NHS
Birmingham and Solihull Mental Health
NHS Foundation Trust

Annual report and accounts

2022/23

compassionate

inclusive

committed

Birmingham and Solihull
Mental Health NHS Foundation Trust

Annual report and accounts 2022/23

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

© 2023 Birmingham and Solihull Mental Health NHS Foundation Trust

Contents

The Strategic report has been prepared in accordance with sections 414A, 414C and 414D of the Companies Act, as interpreted by the FReM (paragraphs 5.2.6 to 5.2.11) and in accordance with the direction issued by NHS Improvement under the National Health Service Act 2006.

The accounts included within the Annual Report have been prepared under direction issued by NHS Improvement under the National Health Service Act 2006.

The purpose of the strategic report is to inform users of the accounts and help them assess how the Directors have performed in promoting the success of the foundation trust.

As Chief Executive, I confirm that the Board of Directors has approved the Annual Report, and Annual Accounts for 2022-23 at their meeting 21 June 2023

Roísìn Fallon-Williams
Chief Executive

21 June 2023

Performance report

Overview

This overview of performance provides a short summary of the organisation, its purpose, the key risks to achieving our objectives and performance throughout the year.

Welcome to our Trust

Welcome to Birmingham and Solihull Mental Health NHS Foundation Trust – A Message from our Chair and Chief Executive

We are delighted to present our Annual Report and Accounts for Birmingham and Solihull Mental Health NHS Foundation Trust for the period 1 April 2022 to 31 March 2023.

The purpose of this overview is to give you a short summary that provides sufficient information to understand the organisation, its purpose and how it has performed during the year.

The last year we see many examples of progress and positive developments as well as recognising the areas that we still need to improve upon. We are proud of what we as Team BSMHFT have achieved and know we have firm foundations to make the improvements that we need to make in the year ahead. Supporting our staff and their wellbeing (so they can provide excellent patient and service user centred care) has been a key priority throughout the year and we hope that this report provides a balanced view of the Trust's performance during the year, as well as celebrating the dedication and commitment of our staff to provide safe and caring services for our patients, service users, carers and volunteers.

Over the last year we continued to embed the internal 'Value Me' approach to address inequality within health care settings and workforce settings. We have ensured that our organisational strategic priorities have clear outcomes, and the approach is clear. We progress service user inequalities alongside the inequalities experience by colleagues, valuing each person, to experience longer term sustained positive change. This work aligns well our anti- racism agenda and our progress toward being an anti-racist, anti-discriminatory organisation.

We have been working closely with partners in the local health and care system over the past year to develop our future plans and governance arrangements for the Provider Collaborative. Our Trust is the lead provider and our partners include NHS organisations, third sector organisations and both Birmingham and Solihull local authorities. Our guiding principles are to:

- improve access
- reduce inequalities
- improve safety
- enhance value

- achieve better clinical outcomes
- reduce demand

From 1 April 2023 we were officially operating as the Birmingham and Solihull Mental Health Provider Collaborative, with delegated responsibilities. This is a great opportunity to make mental health services the best they can possibly be for the people of Birmingham and Solihull by working more collaboratively than ever before. It's a huge step forward that will ensure that decisions are made as close to those delivering and receiving care as possible, bringing together the right people, in the right place, to support making key improvements for our patients, people and communities in Birmingham and Solihull.

As a large mental healthcare provider, embedded in the local health and care landscape, we have wide-ranging, well-established partnerships across Birmingham and Solihull with criminal justice, community, acute, primary care, third sector and social care services. Working collaboratively to transform services for the benefit of our population is the norm for us and simply part of what we do, and many examples, including our Community Mental Health Transformation Programme are provided later in this report. All the way across the health economy we saw partnership working and collaboration to face the challenges and deal with them together. A big THANK YOU to all our partners. Partnership continues to be a top priority for us at the Trust, and even more important as we move into the era of the Integrated Care System (ICS) An ICS brings together hospital, community and mental health trusts, GPs and other primary care services with local authorities and other care providers to work together. By joining care up, the intention is to use collective strength to address the biggest health and care challenges. ICSs aim to reduce health inequalities within our population, and we are committed to continue to address these inequalities through the successful implementation of our strategy in the next three years.

Our staff survey tells us that there is much more we need to do to make our Trust a fairer place to work for everyone and enable staff to work better together as teams. We also recognise that, despite numerous examples of good practice, there have been instances when our focus on quality and safety was not what it should have been and the learnings from where we fell short will be applied across the organisation with the aim of ensuring that they are not repeated – and we continue to improve. And we know that the pressures on our finances and resources are real requiring particular focus to manage in the coming months. However, we are now in the third year of our 5-year strategy and the values we aspire to give us the platform to enable the changes we must make to grow and flourish together as an organisation. As we look to the future, we will continue to be home to an incredible team that goes the extra mile to put patients and communities at the heart of everything we do.

Phil Gayle
Chair

Roísìn Fallon-Williams
Chief Executive

21 June 2023

Purpose and activities of our Trust

We have a simple and clear purpose:

To provide excellent, compassionate, high quality mental health services that are innovative and involve service users, carers, and staff.

As an organisation, we aim to promote and ensure the following values in every element of our work. We put service users at the centre of everything we do by displaying:

Honesty and openness – We will keep each other well informed through regular communication. We will have honest conversations and explain our decisions.
Compassion – we will bring compassion to all our dealings with service users and carers and expect it in our colleagues.
Dignity and respect – We will respect all those whom we deal with at work, especially our service users and staff and take action to address those who do not
Commitment – We commit to help our colleagues provide the best care services that we can. We will do what we say we will.
Inclusion- We will ensure the workplace is inclusive meaning everyone feels valued at work. It lets all employees feel safe to come up with different ideas, raise issues and suggestions to managers, knowing this is encouraged, try doing things differently to how they've been done before, with management approval.

The organisation provides a comprehensive mental healthcare service for the residents of Birmingham and Solihull and to communities in the West Midlands and beyond. We operate out of more than 40 sites and serve a culturally diverse population of 1.3 million spread out over 172 square miles and have an annual income of £301m, a dedicated workforce of almost 4,000 staff and a range of local and regional partnerships, making this one of the most complex and specialist mental health foundation trusts in the country. Our catchment population is ethnically diverse and characterised in places by high levels of deprivation, low earnings, and unemployment. These factors create a higher requirement for access to health services and a greater need for innovative ways of engaging people from the most affected areas.

Our strategic ambitions for 2022/2023

We have a five-year strategy covering 2021-2026, and we have four strategic priorities:

Clinical services

Transforming how we work to provide the best care in the right way in the right place at the right time, with joined up care across health and social care.

People

Creating the best place to work and ensuring we have a workforce with the right values, skills, diversity and experience to meet the evolving needs of our service users.

Quality

Delivering the highest quality services in a safe inclusive environment where our service users, their families, carers and staff have positive experiences, working together to continually improve.

Sustainability

Being recognised as an excellent, digitally enabled organisation which performs strongly and efficiently, working in partnership for the benefit of our population.

History and background

The Trust was established as Birmingham and Solihull Mental Health NHS Foundation Trust on 1 July 2009.

This followed the merger of the former Northern and South Birmingham Mental Health NHS Trusts on 1 April 2003 to create the Birmingham and Solihull Mental Health Trust.

Key issues and risks that could affect the Trust

The Trust has identified a number of key risks which are included in its Board Assurance Framework. The high-level risks largely represent the following areas:

Objective	Risk area
Sustainability	Failure of the medium to long term financial sustainability of the Trust due to: • Shortfall of funding for capital projects. • Failure to achieve planned annual surplus. • Shortfall in cash leading to adverse SOF score.
We will champion mental health wellbeing and support people in their recovery	• If the Trust does not have effective measures in place to manage the containment and treatment of the Coronavirus / COVID-19 outbreak, then the effectiveness of services provided to service users and the health and wellbeing of staff may be compromised.
We will put service users first and provide the right care, closer to home, whenever it's needed	We will be unable to maintain acceptable levels of care if: • There is no sustained investment in mental health and parity of esteem. • The number of patients needing our services continues to increase. • We cannot recruit and keep suitably qualified staff, particularly in working environments that we do not control such as HMP Birmingham.
We will attract, develop and support an exceptional and valued workforce	We will be unable to recruit future staff if our current staff feel undervalued as a result of a failure to: • Recognise and address negative working behaviours such as bullying and harassment.

Objective	Risk area
	• Promote a culture of openness, transparency and fairness. • Deliver a diverse workforce that representative of the population that it serves. • Address the demand and capacity in the system.
We will listen to and work alongside service users, carers, staff and stakeholders	A risk we have not established waiting times and monitoring arrangements for all of our individual areas, which may result in patients deteriorating and requiring hospital care.
We will listen to and work alongside service users, carers, staff and stakeholders	Increasing demand on services and insufficient capacity will result in staff being unable to provide quality support or plan a service user's care and recovery in tandem with their family and carers.
We will champion mental health wellbeing and support people in their recovery	Our service users will face poorer outcomes if we fail to address their physical health whilst we are providing mental health care.
We will put service users first and provide the right care, closer to home, whenever it's needed	We will be unable to deliver core corporate or clinical services if we succumb to a cybersecurity attack, systems failure or our care records are not fully integrated.
We will drive research, innovation and technology to enhance care	There is a risk that we will have insufficient financial resources and/or workforce capacity to invest in research, innovation and technology or exploit any achievements to improve patient care and efficiency.
We will work in partnership with others to achieve the best outcomes for local people	Working in partnerships holds financial, reputational and/or quality risks for all parties resulting in poor service outcomes.
We will champion mental health wellbeing and support people in their recovery	There is a risk that we will fail to work in a clinically integrated manner for the benefit of patient recovery resulting in poorer outcomes for our service users.

Going concern

After making enquiries, the directors have a reasonable expectation that the services provided by the NHS foundation trust will continue to be provided by the public sector for the foreseeable future. For this reason, the directors have adopted the going concern basis in preparing the accounts, following the definition of going concern in the public sector adopted by HM Treasury's Financial Reporting Manual."

Performance analysis

How we measure performance

We utilise a range of approaches to report and manage performance so that there is aligned understanding from 'Board to ward'.

The Trust has established an Integrated Performance Report which is reviewed by the Trust Board sub-committees. This is based on the Integrated Performance Dashboard which has been in place since early 2018 and describes Trust performance against a holistic range of key performance indicators against four domains, which mirror the current priorities:

- Quality and safety
- Performance (capacity, demand, and delivery)
- Culture and people
- Sustainability

The intention is to provide a balanced understanding of the performance of the Trust and its services so that we can see the relationship between the different elements, i.e. rather than individual data, such as numbers of staff and costs, we are interested in understanding, for example, how changes in the workforce impact on cost, quality and contractual performance and which changes add the greatest value.

Commentaries are provided by domain owners for each metric which describe:

- What has happened?
- Why has it happened?
- What are the implications and consequences?
- What are we doing about it?
- What do we expect to happen?
- How will we know when we have addressed the issues?

The Integrated Performance Dashboard is also reviewed at the Trust's Performance Delivery Group (PDG) attended by Executive Directors, Clinical Directors and Associate Directors on a monthly cycle of review. In addition to this, deep dive meetings have been introduced with services, providing an opportunity to discuss performance across the domains and patient pathways in a greater level of detail. This includes a combination of areas for improvement as well as areas that service leads wish to raise for discussion with Executive leads.

Performance and key issues arising across the four domains including outcomes from the PDG and Deep Dive meetings are also reported to the Trust Board sub- committees where appropriate. This includes the Quality Patient Experience and Safety Committee (QPES), Finance, Performance and Productivity Committee and the People Committee for assurance.

Following further development work, the integrated dashboard was updated to improve user access and providing drill down capabilities supported by control charts to assess progress and improvement. This went live in April 2021. The next phase of development is to engage with service leads to develop a service level view with an expanded number of service level metrics which are used by clinical services to manage quality and performance. Integrated care system national indicators have also been added for review to establish the Trust's contribution to the overall system-wide performance, highlighting areas for improvement.

In addition to the above, existing reports that the Trust uses to report and assess performance have been maintained and examples of these and mechanisms we use are outlined below.

The Trust's key performance indicator (KPI) report is published internally on a monthly basis and includes 42 measures, comprising:

- national indicators as outlined in NHSE/I Oversight Framework.
- local and commissioner indicators. This includes the Increasing Access to Psychological Therapies targets agreed with commissioners and local workforce measures relating to sickness absence and compliance with appraisal and fundamental training.
- local baseline measures provide contextual understanding of how services are operating and how service users are progressing along the pathway.
  The measures reported are those that are generically applicable to Trust services.

Examples of measures reported include CPA 7 and 3 day follow up, 'did not attend' (DNA) rates, community mental health team diagnosis recording, service users on the care programme approach (CPA) having a formal CPA review in the last 12 months, service users on caseload with no face-to-face contact recorded in the last six and twelve months, length of stay, bed occupancy, delayed transfers of care and emergency readmission rates within 28 days of discharge.

Further intranet-based reporting is also in place with a library of reports available to support staff focussing on activity and caseload information, for example length of stay, delayed transfers of care, and organisational reports such as compliance with mandatory training. The reports are refreshed daily to enable proactive management action by operational and corporate teams. These reports have a drill down facility to enable the reports to be viewed at Trust level, divisional level, team level down to service user level (determined by access rights) to support delivery and improvement.

Service specific profile reports (SPRs) are routinely available and refreshed each month. These reports provide a 12-month overview of key service user pathway information such as the number of referrals and discharges, DNA, and cancellation rates, waiting times for those first seen and for those waiting to be seen, demographic information and workforce information. As well as supporting internal benchmarking the reports enable understanding of service specific activity and how service users are managed across care pathways to inform areas for review and improvement. Issues arising are discussed at operational meetings for action and improvement.

The Trust also participates in the national NHS Benchmarking programme and published reports are utilised to inform local discussions on understanding variation to aid learning and informing the Trust's improvement agenda.

To enhance accessibility and level of detail provided through our reports for staff, Power BI reports are being developed in conjunction with service leads to support operational oversight and inform service level discussions and decision making. Recent examples include reports which support the trusts work in promoting diversity and inclusion to combating inequalities by looking at the demographic characteristics of our service user population, both within community services, secondary care inpatient services and within Increasing Access to psychological Therapy services (now NHS Talking therapies).

This includes breakdowns of caseloads by:

- age, gender and ethnicity.
- other protected characteristics – to the extent current data collection allows.
- economic status of where people live (using UK Govt Index of Multiple Deprivation).

In 2022-23 we introduced a new online Service Performance Explorer report for use within the Trust, modelled on CQC monitoring requirements. It is available to all staff and allows monitoring of trends and comparison of performance between services, teams, sites and professions across a range of clinically focused performance measures.

Quality performance

Annually, every NHS Trust is required to produce a Quality Account Report. The report will be published on the Trust website at the end of June and includes information about the services the Trust delivers, how well we deliver them and our plans for the following year.

Birmingham and Solihull Mental Health NHS Foundation Trust (BSMHFT) is committed to continuous quality improvement. In creating our quality priorities and goals, we have considered the aspirations in the NHS Long Term Plan; NHS England's Five Year Forward View for Mental Health and NHS Improvement Planning Guidance. We have also engaged with our workforce and our service users and Experts by Experience to ensure that these goals will support the delivery of our Quality Strategic Priority which reflects the local needs of our service users and staff as well as national needs.

A summary of the areas of progress made since the publication of the 2021/2022 Quality Report includes:

- Improve patient safety by reducing harm
- Improving service user experience
- A patient safety culture
- Quality assurance
- Using our time more effectively

Improve patient safety by reducing harm

Our measures of success relating to this priority were defined as:

Preventing harm	
Improve the safety of our acute inpatient wards by installing ligature alarm systems on the ensuite doors and bedrooms doors of our highest risk acute inpatient wards.	Measure of success: Reduced level of ligature incidents utilising an anchor point which result in moderate, severe or catastrophic harm to patients.
To improve the physical health monitoring of patients in our care.	Measure of success: To ensure that all inpatients have the physical health assessment and systemic enquiry checks completed within 24 hours of admission.

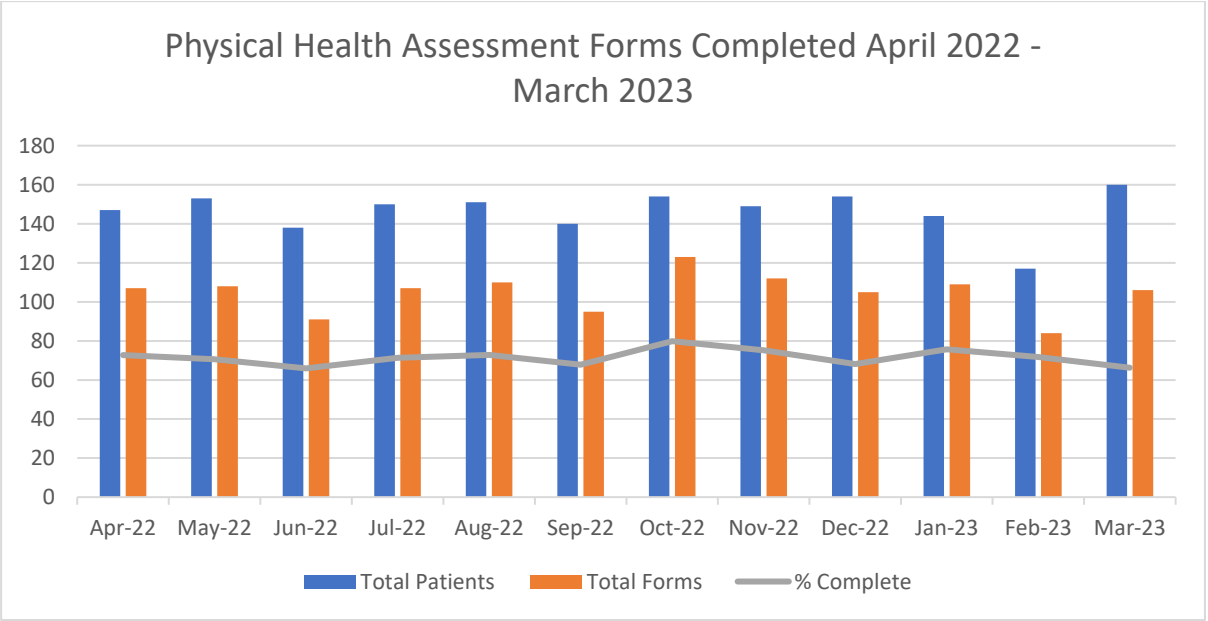
Improving the safety of our acute inpatient wards by installing ligature alarm systems

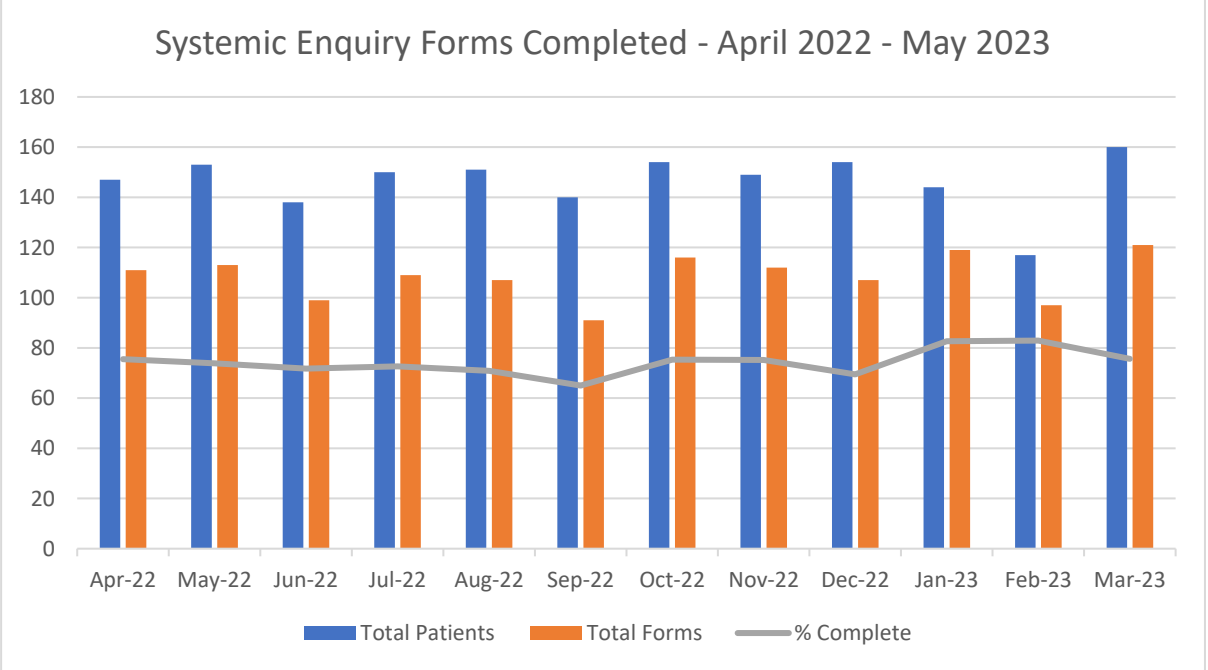
Ligature risks are anything that can be used to attach a cord, rope, or other material for hanging or strangulation. They can cause serious injuries or death by asphyxiation. The Trust has systems in place to review all ligature risks and have identified particularly within acute services that bedroom doors have featured in most incidents and following risk assessment processes were put in place to implement door top alarms.

During 2022/2023 the installation of the ensuite door alarm system in Acute Care was completed. Further work in terms of the broader physical environment agenda has taken place and the capital programme for 2023/24 has been agreed a range of capital projects that will support the prevention of harm. To reduce harm from anchor point ligatures a range of activity has taken place to reduce the frequency and impact of anchor point ligatures across inpatient services. Activity has included the strengthening of risk assessment and care planning processes and regular monitoring of this to not only ensure that this is taking place but that service users are engaged with this and understand their care plan.

To improve the physical health monitoring of patients in our care.

Physical health monitoring is an integral part of caring for patients with mental health problems. It is proven that serious physical health problems are more common among patients with severe mental health illness (SMI), this monitoring can be challenging and there is a need for improvement The Physical Health Committee is driving change in this area supporting training and system developments that have delivering the following results.





Included in this information is the completion of the systemic enquiry form in the same period (2022/23).

This is an admission assessment completed by the medic (or ACP) that involves performing a brief screening for symptoms into the body systems (which may or may not be relevant to the primary reason for admission) A systemic enquiry may also identify symptoms/diagnosis to help provide a full clinical assessment of the service users health needs and allow the medic/ACP to make clinical judgements and decisions.

A patient safety culture

Our measures of success relating to this priority were defined as:

A Positive Patient Safety Culture	
Roll out Learning from Excellence across the Organisation to ensure systematic recognition of learning from excellent practice.	Measures of Success:- Routine reporting of Learning from Excellence submissions made in recognition of excellent practice.

As an organisation we recognise the importance of our workforce in the delivery of high quality care. However, we know that at times the impact of human factors can have an adverse impact on outcomes. As a result, the organisation is supporting staff to understand the principles of human factors and how they affect our behaviours alongside developing a 'Just Culture' to support staff the embedding of a positive safety culture.

Therefore, alongside the reporting of incidents that support learning we have introduced an Excellence nomination scheme that has the ideology of learning where things go right supporting the development of our patient safety culture and celebrating the work undertaken by our workforce.

Staff members nominate their colleagues for excellent practice. On receipt of the nomination the staff member receives notification and a certificate alongside the patient safety team who receive the details to cascade learning.

Quality assurance

Our measures of success relating to this priority were defined as:

Improving quality assurance	
Roll out an internal quality assurance peer review scheme across the Trust involving staff and experts by experience	Measures of success: Number of peer review visits completed.

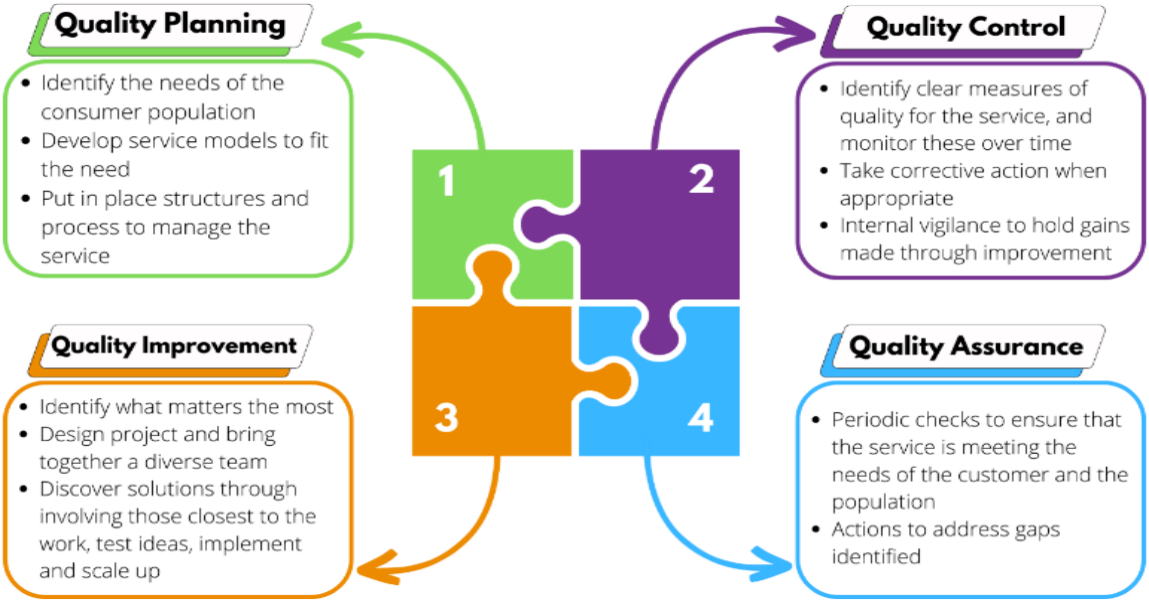
What this means: Quality Assurance is a process to help us continually check that we are meeting the standards of quality of care that we owe to our service users, families, carers and staff. Our regulators such as the Care Quality Commission also hold us to account for delivering these standards. The process also offers us the basis for assessing whether or not we are continually improving care and can help us identify areas where we need to celebrate great practice as well as focussing on areas that need improving.

We aim to develop a quality assurance framework to underpin and assure us of the quality of our services and care on a continual basis.

We will do this with staff, service users, families, and carers. This will help us to act quickly to recognise good care and practice, and equally act quickly where improvement is needed.

Quality assurance is a process to help us continually check that we are meeting the standards of quality of care that we owe to our service users, families, carers and staff. Our regulators such as the Care Quality Commission hold us to account for delivering these standards. The process offers us the basis for assessing whether or not we are continually improving care and can help us identify areas where we need to celebrate great practice as well as focussing on areas that need improving. As an organisation the framework that we are using is an integrated model that aim to develop a quality assurance framework to underpin and assure us of the quality of our services and care on a continual basis. We are building this with staff, service users, families and carers. This will help us to act quickly to recognise safe care and practice, and equally act quickly where improvement is required.

The model that is being developed incorporates quality planning, quality control, quality assurance and quality improvement. The approaches are being brought together into a single quality system to meet organisational goals and improve care for our service users.



To ensure delivery against this iterative model the organisation has introduced peer reviews against agreed control measures that provide assurance that there is delivery against key quality indicators. The peer reviews inform delivery of the improvement agenda ensuring that plans are in place to support delivery against quality indicators improving outcomes of care, patient safety and staff wellbeing.

The schedule of peer reviews that have taken place during 2022/23 are set out below:

- Secure Care and Offender Health: two reviews
- Acute and Urgent Care: seven reviews
- Integrated Community Care and Recovery: 11 reviews

In addition, the Compliance team also have a programme of regular assurance testing across the Trust throughout the year to further support continuity and compliance within the organisation. This is frequently updated in line with themes based on inspections, feedback and current themes from the CQC. For 2022/23 the following assurance checking took place:

- Secure Care and Offender Health: 10
- ICCR: 3
- Acute Care: 16
- Dementia and Frailty: 3

Those areas which have not yet had assurance testing undertaken are being planned in for this year with the cycle re-starting to revisit all areas within the financial year.

Following comprehensive reviews based on the CQC's Key Lines of Enquiry, the most frequent themes found in areas are as follows:

Needing improvement:

- Staffing and bank usage is poor across the board.
- IPC in some areas is poor (lack of cleanliness, cleaning schedules not to date, IPC audits not up to date on boards).
- Staff are not wearing their PPE (masks) appropriately in some areas.
- Knowledge of blanket restrictions needs to be improved.
- Improvements to be made for staffing.
- There needs to be an increase in levels for RMS, appraisals and mandatory training.
- Escalation of various environmental issues in ward areas to improve standards for patients.

Good practice:

- Improvement in knowledge of CQC regulatory standards and expectations by all levels of staff.
- Improvement in the frequency and quality of communications to staff (e.g. team meetings, sharing of SI's) helping to promote an open culture and transparency among colleagues.
- Introduction and sharing of good practice audits in some areas which were lacking previously (e.g. clinic audits, care plan audits).
- Staff are knowledgeable about Covid restrictions and requirements for both themselves and service users.
- Staff have excellent understanding of safeguarding in most areas.
- All staff spoken to are clearly passionate about caring for service users and keeping them safe.
- Safety huddles have been well implemented in the acute areas with staff citing these as positive for their areas.
- Nearly all service users have been complimentary about staff and the care they are receiving.

Using our time more effectively

Our measures of success relating to this priority were defined as:

Using our time more effectively	
Implement a Community Care Planning Tool incorporating an outcome measure within our Community Services as an approach to improve the therapeutic effectiveness of service user interactions with our clinicians	Measures of success: Determine the approach to needs assessment and care planning using a Patient Rated Outcome Measure.

What this means: This aspect of our priorities puts a clear focus on delivering a high quality experience for service users, families and carers and largely focusses on ensuring that they have a powerful and equal voice in their own care, as well as helping to shape and influence future developments at the Trust to improve the patient experience. We have engaged groups of patients to help us to understand what they would like to see as priorities.

We have started to implement the use of Dialog within ICCR teams. This is not only a new format of service user centred care planning, but incorporates a patient rated outcome measure, which can be used as paired outcome measure to evaluate services and clinical effectiveness for individual service users. It is planned that this will be extended to other clinical areas in the coming months, building on the learning from the ICCR roll out.

Serious incidents

During 2022/23 we have completed much of the groundwork to move the investigation of our serious incidents in line with the NHS Patient Safety Incident Response Framework in preparation for the national roll-out of this programme. We continue to work closely with partners across various agencies which support health and social care in Birmingham and Solihull to complete multi-agency reviews where it was evident that a patient involved in a serious incident was receiving care, support or advice from more than one agency. This enables us to take a system wide view on opportunities to improve how agencies can work together for the benefit of patients.

	2018/19	2019/20	2020/21	2021/22	2022/23
Number of serious incidents reported	92	78	87	82	78

Never events

Never events are defined as serious incidents that are wholly preventable because guidance or safety recommendations that provide strong systemic protective barriers are available at a national level and should have been implemented by all healthcare providers. We are pleased to report that the Trust has not reported any Never Events during 2022/23.

	2018/19	2019/20	2020/21	2021/22	2022/23
Number of never events reported	0	0	0	0	0

Patient experience

The Trust identified the following key indicators for monitoring the quality of service user and carer experience. These were identified in the previous report and following review, they were still deemed to be a priority.

	2020/21	2021/22	2022/23
Patient survey 'do you know who to contact out of office hours if you have a crisis?	59%	67%	64.5%
Number of complaints	81	109	
Timeliness of complaint handling	100%	99.1%	
% of dissatisfied complaints	Nine returned. (11%)	Nine returned. (8%)	
Number of referrals to the Ombudsman	2 Zero accepted for re-investigation	2 Zero accepted for re-investigation	
FFT score	94%	79%	

Performance against the relevant indicators and performance thresholds

The following indicators form part of the annexes to the NHS Oversight Framework

National mental health indicators

	NHSE/I Oversight Framework updated in November 2017: National Indicators – 2022/23	National Threshold	2022/23
1	Early intervention in Psychosis (EIP): People experiencing a first episode of psychosis treated with a NICE approved care package within two weeks of referral.	60%	100%
2	Improving access to psychological therapies (IAPT): ** a) proportion of people completing treatment who move to recovery (from IAPT dataset) b) waiting time to begin treatment (from IAPT minimum dataset): i. within 6 weeks of referral ii. within 18 weeks of referral	 50% 75% 95%	 49.7% 35.3% 68.1%
3	Inappropriate out-of-area placements for adult mental health services (average bed days per month) *	n/a	845
4	Admissions to adult facilities of patients under 16 years old	n/a	0%

*Due to the impact of COVID-19 on the need for acute and urgent mental health services, it was recognised by NHSE/I that the national target to achieve 0 out of area placements by end March 2022 would not be possible. For 2022-23 a locally agreed reduction plan was agreed with commissioners to reach by 561 Out of Area Bed days by the end of March 2023.

In addition, please note that the average bed days per month for 2022/23 are based on the Standard Operating Protocol agreed with NHSE/I to include 10 local acute private beds to be classified as 'appropriate placements' from the 1st of October 2022 and admissions to local PICU private beds from the 1st of January 2022. However as recognised by NHSE/I, these changes are not reflected in national MHSDS reporting and will continue to show as being ‘inappropriate’ placements due to MHSDS data constructs. A trajectory was in place in 2022-23 agreed with commissioners to reduce out of area bed days to 561 bed days by March 2023. This has remained challenging for the trust and a project group is in place to identify and implement a range of actions, which include a dedicated bed manager whose focus is to manage the needs of out of area patients with a view to supporting transfers back to their home localities where possible and exploring the use of additional beds locally. Further actions are being planned which address flow within the system including delayed transfers of care, with the work being undertaken across the Integrated Care System with Forward Thinking Birmingham.

****** The waiting times for IAPT have reduced below the national targets primarily due to factors outside the Trust's immediate control. 2022-23 has focused on recovery of services from Covid 19 which commenced with the reopening of primary care facilities, allowing face to face appointments to be reintroduced. The removal of face masks and social distancing has also allowed an increase in group capacity and use of digital appointments has also been made. A Birmingham and Solihull system wide forum has been established to jointly develop plans to manage the action plan going forwards including recruitment and retention strategies to improve the position going forwards. Nationally a recognised shortage in the availability of appropriately qualified staff means that we are limited to recruiting from existing trained staff and available trainees. This remains challenging, but offering High Intensity therapists the same terms and conditions offered by neighbouring trusts has had a positive impact. A communication strategy and social media campaign are in place to support rolling adverts for both qualified and future trainee posts.

COVID-19 (2022-2023)

The first confirmed cases of COVID-19 in the UK were on 29 January 2020, followed by more cases on 6 February. The first suspected patient case recorded in BSMHT was on 2 March 2020.
The IPC team have led the way on supporting wards and clinical areas through the continued challenges of the COVID pandemic during 2022/2023, working collaboratively with clinical colleagues, supporting best practice, and offering specialist advice.

The total number of outbreaks 2022-2023 were 47, the breakdown of which per quarter is provided below:

Quarter	Covid outbreaks
Q1	13
Q2	11
Q3	15
Q4	8

During the year, the **themes** identified relating to the COVID outbreaks were:

1. Service users sharing in communal areas.
2. Personal protective equipment (PPE) breaches by staff
3. Staff, not always bare below the elbows.
4. High dust
5. IPC boards not up to date
6. Physical damage

Actions undertaken by the IPC Team and Clinical areas include:

- Increased cleaning (documented)
- Implementation of the use of mandated PPE to be worn by staff at all times in outbreak areas
- Individual and global risk assessments were made for each service user (SU) to be able to offer them a mask (if not jeopardizing other service users' safety)
- Managers and Matrons carried out increased spot checks and confirm and challenge in real time.
- IPC team weekly Covid spot checks.
- Weekly IPC environmental audits completed by service area.
- Estates and Facilities involvement in outbreak meetings/joint visits to outbreak areas.
- Local IPC Champions supported the work on improving IPC Boards and local practice in clinical areas.
- The physical damage encountered mostly relates to wear and tear and planned upgrades/maintenance.
- Regardless of the challenges encountered during the COVID-19 pandemic, all measures were taken to reduce risk of cross contamination between contractors, staff and service users.
- During outbreaks only essential work has been carried out. Estates and Facilities keep a log of all works undertaken and outstanding. IPC supported on the planning of these activities when contractors had to go to areas with known COVID-19 cases.

Health and safety performance summary 2022/23

In the last year, the focus of the work of the Health and Safety team has been largely on the below areas:

- Supporting our Clinical and Estates colleagues with the ongoing implementation of the new door monitoring alarm system on en-suite doors in Acute Care and parts of Secure Care. This system has now been installed on all en-suite doors in the 16 Acute Care inpatient wards and on the bedroom doors on 4 of those wards. They are also on en-suite and bedroom doors on one Secure Care ward.
- Continuously improving our processes around completion of and follow up of actions arising from ligature, fire, environmental and security risk assessments.
- Working with an external supplier to develop a new system that more effectively tracks and monitors the status of actions arising from risk assessments.
- Ongoing learning from fire drills and fire incidents to improve our fire safety management system.
- Accident and incident investigations to ensure ongoing learning and improvement in our safety culture.
- Work continues with West Midlands Police to implement the Force Improvement Plan that was developed last year. This plan aims to enable effective police support for addressing criminal incidents that occur in mental health settings. Consequently, a new role has been created and we now have a Mental Health Investigation Liaison Lead. Several investigators have been trained and they will routinely pick up the physical assaults committed by service users against staff.

- Implementation of the Trust's Unacceptable Behaviour Policy to provide support to staff where they experience unacceptable behaviours from service users or visitors. We have seen this policy being used very effectively in the last year.

Other key points to note are:

- The Trust received no Health and Safety enforcement notices and had no Never Events in 2022/23.
- All CAS alerts were responded to within the given timeframe.
- In 2022/23 there were 27,954 reported untoward incidents (an increase on 2021/22 by 3445 incidents).
- Incidents of violence and aggression accounted for 6,262 in 2022/23. Of this figure 1,246 were because of physical assaults on inpatient staff. This compares with 6,069 in 2021/22, of which 1,601 were because of physical assaults on inpatient staff.
- The number of false fire alarms reported in 2022/23 was 68, a decrease of 6 on the previous year.
- The number of actual fires reported in 2022/23 was 37. Of these 7 were accidental, 13 were wilful/arson and 17 undetermined. The total figure compares with 12 in 2021/22.
- There were 45 (staff) and 512 (service users) Slips, Trips and Falls incidents in 2021/22. In 2021/22 there were 61 (staff) and 482 (service users) Slips, Trips and Falls incidents. A decrease of 35% for staff and an increase of 5% for service users.
- Personal accidents to staff (excluding slips, trips and falls) accounted for 153 reported incidents which is a decrease of 30 from 2021/22.

A total of 59 incidents were reported to the HSE under the requirements of RIDDOR in 2022/23.

New developments and achievements

Launch of our Trust Five Year Strategy

We are now at the end of year two of our Trust Five Year Strategy, which was launched in April 2021 following an extensive engagement exercise encompassing every Trust site. The strategy sets our direction of travel, ambitions and priorities for the next five years, and each year we agree a set of ambitious annual goals to focus on during the year to move us towards achieving our ambitions across the four strategic priorities of Clinical Services, People, Quality and Sustainability.

We have made good progress against our goals in all of these areas, with 89% of our highest priority goals rated 'green' or 'amber' at the mid-year point. Just a few of the many areas of achievement include developments in tackling health inequalities, initiatives to create an anti-discriminatory culture, rolling out community transformation, improving services for children and young people in Solihull, improving care for adults with eating disorders, improving safety onwards, and further opportunities for service user and carer involvement.

Key partnerships and alliances

Birmingham and Solihull Integrated Care System (ICS)

Integrated care systems (ICSs) are new partnerships between the organisations that meet health and care needs across an area, to coordinate services and to plan in a way that improves population health and reduces inequalities between different groups.

The Trust is a key partner and stakeholder in the Birmingham and Solihull ICS, championing mental health, making sure there is a focus on mental health in the design and development of the ICS alongside physical health and social care. At the heart of the new ICS will be place based working and provider collaboratives to make sure we are making decisions closer to patients and frontline staff.

Birmingham and Solihull Mental Health Provider Collaborative

Birmingham and Solihull ICS will have a number of Provider Collaboratives for different care needs, one of which is Mental Health. These Provider Collaborative arrangements will empower providers of care to both commission and deliver services in the future, utilising their specialist operational knowledge to optimise service delivery and outcomes for patients.

We have been working closely with partners in the local health and care system over the past year to develop our future plans and governance arrangements for the Provider Collaborative. Our Trust is the lead provider and our partners include NHS organisations, third sector organisations and both Birmingham and Solihull local authorities. Our guiding principles are to:

- improve access
- reduce inequalities
- improve safety
- enhance value
- achieve better clinical outcomes
- reduce demand

From 1 April 2023 we were officially operating as the Birmingham and Solihull Mental Health Provider Collaborative, with delegated responsibilities. This is a great opportunity to make mental health services the best they can possibly be for the people of Birmingham and Solihull by working more collaboratively than ever before. It's a huge step forward that will ensure that decisions are made as close to those delivering and receiving care as possible, bringing together the right people, in the right place, to support making key improvements for our patients, people and communities in Birmingham and Solihull.

Provider collaboratives for specialist services

Provider Collaboratives are made up of several organisations coming together to make collective decisions about the design and delivery of health and care services around the needs of a particular group of people (for example, people in a geographical area or people with a shared need).

The Trust is a core partner in a number of West Midlands wide provider collaboratives for specialist services:

Adult secure care

Reach Out consists of Birmingham and Solihull Mental Health NHS Foundation Trust (lead provider), Midlands Partnership NHS Foundation Trust, St Andrew's Healthcare and Coventry and Warwickshire Partnership NHS Trust. Our clinical model builds on existing specialist forensic outreach services and joins together secure care and step-down providers, third sector organisations and statutory partners (e.g., criminal justice system and social services) across the whole of the West Midlands to deliver Reach Out objectives.

Perinatal mental health

This partnership consists of Midlands Partnership NHS Foundation Trust as contractual lead provider, with our Trust taking the lead for clinical leadership. These two Trusts provide the inpatient mother and baby units in the West Midlands. Our clinical reference group also involves perinatal mental health community providers in the Black Country, Staffordshire, Coventry and Warwickshire, Telford and Wrekin, and Herefordshire and Worcestershire. We are developing a clinical model that will aim to improve access, reduce variation and address health inequalities in relation to perinatal mental health.

Adult eating disorders

The partnership consists of Midlands Partnership NHS Foundation Trust (lead provider), our Trust, Coventry and Warwickshire Partnership NHS Trust, Elysium and Priory Group. The clinical model aims for consistency in criteria and standards across the West Midlands with centralised bed management and single point of access as well as improved alignment and joint working between inpatient and community providers.

CAMHS Tier 4

This partnership, with Birmingham Women's and Children's NHS Foundation Trust as lead provider, is a wide-ranging partnership includes NHS and independent sector CAMHS providers across the West Midlands including our Trust. The clinical model aims to improve fragmented pathways, redesign the bed configuration across the region so it better meets need, and reinvest in community and step-down services.

