

Registered number: 10762047

BIRMINGHAM CHILDREN'S TRUST COMMUNITY INTEREST COMPANY
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021



BIRMINGHAM CHILDREN'S TRUST COMMUNITY INTEREST COMPANY
(A Company Limited by Guarantee)

COMPANY INFORMATION

Directors	A G Christie A J Couldrick B C Carr B K Dhanoa J P Glasby R E Harker C J Horwath E M Stafford J L Turnross D J Stringfellow L A K Yale-Helms
Registered number	10762047
Registered office	Third Floor, Zone 16 1 Lancaster Circus Birmingham B4 7DJ
Independent auditor	Crowe U.K. LLP Black Country House Rounds Green Road Oldbury West Midlands B69 2DG

BIRMINGHAM CHILDREN'S TRUST COMMUNITY INTEREST COMPANY
(A Company Limited by Guarantee)

CONTENTS

	<i>Page</i>
Strategic Report	1 - 6
Directors' Report	7 - 10
Independent Auditor's Report	11 - 14
Statement of Comprehensive Income	15
Balance Sheet	16
Statement of Changes in Equity	17
Statement of Cash Flows	18
Analysis of Net Debt	19
Notes to the Financial Statements	20 - 33

BIRMINGHAM CHILDREN'S TRUST COMMUNITY INTEREST COMPANY
(A Company Limited by Guarantee)

STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2021

Background to the Trust

Birmingham Children's Trust ("the Trust") was set up as a company limited by guarantee on 9 May 2017 wholly owned by Birmingham City Council ("the Council"). It commenced full operation on 1 April 2018 and converted to a community interest company on 24 October 2018. The move to set up an operationally independent company by the Council was in response to the formal intervention by the Department for Education ("DfE") following years of under achievement in children's care services and a number of monitoring visits during 2015 and 2016 by the Office for Standards in Education ("Ofsted") which continued to rate the Council's services as "Inadequate".

Performance

The Trust was the subject of a full inspection under the Inspection of Local Authority Children's Services (ILACS) framework back in 2018 and was rated as "Requires Improvement to be Good". The Trust is also defined as both an Independent Fostering Agency (IFA) and a Voluntary Adoption Agency (VAA). The separate inspections of Fostering rated the IFA as "Good" and the VAA for Adoption services as "Good".

A Focused Visit by Ofsted in February reported continued improvement in the services delivered by the Trust. Headlines from a second Focused Visit revealed that continued improvements in children's social care are being made, recognising almost all social work interactions continue to be conducted face-to-face, despite the pandemic. The published Focused Visit letter highlighted the following:

Our Trust Development Plan, established to capture our response to the 2018 Ofsted ILACS inspection and related improvement activity, outlined our key priorities as follows:

- On services for children in care with disabilities: 'Children in care who have a disability are in stable and well-matched placements. They benefit from consistent care which meets their complex physical and emotional needs. Social workers develop meaningful relationships with children and use a range of communication techniques to understand children's needs.'
- On extended families: 'Every effort is made to support children to be cared for within their extended family.'
- On rights and participation: 'Children in care can participate in the Children in Care Council (CiCC) and engage with a range of projects and activities which actively benefit other children, for example the perinatal pathway work, breaking the cycle, and the children's placement forms refresh.'
- On unaccompanied asylum-seeking children: 'Unaccompanied asylum-seeking children receive a responsive and sensitive service, which ensures that their needs are well met by social workers who have developed knowledgeable specialist expertise.'
- On exploitation and missing: 'When children go missing, return home interviews are routinely offered. When exploitation risks are identified, they are addressed well in conjunction with the specialist service Empower U and the wider professional network. Direct work undertaken by social workers helps children understand grooming and exploitation risks.'
- On children's health: 'Physical health is addressed in detail through children's plans. Children's mental health and emotional needs improve through accessing in-house therapeutic emotional support service (TESS) which social workers can access for children in care.'
- On academic and vocational progress: 'Children make positive progress and are well supported to have high aspirations and achieve in school and college. Older children are supported to consider their education and employment options, whether these be apprenticeships, college, or university. The range of apprenticeship

BIRMINGHAM CHILDREN'S TRUST COMMUNITY INTEREST COMPANY
(A Company Limited by Guarantee)

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

opportunities created both within the trust, the council and beyond is a positive development that is increasing opportunities, and children are beginning to benefit from this.'

Under the terms of the service contract with the Council a number of Key Performance Indicators (KPIs) are used to measure the performance of the Trust. A summary of performance during the year is provided in the table below, together with comparisons against other statistical neighbours and/or the West Midlands where available.

For the third year in a row, performance against the contract performance indicators has been strong all year.

No.	Indicator	Position as at March 2021	Previous 12 Months	Statistical Neighbours Average	National Average
KPI 1	% of all referrals with a decision within 24 hours	78%	83%	N/A	N/A
KPI 2	% of re-referrals to children's social care within twelve months	21%	22%	21%	23%
KPI 3	% assessments completed within 45 working days	89%	88%	82%	84%
KPI 4	% Initial CP Conferences (ICPCs) held within 15 working days	87%	84%	74%	78%
KPI 5	% of children who become the subject of a CP plan for a second or subsequent time within the last two years	13%	12%	N/A	N/A
KPI 6	% of children (under 16 years) who have been looked after for 2.5 years or more, and in the same placement (or placed for adoption) continuously for 2 years or more	76%	73%	67%	69%
KPI 7	% of children experiencing three or more moves in a year	2%	2%	11%	11%
KPI 8	% of looked after reviews held on time	96%	96%	N/A	N/A
KPI 9	% of care leavers who are in Education, Employment, and Training	62%	63%	53%	53%
KPI 10	% of care leavers (aged 19-21) who are living in suitable accommodation	95%	94%	85%	85%
KPI 11	Average time between a child coming into care and being placed with an adoptive family	504 days	508 days	547 days	486 days
KPI 12	No. of children who have been adopted in the year	70	94	N/A	N/A
KPI 13	% of agency social workers (including team managers)	17% ¹	12%	20%	16%
KPI 14	Average caseload of qualified social workers	18	17	18	17
KPI 15	% of social workers who have had supervision (in month)	90%	86%	N/A	N/A

¹ Impacted by levels of sickness linked to Covid-19.

BIRMINGHAM CHILDREN'S TRUST COMMUNITY INTEREST COMPANY
(A Company Limited by Guarantee)

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Principal risks and uncertainties

A review of the strategic risk register was undertaken in February 2021 which identified the seven strategic risks as follows:

- Council as commissioner - change in executive leadership and policy uncertainty.
- Human Resources – recruitment, retention and welfare of staff.
- Covid-19 – legacy demand impact.
- significant incident for child in Trust's care.
- regulatory failure – Ofsted inspection or other non-compliance.
- data intelligence and use of the data.
- development of the Trust – delivery against the Trust Development Plan and work with partners.

Risk Management

The Trust continues to actively manage risk through its strategic risk register which is updated routinely and monitored throughout the year by the Executive and Non-Executive Directors.

The strategic risk register is presented to the Finance & Resources Committee each quarter and the Committee undertakes deep dives of specific risks. The strategic risk register is informed by a series of service risk registers across the Trust.

Financial Management

The key pressure for the Trust remains demand pressure arising from changes in the care population in terms of both numbers of children in care, age profile and complexity of need. This was coupled with a continued lack of sufficiency of local placements to meet the demand for children in care and care leavers.

The combined pressure of demand and a lack of sufficiency of local placements resulted in a cost variance against external placements of £3m. The Trust was able to mitigate some of this pressure and deliver savings which resulted in an overall balanced outcome for 2020/21 in line with the budget. This followed a £7m overspend in 2019/20 and the Council agreeing to a permanent increase in funding of £6.1m into 2020/21.

Birmingham remains below both its statistical and West Midlands neighbours in both spend and rate of children in care despite recent increases in the children in care numbers.

The Trust appointed the Chartered Institute of Public Finance & Accountancy (CIPFA) to commence an independent review of financial management in January 2020 using their national assessment framework. CIPFA has rated the Trust as having "strong financial management in place". The Trust has now implemented an action plan on the back of the recommendations from CIPFA's report in order to further strengthen financial management across the organisation.

Spend in respect of Covid-19 up to 31 March 2021 was £2.1m and the Trust was reimbursed in full by the Council under the terms of the contract and the emergency grant arrangements in place with Central Government. Covid-19 funding is expected to carry on until March 2022.

