hospitality - - Losses, ex gratia & special payments - - <td></td> <td>356</td> <td>67</td>		356	67
Change in provisions discount rate(s) - - Audit fees payable to the external auditor 90 106 other auditor remuneration (external auditor only) - 17 Internal audit costs 113 94 Clinical negligence 10,491 9,672 Legal fees 212 164 Insurance 247 199 Research and development 759 458 Education and training 1,644 742 Rentals under operating leases 1,277 1,143 Early retirements - - Redundancy - - Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI) 4,595 4,486 Charges to operating expenditure for off-SoFP PFI schemes - - - Car parking & security 771 647 Hospitality - - - Losses, ex gratia & special payments 79 77 Grossing up consortium arrangements - - - Other 2,129 1,013 Total 338,499 284,183	Movement in credit loss allowance: all other receivables and investments	-	-
Audit fees payable to the external auditor 90 106 other auditor remuneration (external auditor only) - 17 Internal audit costs 113 94 Clinical negligence 10,491 9,672 Legal fees 212 164 Insurance 247 199 Research and development 759 458 Education and training 1,644 742 Rentals under operating leases 1,277 1,143 Early retirements - - Redundancy - - Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI) 4,595 4,486 Charges to operating expenditure for off-SoFP PFI schemes - - Car parking & security 771 647 Hospitality - - Losses, ex gratia & special payments 79 77 Grossing up consortium arrangements - - Other services, eg external payroll - - Other 2,129 1,013 Total 338,499 284,183	Increase/(decrease) in other provisions	-	-
audit services- statutory audit 90 106 other auditor remuneration (external auditor only) - 17 Internal audit costs 113 94 Clinical negligence 10,491 9,672 Legal fees 212 164 Insurance 247 199 Research and development 759 458 Education and training 1,644 742 Rentals under operating leases 1,277 1,143 Early retirements - - Redundancy - - Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI) 4,595 4,486 Charges to operating expenditure for off-SoFP PFI schemes - - - Car parking & security 771 647 Hospitality - - - Losses, ex gratia & special payments 79 77 Grossing up consortium arrangements - - Other services, eg external payroll - - Other services, eg external payroll - - Of which: - -		-	-
audit services- statutory audit 90 106 other auditor remuneration (external auditor only) - 17 Internal audit costs 113 94 Clinical negligence 10,491 9,672 Legal fees 212 164 Insurance 247 199 Research and development 759 458 Education and training 1,644 742 Rentals under operating leases 1,277 1,143 Early retirements - - Redundancy - - Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI) 4,595 4,486 Charges to operating expenditure for off-SoFP PFI schemes - - - Car parking & security 771 647 Hospitality - - - Losses, ex gratia & special payments 79 77 Grossing up consortium arrangements - - Other services, eg external payroll - - Other services, eg external payroll - - Of which: - -	Audit fees payable to the external auditor		
Internal audit costs 113 94 Clinical negligence 10,491 9,672 Legal fees 212 164 Insurance 247 199 Research and development 759 458 Education and training 1,644 742 Rentals under operating leases 1,277 1,143 Early retirements 1 2 Redundancy 1 2 Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI) 4,595 4,486 Charges to operating expenditure for off-SoFP PFI schemes 1 7 647 Hospitality 7 647 Hospitality 7 7 Corses, ex gratia & special payments 79 77 Grossing up consortium arrangements 1 1 Other 2,129 1,013 Total 338,499 284,183 Of which: Related to continuing operations 338,499 284,183		90	106
Internal audit costs 113 94 Clinical negligence 10,491 9,672 Legal fees 212 164 Insurance 247 199 Research and development 759 458 Education and training 1,644 742 Rentals under operating leases 1,277 1,143 Early retirements 1 2 Redundancy 1 2 Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI) 4,595 4,486 Charges to operating expenditure for off-SoFP PFI schemes 1 7 647 Hospitality 7 647 Hospitality 7 7 Corses, ex gratia & special payments 79 77 Grossing up consortium arrangements 1 1 Other 2,129 1,013 Total 338,499 284,183 Of which: Related to continuing operations 338,499 284,183	other auditor remuneration (external auditor only)	-	17
Legal fees 212 164 Insurance 247 199 Research and development 759 458 Education and training 1,644 742 Rentals under operating leases 1,277 1,143 Early retirements - - Redundancy - - Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI) 4,595 4,486 Charges to operating expenditure for off-SoFP PFI schemes - - - Car parking & security 771 647 Hospitality - - - Losses, ex gratia & special payments 79 77 Grossing up consortium arrangements - - - Other services, eg external payroll - - - Other 2,129 1,013 Total 338,499 284,183 Of which: Related to continuing operations 338,499 284,183	Internal audit costs	113	94
Insurance 247 199 Research and development 759 458 Education and training 1,644 742 Rentals under operating leases 1,277 1,143 Early retirements - - Redundancy - - Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI) 4,595 4,486 Charges to operating expenditure for off-SoFP PFI schemes - - Car parking & security 771 647 Hospitality - - Losses, ex gratia & special payments 79 77 Grossing up consortium arrangements - - Other services, eg external payroll - - Other 2,129 1,013 Total 338,499 284,183 Of which: Related to continuing operations 338,499 284,183	Clinical negligence	10,491	9,672
Research and development 759 458 Education and training 1,644 742 Rentals under operating leases 1,277 1,143 Early retirements - - Redundancy - - Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI) 4,595 4,486 Charges to operating expenditure for off-SoFP PFI schemes - - Car parking & security 771 647 Hospitality - - Losses, ex gratia & special payments 79 77 Grossing up consortium arrangements - - Other services, eg external payroll - - Other 2,129 1,013 Total 338,499 284,183 Of which: Related to continuing operations 338,499 284,183		212	164
Education and training 1,644 742 Rentals under operating leases 1,277 1,143 Early retirements - - Redundancy - - Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI) 4,595 4,486 Charges to operating expenditure for off-SoFP PFI schemes - - Car parking & security 771 647 Hospitality - - Losses, ex gratia & special payments 79 77 Grossing up consortium arrangements - - Other services, eg external payroll - - Other 2,129 1,013 Total 338,499 284,183 Of which: Related to continuing operations 338,499 284,183	Insurance	247	199
Rentals under operating leases 1,277 1,143 Early retirements - - Redundancy - - Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI) 4,595 4,486 Charges to operating expenditure for off-SoFP PFI schemes - - Car parking & security 771 647 Hospitality - - Losses, ex gratia & special payments 79 77 Grossing up consortium arrangements - - Other services, eg external payroll - - Other 2,129 1,013 Total 338,499 284,183 Of which: Related to continuing operations 338,499 284,183	Research and development	759	458
Rentals under operating leases 1,277 1,143 Early retirements - - Redundancy - - Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI) 4,595 4,486 Charges to operating expenditure for off-SoFP PFI schemes - - Car parking & security 771 647 Hospitality - - Losses, ex gratia & special payments 79 77 Grossing up consortium arrangements - - Other services, eg external payroll - - Other 2,129 1,013 Total 338,499 284,183 Of which: Related to continuing operations 338,499 284,183		1,644	742
Early retirements - - Redundancy - - Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI) 4,595 4,486 Charges to operating expenditure for off-SoFP PFI schemes - - Car parking & security 771 647 Hospitality - - Losses, ex gratia & special payments 79 77 Grossing up consortium arrangements - - Other services, eg external payroll - - Other 2,129 1,013 Total 338,499 284,183 Of which: Related to continuing operations 338,499 284,183	-	1,277	1,143
Redundancy - - Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI) 4,595 4,486 Charges to operating expenditure for off-SoFP PFI schemes - - Car parking & security 771 647 Hospitality - - Losses, ex gratia & special payments 79 77 Grossing up consortium arrangements - - Other services, eg external payroll - - Other 2,129 1,013 Total 338,499 284,183 Of which: Related to continuing operations 338,499 284,183		-	-
Charges to operating expenditure for off-SoFP PFI schemes - - Car parking & security 771 647 Hospitality - - Losses, ex gratia & special payments 79 77 Grossing up consortium arrangements - - Other services, eg external payroll - - Other 2,129 1,013 Total 338,499 284,183 Of which: - - Related to continuing operations 338,499 284,183	·	-	-
Car parking & security 771 647 Hospitality - - Losses, ex gratia & special payments 79 77 Grossing up consortium arrangements - - Other services, eg external payroll - - Other 2,129 1,013 Total 338,499 284,183 Of which: Related to continuing operations 338,499 284,183	Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI)	4,595	4,486
Hospitality - - Losses, ex gratia & special payments 79 77 Grossing up consortium arrangements - - Other services, eg external payroll - - Other 2,129 1,013 Total 338,499 284,183 Of which: Related to continuing operations 338,499 284,183	Charges to operating expenditure for off-SoFP PFI schemes	-	-
Losses, ex gratia & special payments 79 77 Grossing up consortium arrangements - - Other services, eg external payroll - - Other 2,129 1,013 Total 338,499 284,183 Of which: 8 284,183 Related to continuing operations 338,499 284,183	Car parking & security	771	647
Grossing up consortium arrangements - - Other services, eg external payroll - - Other 2,129 1,013 Total 338,499 284,183 Of which: 338,499 284,183	Hospitality	-	-
Other services, eg external payroll - - Other 2,129 1,013 Total 338,499 284,183 Of which: 8 284,183 Related to continuing operations 338,499 284,183	Losses, ex gratia & special payments	79	77
Other 2,129 1,013 Total 338,499 284,183 Of which: Related to continuing operations 338,499 284,183	Grossing up consortium arrangements	-	-
Total 338,499 284,183 Of which: Related to continuing operations 338,499 284,183	Other services, eg external payroll	-	-
Total 338,499 284,183 Of which: 8 284,183 Related to continuing operations 338,499 284,183		2,129	1,013
Related to continuing operations 338,499 284,183	Total		
	Of which:		
	Related to continuing operations	338,499	284,183
•	Related to discontinued operations	-	-

Note 5.2 Other auditor remuneration

	2020/21	2019/20
	£000	£000
Other auditor remuneration paid to the external auditor:		
Audit of accounts of any associate of the trust	-	-
2. Audit-related assurance services	-	17
3. Taxation compliance services	-	-
4. All taxation advisory services not falling within item 3 above	-	-
5. Internal audit services	-	-
6. All assurance services not falling within items 1 to 5	-	-
7. Corporate finance transaction services not falling within items 1 to 6 above	-	-
8. Other non-audit services not falling within items 2 to 7 above	<u> </u>	<u>-</u>
Total		17

Note 5.3 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 Impairment of assets

2020/21	2019/20
£000	£000
-	-
-	-
-	-
-	-
-	-
-	-
<u>-</u>	983
	983
	-
<u> </u>	983

The Trust completed the development of the Neonatal Unit and new Maternity theatre in 2019/20. Following an independent valuation the Trust recognised a total impairment loss of £1.966 million against the original cost of the development. The impairment was initially offset against the carried forward revaluation reserve balance for the Maternity Unit, and the remaining balance of £983k was charged to operating expenses as an impairment.