We have seen some huge benefits from working together in this way and have already been able to invest in new services, repatriate people from out of area services and avoid new out of area placements.

Partnerships to drive transformation

As a large mental healthcare provider, embedded in the local health and care landscape, we have wide-ranging, well-established partnerships across Birmingham and Solihull with criminal justice, community, acute, primary care, third sector and social care services. Working collaboratively to transform services for the benefit of our population is the norm for us and simply part of what we do. Some examples of collaborations to transform services are:

Community Mental Health Transformation Programme

Our model for transforming community mental health services in Birmingham and Solihull has been developed through large-scale co-production with partners across primary care/secondary care/social care/third sector as well as experts by experience (including carers). A strong blended multi-disciplinary team approach, with a mix of providers across NHS/social care/third sector, dissolves boundaries between primary and secondary care, improves professional relationships, quality and efficiency. Service users will experience care and support for physical health, mental health and social needs that is truly joined up and takes account of local population demographics and need in each locality.

Urgent Care Transformation

We are working collaboratively with partners in the system, including the Integrated Care Board, acute trusts and West Midlands Police, to transform urgent care services. This means working as a whole system to ensure that people in mental health crisis receive care in the most appropriate setting for their needs, to provide alternatives to admission to acute mental health wards, and to relieve pressure on Emergency Departments and beds in acute hospitals.

Improving access to Talking Therapies

We are working with system partners, including NHS and third sector providers, to develop a clear Birmingham and Solihull wide NHS Talking Therapies offer (formerly known as IAPT) of which our Birmingham Healthy Minds service plays an integral part. This has included a collaborative three-year plan to achieve the national access targets and working together to overcome the challenges to achieving this.

Collaboration to deliver innovative services across boundaries

Commissioners are increasingly tendering integrated healthcare services that are expected to be delivered collaboratively across wider regional and organisational boundaries. As a Trust we embrace this, and in the past year we have worked within new and existing partnerships to retain a range of services through co-development of new and innovative service models. These have included a Midlands-wide partnership to deliver Veterans Mental Health Services, a partnership with physical health and substance misuse providers to continue to deliver integrated healthcare in HMP Birmingham, and successfully retaining our Liaison and Diversion and Mental Health

Treatment Requirements services, for which working with criminal justice, third sector and community partners is essential.

Summerhill Services Limited

Our strategic ambitions

We aim to be the preferred supplier of Professional Facilities Management, achieving high quality, efficient, clinically focussed services, and sustainable solutions: by delivering the best health care support services in the eyes of our customers, patients, communities, colleagues, and business partners.

We will earn customer respect and maintain engagement through continuous improvement, driven by integrity, innovation, and efficiency.

With expert knowledge and demonstrable results, we will achieve exceptional operating performance, and shape the future of physical health care environments.

Business model

The company strategy is to provide efficient, clinically focussed services and sustainable solutions, through a single point of contact for all facilities management and support services to our parent Trust and other NHS organisations across the whole of the Birmingham and Solihull health system.

The company commenced trading on 2 April 2012 and is a wholly owned subsidiary of Birmingham and Solihull Mental Health NHS Foundation Trust (the 'Trust').

The principal activity of the company is to provide a managed property service and an outpatient pharmacy dispensing services. The Company also provides estates and facilities services to the primary care sector within Birmingham and Solihull to over 200 GP practices. In addition, the company provides transport and portering services, net zero carbon management, capital and project management, PFI performance management and consultancy, and a business monitoring, data driven analysis, and reporting service.

The company is governed by and compliant with all applicable Pharmacy dispensing laws and regulations. Insurance cover for the dispensing of drugs to outpatients is primarily provided by the National Pharmacy Association Ltd, General Pharmaceutical Council with additional provision via Newline Insurance Company Limited.

Annual Report and Accounts 2022/2023

The subsidiary operated its eleventh full year of trading between 1 April 2022 and 31 March 2023. The company now owns, leases, contract manages 48 clinical sites across Birmingham. For most sites, the company provides a full range of high-quality support and facilities management services to deliver a fully managed lease to the Trust. In

addition, the company provides an extensive contract and performance management service which covers 17 clinical sites including nine PFI owned and operated sites.

During the year, the company continued to provide services to Birmingham and Solihull Integrated Care System and Primary Care, which included providing expert property and facilities management advice and support to leading GP and primary care network (PCN) providers.

The Company continued to develop its portfolio of services to include a range of transport services, capital project management, as well as a monitoring, data driven analysis and reporting service.

The warehouse and logistics services continue to provide a pick, pack and dispatch service for all PPE for the Trust, plus we have expanded into new Trust support areas including Trust Uniforms, Blood Pressure equipment, Dressing supplies, etc. Our partnership with Birmingham Community Healthcare NHS Foundation Trust (BCH) continued during the year to provide dedicated warehouse space for their Personal Protection Equipment (PPE).

SSL also derives revenue from dispensing drugs which is entirely due from the NHS Foundation Trust and its outpatients attending their hospital appointments and supplying the Trust community outpatients' teams and therefore there is minimal commercial, or market risk associated with the company's principal activity. The parent NHS Foundation Trust is reimbursed for drugs dispensed to NHS patients by NHS England and its commissioners; this then becomes the source of the company's revenue stream.

The company continued its business expansion through the year achieving new contracts and additional revenue from delivering consultancy services and contracts to external NHS trusts and the wider health system. During this financial year the company extended consultancy services to provide expert consultancy services to Birmingham and Solihull Integrated Care System (ICS). The company extended its services with Trust to provide a new Trust uniform fulfilment service, which ensures all new Trust staff will receive the appropriate uniform during their initial induction period. In addition, the company has been working with several Trusts and PFI providers to help and support on selected PFI contracts.

The company continues to work with Birmingham Clinical Commissioning Group to support on the remaining activity associated with COVID -19. The company supports selected primary care sites and maintains the four mobile clinics for Birmingham CCG, which provided a mobile solution to deliver the Flu vaccine and COVID-19 vaccine clinics to target more vulnerable and harder to reach patient groups.

With the expansion of the company's services, the company strategic plan for 2022–2027 is to maintain its quality for the Trust over all its' service centres working with the Trust at all levels from Board to Ward to ensure the optimum level of performance for the healthcare-built environment, review and expand existing services within its parent NHS Trust, as well as expanding services to external NHS trusts, ICS and other Health sectors over the next five years.

Financial performance

Summary financial accounts

This section provides a commentary on our group financial performance for the financial year 2022/23. It provides an overview of our income, expenditure, cash flows and capital expenditure in the year.

The month 12 2022/23 consolidated group position is £0.014m surplus. The position includes provisions for annual leave, dilapidations, deferred income; all in line with forecast and break-even plan as submitted to NHSE (our regulators).

The year end position also includes a full year position for the Reach Out Provider Collaborative, which went live on 1 October 2021, with BSMHFT as lead provider.

Going concern

The Trust completes a going concern assessment each and every year and checks that this is consistent with the assessment by its subsidiary Summerhill Services Limited (SSL), as there is some degree of interdependence.

Like many NHS Trusts we rely on custom and practice. As in previous years, the Board has stated that it considers that the group has adequate resources to continue in operational existence for the foreseeable future and the accounts have been prepared on a going concern basis. In reaching this decision, the Board considered the medium-term financial plans of the organisation including income and expenditure, the capital programme and associated funding, cash, and financial performance indicators.

The COVID-19 emergency creates many new risks, but the Trust is not at any greater risk than all other NHS organisations.

Financial performance

The Trust wholly owns a subsidiary Summerhill Services Limited, the results of the subsidiary company have been consolidated with those of the Trust to produce the group financial statements contained in this report and referred to in this commentary.

The COVID-19 pandemic necessitated simplified finance and contracting arrangements that supported systems to dedicate maximum focus to responding to immediate operational challenges. The arrangements for 22/23 continued to support system collaboration with a focus on financial discipline and management of NHS resources within system financial balance. Partner organisations were tasked with working together to deliver the new duties on ICBs and trusts with the main change being the introduction of a glidepath from Covid revenue envelopes to a fair share allocation.

Our year end position is an operational income and expenditure surplus of £2.259m before considering any adjustments for exceptional items. Our adjusted financial performance is a surplus of £0.014m - this adjustment is due to the removal of exceptional items relating to the reversal of impairments of £2.249m as a result of

changes in markets prices during the year end revaluation. The remaining adjustment relates to the removal of depreciation costs relating to peppercorn leases of £0.04m.

Table 1: Consolidated financial performance 2022/23 and 2021/22

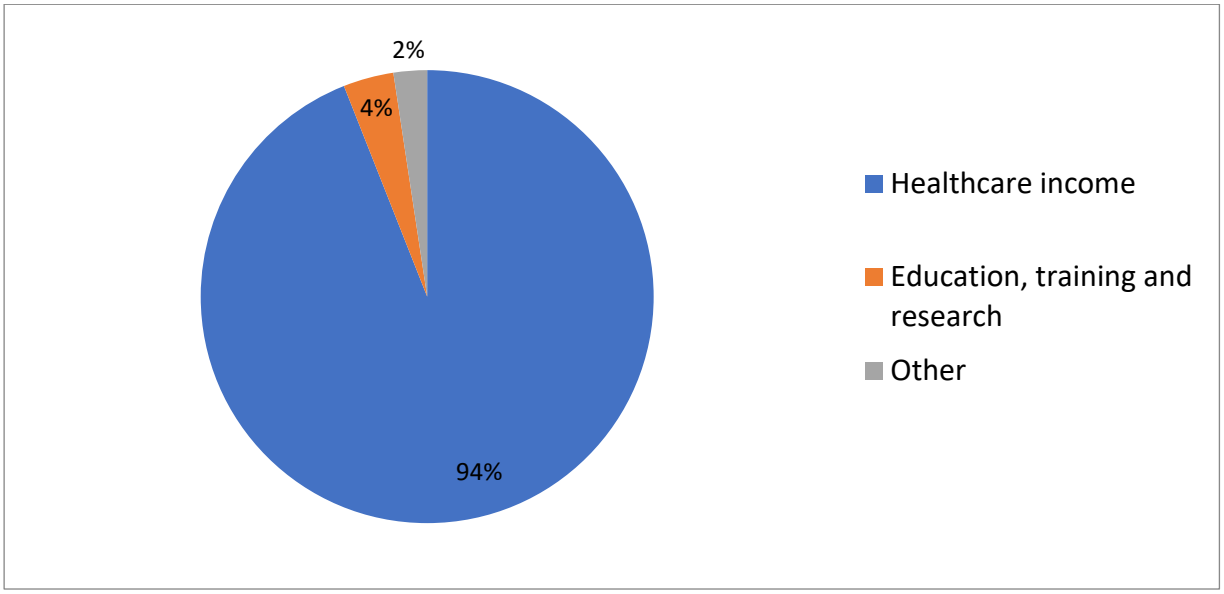
	2022-23	**2021-22**
Income from activities	297,887	293,476
Other operating income	130,829	72,097
Total income	**428,716**	**365,573**
Operating expenses	(412,279)	(347,415)
EBITDA	**16,437**	**18,158**
Capital financing costs	(16,005)	(15,222)
Revaluation/(impairments)	2,249	(3,838)
Profit/(loss) on asset disposal	(32)	(89)
Corporation Tax	(390)	(294)
Surplus/(deficit) for the year	**2,259**	**(1,285)**
Adjusted financial performance:		
Surplus/(deficit) for the year	2,259	(1,285)
Add back all I&E impairments/(Revaluation)	(2,249)	3,838
Surplus/(deficit) before impairments and transfers	**10**	**2,553**
Remove peppercorn lease I&E impact	**4**	**-**
Retain impact of DEL I&E (impairments)/reversals	-	(1,283)
Adjusted financial performance surplus/(deficit)	**14**	**1,270**
Operating surplus margin	0.00%	0.70%
EBITDA margin	3.83%	4.97%

Income

In the financial year 2022/23 the group generated income of £429m. For the whole of 2022/23 a system-based approach was used with system allocations for growth, top-up and covid being allocated to partners by mutual agreement.

The chart below shows a breakdown of our income. Most of our income (94%) comes from our local and national commissioners for the delivery of healthcare services. We continue to be a major provider of education and training in the West Midlands and so this represents approximately (4%) of our income. The Trust has met the requirement under section 43(2A) of the NHS Act 2006 that the income from the provision of goods and services for the purposes of the health service in England is greater than the income from the provision of goods and services for any other purposes. Under section 43(3A) of the NHS Act 2006 the Trusts other income that has been received has not had a significant impact on its provision of goods and services for the purposes of the health service in England.

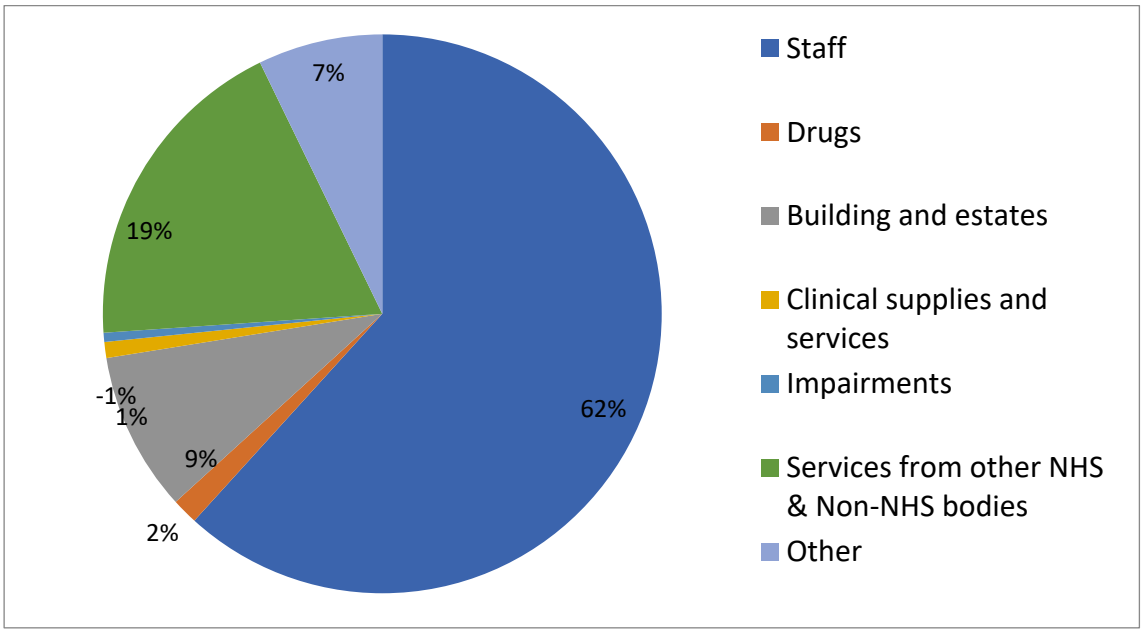
Figure 1: Where BSMHFT's income comes from – 2022/23



Expenditure

The chart shows that our staff are our most valuable and significant part of our expenditure. However, we also operate from over approximately 40 sites across Birmingham and Solihull and so the cost of our estate is also a significant proportion of our overall spend.

Figure 2: What expenditure was incurred by BSMHFT – 2022/23



Cash flow

At the end of the financial year, we have a cash balance of £59.0m (this includes Reach Out). This position means that our organisation can meet its short and medium-term financial obligations. There were investments made during the financial year as per our Treasury Management Policy with the National Loan Funds (NLF) which returned interest receivable over and above the interest received from our main Government Banking accounts (GBS).

Overview of capital investment and asset values

Total group capital expenditure for 2022/23 is £8.8m, this is in line with the original plan of £7.3m plus additional expenditure covered by £1.5m PDC funding received in March 2023. The PDC funding was issued by NHSE for the Ardenleigh CAMHS seclusion suite. Work on this scheme has commenced in 2022/23 but the majority of the expenditure will be incurred in 2023/24. The slippage on this scheme has been offset by bringing forward planned expenditure from 2023/24, mainly relating to anti ligature door sets and some ICT spend.

Additional to capital works expenditure, due to the implementation of IFRS 16, we have been required to recognise two right of use assets in 2022/23. These relate to the lease of Bishop Wilson and the SSL hub. A CDEL (Capital Departmental Expenditure Limit) charge is incurred equal to the right of use asset value, therefore creating a £2.4m variance to plan on CDEL as these were not originally planned for in 2022/23.

The year-end revaluation of the group estate which in line with the previous year was conducted on a Modern Equivalent Asset (MEA)-alternative site valuation methodology, resulted in an overall Reversal of impairments charged to the income and expenditure account of £2.249m and an overall Reversal of impairments charged to the revaluation reserve of £4.941m. This exercise does not have an impact on our cash and ensures that the true value of the Trust’s assets are recorded in the balance sheet and assists in future financial planning.

External audit

The Council of Governors appointed Mazars LLP as external auditors of the Trust. The audit fee for the year ended 31 March 2023 was £67.0k (2021/22: £52.9k) for the Trust's annual report and accounts, £0k (2021/22: £0k) for the Trust's quality accounts (due to the changes in the requirements re C-19) and £25.0k (2021/22: £12.1k) for Summerhill Services Limited, totalling £92.0k (£65.0k for the year ended 31 March 2022) excluding VAT.

From April 2015, NHS foundation trust auditors are required to follow an audit code issued by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General. This was the fee for an audit in accordance with the Audit Code issued by NHS Improvement.

Directors of the Trust have confirmed there is no relevant audit information of which the auditor is unaware and that directors have taken steps to make themselves aware of any relevant audit information and to establish that the auditors are aware of the information.

In 2017/18 as part of the new Auditor Guidance Note (https://www.nao.org.uk/code-audit-practice/wp-content/uploads/sites/29/2020/01/Code_of_audit_practice_2020.pdf) there are now a list of prohibited non audit services, this includes tax services relation to the preparation of tax forms and provision of tax advice. Under the new legislation these services are prohibited. The following threats and safeguards are in place to ensure Auditor objectivity and independence. Mazars LLP does not support the Company in making/negotiating any changes/contract/disputes with other parties. The Audit Committee carries out a review of the effectiveness of the External Auditor following the completion of each annual audit, assessing the External Auditor's performance against an agreed framework and seeking the views of officers of the Trust, and reports the outcome of that review to the Council of Governors, together with a recommendation as to whether the External Auditor should be re-appointed for the following year (depending on the length of the contact in place).

Public sector pay policy

Our Trust adopts a Better Payment Practice Code in respect of invoices received from NHS and non-NHS suppliers. The code requires our Trust to aim to pay all undisputed invoices within 30 calendar days of receipt of goods, or a valid invoice (whichever is later), unless other payment terms have been agreed. To meet compliance with this target at least 95 per cent of invoices must be paid within 30 days, or within the agreed contract term. Our Trust's performance against target is summarised in the table below:

Table 2: Better Payment Practice Code performance

	2022/23	2022/23	2021/22	2021/22
	Number	£'000	Number	£'000
Total NHS invoices paid in the period	647	50,216	543	32,012
Total NHS invoices paid within target	641	50,174	538	31,981
Percentage of NHS invoices paid within target	99.1%	99.9%	99.1%	99.9%
Total non-NHS invoices paid in the period	39,414	175,153	36,250	135,209
Total non-NHS invoices paid within target	37,886	173,249	34,905	134,346
Percentage of non-NHS invoices paid within target	96.1%	98.9%	96.3%	99.4%

Management of working capital balances, in particular aged balances are reviewed on a regular basis by senior management and escalated where necessary.

Financial risks

The Trust has a treasury management policy which is implemented by the finance department. The Trust has assessed that it is not subject to any significant financial risks in relation to financial instruments:

- Currency risk – the Trust is a domestic organisation with the majority of transactions conducted in £sterling, therefore exposure to currency risk is low.
- Interest rate risk – borrowings are from the Government and interest is fixed for the life of the loan, therefore exposure to fluctuations in interest rates is low.
- Credit risk – majority of our income comes from contracts with other public sector bodies and so there is low exposure to credit risk. Cash deposits are only placed on a short term basis with highly rated UK banks or HM Treasury.
- Liquidity risk – operating costs are incurred under contracts with public sector bodies, financed from the Government. Exposure to liquidity risks are considered to be low.

Looking forward

The planning round undertaken for 2023/24 already indicates that the financial position for all NHS organisations will continue to be extremely challenging. The majority of the additional funds allocated for Covid19 have now been withdrawn and the necessity to reduce expenditure run rates has become even more evident.

The Trust will also become the lead provider for the Birmingham and Solihull Mental Health Provider Collaborative, introducing a number of partnership opportunities but also uncertain financial risks.

Reducing the cost of fraud in the NHS

Fraud in the NHS is a drain on the valuable assets meant for patient care and costs the health service a substantial amount. The situation is improving year on year as recovery of money, prosecution of offenders and awareness of the issue continues to build. However, a considerable amount of money is still lost through patient, practitioner and staff fraud. The NHS Counter Fraud Service aims to reduce this to an absolute minimum, and maintain it at that level. BSMHFT has in place a team of Local Counter Fraud Specialists (LCFS) who are the first line of defence against fraud. Their role includes raising awareness of the risk of fraud among staff, reducing the risk through a programme of proactive work and, in the event of suspicion being raised, conducting formal investigations. To find out more, contact one of the Trust's LCFS contact: Emily Wood, Senior Consultant, RSM UK Risk Assurance Services LLP, Fifth Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL, T: +44 113 285 5000 | DL: +44 113 285 502, E-mail: emily.wood10@nhs.net

Additional information

The accounts have been prepared under a direction issued by NHS Improvement under the National Health Service Act 2006. The accounting policies for pensions and other retirement benefits are set out in note 1 to the accounts and details of senior employees' remuneration can be found in the Remuneration Report. The NHS Foundation Trust has complied with the cost allocation and charging requirements as set out in the HM Treasury and Office of Public Sector Information guidance.

Summary financial statements

The Annual Report includes summary financial statements. A full set of accounts is available on request by contacting The Executive Director of Finance, Finance Department, Uffculme Centre, 52 Queensbridge Road, Birmingham, B13 8QY.

Independent inspections, assessments, and awards

Registration with the Care Quality Commission (CQC)

Birmingham and Solihull Mental Health NHS Foundation Trust is required to register with the Care Quality Commission and its current registration status is conditional. BSMHFT has the following conditions on registration:

1. The registered provider must take steps to address the ligature risks across all wards by 18 June 2021.

2. By 29 January 2021 the Registered provider must implement an effective system to improve risk assessments and care planning. The Registered Provider must report to the Commission on the steps it has taken in connection with this by 5 February 2021.

3. By 4 January 2021, the registered provider must inform the Commission of the order of priority in terms of addressing the ligature risks and timescales for addressing the ligature risks across each ward.

4. Commencing from 5 February 2021 the registered provider must report to the Commission on a monthly basis setting out progress being made in respect of including mitigating measures being put in place until all ligature risks are addressed.

5. Commencing from 1 March 2021, the Registered Provider must report to the Commission on a monthly basis the results of any monitoring data and audits undertaken that provide assurance that the system implemented is effective.

The Care Quality Commission has taken enforcement action against Birmingham and Solihull Mental Health NHS Foundation Trust during 1 April 2022 to 31 March 2023. A Section 29 notice was issued and the Trust provided an action plan to the Care Quality Commission to address the points raised.

Birmingham and Solihull Mental Health NHS Foundation Trust has participated in special reviews or investigations by the Care Quality Commission relating to the following areas during 1 April 2022 to 31 March 2023.

Core inspection of:

- Acute wards for adults of working age and psychiatric intensive care units.
- Long stay/rehabilitation mental health wards for working age adults.
- Wards for older people with mental health problems.
- Mental health crisis services and health-based places of safety.
- Forensic inpatient or secure wards and a Well-led inspection.

Birmingham and Solihull Mental Health NHS Foundation Trust has developed and submitted detailed action plans to the Care Quality Commission on the intended actions to address the Must and Should Do findings.

Social, community engagement, anti-bribery and human rights issues

Community engagement

A bit about us

Our community engagement team works closely with staff members and community groups to ensure local people are consulted and involved in developments or changes to services provided by the Trust.

The team also undertakes a significant amount of work with local communities to tackle the stigma associated with mental health and to reduce the barriers to getting the right help at the right time. The team is always very keen to hear from individuals and community groups with suggestions on how the Trust can better engage with local communities and support them in taking more responsibility for their own wellbeing. Below is some of the work and projects the team has undertaken for the last 12 months:

The Bedlam festival, Arts and Mental Health

The Bedlam Festival is a partnership between Birmingham and Solihull Mental Health NHS Foundation Trust, together with Birmingham Repertory Theatre, Midlands Arts Centre, Sampad South Asian Arts and Red Earth to showcase and examine the Arts and Mental Health in venues across Birmingham.
In 2022 the Bedlam Partnership developed a year-round programme for service users and staff to improve wellbeing and workplace compassion post pandemic. This included the following activities:

- Midlands Arts Centre (MAC) provided a series of free creative activities for women, including crafts, gentle yoga and tai chi, creative writing, singing and gardening/ walks to support wellbeing and relaxation through creativity.
- The Red Earth Collective group delivered workshops at two medium secure units (Reaside and Ardenleigh), supporting them to draw on their lived experiences of mental health to produce new creative work through drama, podcasts, music and drumming. For each unit the workshops began from late February to early May, culminating in a show case event at the Midland Arts Centre on 16th May 2023.
- Sampad worked with the Primary Care Hub Managers in Solihull and East Birmingham to run two weekly sessions of arts and wellbeing creative activity workshops. Participants were referred by NHS Primary Care staff to the workshops. The sessions were led by experienced visual, dance and craft artists including Nilupa Yasmin, Emma Bowen and Sohan Kailey. Each centre will host a series of 10 workshops between October 2022 and June 2023.
- Birmingham Rep – Lightpost and Black Pounds Project have delivered digital skills workshops to equip participants, through engagement with community settings, with skills, self-confidence, and the ambition to realise potential.

These taster sessions aim to support wellbeing and relaxation through creativity, and participant feedback will help MAC to build a longer programme of activities for Bedlam in 2023.

Syrian Vulnerable Person's Resettlement Project

In the past year, the SVPR Project has engaged with over 200 Syrian resettled refugees through various activities focusing on Self Help, Community Care and Primary care interventions.

Self-help interventions aimed to empower individuals, build confidence and capacity to support themselves and their communities. These included the development of Arabic mental health self-help guides, 5 lived experience podcasts, customised mental health awareness and MHFA Training. A member of the Syrian refugee community was also trained as an MHFA Instructor. Community interventions included 10 Community Wellbeing events co-designed with community members and delivered in partnership with Refugee Alliance. The events aimed to reduce stigma towards mental health, raise awareness of services and reduce isolation through social gatherings.

Within the primary care interventions two events were hosted with the Community Transformation Team and Syrian Community members to raise awareness of services and involve communities in service improvements, and training was provided to Primary Care Network staff on "Understanding the needs of refugees in Birmingham. Three potential EBE's from the Syrian refugee community have also been recruited to the Community Transformation service. Dr Meki and Dr Kessdjian, Lead Clinicians within the team also produced a robust and evidence-based 'Sanctuary Model'; a model of care for the therapeutic treatment of Syrian Refugees Resettled in Birmingham.

Service Transformation through Asset Based Community Development (ABCD)

Nurture Development has been working with our Trust to deliver training and support for Professionals and Communities working in Citizen Space. This includes training for organisations that want to embed Asset-Based Community Development (ABCD) and asset-based approaches strategically and practically in the way that they work. Birmingham and Solihull Mental Health NHS Foundation Trust (BSMHFT) has made some inroads with regards to community development for some time, with the Community Engagement Team and many services progressing with this approach as part of their core business priorities. The ABCD training has been adopted by BSOL ICS as a key focus of the work of the Health Inequalities Board; Birmingham City Council(Public Health are already working with Nurture Development) and the Washwood Heath Primary Care Network are also working with the organisation to use an ABCD approach in tackling inequalities in diabetes.

The Elder's Project Update

The Elders Project started a trial on how through sustained community engagement and sustained community involvement approaches, people support patients who experience long periods of stay in mental health care. Patients were matched with elders from local communities, who visited patients in secure care hospitals one hour a week, addressing length of stay.

Commonwealth Games: Mental Health Summit

In July 2022 in Partnership with the Birmingham Commonwealth Games and Dear Youngers, BSMHFT successfully introduced our own version of the Commonwealth Games at Tamarind, Ardenleigh and Reaside. Following these events, a showcase event was held on Monday 25th July 2022, for the B2022 Mental Health Summit. The event was open to everyone and was held between 6pm and 8pm at the Millennium Point's IMAX theatre. The event gave the opportunity for people to try out some of the Commonwealth sports as well as the opportunity to know more about the work taking place within secure care services for the B2022 community engagement programme. A Q&A session was conducted which gave the opportunity for guest speakers to share their experiences in dealing with mental health and allowed participants to get clarity on mental health issues that affect their community.

Sustainable Communities initiative

The Sustainable Communities initiative engages community organisations, service users, carers and partners to co-design and co-produce a sustainable community involvement initiative, for the development and effective delivery of mental health services and support, primarily but not exclusively, for people of African-Caribbean heritage within the West Midlands. The work aims to address the disproportionate overrepresentation of African and Caribbean patients within secure mental health services, and through improving the quality of experience for the cohort most affected, the Trust and the society receives the greatest benefit while building community equity. Through collaboration with clinicians a business plan is currently in development to progress a sustainable three-year strategy. The group seeks to provide support in areas including Housing/Accommodation, Employment, Vocational Activities, Music and Arts, faith and spirituality, sexuality and gender.

Unity FM- What shape are you in

Beresford Dawkins is our Community Development Lead, and he is one of radio station Unity FM's most experienced presenters. He produces and presents a weekly show at 4pm on a Wednesday, *What shape are you in?* and in doing so has enabled the station to reach out to tens of thousands of people in the Birmingham and many more online. Beresford is passionate about helping those in our local communities who need support to manage their mental health. He inspires his listeners, many of whom come from the most vulnerable in our communities. Colleagues and service users from BSMHFT are regular guests on his show along with diverse organisations including Birmingham Safeguarding Children Partnership, Mens Project Birmingham, Birmingham City Council, West Midlands Police and various Mosques.

Anti-bribery

We are committed to full compliance with the Bribery Act 2010 and have a zero-tolerance approach to bribery and corruption, undertaking due diligence on third parties with whom we work to ensure they have high ethical standards, and our reputation will not be compromised by our association with them. Our latest Counter Fraud and Anti-Bribery Policy was ratified in July 2022 and established a framework that:

- improves the knowledge and understanding of everyone in the Trust, irrespective of their position, about the risk of bribery and its unacceptability.
- assists in promoting a climate of openness and a culture where staff feel able to raise concerns sensibly and responsibly.
- sets out the Trust's responsibilities in terms of the deterrence, prevention, detection and investigation of bribery and corruption.
- ensures the appropriate sanctions are considered following an investigation.

This policy works in conjunction with the Declarations Policy which was updated in June 2021 and provides guidance on the process to be followed should sponsorship, gifts and/or hospitality be offered to any member of staff by commercial organisations or generally in the course of the performance of their duties.

The Trust undertook a Fraud Risk Assessment audit in 2022/23 with the view of fully establishing its fraud and bribery risk profile and susceptibility while being able to visualise and understand the fraud risks it faces, in order to proactively mitigate and reduce them. Whilst the audit identified areas of good practice, it also identified some gaps which are currently being addressed through a management action plan with Audit Committee and Board oversight and scrutiny.

Human rights

The Human Rights Act underpins the requirements of the NHS Constitution and speaks directly to the requirements for Freedom, Respect, Equality, Dignity and Autonomy to be provided to all.

Our approach to embedding Human Rights principles in all parts of our people, systems, and processes. Taking a Human Rights based approach enables an environment where opportunities can be maximised with clear accountability. Practically this means creating an enabling environment through actively challenging stigma, as seen through our Behind the Badge campaign. This campaign takes an active approach to addressing the challenge of mental health stigma with our own workforce, supported by our Disability Neurodivergence network. Taking a focussed approach to service user experience is explored through the reducing inequalities work focussed within Secure Care service under the Patient Carer Race Equality Framework, a national framework with BSMHFT being a pilot site.

Organisationally we have worked consciously with intent in creating an approach to reducing inequality through the Value Me approach, this strategic approach highlights the active intention of To enable the right ingredients for an Inclusive culture which is Anti racist and Anti discriminatory for all to Improve access, experience, and outcomes

for our people. The Anti racist, anti-discriminatory approach is further reinforced through the development of a specific policy supported with guidance and a practical framework that highlights positive indicators for anti-racist, anti-discriminatory colleagues, practitioners, and leaders. Practically this is further supported by the roll out of the Active Bystander training which has now been experienced by 200 colleagues across the Trust.

Our induction training programme has included an introduction to human rights since November 2013, this is experienced by all colleagues within the Trust, and this is also part of the equality and diversity e-learning programme. The Equality Analysis Guidance and Assessment Tool considers human rights and the tool forms part of our project management system. Protection of human rights is covered in our new Equality, Inclusion and Human Rights Policy, which was identified as good practice in 2022. Equality and human rights analysis are considered as part of all papers submitted to the Trust Board and its committees. Training on the effective use and application of Equality Impact Assessments has been positively received with over 50 taking part since beginning in March 2023.

Important events since the end of the financial year

There have been no significant events since the end of the financial year affecting our Trust.

Overseas operations

The Trust has no operations outside of the UK.

Sustainability and climate change 2022/23

Carbon Net Zero – Our Green Plan

The Sustainable Development Annual Report for 2022/23 represents a slight change in approach and format with more detail in regard to Carbon Net Zero and a re-mapping of carbon data in line with latest Government conversion factors.

This report representing the Trust Group (including those assets owned/managed by Summerhill Services Ltd as disaggregation of such data per capita or equivalent is not possible).

In 2022/23 the BSMHFT Green Plan ‘Carbon Net Zero – Our Green Plan’ was approved by the Trust Board representing the primary document for the Trusts focus in regard to the Green and Carbon Net Zero agendas and workstreams. The completion and ratification of this document (developed by SSL on behalf of BSMHFT) being a significant achievement for BSMHFT.

Carbon Net Zero – Our Green Plan

This document shares the significant progress made by the NHS and BSMHFT in moving towards national net zero targets. Indeed, the first target for the NHS of delivering an 80% reduction in CO2 by 2030/2032 is well on the way to being achieved. It must be recognised, as this is not always made clear, that the NHS had already achieved a reported 62% reduction against the 1990 Carbon baseline and thus the 2030/32 target requires the NHS to both maintain the reductions made to date (as measured in 2019/20 against 1990 baseline) and secure an additional 18% worth of Carbon reduction.

Locally and consistent with NHSE guidance / Carbon Net Zero Strategy the BSMHFT plan has been written using a 2019/20 baseline (pre pandemic) including a Carbon reduction trajectory that would help enable 2030/32 to be met and or exceeded by BSMHFT.

Key measures attributable to the success of the Green Plan to date being:

- **Governance** – A robust Governance framework has / is being establish. Executive Director lead and non-Executive sponsor with established steering group and reporting framework
- **Plan** – The Plan itself being ratified and real, without artificial targets and 'hopefully' written in such a manner to support real interventions and positive change.
- **Green Board** – A Green board has been established (reporting to jointly the Executive Director and Non-Executive Direct sponsor). This Board being chaired at Director level and encompassing thematic leads from across the organisation (both BSMHFT and SSL)
- **Communications** – having Communications leads engaged and fully supportive of the agenda – supporting in the 'drip feed' basis of messages / challenges / opportunities and incentives across the Trust to help keep staff engaged.
- **Ownership/core business** – moving to take Carbon net Zero / Green from being a 'project' to making it Business as Usual
- **Resource** – Without Financial resource to make the necessary changes (especially the move away from gas as the primary heating source) the targets will not be achieved.

Achievements 2022/2023

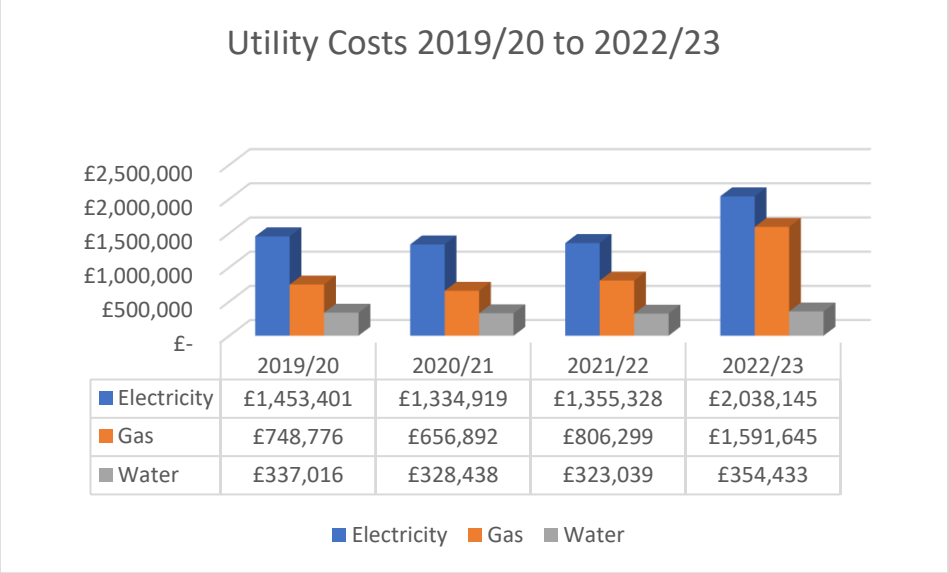
Since the launch of the Green Plan and the re energisation of the agenda within BSMHFT and SSL there have been numerous achievements to share, these including but not limited to:

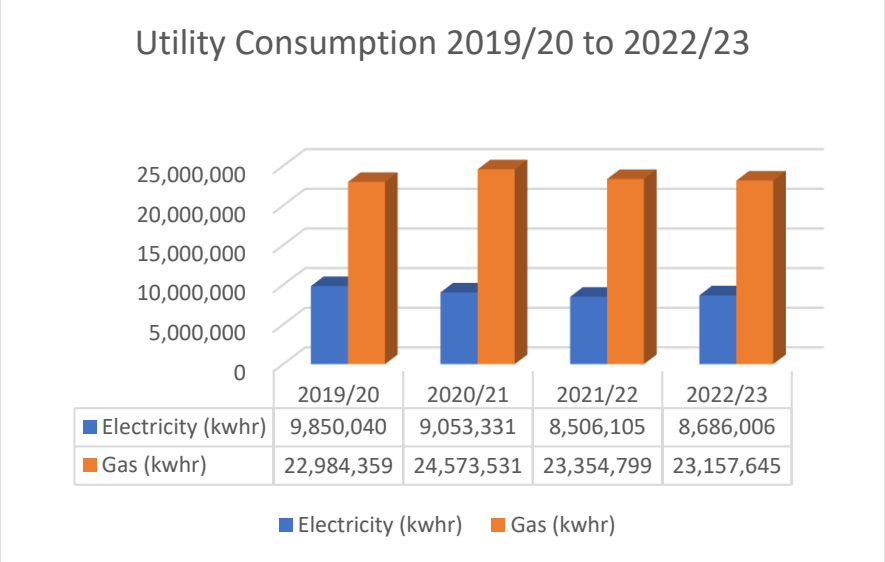
- Electricity – All directly procured electricity being purchased from low / zero Carbon sources.
- Public Transport – 100's of staff have had the opportunity and / or benefited from initiatives to support new staff members and current staff members by providing both free one week's public transport tasters and 10% discounts on travel passes. In terms of annual passes prior to our sustained engagement just 6 staff had annual passes via discounted schemes through the Trust – this has now risen to 53 staff – This representing an 800%+ increase.
- Waste – Less than 1% of all waste arising going to landfill. Having also introduced food waste recycling at all Trust sites with production kitchens. With this food waste being used to generate heat and energy via anaerobic digestion.
- Electric Fleet – having circa 25% of the Trust General Transport fleet vehicles now being EV / Hybrid EV.
- Cycling – Providing free cycle maintenance sessions for BSMHFT and SSL staff – helping to encourage both healthier lifestyles and reduced car journeys.
- Heat Decarbonisation Plans – During the latter part of 2022/2023 and with the support of Low Carbon Skills Grant funding 24 Heat Decarbonisation Plans have been completed (for 24 of the Trust Group sites). These reports highlight improvements and potential investment opportunities necessary to help to bring the estate closer towards both greater energy reduction and decarbonisation of the heat supply – removing gas as the primary heating fuel of choice.
- Communications – An example of the effective and positive communications throughout the year a 'cost of living – energy saving' pocket guide has also been issued to all Trust sites for staff/visitors to read and take away (see below)
- Finally, it should also be recognised that SSL management have been supporting the BSoL ICS / ICB in reviewing and re-writing their Green Plan, priorities, Governance, and reporting.

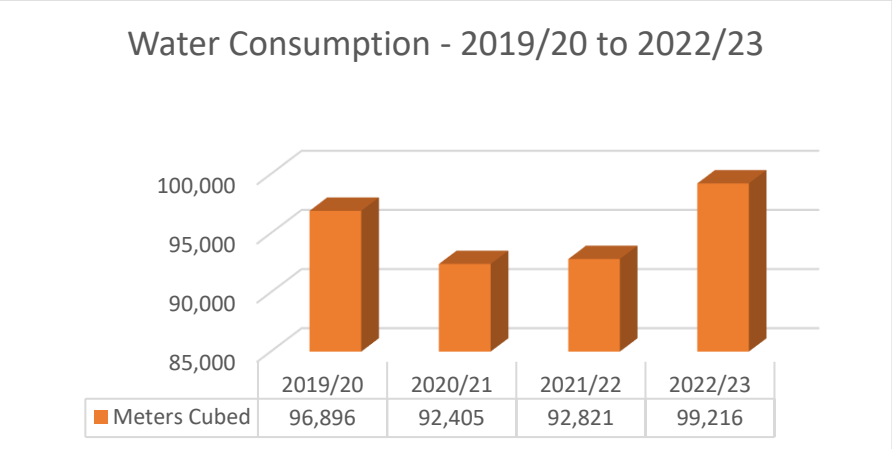
Data Analysis – Regarding performance in 2022/23: -

With 2022/23 being the first 'near normal' year since COVID, numbers seem to have stabilised with consumption figures being consistent with previous years. Unfortunately, the Trust and SSL did like all organisations nationwide experience the impact of the energy price rises (this being despite robust energy procurement via Crown Commercial Services contracts that enabled the Trust to procure energy at less than the Government cap price).

Please note details below.