In 2020/21 the Trust continued to make use of the Troubled Families programme and managed to set aside

BIRMINGHAM CHILDREN'S TRUST COMMUNITY INTEREST COMPANY
(A Company Limited by Guarantee)

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

£2.2m of "payment by results" monies to be carried forward into 2021/22 in order to offset the cost of future activity.

A reconciliation of net operational spend to the reported comprehensive loss for the year is provided below.

Reconciliation of net operational surplus to reported total comprehensive (loss) for the year

	£'000
Net operational surplus (against budget)	-
Movement in retained earnings	2,966
Movement in pensions reserves	(78,835)
Amortisation of intangible lease assets	(658)
Total comprehensive (loss) for the year	<u>(76,527)</u>

The Trust had closing negative reserves of £140.1m as at 31 March 2021. This includes a pensions liability of £151.5m and a positive reserve to ring-fence the intangible lease asset of £4.6m. The movement in the net pension liability (net of gains) during 2020/21 under FRS 102 was estimated to be £78.8m, increasing the acquired net pension liability to £151.5m. The pension scheme was transferred to the Trust on 1 April 2018 and was fully funded on an ongoing actuarial basis. However, under FRS 102 there is a liability. The pension liability represents a long-term liability. The Directors believe that the Trust will be able to make timely payments against the future annual commitments arising on this liability. The pensions liability is not therefore considered to impact on the Going Concern basis used in the preparation of these financial statements.

Statement by the directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006

Governance

The Trust is owned by, but independent from, Birmingham City Council. A Trust Board, consisting of a chair and seven non-executive directors, is responsible for setting the strategic aims of the Trust, overseeing the management of the business and holding the Executive Team to account. It is the responsible body for the performance of the Trust in terms of delivering its legal and contractual obligations and achieving outcomes for children in Birmingham.

The Chair of the Board is also independent and appointed by the Secretary of State for Education. The Trust Board of Directors has a wide portfolio of expertise and knowledge in children's services, commercial, financial and other disciplines. The Board provides support and challenge on the direction and strategy of the Trust and in fulfilling its role has established the following committees:

- Finance and Resources;
- Performance and Quality Assurance; and
- Workforce.

The Trust's Executive Directors consist of the Chief Executive, the Director of Practice, the Director of Commissioning & Corporate Parenting and the Director of Finance & Resources. The Executive provides management oversight of operational activities of the Trust under a scheme of delegation approved by the Trust Board.

BIRMINGHAM CHILDREN'S TRUST COMMUNITY INTEREST COMPANY
(A Company Limited by Guarantee)

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

The Trust produces a Business Plan each year which sets out its priorities and an Annual Report which reviews its performance against the Plan and a series of key performance indicators (see page 2). The Business Plan and Annual Report are focused on delivering better outcomes for children and young people.

Stakeholder engagement

The company's stakeholders are:

- Primarily children, young people and families;
- Employees;
- Other stakeholder relationships include the company's member Birmingham City Council, the Police, NHS, schools, voluntary sector and the Department for Education;
- The company's directors are regularly engaged throughout the year particularly through the formal Board and committee arrangements and development activity.

The relationship with children, young people and families and how we engage and gain feedback is mainly through our Children in Care Council (CICC) and Care Leavers Forum (CLF). Our CICC and CLF hold the Trust to account, and they have challenged the Trust, praised the Trust and worked alongside the Trust to make sure that children and young people's views and experiences are always central to its thinking.

The employees of the Trust represent a wide range of disciplines from social workers, family support workers and support service staff. The Trust engages with staff on a regular basis through the Employee Forum, Health & Wellbeing Forum and staff surveys, including the annual social worker health check. Staff survey responses indicated a high degree of pride in the work of the Trust and its impact, managers who are caring and motivated, good team relationships and regular opportunities for training and development.

The Trust's Workforce Development Strategy recognises the importance of pay and rewards and providing learning and development opportunities for our staff. Recent feedback from Ofsted as part of the Focused Visit was that morale was good. Staff feel listened to and proud to work for Birmingham Children's Trust.

The Trust promotes fairness in all its activities and, as exemplified in the recent Gender Pay Gap Report, performs significantly better than many organisations. The Trust is also a strong promoter of diversity across race, gender, sexual orientation and religion.

Maintaining high quality standards

The Trust is subject to independent inspection from Ofsted and at the last Focused Visit in February 2020 highlighted the significant progress the Trust had made. The Trust's Development Plan is refreshed each year and sets out the clear priorities for improvement with clear timescales and responsibilities in terms of accountability and responsibility.

The Trust's residential children's homes are subject to Ofsted inspection on a regular basis and an assurance visit for Fostering was undertaken in December 2020. The Trust is also subject to independent inspection in Adoption and Youth Offending Services.

Directors' statement of compliance with duty to promote the success of the Group

The Directors promote its achievements and success in the name of the Trust and Birmingham City Council its owner.

BIRMINGHAM CHILDREN'S TRUST COMMUNITY INTEREST COMPANY
(A Company Limited by Guarantee)

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

This report was approved by the board on 17/12/2021

and signed on its behalf.



L A K Yale-Helms
Director

BIRMINGHAM CHILDREN'S TRUST COMMUNITY INTEREST COMPANY
(A Company Limited by Guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

The directors present their report and the financial statements for the year ended 31 March 2021.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results

The Trust is a not-for-profit community interest company limited by guarantee. The Trust is wholly owned by Birmingham City Council ("the Council") and under the terms of the Articles of Association there is no provision for a dividend.

The operational profit for the year, after taxation, amounted to £nil (2020 - profit of £60k). A reconciliation to the reported comprehensive loss is included on Page 4 of the Strategic Report.

The movement in the net pension liability during 2020/21 under FRS102 was estimated to be £78.8m increasing the net pension liability to £151.5m. The budgetary forecasts for the Trust confirm their ability to meet the ongoing annual funding commitments, as set by the actuary, to the pension fund. The net pension liability at the end of the contract period will transfer back to the Council as owner of the Trust. The directors of the Trust therefore do not believe that the pension liability impacts the Trust's adoption of the going concern basis for purposes of these financial statements.

BIRMINGHAM CHILDREN'S TRUST COMMUNITY INTEREST COMPANY
(A Company Limited by Guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Directors

The directors who served during the year and up to the signing of these financial statements were:

A G Christie - Chairman
A J Couldrick - Executive Director & Chief Executive
B C Carr - Non Executive Director
B K Dhanoa - Non Executive Director
J P Glasby - Non Executive Director
R E Harker - Non Executive Director
C J Horwath - Non Executive Director
E M Stafford - Non Executive Director
J Tew - Non Executive Director (resigned 9 September 2021)
J L Turnross - Executive Director
D J Stringfellow - Executive Director
L A K Yale-Helms - Executive Director

Going concern

The Trust is funded by Birmingham City Council under the terms of a Service Delivery Contract which was set up from 1 April 2018. A statutory directive remains in place with the Council in respect of the scope of the services provided under the Service Delivery Contract. The Department for Education remains committed to the model of children's trusts as has been demonstrated by their intervention with other local authorities.

The Service Delivery Contract which is for a period of 10 years is subject to a five-year review. The Trust is now in its fourth operational year and continues to deliver against its key performance indicators, and the most recent Ofsted assurance visit, again highlighted the improvements in social work practice.

At 31 March 2021 the Trust recorded a balanced outturn against budget in line with its aims of being a not-for-profit community interest company.

Each year the Trust is required to agree the contract sum with the Council which for 2020/21 was agreed by 31 March 2020. In recognition of the demand pressures from the increase in the care population the Council agreed to a permanent increase of £6.1m in the contract sum for 2020/21 onwards.

The Trust provides a range of statutory services on behalf of the Council, and despite the financial difficulties caused by the pandemic, children's social care services continue to be classified as essential services and a priority for the City. The Trust has submitted its proposed contract sum for 2022/23 to the Council which is expected to be approved at Cabinet in February 2022 and will amount to an overall increase in the contract sum after taking into account inflation.

The cash flow position of the Trust remains strong as a result of the timing of the contract payment mechanisms between the Council and Trust.

The Board continues to provide oversight and challenge of the Trust's financial position and monthly financial reports are now provided to the Council.

On this basis, it is the opinion of the directors, having considered the financial projections and demand risk in the medium term, that sufficient working capital exists to meet the ongoing operational activity of the Trust for the coming twelve months. Accordingly, the Financial Statements of the Trust are prepared on the basis of a going concern.

BIRMINGHAM CHILDREN'S TRUST COMMUNITY INTEREST COMPANY
(A Company Limited by Guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Energy and emissions report

As a result of the pandemic a decision was taken to close a number of buildings for a period of time in order to save on energy costs. An indirect benefit of the period of lockdown was a reduction in the amount of business travel due to only undertaking essential home visits to children and families.

