NHS
Birmingham and Solihull Mental Health
NHS Foundation Trust

Annual report and accounts 2025/26

compassionate

inclusive

committed

Birmingham and Solihull Mental Health NHS Foundation Trust

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Mental Health NHS Foundation Trust

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

Contents

Performance report 3

Overview 3

Purpose and activities of our Trust 5

Performance analysis 12

Accountability report 63

Directors' report 64

Remuneration report 83

Staff report 91

NHS Foundation Trust Code of Governance Disclosures 131

NHS Oversight Framework 132

Statement of accounting officer's responsibilities 133

Annual Governance Statement 134

Independent auditor's report 152

Consolidated financial statements 2025/26 157

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 2025/26 at their meeting on 24 June 2026.

Roísìn Fallon-Williams
Chief Executive

24 June 2026

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

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 2025 to 31 March 2026.

In the year covered by this report, we have continued to both strive for and see meaningful progress and positive developments across the Trust, while remaining honest about the areas where further improvement is needed. We are proud of much of what Team BSMHFT has accomplished during 2025/26 and are confident that the strong foundations we have built will support us in delivering the further changes needed and in achieving our ambitions for our staff and local communities.

This year has marked several significant milestones in our transformation journey. We were proud to launch our new East 24/7 Neighbourhood Mental Health Centre, strengthening access to community-based mental health support and providing an alternative to hospital attendance where appropriate. This development reflects our commitment to delivering care closer to home, reducing barriers to access, and ensuring that people receive the right support at the right time.

As lead provider within the Birmingham and Solihull Mental Health, Learning Disabilities and Autism Provider Collaborative, we launched our refreshed Mental Health Strategy, setting out a shared vision for improving outcomes across the system. The strategy, developed in partnership with service users, carers, local community organisations, clinicians and voluntary sector and system partners, provides a clear roadmap for delivering more integrated, equitable and prevention-focused mental health services across Birmingham and Solihull.

Alongside this, we have undertaken extensive engagement throughout the year to inform the development of our refreshed Trust Strategy for 2026–2031. Through conversations, workshops and co-production activity involving staff, service users and governors, we have sought to ensure that our future direction is shaped by the voices and lived experiences of those we serve and those who deliver care. The scale and depth of this engagement reflect our commitment to transparency, inclusion and shared ownership, and the insights gained will directly inform our strategic priorities for the next five years.

We were also proud to see another improvement in our staff survey engagement, and our above average scores for the “We are always learning”, “Morale”, “Employee engagement” and “We are a team” domains. We know that we have to continue to develop our employee voice and will be taking our “All Our Voices” approach into 2026/27, supporting our Freedom to Speak Up programme.

Supporting our staff and prioritising their wellbeing — so they can provide high-quality, patient- and service-user-centred care — and continuing to support and root ourselves in our communities remain central to our approach. We hope this report offers a balanced and transparent overview of our performance over the past year and also serves to celebrate the extraordinary commitment of our staff, carers, experts by experience, volunteers and wider teams.

We also acknowledge that, although there are many examples of good practice and compassionate care across the Trust, there have been instances where our quality and safety standards have not met expectations and have in a few instances unfortunately resulted in negative impacts for individuals and

families. Whilst we can never undo the harm caused, we are committed to applying the lessons from these cases consistently and systematically, with a clear focus on preventing recurrence and embedding improvement throughout the organisation.

Our investment in quality improvement continues, supported by tried and tested improvement methodologies and tools that help us better understand and redesign the systems and processes that underpin good care. We are committed to ensuring that these efforts translate into more time for direct care, better patient outcomes, and improved experiences for both service users and staff.

Looking ahead, we are realistic about the continuing financial and operational pressures facing the NHS and the need for resilience, discipline, and strategic clarity in how we respond and make the most of the opportunities available. Our achievements as a Trust are highlighted in this report, reflecting the dedication of our teams to living our values—Compassionate, Inclusive and Committed. These values remain central to our mission and continue to guide our work as we prepare to launch our refreshed Trust Strategy for 2026–2031 and strive to deliver the best possible care to those we serve.

Thank you to all who are part of Team BSMHFT and to all our partners for the ongoing support and commitment to the population that we jointly support.

Phil Gayle
Chair

Roísìn Fallon-Williams
Chief Executive

24 June 2026

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:

Compassionate – Supporting recovery for all and maintaining hope for the future; Being kind to ourselves and other; Showing empathy for others and appreciating vulnerability in each of us.
Inclusive – Treating people fairly, with dignity and respect; Challenging all forms of discrimination; Valuing all voices so we all feel we belong.
Committed – Striving to deliver the best work and keeping service users at the heart; Taking responsibility for our work and doing what we say we will; Courage to question to help us learn, improve and grow together.

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 1.5 million people across the Birmingham and Solihull footprint. With an annual income of £626 million and around 6,000 colleagues, we work in partnership locally and regionally to meet increasingly complex needs at scale. This breadth, diversity and specialist expertise make us one of the most complex and specialised mental health foundation trusts in the country.

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.

Our strategic ambitions

Trust Five Year Strategy 2025/26

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.

We have made good progress against our goals in all of these areas during 2025-26, with 91% of our highest priority goals rated 'green' or 'amber' as we moved into the final 6 months of the strategy. As we approached end of the five-year period, we have reflected on our achievements, not just from the past year, but since 2021. Just a few of the many successes are:

- Retaining and growing services.
- Increasing co-production and participation opportunities for experts by experience.
- Work to reduce inequalities for service users, carers and colleagues.
- Positive shifts in staff survey scores.
- Strengthened partnership working through development of provider collaboratives and other new partnerships
- Reducing the number of vacant posts and agency usage.
- Building quality improvement capability and capacity.
- Embedding approaches to improve patient safety.
- Use of digital technology, for example launching our Patient Portal and leading development of the Birmingham and Solihull Shared Care Record

Refreshing the Trust Strategy for 2026-31
Since April 2025 we have been refreshing the strategy for the next five years. This has involved a huge engagement exercise for the second half of 2025 during which we asked people to 'help brew our Trust strategy'. We also considered our journey over the past five years, from 2021 when we were just emerging from the pandemic, through creation of provider collaboratives and other changes in the healthcare landscape, to welcoming Birmingham children and young people's mental health services to the Trust, to where we are now. In doing this we acknowledged our significant achievements and identified drivers for further improvement.

Alongside this, a national and local context analysis was undertaken, including taking account of the national 10 Year Plan for Health which was published in July 2025 and the Birmingham and Solihull Mental Health, Learning Disabilities and Autism Provider Collaborative five year strategy which was launched in February 2026.

All of the feedback and analysis was fed into the development of a 'strategy blueprint', which was shared in January and February 2026 when we invited individuals, leaders, professional groups and experts by experience to 'Taste our Brew' to ensure that we'd captured the key priorities and opportunities for improvement and transformation that people expected to see.
In total, over 1,750 people were directly engaged in developing the strategy across 113 meetings and events and via comment cards and online surveys.

Having concluded the 'Taste our Brew' phase of engagement and taken feedback from that into account, we developed the full and detailed Trust five-year strategy ready for launch in April 2026, with a new vision that encompasses our purpose and aspirations for the next five years – **Excellent services, empowered people, thriving communities**. We also have 4 refreshed strategic priorities – **Care, Communities, Culture** and **Creativity.**

Following the launch there will be continued engagement to embed the strategy and make it real across the organisation, as well as a review of accountability, governance and reporting frameworks for the strategy, and each service area will set their annual goals and business plans for 2026-27.

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:

Area	Risk
Trust wide	There is a risk of failure to provide safe, effective and responsive care to meet patient needs for treatment and recovery. This may be caused by variation in Clinical Governance structures from Ward/Team to Board, failure to embed a culture of continuous learning and improvements including sharing learning across the organisation, high administrative burden, variation in training compliance for ILS/ELS/AVERTS/ETOC, variation in physical health assessments, lack of AMHP availability at General Hospitals, Place of Safety, and PDU resulting in delays to treatment. This may result in the compromise of patient safety and quality of care, failure to meet population needs, variations in care standards and outcomes, poor patient experience, intervention by the CQC, serious incidents resulting in harm to patients, staff, and the wider community.
Trust wide	There is a risk that the Trust is unable to maintain a sustainable financial position. This may be caused by a lack of control and delivery of plans in relation to the key drivers of financial spend in the Trust - namely out of area, bank and savings. This may result in the Trust not meeting its financial targets limiting available funds for investment in patient pathways, necessitating usage of limited balance sheet flexibility, under-spends in other areas or ultimately enhanced restrictions on spend, and ranking in lower segments for financial metrics in Oversight Framework.
Trust wide	There is a risk that the trust may fail to maintain acceptable governance and national standards. This may be caused by high levels of admissions under the mental health act, acuity of patients impacting on having longer lengths of stay, availability of timely access to discharge destinations for CRFD patients including impact of social worker availability, lack of integration of CYP services in particular in regards to IT systems. This may result in patients not being admitted to a local bed in a timely way, patients who are CRFD remaining in inpatient care longer than is required, an impact on ability to manage patient flow across service, a financial impact on Trust if activity levels are not met, regulatory actions and greater scrutiny.
Trust wide	There is a risk that the Trust may fail to create a positive working culture that is anti-racist and anti-discriminatory to enable high quality care. This may be caused by lack of engagement, inability to deliver digital solutions, lack of local accountability, inability to match recruitment needs (due to national and local shortages), inability to foster a psychologically safe environment, not utilising feedback from Staff Survey and Freedom to Speak Up, perceived lack of value placed on time to partake in supervision, 1:2:1s and appraisals. This may result in staff feeling vulnerable and unable to speak up resulting in missed opportunities to improve practice, sickness and recruitment challenges, loss of trust and confidence with communities, services that do not reflect the

	needs of service users and carers, high staff turnover (and incurred costs), increased regulatory scrutiny, intervention, and enforcement action.
Trust wide	There is a risk that the Trust may fail to provide timely access and work in partnership to deliver the right pathways and services at the right time to meet patient and service use needs. This may be caused by demand for services exceeding our capacity including increase in demand for inpatient services and increased demand in the community, limited capacity in social service provisions, lack of partnership and effective system working, fragmented pathways and interfaces, lack of service user, carer and family voice in informing service transformation. This may result in service users being cared for in inappropriate environments when in crisis, increased out of area bed use and the financial consequences, increased pressure on A&E in acute hospitals, increased waiting times/waiting list and backlog, negative impact on recovery and length of stay/time in service, Service users falling between gaps, increased risk of incidents.

Area	**Risk**
Acute/ Urgent/ Specialties/ Corporate Nursing	There is a risk that individuals presenting at General Hospitals, Place of Safety, and PDU may deteriorate while facing long waits for a Mental Health Assessment, which may lead to delays in treatment and admission, a serious incident, or harm to service users and the general public due to delay in accessing appropriate care. This may be caused because Birmingham City Council, who are commissioned to provide the AMHP service, do not have an appropriate provision of AMHPs for assessments which means that people are being kept inappropriately in A&E or out in the community, or leaving those safe spaces posing a danger to themselves and/or the public. Also, S117 orders are not being completed meaning that beds are blocked and those who need them cannot be admitted. There are repeated issues when attempting to contact the emergency mental health line with lack of out of hours escalation. It has been difficult to engage BCC in escalation processes despite engagement by BSMHFT. The lack of AMHP availability may result in public safety incidents, delays to unwell people receiving care and deteriorating, delayed transfer of care, delays in warrants, delays in treatment, increased pressure on our community teams and HTT, increased pressure on A&E departments, increased financial costs due to utilisation of out of area beds, fear in the community, and reputational risk if any incidents were to occur as they may be covered by the media.
ICCR	There is a risk that complex patients who struggle to engage with mental health services and treatments may cause significant harm to themselves or the public. This has come to light following attacks on the public in Nottingham in 2023 by Valdo Calocane and the independent investigation into his treatment which followed, which highlighted nationally a potential lack of oversight for complex patients who have poor engagement with treatment or lack of insight, poor discharge planning, lack of shared decision making, need for strengthening risk management, that medication compliance improvements are needed, structured family and carer involvement are needed, issues around staffing and workforce, and response to crisis. BSMHFT has completed a gap analysis which has been clinically reviewed by NHS England, and from this an action plan has been created.

Area	Risk
	This may result in serious incidents, death, fear in the community, pressures on our services and the wider system, poor publicity and reputational damage, loss of confidence from internal and external stakeholders, action against the trust by CQC and other authorities, loss of provider contracts, and financial impact.
Secure Care/ Corporate Nursing	There is a risk that patients may bring in or have delivered to wards harmful products leading to a risk of serious harm to themselves, other patients, or staff. This may be caused as there is inconsistency across all wards around checking parcels when they are delivered to patients on wards. There have also been incidents of knives being found in patient rooms during searches, identifying that there are inconsistencies in the use of wands when searching patients returning from leave. Concerns also surround contraband being passed into wards via courtyards. This may result in death, serious injury, or harm to patients, staff or damage to buildings. This may also bring reputational and financial damage.
Children and Young People Division	There is a risk that the CAMHS Urgent Care Pathway (Crisis Resolution/ Home Treatment, Place of Safety and Psychiatric Liaison) current workforce may be unable to meet the needs of Children and Young People requiring an urgent response. This may be caused as there has been a prolonged increased demand which exceeds our established capacity, and also a growing complexity of cases which means that they need to be under the team for longer. The nature of these patients is that they are incredibly risky and difficult to work with, and we have to do a lot of work with families. Other services across the city have been removed, further increasing the demand. This has led to a reduction in quality of Crisis and Home Treatment interventions, the wider urgent care pathway, and is having an impact on staff wellbeing. This could result in a reduction and disruption in service delivery and create pressure on the wider system.
Finance	There is a risk that there may be a lack of capital availability to fund major capital works at Reaside. This may be caused by lack of cash availability or lack of capital availability within the system. This could lead to an impact/effect on pre-committed expenditure if works had already began (at this stage they have not) or dilapidated buildings that are no longer fit for purpose.
People	There is a risk that BSMHFT's current workforce plan may not be effective in meeting the demands of the future due to the rapidly changing workforce profiles, gap in integration of organisational data and variances in supply from educational institutions. This could lead to an impact on succession planning, not having the right staff in the right place at the right time to deliver effective healthcare, and high temporary staffing costs.
Cyber Security	There is an increasing requirement to protect the NHS from cyberattacks and a risk that staff are unaware of the associated cyber fraud risks and their actions which can expose the organisation to security breaches. There is a need to focus arrangements 24/7 to protect the Trust from attack.

Area	Risk
	This could lead to clinical, quality, and safety impacts on Trust services, loss of data, financial damage, penalties from supervisory authorities, restriction on the Trust's CQC registration, and an impact on the Trusts reputation.

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 it can contribute to an 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 Trust's strategic priorities focusing on:

- Quality and safety
- Performance (activity, demand, and delivery of national, commissioning and local standards)
- 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 and include:

- 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 Trust has reconfigured its committee structure this year, establishing Performance Assurance Panels who meet with services on a monthly basis to review performance across the Trust's strategic priorities, reporting and escalating any issues to the Planning and Delivery Sub Committee chaired by the Director of Finance with updates then to Board level via the Board sub-committees, Finance, Performance Productivity Committee (FPP) and the Quality Patient Experience and Safety Committee (QPES).

The integrated dashboard itself provides drill down capabilities supported by control charts to assess progress and improvement for each metric. The metrics have been updated in line with the national planning guidance for 2025/26 and the next phase of development is to implement 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 (ICS) national indicators are also reviewed to establish the Trust's contribution to the overall system-wide performance, highlighting areas for improvement.

A revised National Oversight Framework was introduced by NHS England in June 2025 for 2025/26 focusing on the following domain areas including supporting metrics which for Mental Health Providers is as follows:

Finance and Productivity

- Planned surplus/deficit
- Variance year-to-date to financial plan
- Relative difference in costs

Effectiveness and Experience of Care

- Percentage of inpatients with >60-day length of stay
- Community mental health survey satisfaction rate (Annual)

Patient Safety

- CQC safe inspection score (if awarded within the preceding 2 years)
- Percentage of patients in crisis to receive face-to-face contact within 24 hours
- NHS Staff Survey – Raising concerns sub score (Annual)

People and Workforce

- Sickness absence rate
- NHS staff survey engagement theme score (Annual)

Access

- Annual change in number of CYP accessing NHS-funded MH services

In line with national methodologies where available, local reporting has been developed to track performance and identify areas for improvement. Progress updates are discussed at the Performance Assurance Panels, and a monthly update is also provided to the Trust Board sub-committee, Finance, Performance Productivity Committee.

NHS England publish a quarterly assessment of the above metrics for all Mental Health Providers on their Model Hospital Portal and also on a public facing dashboard, allowing comparison of performance against other Providers. The latest available national assessment is for quarter 3 of 2025/26 published in March 2026 and BSMHFT is placed in segment 4, classified as 'low performing'. This is due to the Trust's comparative outlier position on the following metrics: length of stay for the adult inpatient service, percentage of patients in crisis receiving face-to-face contact within 24 hours, NHS staff survey – raising concerns theme and engagement theme and sickness absence rate and year-to-date financial variance against plan.

Improvement plans for all these areas are in place and are regularly reviewed to track progress.

Further intranet-based reporting is also in place with a library of service specific reports to aid operational planning and support staff, for example activity reports, case management and caseload information, length of stay, Clinically Ready for Discharge, 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 these 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. Use is also made of the Model hospital benchmarking data, including the National Oversight Framework league tables.

To enhance accessibility and level of detail provided through our reports for staff, Power BI reports continue to be 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 equality, diversity and inclusion by looking at the demographic characteristics of our service user population across service areas. In addition, Trust Information Services have been working on a new Equity Index report allowing us to compare levels of difference in service user access or outcomes across various protected characteristics to identify areas where action is needed most. This report includes breakdowns of caseloads through the referral journey by age, gender and ethnicity and other protected characteristics. The economic status of where people live using the UK Govt Index of Multiple Deprivation also overlays reports.

To support the Trust's work to reduce inappropriate out of area placements, regular reports are provided weekly to the Trust's operational and clinical steering group and to the supporting workstreams to help track progress and help decision making on areas for action. Reporting updates and progress on the productivity plan is shared with the Performance Assurance Panel and Trust Board sub-committee Finance, Performance and Productivity Committee for assurance.

Significant work has also been undertaken to support the continued community mental health transformation agenda, including the establishment of performance and activity reporting for the now established Integrated Neighbourhood Mental Health Teams focusing on supporting primary care mental health needs at a locality level. In addition, the Trust is taking forward a locality based 24/7 model of care which is part of the national pilot programme of work. Bespoke reporting has been developed to support the service and inform the national evaluation.

Other reports introduced in 2025/26 focused on rollout of Dialog care planning, workforce expenditure, re-prioritised appointment scheduling and us of clinical outcome measures. New or enhanced reporting suites have been launched for specific services including psychiatric liaison, older adult community, integrated rehabilitation and talking therapy services.

Improving data quality remains a continued area of focus with exception reports provided to services to aid the maintenance of good data quality. The Trust's national Data Quality Maturity Index demonstrates high compliance with the latest available national data at 95.7% as at December 2025.

Performance against the relevant indicators and performance thresholds

The following indicators form part of the annexes to the original NHS Oversight Framework, updated in November 2017.

National mental health indicators

	NHSE Oversight Framework updated in November 2017: National Indicators – 2025/26	National Threshold	2025/26
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%	65%
2	Talking Therapies a) proportion of people completing treatment who move to recovery. b) waiting time to begin treatment i. within 6 weeks of referral ii. within 18 weeks of referral	50% 75% 95%	48.2%** 94.8% 99.8%
3 *	Inappropriate out-of-area placements for adult mental health services (average bed days per month)	n/a	939***
4 *	Admissions to adult facilities of patients under 16 years old	n/a	0%

*Please note that from 1st July 2025, Birmingham Women's and Children's CYP mental health services were transferred to BSMHFT. Data for this service has been included from 1st July 2025 to end March 2026 for these metrics.

**For 2025/26, the Trust's 'Moving to Recovery' rate for service users accessing psychological talking therapies was 48.2% It should be noted that this metric is no longer the primary national focus for Talking Therapies with outcome measures focusing on improving 'Reliable Recovery Rate' and the 'Reliable Improvement Rate'. Service level improvement plans are in place.

***For 2025-26 the trajectories for reducing inappropriate out of area placements agreed with commissioners and submitted to NHSE were based on reducing and maintaining no more than 10 PICU active inappropriate placements each month and 0 Acute inappropriate out of area placements. A productivity improvement plan has been in place to support this action with a focus on the following key workstreams, to better manage demand, reduce inappropriate OOA placements and related costs, improve patient experience and optimise services within resources available. The workstreams include admission avoidance, reducing length of stay, including reducing those who are Clinically Ready for Discharge and earlier intervention actions on discharge planning and support.

It should be noted that the existing Standard Operating Protocol (SOP) agreed with commissioners specifying adherence to national qualitative and quantitative criteria that need to be met to classify out of area placements as 'appropriate' was further reviewed to confirm inclusion of additional contract beds commissioned out of area and was approved by commissioners at the end of March 2026.

It should also be noted as recognised by NHSE, that as the SOP includes locally agreed changes these are not reflected in national reporting. There will therefore be a lack of consistency between local and national data. It is recognised nationally that this impacts on all Mental Health Providers who have a SOP in place.

Taskforce for Climate Related Financial Disclosure

NHS England's NHS foundation trust annual reporting manual has adopted a phased approach to incorporating the TCFD recommended disclosures as part of sustainability annual reporting requirements for NHS bodies, stemming from HM Treasury's TCFD aligned disclosure guidance for public sector annual reports. TCFD recommended disclosures as interpreted and adapted for the public sector by the HM Treasury TCFD aligned disclosure application guidance, will be implemented in sustainability reporting requirements on a phased basis up to the 2025/26 financial year. Local NHS bodies are not required to disclose scope 1, 2 and 3 greenhouse gas emissions under TCFD requirements as these are computed nationally by NHS England.

The phased approach incorporates the disclosure requirements of the governance, risk management and metrics and targets pillars for 2025/26. These disclosures are provided below with appropriate cross referencing to relevant information elsewhere in the annual report and accounts and in other external publications.

The Trust has adopted the recommendations from the National Taskforce for Climate Related Financial Disclosure. The Trust's Finance, Performance and Productivity Committee received a comprehensive report during 2025/26 into the four governance pillars and the recommendations and was satisfied with the frequency of reports to the Committee on this area that will be received during 2026/27. Our Executive Director of Finance has been identified as the lead executive. Each of the Board's committees has received an overview of the recommendations and their responsibilities, with terms of reference for each committee revised to take into account the specific TCFD requirements. The Trust will receive regular reports throughout 2026/27 to incorporate and monitor the recommendations.

Pillar	Governance	Strategy	Risk Management	Metrics and Targets
Progress in 2025/26	Lead Executive Director identified Lead Board Committee identified Terms of Reference for all Committees updated to reflect TCFD BSMHFT Green/Carbon Steering Group that reports into SRO	As part of the Trust's sustainability priority ICS Green Plan BSMHFT Green Plan	Risks identified and reflected through the risk register, monitored through the Risk Management Group and escalated as necessary	The Trust is a key partner in BSOL ICS Green Plan Included in Trust's own Green Plan Targets identified in the Trust's sustainability programme

Governance Pillar

The Board of Directors has arranged oversight through the Finance, Performance and Productivity Committee as the lead Board Committee for TCFD. Assurance reports from the Committee are received at each Board of Directors meeting to Alert, Advise and Assure on key issues raised. The Committee has agreed to regular reports on TCFD, currently twice per year. Each Board Committee has revised and

approved its terms of reference to include TCFD recommendations and their role in overseeing and awareness of the recommendations. Audit Committee will also receive oversight of TCFD as required.

The Executive Director of Finance has been identified as the lead executive for this area, and is responsible for ensuring TCFD recommendations are implemented and managed throughout the organisation.

The Trust has its own Green Plan which is regularly monitored by the Finance, Performance and Productivity Committee, as well as being a key partner in the delivery of the BSOL ICS Green Plan. The Trust monitors this through the Green/Carbon Steering Group which reports into the Senior Responsible Officer. The Green Plan oversight from Finance, Performance and Productivity Committee would be raised at Board of Directors through the standard Assurance Report.

Strategy Pillar

The Trust's organisational strategy (ending 2026) identifies Sustainability as a strategic priority, recognising that environmental stewardship is fundamental to delivering high-quality, resilient healthcare services for current and future generations. A key element of this priority is "caring for the environment", reflecting the Trust's commitment to reducing its environmental impact, supporting the NHS Net Zero ambition, and strengthening organisational resilience to the effects of climate change.

The Trust maintains a comprehensive Green Plan which sets out its approach to carbon reduction, sustainable healthcare delivery, climate adaptation and environmental improvement. The Green Plan establishes objectives and actions covering estate decarbonisation, energy efficiency, sustainable travel, procurement, waste management, biodiversity and workforce engagement. Progress against these objectives is monitored through the Trust's governance framework and informs strategic and operational decision-making.

The Trust is also a key partner in the delivery of the Birmingham and Solihull Integrated Care System (BSOL ICS) Green Plan, working collaboratively with system partners to support shared sustainability objectives and maximise opportunities to reduce environmental impacts across the wider health and care system. This partnership approach supports the identification of climate-related opportunities, including the development of sustainable models of care, improved resource efficiency and strengthened system resilience.

The Trust recognises that climate change presents both physical and transition risks which may affect service delivery, operational resilience, infrastructure, supply chains and financial sustainability. Physical risks include the increasing frequency and severity of extreme weather events such as heatwaves, flooding and storms, while transition risks include changing regulatory requirements, evolving sustainability expectations and the need to decarbonise healthcare services and estates. These risks are considered through the Trust's established risk management processes and are incorporated into strategic planning, business continuity arrangements and capital investment decision-making.

Climate-related risks are identified, assessed and managed through the Trust's Risk Management Framework and are considered alongside other strategic and operational risks. Where appropriate, significant climate-related risks are escalated through directorate and corporate governance structures and recorded within the Corporate Risk Register. The Risk Management Group provides oversight of the effectiveness of risk management arrangements, reviews emerging risks and ensures appropriate mitigation plans are in place. The Audit Committee receives assurance regarding the adequacy and

effectiveness of the Trust's systems of internal control, governance and risk management, including risks relating to sustainability, environmental performance and organisational resilience.

The Trust also participates in system-wide business continuity arrangements through the BSOL Business Continuity Committee. This forum provides oversight of risks that may affect the resilience of health and care services across the Integrated Care System, including those arising from extreme weather events, infrastructure disruption and other climate-related incidents. Through this collaborative approach, the Trust contributes to the identification, escalation and management of system-wide risks and supports coordinated preparedness and response planning across partner organisations.

The Trust continues to assess the resilience of its strategy and operations in the context of a changing climate and the transition to a low-carbon healthcare system. Through delivery of the Green Plan and integration of climate-related considerations within strategic planning, risk management and business continuity processes, the Trust seeks to enhance resilience, improve operational efficiency, reduce environmental impacts and contribute to improved population health outcomes while maintaining the delivery of safe, effective and sustainable healthcare services.
Further information on the Trust's sustainability activities, environmental performance and progress against Green Plan objectives is provided within the Sustainability and Climate Change section of this Annual Report.

Risk Management Pillar

The Trust manages climate-related risks through its established Risk Management Framework, ensuring that environmental and climate-related risks are identified, assessed, monitored and escalated in a manner consistent with all other strategic and operational risks. This approach supports the integration of climate-related considerations into existing governance, assurance and decision-making processes rather than treating them as standalone risks.

Climate-related risks are identified at operational and corporate levels through routine risk assessment processes. These risks may include the impacts of extreme weather events, flooding, heat resilience, energy security, supply chain disruption, infrastructure resilience, regulatory compliance and delivery of the NHS Net Zero ambition. Risk owners are responsible for assessing the likelihood and impact of identified risks, implementing mitigating actions and reviewing risk ratings on an ongoing basis.

The Trust Risk Management Group provides oversight of the organisation's risk management arrangements and acts as the principal forum for the review, moderation and escalation of risks, including those relating to climate change and environmental sustainability. Climate-related risks are regularly presented to the Group for discussion and challenge, ensuring that risk assessments remain current and that mitigation plans are proportionate to the level of risk identified. The Group also considers emerging climate-related risks and opportunities arising from changes in the external environment, regulatory requirements and system-wide sustainability initiatives.

Where climate-related risks meet the Trust's escalation criteria, they are included within the Corporate Risk Register and monitored through the Trust's corporate governance framework. Significant climate-related risks that have the potential to affect the achievement of the Trust's strategic objectives may also be reflected within the Board Assurance Framework, providing Board-level visibility and assurance regarding the effectiveness of mitigating controls and actions.

The Board and its committees receive regular reports on the Corporate Risk Register and Board Assurance Framework, enabling ongoing scrutiny of strategic and operational risks, including those arising from climate change. The Audit Committee receives assurance regarding the effectiveness of the Trust's systems of governance, internal control and risk management and considers the adequacy of arrangements for identifying and managing climate-related risks as part of its oversight responsibilities.

In addition to internal governance arrangements, the Trust participates in system-wide risk and resilience discussions through the Birmingham and Solihull Integrated Care System Business Continuity Committee. This forum facilitates the identification, assessment and escalation of risks that may affect the resilience of health and care services across the wider system, including risks associated with extreme weather events, infrastructure disruption, utility failures and other climate-related incidents. This collaborative approach supports coordinated planning, preparedness and response activities across partner organisations.

The Board also receives regular assurance through reporting on delivery of the Trust's Green Plan, sustainability programme and environmental performance. These reports provide updates on climate-related risks and opportunities, progress against mitigation and adaptation actions, and the effectiveness of measures designed to reduce the Trust's environmental impact and strengthen organisational resilience.

Through the integration of climate-related risks within its established risk management, business continuity and governance processes, the Trust seeks to ensure that emerging environmental challenges are identified early, managed proactively and considered appropriately within strategic planning and decision-making.

Metrics and Targets Pillar

The Trust monitors and reports a range of climate-related and sustainability performance indicators to assess progress against its environmental objectives and support delivery of the NHS Net Zero ambition.

The Trust has continued to make progress in reducing its carbon emissions and improving environmental performance. In line with NHS England guidance and the NHS Net Zero Strategy, the Trust's current Green Plan was developed using a 2019/20 baseline year (pre-pandemic) and includes a carbon reduction trajectory designed to support achievement of the NHS target of an 80% reduction in emissions by 2030/32 compared with the 1990 baseline. This reflects both the need to maintain the substantial emissions reductions already achieved across the NHS and to deliver further reductions through targeted decarbonisation initiatives.

The Trust monitors a range of metrics and targets aligned to its Green Plan, including measures relating to energy consumption, carbon emissions, sustainable travel, waste management, procurement and resource efficiency. These indicators support the assessment of climate-related risks and opportunities and inform decision-making across operational and strategic planning processes.

During 2025/26, the Trust commenced a review and refresh of its Green Plan in line with updated NHS England guidance and mandated reporting requirements. As part of this process, baseline years, methodologies and performance measures will be reviewed to ensure consistency with evolving NHS reporting expectations, particularly in relation to supply chain and other Scope 3 emissions. While some

metrics and baselines may be updated, the Trust's overall commitment to achieving net zero emissions and improving environmental sustainability remains unchanged.

The Trust recognises that climate-related metrics and targets are a key component of effective climate governance and risk management. Progress against these measures will continue to be monitored and reported annually, providing transparency on delivery of the Trust's climate objectives and supporting assessment of the organisation's resilience to climate-related risks and opportunities.

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 England 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 with reference to quality and safety since the publication of the previous annual report is as follows:

Quality Achievements – Advanced Practice 2025/26

During 2025/2026, significant progress has been made in strengthening advanced practice across the organisation. This includes establishing clearer governance structures, improving workforce oversight, enhancing education and supervision frameworks, and increasing system-wide collaboration.

Governance

- Established clear guidance outlining expected standards for Advanced Clinical Practitioners (ACPs), aligned with national benchmarks.
- Developed standardised job descriptions, person specifications, and training contracts for both qualified and trainee ACPs to reduce role variability and support all four pillars of advanced practice.
- Strengthened partnerships with Higher Education Institutions (HEIs), contributing to curriculum development and fostering collaborative relationships.
- Began integration of advanced practice into organisational frameworks, including training, coaching, mentoring, talent management, and succession planning.
- Introduced a dedicated advanced practice budget linked to education contracts, supporting sustainable workforce development.

Leadership

- Established an Integrated Care System (ICS) Advanced Practice Community of Practice, chaired by the Trust's Professional Lead for Advanced Practice, contributing to regional strategy development.
- Recognised as an early adopter organisation, working with the Nursing and Midwifery Council to inform emerging regulatory frameworks.

- Embedded national advanced practice principles within local governance processes.
- Initiated a Quality Improvement (QI) project within Home Treatment Teams to evaluate the impact of advanced practice roles on urgent care pathways and patient outcomes.
- Secured international recognition through planned presentation at the International Council of Nurses/Advanced Practice Conference.

Workforce

- Improved workforce visibility through enhanced ESR reporting, now capturing a broader range of advanced practice roles.
- Identified 70 staff in advanced practice roles (62.68 WTE), with ongoing data validation to improve accuracy.
- Commenced a comprehensive data quality improvement programme, including alignment with national occupation codes.
- Developed an options appraisal to inform future workforce modelling and organisational change.
- Strengthened workforce planning through improved data quality, supporting safer, more consistent service delivery.

Training, Clinical Practice and Supervision

- Implemented a comprehensive advanced practice training framework.
- Updated supervision policy to include clear guidance for ACP supervision.
- Delivered education sessions to strengthen understanding of supervision roles.
- Established processes with NHS England for funded ACP training places.
- Introduced regular supervision forums for trainee and qualified ACPs.

Priorities for 2026/2027

- Strengthen evaluation of advanced practice impact through improved data and outcome measurement.
- Expand equitable access to advanced practice training across professions and services.
- Complete a formal workforce review to support organisational change and strengthen clinical oversight.
- Embed advanced practice roles within multidisciplinary teams.
- Standardise operational guidance and role descriptors.
- Enhance leadership development and career progression opportunities.
- Secure sustainable funding through collaboration with NHS England and education partners.
- Promote ACP-led research and quality improvement initiatives.

Culture of Care and Dashboard Development

We are working to embed the Culture of Care framework across acute services, with a strengthened focus on improving the quality, consistency, and therapeutic value of interactions between staff and service users.

Targeted work on Caffra Ward has resulted in enhanced clinical practice relating to the administration of IM (intramuscular) medication, including clearer guidance and improved adherence to best practice for deltoid-site administration. This has been supported by structured reflective learning and strengthened oversight to ensure continued assurance around safe prescribing and administration.

Carer engagement has also been advanced through focused activity at Tazetta Ward and Endeavour House, where teams are piloting improved mechanisms for earlier involvement of carers in assessment,

care planning, and feedback processes. Early indications demonstrate improved communication pathways and enhanced relational continuity for families and supporters.

Within Newbridge House, the implementation of a protected daily hour for staff to be out of the office and visible on the ward has provided increased opportunities for direct observation of care, strengthened leadership presence, and improved responsiveness to patient needs. This approach is supporting a more consistent therapeutic environment and aligns with the wider organisational aim of promoting relational security and high-quality everyday care.
In parallel, the development of the Culture of Care dashboards has progressed at pace. These dashboards offer a structured and transparent mechanism for monitoring ward-level metrics, triangulating qualitative and quantitative indicators, and identifying areas of good practice and risk. They are designed to support enhanced oversight at service, divisional, and Board levels, while also offering wards a practical tool to guide local quality improvement activity.
Next steps include further refinement of the dashboards in collaboration with frontline teams, expanding data inputs to and embedding routine use of the dashboards within governance processes, quality review meetings, and continuous improvement cycles.

Education

The Professional Education Team provides education and training that supports safe, effective and high-quality care across inpatient and community mental health services. All programmes are aligned with organisational priorities, NHSE (NHS England) priorities, NMC (Nursing & Midwifery Council) standards and regulatory feedback.

Strategic Priorities (Five-Year)

- Workforce Capability and Confidence:
  Embed a consistent, high-quality preceptorship and early career support model across all non-medical roles.
- Education Quality and Consistency:
  Standardise core education provision across pre-registration, post-registration, unregistered workforce and CPD (continuing professional development), with clear quality assurance measures.
- Career Pathways and Retention:
  Strengthen NA (nurse associate), RNDA (Registered Nurse Degree Apprenticeship) and post-registration development pathways, with visible progression routes and targeted CPD.
- Leadership and Professional Accountability:
  Embed professional accountability, legal frameworks and safe decision-making across all education programmes.
- Innovation and Future Ways of Working:
  Expand blended and flexible learning models to support new roles, settings and system-wide working.
- Partnerships and System Working:
  Strengthen collaboration with HEIs, system partners and carers to ensure education reflects service complexity and patient need.

Key Achievements and Quality Impact

- Implemented a mandatory, high-quality preceptorship and early career support model for Nursing and AHP (allied health professionals) staff; shortlisted for the Nursing Times Awards 2025, demonstrating external quality recognition.
- Developed a standardised core education offer, including the *Fundamentals of Care* programme, informed by regulatory feedback and patient safety learning. Five core modules focus on clinical safety, inclusive practice and continuity of care.

- Appointed Band 7 Clinical Education Leads to design a trust-wide education programme for HCAs. A core training package is in development following scoping and thematic review, with delivery planned from February 2026 onwards
- Strengthened quality assurance in learner supervision through development of internal Practice Assessor and Supervisor training, including an annual refresher.
- Streamlined NA and RNDA pathways in partnership with apprenticeship teams, supporting retention and workforce sustainability.
- Expanded CPD access across nursing and AHP groups, with targeted leadership development for matrons and aspiring matrons focused on quality and patient safety.
- Delivered innovative, flexible learning approaches, including medicines management and in discussions to enable the development of a 20-credit quality and patient safety module with HEI (higher education institutes) and patient safety colleagues.
- Demonstrated innovation in education through co-produced learning resources, including a board-game-based approach presented at the RCN (Royal College of Nursing) Education Conference 2026.
- Maintained strong system engagement, including ICB (Integrated Care Board) education committees, the Darzi Project, and implementation of SLEC (Safe Learning Environment Charter).

Key Priorities for the Year Ahead

- Apply for the NHSE Multi-Professional Preceptorship Quality Mark.
- Integrate Children and Young People (CYP) division pre- and post-registration education offer.
- Deliver and evaluate the unregistered workforce education programme using PDSA (Plan, Do, Study, Act) methodology.
- Develop a clear Nursing Associate workforce strategy, informed by NA CPD focus groups.
- Working with subject matter experts on the development and implementation of accredited flexible based learning modules ensuring high-quality, evidence-based learning
- Review the Darzi project and evaluate the impact of system-wide SLEC implementation.
- The development of a collaborative model of clinical education in which clinical educators work in partnership with subject matter experts to develop and jointly deliver specialist clinical education packages, ensuring high-quality, evidence-based learning on priority and high-risk clinical topics.

Reducing Restrictive Practice (AVERTS)

The AVERTS team straddle both Learning and Development and Corporate Nursing; the workstreams between the consultancy and training functions are closely aligned.

<u>Ongoing work</u>
The training team continue to provide fundamental training to Trust staff that is aligned with the Restraint Reduction Network (RRN) Standards and is BILD (UK charity providing education certification for training including physical restraint) ACT accredited, this is an NHS and CQC (Care Quality Commission) contractual requirement. Re-accreditation is on a 3 yearly cycle with a yearly re-certification process ensuring standards are maintained.

The AVERTS consultancy function provides reducing restrictive practice RRP and restrictive physical intervention (RPI) support for clinical services. The work involves bespoke training requests, attending meetings as subject matter experts and ensuring practice is aligned with Trust policy, best practice and national guidance. The introduction of Culture of Care has ensured that there is alignment with Safewards the violence prevention initiative and there is renewed vigour around the application of Safewards within clinical services to reduce incidents of containment and conflict and to create safer clinical environments for service users, staff and visitors.

Achievements

The AVERTS team co-collaborate with experts by experience who co-deliver on AVERTS training, the EBEs (experts by experience) help to develop sessions and take an active role within the Trusts Reducing restrictive Practice Steering group (RRPSG). The also ensure that service users experience is at the forefront of interventions and that service user voice is integral to the training that is delivered. The Trust have been asked to present at local and national forums regarding its EBE involvement in the RPI training as an exemplar organisation. The Trust have developed several co-produced training videos regarding the importance of effective communication as part of its de-escalation offering for all staff.

The Team provided updates and ensured amendments are progressed to the Clinical Search Policy including adaptations to how searches are reported and recorded allowing for enhanced monitoring, oversight and audit of search practices, an enhanced offer of Search training and assessment of competency for all staff who attend AVERTS FT, the development of personal belongings searches and the offer to provide environmental search training in clinical areas that have an available facility. A professional standard guideline has been developed to support the reporting and recording of searches and on-going work to improve the data captured on the inpatient portal.

The Team have been involved in the procurement of the new secure patient transport contract ensuring that seamless and safe care is provided. The team are also endorsing and supporting clinical services to use of the deltoid for the administration of intramuscular rapid tranquilisation when oral preparations are not an option. This is further supported by the roll out of safety pods and the required training for clinical areas to reduce the need for floor interventions if physical holding is required. The team are currently in the process of amending the Trusts Restrictive Physical Intervention RPI training; AVERTS to ensure that prone interventions are only used as an emergency last resort when all other options have been considered and discounted.

Restrictive practice data is reviewed and reported on monthly in the Trusts RRPSG, and through agreed governance channels, the Trust continues to develop its restrictive interventions reporting Suite that gives all staff insight to the restrictive practice data for their service and includes demographic data as well as the time and type of incident. This allows local service areas to monitor progress towards actions identified through their local Reducing Restrictive Practice groups. RRPSG workstreams include blanket restrictions, reduction of prone interventions, oversight of seclusion, monitoring of rapid tranquilisation, support for operation Stonethwaite, Violence Prevention and reduction Standard work alongside any national guidelines that are published for the reduction of restrictive practices. The Trust is a co-chair of the National use of Force Community of practice and attends NHSE Restrictive practice Oversight Group ensuring it is up to date with all developments regarding restrictive practice and intervention.

February 2026 saw the Trust host a National Positive and Safe Event in collaboration with the CQC and NHSE. The day saw several guest speakers present the work that was being undertaken to reduce restrictive practices within Mental Health and Learning Disability services across England and provided the opportunity to share knowledge and experiences to ensure best practice is being applied with looking to reduce restrictive practice within the organisation. The Trust presented the work that it had been undertaking to create a seclusion poster that makes service users aware of their rights and minimum expected standards if they find themselves subject to seclusion. The poster was co-created and an EBE attended on the day to share his involvement in the project.

Future work

The Trust is due to outline the intended RRP workstreams for 2026/2027 and will respond directly to service user feedback elicited from questionnaires and feedback from individuals who use the service.

Complaints and Patient Experience

Introduction of a Revised Complaints Management Process (July 2025)

In July 2025, a revised complaints management process was introduced to improve the timeliness, consistency, and quality of responses provided to service users and families. The redesigned pathway strengthened escalation routes, clarified responsibilities for investigating teams, and enhanced oversight of response deadlines.

The new process focuses on:

- Reducing the length of time complaints remain open.
- Strengthening accountability and ownership within services.
- Improving the quality and empathy of responses issued.
- Ensuring learning from complaints is routinely captured and shared across divisions.

This approach has supported more efficient case progression and reinforced organisational learning by ensuring themes and insights from complaints drive quality improvement activity across the Trust.

Strengthened Engagement with Divisional Senior Leadership Teams (SLT)

To support timely and compassionate responses to concerns, closer working relationships were established with Divisional Senior Leadership Teams. Weekly meetings were introduced to review open complaints, discuss complex cases, and ensure appropriate senior oversight.
These meetings enable:

- Early intervention and timely resolution of concerns.
- Development of high-quality, patient-centred responses.
- Identification of emerging themes or risks requiring escalation.
- Shared ownership and strengthened accountability for complaint management.
- Improved visibility and direct engagement at senior levels, including the CEO.
-

This collaborative approach has enhanced organisational responsiveness and improved the consistency and timeliness of complaint handling.