In terms of Carbon (CO2e) performance BSMHFT Group at 2022/23 having achieved a cumulative 31% reduction against its own 2019/20 baseline

BSMHFT Carbon Footprint	2019/20		2020/21		2021/22		2022/2023	
Emission Source	Consumption	tCO2e	Consumption	tCO2e	Consumption	tCO2e	Consumption	tCO2e
Natural Gas in *kWh*	22,984,359	4,775	24,573,531	5,106	23,354,799	5,010	23,157,645	5,001
Electricity - grid supplied in kwh	9,850,040	3,112	0	0	0	0	0	0
Electricity - zero / low-carbon in *kWh*	0	0	9,053,331	498	8,506,105	672	8,686,006	589
Water Consumption m^3 (inc. treatment)	96,896	99	92,405	94	92,821	38	99,216	40
Waste Arisings in *tonnes*	991	41	820	39	745	49	932	39
Fleet Vehicles in litres of fuel	58,119	185	55,091	172	57,431	178	56,349	177
Business Travel, inc. Grey Fleet in km	2,455,410	563	1,089,634	236	1,184,535	261	1,184,535	261
TOTAL tCO2e		8,775		6,145		6,208		6,107

Workstreams 2023/24

Priorities for 2023/24 being to continue to make the Green plan happen! To further embed its targets and messages into everyday business / business as usual. More specifically this will include but not be limited to:

- Continue to support Staff across BSMHFT and SSL to help them feel that they can make a difference, make positive changes and support the continued implementation of this challenging and never-ending agenda. Trying to keep ideas and communications 'fresh and real'.
- HDP – Making strategic and operational use of the completed reports. Using them to inform potential bids for external funding whist at the same time informing Statutory Standards and Backlog maintenance program and internal capital and revenue programmes to inform decisions and priorities.
- Waste – to continue to support the waste management hierarchy by introducing waste recycling schemes and where applicable additional food waste recycling initiatives.
- From a Procurement perspective to continue to work with suppliers and the wider supply chain to reduce / remove single use plastic items form the Trust. This aligned with making better use of the resources that are procured / re using them where possible within the Trust and avoiding whenever possible wastage. The new 'chapter' via BSoL for BSMHFT procurement will need to be considered and involved in this journey.
- Capital – developing future major capital schemes (risk focus to include the risks associated with Sustainability and Net Zero carbon) with the inclusion of AEDET, BREEAM Excellent and Net Carbon Zero buildings.
- Continue to develop joint working with Trade Unions and Staff groups to provide advice, direction and support regarding for example energy saving opportunities / public transport discount schemes / waste recycling opportunities. Focusing on environmental and financial efficiencies and the feel-good factor!
- Medicines – To work with procurement and supply chain re the supply of medicine and greening that supply chain.
- Fleet – To continue to 'green' the fleet by leasing LEV/ULEV vehicles.

Finally, and probably a little aspirational!

The aspirational challenge for BSMHFT (including SSL) would be to be in a position where a Green Plan or equivalent was **not actually necessary**. This being that the objectives / targets and ways of working would be embedded in what ‘we do’ and ‘how we do it’ to such an extent that a separate plan would add no value – this being a real measure of success!

Accountability report

The Trust's directors take responsibility for preparing the Annual Report and Accounts. We consider the annual report and accounts, taken a whole, is fair, balanced, and understandable and provides the information necessary for patients, regulators, and other stakeholders to assess the Trust's performance, business model and strategy.

This accountability report is signed in my capacity as Accounting Officer.

Roísìn Fallon-Williams
Chief Executive

21 June 2023

Directors' report

Statement of responsibilities

Statement of the Chief Executive's responsibilities as the Accounting Officer of Birmingham and Solihull Mental Health NHS Foundation Trust

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

NHS England has given Accounts Directions which require [name] NHS foundation trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of [name] NHS foundation trust and of its income and expenditure, other items of comprehensive income and cash flows for the financial year.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Birmingham and Solihull Mental Health NHS Foundation Trust and of its income and expenditure, other items of comprehensive income and cash flows for the financial year.

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

- Observe the Accounts Direction issued by NHS England, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis.
- Make judgements and estimates on a reasonable basis.
- State whether applicable accounting standards as set out in the NHS Foundation Trust Annual Reporting Manual (and the Department of Health and Social Care Group Accounting Manual) have been followed and disclose and explain any material departures in the financial statements.
- Ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance.
- Confirm that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS Foundation Trust's performance, business model and strategy.
- Prepare the financial statements on a going concern basis and disclose any material uncertainties over going concern

As far as I am aware, there is no relevant audit information of which the foundation trust's auditors are unaware.

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

The directors consider the annual report and accounts, taken as a whole, to be fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the Trust's performance, business model and strategy.

Chief Executive
Roísìn Fallon-Williams

21 June 2023

The Board of Directors

Role and function of the Board of Directors

An efficient and effective board if a key requirement of good governance and the board is sometimes referred to as the `controlling mind` of an organisation. The Board of Directors (the Board) has overall responsibility for defining the Trust's strategy and strategic priorities, vision, and values, for the overall management and performance of the Trust and for ensuring its obligations for regulators and stakeholders are met.

The decisions reserved for the Board of Directors and the delegated discharge of its responsibilities is set out under a formal Scheme of Delegation which clearly defines the allocated responsibilities for making and approving decisions relating to Trust business. A formal schedule of matters reserved for the Board is a demonstration of the fact that the main decision-making powers belong to the Board of directors.

The Board of Directors meets 6 times per annum. Post-covid, our Board has moved from being hybrid to meeting face-to-face in public with members of the public welcome to attend to observe proceedings.

Strong governance is required to ensure the Trust is managed well and effectively complied with regulations and national standards. Birmingham and Solihull Mental Health NHS Foundation Trust is committed to effective and comprehensive governance, which focuses on developing organisational memory, capacity, capability and skills to deliver both commissioned and mandatory services. The following sections set out the Trust's governance arrangements, giving details of the ways in which the Board of Directors and Council of Governors work.

It is the responsibility of the Board of Directors to prepare the Annual Report and Accounts and ensure they are a fair, balanced and understandable and provide the information necessary for patients, regulators and stakeholders to assess the Trust's performance, business model and strategy.

The Board ensures that adequate systems and processes are maintained to deliver the Trust's strategic and operational plans, measures and monitors the Trust's effectiveness, efficiency and economy and delivering high quality services. Directors are responsible for setting the Trust's strategic direction, providing effective leadership within the external regulatory and internal control frameworks.

The Chief Executive, as Accountable Officer, adheres to the NHS Foundation Trust Accounting Officer Memorandum regarding advising the Board and Council and for recording and submitting objections to decisions.

Our Board of Directors operates in accordance with the Trust's constitution and scheme of delegation. The constitution sets out the duties of the Board and Council of Governors, and the scheme of delegation sets out the type of decisions to be taken by the full Board and/or individual directors.

BSMHFT's last CQC inspection was between October 11 to 26, November 8 to 10 and December 13 to 15 2022. The final report was published on 14 April 2023 and provided

a Requires Improvement (RI) rating for the Trust as a whole, with an RI rating for the well-led and effective domains. The Caring and Responsive domains were rated overall as Good. The Trust is taking significant steps to address the concerns which have been raised by the inspection teams through the implementation of a comprehensive action plan. NHS Improvement expects foundation trusts to carry out an external review of their governance arrangements every three years.

In 2018, we engaged the Good Governance Institute to undertake an external well-led governance review. The Good Governance Institute, which had no other connection to our Trust, produced a report with feedback on our Board of Directors and no major deficiencies were highlighted.

To further develop good governance practices, we responded to the report by developing and implementing an action plan to ensure that all actions identified were incorporated into 'business as usual' for either the Board of Directors or its committees. The Board of Directors has received an update on the implementation of actions relating to improving governance which has included a review of all terms of reference; introduction of Committee Chair's Assurance Reports to the Board of Directors; a refocus of the Integrated Quality Committee now named Quality, Patient Experience and Safety Committee.

Statement of compliance with the Code of Governance

The Code of Governance is best practice guidance and is designed to assist NHS Foundation Trust Board in improving their governance practices by bringing together the best practice of public and private sector governance. The code sets out a common overarching framework for the corporate governance of NHS foundation trusts and complements the statutory and regulatory obligations on them. Birmingham and Solihull Mental Health NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a comply or explain basis. The NHS Foundation Trust Code of Governance, most recently revised in July 2014, is based on the principles of the UK Corporate Governance Code issued in 2012.

Composition of the Board

The Board has six Non-Executive Directors (including the Chair who has a casting vote) and six Executive Directors (including the Chief Executive). There is a NED vacancy on the Board which will be fill in the next few months following completion of a skills self-assessment that has been undertaken by thew NEDs. The appointment of the Chair and appointment/re-appointment of Non-Executive Directors is approved by the Council of Governors. The appointment of the Chief Executive is by the Non-Executive Directors subject to approval by the Council of Governors.

Meet our Board of Directors

The section below outlines members of the Board who at any time during 2022/2023 were directors of the Trust.

Danielle Oum, Chair (until October 2022)

Danielle, who lives in Birmingham, has extensive chair and non-executive experience. She joins the Trust from Walsall Healthcare NHS Trust where she has been the Chair since 2016, and Healthwatch Birmingham and Healthwatch Solihull where she has been the Chair since 2017. Previously she was the Chair at Dudley and Walsall Mental Health Partnership NHS Trust.

Danielle has a strong leadership background in strategic development, stakeholder engagement and transformational change spanning the public, private and voluntary sectors. She is passionate about promoting equality and inclusion, particularly within disadvantaged communities.

Phillip Gayle, Interim Board Chair (November 2022 – March 2023).

Philip Gayle joined the Trust as a non-executive director on 1 October 2019 and served as interim Chair from November 2022 – March 2023 following the resignation of the Chair. Philip is Chief Executive at Servol Community Services, a third sector organisation that provides accommodation and support services for people experiencing mental health difficulties. He has extensive knowledge and leadership experience within the health, social care, and housing sector as well as expertise and specialised skills as a business consultant and in transformation and improving business performance. Philip has been an independent consultant for TRIBAL, an assessor for national funding applications for government schemes, where he gained key insight into government contracts and procurement. He is a qualified counsellor and has an MSc in Healthcare Policy Management from the University of Birmingham. Philip has previously held several NHS board positions and is a non-executive director at Walsall Healthcare NHS Trust. *Philip is currently the Board Chair.*

Roísìn Fallon-Williams, Chief Executive

Roísìn Fallon-Williams joined the Trust as its designate Chief Executive on 1 March 2019 became the Accountable Officer on 29 March 2019. Roísìn is a Registered Learning Disability Nurse who spent much of her early career in clinical roles in and around Hertfordshire, within mental health and learning disability NHS organisations. She took up her first Board director role in 2002 at Hertfordshire Partnership NHS Trust, and since then has held a variety of Board roles with a wide range of responsibilities including seven years at Coventry and Warwickshire Partnership NHS Trust. Most recently she was Chief Executive at Norfolk Community Health and Care NHS Trust, which achieved an ‘Outstanding’ rating from the Care Quality Commission during her time there.

Patrick Nyarumbu, Executive Director of Strategy, People and Partnerships

Patrick Nyarumbu was appointed as the Executive Director of Strategy, People and Partnerships in November 2020 and was previously Director of Nursing, Leadership and Quality for NHS England and NHS Improvement (East of England). Patrick is a mental health nurse by background and has worked and in a wide range of NHS organisations covering mental health, acute and specialist services as well as a Primary Care Trust and a Clinical Commissioning Group. Patrick is passionate about leadership development, talent management and championing diversity.

Dr Hilary Grant, Executive Medical Director (until June 2022).

Dr Hilary Grant was appointed Executive Medical Director on 1 April 2016 and is responsible for medical, psychology and pharmacy leadership at the Trust. Hilary has been with the Trust for over 20 years and was a clinical director for three years prior to her appointment to the Board. She played a significant role in the development and opening of the Trust's Forensic Child and Adolescent Mental Health Service (FCAMHS) in 2003 and has undertaken extensive service development and re-design. Hilary is a tireless advocate for service user empowerment and raising standards of care in Forensic Child and Adolescent Mental Health Services

Dr Fabida Aria, Executive Medical Director

Fabida Aria was appointed Executive Medical Director for BSMHFT in August 2022. Fabida is responsible, among other things, for medical, psychology and pharmacy leadership at the Trust.

Fabida is a consultant psychiatrist and previous has been a medical leader for Leicestershire Partnership NHS Trust since 2013 and a system leader in the region in the last few years. She has been associate medical director for mental health services in adult, older adults and learning disability patients. She brings a wealth of clinical leadership experience and many initiatives she led have been recognised nationally.

She is a Fellow of the Royal college of psychiatrists and also has done a Masters in healthcare leadership. She holds additional roles at the Royal College of psychiatrists including Chair of the Transcultural Psychiatry Special Interest Group and Specialist Advisor for the medical trainee initiative scheme.

Fabida is passionate about engaging people, promoting innovation, research and collaborative working. She will provide clinical and strategic leadership on the board.

Vanessa Devlin, Executive Director of Operations

Vanessa Devlin was appointed as the Executive Director of Operations in September 2019, having been an Associate Director of Operations with the Trust since May 2013. Vanessa has a background in nursing, having been an RMN (registered Mental Health Nurse) with North Birmingham Mental Health Trust for 10 years, before moving over to the management side of care services. From 2006 up until the time she joined the Trust she held posts within West Midlands Commissioning Boards leading on the strategic development of mental health services within the NHS and Local Authority. Vanessa is very committed to delivering quality mental health services to our population and believes that service users and carers should be at the forefront of development, delivery and monitoring of our services at all levels.

Dave Tomlinson, Executive Director of Finance

Dave Tomlinson joined the Trust as Executive Director of Finance in April 2017. Dave brings 20 years' experience as a Director of Finance in the NHS, the vast majority of which has been with large mental health providers. He plays a key role in advising the Board on issues around the Trust's fiscal performance, information governance and estates. Dave's experience includes 12 years as Director of Finance at Lancashire Care NHS Foundation Trust where he established the Trust as a £100m turnover provider by bringing together services from seven organisations. He has experience in both the private and public sector and during his career has been responsible for a broad portfolio of services in large and complex organisations.

Sarah Bloomfield, Executive Director of Quality and Safety (Chief Nurse)

Sarah joined the Trust in March 2021 and is a credible and transformational nurse leader with experience of operating strategically at Trust Board and executive level, ensuring that vision and strategy is translated and implemented across the organisation.

Sarah is a values-driven leader with strong professional standards and expectations. She is motivated by the delivery of safe, kind and effective care that supports patients and their families and carers.

Steve Forsyth, Interim Chief Nurse

Steve joins us from his role as Director of Nursing Mental Health and Learning Disabilities at Betsi Cadwaladr University Health Board and brings many years' skills in mental health and learning disabilities.

He is a Registered Nurse in both Adult Nursing and Mental Health, a qualified Best Interest Assessor and is also trained to offer Eye Movement Desensitisation and Reprocessing (EMDR). Having previously worked as the Deputy Director of Nursing and Head of Quality at Wolverhampton Clinical Commissioning Group (CCG) undertaking the Chief Nursing Officer Role for a period, Steve has a wealth of experience and expertise in

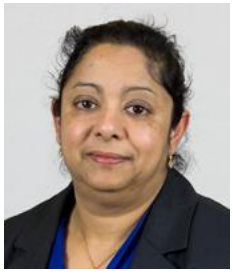
Quality and Safety, and his passion is to ensure that care offered to the local population is of exceptional quality, safe, inclusive, compassionate and effective.

He is a keen runner, raising money for the Whizz-Kidz charity, for which his son is an ambassador. If you're on twitter you can follow Steve @Steve_Forsyth.

Prof Russell Beale, Non-Executive Director (until January 2023).

Prof Russell Beale joined the Trust as a non-executive director on 1 January 2017 He has a wealth of experience from his 25 years at the University of Birmingham, where he is currently Professor of Human-Computer Interaction (HCI) and Director of the HCI Centre, a major centre focusing on designing and developing the digital future. Prof Beale has achieved worldwide recognition for his work on using artificial intelligence to assist interaction between users and technology, is a Chartered IT Professional and Visiting Professor at the University of Swansea. He also has commercial and management experience, having held senior positions in both large and small technology organisations and founded six hi-tech companies. *Russell was Chair of the Finance, Performance and Productivity Committee until the end of his tenure of office on 31st January 2023*.

Gianjeet Hunjan, Non-Executive Director (until Sept 2022).



Gianjeet Hunjan was appointed as non-voting Associate Non-Executive Director on 1 September 2015 and was appointed as Non-Executive Director in September 2016. She is a qualified accountant with extensive experience in the NHS and education sector. Her background includes working at director level in a variety of healthcare roles for over 20 years. She is a Chartered Accountant and has a Master of Arts in Finance and Accounting from Leeds Metropolitan University. *Gianjeet was Chair of the Audit Committee.*

Dr Linda Cullen, Non-Executive Director

Dr Linda Cullen was appointed as a non-executive director from 1 January 2019. Linda has worked as a Consultant Child and Adolescent Psychiatrist for 25 years in a wide variety of settings across the Midlands. She is currently a locum consultant in the NHS and a second opinion doctor for the Care Quality Commission. She has worked closely with colleagues in child and adult services, using research and evidence-based practice in developing novel services. Dr Cullen helped to develop Early Intervention in Psychosis services across Birmingham and acute and high dependency child and adolescent mental health services (CAMHS), including one of the first CAMHS acute admission wards in the UK. Linda is Chair of the Quality, Patient Experience and Safety Committee.

Anne Baines, Non-Executive Director

A highly enthusiastic and motivated individual with over 40 years NHS experience including over 20 years at a senior and Board level, at both executive and non-executive levels. Anne has had roles covering commissioning, strategic and operational planning and operational management in secondary, community and primary care. Anne brings a wide range of skill with particular emphasis on structures and processes for successful planning, transformation and service improvement, performance management and improvement, business analysis, programme and project management.

Anne has been active in strategic and organisational projects and joint working with both providers, commissioners and other partner organisations. Her experience includes working in multi-disciplinary and agency systems including leadership of key projects. *Anne was the Chair of the Reach out Commissioning Sub Committee until November 2022. She is currently the Chair of the People Committee.*

Winston Weir, Non-Executive Director

Winston works at Board level for a variety of organisations with purposes beyond profit. He is an Independent Member at a Welsh University Health Board with an interest in finance and chairs its Sustainable Resources Committee. He works at Board level as Non-Executive Treasurer of a BAME church led Housing Association based in the West Midlands.
He brings experience of chairing and serving on Board committees, providing governance, risk, and audit and financial expertise. Winston is a Big 4 qualified Public Finance Accountant with post-graduate qualifications. He is CPFA qualified with significant post qualification experience in Public Sector Finance, Private Finance Initiative, procurement, and service improvement programmes. *Winston was the Chair of the Charitable Funds Committee until November 2022. He is currently the Chair of the Audit Committee.*

Bal Claire, Non-Executive Director (from Jan 2023 till date)

Bal is Managing Director of his Management Consultancy company, MyQonsult, helping organisations across a broad range of industry sectors to grow and succeed. He is also an Associate at the global consultancy firm Alumni services. In addition, Bal is a non-Executive Director at Coventry & Warwickshire Partnership Trust and an Independent and an Independent Member of the governing Council at the University of Warwick. *Bal is the Chair of the Finance, Performance and Productivity Committee.*

Previously Bal had a hugely successful career at BT and has a deep understanding and experience of the telecommunications industry.

Monica Shafaq, Non-Executive Director (from Jan 2023 till date)

Monica has been the Chief Executive of The Kaleidoscope Plus Group since 2010. She is committed to promoting the role of women and Black and Minority Ethnic individuals in leadership roles and has a keen interest in football, holding a number of non-executive roles in the sector. One of these is the post of Non-Executive Director at Birmingham County Football Association where she has lead responsibility for equality and mental health. She is also a member of the Premier League's Equality and Diversity Panel.

Monica has been recognised for her work in supporting black, Asian and minority group communities and in February 2022, she won the Corporate Achievement of the Year' category at the British Muslim Awards. *Monica is the Chair of the Charitable Funds Committee.*

The biographies above provide an outline of the skills, expertise, and experience of Board members. This demonstrates the breadth required of a foundation trust, including all statutorily required roles. The balance of the Board is considered when new appointments are made. During the year, the Trust appointed two Non-Executive Directors, Winston Weir and Anne Baines, replacing Joy Warmington and Waheed Saleem.

The Board meets regularly and has a formal schedule of matters specifically reserved for its decision. This includes high level matters relating to strategy, business plans and budgets, regulations and control, annual report and accounts, audit and monitoring how the strategy is implemented at an operational level. The Board delegates other matters to the executive directors and senior managers as appropriate. The directors have access to all relevant management, quality, financial and regulatory information.

Board of Directors meetings – an overview

The Board held 7 meetings during 2022/23 as it adopted a hybrid approach to the management of its meetings. The lifting of Covid-related restrictions encouraged the Board to move away from virtual meetings via video link to holding face-to-face meetings.

Name	Title	Attendance
Danielle Oum	Chair until October 2022.	5/5
Philip Gayle	Non-Executive Director/Deputy Chair until October 2022 and Interim Chair from November 2022 – March 2023.	7/7
Linda Cullen	Non-Executive Director/Senior Independent Director	7/7
Russell Beale	Non-Executive Director (until 31st Jan 2023).	6/6
Winston Weir	Non-Executive Director	7/7
Gianjeet Hunjan	Non-Executive Director (until Sept 2022).	3/4
Anne Baines	Non-Executive Director	6/7
Monica Shafaq	Non-Executive Director *(from January 2023)*	1/1
Bal Claire	Non-Executive Director (from January 2023)	1/1
Roísìn Fallon-Williams	Chief Executive	7/7
David Tomlinson	Executive Director of Finance	7/7
Vanessa Devlin	Executive Director of Operations	7/7
Sarah Bloomfield	Executive Director of Quality and Safety (Chief Nurse)	3/7
Steve Forsyth	Interim Chief Nurse	2/2
Hilary Grant	Medical Director (until June 2022).	2/3
Fabida Aria	Executive Medical Director	2/3
Patrick Nyarumbu	Executive Director of Strategy, People and Partnerships	7/7

Data source: Minutes of the Board of Directors meetings

The Board of Directors has a succession plan in place for the Non-Executive Directors. All Non-Executive Directors on the Board of Directors are considered independent by virtue of the employment checks made on appointment, ongoing fit and proper person's reviews, and the declaration of their actual and potential conflicts of interest.

Below are the details of Board of Directors meeting attendance:

Name	27/04/22	25/5/22	29/6/22	27/7/22	5/10/22	7/12/22	1/2/23	Attendance
Danielle Oum	✓	✓	✓	✓	✓	R	R	5/5
Philip Gayle	✓	✓	✓	✓	✓	✓	✓	7/7
Linda Cullen	✓	✓	✓	✓	✓	✓	✓	7/7
Russell Beale	✓	✓	✓	✓	✓	✓	E/M	6/6
Winston Weir	✓	✓	✓	✓	✓	✓	✓	7/7
Anne Baines	✓	✓	✓	✓	✓	✓	A	6/7
Gianjeet Hunjan	✓	A	✓	✓	E/M	E/M	E/M	3/4
Monica Shafaq	N/A	N/A	N/A	N/A	N/A	N/A	✓	1/1
Bal Claire	N/A	N/A	N/A	N/A	N/A	N/A	✓	1/1
Roísìn Fallon-Williams	✓	✓	✓	✓	✓	✓	✓	7/7
Patrick Nyarumbu	✓	✓	✓	✓	✓	✓	✓	7/7
David Tomlinson	✓	✓	✓	✓	✓	✓	✓	7/7
Vanessa Devlin	✓	✓	✓	✓	✓	✓	✓	7/7
Sarah Bloomfield	✓	✓	✓	A	A	A	A	3/7
Steve Forsyth	N/A	N/A	N/A	N/A	N/A	✓	✓	2/2
Fabida Aria	N/A	N/A	N/A	N/A	✓	✓	A	2/3
Hilary Grant	A	✓	✓	E/M	E/M	E/M	E/M	2/3

Data source: Minutes of the Board of Directors meetings

Key:

E/M End of mandate
R Resigned
N/A Not yet joined
A Apology
✓ Present

Performance evaluation

Executive Directors have an annual appraisal with the Chief Executive. The performance of Non-Executive Directors is evaluated annually by the Chair. The annual appraisal of the Chair involves collaboration between the Senior Independent Director, Vice Chair, and the Lead Governor of the Council of Governors, who seek the views of both Directors and Governors.

Appointment, re-election, and the Nomination Remunerations Committee

The Chair leads the process to identify the size, structure and skills required for the Board and for considering any changes necessary or new appointments. If a need is identified, in the case of an Executive Director, this would be managed through the Remuneration Committee *(Board of Directors)* and for Non-Executive Directors, through the Nominations and Remuneration Committee *(Council of Governors).*

During 2022/2023, the Nomination and Remuneration Committee appointed Dr Fabida Aria as the Executive Medical Director and Steve Forsyth as the Interim Chief Nurse.

The Nomination and Remuneration Committee of the Council of Governors appointed two new Non-Executive Directors, Bal Claire and Monica Shafaq.

Audit Committee

How the Committee discharges its responsibilities

The Audit Committee assures the Board of Directors that probity and professional judgment are exercised in all financial matters. It advises the Board on the adequacy and effectiveness of the Trust's systems of internal control and its arrangements for control and securing economy, efficiency, and effectiveness (value for money). The Committee prepares an annual report for the Board.

Membership and attendance

The Audit Committee was chaired by Gianjeet Hunjan, Non-Executive Director *(left October 2022)* and was replaced as Chair by Winston Weir. Other members of the Committee included three other Non-Executive Directors, Russell Beale, *(left January 2023)* and replaced by Bal Claire, Linda Cullen and Phil Gayle. The Committee met 5 times in 2022/23.

Member	21/04/22	16/6/22	21/07/22	06/10/22	19/01/23
Gianjeet Hunjan	✓	✓	✓	E/M	E/M
Philip Gayle	✓	✓	✓	✓	A
Winston Weir	✓	✓	✓	✓	✓
Linda Cullen	✓	✓	✓	✓	✓
Russell Beale	N/A	N/A	N/A	✓	E/M
Bal Claire	N/A	N/A	N/A	N/A	✓

Data Source: Audit Committee minutes

Key

E/M End of mandate
R Resigned
N/A Not yet joined
A Apology
✓ Present

Statement of Directors' responsibilities in respect of the accounts

The Directors are required to prepare accounts for each financial year. The Secretary of State, with the approval of the 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 of the Trust for that period.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust. 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.

Significant issues the committee considered in relation to the financial statements.

The Audit Committee has an annual review cycle in place in relation to reviewing and considering the effectiveness and ongoing compliance. A key aspect of the Audit Committee's work is to consider significant issues in relation to financial statements and compliance.

In addition, the Audit Committee receives regular updates and feedback in relation to the progress against plan of Internal Audit and Counter Fraud. Any issues arising were addressed by the Committee and any matters of governance incorporated into the Annual Governance Statement.

Internal auditors

During 2022/23 RSM UK Risk Assurance Services LLP performed the Internal Audit function for the Trust. Internal Auditors review the organisational framework of governance, risk management and control with the Head of Internal Audit's annual opinion designed to assist the Accountable Officer and the Board in making the Annual Governance Statement on Internal Control. The Trust's Audit Committee monitors the delivery of the Internal Audit Plan at each of its meetings.

RSM UK Risk Assurance Services LLP attended key meetings of the Committee presenting a progress update on new and follow-up reviews; the key findings of each audit review undertaken, agreed recommendations and the associated Audit Opinion. The Committee continues to maintain oversight of implementation of agreed internal audit actions at each meeting, with detailed scrutiny of slippages occurring at the relevant Board Committees. An Internal Audit Progress Report was provided at the Audit Committee in April 2023 with the view of updating the Committee on progress made against the 2022/23 Internal Audit Plan since the last meeting in January 2023.

The report also enabled the Committee to have an update on the planned work and/or work in progress.

External auditors

External Audit services are provided by Mazars. At each meeting, the Committee receives a report from Mazars outlining progress and highlighting matters such as emergent national guidance and findings of national benchmarking reviews.

Counter fraud

The Committee at relevant meetings received support from RSM, the Trust`s counter fraud specialists and discussed detailed reports against plan, an overview of local fraud investigations, fraud warnings and intelligence bulletins. Key areas of focus have been awareness, prevention, and declaration of second jobs.

Statement by the auditors about their reporting responsibilities

The auditors' statement of responsibilities is contained in the Annual Accounts.

Removal of the Chair and other Non-Executive Directors

Removal of the Chair or another Non-Executive Director requires the approval of three quarters of the Council of Governors and must follow the process detailed in the Constitution.

Register of interests

The Trust holds a register listing any interests declared by the Board of Directors and the Council Governors. Board and Governors must disclose details of company directorships or other positions held, particularly if they involve companies or organisations likely to do business or possibly seeking to do business with the Foundation Trust. The Registers of interests as well as Gifts and Hospitality and Sponsorship are publicly availability and accessible via the Trust intranet.

The Council of Governors and membership

Birmingham and Solihull Mental Health NHS Foundation Trust is accountable to the public membership through our Council of Governors.

The Council of Governors represents the interests of the members of the local community, patients, public, staff, and stakeholders through sharing information about key decisions and listening to their views. The Council of Governors has clear statutory duties which include holding the Non-Executive Directors, both individually and collectively, to account for the performance of the Board of Directors.

Role of the Governors

The Council of Governors is responsible for the appointment, or removal of the Chair and the Non-Executive Directors, agreeing their terms and conditions, as well as approving, or not, the appointment of a new Chief Executive. The Council of Governors further appoints the external auditors. Each financial year the Council of Governors is consulted on the Trust's forward plans and strategy, and receives the Annual Accounts, Auditor's Report, Annual Report, and the Quality Report.

Nominated Lead Governor

The Council of Governors elects one of its members to be the Lead Governor. The Lead Governor co-ordinates any communication that might be necessary between NHS Improvement and the other governors and acts a main point of contact for the Chair.

Supporting our Council of Governors' understanding

In addition to regular updates from the Trust on the performance of the organisation, the Council of Governors is given the opportunity to attend the Governwell training programme or conferences offered by NHS Providers. To support our Governors in improving their knowledge and understanding of the Trust and to gain confidence in their role, several initiatives have been taken during 2022/23, which include:

- We have invited members of the Executive Team to speak about their strategic plans and how they intend to approach the challenges facing the Trust both financially and nationally going forward.
- We ensure that we send out all key communications messages in the Trust to Governors which has included updates from the Chief Executive and Executive Colleagues through the weekly briefings to staff and flash reports on any serious incidents.
- Governors are invited to attend and observe Board of Director meetings.
- The Council and Board have agreed that all Non-Executive Directors attend the Council of Governor meetings with Executive Directors being invited to present on specific issues at request from the Council.
- Our Governors are welcome to meet informally with the Chair at request and with any other members of the Board as appropriate. As a Trust we endeavour to ensure that there is open and transparent communication between our Board of Directors and the Council of Governors.

Activities of the Council of Governors

During 2022/23, key activities of the Council of Governors and Governors have included:

- raising assurance questions and concerns
- Non-Executive Director appointments
- appointment of the Trust Chair
- participation in recruitment panels
- attendance at national networks and conferences carried out virtually.

Composition of our Council of Governors

The Council of Governors comprises these main constituencies:

- five public governors
- three carer governors
- three staff governors
- three service user governors
- four stakeholder governors

The Council of Governors comprises of 18 members.

There are vacancies within the stakeholder positions. Elections will launch in May 2023 to appoint to vacant posts and ensure a full cohort of governors.

Membership of the Council of Governors 1 April 2022 – 31 March 2023

Public elected governors			
Name	**Constituency**	**Appointment**	**End of term**
Junaid Shaikh	Central and West Birmingham	November 2020	November 2023
Renu Marley	South Birmingham and Worcester	November 2020	November 2023
Ntensia Kokedima	East, North Birmingham and Black Country Boroughs	November 2022	November 2025
Diane King	East, North Birmingham and Black Country Boroughs	May 2021	May 2024
Chris Barber	East and North Birmingham and Black Country Boroughs	November 2022	November 2025
Staff elected governors			
Dr Imran Waheed	Clinical Medical	November 2022	November 2025
John Travers	Non-Clinical	July 2018	September 2025
Leona Tasab	Clinical Non-Medical	November 2022	November 2025
Service user governors			
Faheem Uddin	South Birmingham and Worcestershire	October 2011	October 2023
Mustak Mirza	Central, West Birmingham and Staffordshire	April 2017	September 2025
Victoria Fewster	Solihull, Coventry and Warwickshire	May 2021	May 2024
Carer governors			
Vacancy	Central, West Birmingham and Staffordshire		
Rohan Manghra	East, North Birmingham and Black Country Boroughs	November 2020	November 2023
Zahid Hussain	South Birmingham and Worcester	November 2020	November 2023
Umar Ali	Solihull, Coventry and Warwickshire	November 2022	November 2025
Stakeholder appointed governors			

Jim Chapman	Birmingham City University	September 2017	September 2023
Cllr Mick Brown	Birmingham City Council	September 2013	September 2023
Cllr Ken Meeson	Solihull Council	September 2019	September 2025
Vacancy	WM Police Governor		
Stephanie Bloxham	Council for Voluntary Services	November 2020	November 2023

Council of Governors meeting attendance
1 April 2022 – 31 March 2023

Name	May 2022	July 2022	September 2022	November 2022	January 2023	March 2023	Total
Phil Gayle	✓	✓	✓	✓	✓	✓	6/6
Faheem Uddin	✓	✓	✓	✓	✓	A	5/5
Imran Waheed	-	-	-	✓	✓	✓	3
Chris Barber	-	-	-	✓	✓	✓	3
Umar Ali	-	-	-	✓	✓	A	2
Ntenisa Kokedima	-	-	-	✓	✓	✓	2
Leona Tasab	-	-	-	✓	✓	✓	3
Cllr Michael Brown	A	A	A	✓	✓	✓	3
Diane King	A	✓	A	✓	✓	A	3
Mustak Mirza	✓	✓	✓	✓	✓	A	5
John Travers	✓	A	✓	✓	✓	✓	5
Jim Chapman	✓	A	✓	✓	✓	✓	5
Cllr Ken Meeson	✓	✓	✓	✓	✓	✓	6
Renu Marley	N	N	N	N	N	N	0
Junaid Shaikh	A	A	N	N	N	N	0
Zahid Hussain	A	A	N	N	N	N	0
Rohan Manghra	✓	✓	✓	ü	A	A	4
Stephanie Bloxham	✓	A	✓	✓	✓	✓	5
Victoria Fewster	✓	✓	A	✓	✓	✓	5

Key

✓ *Attended Meeting*
A Apologies
N Non-attendance
~ Wasn't appointed yet

Governor sub-groups

Nomination and Remuneration Group

The Nomination and Remuneration Group is responsible for advising annually on the remuneration of the Chair and Non-Executive Directors (NEDs); advising on the appointment of the NEDs and the Chair; receiving performance/appraisal information relating to the Chair/NEDs to assist in considering re-appointments to the role; Members of the Group would be invited to observe the Executive Director recruitment process.

During the period November- December 2022 the Nomination and Remuneration Group were involved in the appointment of the new Non-Executive Directors. The work undertaken by the Group resulted in the appointment of Bal Claire and Monica Shafaq.

The Nomination and Remuneration group met on 4 occasions during 2022/2023. Membership.

The Trust recognises the importance of an effective membership to the successful governance of an NHS Foundation Trust and the delivery of a good quality service.

Our aim is for our members to become active, engaged, and representative of local communities, staff, and the wider population our Trust serves.

Members should be our critical friends, having a meaningful say in decisions about how Trust services are planned and provided. Membership also allows local people and communities to bring their knowledge, experiences, and enthusiasm to the Trust.

As at the end of March 2022, the membership stood at 13,004 overall. This compares with an overall figure of 12,510 as at the end of March 2022.

Membership strategy

Ensuring an effective membership is therefore a key governance issue which requires a clear and coherent strategy. The work on the membership now needs to be refreshed and this will be a focus during 2023.

Membership engagement

We ensure that members have access to regular and timely information about the Trust’s plans, services, involvement activities and accomplishments. Examples of ways in which we will communicate with members include the following:

- A welcome letter / email with key information sent to all new members
- Membership information and opt-out forms provided to staff at inductions
- Membership pages on the Trust's website and intranet
- Additional key information (such as public board papers and the Trust’s annual report) published on the website and intranet
- Communications through social media

- A formal briefing on BSMHFT’s performance through an Annual Membership Meeting
- An annual membership survey was undertaken to gain feedback from the public members
- Email communications with members around key developments at the Trust
- Election material sent to all members

During 2023 there will be a refreshed focus on ensuring engagement with our members following the successful appointment of Corporate Governance/Membership Manager.

Contacting our Governors

Members can contact Governors via:

- a dedicated governor email address managed by the Corporate Governance Manager
- by calling the company secretary office

Remuneration report

Annual statement on remuneration and senior managers' remuneration policy

Key areas discussed by the Nomination and Remuneration Committee in the financial year, in respect of remuneration were as follows:

- Chief Executive Objectives
- Ministers' recommendation on 2022/23 Very Senior Manager (VSM) Annual Pay Award
- Board Chair`s appointment process

The Trust does not have a senior managers' remuneration policy in place. The following table outlines the policy and reflects current practice. There is a policy in place for overpayments for all staff, including senior managers, agreed with the payroll provider.

Future policy table

Element	Purpose and link to strategic objectives	Operation
Base salary and pension related benefits	Directors' individual performance objectives reflect the Trust's organisational objectives and strategic ambitions. Base salaries have been set by the Trust's Remuneration Committee, taking account of the relevant size of the job roles and median salary levels of comparable roles in other NHS organisations. Performance against agreed objectives is reviewed by the Chief Executive/Chair with outcomes reported to the Remuneration Committee.	These are spot salaries set within an agreed pay band. There is no performance related pay element, and pay elements are neither awarded nor withheld pending performance assessment. Annual salary levels are subject to application of cost of living pay award determined by the Remuneration Committee. Pay bands reflect the seniority of roles at executive director level and provide appointment panels with scope to appoint new staff from within the pay band. Pay bands include incremental progression. Executive directors are members of the NHS

Element	Purpose and link to strategic objectives	Operation
		Pension Scheme. No senior managers have rights under more than one type of pension within Birmingham and Solihull Mental Health NHS Foundation Trust.
Chair and non-executive directors' fees	Trust Board determines the strategic objectives for the organisation; objectives are put in place for NEDs to reflect these	Remuneration for the Chair and the NEDs is determined by the Nominations and Remuneration Committee and approved by the Council of Governors. There is no performance related pay element; remuneration levels have been benchmarked with similar sized foundation trusts.

Base salaries are paid within an agreed pay band. The maximum that can be paid is the top of the pay band.

As at 1 April 2022, salaries for non-executive directors were:

Chair	£47k
Vice Chair	£21k
Other non-executive directors	£13k

Non-executive directors do not receive any additional fees for any other duties. As stated, salaries are not dependent upon performance, in terms of recovery the following paragraphs are included in the contract:

- The Trust will be entitled to deduct regularly from your salary any amounts properly owed to the Trust including but not limited to residential accommodation, trade union dues, meals, beverages, telephone charges, nursery fees, library fees and car loan charges as appropriate.

- Should you terminate your contract with the Trust then any outstanding charges will be deducted from your final salary payment. When large amounts are outstanding discussion will take place with you regarding methods of payment.

Regarding the requirement to outline payments to those senior managers earning above the threshold of £142,500 if this is based on salary alone this would only apply to the Chief Executive.

All Executive salaries are benchmarked, on appointment, against other similar sized organisations using benchmarking data from NHS Providers.
Executive Director salaries are generally paid in the lower quartile in comparison to similar sized trusts.

Service contracts obligations

There is no obligation on the foundation trust which:

- is contained in all senior managers' service contracts.

- is contained in the service contracts of any one or more existing senior managers (not including any obligations in the preceding disclosure); and/or

- the foundation trust proposes would be contained in senior managers' service contracts to be entered into and which could give rise to, or impact on, remuneration payments or payments for loss of office but which is not disclosed elsewhere in the remuneration report.

The Trust Board decided at its December 2014 meeting that the fit and proper persons test would only be applied to executive and non-executive directors on the Trust Board. All members of the Board have declared their compliance with this, and contracts have been updated to reflect the requirements of the test.

The Duty of Candour applies to all staff and information leaflets have been shared with staff reminding them of their obligations.

In February 2017 NHS England published 'Managing Conflicts of Interest in the NHS, Guidance for Staff and Organisations', which sets down guidance for all NHS Organisations to follow as from 1 June 2017. The Declarations Policy was updated to reflect this guidance.

Some staff are more likely than others to have a decision-making influence on the use of taxpayers' money, because of the requirements of their role.

Decision making staff in this organisation are:

- executive and non-executive directors.
- those at Agenda for Change 8c and above.
- staff who have the power to enter contracts on behalf of the Trust (Procurement Team).
- consultant medical staff.

The request for declarations went to all staff in January 2023, and declarations (including nil returns) are submitted electronically via the staff intranet. Any staff member not responding are pursued through their line manager and encouraged to do so with registers of those haven`t complied regularly published and circulated as reminders. Counter Fraud services supported the Trust in developing the Declarations Policy and Pay Policy.

Executive director posts are substantive appointments with no set period of employment or end date. Notice periods are detailed in the next section below.

Non-executive directors do not have a notice period as they undertake fixed terms of office and are subject to re-appointment.

Policy on payment for loss of office

Executive directors are entitled to three months' notice of termination of employment, consistent with contracts for all other senior staff employed by the Trust, except for the Chief Executive, who is entitled to six months' notice.

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

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

Consideration of employment conditions elsewhere in the foundation trust

The terms and conditions of employment for senior managers largely reflect the terms applicable for other staff, except in the case of annual leave entitlements (35 days, as opposed to a maximum for other staff of 33 days). Pay bands for senior managers exceed the maximum pay band (band 9) for other senior staff employed under Agenda for Change. Senior managers are subject to the national cap on redundancy payments.

We did not consult with employees when preparing the senior managers' remuneration policy. The pay bands for senior managers were determined by reference to comparable sized job roles in similar NHS organisations.

Nominations and Remuneration Committee

The Nomination and Remuneration Group is responsible for advising annually on the remuneration of the Chair and Non-Executive Directors (NEDs); advising on the appointment of the NEDs and the Chair; receiving performance/appraisal information relating to the Chair/NEDs to assist in considering re-appointments to the role; Members of the Group would be invited to observe the Executive Director recruitment process.

Governors of the Nomination and Remuneration Committee receive the appraisal reports for the Chair and Non-Executive Directors; the objectives for the two newly appointed Non-Executive Directors and report to approve the appointment of the Vice Chair.

During the period August–October 2022 the Nomination and Remuneration Committee were involved in the appointment of two new Non-Executive Directors. The work undertaken by the Committee resulted in the appointment of Monica Shafaq and Bal

Claire. The Nomination and Remuneration Committee met on 2 occasions during 2022/2023.

Remuneration Committee (Board of Directors)

The Remuneration Committee, which considers the pay and conditions of executive directors, met in January 2022/23:

Name	17 January 2023
Philip Gayle	✓
Monica Shafaq	✓
Winston Weir	✓
Anne Baines	✓
Bal Claire	✓
Linda Cullen	✓

A Apologies given ✓ *Attended meeting*

The Associate Director of Corporate Governance/Interim Company Secretary provided advice and service to the Committee as no external advice was received by the Committee.

The gross pay in 2022/23 for the Chair and non-executive directors is shown in the remuneration table within this report.

The Committee's discussions included approval of the objectives of the Chief Executive and Executive Directors, Very Senior Managers (VSM) Pay Award of 3%), Appointment process for the Board Chair.