Greenhouse gas emissions and energy use data for the period 1 April 2020 to 31 March 2021

	2020/21	2019/20
Energy consumption used to calculate emissions (kWh)	5,086,290	6,409,879
Energy consumption break down (kWh):		
• gas	2,811,089	3,388,914
• electricity	1,443,235	1,471,685
• transport fuel	831,966	1,549,280
Scope 1 emissions in metric tonnes CO₂e		
Gas consumption	516.9	623.1
Scope 2 emissions in metric tonnes CO₂e		
Purchased electricity	336.5	343.1
Scope 3 emissions in metric tonnes CO₂e		
Business travel in employee owned vehicles	200.6	373.6
Total gross emissions in metric tonnes CO ₂ e	1,054.0	1,339.8
Intensity ratio Tonnes CO ₂ e per child in care	0.54	0.68

Directors Interests

The Directors are required to disclose any business interested that may conflict with their responsibilities as officers of the Trust.

Business interests of Directors where transactions have arisen in the year have been disclosed in note 20 to the financial statements.

Engagement with suppliers, customers and others

The company's stakeholders are:

- Primarily children, young people and families;
- Employees;
- Other stakeholder relationships include the company's member Birmingham City Council, the Police, NHS, schools, voluntary sector and the Department for Education;
- The company's directors are regularly engaged throughout the year particularly through the formal Board and committee arrangements and development activity.

BIRMINGHAM CHILDREN'S TRUST COMMUNITY INTEREST COMPANY
(A Company Limited by Guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

The relationship with children, young people and families and how we engage and gain feedback is mainly through our Children in Care Council (CICC) and Care Leavers Forum (CLF). Our CICC and CLF hold the Trust to account, and they have challenged the Trust, praised the Trust and worked alongside the Trust to make sure that children and young people's views and experiences are always central to its thinking.

The employees of the Trust represent a wide range of disciplines from social workers, family support workers and support service staff. The Trust engages with staff on a regular basis through the Employee Forum, Health & Wellbeing Forum and staff surveys, including the annual social worker health check. Staff survey responses indicated a high degree of pride in the work of the Trust and its impact, managers who are caring and motivated, good team relationships and regular opportunities for training and development.

The Trust's Workforce Development Strategy recognises the importance of pay and rewards and providing learning and development opportunities for our staff. Recent feedback from Ofsted as part of the Focused Visit was that morale was good. Staff feel listened to and proud to work for Birmingham Children's Trust.

The Trust promotes fairness in all its activities and, as exemplified in the recent Gender Pay Gap Report, performs significantly better than many organisations. The Trust is also a strong promoter of diversity across race, gender, sexual orientation and religion.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

The financial impact of Covid-19 into 2021/22 is estimated at £1.3m. The Council has confirmed that these costs would be reimbursed under the contract given the costs incurred by the Trust relate to statutory and other essential services and have been matched by the additional grant funding the Council has received from the Government.

This report was approved by the board on 17/12/2021

and signed on its behalf.



L A K Yale-Helms
Director

BIRMINGHAM CHILDREN'S TRUST COMMUNITY INTEREST COMPANY
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BIRMINGHAM CHILDREN'S TRUST
COMMUNITY INTEREST COMPANY**

Opinion

We have audited the financial statements of Birmingham Children's Trust Community Interest Company (the 'Company') for the year ended 31 March 2021, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2021 and of its profit after Other Comprehensive Income for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies 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 Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

BIRMINGHAM CHILDREN'S TRUST COMMUNITY INTEREST COMPANY
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BIRMINGHAM CHILDREN'S TRUST
COMMUNITY INTEREST COMPANY (CONTINUED)**

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 7, the directors are 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 directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going

BIRMINGHAM CHILDREN'S TRUST COMMUNITY INTEREST COMPANY
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BIRMINGHAM CHILDREN'S TRUST
COMMUNITY INTEREST COMPANY (CONTINUED)**

concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. 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 identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the Trust operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, FRS 102 and Community Interest Company Regulations.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Trust's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Trust for fraud.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and internal audit about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with Ofsted, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

BIRMINGHAM CHILDREN'S TRUST COMMUNITY INTEREST COMPANY
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BIRMINGHAM CHILDREN'S TRUST
COMMUNITY INTEREST COMPANY (CONTINUED)**

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.

Use of our report

This report is made solely to the Company's shareholders, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's shareholders 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 Company and the Company's shareholders, as a body, for our audit work, for this report, or for the opinions we have formed.



Kerry Brown (Senior Statutory Auditor)

for and on behalf of
Crowe U.K. LLP

Statutory Auditor

Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date: 20 December 2021

BIRMINGHAM CHILDREN'S TRUST COMMUNITY INTEREST COMPANY
(A Company Limited by Guarantee)

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021 £000	2020 £000
Turnover	4	213,455	212,413
Operating expenses		(219,435)	(222,050)
Operating loss		(5,980)	(9,637)
Interest receivable and similar income	8	18	224
Interest payable and similar expenses	9	(1,811)	(2,031)
Loss before taxation		(7,773)	(11,444)
Loss for the financial year		(7,773)	(11,444)
Actuarial (losses)/gains for the year	18	(68,754)	19,445
Other comprehensive income for the year		(68,754)	19,445
Total comprehensive (loss)/profit for the year		(76,527)	8,001

The notes on pages 20 to 33 form part of these financial statements.

BIRMINGHAM CHILDREN'S TRUST COMMUNITY INTEREST COMPANY
(A Company Limited by Guarantee)
REGISTERED NUMBER: 10762047

BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £000	2020 £000
Fixed assets			
Intangible assets	11	4,606	5,264
Current assets			
Debtors: amounts falling due within one year	12	6,385	13,741
Cash at bank and in hand	13	31,176	20,545
		<u>37,561</u>	<u>34,286</u>
Creditors: amounts falling due within one year	14	(20,815)	(20,506)
Net current assets		<u>16,746</u>	<u>13,780</u>
Total assets less current liabilities		<u>21,352</u>	<u>19,044</u>
Creditors: amounts falling due after more than one year	15	(10,000)	(10,000)
Net assets excluding pension scheme liabilities		<u>11,352</u>	<u>9,044</u>
Pension liability	18	(151,482)	(72,647)
Net liabilities including pension scheme liabilities		<u>(140,130)</u>	<u>(63,603)</u>
Capital and reserves			
Lease asset reserve	16	4,606	5,264
Pension liability reserve	16	(151,482)	(72,647)
Retained earnings	16	6,746	3,780
		<u>(140,130)</u>	<u>(63,603)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17/12/2021



L A K Yale-Helms
Director

The notes on pages 20 to 33 form part of these financial statements.

BIRMINGHAM CHILDREN'S TRUST COMMUNITY INTEREST COMPANY
(A Company Limited by Guarantee)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021**

	Lease asset reserve £000	Pension liability reserve £000	Retained earnings £000	Total equity £000
At 1 April 2020	5,264	(72,647)	3,780	(63,603)
Comprehensive income for the year				
(Loss)/Profit for the year	(658)	(10,081)	2,966	(7,773)
Actuarial losses on pension scheme	-	(68,754)	-	(68,754)
At 31 March 2021	4,606	(151,482)	6,746	(140,130)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020**

	Lease asset reserve £000	Pension liability reserve £000	Retained earnings £000	Total equity £000
At 1 April 2019	5,922	(80,605)	3,079	(71,604)
Comprehensive income for the year				
(Loss)/Profit for the year	(658)	(11,487)	701	(11,444)
Actuarial gains on pension scheme	-	19,445	-	19,445
At 31 March 2020	5,264	(72,647)	3,780	(63,603)

The notes on pages 20 to 33 form part of these financial statements.

BIRMINGHAM CHILDREN'S TRUST COMMUNITY INTEREST COMPANY
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	2021	2020
	£000	£000
Cash flows from operating activities		
Loss for the financial year	(7,773)	(11,444)
Adjustments for:		
Amortisation of intangible assets	658	658
Interest paid	1,811	2,031
Interest received	(18)	(224)
Decrease in debtors	7,356	28,478
Increase/(decrease) in creditors	309	(41,984)
Difference between pension charge and cash contribution	10,081	11,487
Net cash generated from/(used in) operating activities	12,424	(10,998)
Cash flows from investing activities		
Interest received	18	224
Net cash from investing activities	18	224
Cash flows from financing activities		
Other new loans	-	6,000
Interest paid	(1,811)	(2,031)
Net cash (used in)/generated from financing activities	(1,811)	3,969
Net increase/(decrease) in cash and cash equivalents	10,631	(6,805)
Cash and cash equivalents at beginning of year	20,545	27,350
Cash and cash equivalents at the end of year	31,176	20,545
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	31,176	20,545
	31,176	20,545

The notes on pages 20 to 33 form part of these financial statements.