Introduction of a New Complaints and PALS Tracker and Migration to Microsoft Planner

In July 2025, the Customer Relations Team launched a new Complaints and PALS Tracker to streamline case management and support live updates. The tracker enables staff to:

- Record real-time progress on cases.
- View the current stage of each complaint or PALS concern.
- Add free-text updates accessible to the wider team.
- Provide accurate, real-time information for reports shared with services.

The team also transitioned to using **Microsoft Planner** for task management. This has improved internal workflow and has been particularly helpful for tracking deadlines for statements, clinical reviews and investigation stages.

Complaints Training for Matrons and Divisional Teams

A structured training programme was delivered to matrons and divisional staff to strengthen capability and confidence in managing patient concerns.

The training covered:

- Early resolution at the point of care.
- Compassionate and effective communication with patients and families.

- Writing clear, empathetic, high-quality responses.
- Understanding the complaints process and regulatory requirements.
- Translating learning from complaints into service improvements.

This investment supports a culture of openness and proactive management of concerns.

Review and Improvement of Final Response Letters

During 2025/26, a full review of the **final response letter process** was undertaken to improve clarity, reduce duplication, and enhance the complainant experience.
Historically, complainants received two separate documents:

1. An investigation outcome letter, and
2. A CEO cover letter.

Following feedback, the Customer Relations Team led a redesign process, resulting in the introduction of a **single, combined final response letter**.

Key improvements include:

- **Amalgamation of the investigation outcome and CEO cover letter** into one clear and comprehensive document.
- **Review and approval by the CEO**, who expressed full satisfaction with the new structure.
- **All staff involved in investigating and responding to the concerns are listed**, improving transparency and demonstrating accountability.
- The **complaint handler is named**, reflecting their role in coordinating the investigation and communication.
- The final letter is **CEO-signed**, strengthening assurance and demonstrating organisational commitment to addressing concerns seriously.

This improvement has strengthened communication with complainants and enhanced the perceived quality, consistency and professionalism of final responses.

Highlighting Key Performance Indicators (KPIs) for the Customer Relations Team

During 2025/26, a stronger focus was placed on defining, monitoring, and communicating **key performance indicators** for Complaints and PALS.

This work included:

- Establishing KPIs aligned with Trust standards (e.g., response times, re-open requests, early resolution levels).
- Incorporating KPIs into regular weekly and monthly performance reporting.
- Sharing KPI outcomes with services to promote transparency and drive improvement.
- Using KPI data to identify pressure points, delays, and opportunities for enhanced quality.

This has supported improved accountability and strengthened Trust-wide performance management.

Inequalities Deep Dive (August–September 2025)

Between August and September 2025, a health inequalities deep dive was undertaken to explore whether particular patient groups experience barriers in raising concerns or differences in how their complaints are managed. The review analysed demographic data alongside themes in complaints and PALS concerns.

Benefits include:

- Improved understanding of potential disparities in access to complaints pathways.
- Identification of opportunities to strengthen inclusivity and accessibility.
- Enhanced organisational awareness of health inequalities within patient experience data.
- Informing targeted actions to ensure processes remain equitable and fair for all communities.

Additional deep dives were undertaken in specific service areas to understand localised issues, identify recurring themes, and support targeted improvement work to reduce complaints and improve service experience.

Re-establishment of the PALS and Complaints Network

The PALS and Complaints Network was re-established to strengthen collaboration, consistency, and shared learning across the organisation.
The network provides a forum to:

- Share best practice and insights from complex cases.
- Identify common themes and emerging risks.
- Improve consistency in the management of concerns.
- Promote peer learning and professional development.

The re-establishment of the network has supported a more cohesive approach to patient experience.

Monthly CQC Oversight Meetings

Monthly oversight meetings were established with key stakeholders to review complaints, themes and patient experience insights in relation to regulatory standards.
Benefits include:

- Improved communication between governance, quality and operational teams.
- Early identification of risks or concerns linked to CQC domains.
- Timely escalation and resolution of issues.
- Strengthened organisational assurance relating to compliance and oversight.

This has contributed to a reduction in open CQC cases and strengthened the Trust's regulatory position.

Priorities for 2026/27

- QI project to address inequalities identified through the 2025 deep dive.
- Increase the number of complaints and PALS cases resolved within agreed timeframes.
- Strengthen relationships with services to promote shared accountability.
- Provide increased training opportunities across the Trust.
- Re-establish and maintain Customer Relations Surgeries in secure care settings.
- Develop internal and external Customer Relations web pages, including "You Said, We Did".
- Enhance lived experience involvement, including patient and family story feedback presented to QPES.
- Collaborate with Patient Experience and Participation teams on shared improvement work.

Learning Disability and Autism (LDA)

Across 2025–2026, the Trust has made progress in strengthening LDA (learning disability & autism) pathways, governance, and workforce capability. Key achievements include updated contracts, operationalisation of the Autism Enhanced Support Team, improved DSR processes, and strengthened oversight of C(E)TRs (Care (Education) and Treatment Reviews) and LAEP (local area emergency protocol) within our Urgent Care services. However, critical areas remain—particularly diagnostic visibility, consistent CMHT engagement, community CTR (care & treatment review) compliance, and embedding of the Reasonable Adjustments Digital Flag.

Dynamic Support Register (DSR)

Key Achievements in 2025/26

- A **Quality Improvement proposal** has been approved in response to SEND (special educational needs & disabilities) inspection findings.
- The **DSR SOP (dynamic support register standard operating procedure) has been finalised**, with a strong focus on transitions from CYP (children & young people) to adult services.
- Meeting attendance now shows more consistent representation from Health, Social Care, and Education.
- **Keyworker referrals** are increasing, and the DSR portal now supports **self-referral**.
- The **DSR Coordinator role** is being expanded and moved into the Provider Collaborative Transforming Care Team.

The DSR is becoming more robust and integrated but requires stronger CMHT (community mental health team) engagement and consistent operationalisation.

Care (Education) and Treatment Reviews (C(E)TRs) and LAEP

Key Achievements

- SOPs for C(E)TR and LAEP have been collaboratively developed and are nearing final sign-off.
- Inpatient C(E)TR recommendations are now embedded into **monthly cohort reviews**, improving discharge planning.
- Uptake of community C(E)TRs is improving for those on the DSR.
- Oversight of LAEP/CTR activity has strengthened within urgent care pathways and Home Treatment Teams.

Workforce Development: Oliver McGowan Mandatory Training

Achievements

- Training is now available to all staff and monitored through fundamental training records.
- The Trust met its compliance target for 2024/25 and continues rollout into 2025/26 with a more focused trajectory for compliance and monitoring.
- The National Autism Trainer Programme began its first roll out across the trust in March 2026.
- Resources for Autism delivered a series of training sessions across the Trust Acute inpatient services to offer more intensive training as part of the Trust Culture of Care programme. Feedback shows the improvement in knowledge and confidence following this training External Training Evaluation: Understanding AUTISM - BSOL – Results

Commissioning and Contracting

Key Achievements

- The **Autism Enhanced Support Team** has secured full investment for 2025/26 and this continues into 2026/7 with an approved service specification and ongoing recruitment. The team currently hold an active caseload of 29 receiving approximately 4 referrals per week.

Policy Development and Governance

Significant progress has been made in strengthening policy governance and assurance processes.

Key Achievements

- Comprehensive review of clinical policies aligned with audit and assurance frameworks.
- High compliance with policy review timelines (92% within required period).
- Alignment of practice standards with policy documentation.
- Delivery of policy training to improve organisational capability.

Priorities for 2026/2027

- Further embed practice standards within policies.
- Align Children and Young People's policies following service transfer.
- Establish a robust governance framework for Standard Operating Procedures.

Outbreaks (2025/2026)

The total number of outbreaks during 2025/26 was 9 (this was a reduction by twenty nine outbreaks from the previous year). The breakdown of types of outbreaks is provided below:

2025/26

Type	Q1	Q2	Q3	Q4
COVID-19	2	0	2	0
Flu	0	0	1	0
D&V	3	0	0	0
RSV	0	0	0	1

Outbreaks 2025/26:

Month	Outbreaks
Apr-24	3
May-24	0
Jun-24	2
Jul-24	0
Aug-24	0
Sep-24	0
Oct-24	2
Nov-24	0
Dec-24	1
Jan-25	1
Feb-25	0
Mar-25	0
TOTAL	9

Health and safety performance summary 2025/26

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

- Delivering and embedding the health and safety roles and responsibilities for senior leaders through regular training sessions.
- Supporting the safe delivery of capital schemes such as refurbishment of Main House Community Hub, Dawn House, 24/7 Neighbourhood Mental Health Hub and the new Highcroft hospital scheme.
- Development and launch of due diligence documents and checklists for community visits and the use of seclusion in non-designated suites.
- Operationalising the action module on the AMaT audit system for the management and oversight of actions generated from Health and Safety, Fire and Security risk assessments.
- Re-establishment of fire safety structure following a period of unexpected absence through recruitment of additional Fire Safety Officer and collaboration with colleagues from Black Country Healthcare.
- Establishment of Trust Fire Safety Group.
- Ongoing learning from fire drills and fire incidents to improve our fire safety management system.
- Development and launch of new Staff Safety Strategy.
- Accident and incident investigations to ensure ongoing learning and improvement in our safety culture.
- Collaborating with Estates colleagues to improve the management of contractors' process.

Other key points to note are:

- The Trust received no Health and Safety enforcement notices and had zero Never Events in 2025/26.
- All Central Alerting System (CAS) alerts were responded to within the given timeframe.
- In 2025/26 there were 31,892 reported untoward incidents, an increase of 1,978 incidents compared to 2024/25.
- Incidents of violence and aggression accounted for 7,825 in 2025/26. Of this figure 1,226 were because of physical assaults on inpatient staff. This compares with 6,730 in 2024/25, of which 1,132 were because of physical assaults on inpatient staff.
- The number of false fire alarms reported in 2025/26 was 136, an increase of 25 on the previous year.
- The number of actual fires reported in 2025/26 was 23. Of these 7 were accidental, 3 were wilful/arson and 13 undetermined. The total figure compares with 23 in 2024/25.
- There were 62 (staff) and 677 (service users) Slips, Trips and Falls incidents in 2025/26. In 2024/25 there were 57 (staff) and 668 (service users) 2024/25 incidents. An increase of 5 and 9 for staff and service user incidents respectively.
- Personal accidents to staff (excluding slips, trips and falls) accounted for 162 reported incidents which is a decrease of 9 from 2024/25.

A total of 59 incidents were reported to the Health and Safety Executive under the requirements of RIDDOR in 2025/26, compared to 42 for the previous year.

Key partnerships and alliances

Birmingham and Solihull Integrated Care System (ICS)

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 ICS will be place based working and provider collaboratives to make sure we are making decisions closer to patients and frontline staff.

West Midlands Mental Health, Learning Disabilities and Autism Provider Collaborative

This is a collaborative of all seven mental health trusts across the West Midlands, comprising BSMHFT, Midlands Partnership University NHS Foundation Trust, Black Country Healthcare NHS Foundation Trust, Coventry and Warwickshire Partnership NHS Trust, Herefordshire and Worcestershire Health and Care NHS Trust, North Staffordshire Combined Healthcare NHS Trust and Birmingham Women's and Children's NHS Foundation Trust.

The purpose of this collaborative is to work across the regional footprint on issues where we need to use scale, pool or access expertise, build resilience, and/or directly support front line staff to manage current pressures. This collaboration at scale will add value, particularly planning for and implementing improvements when working on larger population basis.

During 2025/26, executive teams from all partners have been working collaboratively to develop shared priorities and actions to drive forward the strategic approach of the collaborative. These include: evidencing the value of investment in mental health, learning disabilities and autism; effective use of bed capacity across the region; regional workforce initiatives and addressing health inequalities.

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

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. This provider collaborative went live in October 2023, with a clinical model that aims 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), BSMHFT, 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.

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

Overview

The principal activity of Summerhill Services Limited (SSL) throughout the year was the provision of managed property services and outpatient pharmacy dispensing services for its parent organisation, Birmingham and Solihull Mental Health NHS Foundation Trust. SSL also provides PFI, capital and facilities management consultancy, and project management services to other NHS partners within the West Midlands and nationally.

Our Strategic Ambitions

We aim to be the preferred supplier of high-quality, efficient, clinically focused services and sustainable solutions, delivering the best health care support services in the eyes of our customers, patients, communities, colleagues, and partners.

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

With expert knowledge and demonstrable results, we will continue to achieve exceptional operational performance and help shape the future of health care environments.

Business Model

The company's strategy is to provide efficient, clinically focused services and sustainable solutions through a single point of contact for all facilities management and support services for our parent Trust and other NHS organisations across Birmingham, Solihull, and nationally.

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 managed property services and outpatient pharmacy dispensing services to the Trust. SSL manages estates and facilities through property and performance management and delivers these services via directly employed facilities management. These SSL professional services are continually growing in volume and specialism.

SSL also delivers estates and facilities services to the primary care sector across Birmingham and Solihull, supporting over 200 GP practices. Additional services include transport and portering, net-zero carbon management, capital and project management, PFI performance management and consultancy, as well as business monitoring, data-driven analysis, and reporting.

SSL derives revenue from dispensing drugs entirely through services provided to the Trust and its outpatients. As a result, there is minimal commercial or market risk associated with the company's activities. The Trust is reimbursed for drugs dispensed to NHS patients by NHS England and its commissioners, which then forms the company's revenue stream.

ANNUAL REPORT AND ACCOUNTS 2025/26

The subsidiary completed its fourteenth full year of trading between 1 April 2025 and 31 March 2026. SSL now owns, leases, or contract-manages 46 operational sites across Birmingham. For most of these sites, SSL provides a full range of high-quality support and facilities management services, enabling delivery of fully managed leases to the Trust.

In addition, the company provides an extensive contract and performance management service across 17 clinical sites, including nine PFI-owned and operated locations.

Due to service expansion BSMHFT property portfolio will grow to 60 sites by 1st April 2026 with SSL support to deliver capital development, property management expertise and Facilities Management.

During the year, SSL continued to support the Birmingham and Solihull Integrated Care System (BSoL ICS), expanding its work in sustainability and capital project management. SSL also provided expert

property and facilities management support to leading GP and Primary Care Network (PCN) providers, including completing significant capital schemes across multiple GP sites.
Over the past two years, SSL has developed and tested two major software systems, both of which were fully implemented and rolled out during this reporting year.

Symbiotics – Food Management System
Our new food management system enables patients to place onward food orders, provides expanded dietary and religious meal options, and improves food safety in relation to allergies.

FM First – Estates and Facilities Management Tool CAFM (Computer Aided Facilities Management)
FM First offers real-time visibility of all reactive and maintenance tasks. It supports prioritisation and redeployment of key estates staff during emergency situations.
SSL continued to develop its service portfolio, which now includes a wide range of transport services, capital project management, and enhanced monitoring, data-driven analysis, and reporting.
Our warehouse and logistics services continue to deliver pick, pack, and dispatch operations for PPE, staff uniforms, and tissue viability products for the Trust. Services have expanded to include mattress storage and delivery, along with the assembly and supply of RUSUS packs for key clinical sites.
Transport services have also grown, extending travel and taxi provision to all Trust sites and increasing delivery services to our pharmacy and Children and Young People locations.
During the year, SSL secured new contracts and additional revenue through consultancy services delivered to external NHS trusts and the wider health system. This included consultancy support to BSoL ICS and other NHS organisations nationally, PFI and sustainability consultancy for the Black Country Healthcare NHS Foundation Trust, and support to multiple trusts exploring wholly owned subsidiary models.
SSL also delivered a significant capital programme, @ circa £18m the largest in over ten years with 26/27 planned to be even greater at circa £30m. Major developments included a new 24/7 Community Mental Health pilot in partnership with the Trust and the Ghamkol Sharif Mosque Education Centre, the redevelopment of Main House to provide expanded office accommodation, and the design and development of a new 32-bed hospital in Erdington, scheduled for completion in autumn 2027.
The Trusts Estates and Facilities Strategy 2025- 2030 has been renewed, consulted upon within the Trust and approved, SSL's strategic plan for 2025–2030 has been updated and revised. It focuses on maintaining quality and performance across all Trust clinical and non-clinical sites, strengthening engagement from Board to Ward, and ensuring optimal performance of the healthcare-built environment.
Over the next five years, SSL will continue to expand its services and relationships with Birmingham Black Country and Solihull ICB Cluster including Strategic Estates advice and Black Country Primary Care Estates Services, Black Country Healthcare Estates and Facilities team BSoL ICS and other external NHS trusts, delivering financial, operational, and performance benefits across the NHS.

Mental Health Provider Collaborative

It has been an exciting twelve months for the Provider Collaborative as we have seen the launch of our new Birmingham & Solihull Mental Health Strategy. This new strategy sets out an ambition to improve mental health and wellbeing across all ages and focuses on five key transformation programmes which will root services in communities and ensure improved access, experience and outcomes in mental health.

Whilst this is an ambitious strategy for the next five years it is critical that we work collectively with our partners to ensure a system wide response to mental health.

Work is currently underway to finalise our two local delivery plans which will underpin the successful delivery of our strategic ambitions.

During 2025/26 the mental health, learning disability and autism provider collaborative have continued to work alongside our wider partners, including local authorities and Birmingham Children's Trust to develop integrated pathways of care. In particular the collaborative has:

- Provided oversight for the safe and effective transfer of Forward Thinking Birmingham Children & Young Peoples Mental Health 18-24 services into the Trust enabling it to become a single provider for the provision of local all age mental health.
- Issued Birmingham & Solihull Mental Health NHS Foundation Trust with a new single service specification which sets a life course approach to mental health, providing an integrated and graduated model of care.
- Commissioned and launched a new Mental Health Crisis Text Service, which has seen between 150-200 people texting per quarter.
- Continued to invest in the roll out of Mental Health Support Teams in schools with access improving significantly during 25/26.
- Worked in partnership with each Local Authority around the SEND inspections including preparation, interviews and improvement planning In Birmingham and preparation for the imminent Solihull inspection. The provider collaborative has also worked closely on the production of SEND Reform plans, with the inclusion of clear measurable health outcomes.
- Ongoing partnership working with Birmingham City Council and Birmingham Children's Trust in the development of a new Neighbourhood early help model in Hodge Hill.
- Commenced the development of a new Peri-natal and Infant Mental Health Strategy working closely with partners and communities to ensure that strategy is built on insights and experiences.
- Increased activity in NHS Talking Therapy Services and reliable improvement target met with ongoing improvement work. Waiting time standards for first appointment consistently met and improvement in reliable recovery.
- Undertaken and completed a procurement for a new counselling offer across each locality in Birmingham and Solihull, working closely with the VCFSE in designing the service.
- Commissioned and launched a new adult inpatient framework for acute and PICU beds allowing a greater control and oversight of provision.
- Provided continued investment of a range of initiatives which have supported people away from hospital.
- 51.9% (973 individuals) when asked directly what they would have done if not using the Talking Spaces Service, self-reported that they would have gone to A&E.

- Overseen the increased access to perinatal services and Individual Placement Service.
- Continued to work alongside the Trust in the oversight and evaluation of the 24/7 Neighbourhood Mental Health Centre in East Birmingham, and in the development of a new decision-making framework for the future roll out of centre across localities.
- Worked alongside the Ubuntu group to understand the health inequalities that exist for African and Caribbean communities across Birmingham and taken active steps to understand and improve pathways.

In addition to the above mental health deliverables, the following learning, disability and autism commissioning activity has been undertaken:

- Moved to a position of compliance against policy and guidance standards for Safe and Well Checks, Care (Education) and Treatment Reviews and the use of a dynamic support register.
- Expanded quality oversight to include independent providers.
- Established contracting quality reporting meetings for all Provider Collaborative contracted services regardless of size, value and risk.
- Commissioned services to the value of just under £1,000,000 to help understand how to: better prevent people from require inpatient admission; support people who are awaiting or have received an assessment for a neurodivergent condition; reduce inequalities in access and quality of NHS care.
- Progressed two NHS England Capital Funding applications to stimulate new housing with care for autistic people and people with a learning disability
- Begun work in preparing for the changes required by the new Mental Health Act and reforms Special Education Needs and Disabilities
- Proactively taken steps to stimulate the supported living market in Birmingham and Solihull through the Small Supports programme, including bringing five new prospective providers into a strategic relationship with commissioners to understand how better to develop local personalised, community-based care.
- Established a lived experience and co-production forum for autistic people and people with a learning disability to inform and shape Provider Collaborative plans.
- Created the 2026-29 Learning Disability and Autism Delivery Plan, its foundations the key transformations required of the NHS (hospital to community, treatment to prevention, analogue to digital) and building on previous strategies, self-assessments and reviews of how services can be improved for local people.
- Continued to work alongside Primary Care to increase the number of people with a learning disability receiving their Annual Health Check each year, including producing videos for parent carers and children to help increase awareness and uptake.

As we move into 2026/27, we are looking forward to the opportunities that closer alignment and clustering with the Black Country will enable, including greater outcomes and improved experiences for our collective populations.

Reach Out Commissioning

The Reach Out Collaborative has set out a clear case for change and a three-year strategic plan for 2024/25 to 2026/27, focused on improving service quality, patient experience and outcomes while supporting sustainable delivery.

Year two has focused on consolidating progress from year one and advancing the agreed priorities for 2025/26. Working closely with stakeholders and system partners, the Collaborative has continued to deliver the objectives and priorities set out in the first-year delivery plan.

The main programmes of work are summarised below.

<table>
<tr><th>Objective</th><th>Priorities</th></tr>
<tr><td>1. Addressing inequalities and unwarranted variation in access, experience and outcomes.</td><td>a) Ensuring timely access to services across the West Midlands
b) Improving interface with prisons leading to reduced wait times and fewer adverse events
c) Improving patient experience and outcomes
d) Developing a robust health inequalities and workforce approach</td></tr>
<tr><td colspan="2">Progress towards priorities
A Referral Management System (aka single point of access) is now in place for all inpatient referrals. Although still newly implemented, it has already improved system-wide coordination of referrals, the timeliness of gatekeeping assessments and admissions, and the prioritisation of patients based on need and capacity. This has been supported by training, pathway development and process improvements to strengthen referral flow, service integration and collaboration across forensic, community and partner agencies.
Joint work completed with stakeholders from prisons to explore barriers that impact timely assessment, transfer and remission of mentally unwell prisoners. Significant improvements have been made against providers meeting national 14-day assessment targets.
An activity-based costing review of community forensic services has started to improve understanding of demand, operating models and variation in delivery across ICB footprints to avoid post code lottery for those patients who require robust and effective support. This will help align service provision and resources with local developments as ICBs take on commissioning responsibilities, while providing stronger evidence of service effectiveness.
A patient reported outcomes measures (PREOM) framework has been coproduced to evaluate service performance which has led to and continues to identify service improvement and development areas.</td></tr>
<tr><td>2. Meeting needs of our population</td><td>a) Understanding of patient needs both in and out of area
b) Ensuring sufficient high quality local provision that is responsive to patient needs and focuses on the right care and intervention in the right setting
c) Developing specialist provision both in and out of hospital where there are gaps</td></tr>
<tr><td colspan="2">Progress towards priorities
A high-level patient needs analyses have been undertaken to inform the development of the bed plan and setting the framework to support the long length of stay analysis. This work will inform the consideration and development of new care, models ensuring right service and intervention is available and responsive to the need of patients.</td></tr>
</table>

- Following the bed modelling review, a procurement exercise has started to increase local capacity by 45 male beds, including 30 low secure and 15 medium secure beds. This will help address identified pathway gaps and reduce reliance on out-of-area placements.
- Provided significant quality planning support to number of partners in developing service improvement plans to ensure patient experience and outcomes remained unaffected.
- Continued to provide financial support and incentives to closed identified service gaps (e.g. substance misuse workers, discharge co-ordinators, equipment to support physical health etc) to ensure key clinical staff and interventions are available to support patient recovery, address health inequality and discharge into community.
- A financial modelling exercise undertaken in response to the significant increase in admissions to evaluate the implications for service sustainability.

3. Development of community services	a) Developing proactive services which prevent admissions and reduce length of stay b) Developing a robust and consistent community forensic model c) Ensuring effective integration with community mental health care services and the criminal justice system.

Progress towards priorities

- The community mental health offer has been strengthened through a revised community forensic service specification. This sets out a clear, differentiated model of care covering advice, consultation, joint working and specialist community provision. The approach is expected to improve pathway integration, continuity of care, early intervention, crisis support, step-down to non-forensic teams and proactive discharge planning, helping to reduce length of stay and avoidable admissions.
- Secondary care community initiatives have been commissioned to bridge the gap between forensic and community mental health services, improve transitions, reduce fragmentation and enhance patient experience.
- The West Midlands Specialist LDA Community Forensic Pilot Service (FASTER) has been mobilised to support complex patients to prepare for discharge and built capacity within community teams, and also commenced work with 2 prisons to provide advice and guidance as well as training and case specific input. This is to ensure those who require secure care have access to the right provision.
- **'**Dawn House' has been commissioned as a step-down provision through a partnership between BSMHFT Women's Secure Care Services and Anawim. It will support the discharge of women who have spent long periods in inpatient settings with limited opportunities to prepare for a return to the community.

4. Improving Flow	a) Ensuring patients flow without unnecessary barriers through the entire system by taking a cohesive and holistic approach to care provision alongside key partners and stakeholders.

Progress towards priorities

- Comprehensive bed modelling across the Mental Illness (MI) and Learning Disability and Autism (LDA) pathways has been completed, providing detailed analysis of referrals, admissions, occupancy, length of stay and discharges. This has improved understanding of capacity use, variation between providers and key system constraints, helping to shape targeted actions such as recovery plans to optimise bed

use, reduce reliance on out-of-area placements and support care closer to home. The recommendations are now being implemented.

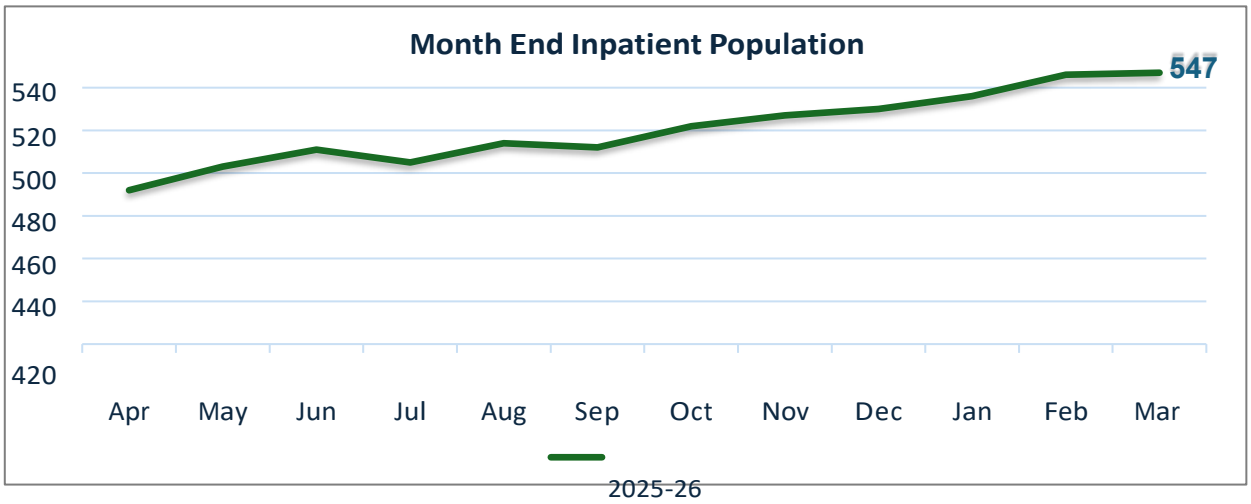
- Out-of-area review panels have been established across the Provider Collaborative to support more timely, proactive repatriation of patients. This has been reinforced by focused discharge planning surgeries, including CRFD reviews, to address discharge barriers, improve system flow and reduce reliance on out-of-area placements.
- Relationships are developed across the wider system to integrate pathways and to influence capacity and capability planning to ensure patients are supported in the least restrictive settings (PICU, acute inpatient beds, community mental health teams, assertive outreach teams etc)

These programmes were designed to deliver multiple outcomes and reflect the interdependencies across the Collaborative's strategic objectives and priorities. Many initiatives cut across several priority areas, with a strong focus on strengthening community provision and improving flow across the pathway.

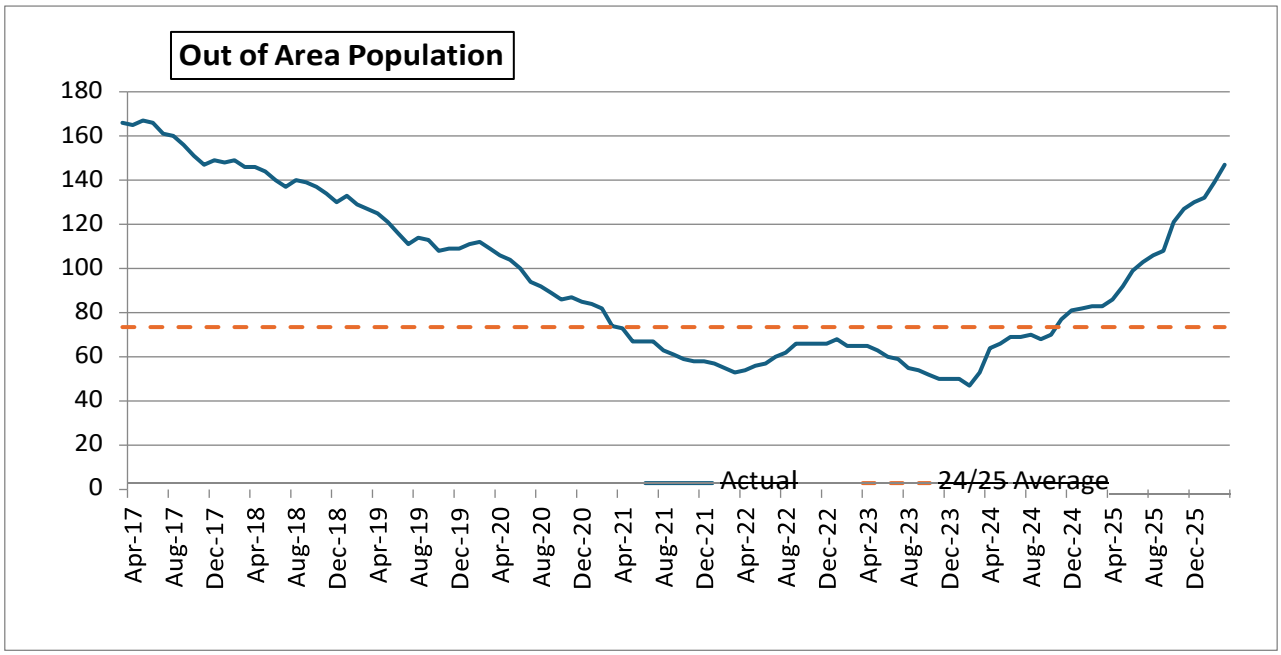
Service Line Performance

Mental Health

In 2025/26, demand for inpatient beds continued to rise, driven by increased referrals from prisons and non-secure hospitals. Total inpatient capacity at year end was 547 beds, an 11% increase on the previous year.



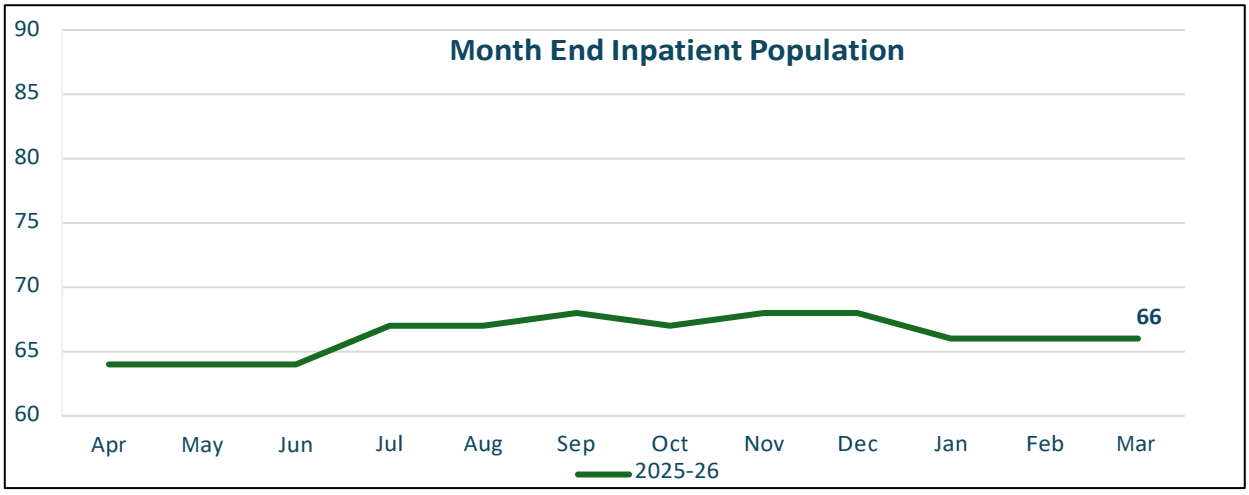
Use of out-of-area (OoA) beds also rose sharply, with 64 beds used in 2025/26 compared with 29 the previous year. This reflects continued pressure on local capacity, with most units operating at high occupancy, and reliance on OoA provision is expected to continue in 2026/27.



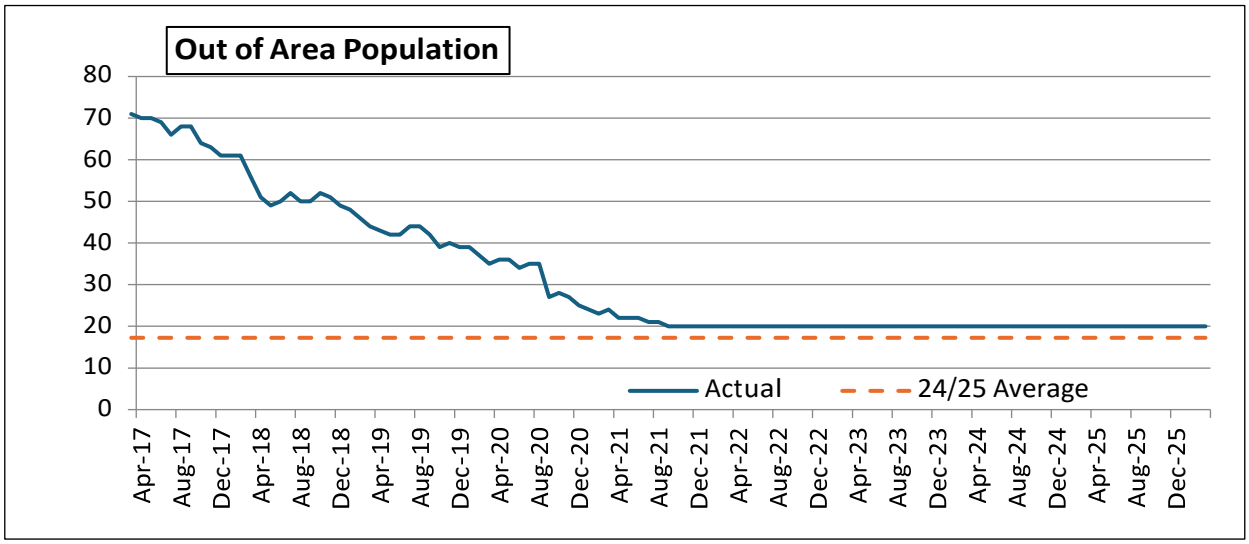
Average monthly OoA admissions increased to seven in 2025/26, up from four in the previous year and one the year before. At year end, 10 patients were awaiting OoA placement. The community caseload remained broadly stable.

Learning Disability and Autism (LD&A)

In 2025/26, LD&A services recorded 12 admissions and 13 discharges, representing lower activity than the previous year. Average monthly discharges fell from two to one, while admissions also reduced slightly to an average of one per month. At year end, the West Midlands LD&A population was 66, with three open referrals and 10 patients on the CRfD list.



Over the past 12 months, some out-of-area patients have been repatriated. However, ongoing demand means overall OoA bed use has remained unchanged at 17.



Quality and Assurance

The Quality function is now a well-established driver of assurance, improvement and transformation across the Collaborative. In 2025/26, it strengthened system-wide oversight, reflected in achieving NHS England's Level 1 Quality Maturity Framework designation and embedding the Quality and Safety Assurance and Improvement Framework (QSAIF). This has sharpened the focus on safety, risk and accountability, while improving alignment with the Patient Safety Incident Response Framework (PSIRF). A more targeted, intelligence-led approach has also been introduced through structured reviews and responsive interventions, including support for providers facing quality challenges such as improvement planning at St Andrew's Birmingham. Patient and lived-experience perspectives have also been further embedded through collaborative workshops across the system.

This stronger focus on capability building has improved alignment between quality, contractual oversight and outcomes frameworks, supporting a more consistent, safety-focused and outcomes-driven approach across the Collaborative.

Looking Ahead – 2026/2027 Priorities

- Review and strengthen Quality SOPs, policies and frameworks to align with the evolving commissioning landscape and support a consistent, system-wide approach to assurance and governance.
- Develop system-wide quality reporting aligned to the evolving commissioning landscape to improve transparency, assurance and decision-making.
- Launch the outcomes-based reporting dashboard to support the shift from activity-based to outcomes-driven commissioning and assurance.
- Drive system-wide alignment with PSIRF by working with partners to embed consistent patient safety approaches and assess progress against a defined maturity framework.
- Deliver a targeted programme of collaborative learning and capability development, using learning from quality reviews to drive continuous improvement and reduce unwarranted variation.
- Implement a structured approach to quality assurance and due diligence for new and emerging services, including Dawn House, FASTER and FIRST, to ensure consistent standards, safe mobilisation and alignment with system priorities.
- Strengthen oversight of out-of-area placements through closer collaboration with the Host Provider Collaborative to improve patient outcomes across organisational boundaries.

Co-Production and Patient Voice

Co-production is now more firmly embedded in Reach Out's approach to commissioning, assurance and transformation. Since the launch of Reach Out Securely Together (ROST) in June 2024, Experts by Experience (EbE) have helped shape priorities, including outcome measures for quality assurance and workstreams such as the Transformation Plan, bed modelling, the Quality Outcomes Framework, Community FIRST PREOM, commissioning intentions and the Women's Secure Pathway Transformation. This has been supported by ongoing engagement across local, regional and national partnerships. Through the Co-Production Star programme, delivered with a national co-production specialist, partners and EbEs across the Collaborative have developed a range of improvement initiatives.

Together, this work has strengthened the role of lived experience in decision-making and supported a more inclusive, outcomes-focused approach to service development and delivery across the Collaborative.

Looking Ahead – 2026/2027 Priorities

- Increase the use of patient-reported experience and outcomes measures (PREOM) questionnaires across services, including for out-of-area patients, to strengthen the evidence base on patient experience and support informed decision-making.
- Establish a twice-yearly thematic analysis of PREOM data to identify system-wide trends, shape improvement priorities and strengthen the use of patient experience in service development.
- Embed the lived experience of women in out-of-area provision within the Women's Secure Pathway Transformation programme to address inequalities and inform pathway redesign.
- For the Women's Transformation, Reach Out implemented an Experience-Based Co-Design project using a gold standard methodology to fully engage women across secure services in the region. This project included the creation of a lived-experience film, staff and service-user workshops and the inclusion of their feedback and improvement ideas into the WSPT programme. The film was central both to the project and has also been used in staff induction and training and showcased nationally with colleagues in NHSE."
- Increase diversity and representation within the Experts by Experience network so co-production reflects the full population served and addresses gaps across key services.
- Strengthen the capability and influence of Experts by Experience (EbEs) so they can actively shape commissioning intentions and strategic priorities across the Provider Collaborative.
- Deliver more targeted co-production capability development programmes to embed best practice and strengthen the role of lived experience in care planning, service design and system-wide improvement.

Case Management and Flow

Case Management continues to play a key role in improving system-wide coordination and maintaining operational grip across priority pathways. Over the past year, patient engagement and documentation have improved, strengthening oversight, including of out-of-area (OoA) placements. Improved management of Exceptional Packages of Care and wider surveillance has increased assurance and strengthened risk management, while better referral processes and stronger system relationships are expected to reduce admission times and improve patient flow. This has been supported by development of the Referral Management System, alongside closer integration with community forensic services and wider partners, including ICBs and local authorities. Improvements in data quality and system intelligence, including cleansing records in database and better understanding length of stay, have also supported more informed decision-making.

Looking Ahead – 2026/2027 Priorities

- Strengthen discharge pathways and repatriation processes for out-of-area patients to improve system flow, reduce reliance on out-of-area placements and support care closer to home.
- Improve system-wide oversight of patient pathways through stronger use of data and review processes to improve flow and reduce length of stay.
- Improve the quality and consistency of CRfD and EDD data to increase visibility of delayed discharges and enable more proactive management of patient flow.
- Embed the Referral Management System (RMS) to improve system-wide visibility, coordination of referrals and admissions, and timely, equitable access to services.
- Drive continuous improvement across the Provider Collaborative through a coordinated, data-informed approach to pathway optimisation and quality assurance, leading to better patient outcomes.

Strategic Risks and Delivery Challenges

The Provider Collaborative has continued to make progress, but several material risks and delivery challenges remain. Many were identified in the first year of strategy implementation and continue to affect delivery of the Collaborative's priorities.

- **National Bed Capacity:** Changes among independent sector providers, alongside reduced demand in some parts of the country, have reduced inpatient capacity. This has made placements harder to identify and increased waiting times for admission to out-of-area placements.
- **Rising demand for secure services in the West Midlands:** Demand has continued to rise, mainly driven by prison referrals linked to changes in policing procedures across the West Midlands. Although admission timelines have improved, sustained pressure on capacity has made it difficult to consistently meet the 28-day admission standard, increasing reliance on out-of-area placements.
- **Local bed capacity shortfall:** Local capacity continues to fall short of demand, with units operating at full capacity. This has been compounded by delays in Cabinet Office approval for procuring additional inpatient capacity, alongside a national shortage of beds. As a result, admission waits remain long and reliance on out-of-area placements continues. Although procurement is now underway, the additional capacity is not expected to be available before April 2027.
- **Financial sustainability:** The increased demand for inpatient beds resulted in increased out of area placements, subsequently financial sustainability of the Collaborative.
- **Delayed discharges affecting patient flow:** System flow remains constrained by external factors, including ongoing challenges in local authority processes. This has increased the number of patients waiting for discharge and added pressure to the admission waiting list, further limiting capacity and flow. Work is underway with system partners to address these constraints and reduce discharge delays.
- **Delays in community interface programme delivery:** Delivery of the ICB community interface programme has been slower than planned, with several challenges affecting pace and consistency. Recruitment delays remain a major constraint, slowing mobilisation, delaying key milestones and limiting the programme's ability to improve patient flow.

Forward Plan and Priorities 2026/27

In 2026/27, the Collaborative will continue to focus on delivering high-quality, outcomes-led care. Building on established programmes of work, it will respond to rising demand through a patient-centred, co-produced approach with system partners. A key priority for the year will be implementing the agreed recovery plan and its focus areas.