The Trust has not released any executive director to serve as a non-executive director elsewhere.

The Nomination and Remuneration Committee also met on 15 March to consider appointment of the Trust Chair. And following some expressions of interest and proposal received from a few agencies, Finegreen (a Recruitment Agency/Search Firm) was identified to support the Nomination and Remuneration Committee throughout the process of advertising, shortlisting, interviewing, and appointing a new Trust Chair. The support provided by Finegreen lasted about 5 months and culminated in the appointment of a new Chair who started on 1 April 2023 following approval from the Council of Governors which met on 30 March 2023.

Below is the attendance at the Nomination and Remuneration Committee on 15 March 2023.

Name	15 March 2023
Linda Cullen (SID)	✓
Jim Chapman (Governor)	✓
Leona Tasab (Governor)	✓
Mustak Mirza (Governor)	A
Umar Ali (Governor)	A

A *Apologies given* ✓ *Attended meeting*

Remuneration table (information subject to audit)

Salary and pension entitlements of senior managers – salaries and allowances

Name and title	Year ending 31 March 2023						Year ending 31 March 2022					
	Salary and fees	All taxable benefits	Annual performance-related bonuses	Long-term performance-related bonuses	All pension-related benefits	Total	Salary and fees	All taxable benefits	Annual performance-related bonuses	Long-term performance-related bonuses	All pension-related benefits	Total
	(Bands of £5,000)	(Rounded to nearest £100)	(Bands of £5,000)	(Bands of £5,000)	(Bands of £2,500)	(Bands of £5,000)	(Bands of £5,000)	(Rounded to nearest £100)	(Bands of £5,000)	(Bands of £5,000)	(Bands of £2,500)	(Bands of £5,000)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Roísìn Fallon-Williams (Chief Executive Officer) (Appointed 1 March 2019)	200-205	-	-	-	-	200-205	200-205	-	-	-	-	200-205
Hillary Grant (Executive Medical Director) (paid until 30 June 2022)	40-45	-	-	-	-	40-45	180-185	-	-	-	195-197.5	375-380
Fabida Aria (Executive Medical Director) (Appointed 1 August 2022)	120-125	-	-	-	110-112.5	230-235						
Vanessa Devlin (Executive Director of Operations) (Appointed 29 April 2019)	120-125	-	-	-	30-32.5	150-155	115-120	-	-	-	27.5-30	145-150
Susan Hartley (Executive Director of Quality, Improvement and Patient Experience) (Appointed 31 March 14, Resigned 31 March 2021)							0-5	-	-	-	-	0-5
Sarah Bloomfield (Executive Director of Quality and Safety) (Appointed 1 March 2021)	120-125	-	-	-	25-27.5	145-150	100-105	-	-	-	127.5-130	230-235

Name and title	Year ending 31 March 2023						Year ending 31 March 2022					
	Salary and fees	All taxable benefits	Annual performance-related bonuses	Long-term performance-related bonuses	All pension-related benefits	Total	Salary and fees	All taxable benefits	Annual performance-related bonuses	Long-term performance-related bonuses	All pension-related benefits	Total
	(Bands of £5,000)	(Rounded to nearest £100)	(Bands of £5,000)	(Bands of £5,000)	(Bands of £2,500)	(Bands of £5,000)	(Bands of £5,000)	(Rounded to nearest £100)	(Bands of £5,000)	(Bands of £5,000)	(Bands of £2,500)	(Bands of £5,000)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Steve Forsyth (Interim Chief Nurse) (Secondment start 17 October 2022)	70-75	-	-	-	-	70-75						
David Tomlinson (Executive Director of Finance) (Appointed 3 April 2017)	130-135	-	-	-	-	130-135	130-135	-	-	-	-	130-135
Patrick Nyarumbu (Executive Director of Strategy, People and Partnerships) (Appointed 2 November 2020)	120-125	-	-	-	-	120-125	115-120	-	-	-	-	115-120
Danielle Oum (Chair) (Appointed 1 December 2020) (Resigned 31 October 2022)	25-30	-	-	-	-	25-30	45-50	-	-	-	-	45-50
Philip Gayle (Chair) (Appointed 13 November 2022)	20-25	-	-	-	-	20-25						
Philip Gayle (Non-Executive Director) (Appointed 1 October 2019) (Appointed Chair 13 November 2022)	5-10	-	-	-	-	5-10	5-10	-	-	-	-	5-10
Linda Cullen (Non-Executive Director) (Appointed 1 January 2019)	15-20	-	-	-	-	15-20	5-10	-	-	-	-	5-10

Name and title	Year ending 31 March 2023						Year ending 31 March 2022					
	Salary and fees	All taxable benefits	Annual performance-related bonuses	Long-term performance-related bonuses	All pension-related benefits	Total	Salary and fees	All taxable benefits	Annual performance-related bonuses	Long-term performance-related bonuses	All pension-related benefits	Total
	(Bands of £5,000)	(Rounded to nearest £100)	(Bands of £5,000)	(Bands of £5,000)	(Bands of £2,500)	(Bands of £5,000)	(Bands of £5,000)	(Rounded to nearest £100)	(Bands of £5,000)	(Bands of £5,000)	(Bands of £2,500)	(Bands of £5,000)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Joy Warmington (Non-Executive Director) (Resigned 28 May 2021)							0-5	-	-	-	-	0-5
Waheed Saleem (Non-Executive Director) (Appointed 1 July 2013, Resigned 31 July 2021)							5-10	-	-	-	-	5-10
Prof Russell Beale (Non-Executive Director) (Appointed 1 January 17) (Resigned 31 January 2023)	15-20	-	-	-	-	15-20	15-20	-	-	-	-	15-20
Ann Baines (Non-Executive Director) (Appointed 1 August 2021)	15-20	-	-	-	-	15-20	10-15	-	-	-	-	10-15
Winston Weir (Non-Executive Director) (Appointed 1 August 2021)	15-20	-	-	-	-	15-20	10-15	-	-	-	-	10-15
Balbir Claire (Non-Executive Director) (Appointed 03 January 2023)	0-5	-	-	-	-	0-5						
Monica Shafaq (Non-Executive Director) (Appointed 3 January 2023)	0-5	-	-	-	-	0-5						

Name and title	Year ending 31 March 2023						Year ending 31 March 2022					
	Salary and fees	All taxable benefits	Annual performance-related bonuses	Long-term performance-related bonuses	All pension-related benefits	Total	Salary and fees	All taxable benefits	Annual performance-related bonuses	Long-term performance-related bonuses	All pension-related benefits	Total
	(Bands of £5,000)	(Rounded to nearest £100)	(Bands of £5,000)	(Bands of £5,000)	(Bands of £2,500)	(Bands of £5,000)	(Bands of £5,000)	(Rounded to nearest £100)	(Bands of £5,000)	(Bands of £5,000)	(Bands of £2,500)	(Bands of £5,000)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Gianjeet Hunjan (Non-Executive Director) (Appointed 1 Sept 2015) (Resigned 31 July 2022)	5-10	-	-	-	-	5-10	15-20	-	-	-	-	15-20

* there are no cash in lieu of retirement benefits

The post of medical director was paid £50k during the year ended 31 March 2023 (£64k during year ended 31 March 2022) for non-director responsibilities.

*When Dr Hilary Grant left in June 2022, the post of Medical Director was covered by Dr Giles Berrisford and Dr Renarta Rowe until 31st July 2022 and then by Fabida Aria from 1 August 2022.

* Steve Forsyth, Interim Chief Nurse is seconded into BSMHFT.

Reporting bodies are required to disclose the relationship between the total remuneration of the highest-paid director / member in their organisation against the 25th percentile, median and 75th percentile of remuneration of the organisation's workforce. Total remuneration of the employee at the 25th percentile, median and 75th percentile is further broken down to disclose the salary component.

The banded remuneration of the highest paid director / member in BSMHFT in the financial year 2022-23 was £200-£205 (2021-22, £200-£205).

The relationship to the remuneration of the organisation's workforce is disclosed in the below table.

(information subject to audit)

Salary and Allowances - % Change	Year Ending 31 March 2023				Year Ending 31 March 2022		
		25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile
The percentage change from the previous financial year in respect of the highest paid director		0.00%	0.00%	0.00%	2.65%	2.65%	2.65%
The average percentage change from the previous financial year in respect of employees of the entity		4.55%	5.39%	5.91%	3.16%	2.22%	2.27%

There have been no performance related pay or bonuses paid to employees during the year. (2021/22: Nil)

(information subject to audit)

	Year ending 31 March 2023			Year ending 31 March 2022		
	25th percentile	Median	75th percentile	25th percentile	Median	75th percentile
Band of highest paid directors total remuneration (£'000)	200-205	200-205	200-205	200-205	200-205	200-205
Median total remuneration	44,646	33,566	23,820	42,705	31,849	22,489
Ratio	4.54	6.03	8.50	4.74	6.36	9.00

There was however one person who was paid in excess of the Chief Executive due to additional duties taken on during the year but inline with the GAM the CEO's data has been used for the calculation. This banding was £215-£220 for this financial year compared to £190-£195 last year.

In 2022-23, 1 (2021-22, 0) employee received remuneration in excess of the highest-paid director / member. Remuneration ranged from £215-£220 to £0-£5 (2021-22 £200-£205 to £0-£5).

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

Median pay-method of calculation

The payroll data was examined, exceptional items that would distort the calculation were excluded, the normalised data was used to derive an annualised pay figure, and the median calculation was determined from the resultant dataset.

Pension entitlements (information subject to audit)

Pension benefits 2022/23

Name and Title	Real increase in pension at pension age	Real increase in pension lump sum at pension age	Total accrued pension at pension age at 31 March 2023	Lump sum at pension age related to accrued pension at 31 March 2023	Cash Equivalent Transfer Value at 1 April 2022	Real increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2023	Employer's contribution to stakeholder pension
	(Bands of £2,500) £'000	(Bands of (£2,500) £'000	(Bands of £5,000) £'000	(Bands of £5,000) £'000	£'000	£'000	£'000	£'000
Roísìn Fallon-Williams (Chief Executive Officer) (Appointed 1 March 2019) (Not a part of NHS Pension)	0	0	0	0	0	0	0	0
Hillary Grant (Executive Medical Director) (Paid until 30 June 2022) (Not a part of NHS Pension)	0	0	0	0	0	0	0	0
Fabida Aria (Executive Medical Director) (Appointed 1 August 2022)	5-7.5	10-12.5	35-40	60-65	420	98	581	17
David Tomlinson (Executive Director of Finance) (Appointed 3 April 2017) (Not a part of NHS Pension)	0	0	0	0	0	0	0	0
Vanessa Devlin (Executive Director of Operations) (Appointed 29 April 2019)	0-2.5	0	25-30	0	376	42	429	17
Patrick Nyarumbu (Executive Director of Strategy, People and Partnerships) (Appointed 2 November 2020) (Not a part of NHS Pension)	0	0	0	0	0	0	0	0

Name and Title	Real increase in pension at pension age	Real increase in pension lump sum at pension age	Total accrued pension at pension age at 31 March 2023	Lump sum at pension age related to accrued pension at 31 March 2023	Cash Equivalent Transfer Value at 1 April 2022	Real increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2023	Employer's contribution to stakeholder pension
	(Bands of £2,500) £'000	(Bands of (£2,500) £'000	(Bands of £5,000) £'000	(Bands of £5,000) £'000	£'000	£'000	£'000	£'000
Sarah Bloomfield (Executive Director of Quality and Safety) (Appointed 1 March 2021)	0-2.5	0-0 (No Band)	35-40	70-75	553	47	617	19
Steve Forsyth (Interim Chief Nurse) (Secondment start 17 October 2022) (on secondment)	0	0	0	0	0	0	0	0

*Headings updated in-line with latest version of the GAM June 2023

Pension benefits 2021/22 (information subject to audit)

Name and title	Real increase in pension at age 60	Lump sum at age 60 related to real increase in pension	Total accrued pension at age 60 ending 31 March 2022	Lump sum at age 60 related to accrued pension at 31 March 2022	Cash Equivalent Transfer Value at 31 March 2021	Real increase in accrued pension during year	Cash Equivalent Transfer Value at 31 March 2022
	(Bands of £2,500) £'000	(Bands of (£2,500) £'000	(Bands of £5,000) £'000	(Bands of £5,000) £'000	£'000	£'000	£'000
Roísìn Fallon-Williams (Chief Executive Officer) (Appointed 1 March 2019)	-	-	-	-	-	-	-
Hillary Grant (Executive Medical Director) (Appointed 1 April 2016) (until June 2022)	7.5-10	27.5-30	80-85	245-250	1,765	-	-
David Tomlinson (Executive Director of Finance) (Appointed 3 April 2017) (Not a part of NHS Pension)	-	-	-	-	-		-
Vanessa Devlin (Executive Director of Operations) (Appointed 29 April 2019)	0-2.5	-	25-30	-	335	39	376
Patrick Nyarumbu (Executive Director of Strategy, People and Partnerships) (Appointed 2 November 2020) (No longer a part of NHS Pension)	-	-	-	-	-		-

Name and title	Real increase in pension at age 60	Lump sum at age 60 related to real increase in pension	Total accrued pension at age 60 ending 31 March 2022	Lump sum at age 60 related to accrued pension at 31 March 2022	Cash Equivalent Transfer Value at 31 March 2021	Real increase in accrued pension during year	Cash Equivalent Transfer Value at 31 March 2022
	(Bands of £2,500) £'000	(Bands of (£2,500) £'000	(Bands of £5,000) £'000	(Bands of £5,000) £'000	£'000	£'000	£'000
Sarah Bloomfield (Executive Director of Quality and Safety) (Appointed 1 March 2021)	5-7.5	12.5-15	30-35	70-75	401	150	553

There is no additional benefit that will become receivable by a director if that senior manager retires early.

No senior managers have rights under more than one type of pension within Birmingham and Solihull Mental Health NHS Foundation Trust.

Payments for loss of office

There have been no payments made for loss of office in the reporting period.

Payments to past senior managers

There have been no payments to past senior managers in the reporting period.

Signed:

Roísìn Fallon-Williams
Chief Executive

21 June 2022

Staff report

The focus of the past year has been dominated by:

Embedding our People practice and governance arrangements to reflect and deliver the People Strategic Priority document and People Plan which takes into account the Trust's new values of Compassionate, Inclusive and Committed, the NHS People Plan and the eight areas of commitment.

The People Strategic Priority identifies three key areas of focus:

- Shaping our future workforce
- Transforming our culture and staff experience
- Modernising our people practice

In this section we also describe our approach and progress during the year in relation to areas of work which underpin the new People Strategic Priority and support staff health, wellbeing and safety.

During 2022/2023 we have:

Experienced strategic leadership and oversight of the People, OD and EDI functions through the People Committee which is a sub-committee of the Board. The People Committee:

1. has ultimate oversight of the delivery of the People Strategic Priorities and Goals, our legislative EDI performance and strategy,

2. supports optimum employee performance and enable the delivery of the People elements within the Trust Strategy and business plans

3. gains assurance that risks identified related to the People Plan are adequately monitored

Three sub-committees namely: Safer Staffing, Shaping Our Future Workforce and Transforming Our Culture and Staff Experience, meet each month, and provide assurance to the People Committee on the delivery of the People Strategy Implementation Plan.

The People and Organisational Development team have led on a broad range of activities during the reporting period. Key areas of progress have been made as follows:

1. Continued to review formal People processes to ensure they are aligned to our Trust Values

2. Developed our Strategic Workforce Planning capacity wherein the Trust will ratify a comprehensive and co-designed workforce plans for each operational division for 2023/2024

3. Participated in a System wide international nurses recruitment campaign where it is intended for the Trust to make up to 80 job offers to international mental health nurses during 2303/2024

Increased our activities to support our staff to improve and maintain their health and Wellbeing utilising national initiatives, and developing local interventions based on staff feedback and best practice interventions.

Leadership and culture

The Senior Leadership team have committed to the Senior Leadership Programme delivered by the Roffey Park Institute during the last 12 months. This programme has been developed around our Trust Values and focuses on develop our individual and collective leadership to support the delivery of the Trust Five Year Strategy. In addition, there has been a focus of our Values based leadership training for all who have line management responsibilities, and it is our intention to continue to deliver this course as a priority during 23/24. We are working with staff and senior leaders across the Trust to gain a deeper understanding of the root causes that are impacting on our culture - particularly those issues highlighted in the survey around bullying and harassment, reward and recognition, equality, diversity and inclusion, and health and wellbeing. These elements will be key pillars within our 2023/2024 Staff Survey Action Plan.

We will be refreshing and rolling out the first line management training programme that will help ensure that our line managers are confident in carrying out their line management duties to enhance the care and support provided to our staff.

Average number of employees

Average number of employees (WTE basis)	Permanent number	Other number	2022/2023 total
Medical and dental	135	112	246
Administration and estates	738	75	813
Healthcare assistants and other support staff	749	66	816
Nursing, midwifery, and health visiting staff	1160	57	1215
Scientific, therapeutic, and technical staff	591	192	783
Other	14	5	19
Total average numbers	3387	507	3893

Staff by gender as at 31 March 2023

Staff type	Female	% female	Male	% male	Grand total
Directors	7	53%	6	46%	13
Other senior managers	297	73%	112	27%	409
Employees	2823	73%	1070	27%	3893
Total	3127	72%	1188	28%	4315

Sickness absence 2022/2023

Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022
6.58%	6.09%	6.14%	7.70%	6.68%	6.12%

Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023	Rolling average
7.03%	6.69%	7.15%	6.31%	5.41%	Est. 6.25%	Est. 6.52%

Average WTE 2021/22	Adjusted WTE days lost	Average sick
3,893	57,105	14.67

Average annual sick days per WTE has been estimated by dividing the estimated number of FTE days sick by the average FTE and multiplying by 225 (the typical number of working days per year).

Staff Turnover 2022/2023

The Trust turnover rate as at the 31st March was 9.90%. This calculation is the headcount of leavers over the previous 12 months divided by headcount of staff in post at the end of the month.

Senior Managers by Band 2022/2023

Band	Headcount	Sum of FTE
Band 8 - Range A	209	185.93
Band 8 - Range B	124	108.35
Band 8 - Range C	52	45.83
Band 8 - Range D	18	16.71
Band 9	6	6
Grand Total	**409**	**362.81**

Staff costs (information subject to audit)

			2022/23	2021/22
	Permanent	Other	Total	Total
	£000	£000	£000	£000
Salaries and wages	200,667	-	200,667	180,045
Social security costs	21,677	-	21,677	18,262
Apprenticeship levy	953	-	953	850
Employer's contributions to NHS pensions	20,930	-	20,930	19,618
Pension cost - other paid by NHSE on provider's behalf (6.3%)	8,926	-	8,926	8,326
Other post-employment benefits	-	-	-	-
Other employment benefits	-	-	-	-
Termination benefits	1	-	1	4
Agency/contract staff	-	8,741	8,741	6,382
NHS charitable funds staff	-	-	-	-
Total gross staff costs	253,154	8,741	261,895	233,487
Recoveries in respect of seconded staff				
Total staff costs	253,154	8,741	261,895	233,487
Of which				
Costs capitalised as part of assets	-	-		

Average number of employees (WTE basis) (information subject to audit)

			2022/23	2021/22
	Permanent	Other	Total	Total
	number	number	£000	£000
Medical and dental	135	112	246	233
Ambulance staff			-	-
Administration and estates	738	75	813	788
Healthcare assistants and other support staff	749	66	816	805
Nursing, midwifery and health visiting staff	1,160	56	1,216	1,223
Nursing, midwifery and health visiting learners			-	-
Scientific, therapeutic and technical staff	588	193	781	733
Healthcare science staff	3	-	3	-
Social care staff	-	-	-	-
Agency and contract staff	-	-	-	-
Bank staff	-	-	-	-
Other	14	5	19	58
Total average numbers	3,387	507	3,895	3,839
Of which:				
Number of employees (WTE) engaged on capital projects	-	-	-	

Equality, diversity, and inclusion

Over the last year we continued to embed the internal 'Value Me' approach to address inequality within health care settings and workforce settings. We have ensured that our organisational strategic priorities have clear outcomes, and the approach is clear. We progress service user inequalities alongside the inequalities experience by colleagues, valuing each person, to experience longer term sustained positive change. The Workforce and Health Inequalities programme is co-ordinated by the Head of Equality, Diversity and Inclusion with Health Inequalities being represented at Board by Fabida Aria, Executive Medical Director and Workforce Inequalities by Patrick Nyarumbu, Executive Director of People, Strategy and Partnerships.

Our activity this year has been focussed on ensuring everybody across the organisation understands their individual responsibility and accountability whilst living our values.

Beyond compliance

As a public sector organisation, we take our Public Sector Equality Duty very seriously and report required information as required. The public sector equality duty is a duty on public authorities to consider or think about how their policies or decisions affect people who are protected under the Equality Act. To ensure transparency, and to assist in the performance of this duty, we are ensuring all Equality Impact Assessment are completed correctly and in line with legal requirements by offering EQIA training to staff to ensure they are fully supported. An Equality Impact Assessment is a way of deciding whether an existing or proposed policy, procedure, practice, or service does (or may) affect people differently, and if so, whether it affects them in an adverse way. All Board papers explicitly record what data has been used to inform the information and whether any adverse impact will be experienced. To ensure that Equality Impact assessments are being actively utilised with meaning, the team are leading a quality improvement project focussed on the impact assessment experience to engage colleagues and ensure that the process and experience are fit for purpose.

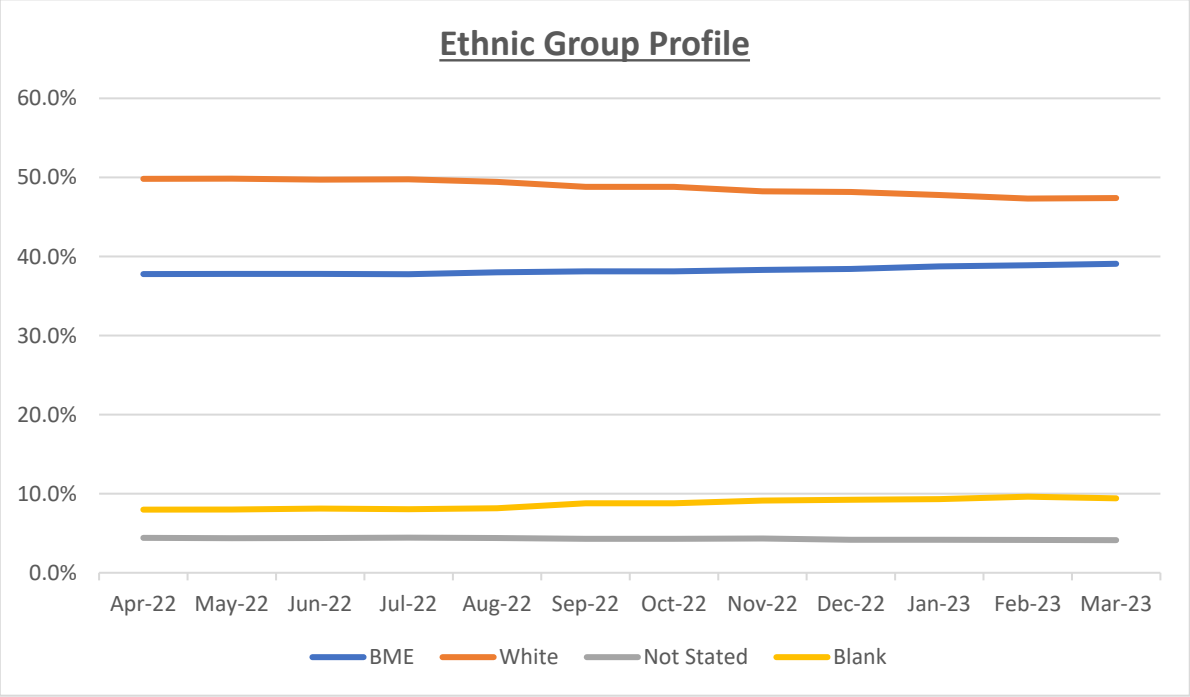
Workforce demographics

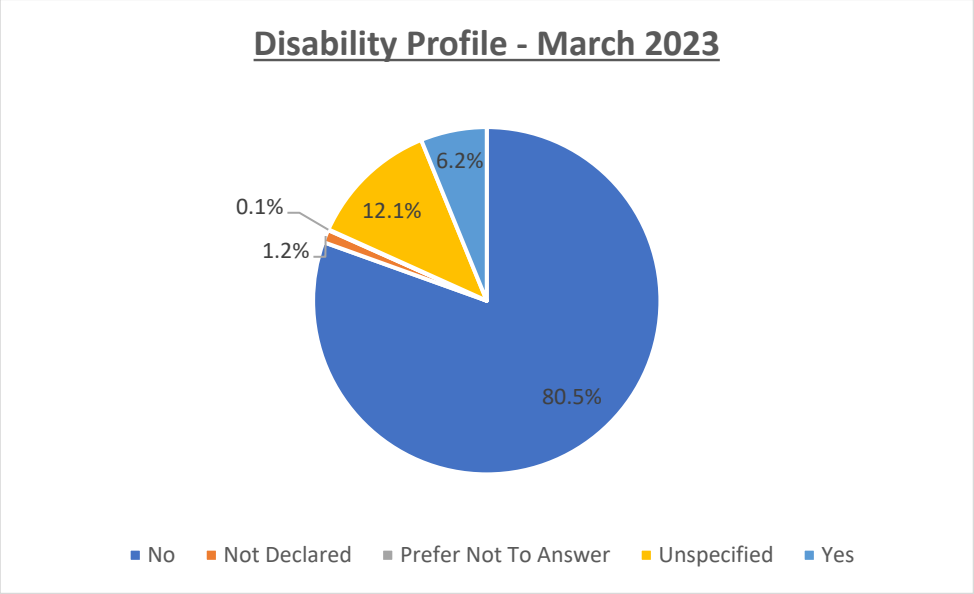
The Workforce Race Equality Standard and Workforce Disability Equality Standard was devised to ensure employees from black and minority ethnic (BME) backgrounds have equal access to career opportunities and receive fair treatment in the workplace and allow organisations to compare the workplace and career experiences of disabled and non-disabled staff.

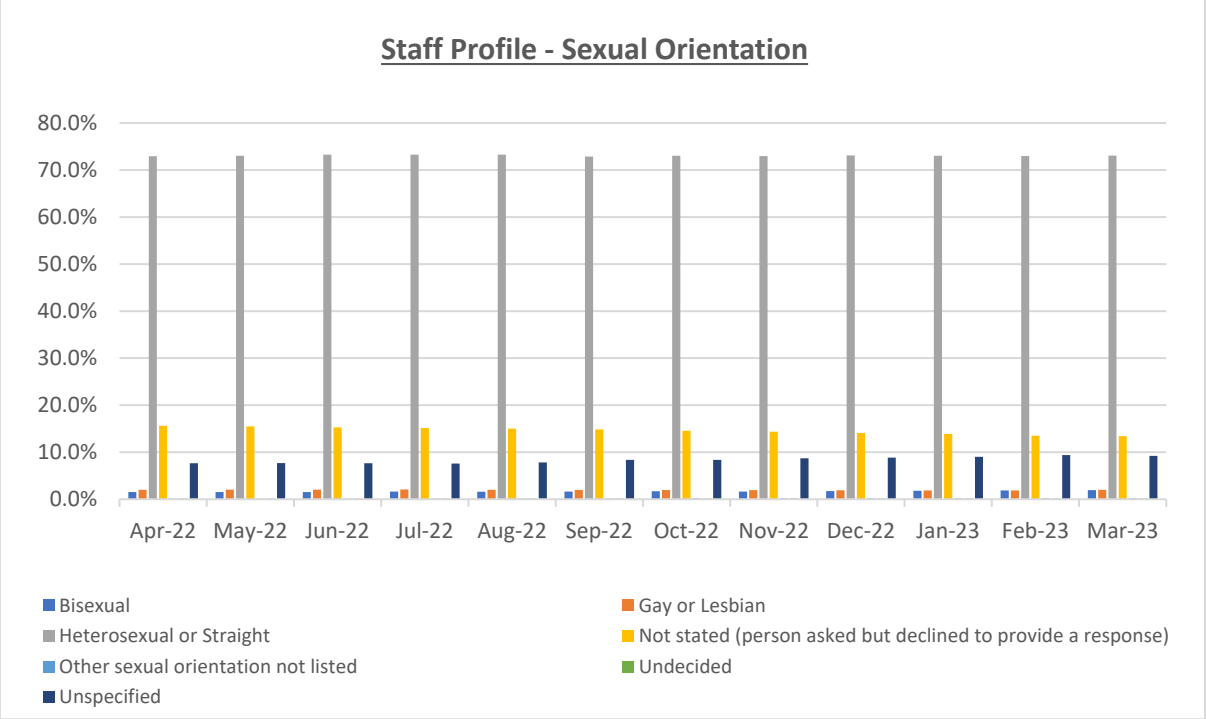
As a Trust our data for 2022 has shown some improvement in areas such as:

- We have decreased the gap by **25%** from likely hood white colleagues are shortlisted.
- Black and minority ethnic colleagues who are more likely to enter formal disciplinary process than white colleagues has **decreased by 41%**.
- Colleague with disabilities are more likely to be appointed from shortlisting than those without compared has **increased** by **96%.**
- Colleagues with disabilities are now equal to those without disabilities to enter the capability process.

Please note: The WRES and WDES data is pulled on the 31st March as requested by the national WRES/WDES Team. We are currently in the process of collating the data for 2023.



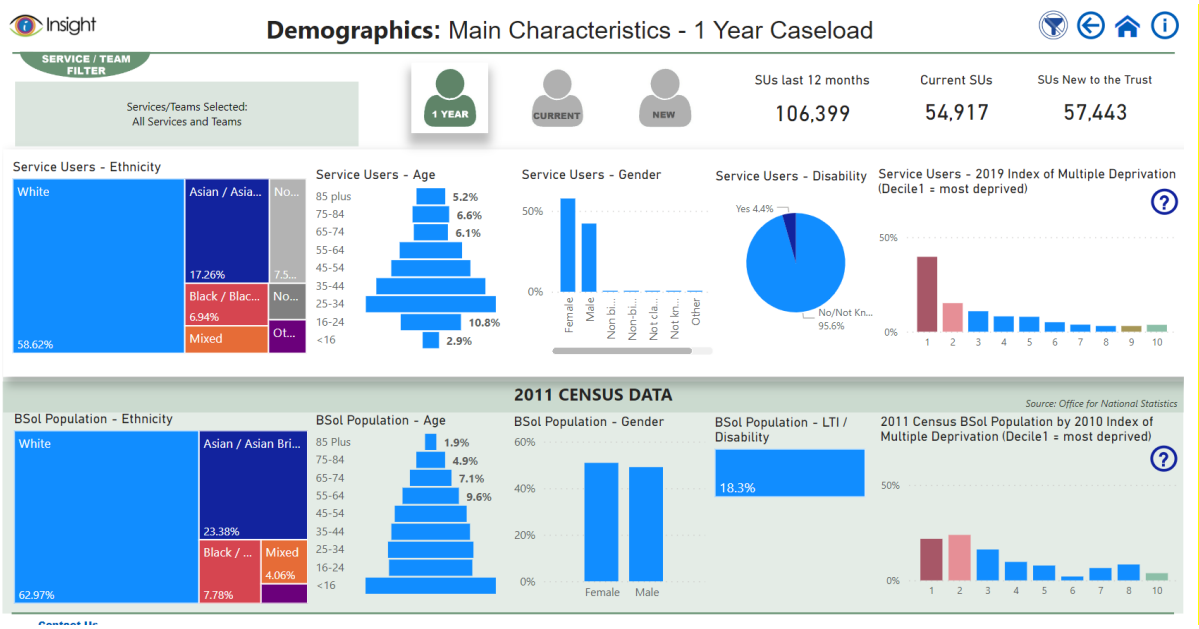




As a Trust we are committed to work with senior leaders and colleagues to look at how we reduce the gaps in other areas and improve on ESR data collection.

Service user demographics

Reducing Health Inequalities is a key driver across the wider organisational strategy, this gives clear direction for teams to be assessing their local service user profiles with the end outcome of developing strategic and local reducing health inequalities plans.
A snapshot in time shows the internal service user profile as:



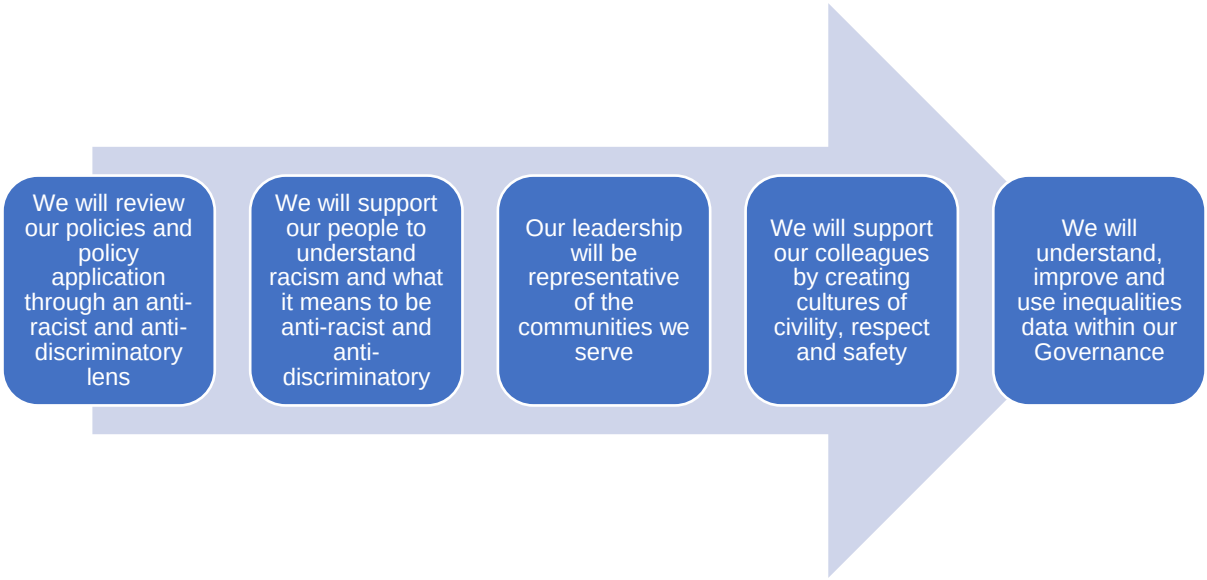
Comparing profile data to Census information has enabled teams to think about representation and pathways into and out of services.

Going forward further experience and outcomes data will be engaged through the Patient and Carer Race Equality Framework and the Trusts Commitment to the Birmingham and Lewisham African and Caribbean Health Inequalities Review.

Anti-racist and anti-discriminatory

BSMHFT is working towards becoming an Anti-Racist and Anti discriminatory organisation, where staff have equal opportunity to training, development and progression. All staff should feel safe and confident to be themselves at work, and that their individual needs and strengths are recognised.

As part of this we have launched the Anti Racist Campaign and the LGBTQ+ Discrimination Campaign as part of our No Hate Zone (NHZ). Alongside the campaign we offer training such as Active Bystander Training, Trans Awareness Training and LGBTQ+ Training. Learning. Our Senior Leaders have gone through the Active Bystander Training to equip them with the tools and technique to speak up and take accountability as leaders to ensure we have a firm foundation to build on. Our anti-racist roadmap highlights key areas of focus that will be delivered over the next 3 years:



Being a pilot site for the Patient Carer Race Equality Framework (PCREF) we have established sustainable working relationships with underrepresented community groups to service development and delivery. Key competencies for each community groups have been identified to deliver services that deliver on race equality. Regular monthly meetings to ensure updates and barriers are shared. External contractor Breeze Laboratory has been commissioned to work with internal services to co-produce with colleagues and service user's scenarios and personas. We have worked with Maternity Engagement Action who provide care and perinatal advice for Black women, and we are currently working with south Asian women. The next steps will be to demonstrate compliance of our locally prioritised framework.

Building trust and confidence

We are proud to have four active colleague networks across our organisation and looking to launch our Men's Staff Network. These networks have been critical in building trust and confidence by raising collective concerns and through collective celebration. Our networks are all fully supported by individual Exec Sponsor whose role is to support where barriers and challenges are identified whilst also playing an active role as allies.

Our Disability and Neurodivergence Network continue to maintain our status as a Disability Confident Employer, with a drive on improving the access, experience, and outcomes for our colleagues with disabilities. Our WDES data clearly shows our commitment to this staff group as we have for the first time reached equity where colleagues with disabilities feel equal. In supporting our DND Network further we have secure £20k funding from Health Education England, this will allow us to develop interventions to enhance recruitment and retention of colleagues experiencing MHLD&A, ADHD and neurodiversity colleagues.

The LGBTQ+ network has been pivotal in building our LGBTQ+ Campaign and launching our first Staff Survey for our LGBTQ+ survey for our staff, this being a great achievement all round.

The Women's Network has been launched and is established with over 30 members and still growing who meet monthly with the aim of improving experiences within the workplace for all women. We have received great feedback from members who have shared that they are grateful to have a safe space to speak to other women and share and listen to experiences.

We are continuing to progress race equality across our organisation as our focal point remains in advancing equalities across all groups. Our Race Equity Network has been driving this focussed approach through difficult times within our communities and wider society who are experiencing much difficulty. We are starting to make some changes that will improve the access, experience, and outcome of our racialised communities, whether colleague, service user, carer, or community. The Anti Racist campaign has provided a platform where race is spoken widely and the impact this is having on our Black, Minority Ethnic colleagues. The WRES data clearly shows areas of improvement, however as a Trust we will continue to strive to reduce the inequality gap.

We have launched our pool of volunteer roles (Equity Panel Members, Cultural Ambassadors and a Buddy Role). These roles are to ensure that there is support in place in terms of organisational systems and processes being equitable.

- Equity Panel Member-to support panel equity in recruitment (responsibility of diverse panels to be owned by panel Chair).
- Buddy Pool-a central access point of colleagues willing to support others, informal peer to peer support.
- Cultural Ambassador-DMG and HR process subject matter expert lens to ensure HR People processes are equitable and culturally inclusive.

Engaging our people

We continue to seek to engage with our employees in a compassionate and inclusive way that values their voice in shaping the future of the Trust.

Weekly Listen Up Live sessions continue to provide a direct link between senior leaders and colleagues around the organisation. This live briefing and question and answer session is watched and engaged with live and is also available for colleagues to watch on playback. The sessions cover a wide range of topics regarding staff experience at our Trust.

We are moving towards employee engagement becoming a central concern to our operational directorates and teams with support of a central team based within our Organisational Development function. To support this work, local directorates have invested to provide capacity for additional engagement support for frontline teams by listening more carefully to concerns and reflecting back on changes and achievements that result.

In addition, we have continued to monitor and respond to staff concerns through our growing Freedom to Speak Up function and through both the NHS People Pulse survey and the NHS National Staff Survey.

Health and wellbeing

The Trust is committed towards improving the health and wellbeing of our colleagues from day one of their employment by ensuring they have access to services which support their overall wellbeing, encourage a healthy lifestyle, and help reduce absence. The Trust's People Strategic Priority has a specific focus on staff wellbeing with the aim to support wellbeing at various levels.

A guide to wellbeing support for colleagues was launched in August 2020 and in 2022 the Trust established a dedicated Health and Wellbeing Steering Group. The main objective of the Steering group is to continually evaluate and refresh our wellbeing offer for colleagues alongside promoting our online guide which outlines the various wellbeing resources and support that are available.

This includes:

- National, local and in-house resources and support available to colleagues (Wellbeing apps and toolkits, resources by themes, PAM occupational health support).
- Support for building resilience and coping in teams (PAM psychological support, Schwartz Rounds).
- Support for managers and team leaders (PAM psychological support, online resources, post-incident bereavement support).
- Post-incident support and trauma management which includes stepped care psychological support via PAM.
- Specialist intervention for those who need it (via PAM and other services).

Other wellbeing offers for colleagues includes:

- Psychological first aid and support
- Menopause toolkit and resources
- COVID-19 risk assessments and staff testing
- Domestic abuse support (training and policy)
- coaching and mentoring support
- online yoga sessions
- onsite physical health check-ups
- Cost of Living Support (including financial advice, clothing charity and food provisions for staff)
- Improved communication channels including QR codes for staff and a 12-month calendar of wellbeing events

Our integrated occupational health and wellbeing service which has been in place since 2016 supports our commitment to providing colleagues with a joined-up and collaborative approach towards occupational health, neuro-musculoskeletal (physiotherapy) and employee psychological support and therapies.

Working closely with our occupational health provider we continue to deliver health promotion sessions in a hybrid style to support our colleagues working in a hybrid model.

As part of the Integrated Care System we launched a Staff Mental Health Hub. The Staff Mental Health Hub has been set up to provide confidential psychological support and

advice to colleagues. It is staffed by qualified psychologists and psychotherapists from our Trust. The Trust also has access to the wider ICS wellbeing support offers such as dedicated access to Citizen Advice Bureau, low level addiction and relationship support.

The hub also provides services such as psychological first aiders – trained and supervised, psychologically 'savvy' managers/supervisors, staff safety and wellbeing officers, wellbeing clinics webinars, workshops and drop-ins, psycho-educational and promotional resources, targeted campaigns and workshops e.g., sleep/anxiety and staff counselling/OH and EAP provision. Our staff have access to all services provided by the hub.

Staff survey 2022

The total number of responses this year for the staff survey was almost exactly the same as last year with 2230 permanent colleagues sharing their view. In addition, for the first time, 290 Bank Only Colleagues answered a slightly adapted version of the survey. This means we received more than 2,500 answers all told which is a new high for the Trust.

Our approach to the staff survey includes a substantial engagement exercise with teams across the trust. Teams are assisted to understand and examine their local team or directorate results and to make changes in response to enhance employee experience. This year 92 frontline teams received a team result.

Staff Survey scores are collated and themed into the seven themes of the NHS People Promise along with pre-existing themes in the survey of staff engagement and staff morale.

The key findings were:

BSMHFT scored below the numerical average of other mental health trusts for eight of these nine themes. We are at the average for our benchmarking comparator trusts on the theme of 'We are always learning'.