BIRMINGHAM CHILDREN'S TRUST COMMUNITY INTEREST COMPANY
(A Company Limited by Guarantee)

ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 MARCH 2021

	At 1 April 2020 £000	Cash flows £000	At 31 March 2021 £000
Cash at bank and in hand	20,545	10,631	31,176
Debt due after 1 year	(10,000)	-	(10,000)
	<u>10,545</u>	<u>10,631</u>	<u>21,176</u>

The notes on pages 20 to 33 form part of these financial statements.

BIRMINGHAM CHILDREN'S TRUST COMMUNITY INTEREST COMPANY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. General information

Birmingham Children's Trust Community Interest Company is a community interest company incorporated in England and Wales. The registered office is Third Floor, Zone 16, 1 Lancaster Circus, Queensway, Birmingham, B4 7DJ. The company is limited by guarantee and is wholly owned by Birmingham City Council ("the Council"). The company's registered number is 10762047.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

Birmingham Children's Trust Community Interest Company meets the definition of a public benefit entity under FRS 102.

As at 1 April 2018, the date of acquisition, the activity of the Trust was transferred from Birmingham City Council, who remain the Trust's ultimate controlling party (see note 22).

The excess of the fair value of the liabilities assumed over the fair value of the assets received has been recognised as an exceptional loss in income and expenditure. This exceptional loss represents the net obligations assumed, for which the Trust has not received a financial reward, so shall be recognised as an expense.

The following principal accounting policies have been applied:

2.2 Going concern

The Trust is funded by Birmingham City Council under the terms of a Service Delivery Contract which was set up from 1 April 2018. A statutory directive remains in place with the Council in respect of the scope of the services provided under the Service Delivery Contract. The Department for Education remains committed to the model of children's trusts as has been demonstrated by their intervention with other local authorities.

The Service Delivery Contract which is for a period of 10 years is subject to a five-year review. The Trust is now in its fourth operational year and continues to deliver against its key performance indicators, and the most recent Ofsted assurance visit, again highlighted the improvements in social work practice.

At 31 March 2021 the Trust recorded a balanced outturn against budget in line with its aims of being a not-for-profit community interest company.

Each year the Trust is required to agree the contract sum with the Council which for 2020/21 was agreed by 31 March 2020. In recognition of the demand pressures from the increase in the care population the Council agreed to a permanent increase of £6.1m in the contract sum for 2020/21 onwards.

BIRMINGHAM CHILDREN'S TRUST COMMUNITY INTEREST COMPANY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.2 Going concern (continued)

The Trust provides a range of statutory services on behalf of the Council, and despite the financial difficulties caused by the pandemic, children's social care services continue to be classified as essential services and a priority for the City. The Trust has submitted its proposed contract sum for 2022/23 to the Council which is expected to be approved at Cabinet in February 2022 and will amount to an overall increase in the contract sum after taking into account inflation.

The cash flow position of the Trust remains strong as a result of the timing of the contract payment mechanisms between the Council and Trust.

The Board continues to provide oversight and challenge of the Trust's financial position and monthly financial reports are now provided to the Council.

On this basis, it is the opinion of the directors, having considered the financial projections and demand risk in the medium term, that sufficient working capital exists to meet the ongoing operational activity of the Trust for the coming twelve months. Accordingly, the Financial Statements of the Trust are prepared on the basis of a going concern.

2.3 Assets and investments

The Trust did not hold any tangible fixed assets or investments in the period up to 31 March 2021. Intangible assets exist for leased assets where peppercorn rents arise. Intangible assets are amortised on a straight line basis over 10 years which represents the life of the peppercorn agreements.

2.4 Contract income

Revenue is recognised to the extent that the Turnover is the amount receivable by the Trust in the ordinary course of its activities, excluding VAT. Turnover is recognised at the point the service is provided. The primary source of the Trust's turnover is contract income from the Council.

2.5 Other grant income

Whether paid on account, by instalments or in arrears any specific grants and third party contributions or donations are recognised as due to the Trust when the Trust complies with the conditions attached to the payments and the grant or contribution is receivable. Amounts recognised as due to the Trust are not credited to the Statement of Comprehensive Income until conditions attached are considered to be satisfied.

Any monies paid as specific grants and third party contributions or donations for which conditions are not satisfied within the period which they are intended will be reflected in the Balance Sheet as deferred income.

2.6 Contributions from health

Other operating income, excluding government grants, relates to both health contributions towards the placement costs of children in care with specific health needs, and other public body contributions to joint funded activities.

BIRMINGHAM CHILDREN'S TRUST COMMUNITY INTEREST COMPANY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.7 Taxation

The Trust has confirmed with HM Revenue & Customs that all of its activities, with the exception of net interest income, fall outside the scope of corporation tax.

2.8 Accruals of income and expenditure

Activity is accounted for in the period it takes place, not simply when cash payments are made or received. In particular:

- Revenue from the sale of goods or services is recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the organisation.
- Supplies are recorded as expenditure when they are consumed.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payment is made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure.
- When income and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors will be written down and a charge made to expenditure for income that might not be collected.

2.9 Short-term debtors and creditors

Debtors and creditors with no interest rate which are receivable or payable within one year are recorded at transaction price. Any loss arising from impairment is recognised immediately in the Statement of Comprehensive Income.

2.10 Leases

The Trust has property arrangements under ten year leases with the Council, which are accounted for as finance leases.

Arrangements that do not have the legal status of a lease but convey the right to use an asset in return for payment are accounted for as an expense.

The Trust rents offices and operational buildings from the Council. Rental paid to the Council is charged as an expense to the Statement of Comprehensive Income. These are held under operating leases.

2.11 Cash and cash equivalents

Cash and cash equivalents comprises cash in hand and current balances with banks and other institutions, which are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value. This definition is also used for the cash flow statement.

BIRMINGHAM CHILDREN'S TRUST COMMUNITY INTEREST COMPANY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. Accounting policies (continued)

2.12 Contingent liabilities

Contingent liabilities relate to possible expenditure arising from a past event that has not been recognised in the financial statements due to the probability that a transfer of economic benefits will not arise or cannot be reliability estimated. The possible liability is of something happening in the future.

2.13 Contingent assets

Contingent assets relate to possible income arising from a past event that has not been recognised in the financial statements due to the probability that a transfer of economic benefits will not arise or cannot be reliability estimated. The right to the potential asset is dependent on something happening in the future. A review will be undertaken annually to identify any potential contingent assets.

2.14 Pension costs and other post-retirement benefits

The Trust was admitted as a member of the West Midlands Pension Fund with effect from 1 April 2018 when staff transferred from the employment of Birmingham City Council ("the Council") to being employed by the Trust. The scheme is part of the Local Government Pension Scheme (LGPS) which is a defined benefit scheme based on final pensionable or career average salary. The assets of the scheme are held separately from those of the Council in an independently administered fund.

The scheme's liabilities are measured using the projected unit credit actuarial cost method and are discounted at a government gilt yield rate with an allowance for additional out-performance. The pension scheme assets are valued at market rate (i.e. a fair value).

This final salary scheme, like a number of other such schemes, has an accrued deficit. Measures are in place to address this deficit, by increasing employer contributions in the medium term. However, the requirement of Financial Reporting Standard 102 (FRS 102) is to show the pension scheme deficit as a liability on the Balance Sheet. As a result of an agreement between the Trust and the Council, a pension related asset, being a guarantee from the Council to cover all historic related pension costs, exists. The variance in the fair value of the asset and the accrued FRS 102 pension liability as at 31 March 2021 has been recognised in the Balance Sheet.

For defined benefit schemes, the amounts charged to the Statement of Comprehensive Income are the current service cost, and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Comprehensive Income if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. Actuarial gains and losses are recognised immediately in the Statement of Comprehensive Income.

2.15 Employee benefits

Short term employee benefits are those due to be settled within 12 months of the year-end. They include benefits such as wages and salaries, paid annual leave and paid sick leave. They are recognised as an expense for services in the year in which employees render service to the Trust.

BIRMINGHAM CHILDREN'S TRUST COMMUNITY INTEREST COMPANY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements. If, in the future, such estimates and assumptions, which are based on management's best judgement at the date of the financial statements, deviate from the actual circumstances, the original estimates and judgements will be modified as appropriate in the year in which the circumstances change.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are the disclosures in respect of the defined benefit scheme. The assumptions relating to the pension scheme are disclosed at note 18.