Priority	Focus Area	Summary
Improved Patient Experience and Outcomes	High Quality Services	Strengthen patient experience, transparency and outcomes through proactive risk management, coproduction, continuous improvement and workforce development.
	Health Inequalities Strategy	Review and refine the health inequalities strategy in line with national patient safety guidance to inform commissioning priorities and investment decisions.
	Clinical Outcome Measures	Expand the use of clinically relevant outcome measures within contract management to drive performance improvement, promote quality and support system learning.
Increased Capacity and Flow	Referral Management System	Embed and further develop the system, including community referrals, to enable equitable prioritisation in line with Mental Health Act reforms and support optimal use of system resources.
	Acuity Assessment Tool	Through using existing prioritisation tools (DUNDRUM) and the RMS, most urgent needs will be prioritised and through effective pre-admission planning, the services will meet the needs of the most complex patients in area.
	Discharge Planning	Improve flow through stronger discharge planning and pathways and integrated working across forensic and community services.
	Out of Area Review	Strengthen joint review, repatriation and discharge planning processes to reduce reliance on out-of-area placements.
	Increase Local Capacity	Mobilise the additional inpatient capacity and reduce reliance on out of area admissions.
	Review of Long Length of Stay Patients	Review the needs of those patients with long length of stay to identify barriers to discharge and develop alternative pathways to support transition.
	Women's Pathway Transformation	Continue delivering the women's pathway transformation programme, including the national directive, with a focus on prevention, improved pathways and community reintegration.
Development of Community Services	Community Pathway Integration	Strengthen integration between forensic and non-forensic community services to improve transitions and flow, increase system capacity and reduce readmissions.
	FIRST Development (MI Community Forensic Offer)	Evaluate the effectiveness of the FIRST model to strengthen community support and transitions across pathways, using outcomes and activity data to inform future commissioning and ICB planning.
	FASTER Development (LDA Community Forensic Offer)	Embed and further develop the FASTER model to support patients with complex needs, strengthen community and custodial pathways and prevent avoidable admissions through targeted specialist intervention and system upskilling.

Financial performance

Summary financial accounts

This section provides a commentary on our group financial performance for the financial year 2025/26. It provides an overview of our income, expenditure, cash flows and capital expenditure in the year.

The 2025/26 consolidated Group position is a surplus of £9.1m. This is after adjusting for the revenue impact of the PFI liability remeasurement under IFRS 16 to UK GAAP basis £1.6m and reversal of impairment £3.5m.

The 2025/26 outturn is £4.9m better than plan and forecast which is attributable to recognition of £4.9m unearned Deficit Support Funding (DSF). On 23.3.26, we received notification that the NHSE national team would be distributing cash-backed unearned DSF to providers that have delivered in 2025/26 and have submitted compliant plans for 2026/27. The value was confirmed on 1.4.26.

In line with previous years, in month 12, there has been an increase in both income and pay to reflect the additional expenditure arising from the 9.4% pension contributions paid by NHSE at a value of £19.3m (as communicated by NHSE on 19.3.26).

In month 12, bank spend increased by £1m (£0.5m pay arrears), agency was static and non-Trust bed expenditure was £0.2m above average, offset by release of balance sheet flexibility.

The Group position is driven by an £8.4m surplus in the Trust, £378k surplus for Summerhill Services Limited (SSL), break even position for the Mental Health Provider Collaborative (MHPC) and a surplus of £250k for the Reach Out Provider Collaborative in line with agreed contribution to Trust overheads.

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.

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.

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 arrangements for 2025/26 continued to support system collaboration with a focus on financial discipline and management of NHS resources within system financial balance.

Our year end position is an operational income and expenditure surplus of £9.1m after considering all adjustments for exceptional items.

	2025-26	2024-25
Income from activities	747,050	700,789
Other operating income	41,435	31,444
Total income	**788,485**	**732,233**
Operating expenses	(764,203)	(708,097)
EBITDA	**24,282**	**24,136**
Capital financing costs	(13,679)	(14,646)
Revaluation/(impairments)	(3,460)	(2,912)
Profit/(loss) on asset disposal	-	33
Corporation Tax	102	369
Surplus/(deficit) for the year	**7,245**	**6,980**
Adjusted financial performance:		
Surplus/(deficit) for the year	7,245	6,980
Add back all I&E impairments/(Revaluation)	3,460	2,912
Surplus/(deficit) before impairments and transfers	**10,705**	**9,892**
Remove peppercorn lease I&E impact	**78**	**5**
Remove actual IFRIC 12 scheme finance costs	**-**	**-**
Add back forecast IFRIC 12 interest on an IAS 17 basis	**-**	**-**
Add back forecast IFRIC 12 contingent rent on an IAS 17 basis	**-**	**-**
Remove PDC dividend benefit arising from PFI liability remeasurer	**-**	**-**
Retain impact of DEL I&E (impairments)/reversals	-	-
Remove PFI revenue costs on an IFRS 16 basis	13,192	14,915
Add back PFI revenue costs on a UK GAAP basis	(14,841)	(13,651)
Remove capital donations / grants I&E impact	-	(360)
Adjusted financial performance surplus/(deficit)	**9,134**	**10,801**
Operating surplus margin	1.36%	1.35%
EBITDA margin	3.08%	3.30%

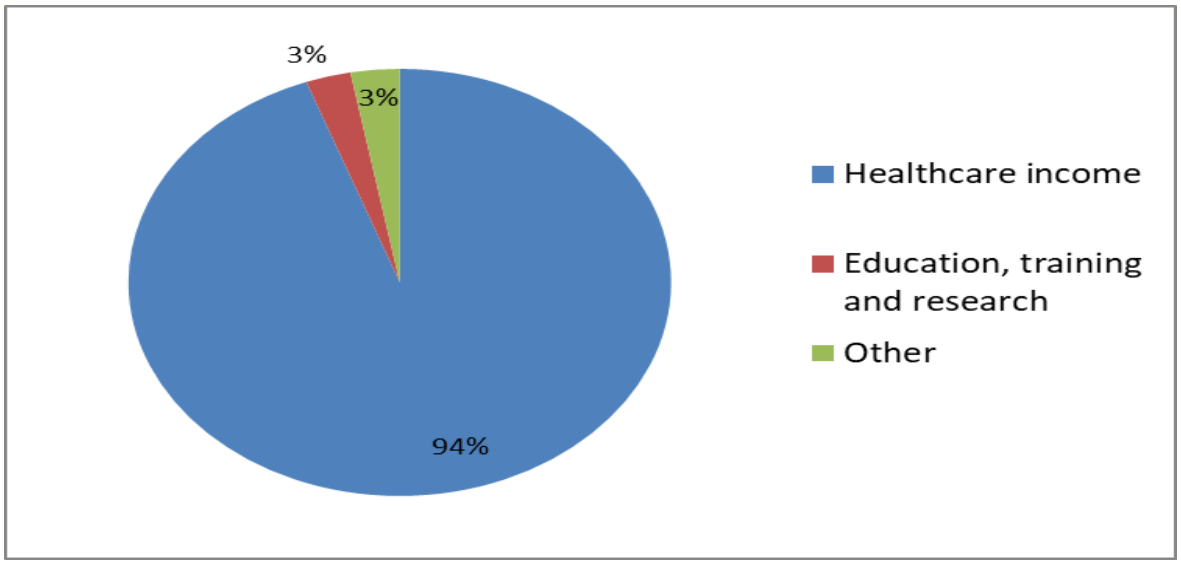
Income

In the financial year 2025/26 the group generated income of £788m, which includes income generated in the course of our responsibilities around the new Birmingham and Solihull Mental Health Provider Collaborative and Reach Out.

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 (3%) 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.

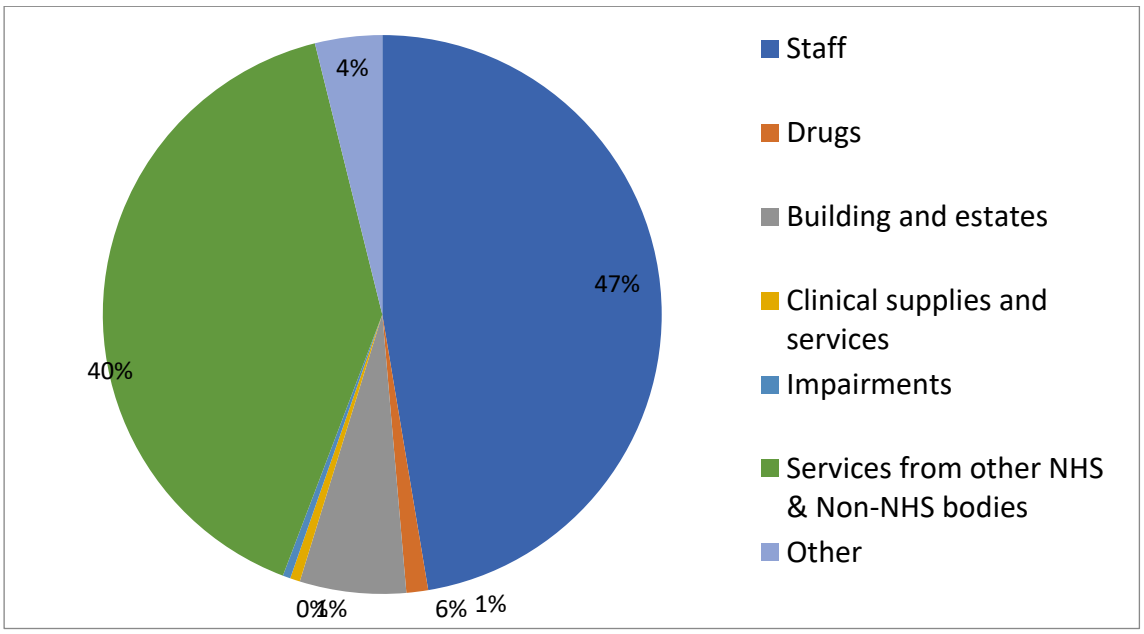
Figure 1: Where BSMHFT's income comes from – 2025/26



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 – 2025/26



Cash flow

At the end of the financial year, we have a cash balance of £67.6m (this includes Reach Out, the Birmingham and Solihull Mental Health Provider Collaborative and SSL). This position means that our organisation can meet its short and medium-term financial obligations. There were no investments made during the financial year as per our agreed Treasury Management approach with the National Loan Funds (NLF) which was not returning interest receivable over and above the interest received from our main Government Banking accounts (GBS) for part of the financial year.

Overview of capital investment and asset values

The Group capital expenditure for 2025/26 is £21.21m This is a £9k underspend against the system agreed capital envelope. The expenditure includes £6m for initial works relating to the development of the inpatient unit on the Highcroft site. Additional funding of circa £4.8m was received during the year enabling increased investment in the 24/7 service, ICT, decarbonisation and estates safety related works.

2026/27 Capital plan

The capital programme for 2026/27 is £27m, funding the Trust's normal business as usual plan of £6.1m plus £14.7m for the development of the inpatient unit on the Highcroft site. Further allocations of £6.14m have been applied for, pending confirmation.

External audit

The Council of Governors appointed Forvis Mazars LLP as external auditors of the Trust on 1 February 2025. The contract is for 3 years ending March 2028 with the option to extend 2 x1 year. The audit fee for the year ended 31 March 2026 was £180k (2024/25: £180k) for the

Trust's annual report and accounts and £42k (2024/25: £42k) for Summerhill Services Limited, totalling £222k (£222k for the year ended 31 March 2025), inclusive of 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.

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

	2025/26	2025/26	2024/25	2024/25
	Number	£'000	Number	£'000
Total NHS invoices paid in the period	821	57,086	923	75,929
Total NHS invoices paid within target	807	56,904	900	75,001
Percentage of NHS invoices paid within target	97.5%	98.8%	97.5%	98.8%
Total non-NHS invoices paid in the period	56,786	364,166	54,372	306,401
Total non-NHS invoices paid within target	54,830	355,017	52,341	298,758
Percentage of non-NHS invoices paid within target	96.3%	97.5%	96.3%	97.5%

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 2026/27 already indicates that the financial position for all NHS organisations will continue to be extremely challenging with reduced levels of growth funding compared to previous years. In particular the Trust faces challenges in delivering a £40m savings plan, delivering the operational planning targets of financial reductions in bank and agency spend, as well as making further improvements in the spend on non-contracted inpatient beds.

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 Lake, Managing 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 5026, E-mail: emily.lake4@nhs.net

Additional information

The accounts have been prepared under a direction issued by NHS England 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 on page **40**. 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 unconditional. BSMHFT has no conditions on registration.

Birmingham and Solihull Mental Health Foundation Trust had the following conditions on registration, but they were removed by the Care Quality Commission in December 2023:

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 2023 to 31 March 2024. Two Section 29 notices were issued to Community Mental Health teams and the Trust provided action plans to the Care Quality Commission to address the points raised.

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:

Feel the Rhythm, Beat the Stigma Community Music Events
Spanning across four locations in Birmingham, we reached out to the community and focussed on teaching people about the importance of mental health and the help that is available – all whilst having a bit of fun at the same time.
These family events were for all ages, with over 20 stalls hosting games, charity raffles, pottery sessions, hot food and drink, mental health support information and much more.
Local artists, including The One Love Band, a lively five-member Reggae band from Small Heath, Birmingham performed live throughout the events.

Hearing From Our Refugee Community
The United Nations Refugee Agency (UNHCR) in 2022 reported that over 100 million people were forcibly displaced from their homes due to persecution, conflict, and human rights violations. By the end of 2021, the number of refugees globally had increased to 21.3million, with new and unresolved conflicts adding to greater population displacement and migration. This number increases to 27.1million when we include the 5.8million Palestinian refugees under the UNRWA's mandate.

The Community Engagement team produced a video with testimonials from five refugees living in Birmingham. Each share their real-life experiences and raise awareness of some of the challenges they have faced. Hearing their personal accounts and understanding their individual journeys is a powerful way to break down stereotypes, build empathy with this community, and create a welcoming and inclusive environment so that we can become true allies in the journey of all sanctuary seekers.

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 ratified by the Audit Committee in April 2024 and provides guidance on the process to be followed should any circumstance of actual or potential conflict of interest emerge, or any 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.

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.

BSMHFT is committed to respecting, protecting and promoting the human rights of all people who use its services, their carers and families, staff, volunteers and wider communities. The Trust recognises that human rights are fundamental to the delivery of safe, effective and compassionate healthcare and that a human rights-based approach supports improved outcomes, greater patient involvement and reduced inequalities. The principles of fairness, respect, equality, dignity and autonomy underpin the Trust's values and inform the way services are designed, delivered and continuously improved.

The Trust seeks to embed human rights considerations across its policies, governance arrangements and operational practice. This includes ensuring that decisions affecting patients and service users are lawful, proportionate and person-centred, particularly where restrictions may be required to protect individuals or others from harm. Human rights principles are reflected in the Trust's approach to safeguarding, mental health care, restrictive practice reduction, information governance, equality, diversity and inclusion, and workforce wellbeing. Staff are supported to consider the rights, wishes and preferences of individuals when providing care and to balance competing rights in a transparent and accountable manner.

BSMHFT is committed to tackling health inequalities and improving access to services for people who may experience discrimination, exclusion or disadvantage. The Trust works closely with patients, carers, staff networks, community groups and partner organisations to understand diverse needs and to ensure that services are inclusive, accessible and responsive. Equality

Impact Assessments and engagement activities help to ensure that the potential impact of decisions on different groups is understood and addressed.

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 2025/26

The Sustainable Development Annual Report for 2025/26 highlights the progress being made regarding this challenging and ever-changing agenda.
This report includes the progress being made within BSMHFT, details resource challenges being experienced, and examines the success of ongoing workstreams.
This report is representative of the BSMHFT Group which for the avoidance of doubt includes that of its wholly owned subsidiary Summerhill Services Ltd (SSL).

Carbon Net Zero – Our Green Plan
This document considers 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 CO_2 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.
The Green Plan has been fully reviewed in line with NHS E mandates and guidance providing targets, trajectories against scope 1,2 and 3 emissions. This report will consider in both text and numeric's the Trust Groups progress against its Green Plan whilst recognising the significant challenges associated with Resources (financial and staff) and prioritisation – with very often the Green and Sustainability agenda being towards the 'bottom' of the 'priority list' when compared to Health and Safety and Patient care for example.

Achievements 2025/2026
Expanding in a little more detail, see below examples of the many interventions: -

- **Electricity** – All directly procured electricity being purchased from low / zero Carbon sources.
- **Electricity and Gas** – A combined **5% reduction in consumption** in 2025/26 against 2024/25 representing a notional cost avoidance of **circa £250K**
- **Grant Funding**. The Trust (SSL on behalf of) being successful in **achieving £271K Capital Grant funding** to enable (working with Amey) the installation of Solar Photovoltaic systems at both Little Bromwich and Northcroft. A significant achievement enabling the generation of true Green energy at 2 of the Trust sites from 26/27 onwards – a first for BSMHFT

- **Electric Fleet** – having circa **40% of the Trust General Transport fleet vehicles now being EV / Hybrid EV.**
- **Public Transport** – Since the partnership with Travel for West Midlands began circa 2 years ago the incentives associated with free 4-week taster passes for new starters along with incentives for existing staff plus supported patient travel has seen **over 1,000 persons having taken up at least one of the opportunities. This leading to over 47,000 journeys and an estimated 7 tonnes of CO_2 being saved** – A massive achievement and very well done to all involved in making this happen!
- **New Hospital**- Work is well underway now to deliver our New Hospital located at our Highcroft site in Erdington. This new development will achieve the **BREEAM** (environmental standards) **Excellent mark** in terms of its design and build, will be as energy efficient as it can be and will include (it is planned) both a Decarbonised heat supply and onsite Solar power generation
- **Waste** – **0% of all waste arising going to landfill.** Having also introduced food waste recycling at Trust sites. With this food waste being used to generate heat and energy via anaerobic digestion.
- Working across the ICS the introduction of an affordable **furniture re-use** platform will allow BSMHFT and SSL staff to advertise good condition furniture for reuse across the estate instead of simply disposing of it as not needed.
- **SSL Non-Emergency Patient transport** – Have focused on reducing the number of aborted jobs (where vehicles have travelled to collect a passenger only to be cancelled at point of collection) **reducing these aborted jobs** from an average of **6.5 jobs per day to an average now of 2.5 jobs a day -** again saving resources, costs and carbon.
- **SSL General Transport** – continually reviewing and developing routes and processes so as to **reduce mileage and carbon Impact** and in turn mitigate the mileage associated with return / empty journeys. Aim is not to have 'dry' / empty runs. Including the introduction of 'Podfather' for route optimisation and paperless despatch.
- **SSL Warehouse** – several initiatives introduced by the SSL warehouse management team including **the bulk ordering of goods to reduce costs and journeys,** centralised mattress purchasing and storage and distribution for the Trust, using green packaging for despatch, heat sealing items instead of using tape, reusing cardboard as needed, using paper tape instead of plastic and uniform recycling to name just a part of the sustainability commitment.
- **Our Carbon Jigsaw** – being **BSMHFT new webpage re Carbon and Sustainability** that is being launched. The webpage in the format of a jigsaw gives how meeting our green objectives is a 'puzzle' with so many pieces that need to fit together to really make sustainable change happen (how every small step and intervention represents 1 piece of the 'puzzle').
- **Sustainable Travel Plan (STP)** – A **comprehensive STP has been developed** by SSL on behalf of the Trust which has also more recently been approved by FPP on behalf of the Trust Board. The Sustainable Travel Plan including annex's s by location making it also relevant at a site level, prioritising that modal shift and drilling down to specifics such as cycle routes, walking opportunities and public transport services and incentives
- **Workforce – All Trust and SSL Job Descriptions now mandate that all new starters must support Sustainability practices** and the Green Agenda. In addition, staff have the option to join **salary sacrifice schemes** that support both cycling and / or the purchase of EV's / Hybrid EV's.
- **CAFM** – A new Computer Aided Facilities Management system helping support **real time works allocation and paperless process improving efficiencies and reducing wastage.**

This linked to Electronic Food ordering system being introduced improving quality and reducing wastage in terms of paper, time and food wastage. Leading to quality improvements.

ICS Green Board / Plan

It should also be recognised that SSL management have been continuing to support the BSol ICS / ICB. This has helped ensure that the ICS/B has the mandatory Green Plan re-written and in place and in supporting the continuation of both initiatives and the ICS Sustainability Programme Board – being a direct support to the SRO. In addition, SSL have also supported the ICB with representation at Regional NHSE meetings and in mandated Greener NHS reporting, annual reporting and reporting in response to the mandated Task force for Carbon related Financial Disclosures.

This being a temporary appointment at this time but positively received by the ICB. The future of this role and the remit of work will need to be considered very carefully given that this Green / Sustainability agenda is unlikely to be recognised as a Regional priority or resourced at a DHSC or ICB level (other than cross cutting themes such as the impact of air quality on health for example) and the need to deliver statutory duties

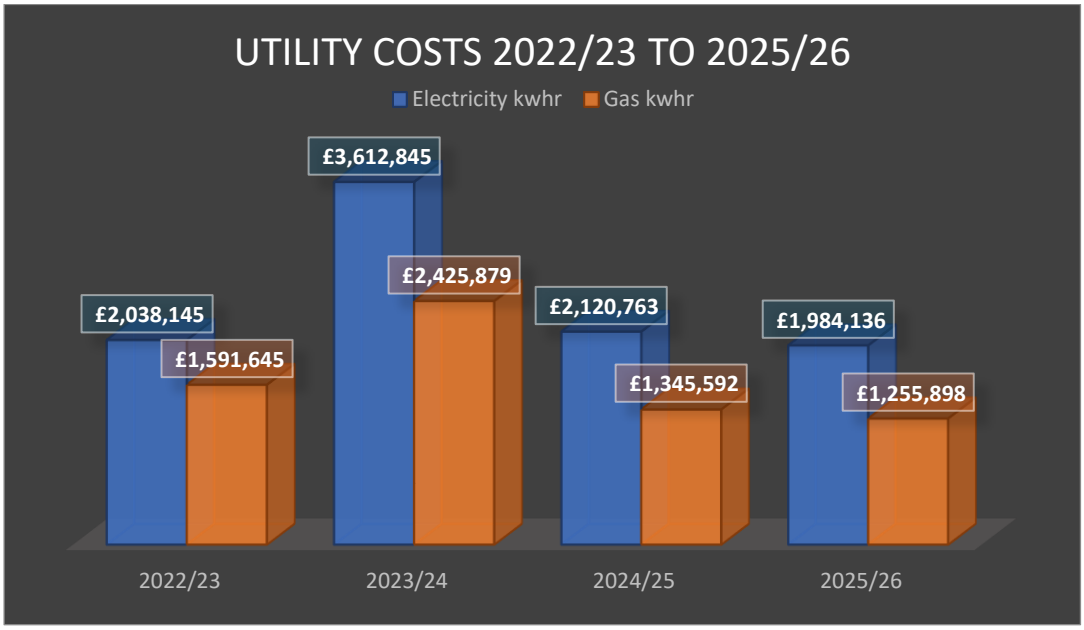
Black Country Healthcare

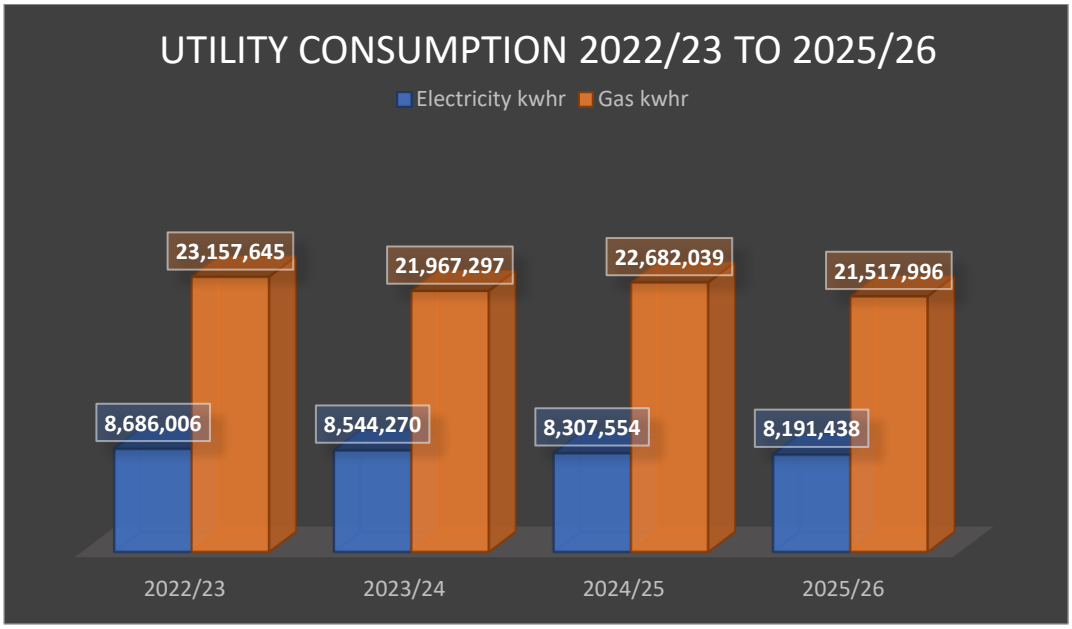
SSL on behalf of BSMHFT has since June 2025 been supporting the Black Country Healthcare NHS Trust with its Sustainability / Green and Waste Management agendas, helping to provide assurance, direction and active as effectively a 'sounding block' for current concerns. This has included for example a full review of the BCHC Waste policy and supporting BCHC colleagues on a recent Clinical waste Duty of Care inspection

Data Analysis - In regard to performance in 2025/26:

In terms of energy consumption and despite an ever-growing Trust with Divisions like CYP becoming part of BSMHFT and more persons within the workplace, the total gas and electricity consumption has decreased by circa 5% this representing a cost avoidance in excess of £250K

In terms of consumption and costs in a little more detail please note below: -





Waste – In totality regarding Waste management the Trust group in 2025/26 produced 898 tonnes of waste at a total management and disposal cost of £301,920. This representing a reasonably stable position against 2024/25.
This waste being disposed of as below: -

- 251 Tonnes recycled (representing an encouraging 28% return)
- 624 Tonnes treated as refuse derived fuel via waste to energy incineration (representing 69%)
- 23 Tonnes being managed via Alternative treatment plants (representing just over 3%)

In terms of Clinical waste and meeting the NHS E National Waste Strategy targets the Trust is a long way from meeting such targets. Looking at Clinical waste data in isolation please see below NHS E targets and BSMHFT data for 2025/26

	% of volume NHS E Target	% of volume at 2025/26
Clinical Waste to Alternate Treatment	20%	46%
Clinical Waste to High Temperature Treatment	20%	37%
Clinical Waste as non-infectious / non-hazardous (18-01-04)	60%	17%

Clinical services need to consider carefully moving forward the segregation, classification and disposal of their Clinical waste (Waste Policy supports compliant and safe segregation). SSL will support the Trust in terms of support service provision and working with contractors, but the Trust will need to drive this change in working practice if this target is to me met
Noting the above it must be recognised that this is a National target that does not differentiate between type of Trust and patient types
Finally in terms of positive news - At the time of reporting the Trusts specialist contractors have advised that none (0%) of the Trust Groups waste went to landfill.

Water – In regard to water consumption the Trust Group used 127,941 m3 of water during 2025/26, this being circa 9% higher than 2024/25. This consumption increase is however better

assessed over several years as water authorities are 'slow' to take physical meter readings and as such annual consumption can be affected by meter readings that correct numerous estimated readings.
In regard to the financial impact not only has the consumption increased by 9% but also the cost of water has risen significantly. The Trust Groups costs for water rising from £408,344 in 2024/25 to £544,153 in 2025/26. Indeed, external costs of water supply and drainage are increasing exponentially given the infrastructure problems being faced by wholesale water suppliers. No organisations are excluded from these increases. However, to mitigate such risks and to ensure best financial value is achieved SSL have worked with BSol procurement collaborate and Crown Commercial Services resulting in new contracts to commence 1st July 2026 which should reduce costs a little, while better managing risks.
It should be noted that the retailers only have a 5% margin in any event with 95% of an invoice being driven by the wholesaler and as such any saving in water management will be minimum at best.
It is considered that the main reason for relatively high water usage across the entire estate being the need for significant 'flushing' to manage water temperatures, quality and risks. It is likely with Climate Change that as temperatures increase then equally the need to flush water for safety and compliance reasons will also increase and thus unfortunately it is anticipated that consumption will also increase year on year.
Water costs are likely to continue to increase exponentially for 2026/27 Financial year with some suppliers including Severn Trent who own the water used by BSMHFT having suggested commodity costs increase by in excess of 25%. Further details awaited.

Task Force Carbon Related Financial Disclosure

The Trust in terms of its Governance and Financial reporting is required to report against the mandate as per this disclosure. This Annual report and details held within helping by way of evidence towards the Trusts requirement to lead the reporting against this disclosure.
See separate report to be developed by BSMHFT.

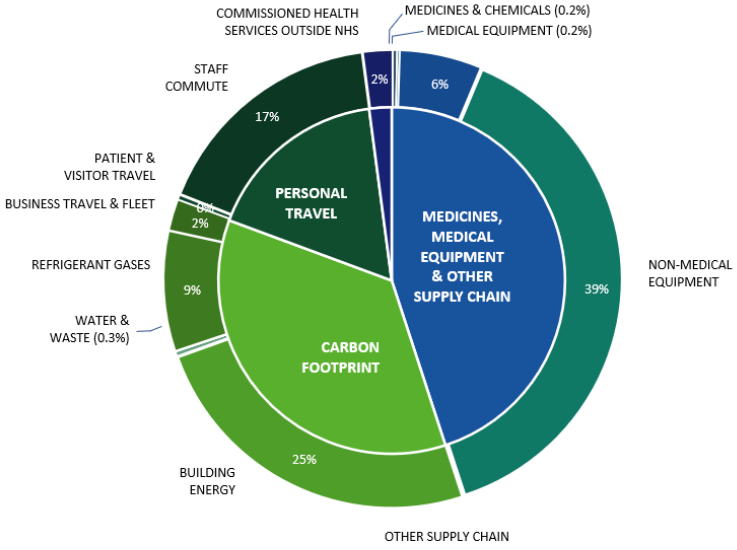
Our Carbon Performance

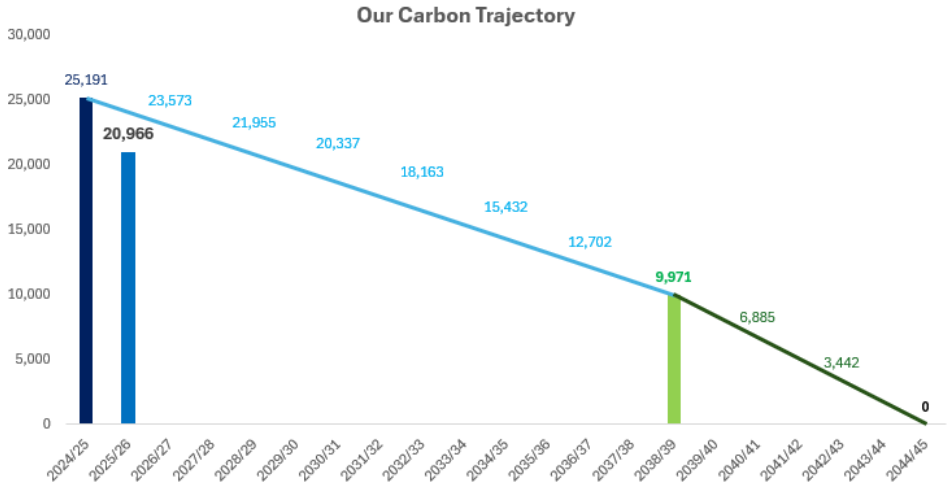
The BSMHFT Group Green Plan (2025) re-set the baseline to include both Carbon Footprint and Carbon Footprint plus omissions. The Carbon calculator tool developed by colleagues at BWCFT being utilised for the all Trusts across the ICS so at to ensure a consistent data set and way of reporting across the 'system'.

The 2025 baseline (based on 2024/25 data) was set at **25,191** tCO2e. For 2025/26 the Carbon position shows that BMSHFT has decreased **to 20,966** tCO2e this representing a significant decrease against baseline of circa 17%. This decrease being driven by a combination of having more accurate and complete data sets, the greening of supply chain, changes in Carbon reporting metrics and a reduction in consumption.

Please see below table and charts detailing the Carbon data, Refreshed trajectory and Current Carbon pie breakdown. A positive position and slightly ahead of trajectory!

Summary (tCO_2e)	2024/25	2025/26
Medicines & Chemicals	39	66
Medical Equipment	62	35
Non-Medical Equipment	10,626	1,223
Other Supply Chain	950	8,107
Building Energy	5,397	5,146
Waste & Water	82	71
Refrigerant Gases	1,791	1,792
Business Travel & NHS Fleet	555	469
Patient & Visitor Travel	1,368	72
Staff Commuting	3,300	3,549
Commissioned Health Services	1,021	436
Medicines, Medical Equipment & Other Supply Chain	11,677	9,431
Carbon Footprint	7,825	7,478
Personal Travel	4,668	3,621
Commissioned Health Services Outside NHS	1,021	436
NHS Carbon Footprint	**7,825**	**7,478**
NHS Carbon Footprint Plus	**17,366**	**13,488**
Total	**25,191**	**20,966**





Looking to the Future

Change – The Trust Group estate is however at a time of significant change with a New Hospital being built, the recent addition of the Children and Young Peoples Service and the pending expansion of the 24/7 Neighbourhood Mental health services to name just some of the changes and additional pressures being asked of already stretched support service resources - This change impacting both on the physical estate and the services delivered.

Also, with significant changes at ICB level, clustering arrangements, the very significant abolition of NHS E (with services being integrated into DHSC) and an ever-changing political landscape then the level of change is unknown but inevitable. Again, creating pressures on Planning and Resources.

Workstreams 2026/27

Accepting the above and that change will happen and will in turn need to be embraced it is suggested that priorities for 2026/27 will be to continue to make the Green plan happen! To further embed its targets and messages into business as usual.

More specifically this will include but not be limited to: -

- ICS – This is positive for BSMHFT as SSL Management have been supporting the ICS on its Green / Sustainability Agenda. For 2026/27 this is initially to continue but the remit and resource implications will need to be considered very carefully and balanced against many other priorities moving forward.

- Energy – Working with BSol procurement and NHS E to enable electricity and gas procurement to benefit from Crown Commercial Services best value contracts (moving to 100% Renewable for 2026/27).

- Continue work with BSol procurement on ICS wide waste tenders (for 2027 contracts) – aiming to deliver financial and environmental best value across the System.

- Continue to support Staff across BSMHFT and SSL to help them feel that they can make a difference, make positive changes, trying to keep ideas and communications 'fresh and real'.

- SSL will continue with the support of the Trust the significant improvements being made to the Estate from a Sustainability perspective (as well as comfort and quality). These including triple glazed windows upgrades, LED lighting upgrades, Building Management system upgrades and improvements to insulation and building fabrics – the challenge as aways being funding.

- The Trust needs to embrace Climate Change Adaption and start to plan how its Services and Buildings can where necessary be adapted to meet climate needs, mitigating the impact on its staff, patients and others. SSL along with the Trust Operational Emergency Planning lead have completed the NHS E Climate Change Risk assessment tool. This identifying that weather extremes are a potential risk to all BSMHFT Group sites but given none of the sites are coastal / flood plains / high and exposed the risks are all classified as low to medium with mitigation measures other than those of behavioural changes and process changes being extremely expensive and not within the current financial envelopes

- Decarbonising of Heat supply – This is a massive challenge to the NHS and BSMHFT. The Trust will need to continue to plan for the decarbonisation of the estate recognising the very significant capital costs and additional recurring revenue costs of such heat supply. Where feasible and where resource permit then the Trust (SSL) should continue to bid for funding / grants to as to help restrict the impact on already stretched capital resources. Heat Decarbonisation should not be seen as a project instead it should become BAU.

- Waste - to continue to support the waste management hierarchy and new legislation re the need for greater dry waste recycling by introducing waste recycling schemes and additional food waste recycling initiatives.

- Furniture Re-use platform – A platform (Warp-it) has recently been launched to allow staff / teams to advertise good quality furniture internally for re use rather than throwing it away. The success of this initiative will largely be dependent on BSMHFT staff in taking ownership of the surplus furniture as an asset rather throwing the items away.

- Sustainability Impact Assessment – Decisions (procurement, services, policies) are made within BSMHFT very often without considering the negative environmental impact. The purpose of the Sustainability Impact Assessment (final draft stage) being to raise awareness and ensure those making the decision (whatever that decision may be and where significant) to stop and think about the environmental impact and to help create awareness and influence cultural / behavioural change.

- Warehouse / Transport – To continue to reduce abortive journeys and mitigate wastage and to continually review routes and planning given new sites and new services to ensure environmental and financial efficiencies. To look at the potential expansion of the mattress contract to include lifting hoists and beds and to work with colleagues to support the North PFI food provision pick, pack and delivery.

- Grant Funding – SSL will continue to bid for funding associated with carbon savings and environmental efficiencies as and when such funding opportunities become available. Risks associated with such bids include the potential need to provide match funding along with the impact on already stretched resources in developing and submitting the bids and then in the delivery of the projects themselves if the bids are successful

- Capital – Developments such as Highcroft and Reaside will follow the full Green initiatives including off-site modular construction, use sustainable building materials, and look to green fuel sources. The new Highcroft being developed and built to achieve BREEAM excellent standard with decarbonised heat supply and renewable energy.

- Other routine Capital and Revenue schemes will continue (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 standards. Financial assessments to include the principle of whole life costing rather than tender decisions made solely on purchase price.

- 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 and waste recycling opportunities. Focusing on environmental and financial efficiencies and the feel-good factor!

- Medicines – To continue to work with BSMHFT Pharmacy and procurement / supply chain re the supply of medicines and greening that supply chain.

- Fleet – To continue to 'green' the fleet by leasing ZEV / ULEV vehicles.

Finally,
The aspirational challenge that still exists for BSMHFT (inc SSL) would be to be in a position where a Green Plan or equivalent was not actually mandated or deemed 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 sustainable 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

24 June 2026

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 Chief Executive of NHS England has designated that the Chief Executive should be the Accountable Officer of the trust. The relevant responsibilities of Accountable Officers are set out in the *NHS Trust Accountable Officer Memorandum.* These include ensuring that:

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

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

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

Roísìn Fallon-Williams
Chief Executive

24 June 2026

The Board of Directors

Role and function of the Board of Directors

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 England expects foundation trusts to carry out an external review of their governance arrangements every three years.

The Board is committed to the continued development of good governance practices and has been focused on the refinement of the Board Assurance Framework and the way it is utilised and reviewed at Committee and Board level. The Board continues to review its strategic risks to ensure they are fit-for-purpose.

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.

Composition of the Board

As at 31 March 2026, the Board has seven Non-Executive Directors (including the Chair who has a casting vote) and six Executive Directors (including the Chief Executive). 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

Balance and Completeness of the Board of Directors

The Executive and Non-Executive Directors of the Board provide a balance and breadth of knowledge, experience and skills. The Executive Directors have at a senior level considerable NHS experience in a range of areas including finance, medicine, nursing, strategic and operational planning, research and workforce development. Their expertise is complemented by the Non-Executive Directors who have extensive private and public sector experience in psychiatry, business, commerce, accounting, audit, research, management and leadership, marketing, NHS service provision, health care and social policy, and local enterprise.

The Council of Governors and Non-Executive Director-led Nomination and Remuneration Committees consider the balance and breadth of knowledge, experience and skills required on the Board at each appointment and reappointment of directors and have ensured the maintenance of a balanced and complete Board throughout the year.

The Chair was appointed by the Assembly of Governors at Black Country Healthcare NHS Foundation Trust as Interim Chair from 1 December 2024 and was appointed permanently to the role of Chair in October 2025 following a competitive recruitment process.

Board of Directors Skills, Expertise and Experience

Phil Gayle, Chair

Phil Gayle joined the Trust as a Non-Executive Director on 1 October 2019 and was successfully appointed as Trust Chair in April 2023 following an interim period as Trust Chair from March 2022. 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. Phil 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. Phil has previously held several NHS board positions and is currently supporting some of our partnership organisations as a Non- Executive Board member.

Phil joined the Black Country Healthcare NHS Foundation Trust on an interim basis at the beginning of December 2024. He was appointed permanently to the role of Chair in October 2025 following a competitive recruitment process.

Phil is Chief Executive at Servol Community Services, a third sector organisation that provides accommodation and support services for people experiencing mental health difficulties.

Phils' passion for mental health continues to drive improvements for the Trust with a key focus on reducing health inequalities.

Roisin Fallon-Williams, Chief Executive Officer

Roisin Fallon-Williams joined BSMHFT as Chief Executive in 2019. She is a Registered Learning Disability Nurse who spent much of her early career in clinical roles within mental health and learning disability NHS organisations. Roisin is passionate about person centred care, access to services and reducing health inequalities.

A proactive leader in the Birmingham and Solihull ICS, Roisin takes a lead role in enabling greater collaboration at system level in a number of areas. Also carrying out active leadership roles beyond BSMHFT and the BSoL system, Roisin is currently Chair of the West Midlands Mental Health and Learning Disability Provider Collaborative, Chair of the Mental Health, Learning Disability and Autism Chief Executives group for the East of England and the Midlands and is a member of the NHS Providers Board.

Patrick Nyarumbu, Executive Director of Strategy, People and Partnerships/Deputy Chief Executive Officer

Patrick Nyarumbu is Deputy Chief Executive and Executive Director of Strategy, People and Partnerships at Birmingham and Solihull Mental Health NHS Foundation Trust. He joined BSMHFT in November 2020 and was appointed Deputy CEO in March 2023.

A registered mental health nurse with over two decades of experience across acute, forensic, community, home treatment, primary care, and commissioning services, Patrick has continually driven improvements in care delivery. Before his current role, he was Director of Nursing and Quality for NHS England and NHS Improvement in the East of England and served as Deputy Regional Chief Nurse for the Midlands and East.

Patrick is passionate about leadership development, talent management, and promoting diversity. As a participant of the NHS Leadership Academy's Top Talent programme in 2011, he began a journey that solidified his commitment to equitable leadership in healthcare.

In 2020, Patrick led the founding of the Jabali Men's Network, a vital support network for male nurses from African, Caribbean, and Asian backgrounds, championing representation at senior levels with the backing of England's Chief Nursing Officer and the NHS WRES initiative. Patrick is now the President of the Jabali Men's Network having step down as chair of the network after 5 years.

A graduate of the University of Birmingham, he holds an MSc in Healthcare Leadership, which helped him integrate academic learning into his NHS roles effectively.

In recognition of his outstanding contributions to nursing and community service, Patrick was awarded an MBE in the 2022 Queen's New Year Honours, receiving the medal from HRH Princess Anne at Buckingham Palace.

Beyond his executive roles, Patrick is also a governor at Birmingham City University.

Dr Fabida Aria, Executive Medical Director

Dr Fabida Aria was appointed as Executive Medical Director in August 2022. An inspiring role model to many, Fabida won the Psychiatrist of the Year accolade at the Royal college of psychiatry awards in 2023 for her exceptional contributions in all her roles.

Fabida is responsible, among other things, for medical, psychology and pharmacy leadership at the Trust. Her portfolio also includes research, mental health legislation, and along with the chief nurse she oversees quality and safety.

She provides clinical and strategic leadership on the Board. She is the executive lead for health inequalities and executive sponsor for the women's network.

Fabida is a consultant psychiatrist and has previously been a medical leader and system leader at East Midlands.

Fabida 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 Executive member of the Transcultural Psychiatry Special Interest Group and Specialist Advisor for the Medical Trainee Initiative scheme.

Fabida is passionate about reducing inequalities, engaging people, promoting innovation, research and collaborative working.

She brings a wealth of clinical leadership experience and many initiatives she led have been recognised nationally.

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 the voluntary sector as a Mental Health Business manager and in variety MH commissioning posts in the West Midlands, 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 over 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 financial 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.

Dave is the Executive support lead for the Lived Experience of Mental Illness & Neurodivergence (Disability and Wellbeing Staff Network) and has been pivotal in raising the profile and championing the network since its launch in 2019.