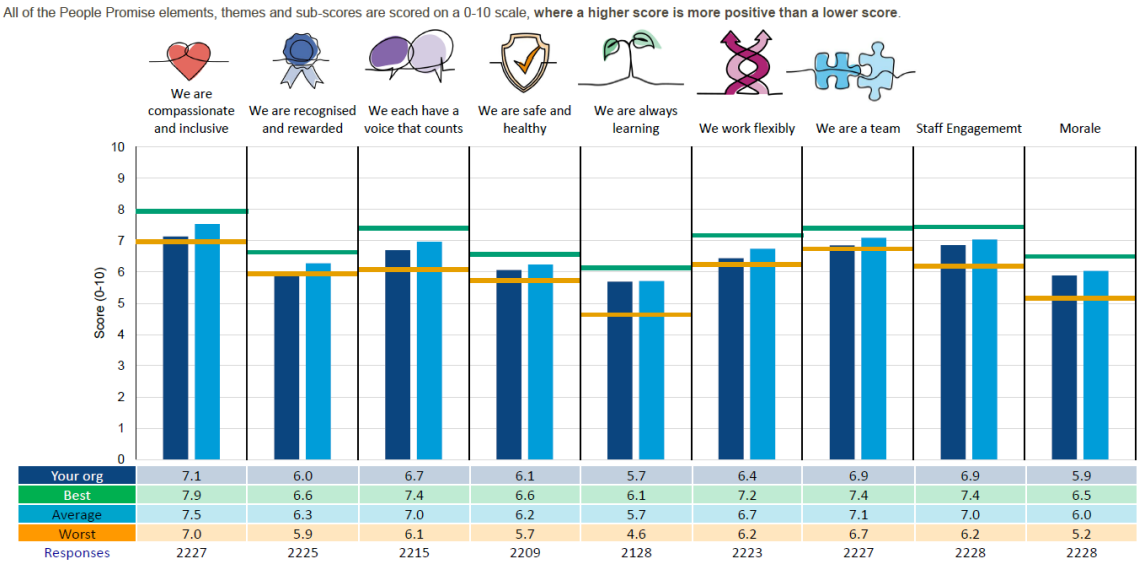
As elsewhere in the NHS this year, colleagues views on two themes: 'We are recognised and rewarded' and 'Morale', fell significantly compared to 2021.

Scores for each indicator, together with that of the national average for mental health are presented below:

Indicators ('NHS People Promise' elements and themes)	2022/2023	
	Trust score	Benchmarking group score
NHS People Promise:		
We are compassionate and inclusive	7.1	7.5
We are recognised and rewarded	6.0	6.3
We each have a voice that counts	6.7	7.0
We are safe and healthy	6.1	6.2
We are always learning	5.7	5.7

Indicators ('NHS People Promise' elements and themes)	2022/2023	
	Trust score	Benchmarking group score
NHS People Promise:		
We work flexibly	6.4	6.7
We are a team	6.9	7.1
Staff engagement	6.9	7.0
Morale	5.9	6.0

The NHS staff survey is conducted annually. Since 2021 the numerous survey questions are aligned in themes to the nine elements of the NHS 'People Promise'. All indicators are based on a score out of 10 for specific questions with the indicator score being the average of those. The Trust is benchmarked against a group of 51 trusts that are either Mental Health Trusts, Mental Health and Learning Disability Trusts or combined Mental Health, Learning Disability and Community Trusts.



Safer staffing

Throughout the last year the Trust has experienced significant challenges in relation to clinical staffing. Whilst this issue obviously impacts on quality, it can also impact our ability to deliver the agendas of People, Operational Performance and Finance. A Safer Staffing Committee has been established which has worked to ensure accurate data is presented in order to understand the true position in terms of vacancies and fill rates. Inpatient establishment reviews have not been completed for some time and therefore will be completed from the year 2022/2023 onwards. Due to the size of the challenge and the current national picture with regard to registered nursing recruitment, it is likely that this issue will require long term resolution and a number of plans are in place to support this. Oversight of this issue is through the Safer Staffing Committee which reports into the People Committee and thereby into the Trust Board.

Future priorities and targets

Getting the organisational culture right will be key to achieving the desired results of significant improvements in building a climate of engagement, making our Trust a fairer place to work for everyone, and enabling the wellbeing of our colleagues and teams. Our staff survey shows there has been some small improvements in our results however longstanding issues remain. It is particularly disappointing to report that our deficits remain in the areas of bullying and harassment as well as equality, diversity, and inclusion where some of our employee engagement scores have numerically worsened. Therefore, there is much we need to do to put an end to bullying and harassment and to firmly establish an anti-racist and inclusive culture.

Our Strategic Workforce planning activities have led to each operational area have clear workforce plans for 2023/24. Progress against these plans will be monitored through internal performance management systems and reported through to the People Committee periodically.

Our international recruitment nursing activities will make a significant difference to our staffing levels within the Trust. This will sustainably enhance the experience of patients, service users and staff.

Trade union facility time disclosures

The Trade Union (Facility Time Publication Requirements) Regulations 2017 came into force on 1 April 2017. These regulations place a legislative requirement on the Trust to collate and publish, on an annual basis, a range of data on the amount and cost of facility time within their organisation. The Trust data published in line with the Cabinet Office guidance is listed below:

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
17	2.2 wte

Percentage of time	Number of employees
0%	0
1-50%	13
51-99%	4
100%	0

	Figures
Provide the total cost of facility time	TBC
Provide the total pay bill	TBC
Provide the percentage of the total pay bill spent on facility time, calculated as (total cost of facility time ÷ total pay bill) x 100	TBC

Expenditure on consultancy

Expenditure on consultancy in 2022/2023 was £2.403m compared 2021/2022 was £2.052m.

High paid off-payroll engagements

For all off-payroll engagements as of 31 March 2023, for more than £245 per day and that last longer than six months

Number of existing arrangements as of 31 March 2023	0
Of which:	
Number that have existed for less than one year at time of reporting	0
Number that have existed between one and two years at time of reporting	0
Number that have existed between two and three years at time of reporting	0
Number that have existed between three and four years at time of reporting	0
Number that have existed for more than four years at time of reporting	0
Confirmation that all existing off-payroll engagements, outlined above, have at some point been subject to a risk based assessment as to whether assurance is required that the individual is paying the right amount of tax and where necessary that assurance has been sought.	Yes

For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2022 and 31 March 2023, for more than £245 per day and that last for longer than six months

Number of new engagements, or those that reached six months in duration between 1 April 2022 and 31 March 2023	0
Number of the above which include contractual clauses giving the Trust the right to request assurance in relation to income tax and national insurance obligations	0
Number for whom assurance has been requested	0
Of which:	
Number for whom assurance has been received	0
Number for whom assurance has not been received	0
Number that have been terminated because of assurance not being received	0

In any cases where, exceptionally: the Trust has engaged without including contractual clauses allowing the Trust to seek assurance as to their tax obligations; or where assurance has been requested and not received, without a contract termination please specify the reasons for this.	Assurance in ALL cases is requested at the time the contractor is set up on our systems. Payments will NOT be made under any circumstances unless assurance is received. This forms part of our 'supplier set-ups'.

For any off-payroll engagements of Board members, and/or senior officials with significant financial responsibility, between 1 April 2022 and 31 March 2023

Number of off-payroll arrangements of Board members, and/or senior officials with significant financial responsibility, during the financial year	0
Number of individuals that have been deemed "Board members and/or senior officials with significant financial responsibility". This figure should include both off-payroll and on-payroll engagements	33

In any cases where individuals are included within the first row of this table, please set out	
Details of the exceptional circumstances that led to each of these engagements	Not applicable to this reporting period.
Details of the length of time each of these exceptional engagements lasted	Not applicable to this reporting period.

Our Trust's policy on the use of off-payroll arrangements

As part of the Review of Tax Arrangements of Public Sector Appointees published by the Chief Secretary to the Treasury on the 23 May 2012, departments and their arm's length bodies, including foundation trusts, must publish information in relation to the number of payroll engagements – at a cost over £245 a day for six or more months. Since May 2012, appropriate processes have been in place to ensure that any new off payroll engagements, whether direct contractor or agency staff, have contractual arrangements in place and provide appropriate evidence to demonstrate that they pay UK Tax and National Insurance. This evidence consists of assurance via a signed declaration that the direct contractor or agency staff member is compliant with HMRC regulations for PAYE and national insurance purposes.

Exit packages (information subject to audit)

The termination benefits disclosed below all relate to compulsory redundancies and other agreed departures (mutually agreed resignation scheme). Of the disclosed termination payments none were non-contractual payments requiring HM Treasury approval. This was also the case in 2022/23. There were no termination benefits paid or due in the reporting year to key management personnel, who are defined to be the Board of Directors of the Trust. This was also nil in 2021/22.

Staff exit packages - 2022/23	No. of compulsory redundancies	Cost of compulsory redundancies	No. of other agreed departures	Cost of other departures agreed	Total no. of exit packages	Total cost of exit packages	No. of departures where special payments have been made	Cost of special payment element included in exit packages
Exit package cost band	No.	£s	No.	£s	No.	£s	No.	£s
Less than £10,000	-	-	1	500	1	500	1	500
£10,000 - £25,000	-	-	-	-	-	-	-	-
£25,001 - £50,000	-	-	-	-	-	-	-	-
£50,001 - £100,000	-	-	-	-	-	-	-	-
£100,001 - £150,000	-	-	-	-	-	-	-	-
£150,001 - £200,000	-	-	-	-	-	-	-	-
>£200,000	-	-	-	-	-	-	-	-
Total	-	-	1	500	1	500	1	500

Staff exit packages - 2021/22	No. of compulsory redundancies	Cost of compulsory redundancies	No. of other agreed departures	Cost of other departures agreed	Total no. of exit packages	Total cost of exit packages	No. of departures where special payments have been made	Cost of special payment element included in exit packages
Exit package cost band	No.	£s	No.	£s	No.	£s	No.	£s
Less than £10,000	1	4,423	-	-	1	4,423	-	-
£10,000 - £25,000	-	-	-	-	-	-	-	-
£25,001 - £50,000	-	-	-	-	-	-	-	-
£50,001 - £100,000	-	-	-	-	-	-	-	-
£100,001 - £150,000	-	-	-	-	-	-	-	-
£150,001 - £200,000	-	-	-	-	-	-	-	-
>£200,000	-	-	-	-	-	-	-	-
Total	1	4,423	-	-	1	4,423	-	-

Exit packages: other (non-compulsory) departure payments	2022/23		2021/22	
	Agreements	Total Value of Agreements	Agreements	Total Value of Agreements
	No.	£s	No.	£s
Voluntary redundancies including early retirement contractual costs	-	-	-	-
Mutually agreed resignations (MARS) contractual costs	-	-	-	-
Early retirements in the efficiency of the service contractual costs	-	-	-	-
Contractual payments in lieu of notice	-	-	-	-
Exit payments following Employment Tribunals or court orders	-	-	-	-
Non-contractual payments requiring HMT approval	1	500	-	-
Total	1	500	-	-

Disclosures set out in the NHS Foundation Trust Code of Governance

There is a range of information that will be of interest to members of the public, which is included throughout the report. The elements below are key disclosures which have been brought together for ease of access.

Disclosure of audit information

So far as the Directors are aware, there is no relevant audit information of which the auditors are unaware. The Directors have taken all steps that they ought to have taken as Directors to make themselves aware of the relevant audit information and to establish that the auditors are aware of that information.

Annual Report and Accounts

The Directors consider the annual report and accounts, taken as a whole, as fair balanced and understandable and provides the information necessary for patients, regulators, and stakeholders to assess the Trust's performance, business model and strategy.

Fit and proper persons' test

Requirements are included in the eligibility criteria for Directors regarding the need to meet the 'fit and proper' persons test described in the provider licence. Directors are required to confirm that they meet these requirements on an annual basis. All declarations and fitness checks have been undertaken during 2022/23.

Insurance

The Board of Directors has ensured the Trust has appropriate insurance to cover the risk of legal action against its Directors.

Political donations

The Trust has not made any political donations during 2022/23.

NHS Improvement's Oversight Framework

NHS Oversight Framework 2022/23

NHS Improvement's Oversight Framework provides the framework for overseeing providers and identifying potential support needs so as to focus support capacity as effectively as possible. The framework looks at five themes:

- Quality of care
- Finance and use of resources
- Operational performance
- Strategic change
- Leadership and improvement capability (well-led)

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

Segmentation

NHS Improvement has placed Birmingham and Solihull Mental Health NHS Foundation Trust in Segment 3.

What being a Segment 3 means:

Significant support needs against one or more of the five national oversight themes and in actual or suspected breach of the NHS provider licence (or equivalent for NHS trusts).

This segmentation information is the Trust's position as at 31 March 2023. Current segmentation information for NHS trusts and foundation trusts is published on the NHS England website via https://www.england.nhs.uk/nhs-system-oversight-framework-2022-23/.

Statement of accounting officer's responsibilities

Statement of the Chief Executive's responsibilities as the accounting officer of Birmingham and Solihull Mental Health NHS Foundation Trust

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

NHS Improvement, in exercise of the powers conferred on Monitor by the NHS Act 2006, has given Accounts Directions which require Birmingham and Solihull Mental Health NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Birmingham and Solihull Mental Health NHS Foundation Trust and of its income and expenditure, other items of comprehensive income and cash flows for the financial year.

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

- Observe the Accounts Direction issued by NHS Improvement, including the relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis

- Make judgements and estimates on a reasonable basis.

- State whether applicable accounting standards as set out in the NHS Foundation Trust Annual Reporting Manual (and the Department of Health and Social Care Group Accounting Manual) have been followed and disclose and explain any material departures in the financial statements.

- Ensure that the use of public funds complies with the relevant legislation, delegated authorities, and guidance.

- Confirm that the annual report and accounts, taken is fair, balanced, and understandable and provides the information necessary for patients, regulators, and stakeholders to assess the NHS Foundation Trust's performance, business model and strategy and

- Prepare the financial statements on a going concern basis and disclose any material uncertainties over going concern.

The accounting officer is responsible for the keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the NHS Foundation Trust and to enable them to ensure that the accounts comply with the requirements outlined in the above-mentioned Act. The Accounting Officer is also responsible for safeguarding the assets of the NHS Foundation Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Signed:

Roísìn Fallon-Williams
Chief Executive

21 June 2023

Annual Governance Statement

Scope of responsibility

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Birmingham and Solihull Mental Health NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Birmingham and Solihull Mental Health NHS Foundation Trust for the year ended 31 March 2023 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Trust Board of Directors, with the support of its committees, has a key role in ensuring a robust risk management system is effectively maintained and to develop a culture whereby risk management is operationalised and embedded as "business as usual" at all levels across the organisation. This ensures the best leadership, co-ordination and prioritisation is received, on a strategic and operational basis, of the risk management agenda in relation to clinical, quality, workforce, operational and financial risks. This includes the identification and appropriate mitigation of the full range of risks that are inherent in the delivery of healthcare.

The Chief Executive maintains overall accountability for risk management within the Trust and has delegated responsibility to the Executive Director of Nursing who is responsible for the coordination of the management of clinical and non-clinical risk and for ensuring that risks are escalated through the risk management governance structure.

The Deputy Chief Executive and Executive Director of Strategy, People and Partnerships: Apart of deputising for the CEO with regards overall accountability for the Trust`s risk management arrangements, they are also the executive lead for Workforce, Strategy and Partnership-related risks. They ensure that there are adequate systems and processes in place for timely and dynamically identifying, assessing and mitigating risks liked to ongoing workforce shortage and challenges.

The Executive Director of Quality and Safety (Chief Nurse) is the executive lead for risk management and is supported by the Associate Director of Governance and their team. The Executive Director of Nursing is the registered officer with the CQC and responsible for ensuring compliance with the CQC regulations. While the Executive Director of Nursing has a lead role in terms of reporting arrangements, all directors have responsibility for the effective management of risk within their own area of direct management responsibility, and corporate and joint responsibility for the management of risk across the organisation. There are effective, agile and dynamic structures, including governance architecture, systems and processes in place to support the effective delivery of integrated, enterprise-wide risk management arrangements across the organisation. Birmingham and Solihull Mental Health NHS Foundation Trust`s risk management culture seeks to develop and build staff capacity and capability in effective risk management while encouraging horizon scanning for emerging risks and the triangulation of intelligence and data in proportionally mitigating and managing risks to the delivery of its business objectives.

The Executive Director of Finance is responsible for internal financial controls and the implementation of financial risk management, information management systems, performance review, the programme management office, property management, commissioning and contracting. The Executive Director of Finance is the Senior Information Risk Officer (SIRO).

The Executive Director of Operations is responsible for the management and coordination of all operational risks. The Associate Directors of Operations, reporting to the Executive Director of Operations, are responsible for the performance of their areas. Clinical Directors are responsible for clinical quality and governance for their areas. Other professional heads have responsibility for the systems of risk management at service area level and lead their implementation.

The Executive Medical Director is the Caldicott Guardian.

The Associate Director of Corporate Governance and Company Secretary have overall responsibility for the reporting to Trust Board of the Board Assurance Framework, reflecting the high-level risks identified in Trust risk registers and any other risks identified by the Board which threaten delivery of strategic objectives.

A primary focus of the Board has been to promote openness and transparency to reinforce the dynamic, timely and agile process of escalation of concerns and risks from `Ward to Board`. This is reinforced through visible leadership, Board of Directors communications and Board visits.

The Committees of the Board of Directors are required to consider the risks pertaining to their areas of responsibility by reviewing the management of Corporate and Group top risks; reviewing Board Assurance Framework to ensure that effective controls are in place to manage corporate risks and to report any significant risk management and assurance issues to the Board of Directors. The Audit Committee considers the systems and processes in place to maintain and update the Assurance Framework, it considers the effectiveness and completeness of assurances and that documented controls are in place and functioning effectively. The Board of Directors receives reports and assurance

from the Audit Committee, Quality, Patient Experience and Safety Committee, People Committee and the Finance, Performance and Productivity Committee meetings and discusses and notes progress and assurance, as necessary.

The Board of Directors, in exercising its responsibilities, also considers key indicators capable of showing improvements in risk management and/or providing early warning of risk (e.g. incident and complaints statistics, progress in compliance with registration requirements of Care Quality Commission) through the Integrated Performance Report.

The Trust has a policy for statutory and mandatory training which requires that all senior managers of the organisation receive training and three yearly updates on core competencies in relation to risk management. The statutory and mandatory training programme reflects all key training requirements for risk management for all staff within the Trust. The risk management structure is detailed in the Trust's risk management strategy. It describes the responsibilities and accountabilities of all directors, managers and staff including the duty to identify and report risks of all kinds and the duty to act upon these using their own skills and competencies in the management of risk. The Trust ensures, through our management structure, that we provide training and support on the delivery of risk management such as:

- local and corporate induction training
- health and safety and risk awareness
- incident reporting and monitoring
- risk management systems and process.

The risk and control framework

The Trust continually reviews its risk and control framework through its governance and operational structures. It has identified its major strategic risks, and these are monitored, maintained and managed through the Board Assurance Framework and Corporate Risk Register, supported by Group and Directorate risk registers. The Trust's approach recognises the need to ensure that risks are openly discussed and reported within a culture of improvement, honesty, and reality; as well as the need to strike a balance between stability, sustainability, and innovation.

The principal risks and mechanisms to control them are identified through the Board Assurance Framework, which is reviewed by the Board of Directors regularly. These risks are reviewed and updated through the Foundation Trust's governance structure. Outcomes are reviewed through consideration of the Assurance Framework to assess for completeness of actions, review of the control mechanisms and on-going assessment and reviews of risk score. Board oversight and scrutiny of the Board Assurance Framework also includes gaps in controls and assurance and explore `deep dives`, constructive challenge or `check and challenge` as mechanisms for fostering accountability, engagement and ownership of related risks and actions.

Internal Audit provides assurance on the management of key risks and the effectiveness of the Risk Management Framework and process on a yearly basis. The Risk Management process is evaluated by Internal Audit on compliance and areas of best

practice focusing on the BAF risk register and ensuring it is considered by the Trust Board and Committees sufficiently as well as risks at all levels and that there is evidence that the risks are appropriately managed.

Risks facing the organisation are identified from a number of sources, for example:

- Risks arising out of the delivery of day-to-day work-related tasks or activities
- The review of strategic or operational ambitions
- As a result of an incident or the outcome of investigations
- Following a complaint, claim or patient feedback
- As a result of a health and safety inspection/assessment, external review or audit report
- National requirements and guidance

The Audit Committee is responsible for:

- Reviewing the effectiveness of the system of internal control for risk management
- Preparing the Annual Governance Statement for approval by the Board

The Quality, Patient Experience and Safety Committee (QPES) is responsible for:

- Reviewing the full high-level risk register to ensure that this is reflective of quality, and safety outcomes for the Trust
- Reviewing the effectiveness of mitigating controls in managing related risks
- Providing assurance of the credibility of the risk register content to the Board via the BAF

The Finance, Performance and Productivity Committee (FPPC) is responsible for:

- Reviewing the full high-level risk register to ensure that this is reflective of performance and financial sustainability outcomes for the Trust
- Reviewing the effectiveness of mitigating controls in managing risk
- Providing assurance of the credibility of the risk register content to the Board via the BAF

The People Committee is responsible for:

- Reviewing the high-level risk register to ensure that this is reflective of workforce risks
- Reviewing the effectiveness of mitigating controls in managing risk
- Providing assurance of the credibility of the risk register content to the Board via the BAF

The Clinical Governance Committee (CGC) has:

- Delegated responsibilities from QPES for reviewing all local service area risks with a score of 15 or above and for applying risk moderation to determine the level of impact that these risks may have on delivery of operational objectives. Where significant impacts are identified in relation to clinical risks and those from clinical services, the Clinical Governance Committee will escalate such risks onto the high-level risk register and to the attention of QPES

The Transformation Board is responsible for:

- Reviewing all programme group risks linked to change programmes with a score of 15 and above and for applying risk moderation to determine the level of impact that these risks may have on delivery of corporate objectives. Where a significant impact is identified, the Transformation Board will escalate such risks to the high-level risk register.

Local Clinical Governance Committees, Trust wide governance groups, programme groups are responsible for:

- Reviewing all local and service/project specific risks and ensuring that these are documented on local risk registers
- Identifying and tracking the implementation and effectiveness of risk mitigation actions to demonstrate dynamic risk management escalating risks with a score of 15 and above to the Clinical Governance Committee or Programme Management Board as appropriate

The Board Assurance Framework and risk management systems are critical elements of the Trust's system of internal control and are subject to regular review by the Trust's Internal Auditor. The auditors undertook a review of the Trust`s risk management and BAF arrangements for 2022/23 and advised that, taking account of the issues identified, the board can take partial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective. However, the auditors noted that they were unable to complete a significant number of audit tests as some of the staff failed to provide requested documentation.

Trust management is satisfied that the approach to risk management and control is sound and that there are no fundamental issues, but independent assurance has not been provided in the short term.

The Trust has plans to address this issue during 2023/24 with improved alignment between the Board Assurance Framework and risk management systems and the Internal Auditor will ensure that all outstanding tests are completed, and full independent assurance can be provided.

Governance

The principal committees of Trust Board and their responsibilities are set as follows.

The role of the Audit Committee is to oversee arrangements and review findings for:

- Governance, risk management and internal control
- Internal audit and counter fraud, external audit and other assurance functions
- Ensuring the implementation of effective, proportionate, dynamic, agile and sound risk management and internal control systems, processes and architecture

The role of the Quality, Safety and Patient Experience Committee is to:

- Provide assurance to the Board on the effectiveness of the quality and safety of services and to ensure regulatory compliance in respect of quality

- Ensure that the Trust is aiming to achieve the highest standards of quality around safety, service user experience and clinical effectiveness as outlined in the Well Led Framework, the Quality Strategic Priority and Quality Accounts
- Review relevant high-level risks and escalate to FPPC and Audit Committee as appropriate in order to ensure these are properly reflected in the BAF
- Scrutinise and challenge quality information and service redesign plans and ensure that any potential impact on finance is fed back to FPPC
- Provide assurance to the on all matters related to the administration on mental health legislation with reference to guiding principles laid out in the Code of Practice

The role of the Remuneration Committee is to review reports on:

- Appraisal and approve remuneration of the Chief Executive, Executive Directors, Associate Director of Corporate Governance and Company Secretary
- Annual benchmarking data related to remuneration of Board level positions
- Ensure appropriate arrangements are in place and followed regarding termination of Board Executive Director appointments
- Ensure all provisions regarding disclosure of remuneration including pensions of Board Directors are fulfilled

The role of the Finance, Performance and Productivity Committee is to:

- Consider the Trust's medium and long-term financial strategy and financial health
- Monitor progress of major capital investments and the short, medium- and long-term capital programme
- Maintain an oversight of, and receive assurances on, the robustness of the Trust's key income sources, including new business tender submissions
- Consider savings targets and plans and endorse them for approval by the Board
- To monitor progress against the cost improvement programme
- Consider the Trust's approach to tax
- Approve and keep under review the Trust's investment strategy and policy
- Receive regular reports and insights regarding organisational performance in a form determined by the Committee, including external benchmark information as an aid to improving overall performance and productivity of the Trust
- Review relevant high-level risks and escalate to IQC and Audit Committee as appropriate in order to ensure these are properly reflected in the BAF
- Scrutinise and challenge financial information and service redesign plans and ensure that any potential impact on quality is fed back into committee structures
- Seek assurance regarding the operational delivery of ICT, its impact on users and plans for sustaining it

The role of the People Committee is to provide assurance that:

- The people, leadership and organisational development strategies, structures, systems and processes are in place and functioning to support employees in the provision and delivery of high quality, safe patient care
- Processes are in place to support optimum employee performance to enable the delivery of strategy and business plans in line with the trust's values
- The Trust is meeting its legal and regulatory duties in relation to staff, volunteers and peers by experience

- Where there are human resource risks and issues that may jeopardise the Trust's ability to deliver its objectives, that these are being managed in a controlled way
- There is a focus on wellbeing where staff are the top priority to support a happy workforce
- To provide assurance on workforce governance

Each committee undertakes an annual review of its performance against the work plan of the committee and provides an update to the Board following each meeting. As part of their routine 2022/23 audit plan, the Trust's Internal Auditors reviewed the Organisational Risk Register and systems underpinning risk management and concluded that "the board can take partial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective".

During 2022/23 the most significant risks being addressed by the Trust are detailed below. The major risks are considered those rated at 15 or above at a corporate level on the standard 5x5 matrix for risk scoring. All areas identified have a work programme in place in mitigation.

Area	Risk
Trust wide	Shrinking supply of mental health nurse nationally. Additionally, difficulties in recruiting to and retaining Band 5 Registered Mental Health Nurse and shortage of experienced Band 6 Registered Mental Health Nurses continues to be a challenge. Nearly a third of all leavers are band 5 nurses and band 3 HCAs from inpatient settings (including secure services). Additionally, recent intelligence is showing that the bursary is impacting nursing in particular mental health nursing which historically attracted a mature workforce (e.g., the potential impact on living standards).
Trust wide	The risk of high levels of bullying and harassment by staff and managers on their colleagues leading to poor morale, increased sickness, poorer quality of care and reduced retention rates. Lack of resources in OD to support.
Trust wide	Door tops have been identified as anchor points. A comprehensive programme is in place to ensure door top alarms are in place across all inpatient units.

Area	Risk
Acute	Failure to recruit and retain staff to enable safe staffing levels could result in a breach of HCSA regulation 18 (staffing). Risk of increasing reliance on agency and temporary workforce, will result in poor continuity of care and impact on safer staffing requirements.
ICCR and Dementia and Frailty	There is a risk that there is insufficient capacity across care pathways is resulting in increased waiting times for assessment and treatment.
Acute	The pandemic has seen an increase in acuity and demand creating pressure across the acute care system.
Trust wide	Acuity and resourcing have impacted on seclusion of service users outside of purpose-built seclusion suites.

Area	Risk
Trust wide	Savings schemes are not delivered in full meaning the Trust may fail to meet its financial plan leading to a deficit in year, a fall in financial risk rating or inability to fund capital programme.
Urgent care	Increase in section 136 by police leading to increase clinical activity in urgent care.
Cyber security	There is an increasing requirement to protect the NHS from cyberattacks. There is a demand to focused arrangements 24/7 to protect the Trust from attack.

These risks will be carried forward into 2023/24.

The Trust has put in place controls and actions to mitigate these risks and these are described in the organisational risk register.

Through its risk management policies, the Board of Directors promotes open and honest reporting of incidents, risks and hazards. The use of a nationally recognised risk rating tool supported by agreed assurance level definitions ensures a standard approach is taken to prioritising risks.

The Board of Directors has kept under review its arrangements in relation to the NHS foundation trust condition 4 (FT governance). As identified above, each committee reviews its own effectiveness and the Board sub-committees have provided annual reports to the Board of Directors.

The Board of Directors has held sessions with the governors on a range of issues.

The Audit Committee ensures that any actions identified in the Corporate Governance Statement are reviewed and met.

The Policy Management Framework provides a standard process for the development, approval and review of all Trust policies. Inherent in this is the requirement for equality impact assessments to be undertaken on all policies. Compliance with all the requirements has to be demonstrated to the Clinical Governance Committee or alternative approved ratifying committee before a policy is approved.

An established Transformation Hub is in place which ensures overarching governance and risk management of all service development and change projects incorporating Project Management Office Projects, Quality Improvement Projects and Research and Innovation Projects.

The focus on training in relation to incident investigations via the use of root cause analysis techniques including a human factors approach; this reinforces a positive learning approach with the emphasis on system improvement rather than individual blame.

There are a range of formal mechanisms for engaging with partner organisations, governors, service users and the wider public, ensuring that risks are fully understood and are embedded into business planning and performance management processes. The Trust works closely with key stakeholders and there are a number of joint structures that already exist between agencies (e.g., strategic partnership board, system oversight groups and commissioning committees).

The Trust will endeavour to involve partner organisations in all aspects of risk management and has established a joint memorandum of understanding with system partners for multiagency serious incident reviews. Engagement of service users and carers is the key to our success. The Trust moves forward in this commitment through a number of initiatives. These include all aspects of service design, the mechanisms through which we hear and respond to user and carer feedback and all initiatives embedding recovery throughout services.

Co-production and co-design sit at the heart of the Trust's commitment, and throughout the year, we have sought to embody this as we create opportunities for people with lived experience of mental ill health to take an active part in all elements of delivery and design, as equal partners.

Emergency preparedness, resilience and response (EPRR) has been focussed on the management and response to the COVID-19 pandemic for the duration of the 2022/23 as the Trust emerges from the post-covid-19 era, to ensure business resilience and continuity as well as a return to normalcy and some degree of business as usual.

The Trust's internal audit programme supports the organisation in continuously strengthening its governance processes.

The Trust recognises the continued complexity and challenges associated with cyber resilience and prioritises cyber security across all its data management responsibilities. We operate a multi-faceted approach to ensure we have the "Appropriate security", considering the nature of the personal data being processed, the risk the processing poses to the individuals' rights and freedoms, and the resources and tools available to help protect that data. BSMHFT work closely with ICS Partners across Birmingham and Solihull and the National Cyber Security Centre, the UK's technical authority on cyber threats, in developing a set of security outcomes we can use when trying to determine the measures that are appropriate for them. These include:

- Managing security risk – having appropriate organisational structures, policies, and processes to manage security risks to personal data
- Protecting personal data against cyber-attack – having appropriate security measures that cover both the personal data that is processed, as well as the systems that process it
- Detecting security events – monitoring the status of systems processing personal data and ensuring that unexpected events can be acted on in an appropriate timeframe
- Minimising the impact – restoring systems and services, managing incidents appropriately, and learning lessons for the future

Future risks and associated mitigations are identified in a number of ways, including horizon scanning the environment in which the Trust is operating, as well as through the regular refresh of the organisational risk register following the annual planning process. The Trust is required to be registered with the Care Quality Commission (CQC) for the delivery of services. The Trust achieved registration for all of our services with the CQC and holds an overall rating of Requires Improvement.

The CQC issued a section 31 enforcement action in 2020 in relation to two matters of concern which continued into 2022/23, quality of care planning and ligature risks in the physical environment. The Trust also received sections 29 and 29A in 2022/23 in relation to safer staffing. The Trust continues to closely monitor and govern the associated improvement plans around these areas and is making monthly monitoring submissions to the CQC on progress, along with participation in monthly monitoring meetings with the regulator.

The organisation has several patient experience groups, where patients and carers are members. These oversee and monitor involvement and patient experience activity in the Trust. Our patient advice service (PALS) captures low-level concerns and issues raised by patients and the public. It is also fully integrated within the complaint's management process. These and other patient experience issues are considered and ultimately reported to the Quality, Patient Experience and Safety Committee.

The Board papers, agendas and minutes are also shared with the wider Council of Governors. The Nominations and Remuneration Committee met in January 2023 to review and approve pay award for VSM for 2022/23. In 2022/23, the Council of Governors agreed and voted to the posts of Lead and Deputy Lead Governors following recommendations from a `Task and Finish Group`. These two posts will add bandwidth to the Council`s capacity, capability and contributions to the Trust`s overall good governance arrangements while improving its relationship with the Board, external stakeholders and partners within the geographic footprint.

The Council of Governors is an important piece of the overall governance jigsaw of the Trust. The foundation trust has an on-line portal for the declaration of interests including gifts and hospitality, for decision making staff and can be access by staff and members of the public here: https://bsmhft.mydeclarations.co.uk/home. As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are complied with. This includes ensuring that deductions from salary, employer's contributions and payments into the scheme are in accordance with the Scheme rules and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.

Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with. Compliance is reported on an annual basis with regular progress/actions being taken to the Integrated Quality Committee.

The Trust has three staff networks (BAME, Disability and Neurodiversity and LGBTQ+) who are recognised as key stakeholder groups within the Trust decision-making and consultative processes. In addition, the networks play a key role in supporting the Trust

in its commitment towards national standards including the NHS Workforce Disability Equality Standards, Accessible Information Standards as well as our commitment towards our Equality, Diversity and Inclusion Framework.

Climate change

To enhance the above and taking into account the needs for resilience and Climate Change adaption, the Trust's Energy and Environment Manager has chaired a multi-disciplinary group (with external specialist advisors) to compile a draft Sustainability and Resilience Action Plan that details responsibilities and actions necessary to address matters including the need for climate change adaption. The plan also includes a review of the geography of the estate in terms of weather extremes and adaption 'hot spots' that will support both the Estates Strategy and service delivery strategies.

Well Led Framework

Far back in February 2020, the Trust engaged the Good Governance Institute, to identify actionable activities that will be transformational in nature and will help the Trust in sustaining the governance reforms. Throughout 2022/23, the Trust has ensured that the learning and recommendations from its engagement with the GGI are implemented and governance processes streamlined with reports presented to the Board of Directors.

The principle of learning lessons remains a priority. The Trust continues to receive assurance by receiving an integrated quality report on a quarterly basis at the Quality, Safety, Patient Experience Committee meeting which provides an overview of aggregated intelligence arising from incidents, regulators, complaints, inquests and litigation by quarter.
The document identifies the volume of intelligence being reported within the Trust, alongside the underlying issues of risk to be addressed moving forward.

It is every staff member's duty to seek to minimise risk and to report untoward incidents where they occur in order to prevent recurrence. All members of staff are responsible for managing risks within the scope of their role and as part of their responsibilities as employees of the Trust, working to professional codes of conduct. The Trust aims to systematically review and learn from untoward incidents and complaints. Good practice and changes to policies are communicated through email, intranet, service area reports, newsletters, and team briefs.

All performance information in relation to the Trust's priority indicators are reported to the Quality, Patient Experience and Safety Committee and Finance, Performance and Productivity Committee. Each report includes a RAG rating of data accuracy reflecting entry accuracy, timeliness, and reporting accuracy.

In line with its strategic framework and values, the Trust has further sought to ensure a culture of openness and empowerment to its staff. This is intended to ensure that risks can be promptly identified and responded to. This is reinforced in a range of ways including:

- Promotion of incident reporting. The Trust actively seeks to increase the level of incident reporting – particularly for non-nursing staff groups who tend to report less
- Weekly feedback brief sent to all staff from the Chief Executive
- High Board level presence within clinical teams and departments
- The reinforcement of the role of the Freedom to Speak Up Guardian
- Delivery of a range of staff engagement activities which build on our previous work to regularly promote staff engagement and recognition activities and events at the Trust

Assurance in relation to CQC regulation requirements is led by the Executive Lead, Director of Quality and Safety *(Chief Nursing Officer),* and Associate Director of Governance. Our internal approach to peer review against the regulatory framework enables local understanding of regulatory requirements and compliance with teams being empowered to self-assess compliance resulting in the sharing of good practice and the development of local improvement plans.

The Trust learns from good practice through a range of mechanisms including national guidance/alerts, benchmarking, clinical supervision and reflective practice, individual and peer reviews, performance management, continuing professional development programmes, clinical audit and application of evidence-based practice and meeting risk management standards.

There are formal mechanisms in place to ensure that external changes to best practice, such as those issued by the National Institute for Clinical Excellence, are incorporated into Trust policies procedures and clinical guidelines.

The focus of investigations around serious incidents is to identify system failures which can then be addressed through action plans. The Trust actively promotes a systems approach to incidents to ensure appropriate risk reporting and support teams to address weaknesses when identified. The Trust has established a Compassion at Work Group to ensure that support is available to staff undergoing challenging times with Schwartz Rounds and Balint Groups in place.

The Trust received a Well-led inspection from the CQC in 2022/23 and has again been given a rating of “Requires Improvement”. The Trust believes this is a fair assessment given the difficulties it has faced as an organisation and as a system in BSol over the last three years. It is however, pleasing to note that the CQC report acknowledges that, as an organisation, the Trust recognises the challenges it faces, is clear about the areas it needs to continue to improve and the work that has been done to address some of its difficulties.

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

The Trust reviews economy, efficiency and effectiveness through the review of finance and performance at budget manager, associate director and overall Trust level. In addition to a system of devolved budget management, the Trust considers performance,

quality standards and financial targets through a range of formal Trust groups, such as Sustainability Board and Performance Delivery Group. There is also a system of reporting finance and performance to the Board of Directors, supported by detailed performance and financial reporting to the Finance, Performance and Productivity Committee.

As the Trust operated through the pandemic and post-pandemic era with a focus on key areas (COVID-19; quality and safety; health and wellbeing of staff; risk; finance/impacts on performance and statutory requirements) it adapted its finance and performance approach to be flexible to support system partners and patients through accessing COVID-19-specific funding.

The New Code of Audit Practice relating to Value for Money has increased the prominence and expectations of Audit Committees as those charged with governance. Specifically, one of the indicators of 'adequate arrangements' covers 'effective challenge from those charged with governance/audit committee'. The arrangements, which are explicitly considered by the Audit Committee, are as follows:

Proper arrangements	Is the arrangement described in the AGS?
Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services, including	
how the body ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them	The Trust has well established routines for identifying and quantifying financial pressures which has been proven to be effective by the degree of the Trust's compliance with its financial plans. The Trust has decided to improve its process of identifying financial pressures as they emerge.
how the body plans to bridge its funding gaps and identifies achievable savings	As part of its normal financial planning processes, the Trust identifies estimates of any financial gaps in the short and medium term and uses them to set savings targets. Schemes are assessed using Clinical, Quality and Equality Impact Assessments.
how the body plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities	Saving schemes are assessed using Clinical, Quality and Equality Impact Assessments.to ensure they are sustainable and impacts are understood
how the body ensures that its financial plan is consistent with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system	Trust officers work together to ensure consistency between various plans and work closely with colleagues across the STP to ensure consistency and alignment with local system plans

Proper arrangements	Is the arrangement described in the AGS?
how the body identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans	Trust officers triangulate the financial position with other relevant issues, such as demand, workforce, to identify emerging themes and initiate corrective action where required

Proper arrangements	Is the arrangement described in the AGS?
Governance: how the body ensures that it makes informed decisions and properly manages its risks, including	
how the body monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud	The Trust has a robust internal audit service, supplied by TIAA, which provides independent assurance over its approach to risk. TIAA also supply a comprehensive counter fraud service
how the body approaches and carries out its annual budget setting process	The Trust carries out an annual planning process that considers emerging pressures, developments and commissioning intentions. Budgets are developed a spart of this exercise and considered for approval by the Board

Proper arrangements	Is the arrangement described in the AGS?
how the body ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed;	The Trust has a range of management groups to review performance on a monthly basis including financial and to initiate any required corrective action. These groups include performance Delivery Group, Sustainability Board and the Strategy and Transformation Board. This process provides assurance to Board sub-committees, including IQC, FPP and People, The Integrated Performance Report is provided to the Board on a monthly basis to summarise all these matters
how the body ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/audit committee	The Board committees review all relevant matters to provide assurance to the Board. This process includes objective challenge and the Audit Committee independently reviews performance, the annual accounts and the annual report. An internal audit service is provided by TIAA to offer independent assurance to the Audit Committee

Proper arrangements	Is the arrangement described in the AGS?
how the body monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of officer or member behaviour (such as gifts and hospitality or declarations/ conflicts of interests)	The Company Secretary maintains appropriate registers including declarations of interest and provides appropriate advice and guidance as required by the Board and its committees

Proper arrangements	Is the arrangement described in the AGS?
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, including:	
how financial and performance information has been used to assess performance to identify areas for improvement	The Trust's Integrated Performance Report which is reviewed by the Executive Team, the Performance Delivery Group and the Board and its committees offers a balanced analysis of performance across all domains, offering insights to Board committees
how the body evaluates the services it provides to assess performance and identify areas for improvement;	The Trust's Integrated Performance Report which is reviewed by the Executive Team, the Performance Delivery Group and the Board and its committees offers a balanced analysis of performance across all domains, offering insights to Board committees
how the body ensures it delivers its role within significant partnerships, engages with stakeholders it has identified, monitors performance against expectations, and ensures action is taken where necessary to improve;	The Trust has identified partnerships as a key element in its refreshed strategy and monitors effectiveness and engagement on an ongoing basis. The Director of Strategy, People and Partnerships has the executive lead in this area.
where the body commissions or procures services, how the body	The Trust operates a dedicated procurement function to police and support its relevant activities in this area,
ensures that this is done in accordance with relevant legislation, professional standards and internal policies, and how the body assesses whether it is realising the expected benefits	including the delivery of value for money. This function is subject to cyclical review by Internal Audit

Internal audit

I have received the Head of Internal Audit's overall opinion which detailed:

RSM is satisfied that, for the areas reviewed during the year, "the board can take partial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective".

This opinion is based solely on the matters that came to the attention of the RSM during the course of the internal audit reviews carried out during the year and is not an opinion on all elements of the risk management, control and governance processes or the ongoing financial viability or your ability to meet financial obligations which must be obtained by Trust from its various sources of assurance.

Information governance

During the period 1 April 2022 and 31 March 2023, the Trust has continued to review and improve its information governance framework.

The management of information governance risks is reviewed through monitoring information assets, information flows and information governance incidents. This activity is supporting the application and monitoring of compliance against the requirements of the Data Security and Protection Toolkit. Achievement against this is monitored through the Information Governance Steering Group which receives reports on all key information governance issues.

The information governance team received reports of *221 incidents between 1 April 2022 and 31 March 2023*. This figure includes any medical records incidents as well as the reported loss of smartcards.

There were 3 serious information governance incidents regarding breach of confidentiality reported to the Information Commissioners Office via the information governance incident national reporting tool. The incidents have been reviewed by the Information Commissioners' Office, who have determined that the Trust has taken appropriate action and no fines or penalties have been levied towards the Trust.

Data quality and governance

A data quality policy is in place which covers the collection, recording, validation, further processing and reporting of all types of service user, staff, clinical/operational, financial and other corporate information generated and used within, or reported externally by, the Trust. The responsibility for the Trust's Data Quality Policy rests with the Head of Information but delivery is across all corporate and operational services.

Data quality is managed via the Trust's Data Quality Assurance Group, which reports to the Information Governance Steering Group and ensures that the data quality requirements within the NHS national Data Security and Protection Toolkit are met. The group regularly reviews a range of data quality measures across the patient pathway and reports any issues or concerns to operational services for improvement action.