4. Turnover

An analysis of turnover by class of business is as follows:

	2021 £000	2020 £000
Contract sum core payment	192,726	190,168
Government grant income	13,322	16,059
Contributions from third parties	6,069	5,660
Contributions from health	748	387
Other income	590	139
	<u>213,455</u>	<u>212,413</u>

All turnover arose within the United Kingdom.

BIRMINGHAM CHILDREN'S TRUST COMMUNITY INTEREST COMPANY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

5. Auditor's remuneration

	2021 £000	2020 £000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	44	43

Fees payable to the Company's auditor and its associates in connection with the Company's pension scheme(s) in respect of:

	2021 £000	2020 £000
Fees payable to the Company's auditor for non-audit services	2	2
	2	2

6. Employees

Staff costs, including directors' remuneration, were as follows:

	2021 £000	2020 £000
Wages and salaries	56,366	55,667
Social security costs	5,713	5,600
Cost of defined contribution scheme	18,206	21,496
	80,285	82,763

During the year there were severance payments totalling £17,500 (2020: £164,345).

The average monthly number of employees, including the directors, during the year was as follows:

	2021 No.	2020 No.
Qualified social workers	825	901
Other (non-social workers)	920	929
	1,745	1,830

BIRMINGHAM CHILDREN'S TRUST COMMUNITY INTEREST COMPANY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

7. Directors' remuneration

	2021	2020
	£000	£000
Directors' emoluments	749	745
	749	745

During the year retirement benefits were accruing to 4 directors (2020 - 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £217k (2020 - £215k).

The value of the company's contributions paid to a defined benefit pension scheme in respect of the highest paid director amounted to £32k (2020 - £37k).

8. Interest receivable

	2021	2020
	£000	£000
Other interest receivable	18	224
	18	224

9. Interest payable and similar expenses

	2021	2020
	£000	£000
Bank interest payable	209	199
Other interest payable	1,602	1,832
	1,811	2,031

10. Taxation

The Trust is exempt from corporation taxation as noted in the accounting policies, with the exception of a taxation charge arising on the net interest income at 19%.

BIRMINGHAM CHILDREN'S TRUST COMMUNITY INTEREST COMPANY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

11. Intangible lease assets

	Intangible lease assets £000
Cost	
At 1 April 2020	6,580
At 31 March 2021	<u>6,580</u>
Amortisation	
At 1 April 2020	1,316
Charge for the year	658
At 31 March 2021	<u>1,974</u>
Net book value	
At 31 March 2021	<u><u>4,606</u></u>
At 31 March 2020	<u><u>5,264</u></u>

BIRMINGHAM CHILDREN'S TRUST COMMUNITY INTEREST COMPANY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

12. Debtors

	2021 £000	2020 £000
Trade debtors	949	794
Amounts owed by group undertakings	4,385	11,422
Amounts owed by joint ventures and associated undertakings	856	961
Other debtors	195	279
Accrued income	-	285
	<u>6,385</u>	<u>13,741</u>

13. Cash and cash equivalents

	2021 £000	2020 £000
Cash at bank and in hand	31,176	20,545
	<u>31,176</u>	<u>20,545</u>

Of the cash held at year end, £32.0m (2020: £21.5m) was on deposit with Birmingham City Council as part of a treasury pooling arrangement.

14. Creditors: Amounts falling due within one year

	2021 £000	2020 £000
Trade creditors	3,467	4,408
Amounts owed to group undertakings	3,950	5,353
Other taxation and social security	4,603	3,354
Other creditors	461	-
Accruals and deferred income	8,334	7,391
	<u>20,815</u>	<u>20,506</u>

BIRMINGHAM CHILDREN'S TRUST COMMUNITY INTEREST COMPANY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

15. Creditors: Amounts falling due after more than one year

	2021 £000	2020 £000
Other loans	10,000	10,000
	<u>10,000</u>	<u>10,000</u>

Current borrowings are in respect of one loan facility provided by Birmingham City Council. The loan is of £10m (2020: £10m) and matures on 31st March 2028. The interest rate applied is 4.28%.

16. Reserves

Pension liability reserve

This reserve contains the movement following the change in the fair value of the pension scheme liability during the year.

Retained earnings

This reserve represents:

- the cumulative balance of payment by results income from the Troubled Families Programme which has not been applied; and
- a Pay reserve which is used to help fund the cost of pay increments and incentives over the next three years.

Lease asset reserve

This reserve represents the net book value of the intangible lease assets, arising on the peppercorn rents.

17. Contingent liabilities

The Trust is dealing with a number of on-going claims in relation to children's care cases which, at this stage it is not possible to determine the outcome and potential liability. These will be kept under review and a review will be undertaken annually to identify any potential liabilities.

BIRMINGHAM CHILDREN'S TRUST COMMUNITY INTEREST COMPANY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

18. Pension commitments

The Company operates a Defined Benefit Pension Scheme.

The Trust is a member of the West Midlands Pension Fund which is a defined benefit scheme under the terms of the Local Government Pension Scheme (LGPS). The assets of the scheme are held separately from those of the Council and are invested in a wide range of quoted and unquoted investments by scheme investment managers.

On 26 October 2018 the High Court ruled that equalisation for the effect of unequal Guaranteed Minimum Pensions (GMPs) is required. The ruling confirmed that trustees have a duty to "equalise benefits for men and women so as to alter the result which is at present produced in relation to GMPs". According to HM Treasury, any impact of GMPs is unlikely to be material to the pension valuation and therefore no allowance for GMP equalisation has been made in the FRS102 LGPS pension liability for this year. Full GMP indexation will be applied to the LGPS pension liability once changes to the LGPS have been formally announced.

In December 2018 the Court of Appeal ruled against the Government in the 'McCloud/Sergeant' judgement which found that the transitional protection arrangements put in place when the firefighters' and judges' pension schemes were reformed were age discriminatory. The ruling potentially has implications for all public sector schemes which were reformed around the same time and could lead to members who were discriminated against being compensated. The Government applied to the Supreme Court for permission to appeal this judgement and in June 2019 this permission was denied.

As a result of this the Government will be required to take remedial action. An additional liability as a result of the McCloud judgement was included within the FRS102 pension liability during 2020, totalling £4.29m.

Reconciliation of present value of plan liabilities:

	2021 £000	2020 £000
Reconciliation of present value of plan liabilities		
At the beginning of the year	252,247	262,998
Current service cost	17,354	21,347
Interest cost	5,934	6,472
Contributions by scheme participants	3,486	3,425
Experience (gain) on defined benefit obligation	(2,013)	(10,943)
Change in financial assumptions	105,202	(36,955)
Change in demographic assumptions	(3,268)	7,024
Estimated benefits paid net of transfers in	(2,928)	(1,121)
At the end of the year	376,014	252,247

BIRMINGHAM CHILDREN'S TRUST COMMUNITY INTEREST COMPANY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

18. Pension commitments (continued)

Reconciliation of present value of plan assets:

	2021 £000	2020 £000
At the beginning of the year	179,600	182,393
Interest on assets	4,332	4,640
Return on assets less interest	31,167	(13,110)
Other actuarial (losses)	-	(8,319)
Contributions by scheme participants	3,486	3,425
Contributions by employer	9,003	-
Estimated benefits paid plus unfunded net of transfers in	(2,928)	(1,121)
Settlement prices received	-	11,809
Administration expenses	(128)	(117)
At the end of the year	224,532	179,600
	2021 £000	2020 £000
Fair value of plan assets	224,532	179,600
Present value of plan liabilities	(376,014)	(252,247)
Net pension scheme liability	(151,482)	(72,647)

The amounts recognised in profit or loss are as follows:

	2021 £000	2020 £000
Current service cost	17,354	9,538
Net interest expense	1,602	1,832
Administration expenses	128	117
Total	19,084	11,487
Actual return on scheme assets	35,499	8,470

The cumulative amount of actuarial losses recognised in the Statement of Comprehensive Income was £68,754k (2020 - £19,445k gain).

BIRMINGHAM CHILDREN'S TRUST COMMUNITY INTEREST COMPANY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

18. Pension commitments (continued)

The Company expects to contribute £9,773k to its Defined Benefit Pension Scheme in 2022.