Lisa Stalley- Green, Executive Director of Quality and Safety (Chief Nurse)

Lisa Stalley- Green joined the Trust in June 2024 with a wealth of nursing leadership experience and knowledge.
She is a compassionate registered nurse with a 25 year NHS and 37 year public service career.
Lisa is passionate about patient care, transformation and quality improvement and is keen to further strengthen the voices of our staff, service users and patients. She is a huge advocate of inclusivity, women's mental health and wellbeing and leads work at a system level on anti-racism.
Lisa's focus will remain on the risks and challenges we face in mental health and is committed to enabling change, removing barriers to transformation and providing the right working environment for our nurses, support staff, allied health professionals and social workers to flourish.

Bal Claire, Non-Executive Director and Deputy Chair

Bal has been with the Trust as a Non-Executive Director since January 2023 and is an experienced advisor and angel investor dedicated to helping businesses achieve growth and success. With a distinguished career in telecommunications, he draws on his experience to develop, support and shape innovative ventures, delivering measurable value that drives both top and bottom-line growth. Bal's commitment to creating lasting impact is reflected in his leadership and results-oriented approach.
Most recently, Bal has been serving on Boards in both the private and public sectors including Digital Tech, Health Tech, Logistics Recruitment and Technology, Mental Health (NHS) and Higher Education (University of Warwick).
Bal is the chair of the Finance, Performance and Productivity Committee.

Winston Weir, Non-Executive Director

Winston was appointed as a Non- Executive Director in August 2021.
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 Strategy and Planning Committee.
He is Non-Executive Director of multi-ethic Housing Association based in the East Midlands. He is a Board member of a Multi-Academy group of Schools based in Walsall and the Black Country. He supports a number of charities including the Queens Foundation College which provides Ecmenical Training for the Methodist and Anglican Churches.
He brings experience of chairing and serving on Board committees, providing governance, risk, and audit and financial expertise. He is CPFA qualified with significant post qualification experience in Public Sector Finance, Private Finance Initiative, procurement, and service improvement programmes.
Winston is the Chair of the Audit Committee.

Monica Shafaq, Non-Executive Director

Monica has been with the Trust as a Non-Executive Director since January 2023. Monica is a Leadership, Strategy and Transformation consultant and a former National CEO. 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. She is a Non-Executive Director at Manchester United Foundation and as Senior Non-Executive Director at Birmingham County Football Association where she also chairs the Inclusion Advisory Group. She is also a member of the National Football Association's South Asian Inclusion Advisory Group. 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 and in 2024 was also named as one of the Most influential Muslims in Europe. Monica is the Chair of the Caring Minds Committee.

Sue Bedward, Non-Executive Director

Sue was appointed as a Non- Executive Director in October 2023.
As the Founding Director of Midlands Business Leadership (MBL) Academy Ltd, Sue brings a huge wealth of knowledge and experience in business enterprise, leadership, management and organisational development. Her career began in the NHS, where she spent more than 20 years, before starting her own business, 15 years ago.
Over the years, Sue has coached and mentored, business owners, executives and managers across public and private sector services. She is an Associate and member of the European Mentoring and Coaching Council (EMCC) Global; a member of the Chartered Management Institute (CMI) and the All-Party Parliamentary Group (APPG) for Ethnic Minority Business owners. Sue is passionate about driving forward the agenda for inclusive business support, to ensure it reflects and supports the needs of Black, Asian and ethnic minority business owners. Her other work includes Board Director for a social enterprise (EMB CIC) and a committee member on the Overview and Scrutiny Board at Pearson TQ.
Sue prides herself on integrity, equity, fairness and respect and will bring a huge amount to the Board and Team BSMHFT. Sue is Chair of the People Committee and the Senior Independent Director.

Nick Moor, Non- Executive Director

Nick was appointed as an Associate Non-Executive Director in December 2024 and was formally made a Non- Executive Director in October 2025 and chairs the Quality, Patient Experience and Safety Committee. He is a former mental health nurse and the managing director of the Care Review Ltd, a small specialist consultancy that supports health and social care systems with independent reviews and investigations. Nick is also a delegated Chair for Care Education and Treatment Reviews for NHS England (London region) for people with a learning disability and/or autism, and an independent Chair for Domestic Abuse Related Death Reviews / Domestic Homicide Reviews.
Nick worked in mental health services for the first half of his career, working up to senior management roles, before leaving to become a management consultant. He was latterly the Partner lead for mental health investigations for Niche Health and Social Care Consulting and has led investigations into many high-profile incidents. Nick brings a deep understanding of

patient safety and clinical governance matters and has a special interest in mental health law, mental capacity and safeguarding issues.

Peter Axon, Non- Executive Director

Peter was appointed as a Non- Executive Director in September 2025.
Peter started his career as a nation finance trainee in the NHS. After qualifying as an accountant he held various roles in public and private sector finance functions across the country. He became Chief Finance Officer of Birmingham Community Healthcare NHS Foundation Trust in 2009 supporting them to achieve foundation trust status and construct Birmingham's new Dental Hospital whilst in role.
In 2019 he became Chief Executive of a leading mental health trust having previously held interim CEO roles in community and mental health trusts.
Finally, Peter became Chief Executive of the Staffordshire and Stoke-on-Trent Integrated Care Board in 2021, before retiring from full time work in July 2025.

Board of Directors meetings – an overview

The Board held 6 meetings in public during 2025/26, with strategy sessions held on alternate months to discuss key strategic and developmental items.

The Board 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.

Name	Title	Attendance
Philip Gayle	Chair	6
Bal Claire	Deputy Chair/ Non-Executive Director	6
Linda Cullen	Non-Executive Director/Senior Independent Director (until December 2025)	5
Winston Weir	Non-Executive Director	6
Monica Shafaq	Non-Executive Director	5
Sue Bedward	Non-Executive Director	5
Nick Moore	Non-Executive Director	6
Peter Axon	Non-Executive Director (from November 2025)	3
Roisin Fallon-Williams	Chief Executive Officer	5
David Tomlinson	Executive Director of Finance	6
Vanessa Devlin	Executive Director of Operations	6
Lisa Stalley Green	Executive Director of Quality and Safety	6
Fabida Aria	Executive Medical Director	6
Patrick Nyarumbu	Deputy Chief Executive/ Executive Director of Strategy, People and Partnerships	4

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	2/4/25	4/6/25	6/8/25	1/10/25	3/12/25	4/2/26	Total
Philip Gayle	√	√	√	√	√	√	6
Bal Claire	√	√	√	√	√	√	6
Linda Cullen	√	√	√	√	√	*E/M*	5
Winston Weir	√	√	√	√	√	√	6
Monica Shafaq	√	√	√	√	√	*A*	5
Sue Bedward	√	√	√	√	√	*A*	5
Nick Moor	√	√	√	√	√	√	6
Peter Axon	*N/A*	*N/A*	*N/A*	√	√	√	3
Roisin Fallon-Williams	√	√	√	√	*A*	√	5
David Tomlinson	√	√	√	√	√	√	6
Vanessa Devlin	√	√	√	√	√	√	6
Lisa Stalley Green	√	√	√	√	√	√	6
Fabida Aria	√	√	√	√	√	√	6
Patrick Nyarumbu	√	√	*A*	√	√	*A*	4

Data source: Minutes of the Board of Directors meetings

Key:

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

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 and the Lead Governor of the Council of Governors, who seek the views of Directors, Governors and other key stakeholders.

Appointment, re-election, and the Nomination and Remuneration Committees

The Chair has responsibility for ensuring that the composition of the Board is appropriate and leads the process to identify the size, structure and skills required for the Board and in considering any changes necessary or new appointments.

Council of Governors-led Remuneration and Nominations Committee

The Council of Governors-led Remuneration Committee is responsible for advising annually on the remuneration of the Chair and Non-Executive Directors (NEDs). The Council of Governors-led Nomination Committee is responsible for 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 Committee would be invited to observe the Executive Director recruitment process.

During 2025/26 the Committee:

- Received and approved the outcome of the recruitment of a NED
- Reviewed the Committee membership
- Received non-executive director annual appraisal themes for assurance
- Reviewed and approved the Terms of Reference of the CoG-led Remuneration and Nomination Committee
- Received and approved the Chair's Term of Office

Attendance

Name	Role	June 2025	March 2026
Linda Cullen	Senior Independent Director (Chair) until December 2025	✓	N/A
Sue Bedward	Senior Independent Director (Chair) from February 2026	N/A	✓
Mustak Mirza	Deputy Lead Governor	A	N/A
Umar Ali	Governor	A	A
Leona Tasab	Governor	A	A
David Slatter	Lead Governor	✓	✓
Chris Barber	Governor	A	✓
Phil Gayle	Chair-elect/Chair	✓	✓

Key: *A Apologies given* *✓ Attended meeting* *N/A Non- Applicable*

Non-Executive Director-led Remuneration and Nomination Committee

The Non-Executive Director-led Remuneration and Nomination Committee is responsible for advising annually on the appointment and remuneration of Executive Directors.

During 2025/26 the Committee:

- Received and approved the Executive Director Pay Progression Considerations
- Received and approved the 2025/26 annual pay increase recommendation for very senior managers (VSMs)
- Received and approved the 2025/26 annual pay increase recommendation for the Chief Executive Officer role

- Reviewed and approved the Terms of Reference of the NED-led Remuneration and Nomination Committee

Name	Role	November 2025
Phil Gayle	Chair	✓
Monica Shafaq	Non-Executive Director	✓
Linda Cullen	Non-Executive Director	A
Sue Bedward	Non-Executive Director	✓
Winston Weir	Non-Executive Director	A
Bal Claire	Non-Executive Director	✓
Nick Moor	Non-Executive Director	✓
Peter Axon	Non-Executive Director	*A*

A Apologies given *✓ Attended meeting*

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, risk management, counter fraud, and internal and external audit. 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 Winston Weir, Non-Executive Director. Other members of the Committee included three other Non-Executive Directors, Linda Cullen, Bal Claire, Sue Bedward and Nick Moor following Linda Cullen leaving in November 2025. The Committee met 5 times in 2025/26.

Member	30/4/25	25/06/25	30/07/25	24/09/25	28/01/26
Winston Weir	✓	✓	✓	✓	✓
Linda Cullen	✓	✓	✓	A	E/M
Bal Claire	✓	✓	✓	✓	✓
Sue Bedward	✓	✓	✓	✓	A
Nick Moor	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 under the National Health Service Act 2006 to prepare accounts for each financial year. The Secretary of State, with the approval of HM Treasury, directs that these accounts give a true and fair view of the state of affairs of the trust and of the income and expenditure, other items of comprehensive income and cash flows for the year. In preparing those accounts, the directors are required to:

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction of the Secretary of State. They are also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the accounts.

The directors confirm that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS trust's performance, business model and strategy.

By order of the Board

Roisin Fallon-Williams
Chief Executive Officer
24 June 2026

David Tomlinson
Executive Director of Finance
24 June 2026

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 2025/26 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 meetings of the Committee to present 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.

The reports 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 Forvis Mazars LLP. At each meeting, the Committee receives a report from Forvis Mazars LLP 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 secondary employment declarations.

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 England and the other governors and acts a main point of contact for the Chair. The Lead Governors role and responsibilities are clearly set out in the job description which is shared during the robust nomination process.

Supporting our Council of Governors' understanding
In addition to regular updates from the Trust on the performance of the organisation, the Council of Governors are 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 2025/26, 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 and Board Committee 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 2025/26, key activities of the Council of Governors and Governors have included:

- Raising assurance questions and concerns
- Non-Executive Director appointments
- Participation in recruitment panels
- Bespoke Governor training
- Judging the Values awards for both 2025 and 2026
- Supporting the development of the Quality Account
- Sharing and showcasing the work of the Council of Governors at the Annual General Meeting
- Supporting the induction of new staff
- Appointed auditors
- Service visits with members of the Board of Directors

Composition of our Council of Governors
The Council of Governors comprises these main constituencies:

- Six public governors
- Six service user and carer governors
- Two staff governors
- Five stakeholder governors

The Council of Governors comprises 19 members.

There are three vacancies across the Council of Governors.

Corporate Governance review
In 2025, the Corporate Governance team undertook a comprehensive review of the Council of Governors, resulting in significant and positive changes to the Constitution. This review included a thorough examination of constituencies, which led to a reduction in the overall number of Governors required for the Council. Additionally, constituencies were realigned to correspond with the boroughs represented by local Members of Parliament, ensuring better representation and alignment with local governance structures.
All new Governors will receive a formal induction that has been developed in house to support Governors in understanding the roles and responsibilities.

With the recent transfer of Children and Young People service, the review also considered the representation of parents and young people within the Council. The Constitution now allows individuals to join as Governors from the age of 16. To promote these opportunities, the Corporate Governance team has focused on engaging with students through existing links with universities and colleges, as well as utilising internal networks to reach potential young Governors.

Furthermore, the job descriptions for both the Lead and Deputy Lead Governors were meticulously reviewed and streamlined. This effort aimed to clarify roles and responsibilities, ensuring that duties are well-defined and understood. Clear criteria for nominations to these roles were also established, including the requirement for a Governor to have been in post for a minimum of 12 months. Additionally, staff Governors are now ineligible to nominate themselves for these positions, promoting fairness and transparency in the nomination process.

These changes reflect the Corporate Governance team's commitment to continuous improvement and effective governance, ensuring that the Council of Governors is well-equipped to meet the needs of the organisation and its members.

Membership of the Council of Governors 1 April 2025 – 31 March 2026

Public elected governors			
Name	Constituency	Appointment	End of term
Vacancy	Southeast Birmingham- includes Hall Green, Edgbaston, Selly Oak and Moseley		
Chris Barber	East Birmingham- includes Hodge Hill, Yardley	November 2022	November 2028
David Slatter	Solihull (inc. Meridan) and Coventry	February 2024	February 2030
Natalie Bromwich	Northeast Birmingham- includes Erdington and Sutton Coldfield	January 2026	January 2032
Renu Marley	South Birmingham & Worcester- includes Northfield	November 2020	November 2026
Steven Blake	North Birmingham- includes Perry Barr	January 2026	January 2032
Linda Hutchings	Central Birmingham- includes Ladywood	September 2023	September 2029
Vacancy	Rest of West Midlands		
Staff elected governors			
John Travers	Non-Clinical	July 2018	June 2025
Louise Johnson	Non- Clinical	January 2026	January 2032
Leona Tasab	Clinical Non-Medical	November 2022	November 2028
Service user and Carer governors			
Vacancy	Southeast Birmingham- includes Hall Green, Edgbaston, Selly Oak and Moseley		
Mahmood Hussain	East Birmingham- includes Hodge Hill, Yardley	October 2024	October 2030
Hassan Malik	Solihull (inc. Meridan) and Coventry	October 2024	October 2030
Annabella Mason	Northeast Birmingham- includes Erdington and Sutton Coldfield	January 2026	January 2032
Lindy Harrison	South Birmingham & Worcester- includes Northfield	October 2024	October 2030
Lisa McMahon	North Birmingham- includes Perry Barr	January 2026	January 2032
Umar Ali	Central Birmingham- includes Ladywood	November 2022	November 2028

Stakeholder appointed governors			
Robert Mapp	Birmingham City University	December 2023	December 2029
Dr Matthew Broome	Birmingham City University	March 2024	March 2030
Cllr Kath Scott	Birmingham City Council	September 2013	September 2024
Cllr Samatha Gethen	Solihull Council	September 2024	September 2030
Vacancy	WM Police Governor		
Harpal Bath	Council for Voluntary Services	December 2023	December 2029

Council of Governors meeting attendance
1 April 2025 – 31 March 2026

Name	May 2025	July 2025	September 2025	November 2025	February 2026	March 2026	Total
Phil Gayle	√	X	√	√	√		
David Slatter	√	√	√	√	√		
Chris Barber	√	√	√	√	√		
Natalie Bromwich	-	-	-	-	N		
Renu Marley	√	A	N	N	A		
Steven Blake	-	-	-	-	N		
Linda Hutchings	N	√	N	A	A		
Mahmood Hussain	N	N	N	N	N		
Hassan Malik	N	N	N	N	N		
Annabella Mason	-	-	-	-	N		
Lindy Harrison	√	√	A	A	A		
Lisa McMahon	-	-	-	-	N		
Umar Ali	A	A	√	A	√		
Robert Mapp	A	√	A	A	A		
Dr Matthew Broome	X	√	√	√	√		
Cllr Kath Scott	-	A	√	√	√		
Cllr Samatha Gethen	√	√	A	√	√		
Harpal Bath	√	A	A	√	√		
Leona Tasab	√	√	√	√	√		
John Travers	√	N/A	N/A	N/A	N/A	N/A	1
Louise Johnson	-	-	-	-	√		

Key
✓ *Attended Meeting* *N* *Non-attendance* *N/A Not applicable*
A *Apologies* *-* *Not yet appointed*

Membership strategy
Ensuring an effective membership is a crucial governance issue that requires a clear and coherent strategy. The Council of Governors refreshed and approved the work on membership in 2023. The Strategy identified several areas for development that have been addressed and improvements noted. A refreshed strategy is being developed with the Council of Governors for 2026- 2032 ensuring there will be a continued focus on achieving the agreed aims, with a relaunch planned for the summer of 2027.

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 the 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 2026 there will be a continued focus on ensuring engagement with our members following the successful appointment of members into the corporate governance team.

Contacting our Governors
Members can contact Governors via:

- a dedicated governor email address managed by the Corporate Governance team
- by calling the company secretary office
- by accessing details on the Trust's website

Remuneration report

Annual statement on remuneration and senior managers' remuneration policy

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

- Ministers' recommendation on 2025/26 Very Senior Manager (VSM) Annual Pay Award

The following table outlines the senior manager's remuneration 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 Pension Scheme. No senior managers have rights under more than

Element	Purpose and link to strategic objectives	Operation
		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 2024, salaries for non-executive directors were:

Chair	£49k
Vice Chair	£22k
Other non-executive directors (add duties)	£18k
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 £150,000 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 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 8b 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 2024, and declarations (including nil returns) are submitted electronically via the Declare system. 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.

Remuneration table *(information subject to audit)*

Salary and pension entitlements of senior managers – salaries and allowance

Name and Title	Year Ending 31 March 2026						Year Ending 31 March 2025					
	Salary and fees	All taxable benefits	Annual performance - related bonuses	Long-term performace-related bonuses	All pension - Related Benefits	Total	Salary and fees	All taxable benefits	Annual performance - related bonuses	Long-term performace-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
Roisin Fallon-Williams (Chief Executive Officer) (Appointed 1 March 2019)	255-260	-	-	-	-	255-260	210-215	-	-	-	-	210-215
Fabida Aria (Executive Medical Director) (Appointed 01 August 2022) * see note 5 in the Annual Accounts	220-225	-	-	-	30-32.5	250-255	215-220	-	-	-	62.5-65	280-285
Vanessa Devlin (Executive Director of Operations) (Appointed 29 April 2019)	150-155	-	-	-	82.5-85	235-240	140-145	-	-	-	70-72.5	210-215
Sarah Bloomfield (Executive Director of Quality and Safety) (Appointed 01 March 2021)(Left Role 30 June 2024)	-	-	-	-	-	-	25-30	-	-	-	-	25-30
Lisa Stalley-Green (Executive Director of Quality and Safety) (Appointed 01 June 2024)	150-155	-	-	-	-	150-155	120-125	-	-	-	-	120-125
David Tomlinson (Executive Director of Finance) (Appointed 3 April 2017)	150-155	-	-	-	-	150-155	145-150	-	-	-	-	145-150
Patrick Nyarumbu (Executive Director of Strategy, People and Partnerships) (Appointed 02 November 2020)	150-155	-	-	-	-	150-155	140-145	-	-	-	-	140-145
Philip Gayle (Chair) (Appointed 13 November 2022)	40-45	-	-	-	-	40-45	45-50	-	-	-	-	45-50
Linda Cullen (Non-Executive Director) (Left Role 31 December 2025)	10-15	-	-	-	-	10-15	15-20	-	-	-	-	15-20
Winston Weir (Non-Executive Director) (Appointed 01 August 2021)	15-20	-	-	-	-	15-20	15-20	-	-	-		15-20
Balbir Claire (Non-Executive Director) (Appointed 03 January 2023)	20-25	-	-	-	-	20-25	20-25	-	-	-	-	20-25
Monica Shafaq (Non-Executive Director) (Appointed 03 January 2023)	10-15	-	-	-	-	10-15	10-15	-	-	-	-	10-15
Susan Bedward (Non-Executive Director) (Appointed 16 October 2023)	10-15	-	-	-	-	10-15	10-15	-	-	-	-	10-15
Thomas Kearney (Non-Executive Director) (Left Role 31 March 2025)	-	-	-	-	-	-	10-15	-	-	-	-	10-15
Nicholas Moor (Non-Executive Director) (Appointed 08 January 2025)	10-15	-	-	-	-	10-15	0-5	-	-	-	-	0-5
Peter Axon (Non-Executive Director) (Appointed 08 September 2025)	05-10	-	-	-	-	05-10	-	-	-	-	-	-

The medical director was paid £92k during the year ended March 31 2026 (£90k during year ended March 31 2025) for non-director responsibilities.

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.

Salary and Allowances - % Change	Year Ending 31 March 2026			Year Ending 31 March 2025		
	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	10.43%	10.43%	10.43%	4.45%	4.45%	4.45%
The average percentage change from the previous financial year in respect of employees of the entity	6.34%	6.77%	7.93%	1.80%	5.50%	5.64%

There have been no performance related pay or bonuses paid to emplyee during the year. (2023/24: Nil)

Pay Ratio's	Year Ending 31 March 2026			Year Ending 31 March 2025		
	25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile
Band of Highest Paid Directors Total Remuneration (£'000)	245-250	245-250	245-250	220-225	220-225	220-225
Median Total Remuneration	52,154	39,866	28,670	49,046	37,338	26,564
Ratio	4.73	6.18	8.60	4.54	5.96	8.38

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 data-set

Working:		25th Percentile Pay Ratio	Median Pay Ratio	75th Percentile Pay Ratio
Highest Paid Director	£246,852	£246,500	£246,500	£246,500
Record Count	7,078	7,078.0	7,078.0	7,078.0
Median Record No.	3,539	1,769.5	3,539.0	5,308.5
Median Employee	£39,788	£51,996	£39,785	£28,581
Median Earnings Multiple	6.20	4.74	6.20	8.62

There were three people paid in excess of the Chief Executive due to additional duties taken on during the year. This banding was £245-£250 for this financial year compared to £240-£245 last year. The Chief Executive salary has been used to calculate the data as they are considered the highest paid director.

In 2025/26, 3 (2024/25, 4) employees received remuneration in excess of the highest-paid director / member. Remuneration ranged from £255-260 to £245-250 (2024/25 240-245 to £225-230).

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)*

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 2026	Lump sum at pension age related to accrued pension at 31 March 2026	Cash Equivalent Transfer Value at 1 April 2025	Real increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2026	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
Roisin Fallon Williams (Chief Executive Officer) (Appointed 1 March 2019) (Not apart of NHS Pension)	-	-	-	-	-	-	-	-
Fabida Aria (Executive Medical Director) (Appointed 01 August 2022) * see note 5 in the Annual Accounts	2.5-5	0-2.5	60-65	135-140	1,163	55	1,238	30
David Tomlinson (Executive Director of Finance) (Appointed 3 April 2017) (Not apart of NHS Pension)	-	-	-	-	-	-	-	-
Vanessa Devlin (Executive Director of Operations) (Appointed 29 April 2019)	5-7.5	0-2.5	45-50	-	705	98	815	22
Patrick Nyarumbu (Executive Director of Strategy, People and Partnerships) (Appointed 02 November 2020) (Not apart of NHS Pension)	-	-	-	-	-	-	-	-
Lisa Stalley-Green (Executive Director of Quality and Safety) (Appointed 01 June 2024)	5-7.5	0-2.5	60-65	45-50	-	128	128	22

Pension Benefits 2024/25

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 2025	Lump sum at pension age related to accrued pension at 31 March 2025	Cash Equivalent Transfer Value at 1 April 2024	Real increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2025	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
Roisin Fallon Williams (Chief Executive Officer) (Appointed 1 March 2019) (Not apart of NHS Pension)	-	-	-	-	-	-	-	-
Fabida Aria (Executive Medical Director) (Appointed 01 August 2022) * see note 5 in the Annual Accounts	2.5-5	0-2.5	55-60	135-140	1,013	82	1,163	30
David Tomlinson (Executive Director of Finance) (Appointed 3 April 2017) (Not apart of NHS Pension)	-	-	-	-	-	-	-	-
Vanessa Devlin (Executive Director of Operations) (Appointed 29 April 2019)	2.5-5	-	40-45	-	583	83	705	21
Patrick Nyarumbu (Executive Director of Strategy, People and Partnerships) (Appointed 02 November 2020) (Not apart of NHS Pension)	-	-	-	-	-	-	-	-
Sarah Bloomfield (Executive Director of Quality and Safety) (Appointed 01 March 2021)(Ended role 30 June 2024)	-	-	40-45	100-105	854	-	858	4
Lisa Stalley-Green (Executive Director of Quality and Safety) (Appointed 01 June 2024)	-	110-112.5	50-55	180-185	1,360	-	-	18

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 has been one payment 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

24 June 2026

Staff report

The 2025/26 reporting year has been a period of significant strategic advancement, purposeful consolidation, and deep cultural work for Birmingham and Solihull Mental Health NHS Foundation Trust (BSMHFT). Against a backdrop of ongoing national workforce pressures, rising service complexity, and increasing expectations of compassionate leadership and inclusive organisational practice, the Trust has continued to demonstrate resilience, innovation and commitment in delivering the People Strategic Priority.

Throughout the year, the Trust remained anchored in its core values which are Compassionate, Inclusive and Committed. These values shaped every aspect of People strategy delivery from workforce planning and recruitment to leadership development, inclusion practice, and the modernisation of People systems. They also continued to guide how the Trust supports its 5,000+ colleagues, collaborates with partners, and nurtures a culture that prioritises safety, wellbeing, dignity, fairness and voice.

Strategic leadership and governance were once again provided by the People Committee, a formal sub-committee of the Board with responsibility for overseeing all workforce-related priorities, including the People Strategic Goals, the implementation of the People Plan, risk oversight, alignment with regulatory duties, and assurance on organisational performance. The Committee also ensured the Trust met its statutory responsibilities under Equality, Diversity and Inclusion (EDI) frameworks and national workforce requirements.

Supporting the Committee were four dedicated People Strategy sub-committees:

- Safer Staffing
- Shaping Our Future Workforce (SoFW)
- Transforming Our Culture and Staff Experience (TCSE)
- Multiprofessional Education and Training (MET)

These groups met monthly and provided structured assurance on each priority area, ensuring that operational activity aligned clearly with strategic intent, and that solutions were co-produced with staff where appropriate. Their work allowed the Trust to monitor progress in real time, address gaps, and sustain momentum even in areas requiring significant cultural or operational change.

Across this period, considerable progress has been made in building workforce stability, modernising People practice, embedding restorative and anti-racist approaches, supporting staff wellbeing, and developing leaders at every level. Equally important has been the Trust's ongoing commitment to improving employee experience through strengthening staff voice, learning from feedback, and ensuring transparent and compassionate people management.

Despite pressures experienced across the NHS, including workforce supply variability, increasing demand for services, and rising acuity in some care pathways, the Trust has continued to invest in long-term capability and culture. This includes implementing more sustainable workforce models, improving recruitment pipelines, strengthening local and international partnerships, and enhancing digital workforce systems to support managers and staff.

The following sections provide an in-depth account of activity delivered across each pillar of the People Strategy, Shaping Our Future Workforce; Transforming Our Culture and Staff Experience; and

Modernising Our People Practice, alongside associated sections on Workforce Demographics, EDI, Leadership, Learning and Development, Medical Workforce, Recruitment, and People Operations.

This comprehensive overview reflects not only the work completed but the broader organisational shift toward compassionate, inclusive and evidence-informed People practice. It also outlines the key achievements and strategic progress that position the Trust for continued growth, improvement and cultural strengthening into 2026/27.

Successes

- Strengthened People, Learning & Development, OD and EDI functions through sustained strategic leadership.
- People Committee maintained oversight of the delivery of People Strategic Priorities, legislative compliance, risks, and alignment to organisational strategy.
- Four People Strategy Sub-Committees met monthly, enabling detailed assurance and monitoring against the People Strategy Implementation Plan.
- People Strategic Priority provided a strong, coherent framework centered on: Shaping Our Future Workforce, Transforming Our Culture and Staff Experience, and Modernising People Practice.
- The Trust continued to embed the values of Compassionate, Inclusive and Committed at the heart of People practice.

Shaping Our Future Workforce

Creating a sustainable, skilled and future-ready workforce has remained a central priority for BSMHFT throughout 2025/26. This year has been marked by systematic improvements in workforce planning, strengthened governance, expansion of supply pipelines and targeted recruitment activity to deliver the Trust's long-term strategic ambitions. The work undertaken reflects both the operational realities of the NHS workforce landscape and the organisation's commitment to embedding modern, flexible and equitable workforce practices.

Strategic Workforce Planning and Alignment

The Trust continues to strengthen its strategic workforce planning capability. All divisions are engaged in a collaborative planning process that brings together operational leaders, People partners and service specialists to co-develop workforce plans for 2026 and beyond. This approach is enabling progressively improved modelling, more accurate forecasting, greater cross-functional input and a deeper understanding of future clinical demand.
As this work evolves, it is creating an increasingly joined-up approach between workforce intelligence, service planning and financial governance, helping to ensure that workforce plans are realistic, sustainable and closely aligned to Trust objectives, future service models and local population needs. Workforce planning activity is steadily shifting from a primarily reactive function to one that is more strategic, with clearer routes for escalation, strengthened risk management and a growing focus on long-term sustainability.
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Strengthening Workforce Flexibility

The Trust deepened its commitment to modern and flexible ways of working through the flexible working toolkit adopted across the ICS and routine quarterly reporting that monitors uptake, equity and trends.

This ongoing reporting has enabled the Trust to identify patterns in staff needs, introduce better consistency in decision-making, and align practices more effectively with national guidance under the NHS People Promise.
Flexible working has remained a critical enabler for retention, wellbeing and more inclusive practice. Over the course of the year, more staff groups, including clinical teams, were supported to engage in flexible working conversations. This reflects a shift in organisational culture toward recognising that flexibility is essential for sustaining workforce morale, supporting carers, enabling study or development time, and improving overall wellbeing.

Improving Workforce Supply and Recruitment Stability

The Trust made sustained progress in reducing vacancies and stabilising staffing across key clinical and corporate groups. Band 5 nursing vacancies, a long-standing challenge across the NHS, saw further reduction due to improved recruitment processes, international recruitment success, and better retention strategies.
The final phase of the international nurse recruitment programme concluded this year following 110 new international nurses joining in 2024/25. These colleagues have not only remained with the Trust but have begun to progress into higher-band roles, demonstrating strong integration, retention and career progression.
Local workforce supply was further strengthened by expanding the widening participation initiatives. Through partnerships with schools, further education providers, community organisations and local authorities, the Trust increased outreach activities, supported career events, extended placement opportunities and promoted the Trust as an employer of choice for early-career entrants.
These activities have contributed to building a healthier, more reliable future pipeline of applicants, particularly for entry-level clinical roles and support functions.

Workforce Innovation and Transformation

The transformation of workforce models continued with the development of new multidisciplinary roles and enhanced service designs. The 24/7 Neighbourhood Mental Health Teams pilot brought together NHS staff, peer support workers and voluntary sector roles to deliver more holistic, community-based care.
This model reflects a wider national direction of travel and demonstrates the Trust's willingness to innovate, test and embed new roles that better reflect the needs of local communities. It also diversifies the workforce, creates more inclusive care pathways, and strengthens recovery-focused approaches.

Talent and Career Progression

This year also saw the agreement of a new Talent Management Framework, scheduled for implementation in 2026/27. This framework will be central to developing leadership pipelines, strengthening internal mobility, supporting high-potential staff, and embedding equitable access to career development opportunities.
By nurturing talent internally, the organisation has begun to address gaps in representation, strengthen retention and reduce dependency on external recruitment.

Medical Workforce

Medical Workforce Stability and Recruitment Success

The Trust achieved notable success in stabilising and strengthening its medical workforce this year. The most significant development was the successful incorporation of 43.15 WTE medical staff through the Children and Young People (CYP) TUPE transfer, which brought medical colleagues into permanent Trust employment on NHS contracts. This transfer, involving 32.75 WTE directly from TUPE and additional recruitment into previously agency-filled vacancies, ensured safe continuity of care for children and young people.

Alongside this, the Medical Workforce team sustained progress in addressing long-standing medical vacancies, particularly in consultant posts across Acute Care and specialist service lines. This was achieved through targeted recruitment campaigns, streamlined processes and collaboration with clinical leaders.

Reduction in Agency Locum Usage

A major achievement was the reduction of non-CYP agency locums from 32 in February 2024 to 4 by December 2025.

This reduction has not only strengthened workforce stability and continuity but has also contributed to significant improvements in governance, quality of care, and financial sustainability.

Furthermore, 12 medical staff were transitioned from non-direct agency arrangements to direct agency engagements, a move that reduced governance risk, improved compliance with national frameworks, and improved oversight of agency expenditure.

Supporting Research and Clinical Innovation

The creation of new Research Fellow posts in partnership with the Associate Medical Director for Research & Development helped to expand research capacity across the Trust. This supports clinical innovation, enhances leadership opportunities for junior doctors and strengthens the Trust's role in contributing to mental health research.

Delivering a Sustainable Workforce: The Strategic Impact

Taken together, 2025/26 reflects a year of measurable progress in building a sustainable, well-planned and flexible workforce. The Trust has:

- reduced reliance on temporary staffing,
- improved supply pipelines,
- introduced new roles,
- strengthened planning,
- supported new entrants into both clinical and non-clinical roles.

These achievements help to position the Trust for future challenges and provide a strong foundation for further development in the coming years.

Successes (Shaping Our Future Workforce)

- Fully embedded Flexible Working Engagement Programme with routine quarterly reporting.
- Strengthened Strategic Workforce Planning across all divisions for 2026 delivery.
- Completed final phase of international nurse recruitment, with 110 IENs successfully integrated.
- Reduced vacancy levels, particularly among Band 5 nursing.

- Widening participation initiatives enhanced supply pipelines across local communities.
- 24/7 Neighbourhood Mental Health Teams pilot expanded multidisciplinary workforce models.
- Talent Management Framework agreed for implementation in 2026/27.
- CYP TUPE transfer integrated 43.15 WTE medical staff.
- Agency locum usage reduced from 32 to 4 across non-CYP areas.
- Hard-to-fill Consultant roles successfully appointed.
- New Research Fellow posts created, strengthening Trust research capacity.

Transforming Our Culture and Staff Experience

Transforming culture and strengthening staff experience remained at the core of the People Strategy in 2025/26. During this period, Birmingham and Solihull Mental Health NHS Foundation Trust (BSMHFT) advanced its cultural transformation programme through sustained emphasis on psychological safety, restorative practice, inclusive leadership, staff voice, and anti-racist organisational development. These efforts form part of a broader shift in how the Trust creates an environment where colleagues feel valued, respected, safe, and confident speaking up.

The Trust's values which are Compassionate, Inclusive and Committed, continued to guide development of organisational culture and workforce behaviours. They were embedded across leadership programmes, staff development, operational practices, and approaches to performance and improvement.

Embedding Psychological Safety and Compassionate Culture

One of the most significant developments this year has been the deepening commitment to creating a psychologically safe working environment. Psychological safety, a culture in which colleagues feel safe to express concerns, share ideas, raise issues and admit mistakes without fear of blame, is increasingly recognised as a foundation of high-performing clinical teams.

Through the expansion of restorative practice models, managers and staff engaged in structured conversations that promote openness, trust, relational accountability, and constructive problem-solving. These practices help shift the organisation from blame-oriented responses to events to a learning-focused approach that supports healing, fairness and improvement.

The Trust also continued enhancing its response to incidents, ensuring that learning rather than blame remained at the centre. This included clearer communication about lessons learned, greater staff involvement in reflective discussions, and better linkage between incident outcomes and staff development resources.

Through these cultural shifts, colleagues are increasingly able to speak openly about concerns, share feedback more freely and engage with managers in a more collaborative way.

Strengthening Staff Voice and Listening Pathways

Staff voice has remained a cornerstone of the Trust's cultural work during 2025/26. A range of platforms was strengthened to ensure staff feel heard, including:

- Improved Freedom to Speak Up (FTSU) routes
- Broader access to Active Bystander Training
- Introduction of Cultural Humility & Safety programmes
- Disability Inclusion learning

These efforts have diversified the ways colleagues can express themselves and seek support. Whether colleagues are raising concerns, seeking advice, or wanting to collaborate on new ideas, the widening of listening channels ensures that staff experience can directly influence organisational priorities.

The Trust's five Staff Networks which are the Disability and Wellbeing Network (DAWN), Men's Network, Women's Network, LGBTQ+ Network, and Race Equity Network, continued growing in maturity and influence throughout 2025 and into Q1 2026.
Each Network played an instrumental role in:

- elevating lived experience
- supporting organisational learning
- identifying structural improvements
- shaping policies and practice
- amplifying the voices of underrepresented groups

Several Networks also introduced new governance structures, clearer roles, and more strategic workplans, allowing them to engage more proactively with Board sponsors.
Membership continued expanding across all Networks, with notable growth in the Women's Network and DAWN, reflecting increasing staff trust in the ability of Networks to support colleagues and influence change.

Staff Networks also directly shaped policy development and contributed insights to EDI, OD and Workforce teams, embedding lived experience into decision-making, governance and culture.

Advancing Anti-Racist and Anti-Discriminatory Culture

The Trust continued embedding its commitment to being an anti-racist organisation, taking forward a wide range of structural, educational and cultural initiatives.
A major milestone this year was the completion of the Anti-Racist Supervision Diagnostic, which provided a clear gap analysis to guide leadership development.
Building on this diagnostic, the Trust developed and launched a new Anti-Racist Policy, clarifying expectations of behaviour, accountability and organisational responses to concerns. This provides a clear framework for what anti-racist implementation looks like in policy, leadership, service delivery and daily interactions.

Additional progress included:

- Significant increase in participation in the Anti-Racism Pledge
- Strengthened Active Bystander Training offer
- Launch of Cultural Humility & Safety and Disability Awareness training
- Growth of the Equity Panel and Inclusion Advisor Pool

The expansion of the Equity Panel and Inclusion Advisor Pool has had measurable impact on decision-making quality across recruitment, policy development, and employee relations. These groups ensure that Equity Impact Assessments (EIAs) are more consistent, grounded in lived experience, and aligned with the Trust's values.
The Trust also co-developed Divisional Workforce and Health Inequality Plans, which embed equity, fairness and anti-racist practice into workforce planning, service design and local governance.

Importantly, Restorative practice principles are now being applied to reduce racial disparities in formal processes. Staff in affected groups report feeling increasingly heard and supported, with earlier, more relational responses to concerns.
This progress shows the Trust is moving beyond statements of intent towards tangible, measurable change in staff experience and outcomes.

Strengthening Staff Experience Through the NHS Staff Survey

We continue to monitor and respond to staff concerns through the NHS People Pulse survey, the NHS National Staff Survey, and other local team surveys. The People Pulse survey is used quarterly to track changes in staff experience and engagement, with a particular focus on wellbeing. The annual NHS Staff Survey remains a key measure of progress against our People Goals and helps us identify priorities for improving staff experience at team level.

In 2025, 3,347 colleagues responded to the main staff survey at BSMHFT, compared with 2,650 in 2024. This total included 269 responses from the Children and Young People's Directorate, which was not part of BSMHFT in 2024. The overall response rate increased from 56.8% to 60.6%.

Our approach to improvement is centred on meaningful engagement with teams across every part of the Trust. Teams are supported to review and analyse their local results, identify areas of strength and opportunities for improvement, and co-produce changes to working practices in response. Survey findings also help shape the priorities of our corporate teams. In 2025, 140 teams received localised reports, compared with 130 in 2024.

A summary of our 2025 results is set out below:

- Our key People Goal measure, whether colleagues would recommend BSMHFT as a place to work to friends and family, remained at 65.7%, unchanged from 2024. This is above the mental health sector average of 64.0% and represents an improvement of 8.8 percentage points since 2022 (56.9%).
- We scored above the mental health average in four themes of We are always learning, Morale, We each have a voice that counts, and Staff Engagement.
- We were at the mental health average in four further themes but remained below average in the Compassionate and Inclusive theme (7.52 v 7.61).
- Negative behaviours from service users, carers and families towards colleagues remain a concern. In the Negative Experiences sub-theme, BSMHFT scored 7.87 compared with 8.05 across other mental health trusts.
- Question-level analysis shows a particular strength in staff involvement. The percentage of staff who feel involved in deciding changes that affect their work was 56.8%, above the mental health average of 52.4%. Our score for the statement "My immediate manager asks for my opinion before making decisions that affect my work" was 71.48%, the highest among mental health trusts.
- The percentage of colleagues who said they would be happy with the standard of care provided by the organisation if a friend or relative needed treatment was 59.07% at BSMHFT, compared with 64.45% across other mental health and learning disability trusts.

Each year, we use staff survey data to inform continuous improvement both locally and across the organisation. This year's results highlight areas where further action is needed. We remain committed to becoming a truly inclusive, anti-racist and anti-discriminatory organisation. Although we have narrowed the gap with other trusts this year, these areas remain a key focus, alongside strengthening psychological safety and helping colleagues feel more confident to speak up.

In response, we will move into the second year of our Authentic Leader Programme, which represents a refreshed approach to leadership development. We will also continue to strengthen the ways in which colleagues can raise concerns and share their experiences, supported by a new communications strategy aligned to our new Five-Year Trust Strategy.

To more widely engage and capture employee voice, we deliver networking forums that bring together leaders, subject matter experts and our valued employees across Birmingham and Solihull. For example,

our longstanding weekly Listen Up Live Conversations give every employee access to our Chief Executive in a live virtual session that shares detailed developments alongside expert leaders followed by open questions and answers.

A new face-to-face engagement approach called 'All Our Voices' focuses on teams that our triangulated data shows are the least connected with Team BSMFHT. The sessions are led by the Chief-Executive who first hears from individual team members about their roles and then participates in an open forum focusing on connecting better. The visits lead to documented suggestions and actions to seal better engagement with those teams who have felt more on the margins of Trust life in the past.

We also provide expertise and support for our leaders to help them develop a more inclusive and engaging leadership approach. In 2025 this supportive approach included leadership development, significant involvement in the 'Time for Another Brew' campaign which widely involved colleagues in building the Trust's new strategy and saw local forums like the Acute and Urgent Care Leadership Forum begin to thrive. A new forum for administrative colleagues who do so much to support and enable good care is just beginning.

Together these touchpoints of engagement make an impact in helping employees connect better with our purpose and direction in continuing to improve care and employee experience in every part of our Trust.

Improving Health, Wellbeing and Safety of Staff

The Trust implemented a substantial programme of wellbeing and sickness management improvements during 2025/26.
Key progress included:

- successful transition to Optima Health as the Occupational Health provider
- new wellbeing resources on Connect
- updated manager guidance and tools
- expanded Wellbeing Champion programme

A central achievement was the delivery of Managing Health and Wellbeing Masterclasses, targeted at areas with above-average sickness levels. These sessions reached 21% of the targeted population and were supported by ongoing monthly capacity-building sessions.

New **Health and Wellbeing Delivery Plans** were co-created for all divisions, with particular progress reported in Secure & Offender Health and Corporate Services.
Together, these measures have supported a downward trajectory in sickness KPIs, strengthened early intervention, and provided managers with clearer tools to support staff compassionately.

Successes (Transforming Culture and Staff Experience)

- Broader rollout of restorative practice supporting compassionate conversations and conflict resolution.
- Increased focus on learning-focused responses to incidents, moving away from blame.
- Strengthened Freedom to Speak Up pathways and expanded Active Bystander Training.
- New Cultural Humility & Safety and Disability Inclusion training introduced.
- Anti-Racist Framework co-produced and Anti-Racist Supervision rolled out.
- Anti-Racist Policy launched, providing clearer expectations and accountability.