The Trust contributes information to three core national data collections every month, relating to mental health, addictions and psychological therapy services respectively. Submissions to each data set are subject to continuous quality improvement work supported by a wide range of internal checks. External data quality reports which summarise data completeness and validity are also used to identify and improve on any areas of weakness.

In 2021/22 the trust has continued to meet the 95% target for the national Data Quality Maturity Index score and is consistently in the top ten nationally. The 'Improving Access to Psychological Therapies' data set consistently scores above 98% and members of the service contribute actively to the Data Quality Assurance Group.

The Trust's performance report includes measures which cover national, commissioner and local priorities and a data quality RAG (red/amber/green) rating for each measure. All measures are audited on a rolling programme of annual audits, assessing data entry accuracy, timeliness and reporting accuracy. Lessons learnt from these audits are shared with operational services and action plans developed and implemented to address data quality issues identified.

Training is given to all staff in the use of clinical systems and additional data entry guides are available to support this training. A range of exception reports are available for all Trust performance indicators along with case management reports which support teams in improving data quality.

It is an acknowledged issue that some data collection to meet national, commissioning and local reporting requirements is not well integrated into the core data processes in our primary patient information system, a factor which is outside the Trust's immediate control. This leads in some cases in staff needing to complete extra forms, resulting in a greater burden of data entry on staff, and therefore in challenges in ensuring data collection is always consistent and complete. These concerns are kept under regular review and taken into account in the Trust's active ongoing processes for reviewing and streamlining clinical data collection. the burden of data entry on staff and challenges in ensuring its consistent use.

Annual quality report

The Directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) to prepare Quality Accounts for each financial year. NHS Improvement (in exercise of the powers conferred on Monitor) has issued guidance to NHS Foundation Trust Boards on the form and content of the annual Quality Reports which incorporate the above legal requirements in the NHS Foundation Trust reporting Manual.

The organisation has clear governance and leadership arrangements to ensure the development and achievement of quality improvement across the organisation, which is underpinned by a robust framework. Executive responsibility for quality and safety rests with the Executive Director of Nursing and Executive Medical Director.

The quality team works with operational managers to monitor progress in delivering our core quality initiatives inclusive of Commissioning for Quality and Innovation (CQUIN), the quality schedule and quality account.

The key document for quality measurement and reporting is the quality account of which a quarterly update of the quality indicators is presented to the Quality, Patient Experience and Safety Committee. The quality priorities identified in the account are sources from a review of risks, innovation and internal discussion; these are then widely consulted upon to ensure they are appropriate. The account will be reviewed in a number of forums and published in line with national guidance.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the Executive Directors, Senior Managers and clinical leads within the NHS Foundation Trust who have responsibility for the development and maintenance of the internal control framework. My review is also informed by comments made by the external auditors in their management letter and other reports.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board of Directors, the Audit Committee, the Quality, Patient Experience and Safety Committee and Finance, Performance and Productivity Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The organisational risk register provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed. My review is also informed by:

- Routine reporting of incidents to the Board of Directors
- PALS and complaints reports
- Patient Stories at Board meetings
- Serious Incident Reviews
- The Trust's assurance structure and reporting for statutory body registration requirements
- Internal audit assessments of the Trust's risk management structure processes
- Board Development days
- The work of the Audit Committee, the Integrated Quality Committee and the Finance. Performance and Productivity Committee
- Internal and External Audit reports
- Reports from regulators
- The work of the local counter fraud specialist
- Operational teams presenting at the Board and Committees
- Trust responses to external inquiries and reports
- Coroner reports and trust response
- Directorate and service performance reviews

The review and maintenance of the effectiveness of the system of internal control is undertaken as follows:

The Board of Directors receive reports from the Quality, Patient Experience and Safety Committee, the Finance, Performance and Productivity Committee, the Audit Committee and the Council of Governors in public session. These reports highlight issues of assurance and concern for the Board of Directors, The Audit Committee has oversight of governance arrangements and receives appropriate external assurance.

The Audit Committee ensures the establishment and maintenance of an effective system of internal control and risk management. All managers have the responsibility for developing and implementing the risk management strategy and policy through the line management of individual directorates. The risk management strategy is annually reviewed by the Board.

The Finance, Performance and Productivity Committee assures effective control on financial and performance matters.

The internal auditors verify that a suitable and effective system of risk management and internal control is in place on an annual basis. They have direct access to the Chair of the Audit Committee to raise any issues of concern.

Conclusion

My review confirms that the Trust has a generally sound system of internal controls that supports the achievement of our policies, aims and objectives and that any control issues have been addressed. No significant internal control issues have been identified. The Trust is committed to the continuous improvement of processes of internal control and assurance and as such may introduce additional controls within the forthcoming financial year (2023/24) as the Board of Directors deem necessary.

Roísìn Fallon-Williams
Chief Executive

21 June 2023

Independent auditors' report on the financial statements

Independent auditor's report to the Council of Governors of Birmingham and Solihull Mental Health NHS Foundation Trust

Report on the audit of the financial statements

Opinion on the financial statements

We have audited the financial statements of Birmingham and Solihull Mental Health NHS Foundation Trust ('the Trust') and its subsidiary ('the Group') for the year ended 31 March 2023 which comprise the Trust and Group Statements of Comprehensive Income, the Trust and Group Statements of Financial Position, the Trust and Group Statements of Changes in Taxpayers' Equity , the Trust and Group Statements 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 2022/23 as contained in the Department of Health and Social Care Group Accounting Manual 2022/23, and the Accounts Direction issued under the National Health Service Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Trust and Group as at 31 March 2023 and of the Trust's and the Group's 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 2022/23; 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 and Group 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 Accounting Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, and taking into account the requirements of the Department of Health and Social Care Group Accounting Manual, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust's or the Group'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 Accounting Officer with respect to going concern are described in the relevant sections of this report.

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 these regards.

Responsibilities of the Accounting Officer for the financial statements

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

The Accounting Officer is required to comply with the Department of Health and Social Care Group Accounting Manual 2022/23 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 public sector entity. The Accounting Officer is responsible for assessing each year whether or not it is appropriate for the Trust and Group to prepare financial statements on the going concern basis and disclosing, as applicable, matters related to going concern.

Auditor's responsibilities for the audit of the financial statements

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

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 and Group, 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 Accounting 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 manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, and 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 non-compliance throughout our audit; and
- considering the risk of acts by the Trust and Group 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 Accounting Officer's 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 statements and regularity of public sector bodies in the United Kingdom, and Supplementary Guidance Note 01, issued by the Comptroller and Auditor General 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.

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 2023.

We have nothing to report in this respect.

Responsibilities of the Accounting Officer

The Chief Executive as Accounting Officer is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in the Trust's use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

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

We are required under Schedule 10(1) of the National Health Service Act 2006 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 January 2023.

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 and Staff Report subject to audit have been properly prepared in accordance with the requirements of the NHS Foundation Trust Annual Reporting Manual 2022/23; 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 NHS Foundation Trust Annual Reporting Manual 2022/23; or
- the Annual Governance Statement is misleading or is not consistent with our knowledge of the Trust and Group and other information of which we are aware from our audit of the financial statements; or
- we refer a matter to the regulator under Schedule 10(6) of the National Health Service Act 2006; or
- we issue a report in the public interest under Schedule 10(3) of the National Health Service Act 2006.

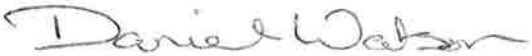
We have nothing to report in respect of these matters.

Use of the audit report

This report is made solely to the Council of Governors of Birmingham and Solihull Mental Health NHS Foundation Trust as a body in accordance with Schedule 10(4) of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Council of Governors of the Trust those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors of the Trust as a body for our audit work, for this report, or for the opinions we have formed.

Certificate

We certify that we have completed the audit of Birmingham and Solihull Mental Health NHS Foundation Trust and Birmingham and Solihull Mental Health NHS Foundation Trust Group in accordance with the requirements of chapter 5 of part 2 of the National Health Service Act 2006 and the Code of Audit Practice.



Daniel Watson, Key Audit Partner
For and on behalf of Mazars LLP

One St Peter's Square

Manchester

M2 3DE

29/06/2023

Consolidated financial statements 2022/23

31 March 2023

Birmingham and Solihull Mental Health NHS Foundation Trust
March 31 2023

Foreword to the Accounts

These accounts, for the year ended 31 March 2023, have been prepared by Birmingham and Solihull Mental Health NHS Foundation Trust in accordance with paragraphs 24 & 25 of Schedule 7 within the National Health Service Act 2006.

Roisin Fallon-Williams, Chief Executive
21st June 2023

Birmingham and Solihull Mental Health NHS Foundation Trust
March 31 2023

Consolidated statement of comprehensive income for the year ended March 31 2023	Note	March 31 2023 £000 Total	March 31 2022 £000 Total
Income from patient care activites	2	403,031	347,907
Other operating income	2	25,684	17,665
Operating costs	4	(419,971)	(359,068)
Operating Surplus / (Deficit)		8,744	6,504
Finance Costs			
Finance income	7	1,289	26
Finance costs	8	(5,998)	(5,600)
PDC Dividend payable		(1,386)	(1,921)
Net Finance Costs		(6,095)	(7,495)
Corporation tax expense	29	(390)	(294)
Surplus / (Deficit) from Operations		2,259	(1,285)
Surplus / (Deficit) for the year		2,259	(1,285)
Other comprehensive Income / (Expense)			
Will not be reclassified to income and expenditure:			
Revaluation (losses) / gains on property, plant and equipment		4,941	9,283
May be reclassified to income and expenditure when certain conditions are met:			
Total comprehensive income / (Expense) for the year		7,200	7,998

Birmingham and Solihull Mental Health NHS Foundation Trust
March 31 2023

Statement of Financial Position		Group		Trust	
	Note	**March 31 2023**	March 31 2022	**March 31 2023**	March 31 2022
As at March 31 2023		**£000**	£000	**£000**	£000
Non-current assets					
Intangible assets	9	**4,321**	6,682	**4,321**	6,682
Property, plant and equipment	10	**200,644**	190,356	**83,520**	80,053
Right of use assets	11	**9,260**	-	**93,399**	-
Subsidiary investment	13	**-**	-	**27,849**	27,325
Trade and other receivables	14	**1,529**	1,516	**60,593**	61,901
Deferred tax asset	30	**-**	103	**-**	-
Total non-current assets		**215,754**	198,657	**269,682**	175,961
Current assets					
Inventories	12	**621**	423	**248**	263
Trade and other receivables	14	**28,188**	10,908	**30,486**	13,318
Cash and cash equivalents	22	**59,020**	54,799	**56,698**	51,414
Total current assets		**87,829**	66,130	**87,432**	64,995
Current liabilities					
Trade and other payables	15	**(59,178)**	(49,212)	**(57,223)**	(47,612)
Borrowings	17	**(5,670)**	(4,403)	**(10,855)**	(4,403)
Provisions for liabilities and charges	19	**(1,464)**	(1,169)	**(1,464)**	(1,169)
Other liabilities	16	**(40,410)**	(25,370)	**(40,410)**	(25,291)
Total current liabilities		**(106,722)**	(80,154)	**(109,952)**	(78,475)
Total assets less current liabilities		**196,861**	184,633	**247,162**	162,481
Non-current liabilities					
Borrowings	17	**(78,682)**	(74,904)	**(158,038)**	(74,904)
Provisions for liabilities and charges	19	**(3,698)**	(4,348)	**(3,698)**	(4,348)
Other liabilities	30	**(123)**	-	**-**	-
Total non-current liabilities		**(82,503)**	(79,252)	**(161,736)**	(79,252)
Total assets employed		**114,358**	105,381	**85,426**	83,229
Financed by (taxpayers' equity)					
Public dividend capital		**114,550**	113,050	**114,550**	113,050
Revaluation reserve		**41,694**	36,753	**7,807**	6,443
Income and expenditure reserve		**(41,886)**	(44,422)	**(36,931)**	(36,264)
Total taxpayers' equity		**114,358**	105,381	**85,426**	83,229

The accounts and the associated notes were approved by the Audit Committee, who have delegated authority from Trust Board to approve the financial statements. The financial statements were approved on 21st June 2023 and signed on its behalf by:

Signed: .....Roisin Fallon-Williams, Chief Executive

Date: 21st June 2023

Birmingham and Solihull Mental Health NHS Foundation Trust
March 31 2023

Group statement of Changes in Taxpayers Equity **For year ended March 31 2023**	Total taxpayers equity £000	Public dividend capital £000	Revaluation reserve £000	income and expenditure reserve £000
Taxpayers' Equity at April 1 2022 - as previously stated	105,381	113,050	36,753	(44,422)
Prior period adjustment	-	-	-	-
Taxpayers' Equity at April 1 2022	105,381	113,050	36,753	(44,422)
Implementation of IFRS 16 on 1 April 2022	277	-	-	277
Surplus / (Deficit) for the year	2,259	-	-	2,259
Revaluation gains/ (losses) on property, plant and equipment	4,941	-	4,941	-
Public Dividend Capital Received	1,500	1,500	-	-
Taxpayers' Equity at March 31 2023	114,358	114,550	41,694	(41,886)
Taxpayers' Equity at April 1 2021 - as previously stated	94,860	110,527	27,470	(43,137)
Prior period adjustment	-	-	-	-
Taxpayers' Equity at April 1 2021	94,860	110,527	27,470	(43,137)
Surplus / (Deficit) for the year	(1,285)	-	-	(1,285)
Revaluation gains/ (losses) on property, plant and equipment	9,283	-	9,283	-
Public Dividend Capital Received	2,523	2,523	-	-
Taxpayers' Equity at March 31 2022	105,381	113,050	36,753	(44,422)

Trust statement of Changes in Taxpayers Equity **For year ended March 31 2023**	Total taxpayers equity £000	Public dividend capital £000	Revaluation reserve £000	income and expenditure reserve £000
Taxpayers' Equity at April 1 2022 - as previously stated	83,229	113,050	6,443	(36,264)
Prior period adjustment	-	-	-	-
Taxpayers' Equity at April 1 2022	83,229	113,050	6,443	(36,264)
Implementation of IFRS 16 on 1 April 2022	278	-	-	278
Surplus / (Deficit) for the year	(945)	-	-	(945)
Revaluation gains/ (losses) on property, plant and equipment	1,364	-	1,364	-
Public Dividend Capital Received	1,500	1,500	-	-
Taxpayers' Equity at March 31 2023	85,426	114,550	7,807	(36,931)
Taxpayers' Equity at April 1 2021 - as previously stated	81,050	110,527	4,767	(34,244)
Prior period adjustment	-	-	-	-
Taxpayers' Equity at April 1 2021	81,050	110,527	4,767	(34,244)
Surplus / (Deficit) for the year	(2,020)	-	-	(2,020)
Revaluation gains/ (losses) on property, plant and equipment	1,676	-	1,676	-
Public Dividend Capital Received	2,523	2,523	-	-
Taxpayers' Equity at March 31 2022	83,229	113,050	6,443	(36,264)

Birmingham and Solihull Mental Health NHS Foundation Trust
March 31 2023

Group statement of cash flows		Group		Trust	
	Note	March 31 2023	March 31 2022	March 31 2023	March 31 2022
For the year ended March 31 2023		£000	£000	£000	£000
Cash flows from operating activites					
Operating (deficit) / surplus for the year		8,744	6,504	3,900	3,343
Depreciation and amortisation	4	9,910	7,727	11,904	5,130
Impairments	4	-	3,838	103	4,297
Reversals of impairments	4	(2,249)	-	-	-
Loss / (gain) on disposal		32	89	32	89
(Increase) / decrease in trade and other receivables		(17,157)	(1,335)	(16,873)	(2,818)
(Increase) / decrease in inventories		(198)	(43)	15	(46)
Increase / (decrease) in trade and other payables		11,873	15,365	9,886	16,449
Increase / (decrease) in other liabilities		15,040	12,191	15,119	11,620
Increase / (decrease) in provisions		(358)	1,883	(354)	1,883
Corporation tax (paid) / received		(294)	(278)	-	-
Other movement in operating cash flows		-	-	-	-
Net cash generated from operating activities		25,343	45,941	23,732	39,947
Cash flows from investing activities					
Interest received	7	1,289	26	3,394	2,159
Purchase of financial assets & Investments		-	-	(1,748)	(1,551)
Proceeds from settlements of financial assets & investments		-	-	2,546	2,471
Purchase of intangible assets	9	-	(2,646)	-	(2,646)
Purchase of property, plant and equipment	10	(11,805)	(8,662)	(6,779)	(6,417)
Initial direct costs or up front payments in respect of new right of use assets (lessee)		(15)	-	-	-
Sales of property, plant and equipment		409	-	409	-
Net cash used in investing activities		(10,122)	(11,282)	(2,178)	(5,984)
Cash flows from financing activites					
Public dividend capital received		1,500	2,523	1,500	2,523
Public dividend capital repaid		-	-	-	-
Loans repaid to foundation trust financing facility		(2,183)	(2,183)	(2,183)	(2,183)
Capital element of lease liability repayments		(1,057)	-	(5,471)	-
Capital element of private finance initiative obligations		(1,734)	(1,567)	(1,734)	(1,567)
Interest paid on loans from foundation trust financing facility		(1,185)	(1,271)	(1,185)	(1,271)
Interest element of lease liability repayments		(79)	-	(935)	-
Interest element of private finance initiative obligations		(4,773)	(4,366)	(4,773)	(4,366)
PDC dividend paid		(1,489)	(1,799)	(1,489)	(1,799)
Net cash used in financing activities		(11,000)	(8,663)	(16,270)	(8,663)
Net increase/ (decrease) in cash and cash equivalents		4,221	25,996	5,284	25,300
Cash and cash equivalents at 1 April		54,799	28,803	51,414	26,114
Cash in hand (petty cash)	22	32	45	32	45
Cash at commercial banks	22	2,322	3,385	-	-
Cash at GBS	22	56,666	51,369	56,666	51,369
Cash and cash equivalents at 31 March		59,020	54,799	56,698	51,414

Birmingham and Solihull Mental Health NHS Foundation Trust
March 31 2023
Notes to the financial statements

1 **Accounting policies and other information**

NHS England 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 2022/23 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.

Going Concern

The accounts are prepared on a going concern basis, in other words with the expectation that the FT will continue to operate for at least the next 12 months. There are no material transactions that have a significant impact on this.

Requirment to undertake going concern review

International Accounting Standard 1 Presentation of financial statements (IAS 1) requires management to assess an entity's ability to continue as a going concern when preparing that entity's financial statements. It is assumed that an entity will prepare its accounts on a going concern basis unless management intends to, or has no alternative but to, liquidate the entity or to cease trading. In the public sector, the HM Treasury Financial reporting manual (FReM)2 sets out an interpretation of this standard which focuses on whether the service(s) provided by the entity is going to be continued rather than whether the entity providing the service will continue to exist

NHS specific guidance is provided in the Department of Health and Social Care's Group accounting manual (GAM) and NHS Improvement's NHS foundation trust Annual reporting manual (FT ARM). The FReM says:
- 'For non-trading entities, the anticipated continuation of the provision of a service in the future, as evidenced by inclusion of financial provision for that service in published documents, is normally sufficient evidence of going concern. ….
- Sponsored entities whose statements of financial position show total net liabilities should prepare their financial statements on the going concern basis unless, after discussion with their sponsors, the going concern basis is deemed in appropriate, and
- Where an entity ceases to exist, it should consider whether or not its services will continue to be provided (using the same assets, by another publicsector entity) in determining whether to use the concept of going concern for the final set of financial statements'

As healthcare services continue to be provided, despite financial difficulties and/ or reorganisations this means that it is highly unlikely that an NHS body will prepare its accounts on anything other than a going-concern basis. The fact that a body is going to cease to exist does not necessarily affect its going concern status. The key consideration is whether the services the body is providing will continue to be provided in the public sector. For example, if an NHS trust is acquired by a foundation trust, the NHS trust remains a going concern if its assets will continue to be used to provide healthcare services although under the auspices of another NHS body. Equally, where CCGs merge, the services continue.

Foundation trusts follow the FReM adaptation to IAS 1, as set out in paragraph 2.13 of the FT ARM4 : 'There is no presumption of going concern status for NHS foundation trusts. Directors must decide each year whether or not it is appropriate for the NHS foundation trust to prepare its accounts on the going concern basis.' It is clear an NHS body will be determined not to be a going concern in only exceptional circumstances; however, this interpretation does not exempt the management of NHS bodies from the requirement to undertake a going concern review – and this has not changed in 2020/21. What has changed is the focus of the review on service provision rather than financial sustainability. This also means it is unlikely that an NHS body would have any going concern uncertainties to disclose.

1 **Accounting policies and other information (continued)**

Going Concern (continued)
Auditor's role in relation to going concern
International standard on auditing (UK) 570 Going concern (ISA 570) sets out the auditor's responsibility in relation to going concern. The standard was substantially revised in September 2019 and the revised standard is applicable to audits of financial statements for periods commencing on or after 15 December 2019. For NHS bodies this is 2020/21.

The Financial Reporting Council's (FRC) Statement of recommended practice – Practice Note 10: Audit of financial statements and regularity of public sector bodies in the United Kingdom, (Revised 2020) (PN10) sets out the interpretation of going concern for non-trading entities within public sector in the UK.

PN10 recognises that the adaptation of IAS1 means the matter of whether the going concern basis is appropriate is not a significant focus for the auditor. Therefore a 'straightforward and standardised approach to compliance with ISA 570 will often be appropriate'.

Supplementary Guidance Note (SGN) 01: Going Concern – Auditors' responsibilities for local public bodies (the SGN), issued by the National Audit Office's Controller and Auditor General, has been prepared to assist auditors in meeting their responsibilities as the statutory auditor of local public bodies, under the Code of Audit Practice (the Code).
The SGN sets out guidance for auditors to have regard to in their assessment of going concern on audits of financial statements of local health and local government bodies and is relevant to audits from financial year 2020/21 and onwards. The SGN sets out the requirements (in accordance with ISA (UK) 570) of the auditor's risk assessment procedures in respect of understanding the entity and understanding the entity's controls around going concern and evaluating management's assessment.

Evidence that services will continue to be provided for the foreseeable future
PRN00021 2023/24 priorities and operational planning guidance v1.1 27 January 2023 states the following:
We need to create stronger foundations for the future, with the goals of the NHS Long Term Plan our 'north star'. These include our core commitments to improve mental health services and services for people with a learning disability and autistic people.

The guidance requests all systems to develop plans to implement the key actions to help deliver the national NHS objectives for 2023/24. The mental health objectives are set out below:

National NHS objectives 2023/24:

Mental health	Improve access to mental health support for children and young people in line with the national ambition for 345,000 additional individuals aged 0-25 accessing NHS funded services (compared to 2019)
	Increase the number of adults and older adults accessing IAPT treatment
	Achieve a 5% year on year increase in the number of adults and older adults supported by community mental health services
	Work towards eliminating inappropriate adult acute out of area placements
	Recover the dementia diagnosis rate to 66.7%
	Improve access to perinatal mental health services

The NHSE 2023/24 planning and operational guidance sets out the following:

Mental health Key actions:
• Continue to achieve the Mental Health Investment Standard by increasing expenditure on mental health services by more than allocations growth.
• Develop a workforce plan that supports delivery of the system's mental health delivery ambition, working closely with ICS partners including provider collaboratives and the voluntary, community and social enterprise (VCSE) sectors.
• Improve mental health data to evidence the expansion and transformation of mental health services, and the impact on population health, with a focus on activity, timeliness of access, equality, quality, and outcomes data.
NHS England has allocated funding to grow the workforce and expand services to support delivery of the mental health NHS Long Term Plan commitments. In particular, NHS England will continue to support the growth in IAPT workforce by providing 60% salary support for new trainees in 2023/24. We will also support ICBs to co-produce a plan by 31 March 2024 to localise and realign mental health and learning disability inpatient services over a three year period as part of a new quality transformation programme.

1 **Accounting policies and other information (continued)**

Going Concern (continued)
The NHS Mental Health Implementation Plan 2019/20 – 2023/24, published in July 2019, set out the following:
The NHS Long Term Plan renewed our commitment to pursue the most ambitious transformation of mental health care England has ever known. Today, the Mental Health Implementation Plan provides a new framework to ensure we deliver on this commitment at the local level. The Five Year Forward View for Mental Health, published in 2016, represented a major step, securing an additional £1 billion in funding for mental health, so that an additional 1 million people could access high quality services by 2020/21…….With this Implementation Plan, a ringfenced local investment fund worth at least £2.3 billion a year in real terms by 2023/24 will ensure that the NHS provides high quality, evidence-based mental health services to an additional 2 million people.

The 2023/24 Revenue Finance and Contracting Guidance, set out the following:
ICBs will continue to receive Service Development Fund (SDF) allocations to support the delivery of the NHS Long Term Plan commitments in 2023/24…….NHS England has reviewed and streamlined the number of individual SDF allocations. Most of the SDF for 2023/24 will be bundled into higher level groupings…... ICBs must spend bundled SDF on the core set of initiatives for which it has been allocated, but can choose how to distribute the funding between those initiatives, other than where specific priorities are set out in the 2023/24 priorities and operational planning guidance.

Key financial commitments - Mental health services (section 106 – 109)
- The Mental Health Investment Standard (MHIS) will apply to ICBs and continue to be subject to an independent review. For 2023/24, the MHIS requires ICBs to increase spend on mental health services by ICB programme allocation base growth (prior to the application of the convergence adjustment) plus an additional amount to reflect further recurrent funding that has been added to ICB allocations for mental health in 2023/24…..
- Local system leaders, including the nominated lead mental health provider, should review each ICB's investment plan underpinning the MHIS to ensure it is credible to deliver the mental health activity commitments and the related workforce…. Where an ICB fails to deliver the mental health investment requirements, NHS England will consider appropriate action.
- The NHS Long Term Plan makes recurrent commitments on mental health services. While currently issued as non-recurrent SDF allocations, they are recurrent within the NHS mandate and therefore systems will continue to be funded to deliver these.
- Efficiencies applied to MHIS-related expenditure should be re-invested in mental health services such that systems continue to meet their MHIS requirements.

Management's assessment of going concern
International Accounting Standard 1 Presentation of financial statements (IAS 1) requires management to assess an entity's ability to continue as a going concern when preparing that entity's financial statements. In the public sector, the HM Treasury Financial reporting manual (FReM)2 sets out an interpretation of IAS 1 which focuses on whether the service(s) provided by the entity is going to be continued rather than whether the entity providing the service will continue to exist.
IAS 1 states that the review should take into account as much information about the future as possible but should look ahead at least 12 months from the end of the reporting period.

The evidence set out on above pages demonstrates the ongoing national commitment to the funding of mental health services. This together with block funding arrangements, Service Delivery Funding and Mental Health Investment Standard allocations for 2023/24 provides strong indication that the services provided by BSMHFT will continue for the foreseeable future. Notwithstanding any new national announcements around operational planning guidance, and revised national narrative around going concern, it is therefore recommended that the going concern basis of accounting should be used for the preparation of the 2022/23 year end accounts.

1 **Accounting policies and other information (continued)**

1.1 Consolidation

Subsidiary entities are those over which the Foundation Trust has the power to exercise control or a dominant influence so as to gain economic or other benefits. The income, expenses, assets, liabilities, equity and reserves of subsidiaries are consolidated in full into the appropriate financial statement lines.

Birmingham and Solihull Mental Health NHS Foundation Trust has one 100% owned subsidiary, Summerhill Services Ltd (formerly known as Summerhill Supplies Limited until September 28 2018), which commenced trading on December 1 2012. The amounts consolidated are drawn from the published accounts of the subsidiary for the year ending March 31 2023. The shares held are ordinary and aggregate capital and reserves amount to £21,847k as at March 31 2023 (£21,366k as at March 31 2022). Summerhill Services Limited made a loss of £44k in the year ended March 31 2023 (2021/22: £588k).

All intra-group transactions, balances, income and expenses are eliminated on consolidation. Adjustments are made to eliminate the profit or loss arising on transactions with the subsidiary to the extent of the Group's interest in the entity. Where the subsidiary's accounting policies are not aligned with those of the Trust (including where they report under UK GAAP) then amounts are adjusted during consolidation where the differences are material. There are a number of differences that existed at the reporting date. In accordance with the Group Accounting Manual a separate statement of comprehensive income and a statement of cash flows for the parent (the Trust) has not been presented.

The divergence from the GAM that NHS Charitable Funds are not consolidated with NHS Trust's own returns is removed. Under the provisions of IAS 27 Consolidated and Separate Financial Statements, those Charitable Funds that fall under common control with NHS bodies are consolidated within the entity's financial statements. In accordance with IAS 1 Presentation of Financial Statements, restated prior period accounts are presented where the adoption of the new policy has a material impact. The Foundation Trust is the Corporate Trustee of Birmingham and Solihull Mental Health NHS Foundation Trust Charity-Caring Minds (Charity number 1098659) and therefore under IAS 27 Consolidated and seperate financial statements should consider whether to consolidate its financial statements if the charity is material to the Foundation Trust. The Foundation Trust has not consolidated its NHS charity on grounds of materiality which is a percentage of (Between 1% or 2%) of income, expenditure, assets or liabilities and so the Charitable Funds statements have not been consolidated into the Foundation Trust Accounts. This will be reviewed each financial year.

The primary statements and notes to the accounts are presented with separate ‘Group’ and ‘Trust’ columns. However when the difference between Group and Trust is not material they are shown as a singular column marked "Group and Trust".The foundation trust is able to take advantage of an exemption afforded by the Companies Act to omit the statement of comprehensive income for the foundation trust parent if it wishes. As a foundation trust we have taken advantage of this exemption. The Parent company surplus for the year can be found with the financial summary section of the annual report.

1 **Accounting policies and other information (continued)**

1.2 Income

Revenue from contracts with customers

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

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

Revenue from NHS contracts

The main source of income for the Trust is contracts with commissioners for health care services. Funding envelopes are set at an Integrated Care System (ICS) level. The majority of the Trust's income is earned from NHS commissioners in the form of fixed payments to fund an agreed level of activity.

In 2022/23 fixed payments are set at a level assuming the achievement of elective activity targets. These are termed 'aligned payment and incentive' contracts.

Elective recovery funding provides additional funding for the delivery of elective services. In 2022/23 elective recovery funding was included within the aligned payment and incentive contracts. In 2021/22 income earned by the system based on achievement of elective recovery targets was distributed between individual entities by local agreement and income earned from the fund was accounted for as variable consideration..

The Trust also receives income from commissioners under Commissioning for Quality Innovation (CQUIN) and Best Practice Tariff (BPT) schemes. Delivery under these schemes is part of how care is provided to patients. As such CQUIN and BPT payments are not considered distinct performance obligations in their own right; instead they form part of the transaction price for performance obligations under the overall contract with the commissioner. In 2022/23 payment under these schemes is included in fixed payments from commissioners based on assumed achievement of criteria.

Mental health provider collaboratives

NHS led provider collaboratives for specialised mental health, learning disability and autism services involve a lead NHS provider taking responsibility for managing services, care pathways and specialised commissioning budgets for a population. As lead provider for Reach Out, the Trust is accountable to NHS England and Improvement and as such recognises the income and expenditure associated with the commissioning of services from other providers in these accounts. Where the trust is the provider of commissioned services, this element of income is recognised in respect of the provision of services, after eliminating internal transactions.

Other Income

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

1 **Accounting policies and other information (continued)**

1.3 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 year 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 year is recognised in the accounts to the extent that employees are permitted to carry-forward leave into the following year.

1.4 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.

NEST Pension Scheme

National Employment Savings Trust is a defined contribution pension scheme that was created as part of the government’s workplace pensions reforms under the Pensions Act 2008 (as amended by Pensions Act 2014).

1 **Accounting policies and other information (continued)**

1.5 Expenditure on other goods and services

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

1.6 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 Foundation Trust;

• it is expected to be used for more than one financial year;

• the cost of the item can be measured reliably;

• individually have a cost of at least £5,000;

• collectively have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or

• form part of the initial equipping and setting-up cost of a new building, ward or unit irrespective of their individual or collective cost.

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

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. Property assets are measured subsequently at fair value. Assets under the course of construction are subsequently measured at fair value once the asset is brought into use. Other assets including plant, machinery, IT and equipment that are held for operational use are valued at depreciated historic cost where these assets have short useful economic lives or both, as this is not considered to be materially different from current value in exisitng use.

1 **Accounting policies and other information (continued)**

1.6 Property, plant and equipment (continued)

Fair Value is to be determined for Operational Assets under IAS 16. Fair Value has been clarified by HM Treasury as being reflected by "Market Value" with the explicit assumption that "property is sold as part of the continuing enterprise in occupation". The approach is reflected primarily on the basis of Depreciated Replacement Cost (DRC) for specialised operational property and Existing Use Value for non-specialised operational property.

DRC valuations from the District Valuer are prepared using the Modern Equivalent Asset method of valuation in accordance with the requirements of HM Treasury "Guidance on Asset Valuation" paper (interpreting the RICS UK GN on DRC formerly known as UKGN 2 and before that VIP 10).

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

Depreciation

Items of Property, Plant and Equipment are depreciated over their remaining useful economic lives on a straight line basis which is 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’ ceases 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 Foundation Trust, respectively.

Revaluation and impairment

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 are due to a loss of economic benefits or 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 arising from a loss of economic benefit or service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating income 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.

1 **Accounting policies and other information (continued)**

1.6 Property, plant and equipment (continued)

De-recognition

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

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

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged 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 economic life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

Donated and grant funded assets

Donated assets are capitalised at their fair value on receipt. The donation 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 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 funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

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.

1 **Accounting policies and other information (continued)**

1.6 Property, plant and equipment (continued)

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. The underlying assets are recognised as Property, Plant and Equipment at their fair value. An equivalent financial liability is recognised in accordance with IAS 17. The annual contract payments are apportioned between the repayment of the liability, a finance cost and the charges for services. The finance cost is calculated using the effective interest rate for the scheme. The service charge is recognised in operating expenses and the finance cost is charged to Finance Costs in the Statement of Comprehensive Income.

The PFI payments which do not meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's Group Accounting Manual (GAM) are recorded as an operating expense. Where the Trust has contributed to land and buildings, a prepayment for their fair value is recognised and amortised over the life of the PFI contract by charge to the Statement of Comprehensive Income. Where, at the end of the PFI contract, a property reverts to the Trust, the difference between the expected fair value of the residual on reversion and any agreed payment on reversion is built up over the life of the contract by capitalising part of the unitary charge each year, as a tangible fixed asset. The annual unitary payment is separated into the following component parts, using appropriate estimation techniques where necessary:

a) Payment for the fair value of services received;
b) Payment for the PFI asset, including finance costs; and
c) Payment for the replacement of components of the asset during the contract "lifecycle replacement".

Services received

The fair value of services received in the year is recorded under the relevant expenditure headings within "operating expenses".

PFI asset

The PFI assets are recognised as property, plant and equipment, when they come into use. The assets are measured at fair value in accordance with the principles of IAS 16.

PFI liability

A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured initially at the same amount as the fair value of the PFI assets and is subsequently measured as a finance lease liability in accordance with IAS 17.

An annual finance cost is calculated by applying the implicit interest rate in the lease to the opening lease liability for the year, and is charged to "Finance Costs" within the Statement of Comprehensive Income.

The element of the annual unitary payment that is allocated as a finance lease rental is applied to meet the annual finance cost and to repay the lease liability over the contract term.

Lifecycle replacement

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

Assets contributed by the Foundation Trust to the operator for use in the scheme

Assets contributed for use in the scheme continue to be recognised as items of property, plant and equipment in the Foundation Trust's Statement of Financial Position

1 **Accounting policies and other information (continued)**

1.7 Intangible assets

Recognition
Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the Foundation 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 Foundation Trust and where the cost of the asset can be measured reliably. Where internally generated assets are held for service potential, this involves a direct contribution to the delivery of services to the public.

Internally generated intangible assets
Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets. Expenditure on research is not capitalised. Expenditure on development is capitalised only where all of the following can be demonstrated:
• the project is technically feasible to the point of completion and will result in an intangible asset for sale or use;
• the Foundation Trust intends to complete the asset and sell or use it;
• the Foundation Trust has the ability to sell or use the asset;
• how the intangible asset will generate probable future economic or service delivery benefits e.g. the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset;
• adequate financial, technical and other resources are available to the Foundation Trust to complete the development and sell or use the asset; and
• the Foundation Trust can measure reliably the expenses attributable to the asset during development.

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

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

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 economic lives in a manner consistent with the consumption of economic or service delivery benefits.

1 **Accounting policies and other information (continued)**

1.8 Government grants

Government grants are grants from Government bodies other than income from Clinical Commissioning Groups or NHS 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.

1.9 Inventories

Inventories are valued at the lower of average cost and net realisable value. Average cost is calculated based on the average purchase price of the inventory held. Provisions are made for slow moving, defective and obsolete inventory if considered necessary by management.

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

1.10 Financial assets, financial instruments and financial liabilities

Recognition

Financial assets and financial liabilities which arise from contracts for the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the Foundation Trust's normal purchase, sale or usage requirements, are recognised when, and to the extent which, performance occurs i.e. when receipt or delivery of the goods or services is made. Financial assets 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. Regular purchases or sales are recognised and de-recognised, as applicable, using the settlement date. All other financial assets and financial liabilities are recognised when the Foundation Trust becomes a party to the contractual provisions of the instrument.

De-recognition

All financial assets are de-recognised when the rights to receive cash flows from the assets have expired or the Foundation Trust has transferred substantially all of the risks and rewards of ownership. Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

Classification and measurement

Financial assets are categorised as 'Fair Value through Profit and Loss' or Loans and receivables. Financial liabilities are classified as 'Fair Value through Profit and Loss' or as 'Other Financial liabilities'.

1 **Accounting policies and other information (continued)**

1.10 Financial assets, financial instruments and financial liabilities (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. They are included in current assets. The Foundation Trust's loans and receivables comprise: cash and cash equivalents, NHS receivables, accrued income and 'other receivables'. Loans and receivables are recognised initially at fair value, net of transactions costs, and are measured subsequently at amortised cost, using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period, to the net carrying amount of the financial asset. Interest on loans and receivables is calculated using the effective interest method and credited to the Statement of Comprehensive Income.

Financial liabilities

All financial liabilities are recognised initially at fair value, net of transaction costs incurred, and measured subsequently at amortised cost using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash payments through the expected life of the financial liability or, when appropriate, a shorter period, to the net carrying amount of the financial liability. They are included in current liabilities except for amounts payable more than 12 months after the statement of financial position date, which are classified as long-term liabilities. Interest on financial liabilities carried at amortised cost is calculated using the effective interest method and charged to Finance Costs. Interest on financial liabilities taken out to finance property, plant and equipment or intangible assets is not capitalised as part of the cost of those assets.

Impairment of financial assets

At the Statement of Financial Position date, the Foundation Trust assesses whether any financial assets, other than those held at 'fair value through income and expenditure' are impaired. Financial assets are impaired and impairment losses are recognised if, and only if, there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

For all financial assets measured at amortised cost including lease receivables, contract receivables and contract assets or assets measured at fair value through other comprehensive income, 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.

1 **Accounting policies and other information (continued)**

1.11 Leases

A lease is a contract or part of a contract that conveys the right to use an asset for a period of time in exchange for consideration. An adaptation of the relevant accounting standard by HM Treasury for the public sector means that for NHS bodies, this includes lease-like arrangements with other public sector entities that do not take the legal form of a contract. It also includes peppercorn leases where consideration paid is nil or nominal (significantly below market value) but in all other respects meet the definition of a lease. The trust does not apply lease accounting to new contracts for the use of intangible assets.

The Trust determines the term of the lease term with reference to the non-cancellable period and any options to extend or terminate the lease which the Trust is reasonably certain to exercise.

The Trust as a lessee
Recognition and initial measurement
At the commencement date of the lease, being when the asset is made available for use, the Trust recognises a right of use asset and a lease liability.

The right of use asset is recognised at cost comprising the lease liability, any lease payments made before or at commencement, any direct costs incurred by the lessee, less any cash lease incentives received. It also includes any estimate of costs to be incurred restoring the site or underlying asset on completion of the lease term.

The lease liability is initially measured at the present value of future lease payments discounted at the interest rate implicit in the lease. Lease payments includes fixed lease payments, variable lease payments dependent on an index or rate and amounts payable under residual value guarantees. It also includes amounts payable for purchase options and termination penalties where these options are reasonably certain to be exercised.

Where an implicit rate cannot be readily determined, the Trust's incremental borrowing rate is applied. This rate is determined by HM Treasury annually for each calendar year. A nominal rate of 0.95% applied to new leases commencing in 2022 and 3.51% to new leases commencing in 2023.

The Trust does not apply the above recognition requirements to leases with a term of 12 months or less or to leases where the value of the underlying asset is below £5,000, excluding any irrecoverable VAT. Lease payments associated with these leases are expensed on a straight-line basis over the lease term or other systematic basis. Irrecoverable VAT on lease payments is expensed as it falls due.

Subsequent measurement
As required by a HM Treasury interpretation of the accounting standard for the public sector, the Trust employs a revaluation model for subsequent measurement of right of use assets, unless the cost model is considered to be an appropriate proxy for current value in existing use or fair value, in line with the accounting policy for owned assets. Where consideration exchanged is identified as significantly below market value, the cost model is not considered to be an appropriate proxy for the value of the right of use asset.

The Trust subsequently measures the lease liability by increasing the carrying amount for interest arising which is also charged to expenditure as a finance cost and reducing the carrying amount for lease payments made. The liability is also remeasured for changes in assessments impacting the lease term, lease modifications or to reflect actual changes in lease payments. Such remeasurements are also reflected in the cost of the right of use asset. Where there is a change in the lease term or option to purchase the underlying asset, an updated discount rate is applied to the remaining lease payments.

1 **Accounting policies and other information (continued)**

1.11 Leases (continued)

The Trust as a lessor
The Trust assesses each of its leases and classifies them as either a finance lease or an operating lease. 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.

Where the Trust is an intermediate lessor, classification of the sublease is determined with reference to the right of use asset arising from the headlease.

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

Initial application of IFRS 16
IFRS 16 Leases as adapted and interpreted for the public sector by HM Treasury has been applied to these financial statements with an initial application date of 1 April 2022. IFRS 16 replaces IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease and other interpretations.

The standard has been applied using a modified retrospective approach with the cumulative impact recognised in the income and expenditure reserve on 1 April 2022. Upon initial application, the provisions of IFRS 16 have only been applied to existing contracts where they were previously deemed to be a lease or contain a lease under IAS 17 and IFRIC 4. Where existing contracts were previously assessed not to be or contain a lease, these assessments have not been revisited.

The Trust as lessee
For continuing leases previously classified as operating leases, a lease liability was established on 1 April 2022 equal to the present value of future lease payments discounted at the Trust's incremental borrowing rate of 0.95%. A right of use asset was created equal to the lease liability and adjusted for prepaid and accrued lease payments and deferred lease incentives recognised in the statement of financial position immediately prior to initial application. Hindsight has been used in determining the lease term where lease arrangements contain options for extension or earlier termination.