	2021	2020
	£000	£000
Analysis of actuarial loss/(gain) recognised in Other Comprehensive Income		
Return on fund assets in excess of income	31,167	(13,110)
Change in financial assumptions	(105,202)	36,955
Other actuarial losses on assets	-	(8,319)
Experience gain on defined benefit obligation	3,268	10,943
Change in demographic assumptions	2,013	(7,024)
	(68,754)	19,445

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2021	2020
	%	%
Discount rate	2.05	2.35
Future salary increases	3.85	2.8
Future pension increases	2.85	1.8
Inflation assumption	2.85	1.8
Mortality rates		
- for a male aged 65 now	21.6	21.9
- at 65 for a male aged 45 now	23.4	23.8
- for a female aged 65 now	23.9	24.1
- at 65 for a female member aged 45 now	25.8	26.0

BIRMINGHAM CHILDREN'S TRUST COMMUNITY INTEREST COMPANY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

19. Commitments under operating leases

At 31 March 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021	2020
	£000	£000
Not later than 1 year	2,393	2,497
Later than 1 year and not later than 5 years	2,381	4,994
	4,774	7,491

20. Related party transactions

The Trust has taken advantage of the exemption from reporting transactions entered into with group entities since the Trust's results are included within consolidated financial statements which are publicly available.

The director B K Dhanoa is also a director of Progress Children's Services Limited. During the year Birmingham Children's Trust was invoiced £1,031,262 (2020: £789,129) for services performed during the year by Progress Children's Services. There was £nil owed to Progress Children's Services Limited at 31 March 2021 (2020: £nil).

The director R Harker is also a director of The Edge Academy Trust. During the year Birmingham Children's Trust was invoiced £nil (2020: £1,050) for services performed during the year by The Edge Academy Trust. There was £nil owed to The Edge Academy Trust at 31 March 2021 (2020: £nil).

The director B Carr is also a director of BVSC Enterprises Limited. During the year Birmingham Children's Trust was invoiced £2,471 (2020: £19,425) for services performed during the year by BVSC Enterprises Limited. There was £nil owed to BVSC Enterprises Limited at 31 March 2021 (2020: £nil).

21. Company status

The company is a private community interest company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

22. Controlling party

The ultimate controlling party is Birmingham City Council, who prepare consolidated group financial statements.

A copy of the latest financial statements can be obtained from the Registrar of Companies, Cardiff.

302822/15

CIC 34

Community Interest Company Report

For official use
(Please leave blank)

--

*Please
complete in
typescript, or
in bold black
capitals.*

**Company Name in
full**

Birmingham Children's Trust Community Interest
Company

Company Number

10762047

Year Ending

31 March 2021

Please ensure the company name is consistent with the company name entered on the accounts.

This template illustrates what the Regulator of Community Interest Companies considers to be best practice for completing a community interest company report. All such reports must be delivered in accordance with section 34 of the Companies (Audit, Investigations and Community Enterprise) Act 2004 and contain the information required by Part 7 of the Community Interest Company Regulations 2005. For further guidance see chapter 8 of the Regulator's information and guidance notes.

Please note that you must give details in this report of transfer of assets for less than full consideration e.g. donations to outside bodies, or paid directors at less than market value.

(N.B. A Filing Fee of £15 is payable on this document. Please enclose a cheque or postal order payable to Companies House)

PART 1 – GENERAL DESCRIPTION OF THE COMPANY'S ACTIVITIES AND IMPACT

In the space provided below, please insert a general account of the company's activities in the financial year to which the report relates, including a fair and accurate description of how they have benefited the community.

The company's activities provide benefit to vulnerable children, young people and their families, primarily in the city of Birmingham, in need or receipt of children's social care, youth offending services, family support and other related services.

Further information is contained in the attached Trust Annual Report for 2020/21 and below.

Activity	Community benefit
Providing social care, youth offending, family support and other related services to children, young people and their families	<p>Ensuring that children and young people are safe, healthy and protected from neglect and harm.</p> <p>Ensuring that children and young people live in safe, stable and supportive environments.</p> <p>Ensuring that families are supported and strengthened to enable them to provide the care and support their children need to develop into resilient, happy and successful young people and adults.</p> <p>Ensuring that effective care planning and appropriate intervention is in place, which protects children from harm, reduces the need for children to be in care unless absolutely necessary and supports those in care.</p>
Advancing and promoting social care, family support and youth offending services available to children, young people and their families	Promoting collaborative working between agencies and other partners involved with children, young people and their families to encourage and support children and young people to achieve positive outcomes.
Securing improvements in the quality and effectiveness of services provided to children, young people and their families in respect of social care, family support and youth offending services	Measurably improving the quality and effectiveness of children's social care, youth offending and family support services so to have a positive impact on the lives of children and young people.

(Please continue on separate continuation sheet if necessary.)

Company Number

10762047

Year Ending

31 March 2021

PART 2 – CONSULTATION WITH STAKEHOLDERS

A “stakeholder” is any person or organisation affected by the company’s activities. Indicate what steps the company has taken during the financial year to which the report relates to consult its stakeholders, whether formally or informally. If there has been no consultation, this should be made clear.

Please indicate who the company’s stakeholders are:

- Primarily children, young people and families.
- Employees.
- Other stakeholder relationships include the company’s member Birmingham City Council, the Police, NHS, schools, voluntary sector and the DfE.
- The company’s directors are regularly engaged throughout the year particularly through the formal Board and committee arrangements and development activity.

Please indicate how the stakeholders have been consulted:

See the 2020/21 Annual Report pages 2 and 3 and section 13 for a description of relationships with children, young people and families and related feedback. Consultation mechanisms include child protection meetings, young people review meetings, parents’ safeguarding Covid feedback, care leavers Covid feedback, the annual foster carer survey, and the family support service annual parent and child feedback report.

We have also undertaken surveys with our staff (with a 65% response rate) and with families with whom we work, building a detailed qualitative picture of the impact of our work. We have shared the key findings of this feedback with our staff, helping them to understand the communities that they serve.

In the Covid Staff Survey in July 2020 we conducted a comprehensive all staff survey to explore staff experiences of working virtually since lockdown. We gained 1101 responses, a 65% response rate against our FTE staff base.

Significant work has been undertaken to develop the corporate parenting City Pledge. This was signed off by the Corporate Parenting Board in April 2020. Consultation was undertaken by Board members with children in care, care leavers and partners through events, surveys and forums. The City Pledge survey was designed by our apprentices to capture the views and feedback of our children in care and care leavers city-wide and those living out of Birmingham.

The Annual Report describes other stakeholder relationships in sections 3 and 4.

The company’s directors are regularly engaged throughout the year particularly through the formal Board and committee arrangements and development activity.

What action, if any, has the company taken in response to feedback from its consultations? If there has been no consultation, this should be made clear.

Our Children in Care Council (CICC) and Care Leavers Forum (CLF) hold the Trust to account, and they have challenged the Trust, praised the Trust and worked alongside the Trust to make sure that children and young people's views and experiences are always central to its thinking. Their work has included:

- Co-producing surveys to gather the lived experiences of our children in care and care leavers.
- Developing stronger links and voice within the Corporate Parenting Board.
- Co-designing the Virtual School's ePEP website.
- Co-producing the new Corporate Parenting Pledges.
- E-learning package - now a core training offer on the dos and don'ts of awkward personal conversations.
- Delivering training at regional and national forums, including the launch of our new hybrid (video and 'live') training at a Research in Practice Conference.
- Increasing young people's involvement in staff recruitment, both in the Trust and externally.

Care Leavers Forum

- Meetings have continued to take place virtually every 4-6 weeks and most sessions have had visiting professionals who have been extremely positive.
- The young people have chosen what virtual platform they prefer to use and have shaped how the online sessions work, preferring to give feedback one at a time on each item being discussed. The sessions have lost energy and spontaneity and the growth of ideas is more difficult, the members aren't "bouncing off each other" in the same way as during face to face meetings. Members are struggling with motivation, which appears symptomatic of wider motivation difficulties and low mood due to Covid and lockdown and not specifically related to CLF meetings.
- Throughout the past months, opportunities for support, including The Hub and Reese Foundation wellbeing sessions, were shared with the young people. Prior to The Hub, young people were provided with food parcels and essentials (including children's activities where appropriate). During lockdown members were contacted weekly
- Young people are contacted by phone prior to each session and via the groups closed Facebook page. The Facebook page is also used to share opportunities and support.
- Members can share their views by phone or email if they are not able to attend the meeting, we have found this successful. The use of smaller sub-groups has also been used with success and is a more positive and productive way of working. The sub-group then 'reports back' to the main forum who add to or comment on their work.