Note 7 Employee benefits

	2020/21	2019/20
	Total	Total
	£000	£000
Salaries and wages	161,553	140,525
Social security costs	15,153	13,503
Apprenticeship levy	734	666
Employer's contributions to NHS pensions	24,772	22,976
Pension cost - other	-	-
Other post employment benefits	-	-
Other employment benefits	-	-
Termination benefits	-	-
Temporary staff (including agency)	17,432	10,087
Total gross staff costs	219,644	187,757
Recoveries in respect of seconded staff		
Total staff costs	219,644	187,757
Of which		
Costs capitalised as part of assets	-	-

Note 7.1 Retirements due to ill-health

During 2020/21 there were 3 early retirements from the Trust agreed on the grounds of ill-health (4 in the year ended 31 March 2020). The estimated additional pension liabilities of these ill-health retirements is £256k (£234k in 2019/20).

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

Note 8 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.

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

a) Accounting valuation

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

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

b) Full actuarial (funding) valuation

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

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.

The Trust offers an additional defined workplace pension scheme, National Employment Savings Scheme (NEST), to which a minority of staff contribute.

Note 9 Operating leases

Note 9.1 Walsall Healthcare NHS Trust as a lessor

This note discloses income generated in operating lease agreements where Walsall Healthcare NHS Trust is the lessor. The Trust has received rental income for use of the Urgent Care Centre.

	2020/21 £000	2019/20 £000
Operating lease revenue		
Minimum lease receipts	206	201
Contingent rent	-	-
Other	_	
Total	206	201
	31 March 2021 £000	31 March 2020 £000
Future minimum lease receipts due:		
- not later than one year;	206	201
- later than one year and not later than five years;	822	802
- later than five years.	3,494	3,409
Total	4,522	4,412

Note 9.2 Walsall Healthcare NHS Trust as a lessee

This note discloses costs and commitments incurred in operating lease arrangements where Walsall Healthcare NHS Trust is the lessee.

The Trust has operating leases with NHS Property Services for shared occupancy of numerous properties within the Walsall locality to deliver community healthcare services. The Trust has vehicle leases primarily relating to cars for employees working within community services. The employees have the option to renew their lease arrangment after 3 years. Employees do not have the option to purchase the vehicle at the end of the agreement.

	2020/21	2019/20
	£000£	£000
Operating lease expense		
Minimum lease payments	1,277	1,143
Contingent rents	-	-
Less sublease payments received		
Total	1,277	1,143
	31 March	31 March
	2021	2020
	£000	£000
Future minimum lease payments due:		
- not later than one year;	1,148	1,016
- later than one year and not later than five years;	241	250
- later than five years.	60	120
Total	1,449	1,386
Future minimum sublease payments to be received		-

Note 10 Finance income

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

2020/	21	2019/20
03	00	£000
Interest on bank accounts	-	86
Interest income on finance leases	-	-
Interest on other investments / financial assets	-	-
Other finance income		
Total finance income	<u>-</u>	86

Note 11.1 Finance expenditure

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

	2020/21	2019/20
	£000	£000
Interest expense:		
Loans from the Department of Health and Social Care	-	2,727
Other loans	-	-
Overdrafts	-	-
Finance leases	-	-
Interest on late payment of commercial debt	-	-
Main finance costs on PFI and LIFT schemes obligations	8,351	8,233
Contingent finance costs on PFI and LIFT scheme obligations	<u>-</u>	<u>-</u>
Total interest expense	8,351	10,960
Unwinding of discount on provisions	-	-
Other finance costs	<u> </u>	
Total finance costs	8,351	10,960

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

	2020/21	2019/20
	£000	£000
Total liability accruing in year under this legislation as a result of late payments Amounts included within interest payable arising from claims made under this	18	58
legislation	-	-
Compensation paid to cover debt recovery costs under this legislation	-	-

Note 12 Other gains / (losses)

	2020/21 £000	2019/20 £000
Gains on disposal of assets	-	-
Losses on disposal of assets	<u>-</u>	-
Total gains / (losses) on disposal of assets	<u> </u>	-
Gains / (losses) on foreign exchange	-	-
Fair value gains / (losses) on investment properties	-	-
Fair value gains / (losses) on financial assets / investments	-	-
Fair value gains / (losses) on financial liabilities	-	-
Recycling gains / (losses) on disposal of financial assets mandated as fair value through OCI	-	-
Other gains / (losses)	<u> </u>	_
Total other gains / (losses)		-