- Increased participation in Anti-Racism Pledge, Active Bystander and equity-focused programmes.
- Equity Panel and Inclusion Advisor Pool expanded, improving decision quality.
- Divisional Workforce and Health Inequality Plans co-developed.
- Restorative practice used to reduce racial disparities in formal processes.
- Staff Network membership grew significantly, with strong programme delivery.
- NHS Staff Survey: 61% response rate; 8 of 9 People Promise themes at or above sector average.
- New wellbeing initiatives launched; sickness KPIs on downward trajectory.
- Managing Health & Wellbeing Masterclasses reached 21% of targeted staff.

Modernising Our People Practice and Workforce Demographics

Modernising Our People Practice

Throughout 2025/26, the Trust continued strengthening and modernising its People practice to ensure governance reliability, transparent policy application, efficient systems, and high-quality support for all colleagues. Modernisation was driven not only by operational need but by a wider strategic aim: to create People services that are agile, data-enabled, compassionate, fair and aligned with organisational values. This multi-layered transformation programme has prioritised the modernisation of policy governance, digital workforce intelligence, job evaluation processes, people systems and the Trust's HR support architecture. Together, these developments form the foundation of a more future-ready, compliant and confident People function.

Strengthening People Policy Governance

A significant area of progress involved a significant overhaul and modernisation of People policy governance. The People Directorate established a strengthened governance model through the Policy Development Task Group, which now:

- tracks all policies in real time,
- ensures timely review cycles,
- supports full transparency of progress,
- reduces the risk of policy expiry, and
- enhances assurance provided to corporate governance committees.

This modernised approach ensures that policies are consistently maintained, up to date, reflective of best practice, and aligned to both operational and regulatory requirements. For staff, this delivers greater clarity, reliability and equity in the application of People-related processes.

Job Evaluation (JE)

Another major accomplishment was the stabilisation of the Job Evaluation function, to improve accuracy, governance and reliability The Trust introduced:

- a new standing JE Panel schedule,
- expanded training programmes for new JE panellists,
- strengthened standard operating procedures (SOPs),
- improved digital tracking and governance mechanisms, and
- improved escalation protocols for complex JE cases.

These developments have improved the accuracy, transparency and consistency of JE decisions, supporting both fairness and compliance with the national JE Framework. Monthly reporting into JOSC

(Job Evaluation and Organisational Change Committee) will further embed accountability and visibility within the system.

Digital Transformation and Workforce Intelligence

2025/26 saw extensive modernisation of digital People systems as the Trust continued moving toward a digitally enabled workforce environment.
Key developments included:

- Power BI dashboards for sickness, employee relations casework, Workforce Race Equality Standard (WRES), Workforce Disability Equality Standard (WDES) and Restorative Just and Learning Culture (RJLC) data. These dashboards provide managers with real-time analytics, supporting quicker intervention and more informed decision-making.
- Migration and expansion of AskAVA, the HR advice line chatbot, offering improved guidance and self-service support for staff and managers.
- Launch of the Connect Knowledge Base and Resource Hub, consolidating guidance, templates, policies, and manager resources into a single user-friendly platform.
- Establishment of the governance group for the forthcoming new digital workforce solution, ensuring that implementation is structured, monitored and aligned with organisational priorities.

In addition, the Trust commenced a Workforce Data Quality Project with ESR Optimisation partners to improve data accuracy, completeness and usability.
These enhancements support better workforce planning, equity monitoring, operational oversight, and organisational learning.

Strengthening People Practice Through Enhanced Resources

Modernisation of People practice included development of new Manager Masterclasses, including those linked to the Employee Performance Policy.
This reflects the Trust's broader efforts to equip managers with consistent, confident capability in navigating People processes, a key driver for improving staff experience and reducing escalation into formal HR pathways.

Building a Culture of Transparency, Accountability and Accessibility

The combined impact of policy modernisation, digital transformation, reporting improvements and strengthened governance is creating a People practice that is:

- more transparent,
- more accessible,
- more equitable,
- more responsive to staff and manager needs, and
- better aligned with the Trust's compassionate and inclusive values.

This shift strengthens the foundation for further workforce transformation, enabling better decision-making, improved outcomes for staff, and more consistent application of People processes.

Workforce Profile and Demographics

The Trust employs more than 5,000 staff across clinical, managerial and support roles, reflecting the rich diversity of Birmingham and Solihull. During 2025/26, workforce demographics continued to evolve, providing important insight into representation, equity and workforce needs.

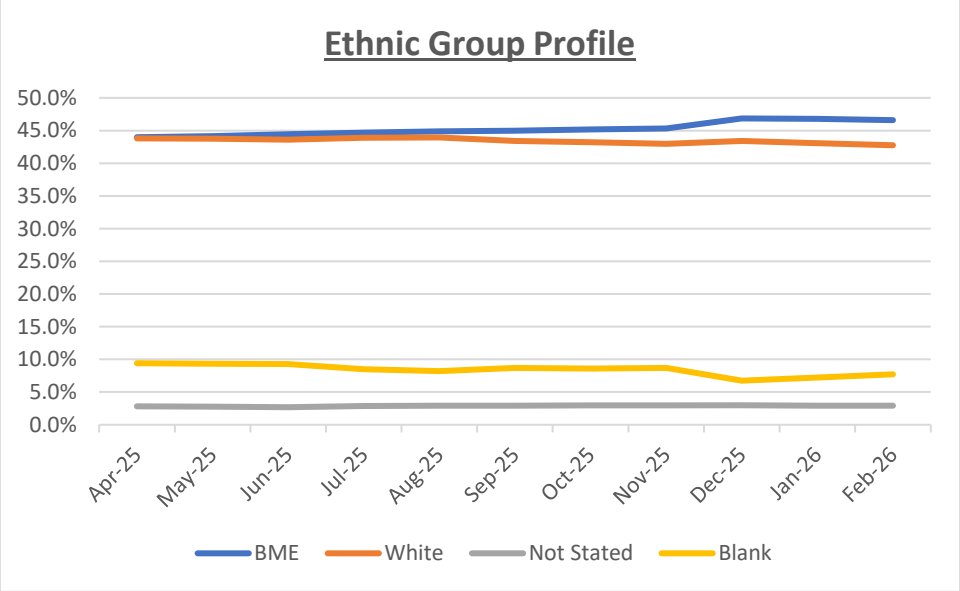
Demographic analysis supports targeted workforce planning, informs EDI interventions, enables the Trust to meet statutory requirements, and strengthens the Trust's aim of creating a diverse, representative and culturally competent workforce.

Ethnicity Representation

Global Majority (ethnic minority) representation increased again this year, rising from 41.5% to 44% of the workforce.

The Trust's Board continues to reflect strong ethnic diversity, with 53% Global Majority and 47% White Board representation.

Given Birmingham's population demographics, this level of representation is an indicator of organisational maturity in addressing representation gaps, though further work remains to improve diversity in specific occupational groups and senior roles below Board level.



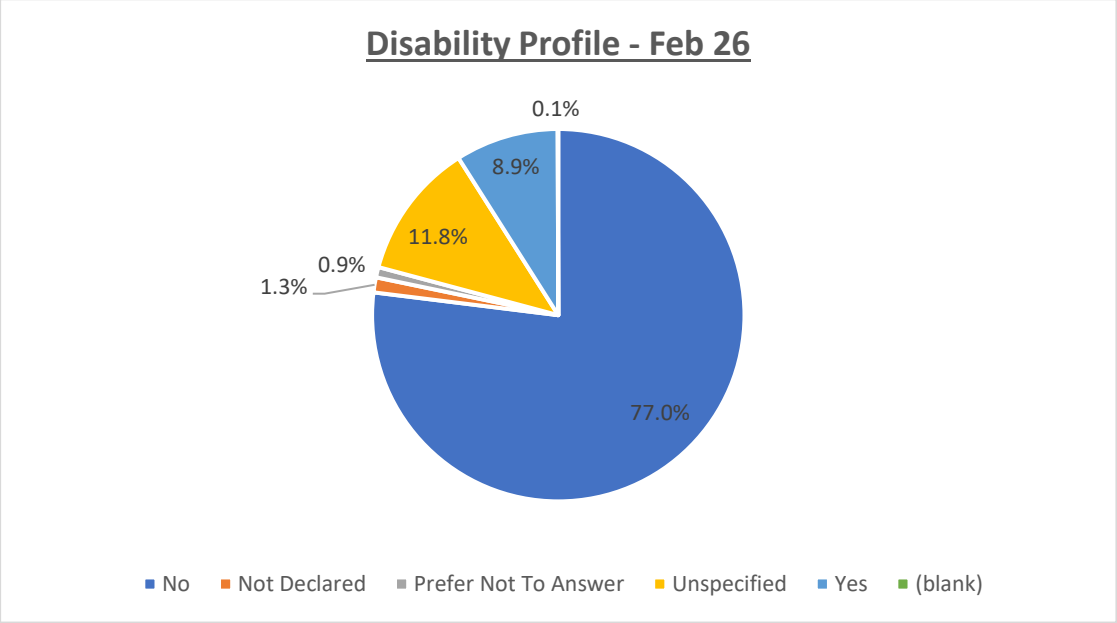
Disability Representation

The WDES data shows that a total of 8.02% of colleagues now report having a long-term condition or illness, compared to 7.48% reported in 2024.

Disclosure improvements suggest increasing staff confidence in sharing disability information, supported by improvements in:

- Reasonable Adjustments processes
- Disability Awareness training
- Expansion of DAWN, the Disability & Wellbeing Network

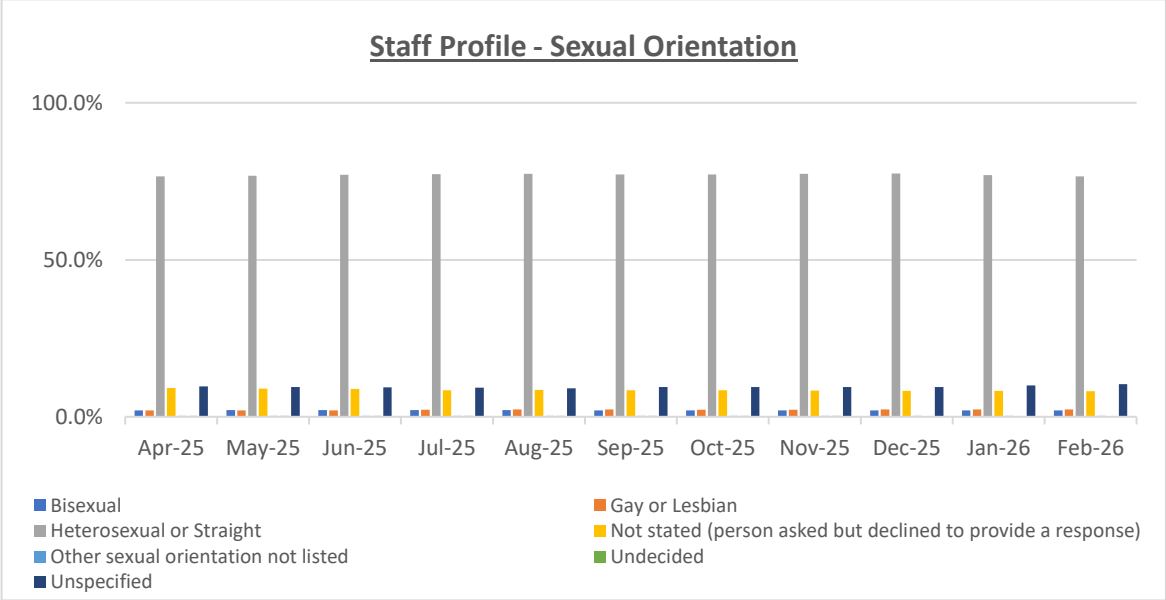
However, the Trust remains committed to improving the accuracy and completeness of disability data on ESR.



Sexual Orientation Data

Sexual orientation data also continues to improve in completeness, with representation across:

- heterosexual/straight
- gay/lesbian
- bisexual
- undecided
- other orientations



Strengthening Data Quality and Reporting

The Trust recognises that high-quality demographic data is essential for:

- identifying inequities,
- improving representation,
- assessing the impact of interventions,
- strengthening WRES/WDES/EDI reporting,

- meeting statutory duties, and
- improving cultural intelligence.

The Workforce Data Quality Project has begun to address longstanding gaps in demographic data collection, with a particular focus on ethnicity, sexual orientation, disability and other protected characteristics.
Better demographic insight supports the Trust's wider commitment to inclusive and equitable workforce experiences.

Successes (Modernising Our People Practice & Workforce Demographics)

Modernising Our People Practice

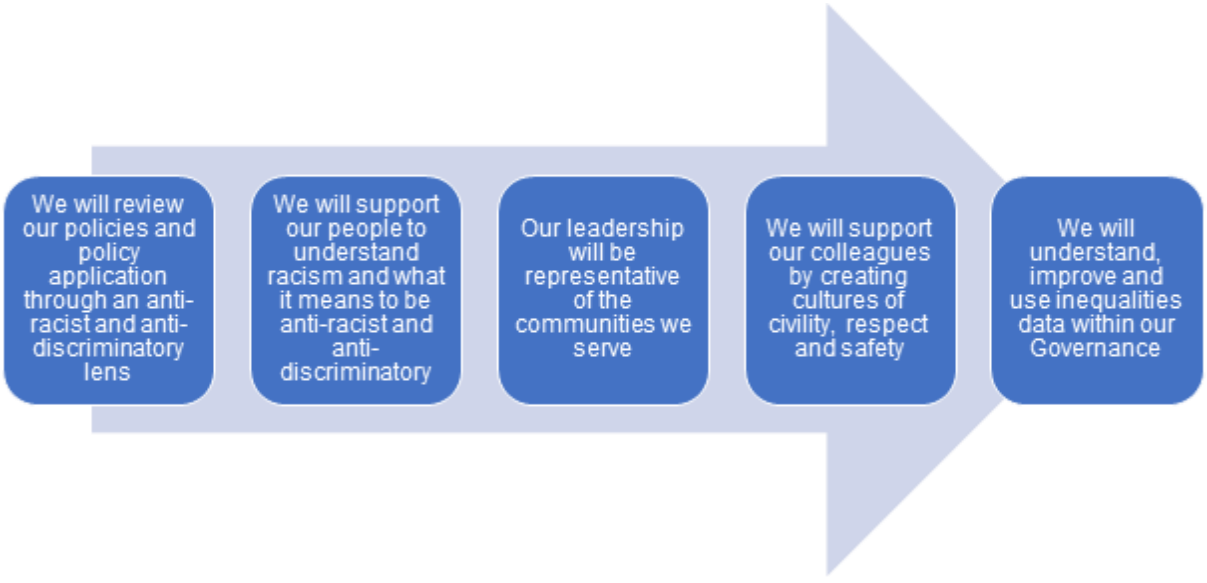
- Major overhaul of People policy governance, enabling real-time tracking and reduced expiry risk.
- Strengthened JE governance, including SOPs, digital tracking and scheduled panels.
- Launch of new Power BI dashboards for sickness, ER, WRES, WDES and RJLC.
- Migration and enhancement of AskAVA HR chatbot and Connect Resource Hub.
- New digital workforce solution governance established.
- Workforce Data Quality Project launched with ESR Optimisation partners.
- Manager Masterclasses developed to strengthen capability in performance management.

Workforce Demographics

- Global Majority workforce representation increased to 44%.
- Board representation: 53% Global Majority, 47% White.
- Long-term condition or illness declaration increased to 8.02%.
- Enhanced demographic reporting and ESR data quality improvement initiatives underway.

Equality, Diversity & Inclusion (EDI)

The Trust recognises compliance with statutory duties not as a checkbox exercise but as the foundation for more meaningful and transformational work. Our Public Sector Equality Duty compels us to consider how our decisions impact people from protected groups and we embrace this duty as a call to action for equitable care and workforce experiences. The key focus which remains and will be delivered over the next three years are set out below:



Embedding EDI in Practice

The EDI team strengthened policies, training and governance to ensure that equity and inclusion are embedded across People practices, leadership development, recruitment, training, and decision-making.

Several Trust-wide improvements shaped the year:

- launch of the Anti-Racist Policy,
- completion of the Anti-Racist Supervision Diagnostic,
- development of culturally responsive training pathways,
- expansion of equity infrastructure such as the Equity Panel and Inclusion Advisor Pool, and
- enhanced involvement of lived experience contributors in shaping Trust systems.

These developments represent a shift from reactive equity work toward embedding inclusion at the earliest stages of policy development, staff experience, patient pathways and organisational governance.

Anti-Racist and Anti-Discriminatory Organisational Development

The Trust strengthened its organisational commitment to anti-racism by embedding cultural humility, behavioural expectations and equity accountability into workforce and clinical practice.

The completion of the Anti-Racist Supervision Diagnostic offered a detailed assessment of confidence and capability gaps within the leadership and supervisory community. This diagnostic became a key anchor for further organisational improvement, supporting the development of anti-racist leadership behaviours, shaping learning programmes, and informing the rollout of the Anti-Racist Policy.

The introduction of Cultural Humility Safety training expanded cultural intelligence across workforce groups, supporting safer, more dignified and responsive interactions with colleagues and service users.

Additionally, the Trust continued strengthening its response to discriminatory behaviours through:

- improved Active Bystander Training,
- broader participation in the Anti-Racism Pledge, and
- better alignment between EDI, OD, People Operations and senior leadership teams.

These shifts reflect a deeper cultural transformation, centering dignity, fairness and anti-discriminatory practice in all staff interactions.

Workforce Race Equality Standard (WRES)

The Workforce Race Equality Standard remains a critical barometer for understanding representation, experience and equity for Global Majority colleagues. This year's WRES data shows a mixed but overall improving picture, with progress in several priority areas and challenges that continue to require action.

Key improvements include:

- White colleagues were only 0.7 times more likely to be appointed from shortlisting, a significant improvement from 1.7 the previous year. This signals reduced recruitment bias and better equity in selection processes.
- Formal disciplinary disparities continued to improve, with Global Majority colleagues now 0.82 times more likely to enter formal processes (down from 1.86).

These improvements reflect the Trust's strengthened restorative approach, enhanced decision-making governance and equity-informed policies.

However, challenges remain:

- 13.1% of Global Majority staff reported discrimination from colleagues, compared to 8.8% of white colleagues.

This demonstrates ongoing structural inequity and reinforces the importance of the Trust's anti-racism programme.
Workforce Race Equality Standard (WRES) - Birmingham and Solihull Mental Health NHS Foundation Trust

Workforce Disability Equality Standard (WDES)

The Workforce Disability Equality Standard highlighted meaningful progress this year:

- Disability declaration rose to 8.02%, showing increased confidence in disclosure.
- Disabled colleagues were 0.92 times as likely to be appointed, compared to 1.28 previously, a positive reduction in appointment inequality.
- Capability disparity decreased: colleagues with disabilities were 3.28 times more likely to enter capability, down from 5.33.

These improvements reflect more consistent policy application, strengthened Reasonable Adjustments support, disabled staff advocacy through DAWN, and better data quality.
Additionally, reporting of bullying and harassment among disabled colleagues increased from 59.9% to 63.6%, suggesting improved confidence in raising concerns.
Workforce Disability Equality Standard (WDES) - Birmingham and Solihull Mental Health NHS Foundation Trust

Please note: The WRES and WDES data is pulled on the 31 March as requested by the national WRES/WDES Team. We are currently in the process of collecting data for 2025/26.

Gender and Pay Gap Analysis

As part of our broader commitment to fairness, we also monitor pay gaps across multiple protected characteristics.

Key highlights:

- In terms of the overall gender pay gap figures, a mean gap of 9.29% (Increase from 7.87% in 2024) was calculated, alongside a median of 0.61% (increase from 0.56% in 2024). The figures show that men earn more than women overall, indicating a widening gap driven by higher-paid roles (negative)
- The bonus gender pay gap has remains equitable (positive)
- The mean ethnicity pay gap has decreased from 8.49% in 2024 to 8.15% in 2025 (positive)
- The mean disability pay gap has increased from 3.17% in 2024 to 3.40% in 2025 (negative)
- The sexual orientation pay gap has widened from –4.25% in 2024 to –4.93% in 2025. This represents an increase in the gap in favour of LGBTQ+ staff (positive), as the negative percentage has increased. Any widening gap regardless of direction indicates an increasing difference between group.

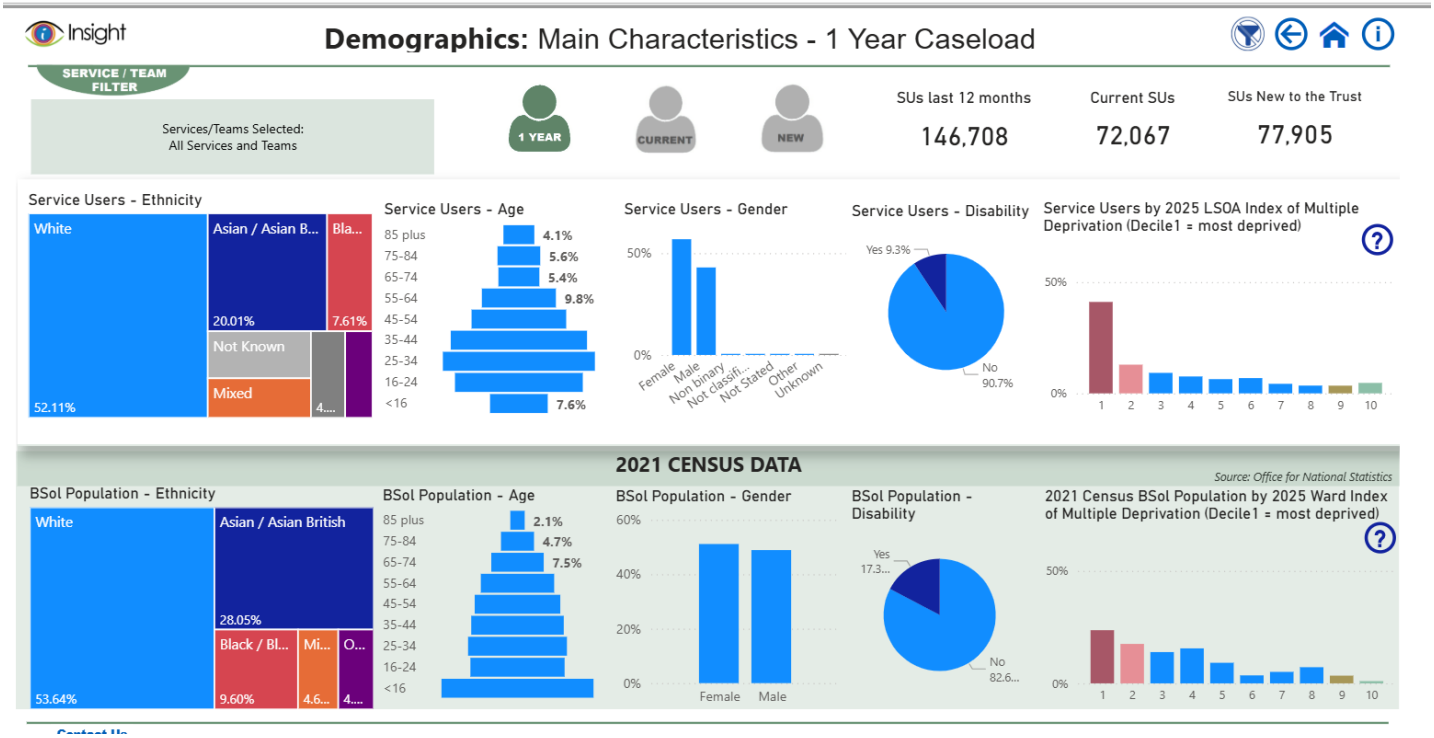
Patient and Carer Race Equality Framework (PCREF)

The PCREF programme continued to grow in depth, scale and influence across the Trust. PCREF is an organisational commitment to ensuring that racialised service users receive equitable care and that lived experience directly shapes the design, monitoring and improvement of services.

Key achievements included:

- integration of PCREF into Clinical Governance structures,
- co-produced competencies informed by service user input and safety data,
- strengthened Health Inequality Plans across divisions,
- expanded culturally appropriate advocacy pilots, and
- strengthened leadership visibility and organisational accountability.

BSMHFT was also identified as a regional Expert Lead, giving the Trust significant influence in shaping system-wide PCREF adoption and high-quality antiracist care pathways.



Leadership, Staff Networks and Inclusive Culture

Leadership Development and Inclusive Leadership

Transforming leadership culture remained a critical People Strategy priority this year. Leadership development programmes focused on:

- shaping compassionate leaders,
- embedding inclusive behaviours,
- enhancing cultural humility,
- strengthening emotional intelligence and resilience, and
- improving psychological safety across teams.

The ongoing rollout of the Leadership Development Framework began with “Leadership of Self,” supporting emerging and existing leaders to understand purpose, values and authentic leadership behaviours.
Planning advanced for the next two tiers:

- **Leading Others**: focusing on compassionate performance management, psychological safety and effective team dynamics

- **Leading Systems & Strategy**: focusing on systems leadership, cross-boundary collaboration and innovation

The Management Essentials programme continued expanding, making policy knowledge, people management practice and operational leadership more consistent across departments.

Staff Networks: Strengthening Voice, Culture and Representation

The Trust's staff networks continue to grow in maturity and influence. Across 2025 and into 2026, networks demonstrated:

- strong membership growth,
- clearer governance structures,
- increased visibility,
- strengthened leadership teams,
- deeper organisational engagement, and
- stronger links with Executive Sponsors.

Each network delivered targeted interventions, events, insights and recommendations that directly informed organisational development, policy review and EDI governance.

Key Developments Across Networks

- DAWN improved accessibility and wellbeing visibility.
- Men's Network strengthened shift-based engagement, including social and sport-based activities.
- Women's Network introduced the Menopause Passport, breathable uniform pilot, and baby loss policy improvements.
- LGBTQ+ Network grew attendance, improved visibility, and strengthened trans inclusion work.
- Race Equity Network expanded intersectionality conversations, racism guidance tools and leadership involvement.

Staff networks continue to be a powerful mechanism for cultural transformation, allyship development, and lived-experience-led decision-making.

Membership Overview

Network	2025 Start	2025 End	Growth 2025	Q1 2026 Total	Q1 2026 Growth
DAWN	-	174	+39	189	+8.6%
Men's Network	21	51	+30	54	+5.9%
Women's Network	-	177	-	187	+5.6%
LGBTQ+ Network	-	120	+16	130	+8.3%
Race Equity Network	-	109	+11	114	+4.6%

Successes (EDI, WRES, WDES, PCREF, Leadership & Staff Networks)

EDI & Anti-Racist Practice

- Anti-Racist Supervision Diagnostic completed, informing targeted leadership development.

- Anti-Racist Policy launched Trust-wide.
- Cultural Humility Safety and Disability Awareness training expanded.
- Equity Panel and Inclusion Advisor Pool expanded, improving decision-making quality.
- Divisional Workforce & Health Inequalities Plans co-developed.

WRES

- Appointment disparity improved from 1.7 → 0.7.
- Disciplinary disparity reduced from 1.86 → 0.82.
- Ongoing concerns remain around workplace discrimination, informing future priorities.

Learning and Development (L&D)

Learning and Development (L&D) played a central role in supporting the Trust's strategic priorities during 2025/26. This year marked a significant maturation of the Trust's learning culture, thanks to increased digital capability, strengthened compliance performance, expanded training offers and stronger alignment to organisational values.
A key priority was consolidating a learning ecosystem that supports colleagues at every stage of their career from induction and mandatory training through to specialist development, leadership capability-building and reflective practice.
The Trust sustained a strong Fundamental Training compliance rate of 94.2%, reflecting consistent oversight, targeted support to lower-performing teams and strengthened governance through People Strategy subcommittees (TCSE, SOFW and MET).

CYP Learning Recovery

A standout achievement this year was the learning recovery effort in the Children and Young People (CYP) Division. Their compliance improved from 63.1% (July 2025) to 84.4% (January 2026) through:

- strengthened ownership from CYP leaders,
- targeted work on resuscitation and safeguarding modules,
- weekly joint meetings between L&D and CYP management, and
- improved escalation and performance tracking.

This improvement not only demonstrates the success of focused recovery plans but also the impact of sustained partnership between L&D and operational leaders.

Reduced Non-Attendance and Improved Efficiency

One of the most tangible improvements was the 67.47% reduction in DNA rates for face-to-face training (332 → 108), achieved through:

- automated reminders,
- strengthened follow-up processes,
- improved booking behaviour,
- better communications, and
- increased local accountability.

More efficient training attendance saved capacity, reduced rebooking delays and enabled L&D teams to focus on quality improvement rather than administrative overheads.

Enhanced Development Offers

The Trust launched and expanded several accessible learning opportunities:

- "Lunch & Learn" series, attracting 473 bookings across 2026
- enhanced Corporate Induction, consistently receiving positive feedback
- development of the 2026–2028 Learning & Development Framework, with four pillars:
- Training
- Online Academy
- Mastery Pods
- Life Skills

Leadership development also strengthened, with improved access to values-based development, management training and reflective practice.

Digital Learning Modernisation

The Trust strengthened its digital learning infrastructure, including:

- automation through Microsoft Teams Tasks,
- improved virtual learning offers,
- expanded eLearning content,
- improved resuscitation training capacity,
- development of a comprehensive SharePoint resource hub with over 50 leadership and development resources.

The L&D team also progressed a strengthened compliance dashboard aligned to People KPIs, improving visibility, responsiveness and divisional ownership.

Successes (Learning and Development)

- Fundamental Training compliance sustained at 94.2%.
- CYP Learning recovery: 63.1% to 84.4% compliance improvement.
- Significant DNA reduction: 67.47% decrease in non-attendance.
- AVERTS compliance: 93.3% (1-day) and 99.3% (5-day).
- 473 bookings for the expanded Lunch & Learn series.
- Values-Based Appraisal performance at 84.8%.
- 2026–2028 Learning & Development Framework developed.
- Enhanced digital learning infrastructure, automated reminders and expanded virtual content.

Medical Workforce

The medical workforce experienced a year of transformation, stabilisation and strengthened governance. The year's focus centered on ensuring safe staffing, enhancing junior doctor experience, improving governance, reducing agency reliance and strengthening the long-term sustainability of the medical establishment.

CYP TUPE Transfer and Workforce Expansion

A key achievement was the successful integration of 43.15 WTE medical staff into the Trust through the CYP TUPE transfer, 32.75 WTE transferring directly and the remainder recruited into previously agency-covered roles.

This transition:

- strengthened the Trust's clinical capability,
- improved service continuity,
- reduced reliance on locum cover, and
- increased consistent training support for junior doctors.

Reducing Agency Dependence and Improving Recruitment

The Trust achieved a significant reduction in agency locum use, from 32 doctors in February 2024 to just 4 in December 2025 (excluding CYP), reflecting strong recruitment campaigns and improved rota management.

Additionally, 12 doctors were transitioned from non-direct to direct agency arrangements, reducing financial and governance risk.

Several hard-to-fill consultant roles (particularly in ICCR and Acute Care) were successfully recruited into, strengthening medical leadership, oversight and clinical pathway expertise.

Exception Reporting and National 10-Point Plan

The Trust fully implemented national reforms for Exception Reporting, delivering:

- transparent processes,
- improved mechanisms for reporting variance, and
- strengthened responses to rota, safety and training concerns.

Delivery of the national 10-Point Plan to Improve Resident Doctors' Working Lives included:

- wellbeing facilities such as rest areas, secure lockers, on-call parking and 24/7 hot meals
- greater transparency in rotas (issued 8 weeks ahead)
- improved annual leave management
- strengthened payroll accuracy through national improvement programmes
- compliance with mandatory training duplication elimination

Locally Employed Doctors (LEDs)

The Trust continued to support Locally Employed Doctors (34.40 WTE), many of whom are international medical graduates. Access to clinical teaching, development opportunities and structured support helped improve retention and strengthened medical workforce stability.

Successes (Medical Workforce)

- CYP TUPE transfer integrated 43.15 WTE medical staff.
- Vacancy rate reduced to 5.5% (below 10% KPI).
- Agency locum usage reduced from 32 to 4.
- Hard-to-fill Consultant posts successfully appointed across key divisions.
- Exception Reporting reforms fully implemented.
- National 10-Point Plan delivered, improving junior doctor working lives.
- LED development strengthened through PGME teaching access.
- Improved governance through streamlined recruitment and pre-employment processes.

Recruitment & Workforce Transformation

The Recruitment and Workforce Transformation functions played a critical role in driving down vacancies, stabilising workforce supply, and improving the quality and efficiency of recruitment processes.

Improved Vacancy and Turnover Performance

Vacancy and turnover rates continued a downward trajectory throughout the year, supported by:

- increased supply from local training routes,
- strengthened recruitment practices,
- improved retention of internationally educated nurses,
- reduced reliance on bank and agency staffing.

CYP Agency Reduction

Following the CYP TUPE transfer, initial high agency usage was reduced substantially across the financial year, demonstrating effective resourcing and better workforce planning.

Workforce Transformation Initiatives

Transformation programmes targeted new ways of working and meaningful modernisation, including:

- collaboration with admin professions to identify digital transformation opportunities
- workforce data quality improvements with the ESR optimisation team
- governance design for a new digital workforce solution
- widening participation initiatives supporting schools, colleges and communities

International Recruitment and Local Talent Pipelines

Internationally educated nurses have increasingly progressed into higher roles, a testament to the Trust's inclusive development culture. The Trust also maintained strong relationships with educational providers, ensuring a stable pipeline of newly qualified health professionals year-on-year.

Successes (Recruitment & Workforce Transformation)

- Vacancy and turnover rates continued to fall across the year.
- Significant reduction in bank and agency usage post-CYP TUPE transfer.
- Internationally educated nurses embedded and progressing into senior roles.
- Strengthened supply pipeline through partnerships with education providers.
- Governance established for digital workforce solution implementation.
- Workforce data quality improvement project launched.

People Operations

People Operations underwent comprehensive modernisation this year, focusing on early intervention, improving staff experience, enhancing digital HR support, strengthening wellbeing and reducing disproportionality.

Key achievements included:

- launch of the updated Disciplinary Policy embedding RJLC principles
- placing greater focus on compassionate investigation and early conflict resolution
- strengthened support for managers through HR Clinics and People Partnering
- improved OH provision following transition to Optima Health
- modernised sickness monitoring and wellbeing resources

The team's work significantly strengthened the Trust's fairness, accountability, and staff experience.

Reducing Disproportionality

One of the most important outcomes was the 6% reduction in Global Majority colleagues entering ER processes in Secure & Offender Health.
This improvement was supported by:

- anti-racist training,
- strengthened manager capability,
- restorative approaches, and
- proactive interventions in high disproportionality areas.

Digital HR Transformation

Major digital improvements included:

- AskAVA chatbot expansion
- Knowledge Base and Resource Hub launch
- Power BI dashboards for sickness and ER casework

These resources made People Operations more accessible, transparent and data-driven.

Successes (People Operations)

- Updated Disciplinary Policy integrating RJLC principles.
- Increased preventative support for managers and improved digital HR resources.
- Smooth transition to Optima Health with improved EAP guidance.
- Centralised sickness tracking enhanced Connect resources and improved RA guidance.
- Health & Wellbeing Masterclasses reaching 21% of targeted staff groups.
- 6% reduction in disproportionality for Global Majority colleagues entering ER processes.
- Enhanced digital HR support via AskAVA, Resource Hub and Power BI dashboards.

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
12	2.0 WTE

Percentage of time	Number of employees
0%	0
1-50%	10
51-99%	2
100%	0

Overall Outcomes & Future Priorities

Across 2025/26, the Trust delivered a broad range of strategic and operational improvements that reinforced its commitment to compassionate leadership, inclusion, wellbeing, cultural transformation and modern, data-driven People practice. The organisation made significant strides in stabilising its workforce, improving staff voice, enhancing leadership capability, reducing inequities, modernising systems, and embedding restorative and anti-racist approaches.

Successes – Overall Outcomes

- Workforce stability strengthened: reduced vacancies and agency usage.
- Cultural transformation advanced through restorative practice and anti-racist development.
- Leadership and management capability expanded through strengthened frameworks and training.
- Learning culture improved: strong compliance, effective digital learning and reduced DNAs.
- Staff Networks expanded visibility and influence.
- Digital workforce intelligence modernised via dashboards and new HR systems.
- Disproportionality reduced across key ER metrics.

Future Priorities 2026/27

The Trust is well placed to begin delivering its new five-year strategy. Over the coming year, our priorities will focus on creating a fair and future-ready workforce, strengthening culture and staff experience, and further developing our professional and leadership capabilities.

We will continue to modernise our people practices including by streamlining and improving recruitment, particularly for hard-to-fill roles, through values-based, co-designed approaches and more efficient digital systems. Leaders will be supported to make fair decisions, strengthen onboarding and progression, and improve retention through coaching, stay conversations and clearer career pathways. Workforce planning will become more data-led, combining workforce analytics with staff and lived-experience insight to anticipate demand, guide scenario planning and build long-term resilience.

Workforce transformation will progress through the co-design of new roles, workforce models, job evaluations and partnerships that ensure the right skill mix across services. Learning and development will play a core role in developing a modern workforce, expanding access to digital, virtual and simulation-based learning, strengthening supervision and CPD, and improving mentoring, coaching and knowledge transfer through cross-generational approaches and structured handovers.

Digital enablement will underpin many improvements, including the consolidation of HR systems into fewer, user-centered platforms.

We will continue to strengthen culture and staff experience by embedding NHS workforce standards, psychological safety, effective team functioning, culture-informed and restorative approaches to workplace challenges. Wellbeing support will be enhanced through targeted interventions in high-pressure areas, informed by staff insight and workforce data. Engagement, communication and recognition practices will be further developed to maintain transparency, reinforce positive behaviours and support a culture where colleagues feel able to speak up and be heard.

Professional development and leadership capability will be strengthened through high-quality education, leadership training, supervision and career development aligned to national standards. Inclusive talent pathways, supported by coaching and sponsorship, will widen access to progression. Partnerships with education providers will help grow the future workforce through increased placement capacity and collaborative learning. Managers will continue to build the skills needed to lead confidently, navigate complexity and support high-performing teams.

Staff by gender as at 31 March 2026

Staff type	Female	% female	Male	% male	Grand total (headcount)
Directors	5	42%	7	58%	12
Other senior managers	433	75%	145	25%	578
Employees	3708	73%	1378	27%	5086
Total	4146	73%	1530	27%	5676

Sickness absence 2025/2026

Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25
5.3%	5.3%	5.7%	5.9%	6.0%	6.5%

Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26
6.9%	6.6%	6.5%	6.1%	5.9%	Est 6.1%

Rolling Average
Est 6.1%

Average WTE 2025/26	Adjusted WTE days lost	Average sick
5055	74,414	14.72

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 2025/26

The Trust turnover rate as at 31 March 2026 was 8.26%. This calculation is the leavers FTE over the previous 12 months divided by average FTE over the previous 12 months.

Senior Managers by Band 2025/26

Band	Headcount	Sum of FTE
Band 8 - Range A	293	266.56
Band 8 - Range B	180	152.29
Band 8 - Range C	78	68.62
Band 8 - Range D	23	21.71
Band 9	4	4.00
Grand Total	**578**	**513.17**

Staff costs *(subject to audit)*

			2025/26	2024/25
	Permanent	Other	Total	Total
	£000	£000	£000	£000
Salaries and wages	278,644	-	278,644	241,368
Social security costs	35,776	-	35,776	25,226
Apprenticeship levy	1,330	-	1,330	1,149
Employer's contributions to NHS pensions	30,192	-	30,192	25,510
Pension cost - other paid by NHSE on provider's behalf (6.3%)	19,271	-	19,271	16,304
Other post-employment benefits	-	-	-	-
Other employment benefits	-	-	-	-
Termination benefits	-	-	-	-
Agency/contract staff	-	4,189	4,189	4,950
NHS charitable funds staff	-	-	-	-
Total gross staff costs	365,213	4,189	369,402	314,507
Recoveries in respect of seconded staff				
Total staff costs	365,213	4,189	369,402	314,507
Of which				
Costs capitalised as part of assets	-	-	-	-

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

			2025/26	2024/25
	Permanent	Other	Total	Total
	number	number	£000	£000
Medical and dental	177	168	345	293
Ambulance staff			-	-
Administration and estates	953	109	1,062	932
Healthcare assistants and other support staff	979	116	1,095	1,010
Nursing, midwifery and health visiting staff	1,527	66	1,593	1,381
Nursing, midwifery and health visiting learners			-	-
Scientific, therapeutic and technical staff	758	189	947	815
Healthcare science staff	3	-	3	3
Social care staff	-	-	-	-
Agency and contract staff	-	-	-	-
Bank staff	-	-	-	-
Other	5	4	9	10
Total average numbers	4,402	652	5,054	4,444
Of which:				
Number of employees (WTE) engaged on capital projects	-	-	-	

Employee expenses *(including executive directors but excluding non-executive directors)*

Expenses	2025/26 £000	2024/25 £000
Salaries and wages	278,644	241,368
Social security costs	35,776	25,226
Employers contribution to NHS pensions	30,192	25,510
Employers contribution to NHS pensions paid by NHSE on Provider's Behalf (9.4%/6.3%)	19,271	16,304
Apprenticeship Levy	1,330	1,149
Termination benefits (see note 4 and 4.1)	-	-
Agency/contract staff	4,189	4,950
Total recognised in operating expenses	369,402	314,507

Equality, diversity, and inclusion (EDI)

At Birmingham and Solihull Mental Health NHS Foundation Trust (BSMHFT), we are deeply committed to fostering a culture where every individual—staff, service user, carer, or community partner—is respected, valued, and empowered. We believe that embracing equality, diversity, and inclusion (EDI) is essential to deliver compassionate, high-quality, person-centred care and to create a working environment where everyone feels safe, supported, and able to thrive.

Guided by the NHS People Plan and the Equality Act 2010, our ambition is to ensure fairness, equity, and belonging for all.

Our Commitment to EDI

EDI is embedded in everything we do—from service delivery to staff experience. We uphold the principles of the Public Sector Equality Duty and actively use the NHS Workforce Race Equality Standard (WRES) and Workforce Disability Equality Standard (WDES) to track progress and identify areas for improvement.

We are committed to:

- Eliminating all forms of bullying, discrimination, and victimisation
- Creating psychologically safe, inclusive work environments
- Reducing health inequalities across our communities
- Promoting diverse leadership and equitable career development

Our focus this year has been on building individual and collective accountability, ensuring all colleagues understand their role in creating an inclusive culture aligned with our Trust values: Inclusive, Committed, Compassionate.

Embedding EDI in Practice

Our EDI team plays a vital role in shaping policies, practices, and organisational culture that reflect our commitment to equity and inclusion. Their work supports the development of compassionate, inclusive cultures and helps us attract, retain, and develop the best people to fulfil our mission
Moving Beyond Compliance

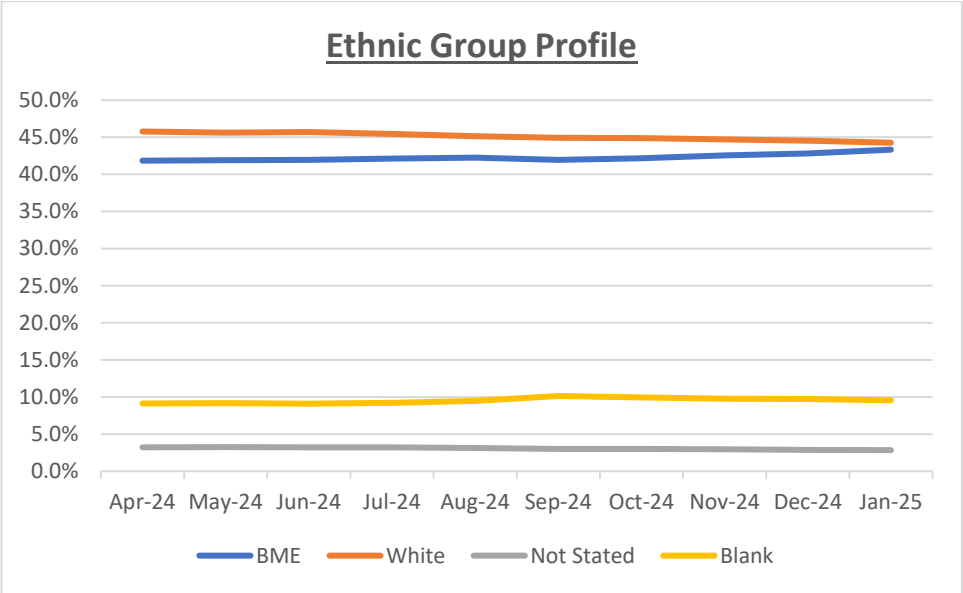
We see compliance with statutory duties not as a checkbox exercise but as the foundation for more meaningful and transformational work. Our Public Sector Equality Duty compels us to consider how our decisions impact people from protected groups—and we embrace this duty as a call to action for equitable care and workforce experiences.