No adjustments have been made on initial application in respect of leases with a remaining term of 12 months or less from 1 April 2022 or for leases where the underlying assets has a value below £5,000. No adjustments have been made in respect of leases previously classified as finance leases.

The Trust as lessor
Leases of owned assets where the Trust is lessor were unaffected by initial application of IFRS 16. For existing arrangements where the Trust is an intermediate lessor, classification of all continuing sublease arrangements has been reassessed with reference to the right of use asset.

2021/22 comparatives
Comparatives for leasing transactions in these accounts have not been restated on an IFRS 16 basis. Under IAS 17 the classification of leases as operating or finance leases still applicable to lessors under IFRS 16 also applied to lessees. In 2021/22 lease payments made by the Trust in respect of leases previously classified as operating leases were charged to expenditure on a straight line or other systematic basis.

1 **Accounting policies and other information (continued)**

1.12 Provisions

The Foundation 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 from 31 March 2023:

		Nominal rate	Prior year rate
Short-term	Up to 5 years	3.27%	0.47%
Medium-erm	After 5 years up to 10 years	3.20%	0.70%
Long-term	After 10 years up to 40 years	3.51%	0.95%
	Exceeding 40 years	3.00%	0.66%

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 from 31 March 2023:

	Inflation rate	Prior year rate
Year 1	7.40%	4.00%
Year2	0.60%	2.60%
Into perpetuity	2.00%	2.00%

Early retirement provisions and injury benefit provisions both use the HM Treasury's pension discount rate of 1.70% in real terms (prior year: minus 1.30%).

Contingent liability

A contingent liability is a possible obligation that arises from the past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the NHS Foundation Trust, or a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably.

The Foundation Trust is currently investigating 3 potential injury allowance applications; due to the nature of the injuries these applications may result in a contingent liability.

Contingent asset

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

The Trust suffered a fire at one of its leased community buildings (Yewcroft) in January 2016. Discussions are on-going with loss adjustors and the landlord and at this stage estimates of costs incurred are approximately £0.300m which we would expect to be reimbursed through our insurance policy.

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the NHS Foundation 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 NHS Foundation Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the NHS Foundation Trust is disclosed at note 19.1 but is not recognised in the NHS Foundation Trust accounts.

1 **Accounting policies and other information (continued)**

1.13 Non-clinical risk pooling

The NHS Foundation 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 the NHS Resolution (Formerly NHS Litigation Authority or NHSLA) and in return receives assistance with the costs of claims arising. The annual membership contributions, and any 'excesses' payable in respect of particular claims are charged to operating expenses when the liability arises.

1.14 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.

1.15 Taxation

Value added tax (VAT)

Most of the activities of the Foundation 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.

Corporation tax

Healthcare activities of the NHS Foundation Trust are outside the scope of Corporation Tax. Summerhill Services Ltd is liable to corporation tax charges.

Current tax is recognised at the amount expected to be paid or recovered for the period based on tax rates and laws that have been enacted or substantively enacted at the statement of financial position date.

Deferred Tax

Deferred tax is provided in full, using the liability method, on taxable temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not accounted for if it arises from the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

1.16 Third party assets

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

1 **Accounting policies and other information (continued)**

1.17 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Foundation 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 following balances are areas management have made critical judgements and estimates in the process of applying the Foundation Trust's accounting policies and that have the most significant effect on the amounts recognised in the accounts:

- Provisions
  Provisions have been recognised in these accounts for restructuring which relates to the cost of restructuring a service where an obligation exists at the year end; the most significant cost being redundancy and termination payments. Provisions are only recognised after a clear decision has been made to remove a post and the decision has been communicated to those affected. It is likely that these amounts will be settled during the year ended 31 March 2023.

- Property useful economic lives
  The Trusts' buildings and equipments are depreciated over their remaining useful economic lives as described in note 1.6. Management assesses the useful economic life of an asset when it is brought into use and periodically reviews for reasonableness. Lives are based on physical lives of similar class of asset as calculated by the District Valuer and updated by management to make a best estimate of the useful economic life.

1 **Accounting policies and other information (continued)**

1.17 Critical accounting judgements and key sources of estimation uncertainty (continued)

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 year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

1.18 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2022/23.

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

IFRS 16 Leases - application of liability measurement principles to PFI and other service concession arrangements
From 1 April 2023, the measurement principles of IFRS 16 will also be applied to the Trust's PFI liabilities where future payments are linked to a price index representing the rate of inflation either RPI or RPIX. The PFI liability will be remeasured when a change in the index causes a change in future repayments and that change has taken effect in the cash flow. Such remeasurements will be recognised as a financing cost. Under existing accounting practices, amounts relating to changes in the price index are expensed as incurred.

Initial application of these principles will be on 1 April 2023 using a modified retrospective approach with the cumulative impact taken to reserves. This is expected to result in an increased PFI liability on the statement of financial position. The effect of this has not yet been quantified.

1.20 Other standards, amendments and interpretations

Amendments to the following standards are applicable in 2022/23: NIL

Amendments to the following standards are applicable in 2023/24 and Beyond:
- implementation of IFRS 17 Insurance contracts

1 **Accounting policies and other information (continued)**

1.21 Cash and cash equivalents

Cash is defined as cash in hand and any deposits with any financial institution repayable on demand without penalty. Cash equivalents are investments that are short-term and are readily convertible to known amounts of cash with insignificant risk of change in value.

1.22 Losses and special payments

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

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

1.23 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board that makes strategic decisions.

1.24 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.

2 **Operating Income (Group)**

	2022/23 £000	2021/22 £000
Income from patient care activities		
Block contract / system envelope income	241,696	231,367
Services delivered as part of a mental health collaborative	55,643	60,473
Income for commissioning services from other providers as a mental health collaborative lead provider	76,383	40,720
Clinical income for the secondary commissioning of mandatory services	12,114	7,021
Other clinical income	-	-
Agenda for change pay award central **	8,269	-
Additional pension contribution central funding *	8,926	8,326
Total income from patient care activities	403,031	347,907
Other operating income (Contract Income)		
Research and development	482	1,065
Education and training	15,439	13,113
Non-patient care services to other bodies	356	1,621
Other Income	9,250	1,649
Reimbursement and top up funding	-	-
Provider Sustainability fund (PSF) income	-	-
Other operating income (Non-Contract Income)		
Charitable and other contributions to expenditure	157	217
Total other operating income	25,684	17,665
Total operating income	428,715	365,572

* 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 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.

** 'In March 2023 the government announced an additional pay offer for 2022/23, in addition to the pay award earlier in the year. Additional funding was made available by NHS England for implementing this pay offer for 2022/23 and the income and expenditure has been included in these accounts as guided by the Department of Health and Social Care and NHS England. In May 2023 the government confirmed this offer will be implemented as a further pay award in respect of 2022/23 based on individuals in employment at 31 March 2023.

2.1 **Income from patient care activities (by Source)**

	2022/23 £000	2021/22 £000
NHS England	178,521	133,041
Clinical commissioning groups	49,424	202,014
Integrated care boards	157,904	-
NHS Foundation Trusts	11,422	6,322
NHS Trusts	691	700
Local authorities	2,786	2,848
Non NHS: other	2,283	2,982
Total Income from patient care activities	**403,031**	**347,907**

2.2 **Income from activities arising from mandatory services**

	2022/23 £000	2021/22 £000
Income from activities arising from mandatory services	399,452	344,453
Income from activities arising from non-mandatory services	29,263	21,119
	428,715	365,572

2.3 **Commissioner requested services**

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

	2022/23 £000	2021/22 £000
Income from activities arising from commissioner requested services	403,031	347,907
Income from activities arising from non-commissioner requested services	-	-
	403,031	347,907

2.4 **Overseas visitors (relating to patients charged directly by the nhs foundation trust)**

	2022/23 £000	2021/22 £000
Income recognised this year	-	-
Cash payments received in year	-	-
Amounts added to provision for impairment of receivables	-	-
Amounts written off in year	-	-
Total overseas visitor income	-	-

3 Segmental analysis

The analysis by business segment is presented in accordance with IFRS 8 Operating segments, on the basis of those segments whose operating results are regularly reviewed by the Board (the Chief Operating Decision Maker as defined by IFRS 8) as follows:

Healthcare services

NHS Healthcare is the core activity of the Trust - the 'mandatory services requirement' as set out in the Trust's Terms of Authorisation issued by NHS Improvement and defined by legislation.

This activity is primarily the provision of NHS healthcare, either to patients and charged to the relevant NHS commissioning body, or where healthcare related services are provided to other organisations by contractual agreement.

Revenue from activities (medical treatment of patients) is analysed by type of activity in note 2 to the accounts.

Other operating income is analysed in note 2 to the accounts and materially consists of revenues from medical education and related support services to other organisations. Revenue is predominately from HM Government, Related party transactions are analysed in note 23.1 and 23.2 to the accounts, where individual customers within public sector are considered material.

The healthcare and related support services as described are all provided directly by the Trust, which is a public benefit corporation. These services have been aggregated into a single operating segment because they have similar economic characteristics: the nature of the services they offer are the same (the provision of healthcare), they have similar customers (public and private sector healthcare organisations) and have the same regulators (NHS Improvement and the Department of Health).

Commercial trading - Summerhill Services Limited

The company Summerhill Services Limited is a wholly owned subsidiary of the Trust and currently leases 15 properties to the Trust. As a trading company, subject to additional legal and regulatory regime (over and above that of the Trust), this activity is considered to be a separate business segment whose individual operating results are reviewed by the Trust Board (the Chief Operating Decision Maker).

A significant proportion of the company's revenue is inter segment trading with the Foundation Trust which is eliminated upon the consolidation of these group accounts. The monthly performance report to the Chief Operating Decision maker reports financial summary information in the format of the table overleaf.

Provider Collaborative Reach Out went live during the financial year 21/22. BSMHFT took full responsibility for commissioning budgets re Reach Out in October 2021.

Our involvement in Provider Collaboratives across the Midlands is based on what were formerly known as New Care Models (NCM) pilots. These pilots trialled new ways of working across mental health providers within local areas. The pilot sites provided specialised mental health services with the aim of reducing the number of people who were cared for out of area and creating the services their population needed through local re-investment. Due to their success, Provider collaboratives will be responsible for managing the budget and patient pathway for specialised mental health care for people who need it in their local area.

3 Segmental analysis (continued)

Year ended March 31 2023	Healthcare services	Commercial trading	Inter-group eliminations	Total
	£000	£000	£000	£000
Total segment revenue	427,312	28,070	(26,699)	428,683
Total segment expenditure	(423,779)	(25,237)	26,828	(422,188)
Operating surplus / (deficit)	3,533	2,833	129	6,495
Net financing cost	(2,600)	(2,488)	379	(4,709)
PDC dividend payable	(1,386)	-	-	(1,386)
Taxation	-	(390)	-	(390)
Retained surplus / (deficit) before non-recurring items	(453)	(45)	508	10
Non-recurring items	(103)	-	2,352	2,249
Retained surplus / (deficit) after non-recurring items	(556)	(45)	2,860	2,259
Reportable segment assets	271,358	90,009	-	361,367
Eliminations	-	-	(57,784)	(57,784)
Total Assets	271,358	90,009	(57,784)	303,583
Reportable segment liabilities	(185,543)	(68,163)	-	(253,706)
Eliminations	-	-	64,481	64,481
Total liabilities	(185,543)	(68,163)	64,481	(189,225)
Net assets / (liabilities)	85,815	21,846	6,697	114,358

Year ended March 31 2022	Healthcare services	Commercial trading	Inter-group eliminations	Total
	£000	£000	£000	£000
Total segment revenue	363,431	26,610	(24,558)	365,483
Total segment expenditure	(355,791)	(24,383)	25,033	(355,141)
Operating surplus / (deficit)	7,640	2,227	475	10,342
Net financing cost	(3,442)	(2,522)	390	(5,574)
PDC dividend payable	(1,921)	-	-	(1,921)
Taxation	-	(294)	-	(294)
Retained surplus / (deficit) before non-recurring items	2,277	(589)	865	2,553
Non-recurring items	(4,297)	-	459	(3,838)
Retained surplus / (deficit) after non-recurring items	(2,020)	(589)	1,324	(1,285)
Reportable segment assets	240,957	87,649	-	328,606
Eliminations	-	-	(63,819)	(63,819)
Total Assets	240,957	87,649	(63,819)	264,787
Reportable segment liabilities	(157,726)	(66,283)	-	(224,009)
Eliminations	-	-	64,603	64,603
Total liabilities	(157,726)	(66,283)	64,603	(159,406)
Net assets / (liabilities)	83,231	21,366	784	105,381

4	**Operating Costs**	2022/23 £000	2021/22 £000
	Services from NHS Foundation Trusts	4,750	5,902
	Services from NHS Trusts	534	50
	Services from CCGs and NHS England	-	-
	Services from other NHS bodies	-	-
	Services from other Non-NHS bodies	1	667
	Services from NHS Foundation Trusts - Mental Health Collaborative (Lead Provider)	28,938	11,470
	Services from NHS Trusts - Mental Health Collaborative (Lead Provider)	9,814	4,210
	Services from Non-NHS bodies - Mental Health Collaborative (Lead Provider)	36,054	-
	Employee expenses - executive directors	977	960
	Employee expenses - non-executive directors	171	175
	Employee expenses - staff	260,918	232,527
	Drug costs	6,400	6,200
	Supplies and services - clinical (excluding drug costs)	1,013	1,084
	Supplies and services - general	2,906	2,401
	Establishment	3,632	3,312
	Transport	2,224	2,204
	Premises	27,959	26,592
	Impairments / (Reversal of impairments) of property, plant and equipment	(2,249)	3,838
	Increase / (decrease) in bad debt provision	366	230
	Termination benefits	-	-
	Depreciation on property, plant and equipment	7,549	5,896
	Amortisation on intangible assets	2,360	1,831
	Audit Services	98	83
	Other auditors' remuneration	-	-
	Clinical negligence	927	1,002
	Loss on disposal of other property, plant and equipment	32	89
	Internal audit costs	133	78
	Consultancy costs	2,403	2,052
	Other	22,061	46,215
	Total operating costs	419,971	359,068

4.1	**Analysis of loss on disposal**	2022/23 £000	2021/22 £000
	Disposal of commissioner requested service assets	-	-
	Disposal of non-commissioner requested service assets	32	89
	Total loss on disposal	32	89

The loss on disposal recorded in 2022/23 was due to sale of Ross House.The Loss on disposal recorded in 2021/22 was due to write off of Devon House Ten acres Temporary Builidng due to Disposal.

4 **Operating costs (continued)**

4.2 **Auditors' remuneration**

The Council of Governors appointed Mazars LLP as external auditors of the Trust. The audit fee for the year ended 31 March 2023 was £67.0k (2021/22: £52.9k) for the Trust's annual report and accounts, £0k (2021/22: £0k) for the Trust's quality accounts (due to the changes in the requirements re C-19) and £25.0k (2021/22: £12.1k) for Summerhill Services Limited, totalling £92.0k (£65.0k for the year ended 31 March 2022) excluding VAT. From April 2015, NHS foundation trust auditors are required to follow an audit code issued by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General. This was the fee for an audit in accordance with the Audit Code issued by NHS Improvement.

4.3 **Other audit remuneration**

	2022/23 £000	2021/22 £000
Other auditor remuneration paid to the external auditors :		
1. Audit of accounts of any associate of the trust	-	-
2. Audit-related assurance services	-	-
3. Taxation compliance services	-	-
4. All taxation advisory services not falling within item 3 above	-	-
5. Internal audit services	-	-
6. all assurance services not falling within items 1 to 5	-	-
7. Corporate finance transaction services not falling within items 1 to 6 above	-	-
8. Other non-audit services not falling within items 2 to 7 above	-	-
Total audit remuneration	-	-

5

Directors remuneration	2022/23 £000	2021/22 £000
Short-term benefits :		
Salary	807	793
Taxable benefits	117	111
Performance related bonuses	-	-
Employer's pension contributions	53	56
Post-employment benefits :	-	-
Other long-term benefits :	-	-
Termination benefits :	-	-
Share-based payment :	-	-
Total directors remuneration	977	960

The medical director's were paid a combined £61k during the year ended March 31 2023 (£64k during year ended March 31 2022), which is not included in the above disclosure, for non-director responsibilities.

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

6

Employee expenses (including executive directors but excluding non-executive directors)	2022/23 £000	2021/22 £000
Salaries and wages	200,667	180,045
Social security costs	21,677	18,262
Employers contribution to NHS pensions	20,930	19,618
Employers contribution to NHS pensions paid by NHSE on Provider's Behalf (6.3%)	8,926	8,326
Apprenticeship Levy	953	850
Termination benefits (see note 4 and 4.1)	1	4
Agency / contract staff	8,741	6,382
Total recognised in operating expenses	261,895	233,487

6.1

Average number of employees (WTE basis)	2022/23 Number	2021/22 Number
Medical	247	233
Administration and estates	813	788
Healthcare assistants and other support staff	816	805
Nursing and health visiting staff	1,216	1,223
Scientific, therapeutic and technical staff	781	733
Healthcare science staff	3	-
Other	19	58
Total Average	3,895	3,840

6 **Employee expenses (continued)**

6.2 **Early retirements due to ill health**

This note discloses the number and additional pension costs for individuals who retired early on ill-health grounds during the year. The information has been supplied by NHS Pensions and these costs are not borne by the Foundation Trust.

	2022/23 £000	2022/23 Number	2021/22 £000	2021/22 Number
No. of early retirements on the grounds of ill health		4		3
Value of early retirements on the grounds of ill health	300		209	

6.3 **Staff exit packages - 2022/23**

Exit package cost band	No. of compulsory redundancies No.	Cost of compulsory redundancies £s	No. of other agreed departures No.	Cost of other departures agreed £s	Total no. of exit packages No.	Total cost of exit packages £s	No. of departures where special payments have been made No.	Cost of special payment element included in exit packages £s
Less than £10,000	-	-	1	500	1	500	1	500
£10,000 - £25,000	-	-	-	-	-	-	-	-
£25,001 - £50,000	-	-	-	-	-	-	-	-
£50,001 - £100,000	-	-	-	-	-	-	-	-
£100,001 - £150,000	-	-	-	-	-	-	-	-
£150,001 - £200,000	-	-	-	-	-	-	-	-
> £200,000	-	-	-	-	-	-	-	-
Total	-	-	1	500	1	500	1	500

6.4 **Staff exit packages - 2021/22**

Exit package cost band	No. of compulsory redundancies No.	Cost of compulsory redundancies £s	No. of other agreed departures No.	Cost of other departures agreed £s	Total no. of exit packages No.	Total cost of exit packages £s	No. of departures where special payments have been made No.	Cost of special payment element included in exit packages £s
Less than £10,000	1	4,423	-	-	1	4,423	-	-
£10,000 - £25,000	-	-	-	-	-	-	-	-
£25,001 - £50,000	-	-	-	-	-	-	-	-
£50,001 - £100,000	-	-	-	-	-	-	-	-
£100,001 - £150,000	-	-	-	-	-	-	-	-
£150,001 - £200,000	-	-	-	-	-	-	-	-
> £200,000	-	-	-	-	-	-	-	-
Total	1	4,423	-	-	1	4,423	-	-

6.5 **Exit packages: other (non-compulsory) departure payments**

	2022/23 Agreements No.	2022/23 Total Value of Agreements £s	2021/22 Agreements No.	2021/22 Total Value of Agreements £s
Voluntary redundancies including early retirement contractual costs	-	-	-	-
Mutually agreed resignations (MARS) contractual costs	-	-	-	-
Early retirements in the efficiency of the service contractual costs	-	-	-	-
Contractual payments in lieu of notice	-	-	-	-
Exit payments following Employment Tribunals or court orders	-	-	-	-
Non-contractual payments requiring HMT approval	1	500	-	-
Total	1	500	-	-

7 **Finance Income**

	2022/23 £000	2021/22 £000
Interest on deposits / investments	1,289	26

8 **Finance costs**

	2022/23 £000	2021/22 £000
Loans from the foundation trust financing facility	1,146	1,234
Interest on lease obligations	79	-
Finance costs in PFI obligations :		
Main finance costs	2,322	2,397
Contingent finance costs	2,451	1,969
Total finance costs	5,998	5,600

9 Intangible assets

9.1

Group and Trust Intangible assets for year ended March 31 2023	Total	Software licences (purchased)	Licences and trademarks (purchased)	IT (Internally generated and 3rd Party)	Development expenditure (internally generated)
	£000	£000	£000	£000	£000
Gross cost at April 1 2022 - as previously stated	15,790	12,873	-	1,109	1,808
Prior period adjustment	-	-	-	-	-
Cost or valuation at April 1 2022	15,790	12,873	-	1,109	1,808
Additions - purchased	-	-	-	-	-
Disposals	-	-	-	-	-
Cost or valuation at March 31 2023	15,790	12,873	-	1,109	1,808
Amortisation at April 1 2022 - as previously stated	9,108	7,098	-	720	1,290
Prior period adjustment	-	-	-	-	-
Amortisation at April 1 2022	9,108	7,098	-	720	1,290
Provided during the year	2,361	1,848	-	223	290
Reclassifications	-	-	-	-	-
Disposals	-	-	-	-	-
Amortisation at March 31 2023	11,469	8,946	-	943	1,580
NBV - Purchased at April 1 2022	6,682	5,775	-	389	518
NBV - Donated at April 1 2022	-	-	-	-	-
Total NBV at April 1 2022	6,682	5,775	-	389	518
NBV - Purchased at March 31 2023	4,321	3,927	-	166	228
NBV - Donated at March 31 2023	-	-	-	-	-
Total NBV at March 31 2023	4,321	3,927	-	166	228

9.2

Group and Trust Intangible assets for year ended March 31 2022	Total	Software licences (purchased)	Licences and trademarks (purchased)	IT (Internally generated and 3rd Party)	Development expenditure (internally generated)
	£000	£000	£000	£000	£000
Gross cost at April 1 2021 - as previously stated	13,144	10,227	-	1,109	1,808
Prior period adjustment	-	-	-	-	-
Cost or valuation at April 1 2021	13,144	10,227	-	1,109	1,808
Additions - purchased	2,646	2,646	-	-	-
Disposals	-	-	-	-	-
Cost or valuation at March 31 2022	15,790	12,873	-	1,109	1,808
Amortisation at April 1 2021 - as previously stated	7,277	5,780	-	497	1,000
Prior period adjustment	-	-	-	-	-
Amortisation at April 1 2021	7,277	5,780	-	497	1,000
Provided during the year	1,831	1,318	-	223	290
Reclassifications	-	-	-	-	-
Disposals	-	-	-	-	-
Amortisation at March 31 2022	9,108	7,098	-	720	1,290
NBV - Purchased at April 1 2021	5,867	4,447	-	612	808
NBV - Donated at April 1 2021	-	-	-	-	-
Total NBV at April 1 2021	5,867	4,447	-	612	808
NBV - Purchased at March 31 2022	6,682	5,775	-	389	518
NBV - Donated at March 31 2022	-	-	-	-	-
Total NBV at March 31 2022	6,682	5,775	-	389	518

10 **Property plant and equipment**

10.1

Group property, plant and equipment for year ended March 31 2023	Total	Land	Buildings excl dwellings	Dwellings	Assets under construction	Plant and machinery	Transport equipment	Information technology	Furniture and fittings
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at April 1 2022 - as previously stated	212,110	20,762	164,103	-	-	2,868	11	11,402	12,964
Prior period adjustment	-	-	-	-	-	-	-	-	-
Cost or valuation at April 1 2022	212,110	20,762	164,103	-	-	2,868	11	11,402	12,964
Additions - purchased	9,998	-	1,208	-	8,790	-	-	-	-
Additions - donated	-	-	-	-	-	-	-	-	-
Acquisition through business combination	-	-	-	-	-	-	-	-	-
Impairments charged to operating expenses	-	-	-	-	-	-	-	-	-
Impairments charged to the revaluation reserve	-	-	-	-	-	-	-	-	-
Reversal of impairments credited to operating expenses	2,249	556	1,693	-	-	-	-	-	-
Reversal of impairments credited to the revaluation reserve	4,937	488	4,449	-	-	-	-	-	-
Reclassifications	-	-	7,596	-	(8,704)	-	-	1,108	-
Revaluation surplus	-	-	-	-	-	-	-	-	-
Transfers to non-current assets classified as held for sale	-	-	-	-	-	-	-	-	-
Transfers from accumulated depreciation*	(4,469)	-	(4,469)	-	-	-	-	-	-
Disposals	(441)	-	(441)	-	-	-	-	-	-
Cost or valuation at March 31 2023	224,384	21,806	174,139	-	86	2,868	11	12,510	12,964
Accumulated depreciation at April 1 2022 - as previously stated	21,754	-	577	-	-	2,626	11	5,850	12,690
Prior period adjustment	-	-	-	-	-	-	-	-	-
Accumulated depreciation at April 1 2022	21,754	-	577	-	-	2,626	11	5,850	12,690
Provided during the year	6,455	-	4,537	-	-	62	-	1,637	219
Acquisition through business combination	-	-	-	-	-	-	-	-	-
Impairments charged to operating expenses	-	-	-	-	-	-	-	-	-
Reversal of impairments credited to operating expenses	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Revaluation surpluses	-	-	-	-	-	-	-	-	-
Transferred to cost or valuation*	(4,469)	-	(4,469)	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Accumulated depreciation at March 31 2023	23,740	-	645	-	-	2,688	11	7,487	12,909
NBV - Purchased at April 1 2022	190,356	20,762	163,526	-	-	242	-	5,552	274
NBV - Donated at April 1 2022	-	-	-	-	-	-	-	-	-
Total NBV at April 1 2022	190,356	20,762	163,526	-	-	242	-	5,552	274
NBV - Purchased at March 31 2023	200,644	21,806	173,494	-	86	180	-	5,023	55
NBV - Donated at March 31 2023	-	-	-	-	-	-	-	-	-
Total NBV at March 31 2023	200,644	21,806	173,494	-	86	180	-	5,023	55

*These lines represent the elimination of accumulated depreciation against the carrying value of assets which have been revalued in the year in accordance with IAS 16 - Property, Plant and Equipment.

The net book value of assets held under finance lease arrangements is £44,755k at March 31 2023 (£42,899k at March 31 2022). Depreciation of £1,172k was charged on these assets in the year (£1,118k during the year ended March 31 2022). These assets wholly relate to PFI assets.

10 **Property plant and equipment (continued)**

10.2

Trust property, plant and equipment for year ended March 31 2023	Total	Land	Buildings excl dwellings	Dwellings	Assets under construction	Plant and machinery	Transport equipment	Information technology	Furniture and fittings
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at April 1 2022 - as previously stated	91,006	10,500	64,261	-	-	1,966	-	11,402	2,877
Prior period adjustment	-	-	-	-	-	-	-	-	-
Cost or valuation at April 1 2022	91,006	10,500	64,261	-	-	1,966	-	11,402	2,877
Additions - purchased	6,296	-	1,208	-	5,088	-	-	-	-
Additions - donated	-	-	-	-	-	-	-	-	-
Acquisition through business combination	-	-	-	-	-	-	-	-	-
Impairments charged to operating expenses	(620)	-	(620)	-	-	-	-	-	-
Impairments charged to the revaluation reserve	-	-	-	-	-	-	-	-	-
Reversal of impairments credited to the revaluation reserve	1,364	10	1,354	-	-	-	-	-	-
Reversal of impairments credited to operating expenses	517	517	-	-	-	-	-	-	-
Reclassifications	-	-	4,081	-	(5,088)	-	-	1,007	-
Revaluation surplus	-	-	-	-	-	-	-	-	-
Transfers to non-current assets classified as held for sale	-	-	-	-	-	-	-	-	-
Transfers from accumulated depreciation*	(1,832)	-	(1,832)	-	-	-	-	-	-
Disposals	(441)	-	(441)	-	-	-	-	-	-
Cost or valuation at March 31 2023	96,290	11,027	68,011	-	-	1,966	-	12,409	2,877
Accumulated depreciation at April 1 2022 - as previously stated	10,953	-	577	-	-	1,740	-	5,850	2,786
Prior period adjustment	-	-	-	-	-	-	-	-	-
Accumulated depreciation at April 1 2022	10,953	-	577	-	-	1,740	-	5,850	2,786
Provided during the year	3,649	-	1,900	-	-	50		1,637	62
Acquisition through business combination	-	-	-	-	-	-	-	-	-
Impairments charged to operating expenses	-	-	-	-	-	-	-	-	-
Reversal of impairments credited to operating expenses	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Revaluation surpluses	-	-	-	-	-	-	-	-	-
Transferred to cost or valuation*	(1,832)	-	(1,832)	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Accumulated depreciation at March 31 2023	12,770	-	645	-	-	1,790	-	7,487	2,848
NBV - Purchased at April 1 2022	80,053	10,500	63,684	-	-	226	-	5,552	91
NBV - Donated at April 1 2022	-	-	-	-	-	-	-	-	-
Total NBV at April 1 2022	80,053	10,500	63,684	-	-	226	-	5,552	91
NBV - Purchased at March 31 2023	83,520	11,027	67,366	-	-	176	-	4,922	29
NBV - Donated at March 31 2023	-	-	-	-	-	-	-	-	-
Total NBV at March 31 2023	83,520	11,027	67,366	-	-	176	-	4,922	29

*These lines represent the elimination of accumulated depreciation against the carrying value of assets which have been revalued in the year in accordance with IAS 16 - Property, Plant and Equipment.

The net book value of assets held under finance lease arrangements is £44,755k at March 31 2023 (£42,899k at March 31 2022). Depreciation of £1,172k was charged on these assets in the year (£1,118k during the year ended March 31 2022). These assets wholly relate to PFI assets.

10 **Property plant and equipment (continued)**

10.3 **Group property, plant and equipment for year ended March 31 2022**

	Total	Land	Buildings excl dwellings	Dwellings	Assets under construction	Plant and machinery	Transport equipment	Information technology	Furniture and fittings
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at April 1 2021 - as previously stated	199,932	19,322	151,836	-	2,942	2,665	11	10,192	12,964
Prior period adjustment	-	-	-	-	-	-	-	-	-
Cost or valuation at April 1 2021	199,932	19,322	151,836	-	2,942	2,665	11	10,192	12,964
Additions - purchased	10,274	-	1,379	-	8,895	-	-	-	-
Additions - donated	-	-	-	-	-	-	-	-	-
Acquisition through business combination	-	-	-	-	-	-	-	-	-
Impairments charged to operating expenses	(4,601)	-	(3,318)	-	(1,283)	-	-	-	-
Impairments charged to the revaluation reserve	-	-	-	-	-	-	-	-	-
Reversal of impairments credited to operating expenses	763	763	-	-	-	-	-	-	-
Reversal of impairments credited to the revaluation reserve	9,283	677	8,606	-	-	-	-	-	-
Reclassifications	-	-	9,141	-	(10,554)	203	-	1,210	-
Revaluation surplus	-	-	-	-	-	-	-	-	-
Transfers to non-current assets classified as held for sale	-	-	-	-	-	-	-	-	-
Transfers from accumulated depreciation*	(3,272)	-	(3,272)	-	-	-	-	-	-
Disposals	(269)	-	(269)	-	-	-	-	-	-
Cost or valuation at March 31 2022	212,110	20,762	164,103	-	-	2,868	11	11,402	12,964
Accumulated depreciation at April 1 2021 - as previously stated	19,310	-	650	-	-	2,570	11	4,458	11,621
Prior period adjustment	-	-	-	-	-	-	-	-	-
Accumulated depreciation at April 1 2021	19,310	-	650	-	-	2,570	11	4,458	11,621
Provided during the year	5,896	-	3,379	-	-	56	-	1,392	1,069
Acquisition through business combination	-	-	-	-	-	-	-	-	-
Impairments charged to operating expenses	-	-	-	-	-	-	-	-	-
Reversal of impairments credited to operating expenses	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Revaluation surpluses	-	-	-	-	-	-	-	-	-
Transferred to cost or valuation*	(3,272)	-	(3,272)	-	-	-	-	-	-
Disposals	(180)	-	(180)	-	-	-	-	-	-
Accumulated depreciation at March 31 2022	21,754	-	577	-	-	2,626	11	5,850	12,690
NBV - Purchased at April 1 2021	180,622	19,322	151,186	-	2,942	95	-	5,734	1,343
NBV - Donated at April 1 2021	-	-	-	-	-	-	-	-	-
Total NBV at April 1 2021	180,622	19,322	151,186	-	2,942	95	-	5,734	1,343
NBV - Purchased at March 31 2022	190,356	20,762	163,526	-	-	242	-	5,552	274
NBV - Donated at March 31 2022	-	-	-	-	-	-	-	-	-
Total NBV at March 31 2022	190,356	20,762	163,526	-	-	242	-	5,552	274

*These lines represent the elimination of accumulated depreciation against the carrying value of assets which have been revalued in the year in accordance with IAS 16 - Property, Plant and Equipment.

The net book value of assets held under finance lease arrangements is £42,899k at March 31 2022 (£40,461k at March 31 2021). Depreciation of £1,118k was charged on these assets in the year (£1,100k during the year ended March 31 2021). These assets wholly relate to PFI assets.

10 **Property plant and equipment (continued)**

10.4 **Trust property, plant and equipment for year ended March 31 2022**

	Total	Land	Buildings excl dwellings	Dwellings	Assets under construction	Plant and machinery	Transport equipment	Information technology	Furniture and fittings
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at April 1 2021 - as previously stated	87,486	9,780	59,930	-	2,944	1,763	-	10,192	2,877
Prior period adjustment	-	-	-	-	-	-	-	-	-
Cost or valuation at April 1 2021	87,486	9,780	59,930	-	2,944	1,763	-	10,192	2,877
Additions - purchased	8,123	-	1,379	-	6,744	-	-	-	-
Additions - donated	-	-	-	-	-	-	-	-	-
Acquisition through business combination	-	-	-	-	-	-	-	-	-
Impairments charged to operating expenses	(6,280)	-	(4,997)	-	(1,283)	-	-	-	-
Impairments charged to the revaluation reserve	-	-	-	-	-	-	-	-	-
Reversal of impairments credited to the revaluation reserve	1,677	15	1,662	-	-	-	-	-	-
Reversal of impairments credited to operating expenses	1,982	705	1,277	-	-	-	-	-	-
Reclassifications	-	-	6,992	-	(8,405)	203	-	1,210	-
Revaluation surplus	-	-	-	-	-	-	-	-	-
Transfer to Finance Lease Receivable	-	-	-	-	-	-	-	-	-
Transfers to non-current assets classified as held for sale	-	-	-	-	-	-	-	-	-
Transfers from accumulated depreciation*	(1,713)	-	(1,713)	-	-	-	-	-	-
Disposals	(269)	-	(269)	-	-	-	-	-	-
Cost or valuation at March 31 2022	91,006	10,500	64,261	-	-	1,966	-	11,402	2,877
Accumulated depreciation at April 1 2021 - as previously stated	9,547	-	651	-	-	1,719	-	4,458	2,719
Prior period adjustment	-	-	-	-	-	-	-	-	-
Accumulated depreciation at April 1 2021	9,547	-	651	-	-	1,719	-	4,458	2,719
Provided during the year	3,299	-	1,819	-	-	21	-	1,392	67
Acquisition through business combination	-	-	-	-	-	-	-	-	-
Impairments charged to operating expenses	-	-	-	-	-	-	-	-	-
Reversal of impairments credited to operating expenses	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Revaluation surpluses	-	-	-	-	-	-	-	-	-
Transferred to cost or valuation*	(1,713)	-	(1,713)	-	-	-	-	-	-
Disposals	(180)	-	(180)	-	-	-	-	-	-
Accumulated depreciation at March 31 2022	10,953	-	577	-	-	1,740	-	5,850	2,786
NBV - Purchased at April 1 2021	77,939	9,780	59,279	-	2,944	44	-	5,734	158
NBV - Donated at April 1 2021	-	-	-	-	-	-	-	-	-
Total NBV at April 1 2021	77,939	9,780	59,279	-	2,944	44	-	5,734	158
NBV - Purchased at March 31 2022	80,053	10,500	63,684	-	-	226	-	5,552	91
NBV - Donated at March 31 2022	-	-	-	-	-	-	-	-	-
Total NBV at March 31 2022	80,053	10,500	63,684	-	-	226	-	5,552	91

*These lines represent the elimination of accumulated depreciation against the carrying value of assets which have been revalued in the year in accordance with IAS 16 - Property, Plant and Equipment.

The net book value of assets held under finance lease arrangements is £42,899k at March 31 2022 (£40,461k at March 31 2021). Depreciation of £1,118k was charged on these assets in the year (£1,100k during the year ended March 31 2021). These assets wholly relate to PFI assets.

10 **Property plant and equipment (continued)**

10.5 **Economic life of property, plant and equipment**

	Min Life Years	Max Life Years
Land	-	-
Buildings excluding dwellings	1	48
Assets under construction	-	-
Plant and machinery	1	5
Transport equipment	-	-
Information technology	1	5
Furniture and fittings	1	4
Intangible Assets	1	5

The numbers stated above relate to remaining useful economic life of group assets.

10.6 **Valuations**

Valuations are carried out by professionally qualified, independent valuers in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual. Fair values were determined based on estimates. The impairment gains and loss recognised in the accounts arose due to movement in market prices.

11 **Leases - Birmingham and Solihull Mental Health NHS Foundation Trust as a Lessee**

This note details information about leases for which the Trust is a lessee.

The Foundation Trust has a number of leasing arrangements for the use of land and buildings, vehicles and equipment. The leases for land and building range from 5 to 99 year terms. The leases for vehicles and equipment range from 1 to 5 years.

The Foundation Trust's most significant lease arrangement is for the lease of the Foundation Trust Headquarters. This is a 25 year lease expiring in 2030. The lease agreement does not contain provision for contingent rentals and does not impose any restrictions on the Trust. The lease has options for early termination, with penalty, in years 15 and 20 of the lease.

The Tamarind Centre, the Ardenleigh site, the Juniper Centre, Reaside Clinic and the John Black Centre (Maple Leaf Drive) which are owned by Summerhill Services Limited, a wholly owned subsidiary of the Foundation Trust, are being leased to the Foundation Trust.

The ROU assets are all held under the cost revaluation method as they meet the reuqirements under IRS16, Regarding term and relevant rent reviews. Apart from one which is held under the revaluation method as it falls into the peppercorn lease catergorisation.

The Trust has applied IFRS 16 to account for lease arrangements from 1 April 2022 without restatement of comparatives. Comparative disclosures in this note are presented on an IAS 17 basis.

11 **Leases (Continued)**

11.1 **Group right of use assets for year ended March 31 2023**

	Total	Property (land and buildings)	Plant and machinery	Transport equipment	Information technology	Furniture and fittings	Intangible Assets	Of which: leased from DHSC group bodies
	£000	£000	£000	£000	£000	£000	£000	£000
IFRS 16 implementation - reclassification of existing leased assets from PPE or intangible assets	-	-	-	-	-	-	-	-
IFRS 16 implementation - adjustments for existing operating leases / subleases	7,900	7,679	-	221	-	-	-	73
Transfers by absorption	-	-	-	-	-	-	-	-
Additions - Lease Liability	2,435	2,435	-	-	-	-	-	802
Additions - Initial direct costs of obtaining a lease	15	15	-	-	-	-	-	-
Remeasurements of the lease liability	-	-	-	-	-	-	-	-
Movements in provisions for restoration / removal costs	-	-	-	-	-	-	-	-
Impairments	-	-	-	-	-	-	-	-
Reversal of impairments	4	4	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	-	-	-	-
Cost or valuation at March 31 2023	10,354	10,133	-	221	-	-	-	875
IFRS 16 implementation - reclassification of existing leased assets from PPE or intangible assets	-	-	-	-	-	-	-	-
IFRS 16 implementation - adjustments for existing subleases	-	-	-	-	-	-	-	-
Transfers by absorption	-	-	-	-	-	-	-	-
Provided during the year - right of use asset	1,089	935	-	154	-	-	-	36
Provided during the year - peppercorn leased asset	5	5	-	-	-	-	-	-
Impairments	-	-	-	-	-	-	-	-
Reversal of impairments	-	-	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	-	-	-	-
Accumulated depreciation at March 31 2022	1,094	940	-	154	-	-	-	36
Total NBV at March 31 2023	9,260	9,193	-	67	-	-	-	839

11 **Leases (Continued)**

11.2 **Trust right of use assets for year ended March 31 2023**

	Total	Property (land and buildings)	Plant and machinery	Transport equipment	Information technology	Furniture and fittings	Intangible Assets	Of which: leased from DHSC group bodies
	£000	£000	£000	£000	£000	£000	£000	£000
IFRS 16 implementation - reclassification of existing leased assets from PPE or intangible assets	-	-	-	-	-	-	-	-
IFRS 16 implementation - adjustments for existing operating leases / subleases	98,488	98,267	-	221	-	-	-	73
Transfers by absorption	-	-	-	-	-	-	-	-
Additions - Lease Liability	802	802	-	-	-	-	-	802
Additions - Initial direct costs of obtaining a lease	-	-	-	-	-	-	-	-
Remeasurements of the lease liability	-	-	-	-	-	-	-	-
Movements in provisions for restoration / removal costs	-	-	-	-	-	-	-	-
Impairments	-	-	-	-	-	-	-	-
Reversal of impairments	4	4	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	-	-	-	-
Cost or valuation at March 31 2023	99,294	99,073	-	221	-	-	-	875
IFRS 16 implementation - reclassification of existing leased assets from PPE or intangible assets	-	-	-	-	-	-	-	-
IFRS 16 implementation - adjustments for existing subleases	-	-	-	-	-	-	-	-
Transfers by absorption	-	-	-	-	-	-	-	-
Provided during the year - right of use asset	5,890	5,736	-	154	-	-	-	36
Provided during the year - peppercorn leased asset	5	5	-	-	-	-	-	-
Impairments	-	-	-	-	-	-	-	-
Reversal of impairments	-	-	-	-	-	-	-	
Revaluations	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	-	-	-	-
Accumulated depreciation at March 31 2022	5,895	5,741	-	154	-	-	-	36
Total NBV at March 31 2023	93,399	93,332	-	67	-	-	-	839

11 **Leases (Continued)**

11.3 **Reconciliation of the carrying value of lease liabilities**

Lease liabilities are included within borrowings in the statement of financial position. A breakdown of borrowings is disclosed in note 17.

	Group March 31 2023 £000	Trust March 31 2023 £000
Carrying value at 31 March 2022	-	-
IFRS 16 implementation - adjustments for existing operating leases	7,623	98,211
Transfers by absorption	-	-
Lease additions	2,436	802
Lease liability remeasurements	-	-
Interest charge arising in year	79	936
Early terminations	-	-
Lease payments (cash outflows)	(1,136)	(6,406)
Other changes	-	-
Carrying value at 31 March 2023	9,002	93,543

Lease payments for short term leases, leases of low value underlying assets and variable lease payments not dependent on an index or rate are recognised in operating expenditure. These payments are disclosed in Note 4. Cash outflows in respect of leases recognised on-SoFP are disclosed in the reconciliation above.