	Software licences £000	Licences & trademarks £000	Patents £000	Internally generated information technology £000	Development expenditure £000	Goodwill £000	Websites £000	Intangible assets under construction £000	Other (purchased) £000	Total £000
Valuation / gross cost at 1 April 2020 - brought forward	8,556	-	-	-	-	-	-	-	-	8,556
Transfers by absorption	-	-	-	-	-	-	-	-	-	-
Additions	1,262	-	-	-	-	-	-	-	-	1,262
Impairments	-	-	-	-	-	-	-	-	-	-
Reversals of impairments	-	-	-	-	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-	-	-	-	-
Reclassifications	4,216	-	-	-	-	-	-	-	-	4,216
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	-	-	-	-	-	-
Valuation / gross cost at 31 March 2021	14,034	-	-	-	-	-	-	-	-	14,034
Amortisation at 1 April 2020 - brought forward	6,946	-	-	-	-	-	-	-	-	6,946
Transfers by absorption	-	-	-	-	-	-	-	-	-	-
Provided during the year	671	-	-	-	-	-	-	-	-	671
Impairments	-	-	-	-	-	-	-	-	-	-
Reversals of impairments	-	-	-	-	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-	-
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	-	-	-	-	-	-
Amortisation at 31 March 2021	7,617	-	-	-	•	-	-	-	-	7,617
Net book value at 31 March 2021	6 417									6 417
Net book value at 1 April 2020	6,417 1,610	-			-	-	-	-	-	6,417 1,610
				generated				Intangible		
	Software licences £000	Licences & trademarks £000	Patents £000		Development expenditure £000	Goodwill £000	Websites £000	Intangible assets under construction £000	Other (purchased) £000	Total £000
Valuation / gross cost at 1 April 2019 - as previously	licences	trademarks		information technology	expenditure			assets under construction	(purchased)	
stated	licences	trademarks		information technology	expenditure			assets under construction	(purchased)	
stated Prior period adjustments	licences £000 7,889	trademarks		information technology	expenditure			assets under construction	(purchased)	£000 7,889 -
stated Prior period adjustments Valuation / gross cost at 1 April 2019 - restated	licences £000	trademarks		information technology	expenditure £000	£000		assets under construction	(purchased) £000	£000
Prior period adjustments Valuation / gross cost at 1 April 2019 - restated Transfers by absorption	7,889 - 7,889	trademarks £000 - -	£000 - -	information technology	expenditure £000	£000 - -	£000	assets under construction £000	(purchased) £000 - -	7,889 - 7,889
stated Prior period adjustments Valuation / gross cost at 1 April 2019 - restated	7,889 7,889	trademarks £000 - - -	£000 - -	information technology	expenditure £000 - -	£000 - - -	£000	assets under construction £000	(purchased) £000 - -	£000 7,889 -
stated Prior period adjustments Valuation / gross cost at 1 April 2019 - restated Transfers by absorption Additions Impairments	7,889 - 7,889	trademarks £000 - - -	£000 - -	information technology	expenditure £000 - -	£000 - - -	£000	assets under construction £000	(purchased) £000 - -	7,889 - 7,889
stated Prior period adjustments Valuation / gross cost at 1 April 2019 - restated Transfers by absorption Additions Impairments Reversals of impairments	7,889 - 7,889	trademarks £000 - - -	£000 - -	information technology	expenditure £000 - -	£000 - - -	£000	assets under construction £000	(purchased) £000 - -	7,889 - 7,889
stated Prior period adjustments Valuation / gross cost at 1 April 2019 - restated Transfers by absorption Additions Impairments Reversals of impairments Revaluations	7,889 - 7,889	trademarks £000 - - -	£000 - -	information technology	expenditure £000 - -	£000 - - -	£000	assets under construction £000	(purchased) £000 - -	7,889 - 7,889
stated Prior period adjustments Valuation / gross cost at 1 April 2019 - restated Transfers by absorption Additions Impairments Reversals of impairments Revaluations Reclassifications	7,889 - 7,889	trademarks £000 - - -	£000 - -	information technology	expenditure £000 - -	£000 - - -	£000	assets under construction £000	(purchased) £000 - -	7,889 - 7,889
stated Prior period adjustments Valuation / gross cost at 1 April 2019 - restated Transfers by absorption Additions Impairments Reversals of impairments Revaluations Reclassifications Transfers to / from assets held for sale	7,889 - 7,889	trademarks £000	£000 - - - - - - - -	information technology £000	expenditure £000	£000	£000	assets under construction £000	(purchased) £000	7,889 - 7,889
Stated Prior period adjustments Valuation / gross cost at 1 April 2019 - restated Transfers by absorption Additions Impairments Reversals of impairments Revaluations Reclassifications Transfers to / from assets held for sale Disposals / derecognition	7,889 - 7,889	trademarks £000 - - -	£000 - -	information technology	expenditure £000 - -	£000 - - -	£000	assets under construction £000	(purchased) £000 - -	£000 7,889 - 7,889 - 667
stated Prior period adjustments Valuation / gross cost at 1 April 2019 - restated Transfers by absorption Additions Impairments Reversals of impairments Revaluations Reclassifications Transfers to / from assets held for sale Disposals / derecognition Valuation / gross cost at 31 March 2020	7,889 - 7,889 - 667 8,556	trademarks £000	£000 - - - - - - - - -	information technology £000	expenditure £000	£000	£000	assets under construction £000	(purchased) £000	£000 7,889 - 7,889 - 667 8,556
Stated Prior period adjustments Valuation / gross cost at 1 April 2019 - restated Transfers by absorption Additions Impairments Reversals of impairments Revaluations Reclassifications Transfers to / from assets held for sale Disposals / derecognition Valuation / gross cost at 31 March 2020 Amortisation at 1 April 2019 - as previously stated	7,889 - 7,889 - 667	trademarks £000	£000 - - - - - - - - -	information technology £000	expenditure £000	£000	£000	assets under construction £000	(purchased) £000	£000 7,889 - 7,889 - 667
stated Prior period adjustments Valuation / gross cost at 1 April 2019 - restated Transfers by absorption Additions Impairments Reversals of impairments Revaluations Reclassifications Transfers to / from assets held for sale Disposals / derecognition Valuation / gross cost at 31 March 2020 Amortisation at 1 April 2019 - as previously stated Prior period adjustments	7,889 -7,889 -6678,556	trademarks £000	£000 - - - - - - - - -	information technology £000	expenditure £000	£000	£000	assets under construction £000	(purchased) £000	£000 7,889 - 7,889 - 667 8,556 - 6,612
stated Prior period adjustments Valuation / gross cost at 1 April 2019 - restated Transfers by absorption Additions Impairments Reversals of impairments Revaluations Reclassifications Transfers to / from assets held for sale Disposals / derecognition Valuation / gross cost at 31 March 2020 Amortisation at 1 April 2019 - as previously stated Prior period adjustments Amortisation at 1 April 2019 - restated	7,889 - 7,889 - 667 8,556	trademarks £000	£000 - - - - - - - - -	information technology £000	expenditure £000	£000	£000	assets under construction £000	(purchased) £000	£000 7,889 - 7,889 - 667 8,556
Stated Prior period adjustments Valuation / gross cost at 1 April 2019 - restated Transfers by absorption Additions Impairments Reversals of impairments Revaluations Reclassifications Transfers to / from assets held for sale Disposals / derecognition Valuation / gross cost at 31 March 2020 Amortisation at 1 April 2019 - as previously stated Prior period adjustments Amortisation at 1 April 2019 - restated Transfers by absorption	7,889 - 7,889 - 667 8,556 6,612 - 6,612	trademarks £000	£000 - - - - - - - - -	information technology £000	expenditure £000	£000	£000	assets under construction £000	(purchased) £000	£000 7,889 - 7,889 - 667 8,556 6,612 - 6,612
stated Prior period adjustments Valuation / gross cost at 1 April 2019 - restated Transfers by absorption Additions Impairments Reversals of impairments Revaluations Reclassifications Transfers to / from assets held for sale Disposals / derecognition Valuation / gross cost at 31 March 2020 Amortisation at 1 April 2019 - as previously stated Prior period adjustments Amortisation at 1 April 2019 - restated Transfers by absorption Provided during the year	7,889 -7,889 -6678,556	trademarks £000	£000 - - - - - - - - -	information technology £000	expenditure £000	£000	£000	assets under construction £000	(purchased) £000	£000 7,889 - 7,889 - 667 8,556 - 6,612
stated Prior period adjustments Valuation / gross cost at 1 April 2019 - restated Transfers by absorption Additions Impairments Reversals of impairments Revaluations Reclassifications Transfers to / from assets held for sale Disposals / derecognition Valuation / gross cost at 31 March 2020 Amortisation at 1 April 2019 - as previously stated Prior period adjustments Amortisation at 1 April 2019 - restated Transfers by absorption Provided during the year Impairments	7,889 - 7,889 - 667 8,556 6,612 - 6,612	trademarks £000	£000 - - - - - - - - -	information technology £000	expenditure £000	£000	£000	assets under construction £000	(purchased) £000	£000 7,889 - 7,889 - 667 8,556 6,612 - 6,612
Prior period adjustments Valuation / gross cost at 1 April 2019 - restated Transfers by absorption Additions Impairments Reversals of impairments Revaluations Reclassifications Transfers to / from assets held for sale Disposals / derecognition Valuation / gross cost at 31 March 2020 Amortisation at 1 April 2019 - as previously stated Prior period adjustments Amortisation at 1 April 2019 - restated Transfers by absorption Provided during the year Impairments Reversals of impairments	7,889 - 7,889 - 667 8,556 6,612 - 6,612	trademarks £000	£000 - - - - - - - - -	information technology £000	expenditure £000	£000	£000	assets under construction £000	(purchased) £000	£000 7,889 - 7,889 - 667 8,556 6,612 - 6,612
Prior period adjustments Valuation / gross cost at 1 April 2019 - restated Transfers by absorption Additions Impairments Reversals of impairments Revaluations Reclassifications Transfers to / from assets held for sale Disposals / derecognition Valuation / gross cost at 31 March 2020 Amortisation at 1 April 2019 - as previously stated Prior period adjustments Amortisation at 1 April 2019 - restated Transfers by absorption Provided during the year Impairments Reversals of impairments Reversals of impairments Revaluations	7,889 - 7,889 - 667 8,556 6,612 - 6,612	trademarks £000	£000 - - - - - - - - -	information technology £000	expenditure £000	£000	£000	assets under construction £000	(purchased) £000	£000 7,889 - 7,889 - 667 8,556 6,612 - 6,612
Prior period adjustments Valuation / gross cost at 1 April 2019 - restated Transfers by absorption Additions Impairments Reversals of impairments Revaluations Reclassifications Transfers to / from assets held for sale Disposals / derecognition Valuation / gross cost at 31 March 2020 Amortisation at 1 April 2019 - as previously stated Prior period adjustments Amortisation at 1 April 2019 - restated Transfers by absorption Provided during the year Impairments Reversals of impairments	7,889 - 7,889 - 667 8,556 6,612 - 6,612	trademarks £000	£000 - - - - - - - - -	information technology £000	expenditure £000	£000	£000	assets under construction £000	(purchased) £000	£000 7,889 - 7,889 - 667 8,556 6,612 - 6,612
Prior period adjustments Valuation / gross cost at 1 April 2019 - restated Transfers by absorption Additions Impairments Reversals of impairments Revaluations Reclassifications Transfers to / from assets held for sale Disposals / derecognition Valuation / gross cost at 31 March 2020 Amortisation at 1 April 2019 - as previously stated Prior period adjustments Amortisation at 1 April 2019 - restated Transfers by absorption Provided during the year Impairments Reversals of impairments Revaluations Reclassifications	7,889 - 7,889 - 667 8,556 6,612 - 6,612	trademarks £000	£000 - - - - - - - - -	information technology £000	expenditure £000	£000	£000	assets under construction £000	(purchased) £000	£000 7,889 - 7,889 - 667 8,556 6,612 - 6,612
Prior period adjustments Valuation / gross cost at 1 April 2019 - restated Transfers by absorption Additions Impairments Reversals of impairments Revaluations Reclassifications Transfers to / from assets held for sale Disposals / derecognition Valuation / gross cost at 31 March 2020 Amortisation at 1 April 2019 - as previously stated Prior period adjustments Amortisation at 1 April 2019 - restated Transfers by absorption Provided during the year Impairments Reversals of impairments Revaluations Reclassifications Transfers to / from assets held for sale	7,889 - 7,889 - 667 8,556 6,612 - 6,612	trademarks £000	£000 - - - - - - - - -	information technology £000	expenditure £000	£000	£000	assets under construction £000	(purchased) £000	£000 7,889 - 7,889 - 667 8,556 6,612 - 6,612
Prior period adjustments Valuation / gross cost at 1 April 2019 - restated Transfers by absorption Additions Impairments Reversals of impairments Revaluations Reclassifications Transfers to / from assets held for sale Disposals / derecognition Valuation / gross cost at 31 March 2020 Amortisation at 1 April 2019 - as previously stated Prior period adjustments Amortisation at 1 April 2019 - restated Transfers by absorption Provided during the year Impairments Reversals of impairments Revaluations Reclassifications Transfers to / from assets held for sale Disposals / derecognition Amortisation at 31 March 2020	1icences £000 7,889 - 7,889 - 667 - - - - 8,556 6,612 - 334 - - - - - - - - - - - - - - - - -	trademarks £000	£000	information technology £000	expenditure £000	£000	£000	assets under construction £000	(purchased) £000	£000 7,889 - 7,889 - 667 8,556 6,612 6,612
Prior period adjustments Valuation / gross cost at 1 April 2019 - restated Transfers by absorption Additions Impairments Reversals of impairments Revaluations Reclassifications Transfers to / from assets held for sale Disposals / derecognition Valuation / gross cost at 31 March 2020 Amortisation at 1 April 2019 - as previously stated Prior period adjustments Amortisation at 1 April 2019 - restated Transfers by absorption Provided during the year Impairments Reversals of impairments Revaluations Reclassifications Transfers to / from assets held for sale Disposals / derecognition	1icences £000 7,889 - 7,889 - 667 - - - - - 8,556 6,612 - - 334 - - -	trademarks £000	£000	information technology £000	expenditure £000	£000	£000	assets under construction £000	(purchased) £000	£000 7,889 - 7,889 - 667 8,556 6,612 - 334