Staff Survey July 2020 - responses indicated a high degree of pride in the work of the Trust and its impact, managers who are caring and motivated, good team relationships and regular opportunities for training and development. Areas for improvement resulted in a range of actions including extending the positive experiences of most staff across all staff groups and manageability of workloads; further provision of monitors, desks, chairs and technology for hybrid meetings and to facilitate working from home; and appointment of a full -time Principal Clinical Psychologist & Head of Psychologically Informed Practice.

The Trust's Customer Services Team responds to complaints and compliments on behalf of the Trust. As one of a number of sources of information, complaints helpfully highlight specific concerns at particular times allowing remedial action to resolve issues.

The governance arrangements between the Council, Trust and DfE have worked effectively during the Trust's first three years. The framework includes an Operational Commissioning Group, Trust Partnership Governance Group and routine engagement at Overview and Scrutiny, alongside regular meetings of the Trust Chair and Chief Executive with the Council Chief Executive, Director of Children's Services and Lead Member. These have proved successful in ensuring that the Council is well informed, and the Trust held accountable for delivering the right results and the necessary improvements.

(Please continue on separate continuation sheet if necessary.)

Company Number

10762047

Year Ending

31 March 2021

PART 3 –DIRECTORS’ REMUNERATION (See Appendix A)

All community interest companies are required to report certain information about their directors’ remuneration.

The information required is specified in Schedule 3 to the Small Companies and Groups (Accounts and Directors’ Report) Regulations 2008, for companies which are subject to the “small companies regime” under Part 15 of the Companies Act 2006.

All companies are required to provide some of this information in the notes to their annual accounts. **If you have provided all of this information in your accounts, you need not reproduce it here, but you must state where that information can be found.**

1. Total amount of directors’ remuneration etc	
(a)	<p>The overall total amount of remuneration paid to or receivable by directors in respect of qualifying services.</p> <p>See note 7 in the financial statements</p>
(b)	<p>The overall total amount of money paid to or receivable by directors, and the net value of assets (other than money, share options or shares) received or receivable by directors, under long term incentive schemes in respect of qualifying services.</p> <p>See note 7 in the financial statements</p>
(c)	<p>The overall total value of any company contributions—</p> <p>(i) paid, or treated as paid, to a pension scheme in respect of directors’ qualifying services, and</p> <p>(ii) by reference to which the rate or amount of any money purchase benefits that may become payable will be calculated.</p> <p>See note 7 in the financial statements</p>
(d)	<p>The number of directors (if any) to whom retirement benefits are accruing in respect of qualifying services—</p> <p>(i) under money purchase schemes, and</p> <p>(ii) under defined benefit schemes.</p>

	See note 7 in the financial statements
<i>NB: For the purposes of section 1 above, any reference to a "subsidiary undertaking" of the company, is to an undertaking which is a subsidiary undertaking at the time the services were rendered.</i>	
2. Compensation to directors for loss of office	
	<p>The aggregate amount of any payments made to directors, or past directors, for loss of office.</p> <p>See note 7 in the financial statements</p> <p><i>NB: For the purposes of this paragraph, any reference to a "subsidiary undertaking" of the company, is to an undertaking which is a subsidiary undertaking immediately before the loss of office as director.</i></p>
3. Sums paid to third parties in respect of directors' services	
	<p>The aggregate amount, and nature, of any consideration (including benefits otherwise than in cash) paid to or receivable by third parties for making available the services of any person—</p> <ul style="list-style-type: none"> (i) as a director of the company, or (ii) while director of the company— <ul style="list-style-type: none"> (a) as director of any of its subsidiary undertakings, or (b) otherwise in connection with the management of the affairs of the company or any of its subsidiary undertakings. <p>See note 7 in the financial statements</p> <p><i>NB: For consideration otherwise than in cash, the reference to its amount is to the estimated money value of the benefit.</i></p> <p><i>NB: "Third party" means a person other than:</i> <i>(a) the director himself or a person connected with him or body corporate controlled by him, or</i> <i>(b) the company or any of its subsidiary undertakings.</i></p>

(Please continue on separate continuation sheet if necessary.)

NOTES

General nature of obligations

- (1) Information has to be given only so far as it is contained in the company's books and papers, or the company has the right to obtain it from the persons concerned.
- (2) Any information is treated as shown if it is capable of being readily ascertained from other information which is shown.

Provisions as to amounts to be shown

- (1) The amount in each case includes all relevant sums, whether paid by or receivable from the company, any of the company's subsidiary undertakings or any other person.
- (2) References to amounts paid to or receivable by a person include amounts paid to or receivable by a person connected with him or a body corporate controlled by him (but not so as to require an amount to be counted twice).
- (3) Except as otherwise provided, the amounts to be shown for any financial year are—
 - (a) the sums receivable in respect of that year (whenever paid) or,
 - (b) in the case of sums not receivable in respect of a period, the sums paid during that year.
- (4) Sums paid by way of expenses allowance that are charged to United Kingdom income tax after the end of the relevant financial year must be shown in a note to the first accounts in which it is practicable to show them and must be distinguished from the amounts to be shown apart from this provision.
- (5) Where it is necessary to do so for the purpose of making any distinction required in complying with this Schedule, the directors may apportion payments between the matters in respect of which they have been paid or are receivable in such manner as they think appropriate.

Exclusion of sums liable to be accounted for to company etc

- (1) The amounts to be shown do not include any sums that are to be accounted for—
 - (a) to the company or any of its subsidiary undertakings, or
 - (b) by virtue of sections 219 and 222(3) of the Companies Act 2006 (payments in connection with share transfers: duty to account), to persons who sold their shares as a result of the offer made.
- (2) Where—
 - (a) any such sums are not shown in a note to the accounts for the relevant financial year on the ground that the person receiving them is liable to account for them, and
 - (b) the liability is afterwards wholly or partly released or is not enforced within a period of two years,

those sums, to the extent to which the liability is released or not enforced, must be shown in a note to the first accounts in which it is practicable to show them and must be distinguished from the amounts to be shown apart from this provision.

Money purchase benefits and defined benefits

Where a pension scheme provides for any benefits that may become payable to or in respect of any director to be whichever are the greater of—

- (a) money purchase benefits as determined by or under the scheme; and
- (b) defined benefits as so determined,

the company may assume for the purposes of this paragraph that those benefits will be money purchase benefits, or defined benefits, according to whichever appears more likely at the end of the financial year.

For the purpose of determining whether a pension scheme is a money purchase or defined benefit scheme, any death in service benefits provided for by the scheme are to be disregarded.

Remuneration

Remuneration paid or receivable or share options granted in respect of a person's accepting office as a director are treated as emoluments paid or receivable or share options granted in respect of his services as a director.

Definitions

Company contributions	means – in relation to a pension scheme and a director, any payments (including insurance premiums) made, or treated as made, to the scheme in respect of the director by a person other than the director
Consideration	includes benefits otherwise than in cash, and in relation to such consideration the reference to its amount is to the estimated money value of the benefit
Defined benefit scheme	means – a pension scheme that is not a money purchase scheme
Defined benefits	means - retirement benefits payable under a pension scheme that are not money purchase benefits
Money purchase benefits	means -

	retirement benefits payable under a pension scheme the rate or amount of which is calculated by reference to payments made, or treated as made, by the director or by any other person in respect of the director and which are not average salary benefits
Money purchase scheme	means - a pension scheme under which all of the benefits that may become payable to or in respect of the director are money purchase benefits
Net value	means – In relation to any assets received or receivable by a director, value after deducting any money paid or other value given by the director in respect of those assets
Payment for loss of office	has the same meaning as in section 215 of the Companies Act 2006
Pension scheme	means – a retirement benefits scheme as defined by section 611 of the Income and Corporation Taxes Act 1988
Qualifying services	means - in relation to any person, that person's services as a director of the company, and that person's services while director of the company— (a) as director of any of its subsidiary undertakings; or (b) otherwise in connection with the management of the affairs of the company or any of its subsidiary undertakings
Remuneration	includes— (a) salary, fees and bonuses, sums paid by way of expenses allowance (so far as they are chargeable to UK income tax), and (b) subject to the exclusion below, the estimated money value of any other benefits received by him otherwise than in cash.