11.4 **Maturity analysis of future lease payments at 31 March 2023**

	Group		Trust	
	Total March 31 2023 £000	Of which leased from DHSC group bodies: March 31 2023 £000	Total March 31 2023 £000	Of which leased from DHSC group bodies: March 31 2023 £000
Undiscounted future lease payments payable in:				
- not later than one year;	1,147	73	6,333	73
- later than one year and not later than five years;	4,244	245	17,636	245
- later than five years.	4,078	590	78,979	590
Total gross future lease payments	9,469	908	102,948	908
Finance charges allocated to future periods	(467)	(67)	(9,405)	(67)
Net lease liabilities at 31 March 2023	9,002	841	93,543	841

11.5 **Commitments in respect of operating leases at 31 March 2022 (IAS 17 basis)**

This note discloses costs incurred in 2021/22 and commitments as at 31 March 2022 for leases the trust previously determined to be operating leases under IAS 17.

	Group March 31 2022 £000	Trust March 31 2022 £000
Operating lease expense		
Minimum lease payments	1,993	7,298
Total Inventories	1,993	7,298

There are no future lease payments due under sub-lease arrangements

Future minimum lease payments due:		
- not later than one year;	1,361	6,666
- later than one year and not later than five years;	3,681	22,855
- later than five years.	3,205	79,233
Total	8,247	108,754

11 **Leases (Continued)**

11.6 **Initial application of IFRS 16 on 1 April 2022**

IFRS 16 has been adapted and interpreted for the public sector by HM Treasury, it has been applied to leases in these financial statements with an initial application date of 1 April 2022.

The standard has been applied using a modified retrospective approach without the restatement of comparatives. Practical expedients applied by the Trust on initial application are detailed in the leases accounting policy in note 1.11.

Lease liabilities created for existing operating leases on 1 April 2022 were discounted using the weighted average incremental borrowing rate determined by HM Treasury as 0.95%.

Reconciliation of operating lease commitments as at 31 March 2022 to lease liabilities under IFRS 16 as at 1 April 2022	Group April 1 2022 £000	Trust April 1 2022 £000
Operating lease commitments under IAS 17 at 31 March 2022	8,247	108,753
Impact of discounting at the incremental borrowing rate	(355)	(10,273)
IAS 17 operating lease commitment discounted at incremental borrowing rate	7,892	98,480
Less:		
Commitments for short term leases	(269)	(269)
Total lease liabilities under IFRS 16 as at 1 April 2022	7,623	98,211

Right of use assets under IFRS 16 as at 1 April 2022	Group April 1 2022 £000	Trust April 1 2022 £000
Total lease liabilities under IFRS 16 as at 1 April 2022	7,623	98,211
Right of use assets held under peppercorn leases (for assets newly recognised on 1 April only)	277	277
Total right of use assets under IFRS 16 as at 1 April 2022	7,900	98,488

IFRS 16 transition adjustments (SoFP) as at 1 April 2022 - Group	Prior year SoFP March 31 2022 £000	Transition Adjustments April 1 2022 £000	1 April SoFP after IFRS 16 transition April 1 2022 £000
Assets (current and non-current)			
Intangible assets	6,682		6,682
Property, plant and equipment	190,356		190,356
Right of use assets	-	7,900	7,900
All other assets	67,749		67,749
Total assets	264,787	7,900	272,687
Liabilities (current and non-current)			
Borrowings - lease liabilities	-	(7,623)	(7,623)
All other liabilities	(159,406)		(159,406)
Total liabilities	(159,406)	(7,623)	(167,029)
Net assets	105,381	277	105,658
Equity			
Income and expenditure reserve	(44,422)	277	(44,145)
Revaluation reserve	36,753		36,753
Income and expenditure reserve	113,050		113,050
Total equity	105,381	277	105,658

IFRS 16 transition adjustments (SoFP) as at 1 April 2022 - Trust	Prior year SoFP March 31 2022 £000	Transition Adjustments April 1 2022 £000	1 April SoFP after IFRS 16 transition April 1 2022 £000
Assets (current and non-current)			
Intangible assets	6,682		6,682
Property, plant and equipment	80,053		80,053
Right of use assets	-	98,488	98,488
All other assets	154,221		154,221
Total assets	240,956	98,488	339,444
Liabilities (current and non-current)			
Borrowings - lease liabilities	-	(98,211)	(98,211)
All other liabilities	(157,727)		(157,727)
Total liabilities	(157,727)	(98,211)	(255,938)
Net assets	83,229	277	83,506
Equity			
Income and expenditure reserve	(36,264)	277	(35,987)
Revaluation reserve	6,443		6,443
Income and expenditure reserve	113,050		113,050
Total equity	83,229	277	83,506

12 **Inventories**

	Group		Trust	
	March 31 2023	March 31 2022	March 31 2023	March 31 2022
	£000	£000	£000	£000
Drugs	620	392	247	232
Consumables	1	31	1	31
Total Inventories	621	423	248	263

12.1 **Inventories recognised in expenses**

	March 31 2023	March 31 2022
	£000	£000
Inventories recognised in expenses	6,454	6,200
Write-down of inventories recognised as an expense	103	-
Reversals of any write down of inventories	-	-
Total inventories recognised in expenses	6,557	6,200

13 **Subsidiary investment**

	Group		Trust	
	March 31 2023	March 31 2022	March 31 2023	March 31 2022
	£000	£000	£000	£000
Shares in group undertakings	-	-	27,849	27,325
Total Subsidiary investment	-	-	27,849	27,325

The Trust's principal subsidiary undertaking as included in the consolidation as at the reporting date is set out below. The reporting date of the accounts for the subsidiary is the same as for these group accounts - March 31 2023.

Summerhill Services Limited
The company is registered in the UK, company number 08015667. The company commenced trading on December 1 2012 and is a wholly owned subsidiary of Birmingham and Solihull Mental Health NHS Foundation Trust with share capital of £27,849,263 (2021/22: £27,324,809). The current purpose of the company is to own, and provide a managed lease service for Tamarind Centre, Ardenleigh Site, Juniper Centre, Reaside Clinic and the John Black Centre (Maple Leaf Drive) to the Trust. To provide a managed lease service for a further 10 proerties on a lease and leaseback arrangement and also provide a outpatient dispensing service to the Trust which commenced in September 2013. The company decided to change its name from Summerhill Supplies Limited to Summerhill Services Limited on 28th September 2018.

14	**Trade and other receivables - Group**	Total March 31 2023 £000	Financial assets March 31 2023 £000	Non-financial assets March 31 2023 £000	Total March 31 2022 £000	Financial assets March 31 2022 £000	Non-financial assets March 31 2022 £000
	Current						
	Contract Receivable	22,528	22,528	-	5,448	5,448	-
	Provision for Impaired Contract Receivables	(579)	(579)	-	(249)	(249)	-
	Prepayments	3,073	-	3,073	2,866	-	2,866
	PDC receivable	538	-	538	435	-	435
	VAT Receivable	1,877	-	1,877	1,756	-	1,756
	Other receivables	751	751	-	652	652	-
	Total current trade and other receivables	28,188	22,700	5,488	10,908	5,851	5,057
	Non-current						
	Prepayments - Lifecycle replacement	1,309	-	1,309	1,280	-	1,280
	Clinician pension tax provision	220	220	-	236	236	-
	Total non-current trade and other receivables	1,529	220	1,309	1,516	236	1,280

14.1	**Trade and other receivables - Trust**	Total March 31 2023 £000	Financial assets March 31 2023 £000	Non-financial assets March 31 2023 £000	Total March 31 2022 £000	Financial assets March 31 2022 £000	Non-financial assets March 31 2022 £000
	Current						
	Contract Receivable	22,288	22,288	-	5,288	5,288	-
	Provision for Impaired Contract Receivables	(579)	(579)	-	(249)	(249)	-
	Prepayments	3,003	-	3,003	2,826	-	2,826
	PDC receivable	538	-	538	435	-	435
	VAT Receivable	1,877	-	1,877	1,756	-	1,756
	Other receivables	751	751	-	652	652	-
	Finance Lease Receivable	308	308	-	298	298	-
	Loan assets*	2,300	2,300	-	2,312	2,312	-
	Total current trade and other receivables	30,486	25,068	5,418	13,318	8,301	5,017
	Non-current						
	Prepayments - Lifecycle replacement	1,309	-	1,309	1,280	-	1,280
	Clinician pension tax provision	220	220	-	236	236	-
	Finance Lease Receivable	11,094	11,094	-	11,402	11,402	-
	Loan assets*	47,970	47,970	-	48,983	48,983	-
	Total non-current trade and other receivables	60,593	59,284	1,309	61,901	60,621	1,280

*Loan assets are comprised solely of loans made to the 100% owned subsidiary Summerhill Services Limited. The term of these loans is 25 years.

14 Trade and other receivables (continued)

14.2 **Provision for impairment of receivables 2022/23 - group and trust**

	2022/23 £000 Contract Receivables and Contract Assets	2022/23 £000 All Other Receivables
Provision as at April 1 2022 - Bought Forward	250	-
New Provision amounts arising	366	-
Utilisation of Provision (where receivable is written off)	(37)	-
Provision as at March 31 2023	579	-

14.2 **Provision for impairment of receivables 2021/22 - group and trust**

	2021/22 £000 Contract Receivables and Contract Assets	2021/22 £000 All Other Receivables
Provision as at April 1 2021 - Bought Forward	246	-
New Provision amounts arising	230	-
Utilisation of Provision (where receivable is written off)	(226)	-
Provision as at March 31 2022	250	-

14.3 **Analysis of impaired receivables - group and trust**

	March 31 2023 £000	March 31 2022 £000
Ageing of impaired receivables:		
0-30 Days	35	155
31-60 Days	17	10
61-90 Days	-	4
Over 90 Days	527	80
Total impaired receivables	579	249

14.4 **Ageing of non-impaired receivables - group and trust**

	March 31 2023 £000	March 31 2022 £000
Ageing of non-Impaired Receivables		
0-30 Days	2,235	847
31-60 Days	1,283	30
61-90 Days	93	31
Over 90 Days	595	71
Total non-impaired receivables	4,206	979

15	**Trade and other payables - Group**	Total March 31 2023 £000	Financial liabilities March 31 2023 £000	Non-financial liabilities March 31 2023 £000	Total March 31 2022 £000	Financial liabilities March 31 2022 £000	Non-financial liabilities March 31 2022 £000
	Current						
	Trade payables	14,274	14,274	-	16,311	16,311	-
	Trade payables - capital	765	765	-	2,543	2,543	-
	Social security and taxes payable	5,187	-	5,187	4,978	-	4,978
	Pension contributions payable	2,910	2,910	-	2,723	2,723	-
	Other payables	525	525	-	394	394	-
	Accruals	35,517	35,517	-	22,263	22,263	-
	Total current trade and other payables	59,178	53,991	5,187	49,212	44,234	4,978

Trade Payables above includes £8,388k relating to business with NHS and Other WGA Bodies at March 31 2023 (£4,583k at March 31 2022). The remaining £5,886k relates to business with bodies external to government at March 31 2023 (£11,728k at March 31 2022).

Pension Contributions above includes £1,742k at March 31 2023 in respect of outstanding Employer Pension Contributions (£1,641k at March 2022).

15.1	**Trade and other payables - Trust**	Total March 31 2023 £000	Financial liabilities March 31 2023 £000	Non-financial liabilities March 31 2023 £000	Total March 31 2022 £000	Financial liabilities March 31 2022 £000	Non-financial liabilities March 31 2022 £000
	Current						
	Trade payables	11,472	11,472	-	14,075	14,075	-
	Trade payables - capital	1,953	1,953	-	2,407	2,407	-
	Social security and taxes payable	4,995	-	4,995	4,807	-	4,807
	Pension contributions payable	2,841	2,841	-			
	Other payables	381	381	-	3,090	3,090	-
	Accruals	35,581	35,581	-	23,233	23,233	-
	Total current trade and other payables	57,223	52,228	4,995	47,612	42,805	4,807

Trade Payables above includes £8,388k relating to business with NHS and Other WGA Bodies at March 31 2023 (£4,583k at March 31 2022). The remaining £3,084k relates to business with bodies external to government at March 31 2023 (£9,492k at March 31 2022).

Pension Contributions above includes £1,698k at March 31 2023 in respect of outstanding Employer Pension Contributions (£1,598k at March 2022).

16	**Other Liabilities - Group**	March 31 2023 £000	March 31 2022 £000
	Current		
	Deferred Income	40,410	25,370
	Total current other Liabilities	40,410	25,370
	Non-current		
	Deferred Tax Liability	123	-
	Total non-current other Liabilities	123	-

16.1	**Other Liabilities - Trust**	March 31 2023 £000	March 31 2022 £000
	Current		
	Deferred Income	40,410	25,291
	Deferred gain on disposal	-	-
	Total current other Liabilities	40,410	25,291
	Non-current		
	Deferred gain on disposal	-	-
	Total non-current other Liabilities	-	-

17	**Borrowings - Group**	March 31 2023 £000	March 31 2022 £000
	Current		
	Loans from foundation trust financing facility	2,630	2,669
	Lease liabilities	1,147	-
	Obligations under private finance initiative contracts	1,893	1,734
	Total current borrowings	5,670	4,403
	Non-current		
	Loans from foundation trust financing facility	25,141	27,324
	Lease liabilities	7,855	-
	Obligations under private finance initiative contracts	45,686	47,580
	Total Non-current borrowings	78,682	74,904

17.1	**Borrowings - Trust**	March 31 2023 £000	March 31 2022 £000
	Current		
	Loans from foundation trust financing facility	2,630	2,669
	Lease liabilities	6,332	-
	Obligations under private finance initiative contracts	1,893	1,734
	Loans from Subsidiary Company	-	-
	Total current borrowings	10,855	4,403
	Non-current		
	Loans from foundation trust financing facility	25,141	27,324
	Lease liabilities	87,211	-
	Obligations under private finance initiative contracts	45,686	47,580
	Total Non-current borrowings	158,038	74,904

17.2	**Reconciliation of liabilities arising from financing activities - Group**	Total £000	DHSC Loans £000	Other Loans £000	Leases £000	PFI Schemes £000
	Carrying Value at April 1 2022	79,306	29,992	-	-	49,314
	Cash Movements:					
	Financing cash flows - principal	(4,974)	(2,183)	-	(1,057)	(1,734)
	Financing cash flows - interest	(3,586)	(1,185)	-	(79)	(2,322)
	Non-Cash Movements:					
	Impact of implementing IFRS 16 on 1 April 2022	7,623	-	-	7,623	-
	Additions	2,436	-	-	2,436	-
	Interest charge arising in year (application of effective interest rate)	3,547	1,146	-	79	2,322
	Carrying Value at March 31 2023	84,352	27,770	-	9,002	47,580

17.3	**Reconciliation of liabilities arising from financing activities - Trust**	Total £000	DHSC Loans £000	Other Loans £000	Leases £000	PFI Schemes £000
	Carrying Value at April 1 2022	79,306	29,992	-	-	49,314
	Cash Movements:					
	Financing cash flows - principal	(9,387)	(2,183)	-	(5,470)	(1,734)
	Financing cash flows - interest	(4,443)	(1,185)	-	(936)	(2,322)
	Non-Cash Movements:					
	Impact of implementing IFRS 16 on 1 April 2022	98,211	-	-	98,211	-
	Additions	802	-	-	802	-
	Interest charge arising in year (application of effective interest rate)	4,404	1,146	-	936	2,322
	Carrying Value at March 31 2023	168,893	27,770	-	93,543	47,580

18

PFI obligations (on SOFP) - group and trust	March 31 2023 £000	March 31 2022 £000
Gross PFI liabilities of which liabilities are due:		
- Not later than one year;	4,131	4,056
- Later than one year and not later than five years;	14,066	15,031
- Later than five years.	55,748	58,914
Finance charges allocated to future periods	(26,365)	(28,686)
Net PFI liabilites	47,580	49,315
- Not later than one year;	1,893	1,734
- Later than one year and not later than five years;	5,973	6,613
- Later than five years.	39,714	40,968
Total PFI obligations	47,580	49,315

18.1 **PFI obligations - group and trust**

The Trust is committed to make the following payments for on SoFP PFIs obligations during the next year in which the commitment expires:

	March 31 2023 Total £000	March 31 2023 PFI 1 £000	March 31 2023 PFI 2 £000	March 31 2022 Total £000
16th to 20th years (inclusive)	4,568	4,568	-	4,069
26th to 30th years (inclusive)	9,814	-	9,814	8,621

18.2

PFI total commitments (on SOFP) - group and trust	March 31 2023 £000	March 31 2022 £000
- Not later than one year;	14,382	12,690
- Later than one year and not later than five years;	61,213	54,013
- Later than five years.	306,351	290,847
Total commitments in respect of the PFI	381,946	357,550
- Not later than one year;	13,676	12,066
- Later than one year and not later than five years;	51,405	45,341
- Later than five years.	168,575	156,245
Total present value of commitments	233,656	213,652

18.3

PFI service commitments (on SOFP) - group and trust	March 31 2023 £000	March 31 2022 £000
Charge in respect of the service element of the PFI for the period	4,773	4,417
Commitments in respect of the service element of the PFI:		
- Not later than one year;	5,176	4,544
- Later than one year and not later than five years;	19,723	17,313
- Later than five years.	70,555	65,101
	95,454	86,958

18.4 **PFI contract details**

The Foundation Trust has entered into two PFI contracts:

PFI 1 - Northern PFI Scheme

This is a 35 year contract with Healthcare Support (Erdington) Limited which commenced in April 2002 and is for the provision of six buildings including "hard" facility management services. The service provision is implicitly for the patients, staff and visitors of the Trust. This contract has been treated as being on-statement of financial position by the Trust following a review of the contracts based on Treasury Task force Technical Note 1 "How to account for PFI transactions" which interprets IAS16 ''Property, Plant and Equipment'' and IFRIC12'' Service Concession Arrangements''. The increase in annual Unitary Charge is linked to annual movement is RPIx.

At the end of the concession period, the ownership of the six buildings transfers to the Trust at which point the contract will expire.

The Contract also includes the provision of "soft" facility management services. These services are also linked to the annual movement in RPIx but are subject to a market testing exercise which takes place every 5 years. This commenced in January 2014.

The contract stipulates obligations on the Trust and Healthcare Support (Erdington) Limited. Should either party default on its contractual obligations then the other party has the right to terminate the contract. Provisions for compensation are included within the contract which include the Trust settling the amount of outstanding senior debt.

PFI 2 - Birmingham New Hospital Projects

This is a 38 year contract with Consort Healthcare (Birmingham) Limited which commenced in July 2008 and is for the provision of three buildings including "hard" facility management services. The PFI contract was jointly undertaken by the Trust and University Hospital Birmingham NHS Foundation Trust (UHB) for the "Birmingham Super Hospitals" in Selly Oak of which the Trust provides Mental Health services. Only the assets, liability, income and expenditure directly attributable to the Trust under the contract are disclosed in these accounts. The service provision is implicitly for the patients, staff and visitors of the Trust. This contract has been treated as being on-statement of financial position by the Trust following a review of the contracts based on Treasury Task force Technical Note 1 "How to account for PFI transactions" which interprets IAS16 ''Property, Plant and Equipment'' and IFRIC12'' Service Concession Arrangements''. The annual Unitary Charge is linked to annual movement is RPI. On the 15th anniversary of the commencement of the contract the Unitary Payment is subject to a market testing exercise.

At the end of the concession period, the ownership of the three buildings transfers to the Trust at which point the contract will expire.

The contract contains various termination clauses including voluntary, events of default, Force Majeure, and termination due to material non-availability clauses each having its own compensation mechanism. The voluntary termination clause requires the Foundation Trust to act jointly with UHB.

19 **Provisions for Liabilities and charges - group**

	Total	Legal claims	Property	Restructuring	Injury allowance	Other
	£000	£000	£000	£000	£000	£000
At April 1 2022	5,516	220	1,697	-	796	2,803
Change in discount rate	(193)	-	-	-	-	(193)
Arising during the year	637	102	-	68	283	184
Utilised during the year	(802)	(84)	-	-	(77)	(641)
Reversed unused	-	-	-	-	-	-
Unwinding of discount rate	4	-	-	-	-	4
At March 31 2023	5,162	238	1,697	68	1,002	2,157
Expected timing of cash flows:						
- Not later than one year;	1,464	238	141	68	80	937
- Later than one year and not later than five years;	1,395	-	74	-	321	1,000
- Later than five years.	2,303	-	1,482	-	601	220
Total provisions for liabilities and charges	5,162	238	1,697	68	1,002	2,157

The legal claims provision relates to personal legal claims that have been lodged against the Foundation Trust with the NHS Resolution (Formerly NHSLA) but not yet agreed. The exact timing or amount of any payment will only be known once the case is heard, although it is expected that all cases will be resolved during the year ended March 31 2023.

The Trust has £100k of contingent liabilities in respect of legal claims notified by NHS Resolution for potential employer and public liability claims over and above those detailed above at March 31 2023 (£100k at March 31 2022).

The property provision consists of amounts payable on dilapidation costs. Dilapidation provisions are based on managements best estimate of settling dilapidation costs contained within lease contracts but the exact liability will only be known once settlement has been agreed with the lessor. The timing of the cash flows is based on the length of the lease.

The restructuring provision relates to the cost of restructuring a service where an obligation exists at the year end; the most significant cost being redundancy and termination payments. Provisions are only recognised after a clear decision has been made to remove a post and the decision has been communicated to those affected.

The injury allowance provision relates to permanent injury and early retirement provisions. The liability of the Foundation Trust is dependant based on life expectancy.

The other provision consists of £386k for Increment Provision, £220k for Clinicians Pension Tax and the Trust is currently in legal discussions re a trademark infringement. The judgement was issued in January 2019, with costs paid during 2018/19 of £42k. The Trust were asked to provide further information to the Court as to whether any 'profit' had been made from using their trademark, and we await a final judgement on this element. The Trust has a provision of £52k for this. £1,500k for onerous lease costs relating to the Trust's intention to exercise the option of break on the lease of B1, Trust headquarters.

19.1 **Provisions for Liabilities and charges - trust**

	Total	Legal claims	Property	Restructuring	Injury allowance	Other
	£000	£000	£000	£000	£000	£000
At April 1 2022	5,516	220	1,697	-	796	2,803
Change in discount rate	(193)	-	-	-	-	(193)
Arising during the year	637	102	-	68	283	184
Utilised during the year	(802)	(84)	-	-	(77)	(641)
Reversed unused	-	-	-	-	-	-
Unwinding of discount rate	4	-	-	-	-	4
At March 31 2023	5,162	238	1,697	68	1,002	2,157
Expected timing of cash flows:						
- Not later than one year;	1,464	238	141	68	80	937
- Later than one year and not later than five years;	1,395	-	74	-	321	1,000
- Later than five years.	2,303	-	1,482	-	601	220
Total provisions for liabilities and charges	5,162	238	1,697	68	1,002	2,157

19.2 **Clinical Negligence liabilities - group and trust**

	March 31 2023	March 31 2022
	£000	£000
Amount included in provisions of the NHS Resolutions (formerly NHSLA) in respect of clinical negligence liabilities of Birmingham and Solihull Mental Health NHS Foundation Trust	6,588	2,798

20 **Contractual capital commitments - group and trust**

The Group was contractually committed to £1,700k at 31 March 2023 (£1,171k at 31 March 2022) of capital expenditure for the purchase of property, plant and equipment.

21 **Third party assets**

The trust held £912k cash and cash equivalents at March 31 2023 (£1,085k March 31 2022) which relates to monies held by the Foundation Trust on behalf of patients. This has been excluded from the cash and cash equivalents figure reported in the accounts.

22 **Cash and cash equivalents**

	Group		Trust	
	2022/23	2021/22	2022/23	2021/22
	£000	£000	£000	£000
At April 1	54,799	28,803	51,414	26,114
Net change in year	4,221	25,996	5,284	25,300
At March 31	59,020	54,799	56,698	51,414
Broken down into:				
Cash in hand (petty cash)	32	45	32	45
Cash at commercial banks	2,322	3,385	-	-
Cash at GBS	56,666	51,369	56,666	51,369
Cash and cash equivalents as in SOFP	59,020	54,799	56,698	51,414
Bank overdraft				
Cash and cash equivalents as in SOCF	59,020	54,799	56,698	51,414

23 **Ultimate parent compnay**

The Foundation Trust is a public benefit corporation established under the NHS Act 2006. NHS Improvement, the NHS Foundation Trust Regulator, has the power to control the Trust within the meaning of IAS 27 'Consolidated and Separate Financial Statements' and therefore can be considered as the Trust's parent. NHS Improvement does not prepare group accounts but does prepare separate NHS Foundation Trust Consolidated Accounts. The NHS FT Consolidated Accounts are then included within the Whole of Government Accounts. NHS Improvement is accountable to the Secretary of State for Health. The Foundation Trust's ultimate parent is therefore HM Government.

23.1 **Related party transactions**

The Foundation Trust has taken advantage of the exemption provided by IAS 24 'Related Party Disclosures', where the parent's own accounts are presented together with the consolidated accounts and any transactions or balances between group entities have been eliminated on consolidation.

During the year the Foundation Trust did not enter into any material transactions with Board members, governors, key staff members or parties related to them. The Trust did have material transactions with entities within the Whole of Government, details of which are listed below. We have disclosed any values over £1.5m as we consider this to be significant (prior period comparatives remain)

	Income > £1.5m	
	2022/23	2021/22
	£000	£000
University Hospital Birmingham NHS Foundation Trust	3,463	3,427
NHS Birmingham and Solihull CCG*	48,785	199,306
NHS Birmingham and Solihull ICB*	156,827	-
NHS England	169,671	124,735
Health Education England	14,488	12,954
Solihull Metropolitan Borough Council	2,738	2,673
Birmingham Women's and Children's Hospital NHS Foundation Trust	2,569	1,502
Midlands Partnership NHS Foundation Trust	2,807	2,682
NHS Black Country and West Birmingham CCG*	754	2,937
Black Country Healthcare NHS Foundation Trust	2,200	2

*CCG Where demised on 01/07/22 and replaced with ICB.

	Expenditure > £1.5m	
	2022/23	2021/22
	£000	£000
Birmingham Community Healthcare NHS Trust	3,711	4,019
NHS Pension Scheme	29,856	27,944
HMRC - Other Taxes and NI	23,020	19,405
Midlands Partnership NHS Foundation Trust	19,459	10,397
Coventry and Warwickshire Partnership NHS Trust	12,566	5,874
Birmingham Women's and Children's NHS Foundation Trust	7,371	4,571
Black Country Healthcare NHS Foundation Trust	3,787	1,954
University Hospitals Birmingham NHS Foundation Trust	1,179	1,554

23.2 **Related party balances**

At the year end the Foundation Trust had material balances with entities within the Whole of Government, details of which are listed below:

	Receivables > £0.5m	
	March 31 2023	March 31 2022
	£000	£000
NHS England	8,307	15
HMRC (VAT)	1,877	1,756
NHS Birmingham and Solihull CCG*	-	2,545
NHS Birmingham and Solihull ICB	7,812	-
University Hospitals Birmingham NHS Foundation Trust	1,647	115
Birmingham Women's and Children's NHS Foundation Trust	1,295	44

*CCG Where demised on 01/07/22 and replaced with ICB.

	Payables > £0.5m	
	March 31 2023	March 31 2022
	£000	£000
HMRC - Other Taxes and NI	5,187	4,978
NHS Pension Scheme	2,910	2,723
Birmingham Community Healthcare NHS Trust	551	1,008
NHS Property Services	235	624
University Hospital Birmingham NHS Foundation Trust	552	565
NHS Birmingham and Solihull CCG*	-	745
NHS England	25,410	7,785
Coventry and Warwickshire Partnership NHS Trust	4,023	1,305
Birmingham Women's and Children's NHS Foundation Trust	2,528	264
Oxford Health NHS Foundation Trust	1,632	-

*CCG Where demised on 01/07/22 and replaced with ICB.

The Foundation Trust is the Corporate Trustee of Birmingham and Solihull Mental Health NHS Foundation Trust Charity Caring Minds (Charity number 1098659) and provides administration services for the Charity. At March 31 2023 the Trust was owed £183k (£174k at March 31 2022) from the Charity for expenses incurred by the Trust related to the Charity.

The Foundation Trust is parent of the wholly owned subsidiary Summerhill Services Limited. At March 31 2023 the Trust was owed £50,270k from the company (£51,295K at 31 March 2022) . Income from Summerhill Services Limited during the year amounted to £28,070k (£26,610k at 31 March 2022) and the expenditure incurred was £28,114k (£27,199k at 31 March 2022).

All related party balances are not secured, are on standard Foundation Trust terms and conditions and will be settled in cash

23.3 **Declaration of Interest - Board**

Name of Person	Name of Organisation	Interest
Danielle Oum (Resigned 31 October 2022)	Finegreen	Supporting shortlisting of Stockport Chair
	Healthwatch England	Committee Member
	Walsall Healthcare NHS Trust	Chair
	West Midlands housing association WHG	Chair
	Coventry & Warwickshire ICS	Chair Designate of the ICB
Roisin Fallon-Williams	NHS Providers	NHS Providers Board Trustee
Dr Hilary Grant (paid until June 2022)	*BSMHFT	*Husband Working as principal clinical psychologist at meriden Programme
Sarah Bloomfield	Deloitte LLP	Clinical Advisor and employee coaching
	Public Services Ombudsman Wales	Clinical Advisor for the service
	Mid and West Wales Adoption Service	Independent Panel Member for the adoption service
Dave Tomlinson	DEAT Consulting Limited which has previously provided services to the NHS	95% Shareholder and Director
	Summerhill Services Limited	Director
	*BSMHFT	*Wife working as Executive Assistant
Vanessa Devlin	NIL	NIL
Patrick Nyarumbu	NIL	NIL
Linda Cullen	CQC	Second Opionion Appointed Doctor
	Home Group Limited	Non Executive Director
Gianjeet Hunjan (Resigned 31 July 2022)	Royal Orthopaedic Hospital	Non Executive Director
	ACCEA	Chair – West Midlands
	Ferndale Primary School	Governor
	Oldbury Academy	Governor
	*BSMHFT	*Niece is a Trainee in Psychological Well-being
	Black Country ICB	Non-Executive Director
	Birmingham 2022 - Commonwealth Collective	Volunteer
Phillip Gayle	Walsall Healthcare Trust	Non Executive Director
	PG Consultancy	Director
	Servol Community Services	CEO
Russell Beale (Resigned 31 January 2023)	CloudTomo	Director, shareholder - Security company pre-commercial
	BeCrypt	Founder and Minority Shareholder - Computer Security Company
	Azureindigo	Director, 50% shareholder - Health and behaviour change company working in (physical and mental health) domains
	Limited Infinity Ltd	Director
	University of Birmingham	Professor
Ann Baines	MiddlefieldTwo Ltd	Director and Management Consultant
	Birmingham and Solihull ICB	ICB Finance and Performance Committee member (as BSMHT NED representative)
Winston Weir	Nehemiah Housing Association	Housing Association
	AOMCS Ltd	ordinary shares 5
	Hywel Dda University Health Board	Non Executive Director
	Walsall Housing Group	Housing Association - Non Executive Director
	Legacy West Midlands - Charity	Trustee of Charity - chair Finance & Investment committee
	The Mercian Trust	Trustee - Multi Academy Trust of Schools based in Walsall
Fabida Aria (Appointed 01 August 2022)	NIL	NIL
Balbir Claire (Appointed 03 January 2023)	University of Warwick	Independent Member of the University Governing Counsel
	Coventry & Warwickshire Partnership Trust NHS	Non Executive Director
	Alumni Services	Associate Consultant
	Clive Henry Group	Non Executive Advisory Board Member
	MyQonsult Ltd	Managing Director (Founder / Owner)
Monica Shafaq (Appointed 03 January 2023)	The Kaleidoscope Plus Group	Chief Exec
	Birmingham County Football Association	Non Executive Director
	Premier League Equality and Diversity Panel	Panel Member

24 **Financial risk management**

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

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

Currency risk

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

Interest rate risk

The Foundation Trust borrows from government for capital expenditure, subject to affordability. The borrowings are for 1 – 25 years, in line with the life of the associated assets, and interest is charged at the National Loans Fund rate, fixed for the life of the loan. The Foundation Trust therefore has low exposure to interest rate fluctuations.

Credit risk

Because the majority of the Foundation Trust's income comes from contracts with other public sector bodies, the Foundation Trust has low exposure to credit risk. The maximum exposures as at March 31 2023 are in receivables from customers, as disclosed in the Trade and other receivables note. The risk associated with cash and deposits with financial institutions (National Loan Funds) is considered to be low as trading cash is held with the Government Banking Service and deposits are only placed on a short-term basis with highly rated UK banks.

Liquidity risk

The Foundation Trust's operating costs are incurred under contracts with Clinical Commissioning Groups, which are financed from resources voted annually by Parliament. The Foundation Trust funds its capital expenditure from funds from robust management of its cash-flows. The Foundation Trust is not, therefore, exposed to significant liquidity risks.

25	**Group financial assets by category**	March 31 2023 Loans and receivables £000	March 31 2022 Loans and receivables £000
	Assets as per SOFP		
	Trade and other receivables excluding non-financial assets	22,920	6,087
	Cash and cash equivalents (at bank and in hand)	59,020	54,799
	Total group financial assets at March 31	81,940	60,886

25.1	**Trust financial assets by category**	March 31 2023 Loans and receivables £000	March 31 2022 Loans and receivables £000
	Assets as per SOFP		
	Trade and other receivables excluding non-financial assets	84,352	68,922
	Cash and cash equivalents (at bank and in hand)	56,698	51,414
	Total trust financial assets at March 31	141,050	120,336

26	**Group financial liabilities by category**	March 31 2023 Other financial liabilities £000	March 31 2022 Other financial liabilities £000
	Liabilities as per SOFP		
	Borrowings excluding finance lease and PFI liabilities	27,771	29,993
	Obligations under leases	9,002	-
	Obligations under private finance initiative contracts	47,579	49,315
	Trade and other payables excluding non-financial liability	53,991	44,234
	Total group financial liabilities at March 31	138,343	123,542

26.1	**Trust financial liabilities by category**	March 31 2023 Other financial liabilities £000	March 31 2022 Other financial liabilities £000
	Liabilities as per SOFP		
	Borrowings excluding finance lease and PFI liabilities	27,771	29,993
	Obligations under leases	93,543	-
	Obligations under private finance initiative contracts	47,579	49,314
	Trade and other payables excluding non-financial liability	52,228	42,805
	Total trust financial liabilities at March 31	221,121	122,112

27 **Losses and special payments**

NHS Foundation Trusts are required to report to the Department of Health any losses or special payments, as the Department of Health still retains responsibility for reporting these to Parliament.

There were 111 cases of losses and special payments totalling £292k during the year to March 31 2023 (84 cases totalling £789k during the year to March 31 2022). These amounts are reported on an accruals basis but excluding provisions for future losses.

Losses and special payments (approved cases only)	2022/23 Total No. of cases Number	2022/23 Total value of cases £000	2021/22 Total no. of cases Number	2021/22 Total value of cases £000
Losses:				
Losses of cash due to :				
Theft, fraud etc	6	1	-	-
Fruitless payments and constructive losses	-	-	-	-
Bad debts and claims abandoned in relation to :				
Other	50	37	38	226
Damage to buildings, property etc. (including stores losses) due to:				
Theft, fraud etc	-	-	-	-
Store losses	12	72	-	-
Other	-	-	-	-
Total Losses	68	110	38	226
Special payments :				
Compensation under legal obligation	29	83	22	64
Ex gratia payments; in respect of; loss of personal effects	12	2	22	3
Special severance payments	1	1	-	-
Other employment payments	1	96	1	484
Overtime corrective payments	-	-	1	12
Total special payments	43	182	46	563
Total losses and special payments	111	292	84	789

28 **Pensions**

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 2023, is based on valuation data as 31 March 2022, updated to 31 March 2023 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation

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

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay.

The actuarial valuation as at 31 March 2020 is currently underway and will set the new employer contribution rate due to be implemented from April 2024.

29

Corporation Tax Expense - Group	2022/23 £000	2021/22 £000
UK corporation tax expense	328	445
Adjustment in respect of prior years	(163)	(106)
Current tax expense	165	339
Origination and reversal of temporary differences	225	(45)
Deferred tax expense	225	(45)
Total income tax expense in statement of comprehensive income	390	294
Reconciliation of effective tax charge		
Effective tax charge percentage	(66)	(56)
Tax if effective tax rate charged on surpluses before tax	(66)	(56)
Effect of :		
Surpluses not subject to tax	-	-
Non-deductible expenses	394	501
Adjustments in respect of prior years	-	-
Share of results of joint ventures and associates	-	-
Change in tax rate	-	-
Other	-	-
Total income tax charge for the year	328	445

30

Deferred tax asset / liability - Group	2022/23 £000	2021/22 £000
Deferred tax asset to be recovered after > 12 months	-	103
Deferred tax liability to be recovered after > 12 months	123	-
Total deferred tax asset / Liability	123	103

Annual accounts
Documents prepared by the FT to show its financial position. Detailed requirements for the annual accounts are set out in the Department of Health Group Accounting Manual , published by NHSI. The *Annual Reporting Manual* was previously called the *Foundation Trust Financial Reporting Manual* .

Annual report
A document produced by the FT that summarises the FT's performance during the year, including the annual accounts.

Asset
Something the FT owns – for example a building, some cash, or an amount of money owed to it.

Audit Code
Audit Code for Foundation Trusts
A document issued by NHS Improvement, which sets out how FT audits must be conducted.

Audit opinion
The auditors' opinion of whether the FT's accounts show a true and fair view of its financial affairs. If the auditors are satisfied with the accounts, they will issue an unqualified audit opinion.

Available for sale
Assets are classed as available for sale if they are held neither for trading nor to maturity. An example of this would be an investment without a maturity date such as an ordinary share.

Statement of Financial Position
A year-end statement prepared by all public and private sector organisations, which shows the net assets controlled by the organisation and how these have been funded. The balance sheet is known as the Statement of Financial Position under IFRS.

Breakeven
An FT has achieved breakeven if its income is greater than or equal to its expenditure.

Cash and cash equivalents
Cash includes cash in hand and cash at the bank. Cash equivalents are any other deposits that can be converted to cash straight away.

Corporation tax
A tax payable on a company's profits. FTs may have to pay corporation tax in the future.

Current asset or current liability
An asset or liability the FT expects to hold for less than one year.

Depreciation
An accounting charge to represent the use, or wearing out, of assets. As a result the cost of an asset is spread over its useful life.

Earnings before interest, tax, depreciation and amortisation (EBITDA)
A measure of an FT's financial performance excluding interest, tax, depreciation and amortisation. EBITDA is used to calculate some of NHS Improvements risk ratings.

External auditor
The independent professional auditor who reviews the accounts and issues an opinion on whether the accounts present a true and fair view.

External financing limit
A measure of the movement in cash an FT is allowed in the year, which is set by the government.

Finance lease
An arrangement whereby the party leasing the asset has most or all of the use of an asset, and the lease payments are akin to repayments on a loan.

Financial statements
Another term for the annual accounts.

Department of Health Group Accounting Manual (GAM)
The key document, published annually by NHS Improvement, setting out the framework for the FT'S accounts. Now called the Group Accounting Manual (GAM).

Going concern
The accounts are prepared on a going concern basis, in other words with the expectation that the FT will continue to operate for at least the next 12 months.

Impairment
A decrease in the value of an asset.

Intangible asset
An asset that is without substance, for example computer software.

International Financial Reporting Standards (IFRS)
The new accounting standards that the NHS has adopted from April 2009.
International Standards on Auditing (United Kingdom and Ireland) (ISAs (UK&I))
The professional standards external auditors must comply with when carrying out audits.

Inventories
Stock, such as clinical supplies.

Liability
Something the FT owes, for example an overdraft, a loan, or a bill it has not yet paid.

Liquidity ratio
Liquidity is a measure of how easily an asset can be converted into cash. Bank deposits are very liquid, debtors less so. The liquidity ratio is a measure of an entity's ability to meet its obligations, in other words how well it can pay its bills from what it owns.

Non-current asset or liability
An asset or liability the FT expects to hold for more than one year.

Non-executive director
Non-executive directors are members of the FT's board of directors but do not have any involvement in day-to-day management of the FT. They provide the board with independent challenge and scrutiny.

Operating lease
An arrangement whereby the party leasing the asset is paying for the provision of a service (the use of the asset) rather than exclusive use of the asset.

Payables
Amounts the FT owes.

Clinical Commissioning Groups (CCGs)
The body responsible for commissioning all types of healthcare services across a specific locality.

Primary statements
The four main statements that make up the accounts: the Statement of Comprehensive Income; Statement of Financial Position; Statement of Changes in Taxpayers' Equity; and Statement of Cash Flows.

Private Finance Initiative (PFI)
A way of funding major capital investments, without immediate recourse to the public purse. Private consortia, usually involving large construction firms, are contracted to design, build, and in some cases manage new projects. Contracts typically last for 30 years, during which time the building is leased by the FT.

Provision
A liability of uncertain timing or amount.

Prudential Borrowing Code
NHS Improvements mechanism to limit the total amount an FT is allowed to borrow. The Code sets out how to determine an FT's prudential borrowing limit.

Prudential borrowing limit
The amount of money an FT is allowed to borrow, as agreed with NHS Improvement

Public dividend capital
Taxpayers' equity, or the taxpayers' stake in the FT, arising from the government's original investments in NHS trusts when they were first created.

Receivables
Amounts owed to the FT.

Remuneration report
The part of the annual report that discloses senior officers' salary and pension information.

Reserves
Reserves represent the increase in overall value of the organisation since it was first created.

Statement of Cash Flows
The name for the cash flow statement under IFRS. It shows cash flows in and out of the FT during the period.

Statement of Changes in Taxpayers' Equity
One of the primary statements which shows the changes in reserves and public dividend capital in the period.

Statement of Comprehensive Income
The new name for the income and expenditure account, and the public sector equivalent of the profit and loss account. It shows what income has been earned in the year, what expenditure has been incurred and hence the surplus or deficit for the year.

Statement on Internal Control
A statement about the controls the FT has in place to manage risk.

Those charged with governance
Auditors' terminology for those people who are responsible for the governance of the FT, usually the audit committee.

True and fair
It is the aim of the accounts to show a true and fair view of the FT's financial position, that is they should faithfully represent what has happened in practice.

UK GAAP (Generally Accepted Accounting Practice)

The standard basis of accounting in the UK before international standards were adopted.

Unrealised gains and losses
Gains and losses may be realised or unrealised. Unrealised gains and losses are gains or losses that the FT has recognised in its accounts but which are potential as they have not been realised. An example of a gain that is recognised but unrealised is where the value of assets has increased. This gain is realised when the assets are sold or otherwise used

Integrated care board (ICB)
An integrated care board (or ICB) is a statutory NHS organisation which is responsible for developing a plan for meeting the health needs of the population, managing the NHS budget and arranging for the provision of health services in a geographical area.

Noted	Meaning
"k"	'000
" £ m"	'000000
" '000 "	'000

Birmingham and Solihull Mental Health
NHS Foundation Trust
Uffculme Centre
52 Queensbridge Road
Birmingham
B13 8QY

Main switchboard: 0121 301 0000
Website: www.bsmhft.nhs.uk

COM0115A-062022