	Land £000	Buildings excluding dwellings £000	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 - brought forward	8,310	151,140	2,916	4,819	42,008	253	10,986	970	221,402
Transfers by absorption	-	- - -	- 070	7.000		-	- 4.070	-	-
Additions	17	5,409	378	7,962	5,052	-	1,679	28	20,525
Impairments	-	-	-	-	-	-	-	-	•
Reversals of impairments	710	0.705	120	-	-	-	-	-	0.567
Revaluations Reclassifications	713	8,725	129	(4.400)	- (40)	-	-	-	9,567 (4.316)
Transfers to / from assets held for sale	-	-	-	(4,198)	(18)	-	-	-	(4,216)
Disposals / derecognition	_	-	_	-	-		-	-	_
Valuation/gross cost at 31 March 2021	9,040	165,274	3,423	8,583	47,042	253	12,665	998	247,278
Accumulated depreciation at 1 April 2020 - brought forward	69	33,168	1,629	_	33,786	253	9,489	613	79,007
Transfers by absorption	-	-	-	_	-		-	-	-
Provided during the year	_	3,863	169	_	1,675	_	520	49	6,276
Impairments	_	-	-	-	-	_	-	_	-
Reversals of impairments	_		-	-	_	-	_	_	_
Revaluations	-	-	_	-	-	-	-	-	-
Reclassifications	-	-	_	-	-	-	-	-	_
Transfers to / from assets held for sale	_	_	_	-	_	_	_	_	-
Disposals / derecognition	-	-	-	-	-	-	-	-	
Accumulated depreciation at 31 March 2021	69	37,031	1,798	-	35,461	253	10,009	662	85,283
Net book value at 31 March 2021	8,971	128,243	1,625	8,583	11,581	_	2,656	336	161,995
Net book value at 1 April 2020	8,241	117,972	1,287	4,819	8,222	_	1,497	357	142,395
Note 14.2 Property, plant and equipment - 2019/20		Buildings				_			
	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings	Total £000
Valuation / gross cost at 1 April 2019 - as previously stated		excluding dwellings	_	construction	machinery	equipment	technology	fittings	
Valuation / gross cost at 1 April 2019 - as previously stated Prior period adjustments	£000 8,325 -	excluding dwellings £000 136,792	£000 2,926	construction £000 12,171	machinery £000 39,997	equipment £000 253	technology £000 9,939	fittings £000 945 -	£000 211,348 -
Valuation / gross cost at 1 April 2019 - as previously stated	£000	excluding dwellings £000 136,792 -	£000	construction £000	machinery £000 39,997 - 39,997	equipment £000	9,939 9,939	fittings £000 945 - 945	£000 211,348 - 211,348
Valuation / gross cost at 1 April 2019 - as previously stated Prior period adjustments Valuation / gross cost at 1 April 2019 - restated Transfers by absorption Additions	£000 8,325 -	excluding dwellings £000 136,792	£000 2,926 - 2,926	construction £000 12,171	39,997 - 39,997	equipment £000 253 - 253	technology £000 9,939	fittings £000 945 - 945	£000 211,348 -
Valuation / gross cost at 1 April 2019 - as previously stated Prior period adjustments Valuation / gross cost at 1 April 2019 - restated Transfers by absorption Additions Impairments	£000 8,325 - 8,325	excluding dwellings £000 136,792 -	2,926 - 2,926	construction £000 12,171 - 12,171	machinery £000 39,997 - 39,997	equipment £000 253 - 253	9,939 9,939	fittings £000 945 - 945	£000 211,348 - 211,348
Valuation / gross cost at 1 April 2019 - as previously stated Prior period adjustments Valuation / gross cost at 1 April 2019 - restated Transfers by absorption Additions Impairments Reversals of impairments	£000 8,325 - 8,325	excluding dwellings £000 136,792 - 136,792 - 1,800	2,926 - 2,926	construction £000 12,171 - 12,171	machinery £000 39,997 - 39,997	equipment £000 253 - 253	9,939 - 9,939	fittings £000 945 - 945	£000 211,348 - 211,348 - 11,037 -
Valuation / gross cost at 1 April 2019 - as previously stated Prior period adjustments Valuation / gross cost at 1 April 2019 - restated Transfers by absorption Additions Impairments Reversals of impairments Revaluations	8,325 - 8,325 - 9	excluding dwellings £000 136,792 - 136,792 - 1,800 - (983)	2,926 - 2,926 - 44 - -	12,171 - 12,171 - 6,097	machinery £000 39,997 - 39,997 - 2,083 - -	equipment £000 253 - 253	9,939 - 9,939 - 987	945 - 945 - 17 -	£000 211,348 - 211,348
Valuation / gross cost at 1 April 2019 - as previously stated Prior period adjustments Valuation / gross cost at 1 April 2019 - restated Transfers by absorption Additions Impairments Reversals of impairments Revaluations Reclassifications	£000 8,325 - 8,325	excluding dwellings £000 136,792 - 136,792 - 1,800	2,926 - 2,926	construction £000 12,171 - 12,171	machinery £000 39,997 - 39,997	equipment £000 253 - 253	9,939 - 9,939	fittings £000 945 - 945 - 17 -	£000 211,348 - 211,348 - 11,037 -
Valuation / gross cost at 1 April 2019 - as previously stated Prior period adjustments Valuation / gross cost at 1 April 2019 - restated Transfers by absorption Additions Impairments Reversals of impairments Revaluations Reclassifications Transfers to / from assets held for sale	8,325 - 8,325 - 9	excluding dwellings £000 136,792 - 136,792 - 1,800 - (983)	2,926 - 2,926 - 44 - -	12,171 - 12,171 - 6,097	machinery £000 39,997 - 39,997 - 2,083 - -	equipment £000 253 - 253	9,939 - 9,939 - 987	945 - 945 - 17 -	£000 211,348 - 211,348 - 11,037 -
Valuation / gross cost at 1 April 2019 - as previously stated Prior period adjustments Valuation / gross cost at 1 April 2019 - restated Transfers by absorption Additions Impairments Reversals of impairments Revaluations Reclassifications	8,325 - 8,325 - 9	excluding dwellings £000 136,792 - 136,792 - 1,800 - (983)	2,926 - 2,926 - 44 - -	12,171 - 12,171 - 6,097	machinery £000 39,997 - 39,997 - 2,083 - -	equipment £000 253 - 253	9,939 - 9,939 - 987	945 - 945 - 17 -	£000 211,348 - 211,348 - 11,037 -
Valuation / gross cost at 1 April 2019 - as previously stated Prior period adjustments Valuation / gross cost at 1 April 2019 - restated Transfers by absorption Additions Impairments Reversals of impairments Revaluations Reclassifications Transfers to / from assets held for sale Disposals / derecognition	8,325 - 8,325 - 9 - - - (24) -	excluding dwellings £000 136,792 - 136,792 - 1,800 - (983) 13,531	2,926 - 2,926 - 44 - (54) -	construction £000 12,171 - 12,171 - 6,097 (13,449)	machinery £000 39,997 - 39,997 - 2,083 - - - (72) -	equipment £000 253 - 253	9,939 - 9,939 - 987 - 60	fittings £000 945 - 945 - 17 - - 8 -	£000 211,348 - 211,348 - 11,037 - (983)
Valuation / gross cost at 1 April 2019 - as previously stated Prior period adjustments Valuation / gross cost at 1 April 2019 - restated Transfers by absorption Additions Impairments Reversals of impairments Revaluations Reclassifications Transfers to / from assets held for sale Disposals / derecognition Valuation/gross cost at 31 March 2020 Accumulated depreciation at 1 April 2019 - as previously stated	8,325 - 8,325 - 9 - - - (24) -	excluding dwellings £000 136,792 - 136,792 - 1,800 - (983) 13,531	2,926 - 2,926 - 44 - (54) -	construction £000 12,171 - 12,171 - 6,097 (13,449)	machinery £000 39,997 - 39,997 - 2,083 - - - (72) -	equipment £000 253 - 253	9,939 - 9,939 - 987 - 60	fittings £000 945 - 945 - 17 - - 8 -	£000 211,348 - 211,348 - 11,037 - (983)
Valuation / gross cost at 1 April 2019 - as previously stated Prior period adjustments Valuation / gross cost at 1 April 2019 - restated Transfers by absorption Additions Impairments Reversals of impairments Revaluations Reclassifications Transfers to / from assets held for sale Disposals / derecognition Valuation/gross cost at 31 March 2020 Accumulated depreciation at 1 April 2019 - as previously stated Prior period adjustments	\$,325 - 8,325 - 9 - - (24) - - 8,310	excluding dwellings £000 136,792 - 136,792 - 1,800 - (983) 13,531 151,140 28,493	£000 2,926 - 2,926 - 44 - (54) - 2,916 1,471	construction £000 12,171 - 12,171 - 6,097 (13,449)	machinery £000 39,997 - 39,997 - 2,083 - - (72) - - 42,008	equipment £000 253	9,939 - 9,939 - 987 - 60 - 10,986	fittings £000 945 - 945 - 17 - - 8 - - 970	£000 211,348 - 211,348 - 11,037 - (983) - 221,402 72,195
Valuation / gross cost at 1 April 2019 - as previously stated Prior period adjustments Valuation / gross cost at 1 April 2019 - restated Transfers by absorption Additions Impairments Reversals of impairments Revaluations Reclassifications Transfers to / from assets held for sale Disposals / derecognition Valuation/gross cost at 31 March 2020 Accumulated depreciation at 1 April 2019 - as previously stated Prior period adjustments Accumulated depreciation at 1 April 2019 - restated	\$,325 - 8,325 - 9 - - - (24) - - 8,310	excluding dwellings £000 136,792 - 136,792 - 1,800 - (983) 13,531 151,140	£000 2,926 - 2,926 - 44 - (54) - 2,916	construction £000 12,171	machinery £000 39,997 - 39,997 - 2,083 - - - (72) - - - 42,008	equipment £000 253	\$\frac{9,939}{9,939}\$ -\frac{9,939}{987}\$ -\frac{60}{10,986}\$	fittings £000 945 - 945 - 17 - - - 8 - - 970	£000 211,348 - 211,348 - 11,037 - (983) - 221,402