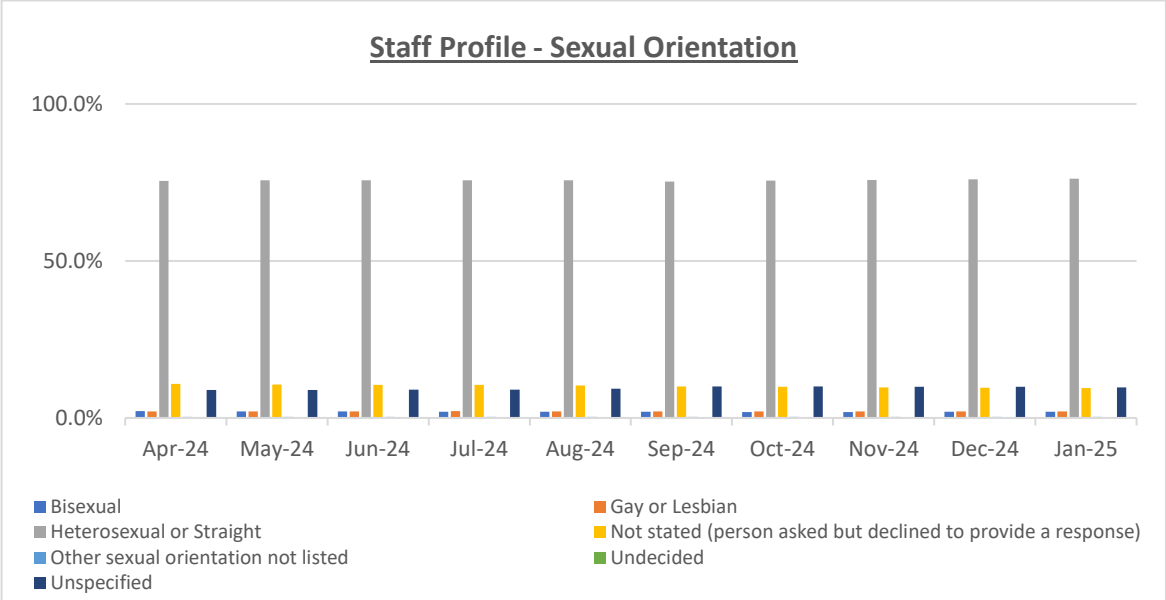
Workforce demographics

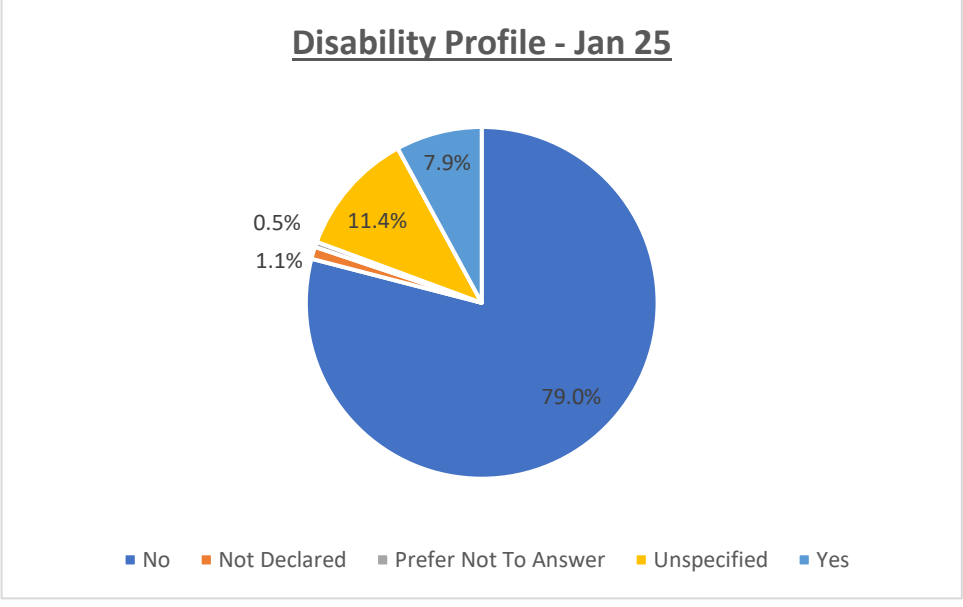
With over 4,000 clinical and support staff, our workforce reflects the vibrant and diverse communities we serve. Our population includes communities facing high levels of deprivation, requiring our services to be equitable and culturally responsive.

- Global Majority (Ethnic Minority) representation: 41.5% (up from 39.1% in 2023)
- Board representation: 50% Global Majority, 42.9% White, 7.1% Unknown ethnicity

We recognise the need to reduce representation gaps in other areas and improve our workforce data quality through more accurate and complete ESR data collection.


Ethnic Group Profile
50.0%
45.0%
40.0%
35.0%
30.0%
25.0%
20.0%
15.0%
10.0%
5.0%
0.0%
Apr-24
May-24
Jun-24
Jul-24
Aug-24
Sep-24
Oct-24
Nov-24
Dec-24
Jan-25
BME
White
Not Stated
Blank

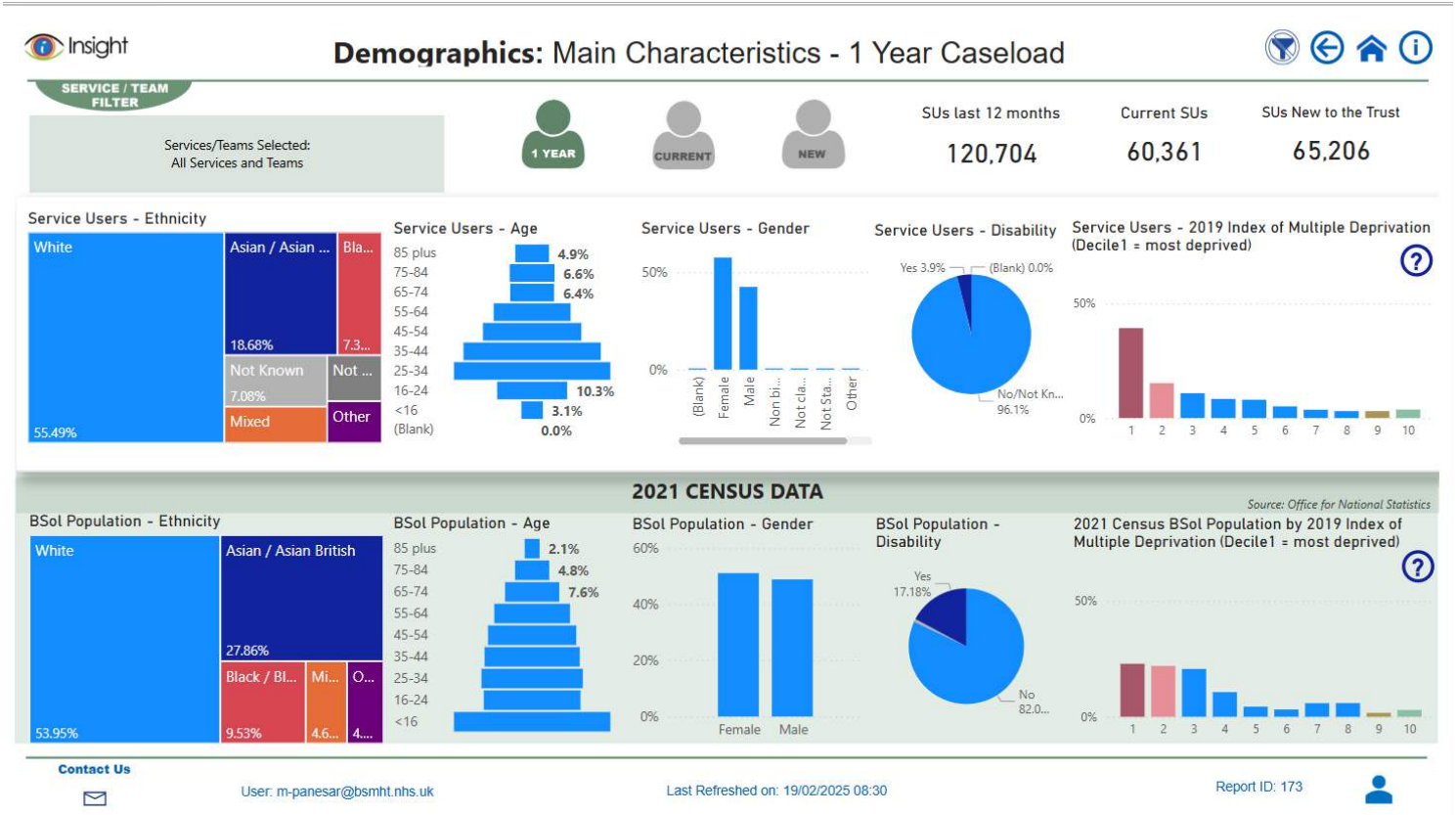

Staff Profile - Sexual Orientation
100.0%
50.0%
0.0%
Apr-24
May-24
Jun-24
Jul-24
Aug-24
Sep-24
Oct-24
Nov-24
Dec-24
Jan-25
Bisexual
Gay or Lesbian
Heterosexual or Straight
Not stated (person asked but declined to provide a response)
Other sexual orientation not listed
Undecided
Unspecified


Disability Profile - Jan 25
7.9%
11.4%
0.5%
1.1%
79.0%
No
Not Declared
Prefer Not To Answer
Unspecified
Yes

Service User Demographics

Reducing health inequalities is a strategic priority across BSMHFT. By comparing internal service user data to national census benchmarks, teams have developed locally focused plans to address inequities and improve access and outcomes.

Initiatives like the Patient and Carer Race Equality Framework (PCREF) and the Birmingham and Lewisham African and Caribbean Health Inequalities Review provide valuable direction for this work.



Key Outcomes and Improvements

We've made important strides over the past year, including:

- Anti-Racist Supervision Diagnostic completed, with a gap analysis informing next steps
- Increased participation in the Anti-Racism Pledge and Active Bystander Training
- Restorative practice principles supporting reductions in racial disparities
- Development of PCREF organisational competencies informed by co-production and safety data
- Training enhancements based on service-user and staff feedback
- Compliance work under way for Equality Delivery System (EDS2)
- Integration of Public Sector Duty reporting into our Annual Report
- Rollout of Dialog+ and pilot sites for culturally appropriate advocacy

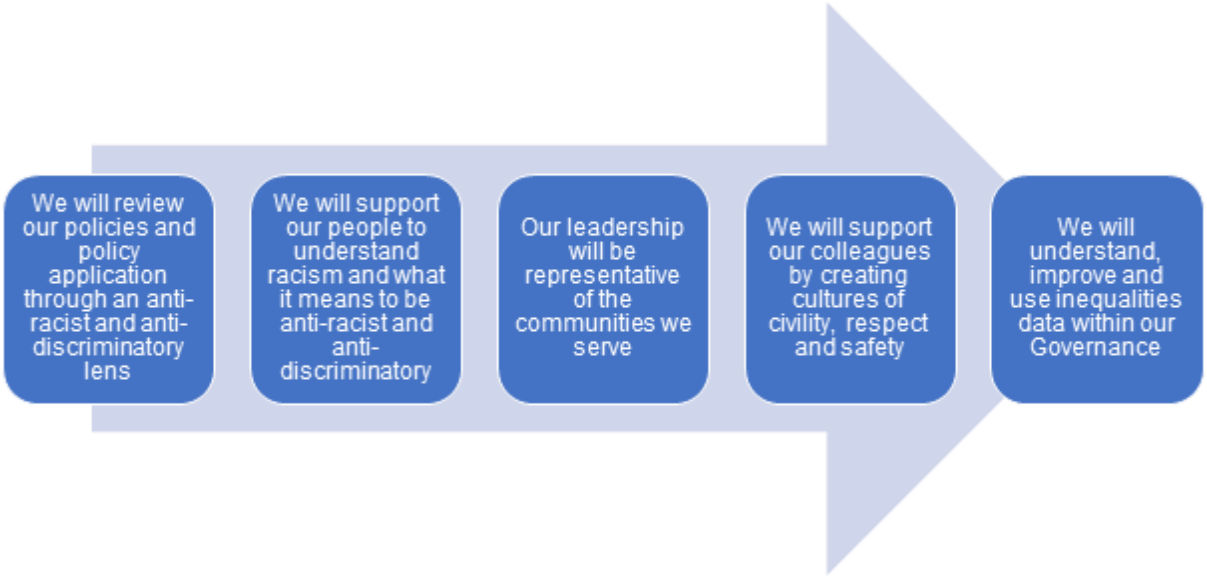
Anti-racist and anti-discriminatory

As part of this strategy, we have created and launched our Anti-Racist Framework. The framework will support us all in bringing our most authentic self to work without any form of discrimination. This framework has been co-produced with colleagues from different backgrounds, roles and teams and developed through a wide consultation to ensure this framework incorporates the representative voice and can therefore be used by us all.

This framework has been designed to support all staff in every service area to evaluate progress towards becoming an anti-racist organisation.

The EDI team have engaged with the Trust by attending a series of roadshows to support the conversation around how we can embed the framework within the workplace. The EDI team will be providing continual support as and when required.

Our key area of focus remains and will be delivered over the next 3 years are set out below:



Workforce Race Equality Standard (WRES)

WRES helps us monitor and improve career experiences for Global Majority colleagues. Our 2023/24 data showed mixed progress:

- White colleagues were 1.7x more likely to be appointed from shortlisting (up from 1.3)
- 52% of Global Majority staff believe in equal opportunities for progression (up from 43%)
- Formal disciplinary rate for Global Majority colleagues dropped to 1.86x (from 2.02x)
- Discrimination from managers reduced for both Global Majority and White colleagues

Workforce Race Equality Standard (WRES) - Birmingham and Solihull Mental Health NHS Foundation Trust (bsmhft.nhs.uk)

Workforce Disability Equality Standard (WDES)

The Workforce Disability Equality Standard (WDES) is a set of ten specific measures (metrics) which enables NHS organisations to compare the workplace and career experiences of disabled and non-disabled staff.

Key highlights from the WDES data:

- 9.65% of colleagues identify as having a long-term health condition
- Appointment likelihood has improved for disabled staff
- Equity reached in capability processes for disabled and non-disabled staff
- Harassment/bullying from patients and colleagues has decreased

Workforce Disability Equality Standard (WDES) - Birmingham and Solihull Mental Health NHS Foundation Trust (bsmhft.nhs.uk)

Please note: The WRES and WDES data is pulled on the 31 March as requested by the national WRES/WDES Team. We are currently in the process of collating the data for 2024/25.

Gender and Pay Gap Analysis

As part of our broader commitment to fairness, we also monitor pay gaps across multiple protected characteristics.

- Gender Pay Gap: Mean gap decreased to 7.87%, median increased slightly to 0.56%
- Ethnicity Pay Gap: Mean increased to 8.49% (requires attention)
- Disability Pay Gap: Mean decreased to 3.17% (positive progress)
- Sexual Orientation Gap: Moved from -2.08% to -4.25%

PCREF and Anti-Racist Strategy

We are committed to becoming an anti-racist organisation. Co-produced with colleagues from across the Trust, our Anti-Racist Framework supports all teams to identify progress and plan next steps. Achievements include:

- Anti-Racist Practitioner Toolkit rollout
- Train-the-Trainer pools for cultural humility and safety
- Mapping Cultural Competency priorities against co-production outputs
- Integration of PCREF into Clinical Governance structures

Building trust and confidence

We are proud to have five active colleague networks across our organisation. 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 Executive Sponsors whose role is to support where barriers and challenges are identified whilst also playing an active role as allies.

Our Disability and Wellbeing 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. The network has also launched the Disability Awareness Training as well as the Disability Campaign (See the Ability not the Disability).

Successes:

- Disability Awareness Training
- Disability Campaign
- Disability History Month Celebration

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 launch of the No Hate Zone LGBTQ+ Zero tolerance for prejudice Pledge, collating over 700 signatures which continues to grow.

Successes:

- LGBTQ+ History Celebration Month (February)
- LGBTQ+ Pledge take up

The Women's Network has now been running for just over 2 years with a membership of over 120 colleagues. They have been pivotal in getting menopause well and truly on the agenda at the Trust with the introduction of the menopause passport, menopause training for managers and breathable uniforms pilot for colleagues. They have identified issues with current policy for colleagues suffering from baby loss, miscarriage and fertility treatment issues, and reiterated the importance of speaking about Domestic abuse. 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.

Successes:

- QI project on Menopause
- First Line Management training
- Menopause Passport
- Recording of menopause related sickness on ESR
- Menopause education sessions
- Baby loss policy under development

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 WRES data clearly shows areas of improvement, however as a Trust we will continue to strive to reduce the inequality gap.

Successes:

- White Allies Network

- Support to people post racial discrimination – initial work has commenced to identify areas of improvement and recommendations for a) how racial incidents from service users, families etc. are identified within teams, b) streamlining and improving processes to follow unacceptable behaviour policy (current process isn't straightforward and is arduous making it difficult for staff to follow) and c) organisational support post racial incidents from both service users, third party and staff.
- Anti Racist Framework
- Anti Racist Supervision
- Anti Racist Policy

The Men's Network offers a great place for men to talk and share experiences. Membership continues to grow each month with more colleagues focussing on the betterment of Men's wellbeing.

Successes:

- November Event 2024: Organised an interactive session for new starters during Trust inductions in November, raising awareness about men's mental health, suicide and prostate cancer.
- James' Place talk on suicide awareness/support. James Place is charity working to save lives of men in suicidal crisis.
- Let's Get Active for Men's Health month – Running or walking total of 60km throughout November symbolising 60 men lost to suicide every hour worldwide.
- International Men's Day – Personal stories on Connect website
- Awareness Campaigns: Distributed materials across the Trust to educate staff on men's mental health, heart diseases, and prostate cancer.
- Ongoing Support Sessions: Continuously organised monthly interactive meeting for men within the Trust, providing a safe space to discuss issues affecting them.

Training and Education

In support of the Trust in becoming an anti-racist and discriminatory organisation we currently offer Active Bystander Training Phase 1 and Phase 2, Cultural Humility Safety and Cultural Intelligence Training and Disability Awareness Training. We encourage all staff to undertake this training to fully commit to speaking up and feeling confident to call out inappropriate behaviour.

We have also pull together a bank of resources which is available on our Connect page that staff can access to enhance their understanding of EDI and supporting documents.

Equity Panel Members

We've introduced the Equity Panel Member (EPM) role to ensure fair, bias-free recruitment processes—currently in place for Band 8a+ roles. We aim to expand the programme to Bands 2–7, where vacancies are most prevalent, and implement diverse panel checklists to ensure representation across all appointments.

Key Achievements 2025/26

- Inclusive Workforce Initiatives – We have strengthened our recruitment and development processes to ensure fair representation of diverse communities at all levels.
- Staff Networks and Support Groups – Our staff networks for race equality, LGBTQ+, disability, and carers continue to grow, offering peer support and advocacy.
- Training and Awareness – EDI training has been rolled out across all departments, ensuring staff understand unconscious bias, cultural competence, and inclusive leadership.
- Patient-Centered Approach – We have improved accessibility in our services by enhancing language support, reasonable adjustments, and patient engagement strategies.
- Health Inequality Reduction – Our outreach programs and partnerships with community organizations have helped us address disparities in healthcare access and outcomes.
- Expanded community outreach programmes to improve access for deprived and underrepresented groups

Challenges and Future Focus

While we've made significant progress, we acknowledge there is more to do. Our priorities include:

- Addressing inequities in recruitment, career progression, and pay
- Enhancing service user feedback to reflect diverse voices
- Strengthening EDI data collection to inform action
- Developing inclusive leadership and promoting diversity at senior levels
- Embedding restorative, psychologically safe cultures
- Fully implementing the Anti-Racist Framework across all teams
- Enhancing mental health support for communities
- Promoting positive action through the Values in Practice Programme
- Continuing to embed EDI into everyday culture and operations

Our Vision

By prioritising equity, diversity, and inclusion, we strive to create an environment where everyone—regardless of background, identity, or circumstance—feels seen, heard, valued, and supported to thrive.

Health and wellbeing

The Trust continues with its commitment to improve 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.

The Trust's Health & Wellbeing steering group continues to meet on a monthly basis to develop and support new initiatives that will assist colleagues with improving their health and wellbeing, the support available is on a dedicated space on our connect site so a one stop shop for all offers which include:

- 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).
- Specialist intervention for those who need it (via PAM and other services).

Other wellbeing offers for colleagues include:

- Psychological first aid and support
- Menopause toolkit and resources
- Domestic abuse support (training and policy)
- Coaching and mentoring support
- Cost of Living Support
- Improved communication channels including QR codes for staff
- Staff Mental Health Hub

The Trust continues to review and refresh our post incident support framework which will be launched during 2024.

During 2023 we saw the introduction our new Health and Wellbeing newsletter 'All about you' which provides hardcopies of our offers directly to front line staff across all of our sites.

A new Health & Wellbeing champions model was also launched, this provides access to champions across the organisation who can support colleagues with wellbeing conversations and signposting to offers that are available. Some of our champions are also undertaking a health and wellbeing apprenticeship which will provide them with an accredited qualification.
We have been successful in our bid to NHS charities for funding to provide wellbeing spaces on a number of sites, the roll out of these spaces will take place during the next two years.

We continue to survey our colleagues on an annual basis on the offers we have available to ensure that they meet the needs of everyone and are easily accessible.

Working with our colleagues across the integrated care system we have been able to provide access to dedicated resources from Relate, Citizen's advice bureau and Aquarius.

Listening, Learning and Improving Together: Staff Survey 2024

At Birmingham and Solihull Mental Health NHS Foundation Trust, we believe that listening to the voices of our people is one of the most powerful ways we can grow as an organisation. The annual NHS Staff Survey remains a cornerstone of our commitment to understanding the experiences of colleagues and creating a more inclusive, supportive, and rewarding place to work.

This year, we were pleased to see our response rate increase to 57%, up from 55% in 2024. A total of 2,650 colleagues shared their views, compared to 2,393 the previous year. This growth reflects greater engagement across our workforce and a shared belief that every voice matters. Our survey sample also expanded, with 4,719 colleagues invited to take part, compared to 4,390 in 2024.

We also heard from 217 Bank-only colleagues this year (22.4% response rate). While this reflects a lower participation rate than in 2024 (33.6%, 253 responses), their feedback continues to play a valued role in shaping improvements.

A key part of our approach this year was to bring the survey closer to teams. We focused on listening locally, supporting over 130 frontline teams to understand and reflect on their results. These conversations are already helping to inform meaningful, team-led actions that aim to improve day-to-day experience, belonging, and wellbeing.

Our staff survey results are analysed using the NHS People Promise, a framework designed to capture what matters most to those working in the NHS. Alongside this, we continue to monitor key indicators of staff morale and engagement.

We're proud to report significant progress:

- In 2022, BSMHFT scored below the mental health sector average in eight of nine People Promise themes.
- By 2025, seven themes are now at or above average, with only two remaining slightly below.

Themes above sector average:

- *We Are Always Learning* – 6.12 (vs 5.93)
- *Morale* – 6.34 (vs 6.20)

Themes at sector average:

- *We Are Recognised and Rewarded* – 6.38 (vs 6.35)
- *We Are Safe and Healthy* – 6.42 (vs 6.40)
- *We Work Flexibly* – 6.91 (vs 6.83)
- *We Are a Team* – 7.21 (vs 7.15)
- *Staff Engagement* – 7.07 (equal to sector average)

Themes just below average:

- *We Are Compassionate and Inclusive* – 7.43 (vs 7.55)
- *We Each Have a Voice That Counts* – 6.86 (vs 6.94)

We are especially encouraged by the progress in key areas:

- Learning has improved by +0.14
- Flexible working by +0.12
- Morale by +0.15

These improvements reflect the efforts made across the Trust to listen deeply, respond meaningfully, and build a culture rooted in mutual respect, growth, and support.

At the same time, we remain focused on where further care and attention are needed, especially around compassion, inclusion, and ensuring every colleague feels their voice is heard. We know that building a truly just, restorative, and learning culture is a long-term commitment, and we are grateful to every colleague who continues to share their experience and help shape the future of our Trust.

The NHS Staff Survey remains a vital touchstone. It gives us both insight and direction as we work together to build the kind of workplace that reflects the values we hold dear, one where everyone feels safe, supported, and empowered to thrive.

Safer staffing

Following the establishment of the Safer Staffing Commitment in 2025/26, there has been a significant improvement in organisational oversight and understanding of clinical staffing challenges. Strengthened governance arrangements now enable clearer triangulation of workforce data, acuity and operational pressures, with defined escalation routes providing assurance from frontline services through to Board level.

Establishment reviews have been undertaken across inpatient services using the Mental Health Optimal Staffing Tool (MHOST), ensuring that staffing models are informed by patient acuity and dependency. This work has supported targeted investment, including a £3.95 million uplift to acute ward establishments, improving capacity to deliver safe and therapeutic care. In parallel, Women's Forensic Mental Health Services are working collaboratively with commissioners to review and agree sustainable staffing models aligned to service need and specification.

A phased programme of community workforce transformation is now underway in recognition of the absence of a standardised national tool for community staffing. The initial focus is on Older Adults Community Mental Health Teams (CMHTs), with broader reviews across Integrated Community Care and Recovery services scheduled from January 2027. To support this work, the Trust will introduce Allocate e-Community, a digital solution designed to strengthen demand and capacity modelling, caseload oversight and evidence-based establishment setting across community services. [

Recruitment and retention initiatives have contributed to a reduction in vacancy levels during 2025/26, supported by strong partnerships with five Higher Education Institutions and the continued use of values-based recruitment for all graduate nurses. The Trust has maintained a healthy and sustainable graduate pipeline and is progressing the development of Band 5 to Band 6 rotational and development programmes to strengthen internal career pathways. Early engagement with students and structured transition into substantive roles continues to support workforce sustainability and reduce reliance on temporary staffing.

There has also been significant progress in strengthening Temporary Staffing Solutions governance and controls. This includes the introduction of a Band 8A Matron leadership role and enhanced oversight through confirm and challenge processes, improving accountability and financial grip. Workforce deployment is supported through established e-rostering systems and acuity tools, alongside routine monitoring of workforce metrics such as fill rates, bank usage and vacancies through the Safer Staffing Committee.

Work continues to improve workforce quality and compliance, with robust processes in place to monitor statutory and mandatory training through a traffic light system and clear escalation pathways where standards are not met. In addition, the Trust continues to invest in its future workforce through the development of student placements and organisational experience, ensuring readiness for transition into qualified roles.

There is improved visibility of acuity and workforce risk, strengthened establishment setting processes and enhanced workforce sustainability. Governance arrangements ensure clear accountability, with risks and recommendations escalated through the Safer Staffing Committee, People Committee, Quality, Patient Experience and Safety Committee, and ultimately to the Board of Directors, providing robust assurance across the organisation.

Future priorities and targets

Fostering a Fair, Inclusive, and Compassionate Culture

At Birmingham and Solihull Mental Health NHS Foundation Trust, we recognise that a positive and inclusive culture is the foundation for staff engagement, fairness, and wellbeing. Our 2024/2025 Staff Survey reflects some encouraging signs of progress, but also reinforces the continued need for focused action, particularly around bullying, harassment, and inclusion.

We are concerned by ongoing challenges in these areas. To build a truly anti-racist, psychologically safe, and compassionate workplace, we are strengthening leadership accountability for Equality, Diversity, and Inclusion (EDI), improving psychological safety, and addressing discrimination and unfair treatment through targeted, proactive interventions.

Creating a culture rooted in dignity and respect means taking a zero-tolerance approach to bullying and harassment. We are working to improve reporting mechanisms, provide faster and more effective responses to concerns, and foster respectful team cultures that prevent harm before it occurs.
We are also committed to more person-centred and efficient approaches to people management. This includes reducing reliance on formal processes, building trust in HR systems, and modernising our people services to improve accessibility, transparency, and consistency.

Sustaining a resilient, well-supported workforce requires thoughtful planning. We are embedding strategic workforce plans across all areas, expanding international recruitment to ease staffing pressures, and strengthening onboarding support so that new colleagues feel welcomed and valued from day one.

While challenges remain, particularly around staff experience of inclusion and safety, our focus for 2025/2026 is clear: to embed cultural transformation, modernise people practices, and build a stronger, more equitable organisation. These efforts are vital not only for our workforce, but for the quality of care we provide to our communities.

Together, we are committed to creating a workplace where everyone feels safe, heard, and able to thrive.

Expenditure on consultancy

Expenditure on consultancy in 2025/26 was £560k compared to 2024/25 was £1.452m.

High paid off-payroll engagements

For all off-payroll engagements as of 31 March 2026, for more than £245 per day and that last longer than six months

Number of existing arrangements as of 31 March 2026	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 2025 and 31 March 2026, 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 2025 and 31 March 2026	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 2025 and 31 March 2026

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 2024/25. There were no (0) 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 one in 2024/25.

Staff exit packages - 2024/25 (Group)	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					-	-		
£10,000 - £25,000	-	-	-	-	-	-	-	-
£25,001 - £50,000	-	-	-	-	-	-	-	-
£50,001 - £100,000	1	69	-	-	1	69	-	-
£100,001 - £150,000	-	-	-	-	-	-	-	-
£150,001 - £200,000	-	-	-	-	-	-	-	-
> £200,000	-	-	-	-	-	-	-	-
Total	1	69	-	-	1	69	-	-

Exit packages: other (non-compulsory) departure payments (Group)

Exit packages	2025/26		2024/25	
	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	-	-	-	-
Total	-	-	-	-

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 2025/26.

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 2025/26.

NHS Oversight Framework

NHS England has introduced an interactive segmentation and league table dashboard as part of the 2025/26 NHS Oversight Framework to improve transparency and performance monitoring across NHS trusts.

The dashboard enables users to compare trusts across key service areas, including urgent and emergency care, elective services, and mental health, and provides both individual service rankings and overall performance insights.

Trusts are categorised into four core segments based on performance metrics and factors such as financial position, with Segment 1 representing the strongest performers and Segment 4 those facing the greatest challenges; organisations needing the most intensive support may enter an additional Recovery Support Programme (Segment 5).

Updated quarterly, the data supports accountability, informed decision-making, and targeted improvement interventions, while also allowing users to access underlying data for further analysis and offering transparency into how performance assessments and support decisions are made.

Segmentation

Birmingham and Solihull Mental Health NHS Foundation Trust has been placed into segment 4.

What being in Segment 4 means:

Segment 4 indicates that a trust is facing the most significant range of performance and/or financial challenges among the standard segmentation categories.

More specifically, being placed in Segment 4 means:

- The organisation is performing below expected standards across multiple key metrics (e.g. access, quality, finance, workforce).
- It is considered to have a broad and complex set of issues requiring improvement.
- The trust is likely to receive enhanced oversight, support, and intervention from NHS England to drive improvement.

This segmentation information is the Trust's position as at 31 March 2026. Current segmentation information for NHS trusts and foundation trusts is published on the NHS England website via https://www.england.nhs.uk/nhs-oversight-framework/segmentation-and-league-tables/

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

The accounting officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the NHS 65 foundation trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned Act. The Accounting Officer is also responsible for safeguarding the assets of the NHS foundation trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

As far as I am aware, there is no relevant audit information of which the foundation trust's auditors are unaware, and I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the entity's auditors are aware of that information. To the best of my knowledge and belief, I have properly discharged the responsibilities set out in the NHS Foundation Trust Accounting Officer Memorandum.

Signed:

Roísìn Fallon-Williams, Chief Executive Officer, 24 June 2026

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 trust's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me. I am also responsible for ensuring that the NHS trust is administered prudently and economically and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the *NHS Trust Accountable 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 2026 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The 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. The Trust Risk Management Group has been reinvigorated and is helping harness organisational resilience, capacity, resources, and joined-up thinking in risk management with the view of engineering constructive challenge and embedding a positive enterprise-wide risk-aware culture. Staff training, capacity and capability building and development in risk management is at the heart of the Trust`s approach to risk management as this has witnessed the delivery of bespoke training tailored staff needs, levels, roles and responsibilities. This also 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 Finance who is responsible for the coordination of the management of risks across the Trust. They are also responsible for ensuring that other Executive Directors and leadership within the Directorates and Divisions ensure the effective mitigation and management of risks within their portfolios and escalation of any `red` risks via the Risk Management Group (RMG).

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): The Executive Director of Nursing is the registered officer with the CQC and responsible for ensuring compliance with the CQC regulations. They are also responsible for coordinating resources within their Directorate towards the effective mitigation and management of clinical and non-clinical risks while ensuring that local leadership uses risk management as a tool for driving better decision-making, improvements in quality, safety and in fostering positive patient experience.

The Executive Director of Finance is the executive lead for risk management and is supported by the Associate Director of Corporate Governance and the Risk Manager. While the Executive Director of Finance has a lead role in terms of reporting arrangements, all directors have responsibility for the effective management of risks within their own area of direct management responsibility, and corporate and joint responsibility for the management of risk across the organisation. They are also 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 Trust has effective, agile and dynamic structures, including a governance architecture, systems and processes to support the effective delivery and embedding of integrated, enterprise-wide risk management arrangements. Birmingham and Solihull Mental Health NHS Foundation Trust`s risk management culture seeks to develop and build staff capacity, capability and resilience in effective risk management while encouraging horizon scanning for emerging risks/threats and the triangulation of intelligence and data in proportionally mitigating and managing risks to the delivery of its business objectives.

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 the Company Secretary have overall responsibility for reporting to the Board of Directors and Board Committees on the Board Assurance Framework within the context of providing assurance that risks linked to the delivery of Trust's strategic objectives are robustly mitigated and managed in line with best practice. The Company Secretary is responsible for coordinating the regular update and presentation of the Trust's Corporate Risk Register (CRR), reflecting high-level risks to the delivery of operational objectives on local risk registers, at the Risk Management Group (RMG), Board Committees and Board of Directors.

A primary focus of the Board has been to promote openness, transparency and to reinforce the dynamic, timely and agile process of escalation of concerns and risks from 'Ward to Board'. This is further underscored through visible leadership, Board of Directors communications and Board visits. Board Committees are required to consider risks pertaining to their areas of responsibility by reviewing the management of CRR and the 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 via the Chair's Assurance Reports, 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 emerging risks (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 Policy. It describes the responsibilities and accountabilities of all directors, managers and staff including the duty to identify, assess and report risks of all kinds and the duty to act upon these using their own skills and competencies in the management of risk. Effective risk management is everyone`s responsibility, hence the Trust ensures, through our management arrangements, that we provide training and support to staff on risk management such as:

- local and corporate induction training
- health and safety and risk awareness
- incident reporting and monitoring
- Accessing and navigating risk management systems (Eclipse).
- Fundamentals of risk management for Managers, Team Leaders, Directors and Senior Leaders across the Trust.

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 the Corporate Risk Register, which is underpinned Directorate and Divisional risk registers. The Trust's approach to risk management is agile, comprehensive, dynamic, proportionate and 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 regularly reviewed by the RMG, Board Committees and Board of Directors. The Trust has adopted a multi-stakeholder approach to reviewing and updating its Board Assurance Framework; this has brought Non-Executive Directors, Executive Directors and staff together to review and update the BAF within the context of fostering and embedding shared learning and organisational memory. 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. Each Board

Committee has responsibility for oversight and scrutiny of BAF and CRR risks under its remits while the RMG and Audit Committee receive and review both documents in their entirety. Both the BAF and CRR dovetail in leveraging assurance to the Board and its committees that the Trust's risk management arrangements are fit-for-purpose.

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.
- From external reviews, external visits, Peer Reviews, Regulatory inspections etc.
- National requirements and guidance.

The Audit Committee is responsible for:

- Reviewing the effectiveness of the system of internal control for risk management.
- Reviewing the BAF and CRR in their entirety prior to the Board receiving them.
- Reviewing 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 (FPP) 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 Risk Management Group:

- The Trust Risk Management Group is a formal Management Group established by the Chief Executive to discharge the responsibility of the Senior Leadership Team in overseeing the effective operationalisation of risk management while ensuring that there are robust systems, processes and infrastructure in place to facilitate effective risk management across the Trust.

- The RMG has delegated responsibilities from the Chief Executive to review, scrutinise, provide constructive challenge and approve risks for inclusion onto the Trust`s Corporate Risk Register and above all, to support them in fulfilling their accountability function for effective risk management across the Trust.
- The RMG has overall responsibility for the effective management of risks across both the Provider Collaborative and Provider arms of the Trust.

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 and 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 2024/25 and advised that, taking account of the issues identified, the Board could take reasonable assurance that the controls upon which the organisation relies to manage this risk are suitably designed and consistently applied or effective. The auditors also noted continued improvements on the Trust's risk management landscape. underpinned by ongoing work of the Risk Manager and the relaunching of the Risk Management Group with strong Divisional and frontline engagement.

The Trust has plans to address any issues that are identified during 2026/27 with improved alignment between the Board Assurance Framework, the CRR and risk management systems while the Internal Auditor will ensure that all outstanding tests are completed, so fully independent assurance could be provided. The Board Assurance Framework will also be aligned to the new Trust strategy in the early months of 2026/27.

Governance and Assurance Framework Key Elements

Finance, Performance and Productivity Committee

Provides assurance to the Board as to the effective management and utilisation of the Trust's resources. The Committee maintains oversight of financial control and management arrangements, the Digital Strategy, Estates Strategy and Green Plan.

- Approving strategies and monitoring their implementation.
- Receiving regular reports from sub-committees and groups responsible for managing operational performance, financial sustainability and capital project implementation.
- Approval of business cases for investment and review of the achievement of business case benefits post-investment.

Quality, Patient Experience and Safety Committee

Provides assurance to the Board as to the adequacy of controls to ensure the provision of high quality and safe care. This includes:

- Receiving regular reports from sub-committees and groups focused on the core elements of quality – safety, effectiveness and patient experience, plus key areas of regulatory control, such as information governance and the Mental Health Act.
- Monitoring compliance in areas such as safeguarding, infection control and safe working.
- Reviewing independent assurance on quality from the internal auditor and regulatory and other review bodies.
- Monitoring key quality metrics through regular reports.
- Overseeing the implementation of significant quality improvement schemes.
- Hearing the voice of our service users through PEAR Group assurance reports.

Audit Committee

Responsible for providing assurance to the Board on the Trust's financial and internal controls and risk management systems, the integrity of the financial statements and the effectiveness of the internal audit function.

This includes:

- Agreeing an annual Internal Audit Plan, which includes both core internal control matters and areas identified by the Board as high risk or requiring improvement.
- Agreeing an annual counter fraud plan which is both proactive in reviewing and establishing fraud controls and reactive in responding to possible incidences of fraud.
- Reviewing the Trust's governance framework and processes, including the Board Assurance Framework.

People Committee

Provides assurance to the Board on the delivery of Workforce, Recruitment and People strategies.

This includes:

- Regular reports on staff wellbeing
- Workforce plans
- Promoting equality and diversity
- Receiving regular reports from sub-committees and groups focusing on shaping our future workforce, safer staffing and transforming culture and staff experience.

Remuneration and Nomination Committees

Oversees the performance of members of the Board and assesses the mix of skills required. The Committee also considers the remuneration of Executive and Non-Executive Directors.

Council of Governors

Obtains assurance regarding the performance of the Board from the Non-Executive Directors.

Assurance Reports

Reported from each meeting of each Board Committee to draw the Board's attention to areas where the Committees have rated assurance as low or required actions to improve the level of assurance. Links to the Board Assurance Framework.

Board Assurance Framework

Monitored by Board Committees and regularly refreshed to ensure it reflects the changing internal and external environment and the Trust's shifting priorities and objectives.

Integrated Performance Report

A key assurance document that will continue to be developed during 2026/27 to provide the Board with an integrated summary of key performance metrics across finance, quality, people and operations.

During 2025/26, the most significant risks 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	There is a risk of failure to provide safe, effective and responsive care to meet patient needs for treatment and recovery. This may be caused by variation in Clinical Governance structures from Ward/Team to Board, failure to embed a culture of continuous learning and improvements including sharing learning across the organisation, high administrative burden, variation in training compliance for ILS/ELS/AVERTS/ETOC, variation in physical health assessments, lack of AMHP availability at General Hospitals, Place of Safety, and PDU resulting in delays to treatment. This may result in the compromise of patient safety and quality of care, failure to meet population needs, variations in care standards and outcomes, poor patient experience, intervention by the CQC, serious incidents resulting in harm to patients, staff, and the wider community.
Trust wide	There is a risk that the Trust is unable to maintain a sustainable financial position. This may be caused by a lack of control and delivery of plans in relation to the key drivers of financial spend in the Trust - namely out of area, bank and savings. This may result in the Trust not meeting its financial targets limiting available funds for investment in patient pathways, necessitating usage of limited balance sheet flexibility, under-spends in other areas or ultimately enhanced restrictions on spend, and ranking in lower segments for financial metrics in Oversight Framework.
Trust wide	There is a risk that the trust may fail to maintain acceptable governance and national standards. This may be caused by high levels of admissions under the mental health act, acuity of patients impacting on having longer lengths of stay, availability of timely access to discharge destinations for CRFD patients including impact of social worker availability, lack of integration of CYP services in particular in regards to IT systems. This may result in patients not being admitted to a local bed in a timely way, patients who are CRFD remaining in inpatient care longer than is required, an impact on ability to manage patient flow across service, a financial impact on Trust if activity levels are not met, regulatory actions and greater scrutiny.
Trust wide	There is a risk that the Trust may fail to create a positive working culture that is anti-racist and anti-discriminatory to enable high quality care. This may be caused by lack of engagement, inability to deliver digital solutions, lack of local accountability, inability to match recruitment needs (due to national and local shortages), inability to foster a psychologically safe environment, not utilising feedback from Staff Survey and Freedom to Speak Up, perceived lack of value placed on time to partake in supervision, 1:2:1s and appraisals. This may result in staff feeling vulnerable and unable to speak up resulting in missed opportunities to improve practice, sickness and recruitment challenges, loss of trust and confidence with communities, services that do not reflect the

	needs of service users and carers, high staff turnover (and incurred costs), increased regulatory scrutiny, intervention, and enforcement action.
Trust wide	There is a risk that the Trust may fail to provide timely access and work in partnership to deliver the right pathways and services at the right time to meet patient and service use needs. This may be caused by demand for services exceeding our capacity including increase in demand for inpatient services and increased demand in the community, limited capacity in social service provisions, lack of partnership and effective system working, fragmented pathways and interfaces, lack of service user, carer and family voice in informing service transformation. This may result in service users being cared for in inappropriate environments when in crisis, increased out of area bed use and the financial consequences, increased pressure on A&E in acute hospitals, increased waiting times/waiting list and backlog, negative impact on recovery and length of stay/time in service, Service users falling between gaps, increased risk of incidents.