Valuation / gross cost at 1 April 2019 - as previously stated Prior period adjustments Valuation / gross cost at 1 April 2019 - restated Transfers by absorption Additions Impairments Reversals of impairments Revaluations Reclassifications Transfers to / from assets held for sale Disposals / derecognition Valuation/gross cost at 31 March 2020 Accumulated depreciation at 1 April 2019 - as previously stated Prior period adjustments Accumulated depreciation at 1 April 2019 - restated Transfers by absorption	\$,325 - 8,325 - 9 - - (24) - - 8,310	excluding dwellings £000 136,792 - 136,792 - 1,800 - (983) 13,531 151,140 28,493	£000 2,926 - 2,926 - 44 - (54) - 2,916 1,471	12,171 - 12,171 - 12,171 - 6,097 (13,449) 4,819	machinery £000 39,997 - 39,997 - 2,083 - - (72) - - 42,008	equipment £000 253	9,939 - 9,939 - 987 - 60 - 10,986	fittings £000 945 - 945 - 17 - - 8 - - 970	£000 211,348 - 211,348 - 11,037 - (983) - 221,402 72,195
Valuation / gross cost at 1 April 2019 - as previously stated Prior period adjustments Valuation / gross cost at 1 April 2019 - restated Transfers by absorption Additions Impairments Reversals of impairments Revaluations Reclassifications Transfers to / from assets held for sale Disposals / derecognition Valuation/gross cost at 31 March 2020 Accumulated depreciation at 1 April 2019 - as previously stated Prior period adjustments Accumulated depreciation at 1 April 2019 - restated	\$,325 - 8,325 - 9 - - (24) - - 8,310	excluding dwellings £000 136,792	£000 2,926 - 2,926 - 44 - (54) - 2,916 1,471 - 1,471	12,171 - 12,171 - 12,171 - 6,097 (13,449) 4,819	machinery £000 39,997 - 39,997 - 2,083 - - (72) - - 42,008 32,139 - 32,139	equipment £000 253	9,939 - 9,939 - 9,939 - 987 - 60 - 10,986 9,206 - 9,206	fittings £000 945 - 945 - 17 - - 8 - - 970 564 - -	£000 211,348 - 211,348 - 11,037 - (983) - 221,402 72,195 - 72,195
Valuation / gross cost at 1 April 2019 - as previously stated Prior period adjustments Valuation / gross cost at 1 April 2019 - restated Transfers by absorption Additions Impairments Reversals of impairments Revaluations Reclassifications Transfers to / from assets held for sale Disposals / derecognition Valuation/gross cost at 31 March 2020 Accumulated depreciation at 1 April 2019 - as previously stated Prior period adjustments Accumulated depreciation at 1 April 2019 - restated Transfers by absorption Provided during the year	\$,325 - 8,325 - 9 - - (24) - - 8,310	excluding dwellings £000 136,792	£000 2,926 - 2,926 - 44 - (54) - 2,916 1,471 - 1,471	12,171 - 12,171 - 12,171 - 6,097 (13,449) 4,819	machinery £000 39,997 - 39,997 - 2,083 - - (72) - - 42,008 32,139 - 32,139	equipment £000 253	9,939 - 9,939 - 9,939 - 987 - 60 - 10,986 9,206 - 9,206	fittings £000 945 - 945 - 17 - - 8 - - 970 564 - -	£000 211,348 - 211,348 - 11,037 - (983) - 221,402 72,195 - 72,195 - 5,829
Valuation / gross cost at 1 April 2019 - as previously stated Prior period adjustments Valuation / gross cost at 1 April 2019 - restated Transfers by absorption Additions Impairments Reversals of impairments Revaluations Reclassifications Transfers to / from assets held for sale Disposals / derecognition Valuation/gross cost at 31 March 2020 Accumulated depreciation at 1 April 2019 - as previously stated Prior period adjustments Accumulated depreciation at 1 April 2019 - restated Transfers by absorption Provided during the year Impairments	\$,325 - 8,325 - 9 - - (24) - - 8,310	excluding dwellings £000 136,792	£000 2,926 - 2,926 - 44 - (54) - 2,916 1,471 - 1,471	12,171 - 12,171 - 12,171 - 6,097 (13,449) 4,819	machinery £000 39,997 - 39,997 - 2,083 - - (72) - - 42,008 32,139 - 32,139	equipment £000 253	9,939 - 9,939 - 9,939 - 987 - 60 - 10,986 9,206 - 9,206	fittings £000 945 - 945 - 17 - - 8 - - 970 564 - -	£000 211,348 - 211,348 - 11,037 - (983) - 221,402 72,195 - 72,195 - 5,829
Valuation / gross cost at 1 April 2019 - as previously stated Prior period adjustments Valuation / gross cost at 1 April 2019 - restated Transfers by absorption Additions Impairments Reversals of impairments Revaluations Reclassifications Transfers to / from assets held for sale Disposals / derecognition Valuation/gross cost at 31 March 2020 Accumulated depreciation at 1 April 2019 - as previously stated Prior period adjustments Accumulated depreciation at 1 April 2019 - restated Transfers by absorption Provided during the year Impairments Reversals of impairments	\$,325 - 8,325 - 9 - - (24) - - 8,310	excluding dwellings £000 136,792	£000 2,926 - 2,926 - 44 - (54) - 2,916 1,471 - 1,471	12,171 - 12,171 - 12,171 - 6,097 (13,449) 4,819	machinery £000 39,997 - 39,997 - 2,083 - - (72) - - 42,008 32,139 - 32,139	equipment £000 253	9,939 - 9,939 - 9,939 - 987 - 60 - 10,986 9,206 - 9,206	fittings £000 945 - 945 - 17 - - 8 - - 970 564 - -	£000 211,348 - 211,348 - 11,037 - (983) - 221,402 72,195 - 72,195 - 5,829
Valuation / gross cost at 1 April 2019 - as previously stated Prior period adjustments Valuation / gross cost at 1 April 2019 - restated Transfers by absorption Additions Impairments Reversals of impairments Revaluations Reclassifications Transfers to / from assets held for sale Disposals / derecognition Valuation/gross cost at 31 March 2020 Accumulated depreciation at 1 April 2019 - as previously stated Prior period adjustments Accumulated depreciation at 1 April 2019 - restated Transfers by absorption Provided during the year Impairments Reversals of impairments Reversals of impairments Reversals of impairments Revaluations	\$,325 - 8,325 - 9 - - (24) - - 8,310	excluding dwellings £000 136,792	£000 2,926 - 2,926 - 44 - (54) - 2,916 1,471 - 1,471	12,171 - 12,171 - 12,171 - 6,097 (13,449) 4,819	machinery £000 39,997 - 39,997 - 2,083 - - (72) - - 42,008 32,139 - 32,139	equipment £000 253	9,939 - 9,939 - 9,939 - 987 - 60 - 10,986 9,206 - 9,206	fittings £000 945 - 945 - 17 - - 8 - - 970 564 - -	£000 211,348 - 211,348 - 11,037 - (983) - 221,402 72,195 - 72,195 - 5,829
Valuation / gross cost at 1 April 2019 - as previously stated Prior period adjustments Valuation / gross cost at 1 April 2019 - restated Transfers by absorption Additions Impairments Reversals of impairments Revaluations Reclassifications Transfers to / from assets held for sale Disposals / derecognition Valuation/gross cost at 31 March 2020 Accumulated depreciation at 1 April 2019 - as previously stated Prior period adjustments Accumulated depreciation at 1 April 2019 - restated Transfers by absorption Provided during the year Impairments Reversals of impairments Reversals of impairments Revaluations Reclassifications Transfers to / from assets held for sale Disposals / derecognition	\$,325 - 8,325 - 9 - - (24) - - 8,310 - - - - - - - - - - - - - - - - - - -	excluding dwellings £000 136,792	£000 2,926 - 2,926 - 44 - (54) - 2,916 1,471 - 1,471 - 158	12,171 - 12,171 - 12,171 - 6,097 (13,449) 4,819	### ##################################	equipment £000 253	9,939 - 9,939 - 9,939 - 987 60 10,986 9,206 - 283 283	### 1564	£000 211,348 - 211,348 - 11,037 - (983) - 221,402 72,195 - 72,195 - 5,829 983
Valuation / gross cost at 1 April 2019 - as previously stated Prior period adjustments Valuation / gross cost at 1 April 2019 - restated Transfers by absorption Additions Impairments Reversals of impairments Revaluations Reclassifications Transfers to / from assets held for sale Disposals / derecognition Valuation/gross cost at 31 March 2020 Accumulated depreciation at 1 April 2019 - as previously stated Prior period adjustments Accumulated depreciation at 1 April 2019 - restated Transfers by absorption Provided during the year Impairments Reversals of impairments Reversals of impairments Revaluations Reclassifications Transfers to / from assets held for sale	\$,325 - 8,325 - 9 - - (24) - - 8,310	excluding dwellings £000 136,792	£000 2,926 - 2,926 - 44 - (54) - 2,916 1,471 - 1,471	12,171 - 12,171 - 12,171 - 6,097 (13,449) 4,819	machinery £000 39,997 - 39,997 - 2,083 - - (72) - - 42,008 32,139 - 32,139	equipment £000 253	9,939 - 9,939 - 9,939 - 987 - 60 - 10,986 9,206 - 9,206	fittings £000 945 - 945 - 17 - - 8 - - 970 564 - -	£000 211,348 - 211,348 - 11,037 - (983) - 221,402 72,195 - 72,195 - 5,829

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

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Net book value at 31 March 2021									
Owned - purchased	8,971	63,428	1,625	8,583	10,226	-	2,607	301	95,741
Finance leased	-	-	-	-	-	-	-	-	-
On-SoFP PFI contracts and other service concession									
arrangements	-	64,225	-	-	-	-	-	-	64,225
Off-SoFP PFI residual interests	-	-	-	-	-	-	-	-	-
Owned - donated/granted	-	590	-	-	1,355	-	49	35	2,029
NBV total at 31 March 2021	8,971	128,243	1,625	8,583	11,581	-	2,656	336	161,995

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

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Net book value at 31 March 2020									
Owned - purchased	8,241	57,260	1,287	4,819	7,359	-	1,437	318	80,721
Finance leased	-	-	-	-	-	-	-	-	-
On-SoFP PFI contracts and other service concession arrangements	-	60,150	-	-		_	-	-	60,150
Off-SoFP PFI residual interests	-	-	-	-	-	-	-	-	-
Owned - donated/granted	-	562	-	-	863	-	60	39	1,524
NBV total at 31 March 2020	8,241	117,972	1,287	4,819	8,222	-	1,497	357	142,395

Note 15 Donations of property, plant and equipment

The Trust received cash donations totalling £21k from the donors to the Walsall Healthcare General Charitable Fund as a contribution to support the purchase of a equipment.

The Trust received equipment assets (ventilators and Imaging diagnostic equipment) from DHSC and NHS England as part of the coronavirus pandemic response in 2020/21 totalling £621k.

Note 16 Revaluations of property, plant and equipment

In the absence of a professional full site valuation the Trust has performed an internal indexation of the assets following provision of industry indicators from the Trust's professional valuer advisor. The revaluation exercise ensures the Trust's assets have an appropriate value having applied the requirements of IAS 16 prior to a full-site professional revaluation in 2021/22. The desktop exercise has increased the value of the Trust's land, buildings and dwellings assets by £9.567million.

Note 17 Disclosure of interests in other entities

The Trust has no interest in other entities.

Note 18 Inventories

	31 March 2021	31 March 2020
	£000	£000
Drugs	1,259	1,234
Work In progress	-	-
Consumables	1,543	1,132
Energy	112	123
Other	37	131
Total inventories	<u>2,951</u>	2,620
of which:		
Held at fair value less costs to sell	-	-

Inventories recognised in expenses for the year were £46,767k (2019/20: £39,263k). Write-down of inventories recognised as expenses for the year were £172k (2019/20: £59k).

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 £5,011k 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 the expenses disclosed above.

Note 19.1 Receivables

Note 19.1 Receivables	31 March 2021 £000	31 March 2020 £000
Current		
Contract receivables	10,810	39,025
Contract assets	-	-
Capital receivables	-	-
Allowance for impaired contract receivables / assets	(1,838)	(1,404)
Allowance for other impaired receivables	-	-
Deposits and advances	-	-
Prepayments (non-PFI)	463	548
PFI prepayments - capital contributions	-	-
PFI lifecycle prepayments	-	-
Interest receivable	-	9
Finance lease receivables	-	-
PDC dividend receivable	318	-
VAT receivable	1,322	823
Corporation and other taxes receivable	-	-
Other receivables	-	-
Total current receivables	11,075	39,001
Non-current		
Contract receivables	723	1,101
Contract assets	-	-
Capital receivables	-	-
Allowance for impaired contract receivables / assets	(162)	(240)
Allowance for other impaired receivables	-	-
Deposits and advances	-	-
Prepayments (non-PFI)	-	-
PFI prepayments - capital contributions	-	-
PFI lifecycle prepayments	-	-
Interest receivable	-	-
Finance lease receivables	-	-
VAT receivable	-	-
Corporation and other taxes receivable	-	-
Other receivables	-	
Total non-current receivables	561	861
Of which receivable from NHS and DHSC group bodies:		
Current	2,614	32,049
Non-current	-	· -

The current contract receivables has reduced significantly by £29.7m when compared to 2019/20 primarily due to the settlement of the outstanding invoices for year-end overperformance on activity, high cost drugs and other service deliverables including the financial support due from the Department of Health & Social Care for COVID-19 in addition to achieving financial balance. During the year NHS organisations were encouraged to settle outstanding legacy balances in addition to settling in year invoices which has also contributed to the reduction in contract receivable balances.

Note 19.2 Allowances for credit losses

	2020	/21	2019/20		
	Contract receivables and contract assets £000	All other receivables	Contract receivables and contract assets £000	All other receivables £000	
Allowances as at 1 April - brought forward	1,644	-	1,577	-	
Prior period adjustments					
Allowances as at 1 April - restated	1,644		1,577	-	
Transfers by absorption	-	-	-	-	
New allowances arising	356	-	67	-	
Changes in existing allowances	-	-	-	-	
Reversals of allowances	-	-	-	-	
Utilisation of allowances (write offs)	-	-	-	-	
Changes arising following modification of contractual cash flows	-	-	-	-	
Foreign exchange and other changes		-	_		
Allowances as at 31 Mar 2021	2,000	-	1,644	-	

Note 19.3 Exposure to credit risk

The Trust does not consider that it is exposed to credit risk as it is underwritten by the Department of Health & Social Care.

Note 20.1 Cash and cash equivalents movements

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

	2020/21 £000	2019/20 £000
At 1 April	9,056	4,186
Prior period adjustments	_	
At 1 April (restated)	9,056	4,186
Transfers by absorption	-	-
Net change in year	<u>34,476</u>	4,870
At 31 March	43,532	9,056
Broken down into:		
Cash at commercial banks and in hand	49	54
Cash with the Government Banking Service	43,483	9,002
Deposits with the National Loan Fund	-	-
Other current investments	<u>-</u>	
Total cash and cash equivalents as in SoFP	43,532	9,056
Bank overdrafts (GBS and commercial banks)	-	-
Drawdown in committed facility	<u>-</u>	
Total cash and cash equivalents as in SoCF	43,532	9,056

Note 20.2 Third party assets held by the trust

Walsall Healthcare NHS Trust held cash and cash equivalents which relate to monies held by the Trust on behalf of patients or other parties and in which the trust has no beneficial interest. This has been excluded from the cash and cash equivalents figure reported in the accounts.

	31 March	31 March
	2021	2020
	£000	£000
Bank balances	-	-
Monies on deposit	_	_
Total third party assets	<u> </u>	

Note 21.1 Trade and other payables

	31 March 2021 £000	31 March 2020 £000
Current		
Trade payables	6,987	13,374
Capital payables	4,930	1,738
Accruals	15,051	4,253
Receipts in advance and payments on account	-	-
PFI lifecycle replacement received in advance	-	-
Social security costs	2,127	1,953
VAT payables	-	-
Other taxes payable	1,818	1,625
PDC dividend payable	-	-
Other payables	4,266	3,353
Total current trade and other payables	35,179	26,296
Non-current		
Trade payables	-	-
Capital payables	-	-
Accruals	-	-
Receipts in advance and payments on account	-	-
PFI lifecycle replacement received in advance	-	-
VAT payables	-	-
Other taxes payable	-	-
Other payables	-	-
Total non-current trade and other payables		
Of which payables from NHS and DHSC group bodies: Current	2,977	7,263
Non-current	-	-

Note 21.2 Early retirements in NHS payables above

The payables note above includes amounts in relation to early retirements as set out below:

	31 March	31 March	31 March	31 March
	2021	2021	2020	2020
	£000	Number	£000	Number
- to buy out the liability for early retirements over 5			_	
years	-		-	
- number of cases involved		-		-

Note 22 Other liabilities

	31 March 2021	31 March 2020
	£000	£000
Current	2000	2000
Deferred income: contract liabilities	284	1,480
Deferred grants	-	-
Deferred PFI credits / income	-	-
Lease incentives	-	-
Other deferred income		<u>-</u>
Total other current liabilities	284	1,480
Non-current		
Deferred income: contract liabilities	-	-
Deferred grants	-	-
Deferred PFI credits / income	-	-
Lease incentives	-	-
Other deferred income	-	-
Net pension scheme liability	<u>-</u> .	<u>-</u>
Total other non-current liabilities	<u> </u>	
Note 23.1 Borrowings		
• • • • • • • • • • • • • • • • • • •	31 March	31 March
	2021	2020
	£000	£000
Current		
Bank overdrafts	_	
	_	-
Drawdown in committed facility	-	-
Drawdown in committed facility Loans from DHSC	-	- 130,534
Loans from DHSC Other loans	- - -	- 130,534 -
Loans from DHSC Other loans Obligations under finance leases	- - - -	- 130,534 - -
Loans from DHSC Other loans Obligations under finance leases Obligations under PFI, LIFT or other service concession contracts	- - - - 4,058	- - 4,159
Loans from DHSC Other loans Obligations under finance leases	4,058 4,058	-
Loans from DHSC Other loans Obligations under finance leases Obligations under PFI, LIFT or other service concession contracts		- - 4,159
Loans from DHSC Other loans Obligations under finance leases Obligations under PFI, LIFT or other service concession contracts Total current borrowings		- - 4,15 <u>9</u>
Loans from DHSC Other loans Obligations under finance leases Obligations under PFI, LIFT or other service concession contracts Total current borrowings Non-current		- - 4,159
Loans from DHSC Other loans Obligations under finance leases Obligations under PFI, LIFT or other service concession contracts Total current borrowings Non-current Loans from DHSC		- - 4,159
Loans from DHSC Other loans Obligations under finance leases Obligations under PFI, LIFT or other service concession contracts Total current borrowings Non-current Loans from DHSC Other loans		- - 4,159

During the year the Trust converted the revenue and capital loans totalling £130,534k received from DHSC to Public Dividend Capital (PDC). The impact of this conversion has resulted in the Trust paying a £510k PDC dividend to the DHSC based on the net relevant assets of the Trust.