Area	**Risk**
Acute/ Urgent/ Specialties/ Corporate Nursing	There is a risk that individuals presenting at General Hospitals, Place of Safety, and PDU may deteriorate while facing long waits for a Mental Health Assessment, which may lead to delays in treatment and admission, a serious incident, or harm to service users and the general public due to delay in accessing appropriate care. This may be caused because Birmingham City Council, who are commissioned to provide the AMHP service, do not have an appropriate provision of AMHPs for assessments which means that people are being kept inappropriately in A&E or out in the community, or leaving those safe spaces posing a danger to themselves and/or the public. Also, S117 orders are not being completed meaning that beds are blocked and those who need them cannot be admitted. There are repeated issues when attempting to contact the emergency mental health line with lack of out of hours escalation. It has been difficult to engage BCC in escalation processes despite engagement by BSMHFT. The lack of AMHP availability may result in public safety incidents, delays to unwell people receiving care and deteriorating, delayed transfer of care, delays in warrants, delays in treatment, increased pressure on our community teams and HTT, increased pressure on A&E departments, increased financial costs due to utilisation of out of area beds, fear in the community, and reputational risk if any incidents were to occur as they may be covered by the media.
ICCR	There is a risk that complex patients who struggle to engage with mental health services and treatments may cause significant harm to themselves or the public. This has come to light following attacks on the public in Nottingham in 2023 by Valdo Calocane and the independent investigation into his treatment which followed, which highlighted nationally a potential lack of oversight for complex patients who have poor engagement with treatment or lack of insight, poor discharge planning, lack of shared decision making, need for strengthening risk management, that medication compliance improvements are needed, structured family and carer involvement are needed, issues around staffing and workforce,

Area	Risk
	and response to crisis. BSMHFT has completed a gap analysis which has been clinically reviewed by NHS England, and from this an action plan has been created. This may result in serious incidents, death, fear in the community, pressures on our services and the wider system, poor publicity and reputational damage, loss of confidence from internal and external stakeholders, action against the trust by CQC and other authorities, loss of provider contracts, and financial impact.
Secure Care/ Corporate Nursing	There is a risk that patients may bring in or have delivered to wards harmful products leading to a risk of serious harm to themselves, other patients, or staff. This may be caused as there is inconsistency across all wards around checking parcels when they are delivered to patients on wards. There have also been incidents of knives being found in patient rooms during searches, identifying that there are inconsistencies in the use of wands when searching patients returning from leave. Concerns also surround contraband being passed into wards via courtyards. This may result in death, serious injury, or harm to patients, staff or damage to buildings. This may also bring reputational and financial damage.
Children and Young People Division	There is a risk that the CAMHS Urgent Care Pathway (Crisis Resolution/ Home Treatment, Place of Safety and Psychiatric Liaison) current workforce may be unable to meet the needs of Children and Young People requiring an urgent response. This may be caused as there has been a prolonged increased demand which exceeds our established capacity, and also a growing complexity of cases which means that they need to be under the team for longer. The nature of these patients is that they are incredibly risky and difficult to work with, and we have to do a lot of work with families. Other services across the city have been removed, further increasing the demand. This has led to a reduction in quality of Crisis and Home Treatment interventions, the wider urgent care pathway, and is having an impact on staff wellbeing. This could result in a reduction and disruption in service delivery and create pressure on the wider system.
Finance	There is a risk that there may be a lack of capital availability to fund major capital works at Reaside. This may be caused by lack of cash availability or lack of capital availability within the system. This could lead to an impact/effect on pre-committed expenditure if works had already began (at this stage they have not) or dilapidated buildings that are no longer fit for purpose.
People	There is a risk that BSMHFT's current workforce plan may not be effective in meeting the demands of the future due to the rapidly changing workforce profiles, gap in integration of organisational data and variances in supply from educational institutions. This could lead to an impact on succession planning, not having the right staff in the right place at the right time to deliver effective healthcare, and high temporary staffing costs.

Area	Risk
Cyber Security	There is an increasing requirement to protect the NHS from cyberattacks and a risk that staff are unaware of the associated cyber fraud risks and their actions which can expose the organisation to security breaches. There is a need to focus arrangements 24/7 to protect the Trust from attack. This could lead to clinical, quality, and safety impacts on Trust services, loss of data, financial damage, penalties from supervisory authorities, restriction on the Trust's CQC registration, and an impact on the Trusts reputation.

These risks will be carried forward into 2026/27.

The Trust has put in place controls and actions to mitigate these risks as these will be monitored, reported and escalated (if deemed necessary) through appropriate governance structures for oversight, scrutiny and assurance.

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 comprehensive and structured 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. However, responsibility for ratifying newly designed and updated Trust policies is assigned to the Policy Development Management Group (PDMG) and/or appropriate Board committee before a policy is uploaded onto Connect for staff to access.

The focus on the Patient Safety Incident Response Framework (PSIRF) has provided a paradigm shift from undertaking incident investigations via the use of root cause analysis techniques and human factors approach to compassionate engagement, strengthening response systems, improvement and a system-based approach to learning.

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 (including those operating within the MHPC, Reach Out and LDA Collaboratives) 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 focused on supporting services across the Trust to ensure robust business continuity plans and resilience, particularly in relation to industrial action during 2025/26.

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 that processing poses to the individuals' rights and freedoms, and the resources and tools available to help protect that data. BSMHFT works closely with 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 of 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.

During 2025/26, all remaining Section 29a notices were removed from services. There would be continued reporting on risk assessment and care plans to ensure ongoing compliance. The Trust rolled out its Culture of Care programme across all acute wards to continue the success it had at Reaside.

The organisation has several patient experience groups, including newly established Patient Councils, where service users 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 Council of Governors plays an important role in the governance of the Trust by holding non-executives to account for the performance of the Board.

The foundation trust has an online 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.

The Trust has five staff networks (Race Equity, Women's, Men's, Disability and Wellbeing, and LGBTQ+) which 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.

Audit Committee and the role of Internal Audit

The Trust uses a comprehensive Internal Audit service as part of its assurance process around internal controls. An annual risk-based internal audit work programme is approved by the Audit Committee and progress is reported at each meeting. The work programme may be amended during the year to respond to the Trust's changing needs or any emerging risks.

Reports of each review within the work programme include an assurance rating for Design and Compliance, either:

- Substantial Assurance
- Reasonable Assurance
- Partial Assurance
- Minimal Assurance

Each review also includes a management response which describes the actions the Trust will take to address any recommendations for improvement. The Audit Committee receives regular reports on progress to implement these actions.

The Head of Internal Audit Opinion for 2025/26 gave the Trust a positive rating, identifying that the Trust has an adequate and effective framework for risk management, governance and internal control. However, further enhancements have been identified to ensure that the risk management, governance and internal control framework remains adequate and effective. A number of reviews were undertaken during the year and are detailed below.

A number of internal audit reviews were carried out during 2025/26. The following received a rating of Substantial/Reasonable Assurance and Good/Some Progress Follow-up Reports:

- Provider Collaborative Governance Arrangements (Reasonable Assurance)
- BAF and Risk Management (Reasonable Assurance)

The following internal audit reviews received a rating of Partial/Minimal Assurance:

- E-Rostering/Temporary Staffing (Partial Assurance)
- Appraisal Process (Partial Assurance)

Advisory reports into Clinical Coding had also been undertaken and received by the Committee for assurance. The Committee also received an independent assessment into the Cyber Assessment Framework – Data Security and Protection Toolkit.

The Audit Committee received each of these reviews at meetings during the year and were advised of the recommendations and actions associated with each to make significant improvements. The senior lead or executive director responsible for each review was present to provide the Committee with assurance that plans had been put in place in line with the auditors' recommendations. Oversight of the actions associated with the reviews was formally given to People Committee, Quality, Patient Experience and Safety Committee and Finance, and Performance and Productivity Committee, as applicable. The Audit Committee continued to receive assurance on action plans through regular action and recommendation tracking reports.

Well Led Framework

The Trust continues to review its governance practices to ensure a streamlined, best practice approach. The Integrated Performance Report is currently being developed to reflect the well-led framework to ensure continued oversight of key elements.

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 underscores 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.

The Trust continues to embed the Patient Safety Incident Response Framework (PSIRF) which set out a new approach to developing and maintaining effective systems and processes for responding to patient safety incidents with the overarching aims focused on learning and improving patient safety. This approach is contributing towards greater investigating, learning from patient safety incidents and fostering the Trust's safety culture.

Assurance in relation to CQC regulation requirements is led by the Executive Lead, Director of Quality and Safety/Chief Nurse and Associate Director of Corporate 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 system 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.

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

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the information provided in this annual report and other performance information available to me. My review is also informed by comments made by the external auditors in their management

letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the board, the audit committee, and the other committees of the board, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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 (emerging from 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.

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.

Proper arrangements	Is the arrangement described in the AGS?
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.
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.

Proper arrangements	Is the arrangement described in the AGS?
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 RSM to offer independent assurance to the Audit Committee.
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.

Climate change

SSL is supporting this agenda on behalf of the Trust. A Green Plan has been written and ratified by the Board of Directors and a multi-disciplinary steering Group helps to lead and make interventions happen. SSL are also supporting the ICS in the Sustainability Agenda and have established a Green Plan and supported the revised Governance structure and Performance Management framework. SSL have also worked closely with NHSE regarding self-assessments, communication and reporting whilst focussing on regional priorities and aspirations. Adaptation of building and services to that of Climate change is challenging and ongoing and represents a significant challenge to the NHS. Moving forward the Trust will need to consider producing a Climate Change adaptation Plan focussing on its staff and its healthcare services and how the same need to adapt practices and processes to meet climate extremes.

In conclusion, the Trust has identified some internal control issues. These issues have been identified through the internal audit reviews highlighted within the Annual Governance Statement, and the Head of Internal Audit Opinion. The internal control issues relate to the following areas:

- Appraisal Process
- E-Rostering/Temporary Staffing

The Trust has demonstrated its commitment to address the agreed management actions to introduce necessary control improvements. Throughout the year the Audit Committee has received regular recommendation tracking reports for assurance that improvements are being made, and escalation taken where necessary. The issues identified are not deemed to be significant or material.

Roísìn Fallon-Williams
Chief Executive

24 June 2026

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 subsidiaries ('the Group') for the year ended 31 March 2026 which comprise the Group Statement 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 material accounting policy information.

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 2025/26 as contained in the Department of Health and Social Care Group Accounting Manual 2025/26, 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 2026 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 2025/26; 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 for the audit of the financial statements" 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 other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 2025/26 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the Trust, we did not identify any laws and regulations that have an indirect effect on the preparation of the financial statements where non-compliance might have a material effect on the financial statements.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- gaining an understanding of the legal and regulatory framework applicable to the Trust and Group, the environment in which it operates, and the structure of the Trust and Group, and considering the risk of acts by the Trust and Group which were contrary to the applicable laws and regulations, including fraud;

- inquiring with management and the Audit Committee, as to whether the Trust and Group is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- reviewing minutes of relevant meetings in the year;
- 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.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as the National Health Service Act 2006 (as amended by the Health and Social Care Act 2012).

In addition, we evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to: posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, revenue and expenditure recognition (which we pinpointed to the cut-off assertions), and significant one-off or unusual transactions.

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

- making enquiries of management, Head of Internal Audit 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;
- testing transactions recognised either side of the year end;
- 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 both 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, (Revised 2024) and Supplementary Guidance Note 01, issued by the Comptroller and Auditor General in November 2024.

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 2026.

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 by 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. 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 March 2026.

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 2025/26; 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 2025/26; 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.

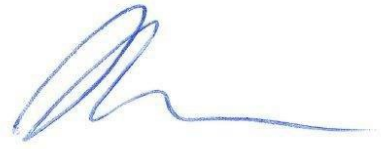
We have nothing to report in respect of these matters.

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.

Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until we have received confirmation from the NAO that the group audit of the Department of Health and Social Care has been completed and that no further work is required to be completed by us.



Daniel Watson, Key Audit Partner
For and on behalf of Forvis Mazars LLP (Local Auditor)

One St Peter's Square
Manchester
M2 3DE

25 June 2026

BIRMINGHAM and SOLIHULL MENTAL HEALTH
NHS FOUNDATION TRUST

Consolidated Financial Statements

March 31 2026

Birmingham and Solihull Mental Health NHS Foundation Trust
March 31 2026

Foreword to the Accounts

These accounts, for the year ended 31 March 2026, 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
24th June 2026

Birmingham and Solihull Mental Health NHS Foundation Trust
March 31 2026

Consolidated Statement of Comprehensive Income for the year ended March 31 2026	Note	2025/26 £000	2024/25 £000
Income from patient care activites	2	746,663	698,681
Other operating income	2	44,286	33,707
Operating costs	4	(780,247)	(721,464)
Operating Surplus / (Deficit)		10,702	10,924
Finance Costs			
Finance income	7	4,317	5,275
Finance costs	8	(7,876)	(9,589)
PDC Dividend payable		-	-
Net Finance Costs		(3,559)	(4,314)
Corporation tax expense	29	102	369
Surplus / (Deficit) for the year		7,245	6,979
Other comprehensive Income / (Expense)			
Will not be reclassified to income and expenditure:			
(Impairments) / Reversal of Impairments on property, plant and equipment		(3,590)	(849)
Revaluation (losses) / gains on property, plant and equipment		1,212	1,959
Total comprehensive income / (Expense) for the year		4,867	8,089

Birmingham and Solihull Mental Health NHS Foundation Trust
March 31 2026

Statement of Financial Position	Note	Group		Trust	
		March 31 2026	March 31 2025	**March 31 2026**	March 31 2025
		£000	£000	**£000**	£000
Non-current assets					
Intangible assets	9	**2,012**	2,937	**2,012**	2,937
Property, plant and equipment	10	**220,046**	211,969	**96,087**	87,498
Right of use assets	11	**6,742**	6,237	**77,990**	81,477
Subsidiary investment	13	**-**	-	**33,240**	29,994
Trade and other receivables	14	**1,175**	1,412	**64,204**	59,952
Deferred tax asset	30	**292**	247	**-**	-
Total non-current assets		**230,267**	222,802	**273,533**	261,858
Current assets					
Inventories	12	**744**	643	**591**	504
Trade and other receivables	14	**34,772**	31,216	**34,753**	33,477
Cash and cash equivalents	22	**67,580**	86,352	**56,559**	81,732
Total current assets		**103,096**	118,211	**91,903**	115,713
Current liabilities					
Trade and other payables	15	**(76,268)**	(90,402)	**(72,488)**	(87,117)
Borrowings	17	**(6,268)**	(6,870)	**(10,710)**	(11,496)
Provisions for liabilities and charges	19	**(820)**	(1,247)	**(820)**	(1,247)
Other liabilities	16	**(35,116)**	(35,601)	**(35,116)**	(35,601)
Total current liabilities		**(118,472)**	(134,120)	**(119,134)**	(135,461)
Total assets less current liabilities		**214,891**	206,893	**246,302**	242,110
Non-current liabilities					
Borrowings	17	**(103,395)**	(104,907)	**(171,561)**	(176,573)
Provisions for liabilities and charges	19	**(2,300)**	(2,426)	**(2,300)**	(2,426)
Other liabilities	30	**-**	-	**-**	-
Total non-current liabilities		**(105,695)**	(107,333)	**(173,861)**	(178,999)
Total assets employed		**109,196**	99,560	**72,441**	63,111
Financed by (taxpayers' equity)					
Public dividend capital		**122,700**	117,931	**122,700**	117,931
Revaluation reserve		**46,735**	49,113	**4,773**	8,232
Income and expenditure reserve		**(60,239)**	(67,484)	**(55,032)**	(63,052)
Total taxpayers' equity		**109,196**	99,560	**72,441**	63,111

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 24th June 2026 and signed on its behalf by:

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

Date: 24th June 2026

Birmingham and Solihull Mental Health NHS Foundation Trust
March 31 2026

Group Statement of Changes in Taxpayers' Equity	Total taxpayers' equity £000	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000
Taxpayers' Equity at April 1 2025	99,560	117,931	49,113	(67,484)
Surplus / (Deficit) for the year	7,245	-	-	7,245
Revaluation gains/ (losses) on property, plant and equipment	(2,378)	-	(2,378)	-
Public Dividend Capital Received	4,769	4,769	-	-
Taxpayers' Equity at March 31 2026	109,196	122,700	46,735	(60,239)
Taxpayers' Equity at April 1 2024	88,591	115,050	48,004	(74,463)
Surplus / (Deficit) for the year	6,979	-	-	6,979
Revaluation gains/ (losses) on property, plant and equipment	1,109	-	1,109	-
Public Dividend Capital Received	2,881	2,881	-	-
Taxpayers' Equity at March 31 2025	99,560	117,931	49,113	(67,484)

Trust Statement of Changes in Taxpayers' Equity	Total taxpayers' equity £000	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000
Taxpayers' Equity at April 1 2025	63,111	117,931	8,232	(63,052)
Surplus / (Deficit) for the year	8,020	-	-	8,020
Revaluation gains/ (losses) on property, plant and equipment	(3,459)	-	(3,459)	-
Public Dividend Capital Received	4,769	4,769	-	-
Taxpayers' Equity at March 31 2026	72,441	122,700	4,773	(55,032)
Taxpayers' Equity at April 1 2024	54,528	115,050	8,812	(69,334)
Surplus / (Deficit) for the year	6,282	-	-	6,282
Revaluation gains/ (losses) on property, plant and equipment	(580)	-	(580)	-
Public Dividend Capital Received	2,881	2,881	-	-
Taxpayers' Equity at March 31 2025	63,111	117,931	8,232	(63,052)

Birmingham and Solihull Mental Health NHS Foundation Trust
March 31 2026

Group statement of cash flows	Note	Group		Trust	
		March 31 2026	March 31 2025	March 31 2026	March 31 2025
		£000	£000	£000	£000
Cash flows from operating activites					
Operating (deficit) / surplus for the year		10,702	10,924	10,258	9,251
Depreciation and amortisation	4	10,121	10,319	10,720	11,310
Impairments	4	3,460	2,912	2,216	2,831
Income Recognised in respect of capital donations		-	(360)	-	(360)
Loss / (gain) on disposal		-	(33)	-	(33)
(Increase) / decrease in trade and other receivables		(3,038)	(10,251)	(715)	(10,629)
(Increase) / decrease in inventories		(101)	(242)	(87)	(238)
Increase / (decrease) in trade and other payables		(12,368)	7,765	(12,249)	6,617
Increase / (decrease) in other liabilities		(484)	(9,624)	(484)	(9,624)
Increase / (decrease) in provisions		(553)	(639)	(553)	(639)
Corporation tax (paid) / received		-	-		-
Net cash generated from operating activities		7,739	10,771	9,106	8,486
Cash flows from investing activities					
Interest received	7	4,317	5,275	6,399	7,382
Purchase of financial assets & Investments		-	-	(10,634)	(1,879)
Proceeds from settlements of financial assets & investments		-	-	2,900	2,789
Purchase of property, plant and equipment	10	(23,160)	(12,413)	(20,832)	(7,929)
Receipt of cash donations to purchase capital assets		-	360	-	360
Net cash used in investing activities		(18,843)	(6,778)	(22,167)	723
Cash flows from financing activites					
Public dividend capital received		4,769	2,881	4,769	2,881
Loans repaid to foundation trust financing facility		(2,182)	(2,183)	(2,183)	(2,183)
Capital element of lease liability repayments		(1,402)	(1,643)	(5,084)	(5,509)
Capital element of private finance initiative obligations		(3,111)	(3,748)	(3,111)	(3,748)
Interest paid on loans from foundation trust financing facility		(914)	(1,004)	(914)	(1,005)
Interest element of lease liability repayments		(238)	(218)	(999)	(979)
Interest element of private finance initiative obligations		(4,106)	(4,162)	(4,106)	(4,162)
PDC dividend paid		(484)	208	(484)	208
Net cash used in financing activities		(7,668)	(9,869)	(12,112)	(14,497)
Net increase/ (decrease) in cash and cash equivalents		(18,772)	(5,876)	(25,173)	(5,288)
Cash and cash equivalents at 1 April		86,352	92,228	81,732	87,020
Cash in hand (petty cash)	22	58	47	58	47
Cash at commercial banks	22	11,021	4,620	-	-
Cash at GBS	22	56,501	81,685	56,501	81,685
Cash and cash equivalents at 31 March		67,580	86,352	56,559	81,732

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 2025/26 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.

1.1 Accounting convention

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

1.2 Going Concern

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

The Trust 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.

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

1.3 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 2026. The shares held are ordinary and aggregate capital and reserves amount to £33,240k as at March 31 2026 (£29,994k as at March 31 2024). Summerhill Services Limited made a Profit of £378k in the year ended March 31 2026 (2024/25: Profit of £1,025k).

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. 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 for the parent (the Trust) has not been presented.

The Foundation Trust is the Corporate Trustee of Birmingham and Solihull Mental Health NHS Foundation Trust Charity-Caring Minds (Charity number 1098659). The trust has assessed its relationship to the charitable fund and has determined that the charity is immaterial and therefore has chosen not to consolidate the Charity into the Trust accounts as the Charity's income and expenditure are less than 1% of the Trust's income. 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)**

1.4 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 NHS income is earned from NHS commissioners under the NHS Payment Scheme (NHSPS). The NHSPS sets out rules to establish the amount payable to trusts for NHS-funded secondary healthcare.

Aligned payment and incentive contracts form the main payment mechanism under the NHSPS. API contracts contain both a fixed and variable element. Under the variable element, providers earn income for elective activity (both ordinary and day case), out-patient procedures, out patient first attendances, diagnostic imaging and nuclear medicine, and chemotherapy delivery activity. The precise definition of these activities is given in the NHSPS. Income is earned at NHSPS prices based on actual activity. The fixed element includes income for all other services covered by the NHSPS assuming an agreed level of activity with 'fixed' in this context meaning not varying based on units of activity. Elements within this are accounted for as variable consideration under IFRS 15 as explained below.

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 and accounted for as variable consideration under IFRS 15.

Where the relationship with a particular integrated care board is expected to be a low volume of activity (annual value below £0.5m), an annual fixed payment is received by the provider as determined in the NHSPS documentation. Such income is classified as 'other clinical income' in these accounts.

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 both Reach Out and Birmingham and Solihull PC, the Trust is accountable to NHS England 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. The income received by Reach Out is received from various ICB'S formerly from NHSE Direct and income received by Birmingham and Solihull PC is from the Birmingham and Solihull ICB.

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)**

1.5 Expenditure on employee benefits

Short-term Employee Benefits

Salaries, wages and employment-related payments such as social security costs and the apprenticeship levy are recognised in the 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.

1.6 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). There are currently 476 employees enrolled in this service as at 31 March 2026.

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

1.7 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.

1.8 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 or Group;
- 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;
- where the assets are functionally interdependant, collectively have a cost of at least £5,000 and individually have a cost of more than £250, 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.

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

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

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

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

1.8 Property, plant and equipment (continued)

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

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

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

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

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

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

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

Revaluation 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)**

1.8 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.

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

1.8 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. Annual contract payments to the operator (the unitary charge) are apportioned between the repayment of the liability including the finance cost, the charges for services and lifecycle replacement of components of the asset.

Initial recognition
In accordance with HM Treasury's FReM, the underlying assets are recognised as property, plant and equipment, together with an equivalent liability. Initial measurement of the asset and liability are in accordance with the initial measurement principles of IFRS 16 (see leases accounting policy).

Subsequent measurement
Assets are subsequently accounted for as property, plant and equipment and/or intangible assets as appropriate.

The liability is subsequently reduced by the portion of the unitary charge allocated as payment for the asset and increased by the annual finance cost. The finance cost is calculated by applying the implicit interest rate to the opening liability and is charged to finance costs in the Statement of Comprehensive Income. The element of the unitary charge allocated as payment for the asset is split between payment of the finance cost and repayment of the net liability.

Where there are changes in future payments for the asset resulting from indexation of the unitary charge, the Trust remeasures the PFI liability by determining the revised payments for the remainder of the contract once the change in cash flows takes effect. The remeasurement adjustment is charged to finance costs in the Statement of Comprehensive Income.

The service charge is recognised in operating expenses in the Statement of Comprehensive Income.

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

Initial application of IFRS 16 liability measurement principles to PFI and LIFT liabilities
IFRS 16 liability measurement principles were applied to PFI, LIFT and other service concession arrangement liabilities in these financial statements from 1 April 2023. The change in measurement basis was applied using a modified retrospective approach with the cumulative impact of remeasuring the liability on 1 April 2023 recognised in the income and expenditure reserve.

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

1.9 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 or Group business, 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 or Group intends to complete the asset and sell or use it;
• the Foundation Trust or Group 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 or Group 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 where it meets recognition criteria.

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. We consider there to be no active markets for our intangible assets and therefore cost has been used as a proxy for valuation.

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)**

1.10 Government grants

Government grants are grants from Government bodies other than income from Integrated Care Boards 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.

1.11 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.

1.12 Financial assets, financial instruments and financial liabilities

Recognition

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

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

As per the GAM intra-government debts, including debts with other NHS bodies, are not subject to expected credit losses.

Classification and measurement

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

Financial assets are classified as subsequently measured at amortised cost.

Financial liabilities classified as subsequently measured at amortised cost.

Financial assets and financial liabilities at amortised cost

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

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

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

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

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

Impairment of financial assets
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.

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

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

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

1.13 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 4.81% applied to new leases commencing in 2025 and 5.32% to new leases commencing in 2026.

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)**

1.13 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.

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

1.14 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rates effective from 31 March 2026:

		Nominal rate	Prior year rate
Short-term	Up to 5 years	3.64%	4.03%
Medium-erm	After 5 years up to 10 years	4.22%	4.07%
Long-term	After 10 years up to 40 years	5.32%	4.81%
	Exceeding 40 years	5.07%	4.55%

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 2026:

	Inflation rate	Prior year rate
Year 1	2.50%	2.60%
Year 2	2.00%	2.30%
Into perpetuity	2.00%	2.00%

Early retirement provisions and injury benefit provisions both use the HM Treasury's post employment benefits discount rate of 2.95% in real terms (prior year: 2.40%).

1.15 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.

1.16 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.

1.17 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 19.2 but is not recognised in the NHS Foundation Trust accounts.

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

1.18 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.

1.19 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.

1.20 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.

1.21 Third party assets

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

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

1.22 Critical judgements in applying accounting policies

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

- Provisions
  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 2026.

- Modern Equivalent Asset (MEA)
  Department of Health and Social Care guidance specifies that the Trust's land and buildings should be valued on the basis of depreciated replacement cost, applying the Modern Equivalent Asset (MEA) concept. The MEA is defined as "the cost of a modern replacement asset that has the same productive capacity as the property being valued." Therefore the MEA is not a valuation of the existing land and buildings that the Trust holds, but a theoretical valuation for accounting purposes of what the Trust could need to spend in order to replace the service potential that those assets have.

  The Trust has used an alternative MEA Model that has been produced by (taking advice from an independent Consultant) to apply as a representation of the service delivery from the actual buildings. The Model adopts GIA figures that vary from the actual assets and in many instances represents a number of buildings as an MEA single building. The Trust is satisfied that the estimates provided would not change the services provided by the Trust, and would not impact on service delivery or the level and volume of service provided. This is because all staff are contracted to work across all sites, and the catchment area for patients using the services has been taken into account when deciding on an appropriate alternative site.

  The Trust does not intend to implement any of the theoretical assumptions that underpin the MEA valuation.

1.23 Sources of estimation uncertainty

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

- 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. The review is based on physical lives of similar class of building asset as calculated by the District Valuer and updated to make a best estimate of the useful economic life.

- PPE Valuations
  As detailed in accountancy policy note 1.8 'Property, plant and equipment'. The Trust's valuer provided the Trust with a valuation of the land and building assets (estimated current value in existing use and remaining useful life). The significant estimation being the specialised builidng - depreciation replacement value, using modern equivalent asset optimised alternative site methodology. The result of this valuation, based on estimates provided by a suitably qualified professional in accordance with HM Treasury guidance, is dosclosed in note 10. Future revaluations of the Trust's property may result in furhter material changes to the carrying value of non-current assets.

  A Valuation has been undertaken as at 31 March 2026, the total valuation of land and buildings was £228.665m. An additional increase of 1% in the land and building net book value would result in a revised net book value of £230.952m and an increase of 5% would result in a revised net book value of £240.098m.

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

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

The DHSC GAM does not require the following IFRS Standards to be applied in 2025/26:
IFRS 18 Presentation and Disclosure in Financial Statements - The Standard has been adopted by the UK Endorsement Board to be effective for accounting periods beginning on or after 1 January 2027. The Standard has not yet been adopted by the FReM and early adoption is not permitted. The expected impact of applying the standard in future periods has not yet been assessed.

IFRS 19 Subsidiaries without Public Accountability: Disclosures - The Standard is effective for accounting periods beginning on or after 1 January 2027. The Standard is not yet UK endorsed and not yet adopted by the FReM. Early adoption is not permitted. The expected impact of applying the standard in future periods has not yet been assessed.

The following future changes to adaptations and interpretations of IAS 16 for the public sector are also not yet adopted:
Changes to valuation of property, plant and equipment (PPE) assets – The DHSC GAM for 2026/27 and associated consultation response document confirms future changes which will impact on the financial statements.

From 2026/27 NHS bodies' valuation methodology will be a mandated quinquennial revaluation frequency (or rolling programme) supplemented by annual indexation in the intervening years. The requirement in IAS 16 to revalue an asset when its fair value differs materially from its carrying value is being withdrawn for the public sector. Given the variation in PPE valuations in any given year, and future changes in indices, it is not possible to quantify the impact of applying these changes in future periods.

The current accounting policy for property assets measures the cost of replacing the service potential using a 'modern equivalent asset'. This policy is not changing. In deriving the modern equivalent asset, the Trust and its valuers currently adopt an 'alternative site' assumption for all of its specialised buildings, meaning the replaced service potential may be in a different location. The option of using this assumption is being withdrawn for NHS bodies from 1 April 2028. Therefore the hypothetical modern equivalent asset will change to be located on current sites in asset valuations from 2028/29.

1.25 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. Cash, bank and overdraft balances are recorded at current values.

1.26 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.

1.27 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.

1.28 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)**

	2025/26 £000	2024/25 £000
Income from patient care activities		
Income from commissioners under API contracts*	38,389	34,768
Services delivered under a mental health collaborative	384,657	319,785
Income for commissioning services in a mental health collaborative	278,771	301,806
Clinical income for the secondary commissioning of mandatory services	24,530	24,209
Other clinical income	1,046	1,399
Agenda for change pay award central ***	-	410
Additional pension contribution central funding **	19,270	16,304
Total income from patient care activities	746,663	698,681
Other operating income (Contract Income)		
Research and development	2,696	1,275
Education and training	21,205	18,924
Non-patient care services to other bodies	1,232	487
Other Income	19,153	12,661
Other operating income (Non-Contract Income)		
Cash donations for the purchase of capital assets - received from other bodies	-	360
Charitable and other contributions to expenditure	-	-
Total other operating income	44,286	33,707
Total operating income	790,949	732,388

*Aligned payment and incentive contracts are the main form of contracting between NHS providers and their commissioners. More information can be found in the 2025/26 NHS Payment Scheme documentation. https://www.england.nhs.uk/pay-syst/nhs-payment-scheme/

**Increases to the employer contribution rate for NHS pensions since 1 April 2019 have been funded by NHS England. NHS providers continue to pay at the former rate of 14.38% with the additional amount being paid over by NHS England on providers' behalf. The full cost of employer contributions (23.7%) and related NHS England funding (9.4%) have been recognised in these accounts.

***Additional funding was made available directly to providers by NHS England in 2024/25 for implementing the backdated element of pay awards where government offers were finalised after the end of the 2023/24 financial year. NHS Payment Scheme prices and API contracts are updated for the weighted uplift in in-year pay costs when awards are finalised.

2.1 **Income from patient care activities (by Source) (Group)**

	2025/26 £000	2024/25 £000
NHS England	46,562	222,185
Integrated care boards	666,480	446,142
NHS Foundation Trusts	23,464	23,464
NHS Trusts	1,066	746
Local authorities	5,383	3,534
Non NHS: other	3,708	2,610
Total Income from patient care activities	**746,663**	**698,681**

2.2 **Income from activities arising from mandatory services (Group)**

	2025/26 £000	2024/25 £000
Income from activities arising from mandatory services	757,889	699,328
Income from activities arising from non-mandatory services	33,060	33,060
	790,949	732,388

2.3 **Commissioner requested services (Group)**

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:

	2025/26 £000	2024/25 £000
Income from activities arising from commissioner requested services	746,663	698,681
Income from activities arising from non-commissioner requested services	44,286	33,707
	790,949	732,388

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 as Provider

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).

Healthcare services as Commissioner

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.

Provider Collaborative Birmingham and Solihull went live during the financial year 23/24. BSMHFT Took full responsibility for commissioning budgets re BSOL PC in April 2023.

Under section 408 of the companies Act 2006 the parent companies surplus / deficit for year was £8,021k for year end March 2026 (2023/24: Surplus £6,283k).

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.

Birmingham and Solihull Mental Health NHS Foundation Trust
March 31 2026
Notes to the financial statements

3 Segmental analysis (continued)

Year ended March 31 2026	Healthcare services as Provider	Healthcare services as Commissioner	Commercial trading	Inter-group eliminations BSMHFT & PC Transactions	Inter-group eliminations Inter-Company Transactions	Total
	£000	£000	£000	£000	£000	£000
Total segment revenue	504,564	675,234	31,486	(393,614)	(29,185)	788,485
Total segment expenditure	(492,080)	(677,473)	(28,772)	393,614	26,915	(777,796)
Operating surplus / (deficit)	12,484	(2,239)	2,714	-	(2,270)	10,689
Net financing cost	(4,713)	2,489	(2,438)	-	1,117	(3,545)
PDC dividend payable	-	-	-	-	-	-
Taxation	-	-	102	-	-	102
Retained surplus / (deficit) for the year	7,771	250	378	-	(1,153)	7,246
Reportable segment assets	314,208	51,624	100,695	-	-	466,527
Eliminations	-	-	-	-	(132,778)	(132,778)
Total Assets	314,208	51,624	100,695	-	(132,778)	333,749
Reportable segment liabilities	(242,752)	(50,640)	(72,482)	-	-	(365,874)
Eliminations	-	-	-	-	141,321	141,321
Total liabilities	(242,752)	(50,640)	(72,482)	-	141,321	(224,553)
Net assets / (liabilities)	71,456	984	28,213	-	8,543	109,196

Year ended March 31 2025	Healthcare services as Provider	Healthcare services as Commissioner	Commercial trading	Inter-group eliminations BSMHFT & PC Transactions	Inter-group eliminations Inter-Company Transactions	Total
	£000	£000	£000	£000	£000	£000
Total segment revenue	426,664	628,013	29,084	(323,452)	(28,077)	732,232
Total segment expenditure	(414,533)	(630,905)	(26,079)	323,452	26,757	(721,308)
Operating surplus / (deficit)	12,131	(2,892)	3,005	-	(1,320)	10,924
Net financing cost	(6,097)	3,141	(2,489)	-	1,131	(4,314)
PDC dividend payable	-	-	-	-	-	-
Taxation	-	-	369	-	-	369
Retained surplus / (deficit) for the year	6,034	249	885	-	(189)	6,979
Reportable segment assets	307,559	70,453	93,079	-	-	471,091
Eliminations	-	-	-	-	(130,078)	(130,078)
Total Assets	307,559	70,453	93,079	-	(130,078)	341,013
Reportable segment liabilities	(245,185)	(69,718)	(68,489)	-	-	(383,392)
Eliminations	-	-	-	-	141,939	141,939
Total liabilities	(245,185)	(69,718)	(68,489)	-	141,939	(241,453)
Net assets / (liabilities)	62,374	735	24,590	-	11,861	99,560

4	**Operating Costs (Group)**	2025/26 £000	2024/25 £000
	Services from NHS Foundation Trusts	13,216	17,538
	Services from NHS Trusts	1,083	906
	Services from other Non-NHS bodies	31,673	10,931
	Services from NHS Foundation Trusts - Mental Health Collaborative (Lead Provider)	63,154	108,219
	Services from NHS Trusts - Mental Health Collaborative (Lead Provider)	26,520	24,305
	Services from Non-NHS bodies - Mental Health Collaborative (Lead Provider)	179,047	163,460
	Employee expenses - executive directors	1,239	1,134
	Employee expenses - non-executive directors	207	195
	Employee expenses - staff	368,162	313,373
	Drug costs	9,780	7,658
	Supplies and services - clinical (excluding drug costs)	866	680
	Supplies and services - general	3,614	3,239
	Establishment	3,171	4,884
	Transport	1,835	1,974
	Premises	35,936	31,369
	Impairments / (Reversal of impairments) of property, plant and equipment	3,460	2,912
	Increase / (decrease) in bad debt provision	86	206
	Termination benefits	-	-
	Depreciation on property, plant and equipment	8,857	9,030
	Amortisation on intangible assets	1,264	1,289
	Statutory audit services	227	222
	Other auditors' remuneration	-	-
	Clinical negligence	1,239	1,113
	Gain on disposal of right of use assets	-	(33)
	Internal audit costs	190	152
	Consultancy costs	560	1,452
	Other	24,861	15,256
	Total operating costs	780,247	721,464

4 Operating costs (continued)

4.2 **External Auditors' remuneration**

The Council of Governors appointed Forvis Mazars LLP as external auditors of the Trust on the 1st February 2025. The contract is for 3 years ending March 2028 with the option to extend 2 x1 year. The audit fee for the year ended 31 March 2026 was £180k (2024/25: £180k) for the Trust's annual report and accounts and £42k (2024/25: £42k) for Summerhill Services Limited, totalling £222k (£222k for the year ended 31 March 2025) Inclusive of VAT.

5

Directors remuneration (Group)	2025/26 £000	2024/25 £000
Short-term benefits :		
Salary	1,005	927
Taxable benefits	159	135
Performance related bonuses	-	-
Employer's pension contributions	75	72
Post-employment benefits :	-	-
Other long-term benefits :	-	-
Termination benefits :	-	-
Share-based payment :	-	-
Total directors remuneration	1,239	1,134

The medical director was paid 92k during the year ended March 31 2026 (£90k during year ended March 31 2025), 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) **(Group)**	2025/26 £000	2024/25 £000
Salaries and wages	278,644	241,368
Social security costs	35,776	25,226
Employers contribution to NHS pensions	30,192	25,510
Employers contribution to NHS pensions paid by NHSE on Provider's Behalf (9.4%/6.3%)	19,271	16,304
Apprenticeship Levy	1,330	1,149
Termination benefits (see note 4 and 4.1)	-	-
Agency / contract staff	4,189	4,950
Total recognised in operating expenses	369,402	314,507

6 **Employee expenses (continued)**

6.2 **Early retirements due to ill health (Group)**

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.

	2025/26 £000	2025/26 Number	2024/25 £000	2024/25 Number
No. of early retirements on the grounds of ill health		5		2
Value of early retirements on the grounds of ill health	199		389	

7 **Finance Income (Group)**

	2025/26 £000	2024/25 £000
Interest on deposits / investments	4,317	5,275

8 **Finance costs (Group)**

	2025/26 £000	2024/25 £000
Loans from the foundation trust financing facility	878	968
Interest on lease obligations	238	218
Finance costs in PFI obligations :		
Main finance costs	4,108	4,161
Remeasurement of PFI / other service concession liability resulting from change in index or rate	2,652	4,242
Total finance costs	7,876	9,589

9 Intangible assets

9.1

Group and Trust Intangible assets for year ended March 31 2026	Total	Software licences (purchased)	IT (Internally generated and 3rd Party)	Development expenditure (internally generated)
	£000	£000	£000	£000
Gross cost at April 1 2025 - as previously stated	17,393	14,476	1,109	1,808
Reclassifications	339	339		
Cost or valuation at March 31 2026	17,732	14,815	1,109	1,808
Amortisation at April 1 2025 - as previously stated	14,456	11,542	1,106	1,808
Provided during the year	1,264	1,261	3	
Amortisation at March 31 2026	15,720	12,803	1,109	1,808
NBV - Purchased at April 1 2025	2,937	2,934	3	-
Total NBV at April 1 2025	2,937	2,934	3	-
NBV - Purchased at March 31 2026	2,012	2,012	-	-
Total NBV at March 31 2026	2,012	2,012	-	-

9.2

Group and Trust Intangible assets for year ended March 31 2025	Total	Software licences (purchased)	IT (Internally generated and 3rd Party)	Development expenditure (internally generated)
	£000	£000	£000	£000
Gross cost at April 1 2024 - as previously stated	16,290	13,373	1,109	1,808
Reclassifications	1,103	1,103	-	-
Cost or valuation at March 31 2025	17,393	14,476	1,109	1,808
Amortisation at April 1 2024 - as previously stated	13,168	10,355	1,055	1,758
Provided during the year	1,288	1,187	51	50
Amortisation at March 31 2025	14,456	11,542	1,106	1,808
NBV - Purchased at April 1 2024	3,122	3,018	54	50
Total NBV at April 1 2024	3,122	3,018	54	50
NBV - Purchased at March 31 2025	2,937	2,934	3	-
Total NBV at March 31 2025	2,937	2,934	3	-

10 Property plant and equipment

10.1

Group property, plant and equipment for year ended March 31 2026	Total	Land	Buildings excl dwellings	Assets under construction	Plant and machinery	Transport equipment	Information technology	Furniture and fittings
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at April 1 2025 - as previously stated	239,665	20,754	186,820	654	3,625	11	14,837	12,964
Additions - purchased	21,655	-	2,408	19,247	-	-	-	-
Additions - assets purchased from cash donations/grants	-	-	-	-	-	-	-	-
Impairments charged to operating expenses	(3,694)	-	(3,694)	-	-	-	-	-
Impairments charged to the revaluation reserve	(3,588)	-	(3,588)	-	-	-	-	-
Reversal of impairments credited to operating expenses	234	-	234	-	-	-	-	-
Revaluations credited to the revaluation reserve	1,211	8	1,203	-	-	-	-	-
Reclassifications	(339)	-	11,278	(13,334)	-	-	1,717	-
Transfers from accumulated depreciation*	(5,487)	-	(5,487)	-	-	-	-	-
Cost or valuation at March 31 2026	249,657	20,762	189,174	6,567	3,625	11	16,554	12,964
Accumulated depreciation at April 1 2025 - as previously stated	27,696	-	824	-	2,834	11	11,063	12,964
Provided during the year	7,402	-	5,590	-	193	-	1,619	-
Transferred to cost or valuation*	(5,487)	-	(5,487)	-	-	-	-	-
Accumulated depreciation at March 31 2026	29,611	-	927	-	3,027	11	12,682	12,964
NBV - Purchased at April 1 2025	211,969	20,754	185,996	654	791	-	3,774	-
Total NBV at April 1 2025	211,969	20,754	185,996	654	791	-	3,774	-
NBV - Purchased at March 31 2026	220,046	20,762	188,247	6,567	598	-	3,872	-
Total NBV at March 31 2026	220,046	20,762	188,247	6,567	598	-	3,872	-

*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 PFI arrangements is £47,345k at March 31 2026 (£47,259k at March 31 2025). Depreciation of £1,343k was charged on these assets in the year (£1,313k during the year ended March 31 2025).

The impairment gains and loss recognised in the accounts arose due to movement in market prices.