Note 23.2 Reconciliation of liabilities arising from financing activities - 2020/21

	Loans from DHSC £000	Other loans £000	Finance leases £000	PFI and LIFT schemes £000	Total £000
Carrying value at 1 April 2020	130,534	-	-	120,172	250,706
Cash movements:	•			•	·
Financing cash flows - payments and receipts of principal	(129,967)	_	-	(4,158)	(134,125)
Financing cash flows - payments of interest	(567)	-	-	(8,351)	(8,918)
Non-cash movements:					
Transfers by absorption	-	-	-	-	-
Additions	-	-	-	-	-
Application of effective interest rate	-	-	-	8,351	8,351
Change in effective interest rate	-	-	-	-	-
Changes in fair value	-	-	-	-	-
Early terminations	-	-	-	-	-
Other changes		-	-	-	-
Carrying value at 31 March 2021		-	-	116,014	116,014
Note 23.3 Reconciliation of liabilities arising from fi	nancing activities	s - 2019/20			
	Loans from	Other	Finance	PFI and LIFT	
	DHSC	loans	leases	schemes	Total
	£000	£000	£000	£000	£000
Carrying value at 1 April 2019	94,367	-	-	124,162	218,529
Prior period adjustment	-		-	-	
Carrying value at 1 April 2018 - restated	94,367		-	124,162	218,529
Cash movements:					
Financing cash flows - payments and receipts of	00.040			(0.000)	00.050
principal	36,043	-	-	(3,990)	32,053
Financing cash flows - payments of interest	(2,603)	-	-	(8,233)	(10,836)
Non-cash movements:					
Transfers by absorption	-	-	-	-	-
Additions Application of effective interest rate	- 2 727	-	-	9 222	10.060
	2,727	-	-	8,233	10,960
Change in effective interest rate Changes in fair value	-	-	-	-	-
Early terminations	-	-	-	-	_
Other changes	-	- -	-	-	_
Carrying value at 31 March 2020	130,534		-	120,172	250,706
	·			-	·
Note 24 Other financial liabilities					
				31 March	31 March
				2021	2020
				£000	£000
Current					
Derivatives held at fair value through income and exp	enditure			-	-
Other financial liabilities			-	-	
Total current other financial liabilities			=	-	<u> </u>
Non-current					
Derivatives held at fair value through income and exp	enditure			-	-
Other financial liabilities			=	-	<u>-</u>
Total non-current other financial liabilities			=	-	-

Note 25.1 Provisions for liabilities and charges analysis

	Pensions: early departure costs £000	Pensions: injury benefits £000	Legal claims £000	Re- structuring £000	Equal Pay (including Agenda for Change) £000	Redundancy £000	Other £000	Total £000
At 1 April 2020	-	-	96	-	-	-	-	96
Transfers by absorption	-	-	-	-	-	-	-	-
Change in the discount rate	-	-	-	-	-	-	-	-
Arising during the year	-	-	-	-	-	-	-	-
Utilised during the year	-	-	-	-	-	-	-	-
Reclassified to liabilities held in disposal groups	-	-	-	-	-	-	-	-
Reversed unused	-	-	-	-	-	-	-	-
Unwinding of discount	-	-	-	-	-	-	-	-
At 31 March 2021	-	-	96	-	-	-	-	96
Expected timing of cash flows:								
- not later than one year;	-	-	96	-	-	-	-	96
- later than one year and not later than five years;	-	-	-	-	-	-	-	-
- later than five years.	-	-	-	-	-	-	-	-
Total	-	-	96	-	-	-	-	96

The Trust had provided a general provision for annual leave payments in 2019/20 due to frontline staff carrying forward untaken leave whilst delivering patient care during the COVID-19 pandemic which has been recategorised to creditor accruals in line with DHSC guidance.

Note 25.2 Clinical negligence liabilities

At 31 March 2021, £223,878k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Walsall Healthcare NHS Trust (31 March 2020: £205,110k).

Note 26 Contractual capital commitments

	31 March	31 March
	2021	2020
	0003	£000
Property, plant and equipment	4,814	2,776
Intangible assets	16	<u>-</u>
Total	4,830	2,776

Note 27 On-SoFP PFI service concession arrangements

Walsall Healthcare NHS Trust has the following obligations in respect of the finance lease element of on-Statement of Financial Position PFI scheme.

Note 27.1 On-SoFP PFI service concession arrangement obligations

The following obligations in respect of the PFI service concession arrangements are recognised in the statement of financial position:

	31 March 2021	31 March 2020
	£000	£000
Gross PFI service concession liabilities	174,203	183,593
Of which liabilities are due		
- not later than one year;	9,108	9,390
- later than one year and not later than five years;	35,988	36,091
- later than five years.	129,107	138,112
Finance charges allocated to future periods	(58,189)	(63,421)
Net PFI service concession arrangement obligation	116,014	120,172
- not later than one year;	4,058	4,159
- later than one year and not later than five years;	17,625	16,976
- later than five years.	94,331	99,037
Note 27.2 Total on-SoFP PFI service concession arrangement commitments		
Total future commitments under these on-SoFP schemes are as follows:		
	31 March	31 March
	2021	2020
	£000	£000
Total future payments committed in respect of the PFI service concession	400,000	470.004
arrangements	460,088	<u>478,081</u>
Of which payments are due:		
- not later than one year;	18,234	17,797
- later than one year and not later than five years;	77,609	75,748
- later than five years.	364,245	384,536

Note 27.3 Analysis of amounts payable to service concession operator

This note provides an analysis of the unitary payments made to the service concession operator:

	2020/21 £000	2019/20 £000
Unitary payment payable to service concession operator	17,789	17,363
Consisting of:		
- Interest charge	8,351	8,233
- Repayment of balance sheet obligation	4,158	3,990
- Service element and other charges to operating expenditure	4,595	4,486
- Capital lifecycle maintenance	685	654
- Revenue lifecycle maintenance	-	-
- Contingent rent	-	-
- Addition to lifecycle prepayment	-	-
Other amounts paid to operator due to a commitment under the service concession		
contract but not part of the unitary payment	-	-
Total amount paid to service concession operator	17,789	17,363

Note 28 Financial instruments

Note 28.1 Financial risk management

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. Due to the continuing service provider relationship that Walsall Healthcare NHS Trust has with CCGs and the way CCGs are financed, Walsall Healthcare NHS 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. Walsall Healthcare NHS 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 Walsall Healthcare NHS Trust in undertaking its activities.

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

Currency risk

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

Interest rate risk

Cash flow financing

Walsall Healthcare NHS Trust may also borrow from government for revenue financing subject to approval by NHS Improvement. Interest rates are confirmed by the Department of Health (the lender) at the point borrowing is undertaken.

Walsall Healthcare NHS Trust therefore has low exposure to interest rate fluctuations.

Credit risk

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

Liquidity Risk

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

Note 28.2 Carrying values of financial assets

	Held at	Held at	Held at	
	amortised	fair value	fair value	Total
Carrying values of financial assets as at 31 March 2021	cost	_	through OCI	book value
	£000	£000	£000	£000
Trade and other receivables excluding non financial assets	9,532	-	-	9,532
Other investments / financial assets	-	-	-	-
Cash and cash equivalents	43,532	-	-	43,532
Total at 31 March 2021	53,064	-	-	53,064
	Held at	Held at	Held at	
Committee values of financial assets as at 24 March 2020	amortised	fair value	fair value	Total
Carrying values of financial assets as at 31 March 2020	cost	_	through OCI	book value
	£000£	£000	£000	000£
Trade and other receivables excluding non financial assets	38,491	-	-	38,491
Other investments / financial assets	-	-	-	-
Cash and cash equivalents	9,056	-	-	9,056
Total at 31 March 2020	47,547	-	-	47,547
Note 28.3 Carrying values of financial liabilities				
		Held at	Held at	
		amortised	fair value	Total
Carrying values of financial liabilities as at 31 March 2021			through I&E	book value
		£000	£000	£000
Loans from the Department of Health and Social Care		-	-	-
Obligations under finance leases		-	-	-
Obligations under PFI, LIFT and other service concession con	ntracts	116,014	-	116,014
Other borrowings		-	-	-
Trade and other payables excluding non financial liabilities		28,911	-	28,911
Other financial liabilities		-	-	-
Provisions under contract	-	-	-	-
Total at 31 March 2021	=	144,925	-	144,925
		Held at	Held at	
Corruing values of financial liabilities as at 24 March 2020		amortised	fair value through I&E	Total
Carrying values of financial liabilities as at 31 March 2020		£000	£000	book value £000
Lange from the Department of Health and Occide Occ			2000	
Loans from the Department of Health and Social Care		130,534	-	130,534
Obligations under finance leases		-	-	-
Obligations under PFI, LIFT and other service concession con	ntracts	120,172	-	120,172
Other borrowings		-	-	-
Trade and other payables excluding non financial liabilities		20,218	-	20,218
Other financial liabilities		-	-	-
Provisions under contract	. -	-	-	
Total at 31 March 2020	_	270,924	-	270,924

Note 28.4 Maturity of financial liabilities

The following maturity profile of financial liabilities is based on the contractual undiscounted cash flows. This differs to the amounts recognised in the statement of financial position which are discounted to present value.

	31 March 2021 £000	31 March 2020 restated* £000
In one year or less	38,019	160,142
In more than one year but not more than five years	35,988	36,091
In more than five years	129,107	138,112
Total	203,114	334,345

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

Note 28.5 Fair values of financial assets and liabilities

The book value is used as a reasonable approximation of fair value.

2020/21	2019/20
---------	---------

	Total number of cases Number	Total value of cases £000	Total number of cases Number	Total value of cases £000
Losses				
Cash losses	-	-	-	-
Fruitless payments and constructive losses	-	-	-	-
Bad debts and claims abandoned	-	-	-	-
Stores losses and damage to property	1	46	1	59
Total losses	1	46	1	59
Special payments				
Compensation under court order or legally binding arbitration award	11	71	11	83
Extra-contractual payments	-	-	-	-
Ex-gratia payments	16	6	23	11
Special severance payments	-	-	-	-
Extra-statutory and extra-regulatory payments	-	-	-	-
Total special payments	27	77	34	94
Total losses and special payments	28	123	35	153
Compensation payments received		-		-

Note 30 Gifts

2020/21 2019/20

	Total number of cases Number	Total value of cases £000	Total number of cases Number	Total value of cases £000
Gifts made	-	_	-	-

Note 31 Related parties

Professor S Field, Chair Ms D Oum, Chair	Payments to Related Party Non-NHS Organisations £25,685.58 £25,335.58
Mr S Heer, Non-executive Director Mr P Assinder, Non-executive Director Mr J Hemans, Non-executive Director	Not Applicable £22,698.00 £22,698.00
Mrs S Rowe, Associate Non-executive Director Mr R Beeken, Chief Executive	Not Applicable £22,698.00
Mr D Fradgley, Acting Chief Executive (from 1 February 2021), Director of Integration Mr R Caldicott, Director of Finance and Performance Mr N Hobbs, Chief Operating Officer	Not Applicable £2,766.00 Not Applicable

The payments to related parties refer to non-nhs organisation only as significant transactions with the NHS organisations are included within the entities list below.

Professor S Field is the Chair of Royal Wolverhampton NHS Trust, Honorary Professor of Universities Birmingham & Warwick.

Ms D Oum is Co - Chair, Centre for Health and Social Care - University of Birmingham, and Non-executive Director of Royal Wolverhampton NHS Trust.

Mr S Heer is Non-executive Director Birmingham Community NHS Foundation Trust (NHS Entity), Black Country Partnership NHS Foundation Trust.

Mr P Assinder, is Chief Executive Officer - Dudley Integrated Health & Care Trust, and a Honorary Lecturer at University of Wolverhampton.

Mr J Hemans is a visiting lecturer of the University of Wolverhampton.

Mrs S Rowe is an Executive Director of Childrens Services for Walsall MBC.

Mr R Beeken's spouse is a Midwifery Lecturer at Wolverhampton University.

Mr D Fradgley's spouse is a Systems Manager at West Midlands Ambulance Service NHS Foundation Trust.

Mr R Caldicott, is an Executive Member of the West Midlands Branch of the Healthcare Financial Management Association.

Mr N Hobbs' father is a Governor of Oxford Health NHS Foundation Trust.

The Department of Health is regarded as a related party. During the year the Trust had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department. In addition, the Trust has had a number of material transactions with other government departments and other central and local government bodies. Most of these transactions have been with organisations detailed below.

Walsall Clinical Commissioning Group Dudley And Walsall Mental Health Partnership NHS Trust Sandwell and West Birmingham Clinical Commissioning Group South East Staffs and Seisdon Peninsular Clinical Commissioning Group **Dudley Clinical Commissioning Group** Cannock Chase Clinical Commissioning Group Birmingham Cross City Clinical Commissioning Group Stafford and Surrounds Clinical Commissioning Group Wolverhampton Clinical Commissioning Group Royal Wolverhampton Hospitals NHS Trust Sandwell and West Birmingham Hospitals NHS Trust Birmingham Women's & Children's Hospital NHS Foundation Trust Unversity Hospitals Birmingham University NHS Foundation Trust West Midlands Ambulance Service NHS Foundation Trust The Dudley Group NHS Foundation Trust St Helens and Knowsley NHS Trust Oxford Health NHS Foundation Trust NHS England Health Education England NHS Business Services Authority NHS Pension Scheme National Insurance Fund

The Trust has also received revenue and capital payments from a number of charitable funds. The trustees of the Trust charity are also members of the

32 Note 32 Transfers by absorption

NHS Litigation Authority NHS Property Services

This is not applicable to the accounts for 2020/21.

33 Note 33 Prior period adjustments

There were no prior period adjustments.

Walsall Metropolitan Borough Council

34 Note 34 Events after the reporting date

At the date of submission there are currently no events to report.

35 Note 35 Final period of operation as a Trust providing NHS healthcare

Not Applicable.

Trust board.

Note 36 Better Payment Practice code

Total non-NHS trade invoices paid within target 49,700 83,047 16,694 48,4 Percentage of non-NHS trade invoices paid within target 78.5% 81.6% 25.8% 44. NHS Payables Total NHS trade invoices paid in the year 1,241 23,306 1,340 14,2 Total NHS trade invoices paid within target 151 10,397 59 3,5	Non-NHS Payables	2020/21 Number	2020/21 £000	2019/20 Number	2019/20 £000
Percentage of non-NHS trade invoices paid within target 78.5% 81.6% 25.8% 44. NHS Payables Total NHS trade invoices paid in the year 1,241 23,306 1,340 14,2 Total NHS trade invoices paid within target 151 10,397 59 3,5	Total non-NHS trade invoices paid in the year	63,323	101,785	64,799	109,975
target 78.5% 81.6% 25.8% 44. NHS Payables Total NHS trade invoices paid in the year 1,241 23,306 1,340 14,2 Total NHS trade invoices paid within target 151 10,397 59 3,5	Total non-NHS trade invoices paid within target	49,700	83,047	16,694	48,470
Total NHS trade invoices paid in the year 1,241 23,306 1,340 14,2 Total NHS trade invoices paid within target 151 10,397 59 3,5		78.5%	81.6%	25.8%	44.1%
Total NHS trade invoices paid within target 151 10,397 59 3,5	NHS Payables				
	Total NHS trade invoices paid in the year	1,241	23,306	1,340	14,207
Percentage of NHS trade invoices paid within target 12.2% 44.6% 4.4% 25.	Total NHS trade invoices paid within target	151	10,397	59	3,598
	Percentage of NHS trade invoices paid within target	12.2%	44.6%	4.4%	25.3%

The Better Payment Practice code requires the NHS body to aim to pay all valid invoices by the due date or within 30 days of receipt of valid invoice, whichever is later.

Note 37 External financing limit

The trust is given an external financing limit against which it is permitted to underspend

	2020/21 £000	2019/20 £000
Cash flow financing	(21,269)	31,293
Finance leases taken out in year	-	-
Other capital receipts	-	-
External financing requirement	(21,269)	31,293
External financing limit (EFL)	17,339	39,282
Under / (over) spend against EFL	38,608	7,989
Note 38 Capital Resource Limit		
	2020/21 £000	2019/20 £000
Gross capital expenditure	21,787	11,704
Less: Disposals	-	-
Less: Donated and granted capital additions	(642)	(93)
Plus: Loss on disposal from capital grants in kind	-	-
Charge against Capital Resource Limit	21,145	11,611

Note 39 Breakeven duty financial performance

Capital Resource Limit

Under / (over) spend against CRL

	£000
Adjusted financial performance surplus / (deficit) (control total basis)	142
Remove impairments scoring to Departmental Expenditure Limit	-
Add back non-cash element of On-SoFP pension scheme charges	-
IFRIC 12 breakeven adjustment	1,616
Breakeven duty financial performance surplus / (deficit)	1,758

2020/21

Note 40 Breakeven duty rolling assessment

Due to the introduction of International Financial Reporting Standards (IFRS) accounting in 2009-10, Walsall Healthcare NHS Trust financial performance measurement needs to be aligned with the guidance issued by HM Treasury measuring Departmental expenditure. Therefore, the incremental revenue expenditure resulting from the application of IFRS to IFRIC 12 schemes (which would include PFI schemes), which has no cash impact and is not chargeable for overall budgeting purposes, is excluded when measuring Breakeven performance. Other adjustments are made in respect of accounting policy changes (impairments and the removal of the donated asset and government grant reserves) to maintain comparability year to year.

	2008/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000
Breakeven duty in-year financial performance		1,998	3,247	4,164	3,853	565	(12,861)
Breakeven duty cumulative position	5,933	7,931	11,178	15,342	19,195	19,760	6,899
Operating income		168,545	179,749	226,983	228,409	237,049	239,491
Cumulative breakeven position as a percentage of operating income		4.7%	6.2%	6.8%	8.4%	8.3%	2.9%
		2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Breakeven duty in-year financial performance		(9,790)	(21,392)	(21,350)	(25,959)	1,839	1,758
Breakeven duty cumulative position		(2,891)	(24,283)	(45,633)	(71,592)	(69,753)	(67,995)
Operating income		243,525	244,742	243,963	253,034	294,159	348,454
Cumulative breakeven position as a percentage of operating income	_	(1.2%)	(9.9%)	(18.7%)	(28.3%)	(23.7%)	(19.5%)

If you require this publication in an alternative format and/or language, please contact the **Patient Relations Service** on **01922 656463** to discuss your needs.