10 **Property plant and equipment (continued)**

10.2

Trust property, plant and equipment for year ended March 31 2026	Total	Land	Buildings excl dwellings	Assets under construction	Plant and machinery	Transport equipment	Information technology	Furniture and fittings
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at April 1 2025 - as previously stated	104,156	10,500	72,858	654	2,531	-	14,736	2,877
Additions - purchased	18,610	-	2,409	16,201	-	-	-	-
Additions - assets purchased from cash donations/grants	-	-	-	-	-	-	-	-
Impairments charged to operating expenses	(2,419)	-	(2,419)	-	-	-	-	-
Impairments charged to the revaluation reserve	(3,478)	-	(3,478)	-	-	-	-	-
Reversal of impairments credited to operating expenses	203	-	203	-	-	-	-	-
Revaluations credited to the revaluation reserve	19	-	19	-	-	-	-	-
Reclassifications	(338)	-	8,243	(10,288)	-	-	1,707	-
Transfers from accumulated depreciation*	(2,152)	-	(2,152)					
Cost or valuation at March 31 2026	114,601	10,500	75,683	6,567	2,531	-	16,443	2,877
Accumulated depreciation at April 1 2025 - as previously stated	16,658	-	825	-	1,933	-	11,023	2,877
Provided during the year	4,008	-	2,255	-	154	-	1,599	-
Transferred to cost or valuation*	(2,152)	-	(2,152)	-	-	-	-	-
Accumulated depreciation at March 31 2026	18,514	-	928	-	2,087	-	12,622	2,877
NBV - Purchased at April 1 2025	87,498	10,500	72,033	654	598	-	3,713	-
Total NBV at April 1 2025	87,498	10,500	72,033	654	598	-	3,713	-
NBV - Purchased at March 31 2026	96,087	10,500	74,755	6,567	444	-	3,821	-
Total NBV at March 31 2026	96,087	10,500	74,755	6,567	444	-	3,821	-

*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 PFI arrangements is £47,345k at March 31 2026 (£47,259k at March 31 2025). Depreciation of £1,343k was charged on these assets in the year (£1,313k during the year ended March 31 2025).

The impairment gains and loss recognised in the accounts arose due to movement in market prices.

10 **Property plant and equipment (continued)**

10.3 **Group property, plant and equipment for year ended March 31 2025**	Total	Land	Buildings excl dwellings	Assets under construction	Plant and machinery	Transport equipment	Information technology	Furniture and fittings
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at April 1 2024 - as previously stated	235,014	20,754	183,777	-	3,051	11	14,457	12,964
Additions - purchased	12,444	-	1,277	11,167	-	-	-	-
Additions - assets purchased from cash donations/grants	360	-	-	-	360	-	-	-
Impairments charged to operating expenses	(3,252)	-	(3,252)	-	-	-	-	-
Impairments charged to the revaluation reserve	(849)	-	(849)	-	-	-	-	-
Reversal of impairments credited to operating expenses	340	-	340	-	-	-	-	-
Revaluations credited to the revaluation reserve	1,954	-	1,954	-	-	-	-	-
Reclassifications	(1,103)	-	8,816	(10,513)	214	-	380	-
Transfers from accumulated depreciation*	(5,243)	-	(5,243)	-	-	-	-	-
Cost or valuation at March 31 2025	239,665	20,754	186,820	654	3,625	11	14,837	12,964
Accumulated depreciation at April 1 2024 - as previously stated	25,663	-	735	-	2,748	11	9,220	12,949
Provided during the year	7,276	-	5,332	-	86	-	1,843	15
Transferred to cost or valuation*	(5,243)	-	(5,243)	-	-	-	-	-
Accumulated depreciation at March 31 2025	27,696	-	824	-	2,834	11	11,063	12,964
NBV - Purchased at April 1 2024	209,351	20,754	183,042	-	303	-	5,237	15
Total NBV at April 1 2024	209,351	20,754	183,042	-	303	-	5,237	15
NBV - Purchased at March 31 2025	211,969	20,754	185,996	654	791	-	3,774	-
Total NBV at March 31 2025	211,969	20,754	185,996	654	791	-	3,774	-

*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 PFI arrangements is £47,259k at March 31 2025 (£46,846k at March 31 2024). Depreciation of £1,313k was charged on these assets in the year (£1,257k during the year ended March 31 2024).

The impairment gains and loss recognised in the accounts arose due to movement in market prices.

10 **Property plant and equipment (continued)**

10.4 **Trust property, plant and equipment for year ended March 31 2025**	Total	Land	Buildings excl dwellings	Assets under construction	Plant and machinery	Transport equipment	Information technology	Furniture and fittings
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at April 1 2024 - as previously stated	101,100	10,500	71,218	-	2,149	-	14,356	2,877
Additions - purchased	9,295	-	1,277	8,018	-	-	-	-
Additions - assets purchased from cash donations/grants	360	-	-	-	360	-	-	-
Impairments charged to operating expenses	(3,137)	-	(3,137)	-	-	-	-	-
Impairments charged to the revaluation reserve	(648)	-	(648)	-	-	-	-	-
Reversal of impairments credited to the revaluation reserve	306	-	306	-	-	-	-	-
Revaluations credited to the revaluation reserve	63	-	63	-	-	-	-	-
Reclassifications	(1,103)	-	5,859	(7,364)	22	-	380	-
Transfers from accumulated depreciation*	(2,080)	-	(2,080)	-	-	-	-	-
Cost or valuation at March 31 2025	104,156	10,500	72,858	654	2,531	-	14,736	2,877
Accumulated depreciation at April 1 2024 - as previously stated	14,645	-	735	-	1,848	-	9,200	2,862
Provided during the year	4,093	-	2,170	-	85	-	1,823	15
Transferred to cost or valuation*	(2,080)	-	(2,080)	-	-	-	-	-
Accumulated depreciation at March 31 2025	16,658	-	825	-	1,933	-	11,023	2,877
NBV - Purchased at April 1 2024	86,455	10,500	70,483	-	301	-	5,156	15
Total NBV at April 1 2024	86,455	10,500	70,483	-	301	-	5,156	15
NBV - Purchased at March 31 2025	87,498	10,500	72,033	654	598	-	3,713	-
Total NBV at March 31 2025	87,498	10,500	72,033	654	598	-	3,713	-

*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 PFI arrangements is £47,259k at March 31 2025 (£46,846k at March 31 2024). Depreciation of £1,313k was charged on these assets in the year (£1,257k during the year ended March 31 2024).

The impairment gains and loss recognised in the accounts arose due to movement in market prices.

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	5	47
Assets under construction	-	-
Plant and machinery	1	5
Transport equipment	-	-
Information technology	1	5
Furniture and fittings	1	5
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 year 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 on 20 year leases expiring in 2043.

The ROU assets are all held under the cost method as they meet the requirements under IFRS16, Regarding term and relevant rent reviews. Apart from one which is held under the revaluation method as it falls into the peppercorn lease catergorisation.

11 Leases (Continued)

11.1 **Group right of use assets for year ended March 31 2026**

	Total	Property (land and buildings)	Transport equipment	Of which: leased from DHSC group bodies
	£000	£000	£000	£000
Cost or valuation at April 1 2025 - Brought Forward	10,181	8,666	1,515	875
Additions - Lease Liability	1,828	1,137	691	-
Remeasurements of the lease liability	135	135	-	135
Revaluations	(2)	(2)	-	-
Cost or valuation at March 31 2026	12,142	9,936	2,206	1,010
Accumulated depreciation at April 1 2025 - Brought Forward	3,944	3,136	808	172
Provided during the year - right of use asset	1,451	907	544	72
Provided during the year - peppercorn leased asset	5	5	-	-
Accumulated depreciation at March 31 2025	5,400	4,048	1,352	244
Total NBV at April 1 2025	6,237	5,530	707	703
Total NBV at March 31 2026	6,742	5,888	854	766

11 **Leases (Continued)**

11.2

Group right of use assets for year ended March 31 2025	Total	Property (land and buildings)	Transport equipment	Of which: leased from DHSC group bodies
	£000	£000	£000	£000
Cost or valuation at April 1 2024 - Brought Forward	10,375	10,154	221	875
Additions - Lease Liability	2,394	1,100	1,294	-
Remeasurements of the lease liability	(2,593)	(2,593)	-	-
Revaluations	5	5	-	-
Cost or valuation at March 31 2025	10,181	8,666	1,515	875
Accumulated depreciation at April 1 2024 - Brought Forward	2,190	1,991	199	104
Provided during the year - right of use asset	1,749	1,140	609	68
Provided during the year - peppercorn leased asset	5	5	-	-
Accumulated depreciation at March 31 2025	3,944	3,136	808	172
Total NBV at April 1 2024	8,185	8,163	22	771
Total NBV at March 31 2025	6,237	5,530	707	703

11 **Leases (Continued)**

11.3 **Trust right of use assets for year ended March 31 2026**

	Total	Property (land and buildings)	Transport equipment	Of which: leased from DHSC group bodies
	£000	£000	£000	£000
Cost or valuation at April 1 2025 - Brought Forward	99,121	97,606	1,515	875
Additions - Lease Liability	1,829	1,138	691	-
Remeasurements of the lease liability	135	135	-	135
Revaluations	(2)	(2)	-	-
Cost or valuation at March 31 2026	101,083	98,877	2,206	1,010
Accumulated depreciation at April 1 2025 - Brought Forward	17,644	16,836	808	172
Provided during the year - right of use asset	5,444	4,900	544	72
Provided during the year - peppercorn leased asset	5	5		-
Accumulated depreciation at March 31 2026	23,093	21,741	1,352	244
Total NBV at April 1 2025	81,477	80,770	707	703
Total NBV at March 31 2026	77,990	77,136	854	766

11 **Leases (Continued)**

11.4 **Trust right of use assets for year ended March 31 2025**

	Total	Property (land and buildings)	Transport equipment	Of which: leased from DHSC group bodies
	£000	£000	£000	£000
Cost or valuation at April 1 2024 - Brought Forward	99,315	99,094	221	875
Additions - Lease Liability	2,394	1,100	1,294	-
Remeasurements of the lease liability	(2,593)	(2,593)	-	-
Revaluations	5	5	-	-
Cost or valuation at March 31 2025	99,121	97,606	1,515	875
Accumulated depreciation at April 1 2024 - Brought Forward	11,715	11,516	199	104
Provided during the year - right of use asset	5,924	5,315	609	68
Provided during the year - peppercorn leased asset	5	5	-	-
Accumulated depreciation at March 31 2025	17,644	16,836	808	172
Total NBV at April 1 2024	87,600	87,578	22	771
Total NBV at March 31 2025	81,477	80,770	707	703

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 2026 £000	Group March 31 2025 £000	Trust March 31 2026 £000	Trust March 31 2025 £000
Carrying value at 1 April	6,067	7,941	82,358	88,099
Lease additions	1,828	2,393	1,828	2,393
Lease liability remeasurements	135	(2,592)	135	(2,592)
Interest charge arising in year	238	218	998	979
Early terminations	-	(33)	-	(33)
Lease payments (cash outflows)	(1,640)	(1,860)	(6,082)	(6,488)
Carrying value at 31 March	6,628	6,067	79,237	82,358

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 2026**	Group Total March 31 2026 £000	Group Of which leased from DHSC group bodies: March 31 2026 £000	Trust Total March 31 2026 £000	Trust Of which leased from DHSC group bodies: March 31 2026 £000
Undiscounted future lease payments payable in:				
- not later than one year;	1,393	63	5,835	63
- later than one year and not later than five years;	3,602	252	16,930	252
- later than five years.	2,693	516	64,144	516
Total gross future lease payments	7,688	831	86,909	831
Finance charges allocated to future periods	(1,060)	(53)	(7,672)	(53)
Net lease liabilities at 31 March 2026	6,628	778	79,237	778

11.5 **Maturity analysis of future lease payments at 31 March 2025**	Group Total March 31 2025 £000	Group Of which leased from DHSC group bodies: March 31 2025 £000	Trust Total March 31 2025 £000	Trust Of which leased from DHSC group bodies: March 31 2025 £000
Undiscounted future lease payments payable in:				
- not later than one year;	1,291	67	5,917	67
- later than one year and not later than five years;	2,851	211	16,060	211
- later than five years.	2,439	485	73,014	485
Total gross future lease payments	6,581	763	94,991	763
Finance charges allocated to future periods	(515)	(51)	(12,633)	(51)
Net lease liabilities at 31 March 2025	6,066	712	82,358	712

12	**Inventories**	Group		Trust	
		March 31 2026	March 31 2025	March 31 2026	March 31 2025
		£000	£000	£000	£000
	Drugs	575	498	423	359
	Consumables	169	145	168	145
	Total Inventories	744	643	591	504

12.1	**Inventories recognised in expenses**	March 31 2026	March 31 2025
		£000	£000
	Inventories recognised in expenses	9,665	7,619
	Write-down of inventories recognised as an expense	115	39
	Reversals of any write down of inventories	-	-
	Total inventories recognised in expenses	9,780	7,658

13	**Subsidiary investment**	Group		Trust	
		March 31 2026	March 31 2025	March 31 2026	March 31 2025
		£000	£000	£000	£000
	Shares in group undertakings	-	-	33,240	29,994
	Total Subsidiary investment	-	-	33,240	29,994

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 2026.

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 £33,239,786 (2024/25: £29,994,098). The current purpose of the company is two fold (1) to provide a managed lease service to the Trust for (a) owned properties such as Tamarind Centre, Ardenleigh Site, Juniper Centre, Reaside Clinic and the John Black Centre (Maple Leaf Drive). (b) a further 10 properties on a lease and leaseback arrangement. (2) to 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 2026 £000	Financial assets March 31 2026 £000	Non-financial assets March 31 2026 £000	Total March 31 2025 £000	Financial assets March 31 2025 £000	Non-financial assets March 31 2025 £000
Current						
Contract Receivable	25,703	25,703	-	19,158	19,158	-
Provision for Impaired Contract Receivables	(368)	(368)	-	(358)	(358)	-
Prepayments	6,286	-	6,286	8,692	-	8,692
PDC receivable	500	-	500	16	-	16
VAT Receivable	1,379	-	1,379	2,733	-	2,733
Other receivables	1,272	1,272	-	975	975	-
Total current trade and other receivables	34,772	26,607	8,165	31,216	19,775	11,441
Non-current						
Prepayments - Lifecycle replacement	1,029	-	1,029	1,233	-	1,233
Clinician pension tax provision	146	146	-	179	179	-
Total non-current trade and other receivables	1,175	146	1,029	1,412	179	1,233

Contract Receivables above includes £12,256k relating to business with NHS and Other WGA Bodies at March 31 2026 (£8,278k at March 31 2025). The remaining £13,447k relates to business with bodies external to government at March 31 2026 (£10,880k at March 31 2025).

14.1 **Trade and other receivables - Trust**	Total March 31 2026 £000	Financial assets March 31 2026 £000	Non-financial assets March 31 2026 £000	Total March 31 2025 £000	Financial assets March 31 2025 £000	Non-financial assets March 31 2025 £000
Current						
Contract Receivable	23,027	23,027	-	18,701	18,701	-
Provision for Impaired Contract Receivables	(371)	(371)	-	(358)	(358)	-
Prepayments	6,084	-	6,084	8,548	-	8,548
PDC receivable	500	-	500	16	-	16
VAT Receivable	1,379	-	1,379	2,733	-	2,733
Other receivables	1,272	1,272	-	975	975	-
Finance Lease Receivable**	330	330	-	330	330	-
Loan assets*	2,532	2,532	-	2,532	2,532	-
Total current trade and other receivables	34,753	26,790	7,963	33,477	22,180	11,297
Non-current						
Prepayments - Lifecycle replacement	1,029	-	1,029	1,233	-	1,233
Clinician pension tax provision	146	146	-	179	179	-
Finance Lease Receivable**	10,115	10,115	-	10,445	10,445	-
Loan assets*	52,914	52,914	-	48,095	48,095	-
Total non-current trade and other receivables	64,204	63,175	1,029	59,952	58,719	1,233

Contract Receivables above includes £12,256k relating to business with NHS and Other WGA Bodies at March 31 2026 (£8,278k at March 31 2025). The remaining £10,771k relates to business with bodies external to government at March 31 2026 (£10,423k at March 31 2025).

*Loan assets are comprised solely of loans made to the 100% owned subsidiary Summerhill Services Limited. The term of these loans is 25 years. This is made up of multiple loans the earliest of which will mature in March 2038 and newest maturing in March 2049.

** Finance Lease Receivable relates wholly to the 10 properties leased to subsidiary as detailed in Note 13.

14 Trade and other receivables (continued)

14.2 **Provision for impairment of receivables 2025/26 - group and trust**

	2025/26 £000 Contract Receivables and Contract Assets	2025/26 £000 All Other Receivables
Provision as at April 1 2025 - Bought Forward	358	-
New Provision amounts arising	86	-
Utilisation of Provision (where receivable is written off)	(76)	-
Provision as at March 31 2026	368	-

14.2 **Provision for impairment of receivables 2024/25 - group and trust**

	2024/25 £000 Contract Receivables and Contract Assets	2024/25 £000 All Other Receivables
Provision as at April 1 2024 - Bought Forward	221	-
New Provision amounts arising	206	-
Utilisation of Provision (where receivable is written off)	(69)	-
Provision as at March 31 2025	358	-

14.3 **Analysis of impaired receivables - group and trust**

	March 31 2026 £000	March 31 2025 £000
Ageing of impaired receivables:		
0-30 Days	-	4
31-60 Days	47	18
61-90 Days	-	-
Over 90 Days	321	336
Total impaired receivables	368	358

14.4 **Ageing of non-impaired receivables - group**

	March 31 2026 £000	March 31 2025 £000
Ageing of non-Impaired Receivables		
0-30 Days	9,450	5,210
31-60 Days	2,423	1,289
61-90 Days	84	587
Over 90 Days	963	975
Total non-impaired receivables	12,920	8,061

14.5 **Ageing of non-impaired receivables - trust**

	March 31 2026 £000	March 31 2025 £000
Ageing of non-Impaired Receivables		
0-30 Days	6,894	5,292
31-60 Days	2,420	1,288
61-90 Days	69	587
Over 90 Days	860	910
Total non-impaired receivables	10,243	8,077

15	**Trade and other payables - Group**	Total March 31 2026 £000	Financial liabilities March 31 2026 £000	Non-financial liabilities March 31 2026 £000	Total March 31 2025 £000	Financial liabilities March 31 2025 £000	Non-financial liabilities March 31 2025 £000
	Current						
	Trade payables	18,638	18,638	-	33,508	33,508	-
	Trade payables - capital	14	14	-	1,723	1,723	-
	Social security and taxes payable	9,556	-	9,556	6,971	-	6,971
	Pension contributions payable	4,588	-	4,588	3,676	-	3,676
	Other payables	142	142	-	931	931	-
	Accruals	43,330	40,577	2,753	43,593	41,885	1,708
	Total current trade and other payables	76,268	59,371	16,897	90,402	78,047	12,355

Trade Payables above includes £3,445k relating to business with NHS and Other WGA Bodies at March 31 2026 (£12,012k at March 31 2025). The remaining £15,193k relates to business with bodies external to government at March 31 2026 (£21,494k at March 31 2025).

Pension Contributions above includes £2,775k at March 31 2026 in respect of outstanding Employer Pension Contributions (£2,214k at March 2025).

15.1	**Trade and other payables - Trust**	Total March 31 2026 £000	Financial liabilities March 31 2026 £000	Non-financial liabilities March 31 2026 £000	Total March 31 2025 £000	Financial liabilities March 31 2025 £000	Non-financial liabilities March 31 2025 £000
	Current						
	Trade payables	15,820	15,820	-	31,078	31,078	-
	Trade payables - capital	681	681	-	3,107	3,107	-
	Social security and taxes payable	9,284	-	9,284	6,736	-	6,736
	Pension contributions payable	4,534	-	4,534	3,618	-	3,618
	Other payables	188	188	-	464	464	-
	Accruals	41,981	41,981	-	42,114	42,114	-
	Total current trade and other payables	72,488	58,670	13,818	87,117	76,763	10,354

Trade Payables above includes £3,445k relating to business with NHS and Other WGA Bodies at March 31 2026 (£12,012k at March 31 2025). The remaining £12,375k relates to business with bodies external to government at March 31 2026 (£19,066k at March 31 2025).

Pension Contributions above includes £2,740k at March 31 2026 in respect of outstanding Employer Pension Contributions (£2,177k at March 2025).

16	**Other Liabilities - Group**	March 31 2026 £000	March 31 2025 £000
	Current		
	Deferred Income	35,116	35,601
	Total current other Liabilities	35,116	35,601
	Non-current		
	Deferred Tax Liability	-	-
	Total non-current other Liabilities	-	-

16.1	**Other Liabilities - Trust**	March 31 2026 £000	March 31 2025 £000
	Current		
	Deferred Income	35,116	35,601
	Deferred gain on disposal	-	-
	Total current other Liabilities	35,116	35,601
	Non-current		
	Deferred gain on disposal	-	-
	Total non-current other Liabilities	-	-

17	**Borrowings - Group**	March 31 2026 £000	March 31 2025 £000
	Current		
	Loans from foundation trust financing facility	2,526	2,562
	Lease liabilities	1,393	1,291
	Obligations under private finance initiative contracts	2,349	3,017
	Total current borrowings	6,268	6,870
	Non-current		
	Loans from foundation trust financing facility	18,594	20,776
	Lease liabilities	5,235	4,775
	Obligations under private finance initiative contracts	79,566	79,356
	Total Non-current borrowings	103,395	104,907

17.1	**Borrowings - Trust**	March 31 2026 £000	March 31 2025 £000
	Current		
	Loans from foundation trust financing facility	2,526	2,562
	Lease liabilities	5,835	5,917
	Obligations under private finance initiative contracts	2,349	3,017
	Loans from Subsidiary Company	-	-
	Total current borrowings	10,710	11,496
	Non-current		
	Loans from foundation trust financing facility	18,594	20,776
	Lease liabilities	73,401	76,441
	Obligations under private finance initiative contracts	79,566	79,356
	Total Non-current borrowings	171,561	176,573

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 2025	111,774	23,336	-	6,066	82,372
	Cash Movements:					
	Financing cash flows - principal	(6,695)	(2,182)	-	(1,402)	(3,111)
	Financing cash flows - interest	(5,257)	(914)	-	(237)	(4,106)
	Non-Cash Movements:					
	Additions	1,828	-	-	1,828	-
	Lease liability remeasurements	135	-	-	135	-
	Remeasurement of PFI / other service concession liability resulting from change in index or rate (taken to financing costs)	2,652	-	-	-	2,652
	Early termination	-	-	-	-	-
	Interest charge arising in year (application of effective interest rate)	5,224	878		238	4,108
	Carrying Value at March 31 2026	109,661	21,118	-	6,628	81,915

17.3	**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 2024	115,375	25,556	-	7,941	81,878
	Cash Movements:					
	Financing cash flows - principal	(7,574)	(2,183)	-	(1,643)	(3,748)
	Financing cash flows - interest	(5,384)	(1,004)	-	(218)	(4,162)
	Non-Cash Movements:					
	Additions	2,393	-	-	2,393	-
	Lease liability remeasurements	(2,592)	-	-	(2,592)	-
	Remeasurement of PFI / other service concession liability resulting from change in index or rate (taken to financing costs)	4,242	-	-	-	4,242
	Early termination	(33)	-	-	(33)	-
	Interest charge arising in year (application of effective interest rate)	5,347	967		218	4,162
	Carrying Value at March 31 2025	111,774	23,336	-	6,066	82,372

17.4	**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 2025	188,066	23,336	-	82,358	82,372
	Cash Movements:					
	Financing cash flows - principal	(10,377)	(2,182)	-	(5,084)	(3,111)
	Financing cash flows - interest	(6,018)	(914)	-	(998)	(4,106)
	Non-Cash Movements:					
	Additions	1,828	-	-	1,828	-
	Lease liability remeasurements	135	-	-	135	-
	Remeasurement of PFI / other service concession liability resulting from change in index or rate (taken to financing costs)	2,652	-	-	-	2,652
	Early termination	-	-	-	-	-
	Interest charge arising in year (application of effective interest rate)	5,984	878	-	998	4,108
	Carrying Value at March 31 2026	182,270	21,118	-	79,237	81,915

17.5	**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 2024	195,533	25,556	-	88,099	81,878
	Cash Movements:					
	Financing cash flows - principal	(11,440)	(2,183)	-	(5,509)	(3,748)
	Financing cash flows - interest	(6,145)	(1,004)	-	(979)	(4,162)
	Non-Cash Movements:					
	Additions	2,393	-	-	2,393	-
	Lease liability remeasurements	(2,592)	-	-	(2,592)	-
	Remeasurement of PFI / other service concession liability resulting from change in index or rate (taken to financing costs)	4,242	-	-	-	4,242
	Early termination	(33)	-	-	(33)	-
	Interest charge arising in year (application of effective interest rate)	6,108	967	-	979	4,162
	Carrying Value at March 31 2025	188,066	23,336	-	82,358	82,372

18	**PFI obligations (on SOFP) - group and trust**	March 31 2026 £000	March 31 2025 £000
	Gross PFI liabilities of which liabilities are due:		
	- Not later than one year;	6,298	7,000
	- Later than one year and not later than five years;	27,465	25,924
	- Later than five years.	87,128	91,201
	Finance charges allocated to future periods	(38,976)	(41,753)
	Net PFI liabilites	81,915	82,372
	- Not later than one year;	2,349	3,016
	- Later than one year and not later than five years;	13,206	11,458
	- Later than five years.	66,360	67,898
	Total PFI obligations	81,915	82,372

18.1	**PFI total commitments (on SOFP) - group and trust**	March 31 2026 £000	March 31 2025 £000
	- Not later than one year;	15,631	15,151
	- Later than one year and not later than five years;	62,524	60,602
	- Later than five years.	193,135	202,126
	Total commitments in respect of the PFI	271,290	277,879
	- Not later than one year;	14,861	14,404
	- Later than one year and not later than five years;	52,561	50,935
	- Later than five years.	115,710	118,485
	Total present value of commitments	183,132	183,824

18.2	**PFI service commitments (on SOFP) - group and trust**	March 31 2026 £000	March 31 2025 £000
	Charge in respect of the service element of the PFI for the period	5,958	5,745
	Commitments in respect of the service element of the PFI:		
	- Not later than one year;	5,693	5,496
	- Later than one year and not later than five years;	20,431	19,703
	- Later than five years.	48,792	49,673
		74,916	74,872

18.3	**PFI Analysis of amounts payable to service concession operator (on SOFP) - group and trust**	March 31 2026 £000	March 31 2025 £000
	Unitary payment payable to service concession operator	15,631	15,151
	Consisting of:		
	- Interest charge	4,108	4,162
	- Repayment of balance sheet obligation	3,111	3,748
	- Service element and other charges to operating expenditure	5,958	5,746
	- Capital lifecycle maintenance	2,205	1,277
	- Revenue lifecycle maintenance	249	198
	- Addition to lifecycle prepayment	-	20
		15,631	15,151
	Other amounts paid to operator due to a commitment under the service concession contract but not part of the unitary payment	8,499	7,677
	Total amount paid to service concession operator	24,130	22,828

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.

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 2025	3,673	237	1,697	-	779	960
Change in discount rate	(11)	-	-	-	-	(11)
Arising during the year	97	-	-	97	-	-
Utilised during the year	(624)	(25)	-	-	(92)	(507)
Reversed unused	(24)	-	-	-	-	(24)
Unwinding of discount rate	9	-	-	-	-	9
At March 31 2026	3,120	212	1,697	97	687	427
Expected timing of cash flows:						
- Not later than one year;	820	212	141	97	89	281
- Later than one year and not later than five years;	429	-	74	-	355	-
- Later than five years.	1,871	-	1,482	-	243	146
Total provisions for liabilities and charges	3,120	212	1,697	97	687	427

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 2027.

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 2026 (£100k at March 31 2025).

The property provision consists of amounts payable on dilapidation costs. Dilapidation provisions are based on management's 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 £280k for Increment Provision, £146k for Clinicians Pension Tax.

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 2025	3,673	237	1,697	-	779	960
Change in discount rate	(11)	-	-	-	-	(11)
Arising during the year	97	-	-	97	-	-
Utilised during the year	(624)	(25)	-	-	(92)	(507)
Reversed unused	(24)	-	-	-	-	(24)
Unwinding of discount rate	9	-	-	-	-	9
At March 31 2026	3,120	212	1,697	97	687	427
Expected timing of cash flows:						
- Not later than one year;	820	212	141	97	89	281
- Later than one year and not later than five years;	429	-	74	-	355	-
- Later than five years.	1,871	-	1,482	-	243	146
Total provisions for liabilities and charges	3,120	212	1,697	97	687	427

19.2 **Clinical Negligence liabilities - group and trust**

	March 31 2026	March 31 2025
	£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	7,518	8,822

20 **Contractual capital commitments - group and trust**

The Group was contractually committed to £14,695k at 31 March 2026 (£2,069k at 31 March 2025) of capital expenditure for the purchase of property, plant and equipment.

21 **Third party assets**

The trust held £1,178k cash and cash equivalents at March 31 2026 (£1,210k March 31 2025) 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	
	2025/26	2024/25	2025/26	2024/25
	£000	£000	£000	£000
At April 1	86,352	92,228	81,732	87,020
Net change in year	(18,772)	(5,876)	(25,173)	(5,288)
At March 31	67,580	86,352	56,559	81,732
Broken down into:				
Cash in hand (petty cash)	58	47	58	47
Cash at commercial banks	11,021	4,620	-	-
Cash at GBS	56,501	81,685	56,501	81,685
Cash and cash equivalents as in SOFP	67,580	86,352	56,559	81,732
Bank overdraft				
Cash and cash equivalents as in SOCF	67,580	86,352	56,559	81,732

23 **Ultimate parent compnay**

The Foundation Trust is a public benefit corporation established under the NHS Act 2006. NHS England, 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 England 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 England is accountable to the Secretary of State for Health. The Foundation Trust's ultimate parent is the Department of Health and Social Care.

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	
	2025/26	2024/25
	£000	£000
University Hospital Birmingham NHS Foundation Trust	4,208	4,305
NHS Birmingham and Solihull ICB	557,859	445,368
Solihull Metropolitan Borough Council	4,715	3,581
Birmingham Women's and Children's Hospital NHS Foundation Trust	8,484	7,409
Midlands Partnership NHS Foundation Trust	8,234	8,269
Black Country Healthcare NHS Foundation Trust	3,322	2,867
NHS England *	48,080	222,601
NHS Black Country ICB *	43,138	7
NHS Coventry and Warwickshire ICB *	27,954	334
NHS Herefordshire and Worcestershire ICB *	13,709	1,441
NHS Shropshire, Telford and Wrekin ICB *	12,964	88
NHS Staffordshire and Stoke-on-Trent ICB *	11,663	299

* Reachout PC Contract delegated down to ICB's for 25/26.

	Expenditure > £1.5m	
	2025/26	2024/25
	£000	£000
Birmingham Community Healthcare NHS Trust	22,436	18,599
NHS Pension Scheme	49,462	41,814
HMRC - Other Taxes and NI	37,004	26,006
Midlands Partnership NHS Foundation Trust	25,647	26,587
Coventry and Warwickshire Partnership NHS Trust	26,013	21,823
Birmingham Women's and Children's NHS Foundation Trust	22,692	73,557
Black Country Healthcare NHS Foundation Trust	5,499	9,151
NHS Birmingham and Solihull ICB	2,099	3,165
University Hospitals Birmingham NHS Foundation Trust	953	2,069

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 2026	March 31 2025
	£000	£000
HMRC (VAT)	1,379	2,733
NHS Birmingham and Solihull ICB	4,841	1,350
University Hospitals Birmingham NHS Foundation Trust	4,172	4,366
Birmingham Women's and Children's NHS Foundation Trust	494	1,068
NHS Black Country ICB	1,272	-
Sandwell And West Birmingham Hospitals NHS Trust	767	-

	Payables > £0.5m	
	March 31 2026	March 31 2025
	£000	£000
HMRC - Other Taxes and NI	9,556	6,971
NHS Pension Scheme	4,588	3,676
Birmingham Community Healthcare NHS Trust	62	917
University Hospital Birmingham NHS Foundation Trust	878	1,483
NHS Birmingham and Solihull ICB	5,192	8,542
NHS England	10,243	20,728
Coventry and Warwickshire Partnership NHS Trust	1,001	1,566
Birmingham Women's and Children's NHS Foundation Trust	9	3,530
Black Country Healthcare NHS Foundation Trust	1,594	2,100
Midlands Partnership University NHS Foundation Trust	64	1,694
NHS Coventry and Warwickshire ICB	-	1,148
NHS Herefordshire and Worcestershire ICB	-	1,148
NHS Shropshire, Telford and Wrekin ICB	-	731

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 2026 the Trust was owed £315k (£376k at March 31 2025) 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 2026 the Trust was owed £55,446k from the company (£50,627K at 31 March 2025) . Income from Summerhill Services Limited during the year amounted to £31,485k (£29,084k at 31 March 2025) and the expenditure incurred was £31,287k (£28,568k at 31 March 2025).

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
Roisin Fallon-Williams	NHS Providers	NHS Providers Board Trustee
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	Yellowwood Healthcare Ltd	Shareholding
Linda Cullen	CQC	Second Opionion Appointed Doctor
	Home Group Limited	Non Executive Director
Phillip Gayle	Walsall Healthcare Trust	Non Executive Director
	PG Consultancy	Director
	University Hospital Birmingham	Non Executive Director
	World Afro Day C.I.C	Non Executive Director
	Servol Community Services	CEO
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	Royal college of psychiatrists	Specialist advisor to the Medical Trainee Initiative scheme
	Transcultural psychiatry special interest group	Non-Financial Professional Interest (unpaid role).
	British Indian psychiatry association	Executive member of British Indian psychiatry association
Balbir Claire	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	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 2026 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 Trust's net operating costs are incurred under annual service agreements with Integrated Care Boards and NHS England, which are financed from resources voted annually by Parliament. The Trust ensures that it has sufficient cash or committed loan facilities to meet all its commitments when they fall due. This is regulated by the Trust's compliance with the 'Continuity of Services Risk Rating' system created by NHSE, the Independent Regulator of NHS Foundation Trusts. The Trust is not, therefore, exposed to significant liquidity risks.

25 **Carrying value and fair value of financial assets - Group**

Carrying value and fair value of financial assets - 31 March 2026	Held at amortised cost £000	Held at fair value through P&L £000	Held at fair value through OCI £000	Total book value £000
Financial assets per the SoFP:				
Trade and other receivables excluding non-financial assets	26,753	-	-	26,753
Cash and cash equivalents (at bank and in hand)	67,580	-	-	67,580
Total as at 31 March 2026	94,333	-	-	94,333

Carrying value and fair value of financial assets - 31 March 2025	Held at amortised cost £000	Held at fair value through P&L £000	Held at fair value through OCI £000	Total book value £000
Financial assets per the SoFP:				
Trade and other receivables excluding non-financial assets	19,954	-	-	19,954
Cash and cash equivalents (at bank and in hand)	86,352	-	-	86,352
Total as at 31 March 2025	106,306	-	-	106,306

25.1 **Carrying value and fair value of financial assets - Trust**

Carrying value and fair value of financial assets - 31 March 2026	Held at amortised cost £000	Held at fair value through P&L £000	Held at fair value through OCI £000	Total book value £000
Financial assets per the SoFP:				
Trade and other receivables excluding non-financial assets	89,965	-	-	89,965
Cash and cash equivalents (at bank and in hand)	56,559	-	-	56,559
Total as at 31 March 2026	146,524	-	-	146,524

Carrying value and fair value of financial assets - 31 March 2025	Held at amortised cost £000	Held at fair value through P&L £000	Held at fair value through OCI £000	Total book value £000
Financial assets per the SoFP:				
Trade and other receivables excluding non-financial assets	80,899	-	-	80,899
Cash and cash equivalents (at bank and in hand)	81,732	-	-	81,732
Total as at 31 March 2025	162,631	-	-	162,631

26 **Carrying value and fair value of financial liabilities - Group**

Carrying value and fair value of financial liabilities - 31 March 2026	Held at amortised cost £000	Held at fair value through P&L £000	Total book value £000
Financial liabilities per the SoFP:			
Loans from the Department of Health and Social Care	21,120	-	21,120
Obligations under leases	6,628	-	6,628
Obligations under PFI, LIFT and other service concessions	81,915	-	81,915
Trade and other payables excluding non financial liabilities	59,371	-	59,371
Total as at 31 March 2026	169,034	-	169,034

Carrying value and fair value of financial liabilities - 31 March 2025	Held at amortised cost £000	Held at fair value through P&L £000	Total book value £000
Financial liabilities per the SoFP:			
Loans from the Department of Health and Social Care	23,338	-	23,338
Obligations under leases	6,066	-	6,066
Obligations under PFI, LIFT and other service concessions	82,373	-	82,373
Trade and other payables excluding non financial liabilities	78,047	-	78,047
Total as at 31 March 2025	189,824	-	189,824

26.1 **Carrying value and fair value of financial liabilities - Trust**

Carrying value and fair value of financial liabilities - 31 March 2026	Held at amortised cost £000	Held at fair value through P&L £000	Total book value £000
Financial liabilities per the SoFP:			
Loans from the Department of Health and Social Care	21,120	-	21,120
Obligations under leases	79,236	-	79,236
Obligations under PFI, LIFT and other service concessions	81,915	-	81,915
Trade and other payables excluding non financial liabilities	58,670	-	58,670
Total as at 31 March 2026	240,941	-	240,941

Carrying value and fair value of financial liabilities - 31 March 2025	Held at amortised cost £000	Held at fair value through P&L £000	Total book value £000
Financial liabilities per the SoFP:			
Loans from the Department of Health and Social Care	23,338	-	23,338
Obligations under leases	82,358	-	82,358
Obligations under PFI, LIFT and other service concessions	82,373	-	82,373
Trade and other payables excluding non financial liabilities	76,763	-	76,763
Total as at 31 March 2025	264,832	-	264,832

The fair value on all these financial assets and financial liabilities equates to their carrying value.

26.2 **Maturity of financial liabilities - Group**

The following maturity profile of financial liabilities is based on the contractual undiscounted cash flows. This differs to the amounts recognised in the statement of financial position which are discounted to present value.

Maturity of financial liabilities - 31 March 2026	Total	PFI & lease liabilities	DHSC Loans	Trade & other payables: DHSC group bodies	Trade & other payables: other bodies
	£000	£000	£000	£000	£000
Financial liabilities fall due in:					
In one year or less	70,022	7,691	3,008	4,088	55,235
In more than one year but not more than five years	42,212	31,067	11,145	-	-
In more than five years	100,742	89,821	10,921	-	-
Total as at 31 March 2026	212,976	128,579	25,074	4,088	55,235

The following maturity profile of financial liabilities is based on the contractual undiscounted cash flows. This differs to the amounts recognised in the statement of financial position which are discounted to present value.

Maturity of financial liabilities - 31 March 2025	Total	PFI & lease liabilities	DHSC Loans	Trade & other payables: DHSC group bodies	Trade & other payables: other bodies
	£000	£000	£000	£000	£000
Financial liabilities fall due in:					
In one year or less	89,433	8,292	3,096	18,864	59,181
In more than one year but not more than five years	40,276	28,775	11,501	-	-
In more than five years	107,212	93,640	13,572	-	-
Total as at 31 March 2025	236,921	130,707	28,169	18,864	59,181

26.3 **Maturity of financial liabilities - Trust**

The following maturity profile of financial liabilities is based on the contractual undiscounted cash flows. This differs to the amounts recognised in the statement of financial position which are discounted to present value.

Maturity of financial liabilities - 31 March 2026	Total	PFI & lease liabilities	DHSC Loans	Trade & other payables: DHSC group bodies	Trade & other payables: other bodies
	£000	£000	£000	£000	£000
Financial liabilities fall due in:					
In one year or less	70,964	12,133	3,008	4,088	51,735
In more than one year but not more than five years	55,540	44,395	11,145	-	-
In more than five years	162,193	151,272	10,921	-	-
Total as at 31 March 2026	288,697	207,800	25,074	4,088	51,735

The following maturity profile of financial liabilities is based on the contractual undiscounted cash flows. This differs to the amounts recognised in the statement of financial position which are discounted to present value.

Maturity of financial liabilities - 31 March 2025	Total	PFI & lease liabilities	DHSC Loans	Trade & other payables: DHSC group bodies	Trade & other payables: other bodies
	£000	£000	£000	£000	£000
Financial liabilities fall due in:					
In one year or less	94,188	14,329	3,096	18,864	57,899
In more than one year but not more than five years	56,813	45,312	11,501	-	-
In more than five years	181,115	167,543	13,572	-	-
Total as at 31 March 2025	332,116	227,184	28,169	18,864	57,899

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 110 cases of losses and special payments totalling £223k during the year to March 31 2026 (73 cases totalling £150k during the year to March 31 2025). These amounts are reported on an accruals basis but excluding provisions for future losses.

Losses and special payments (approved cases only)	2025/26 Total No. of cases Number	2025/26 Total value of cases £000	2024/25 Total no. of cases Number	2024/25 Total value of cases £000
Losses:				
Losses of cash due to :				
Theft, fraud etc	2	1	4	1
Fruitless payments and constructive losses			-	-
Bad debts and claims abandoned in relation to :				
Other	65	73	38	69
Damage to buildings, property etc. (including stores losses) due to:				
Theft, fraud etc	-	-	-	-
Store losses	12	115	12	39
Other	-	-	-	-
Total Losses	79	189	54	109
Special payments :				
Compensation under legal obligation	10	25	4	38
Ex gratia payments; in respect of; loss of personal effects	21	9	15	3
Special severance payments	-	-	-	-
Other employment payments	-	-	-	-
Overtime corrective payments	-	-	-	-
Total special payments	31	34	19	41
Total losses and special payments	110	223	73	150

28 **Pensions**

Past and present employees are covered by the provisions of the 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 the 1995/2008 and 2015 schemes are accounted for, and the scheme liability valued, as a single combined scheme. 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 2026, is based on valuation data as at 31 March 2024, updated to 31 March 2026 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 Statement by the Actuary, which forms part of the annual NHS Pension Scheme Annual Report and 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 (considering recent demographic experience), and to recommend the contribution rate payable by employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2020. The results of this valuation set the employer contribution rate payable from 1 April 2024 to 23.7% of pensionable pay. The core cost cap cost of the scheme was calculated to be outside of the 3% cost cap corridor as at 31 March 2020. However, when the wider economic situation was taken into account through the economic cost cap cost of the scheme, the cost cap corridor was not similarly breached. As a result, there was no impact on the member benefit structure or contribution rates.

The 2024 actuarial valuation is currently being prepared and will be published before new contribution rates are implemented from April 2027.

The projected employer pension expense for the year ending 31 March 2027 is £29,761k.

28.1 **Pensions (continued)**

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). There are currently 155 employees enrolled in this service as at 31 March 2026.

The projected employer pension expense for the year ending 31 March 2027 is £56k.

28.2 **Pensions (continued)**

LGPS Pension Scheme

The West Midlands Pension Fund works in partnership with over 800 participating employers to support pension saving and provide benefits to 340,000 members and employees who provide public services, which support communities across the West Midlands.

Our mission is to provide sustainable futures for all – engaging our customers in retirement planning, ensuring efficient pension administration and return on contributions through responsible investment and influence for positive environmental and social benefit, all of which deliver long term benefit promises.

The Trust currently has 2 active members of this scheme.

The projected employer pension expense for the year ending 31 March 2027 is £29k.

29

Corporation Tax Expense - Group	2025/26 £000	2024/25 £000
UK corporation tax expense	482	431
Adjustment in respect of prior years	(46)	(412)
Current tax expense	436	19
Origination and reversal of temporary differences	(538)	(388)
Deferred tax expense	(538)	(388)
Total income tax expense in statement of comprehensive income	(102)	(369)
Reconciliation of effective tax charge		
Effective tax charge percentage	69	129
Tax if effective tax rate charged on surpluses before tax	69	129
Effect of :		
Surpluses not subject to tax	-	-
Non-deductible expenses	413	302
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	482	431

30

Deferred tax asset / liability - Group	2025/26 £000	2024/25 £000
Deferred tax asset to be recovered after > 12 months	292	247
Deferred tax liability to be recovered after > 12 months	-	-
Total deferred tax asset / Liability	292	247

Annual accounts
Documents prepared by the FT to show its financial position. Detailed requirements for the annual accounts are set out in the DHSC Group Accounting Manual , published by NHS England. 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 DHSC, 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 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.

DHSC Group Accounting Manual (GAM)
The key document, published annually by DHSC, 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.

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
DHSC 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 DHSC

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.

Birmingham and Solihull Mental Health NHS Foundation Trust
March 31 2026
Notes to the financial statements

Noted	Meaning
"k"	'000
" £ m"	'000000
" '000 "	'000

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Birmingham. B13 8QY
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