	<p>The expression does not include—</p> <p>(a) the value of any share options granted to a director or the amount of any gains made on the exercise of any such options,</p> <p>(b) any company contributions paid, or treated as paid, in respect of him under any pension scheme or any benefits to which he is entitled under any such scheme, or</p> <p>(c) any money or other assets paid to or received or receivable by him under any long term incentive scheme</p>
Retirement benefits	has the meaning given by section 612(1) of that Act
Share option	<p>means -</p> <p>a right to acquire shares</p>
Shares	<p>means -</p> <p>shares (whether allotted or not) in the company, or any undertaking which is a group undertaking in relation to the company, and includes a share warrant as defined by section 779(1) of the Companies Act 2006</p>
Subsidiary undertakings	<p>Any reference to a subsidiary undertaking of the company, in relation to a person who is or was, while a director of the company, a director also, by virtue of the company's nomination (direct or indirect) of any other undertaking, includes that undertaking, whether or not it is or was in fact a subsidiary undertaking of the company</p>

Company Number

10762047

Year Ending

31 March 2021

PART 4 – TRANSFERS OF ASSETS OTHER THAN FOR FULL CONSIDERATION (EXCLUDING DIVIDENDS)

Community interest companies are only permitted to transfer assets other than for full consideration (i.e. at less than market value) if:

- (i) the assets in question are transferred to an asset-locked body (a community interest company, charity or equivalent body established outside Great Britain) which is specified in the company's constitution, or where the Regulator has consented to the transfer; or
- (ii) the transfer, although not made to an asset-locked body, is nevertheless made for the benefit of the community.

Where transfers of either kind are made, the community interest company report must disclose the amount of the transfer, or, where this cannot be given precisely, a fair estimate of the value of the assets transferred. Please give the following details:

- i) A description of the asset and the amount of the transfer or estimate of its value.
Please state 'none', if applicable and move to section 5

None.
- ii) Details of the recipient, to which the asset was transferred, including whether or not it is an asset-locked body.
- iii) If the recipient is not an asset-locked body, how the transfer will benefit the community.
- iv) If the recipient is an asset-locked body, whether it is specified in the company's memorandum or articles of association as a recipient of transfers of the company's assets other than for full consideration.
- v) If the recipient is an asset-locked body, but is not so specified, brief details of how the Regulator's consent to the transfer was given.

vi)

(Please continue on separate continuation sheet if necessary.)

Company Number

10762047

Year Ending

31 March 2021

PART 5 – DIVIDENDS FOR THE FINANCIAL YEAR TO WHICH THE REPORT RELATES

This part of the template should be completed if the company is limited by shares and has declared or proposed to declare a dividend in respect of the financial year to which the report relates or has declared a dividend in respect of any of the four financial years immediately preceding that financial year. If the company is limited by shares but has not declared or proposed any dividends in respect of the financial year to which the report relates, please indicate this.

Before completing this part you should consult Chapter 6.3 and Annex A of the Regulator's information and guidance notes which contain the rules on dividend payments.

For all dividends declared or proposed in respect of the financial year to which the report relates, please supply the following information:

- (i) A description of the class, number and paid up value of the shares on which the dividend has been declared or paid. **Please state 'none', if applicable and move to section 6**

None.

- (ii) The amount of dividend declared or paid per share

- (iii) Whether or not the dividend is an exempt dividend (in essence, a dividend paid directly or indirectly to an asset-locked body where the asset-locked body is either specified in the company's constitution as a possible recipient of its assets, or the Regulator has consented to payment of the dividend).

- (iv) if it is an exempt dividend, why it is an exempt dividend.

(Please continue on separate continuation sheet if necessary.)

Company Number

10762047

Year Ending

31 March 2021

Where a dividend which is not an exempt dividend is declared or proposed in respect of the financial year to which the report relates, the report must explain how it complies with regulations 17 to 20 of the Community Interest Company Regulations 2005 by giving details of:

- (i) The maximum dividend per share
- (ii) The maximum aggregate dividend
- (iii) In addition to the above information, the total amount of (a) all exempt; and (b) all non-exempt dividends declared or proposed in respect of the financial year to which the report relates should be given.

(Please continue on separate continuation sheet if necessary.)

Company Number

10762047

Year Ending

31 March 2021

PART 6 – INTEREST PAID AT A PERFORMANCE-RELATED RATE

This part should only be completed if the company has, at any time during the financial year to which this report relates, had a debt outstanding, or a debenture in issue on which a performance-related rate of interest was payable. A performance-related rate of interest is a rate which varies according to the level of the company's profits or turnover, or any item on its balance sheet. See further Chapter 6.4 of the Regulator's guidance notes.

In order to demonstrate compliance with the rules on performance-related rates of interest, please give the following details:

- (i) The rates of interest paid on any debt or debenture of the company on which a performance-related rate of interest was payable as calculated over a 12 month period ending with the most recent date on which interest became payable in respect of that debt or debenture during the financial year. **Please state 'none', if applicable and move to section 7**

None

- (ii) (If the interest cap applied to that debt or debenture) how any such rates of interest were calculated.

- (iii) Either the interest cap applicable to the debt or debenture concerned (with an explanation of how it has been calculated), or an explanation of why the cap does not apply to it (i.e. because the agreement was entered into before the company became a community interest company).

(Please continue on separate continuation sheet if necessary.)

Company Number

10762047

Year Ending

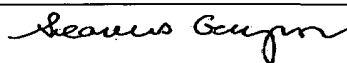
31 March 2021

(N.B. Please enclose a cheque for £15 payable to Companies House)

PART 7 - SIGNATORY

Please ensure that a director or secretary signs the original CIC Report, which should be retained for your records. Please send a copy of the CIC Report to the Registrar of Companies (see below).

Signed



Date

30 November
2021

Office held (delete as appropriate) ~~Director~~/Secretary

You do not have to give any contact information in the box opposite but if you do, it will help the Registrar of Companies to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record.

Seamus Gaynor	
Head of Executive/Company Secretary	
Birmingham Children's Trust Postal address: Birmingham Children Trust Management Team, PO Box 17363, B2 2EL	
Tel 07766924085	
DX Number	DX Exchange

Please send a completed copy, along with the accounts and a **cheque or postal order for the £15 filing fee (payable to Companies House)**, to one of the following addresses:

*Companies registered in **England and Wales**:* Companies House, Crown Way, Cardiff, CF14 3UZ (DX 33050 Cardiff)

*Companies registered in **Scotland**:* Companies House, 4th Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh EH3 9FF (DX235 Edinburgh)

*Companies registered in **Northern Ireland**:* Companies House, 2nd Floor, The Linenhall, 32-38 Linenhall Street, Belfast, BT2 8BG

(N.B. The accounts and CIC34 cannot be filed online)

Please ensure the company name is consistent with the company name entered on the accounts.



**BIRMINGHAM
CHILDREN'S TRUST**

Annual Report 2020/21

July 2021



This Foreword is an extract from the Birmingham Children's Trust Business Plan 2021/22.

Foreword from the Birmingham Children in Care Council and Care Leavers Forum

The five participation groups of Birmingham Children's Trust welcome you to the Trust's Year 4 Business Plan. It has been a strange year as relationships and participation have moved into the virtual world. But despite these challenges we have continued to work in partnership with the Trust and more widely to make sure our voices are heard. This has helped us hear from more children and young people who are living away from Birmingham or previously may not have been able to attend and get involved.

Just some of our work in the past 12 months:

- Co-producing surveys to gather the lived experiences of our children in care and care leavers
- Developing stronger links and voice within the Corporate Parenting Board
- Co-designed the Virtual School's ePEP website
- Co-produced the new Corporate Parenting Pledges
- Our e-learning package is now a core training offer on the dos and don'ts of awkward personal conversations
- Delivered training at regional and national forums, including the launch of our new hybrid (video and 'live') training at a Research in Practice Conference
- Increase in young people's involvement in staff recruitment, both in the Trust and externally

The year ahead:

- Working on campaigns that are focused on housing for care leavers and children's voices within placement choices
- Being active in the redesign of the Disabled Children's Service
- Continuing to Influence national policy through the:
 - Advocacy review
 - Independent Care Review and our links with the All-Party Parliamentary Group
 - The Children's Commissioner's 'Childhood Commission' and the 'Big Ask', which will be the largest ever consultation with children in this country
- We are looking forward to interviewing the Trust's new intake of social workers in June
- We will be working with the Trust's Social Work Academy on developing training about our lived experiences as children in care and care leavers
- In May we have a first "takeover Board" for the Corporate Parenting Board
- We will also be linked to new programmes including preparations for the Birmingham Commonwealth Games 2022 where we will have a mini games and opportunities for mentoring, work experience, volunteering and apprenticeships

Our voice is being heard and the Trust is looking at ways that this is made stronger. The Trust is developing some specific apprenticeship opportunities for care leavers this year and there is a lot happening so watch this space....!!!

Thoughts and Reflections

This year one of our Care Leavers Forum members has provided some words and reflections for the Business Plan. Thank you on behalf of all the participation forums. We are keen to continue to get our voices heard in Birmingham and beyond!!!

"Co-production is about sharing power and utilising power dynamics to make all partners equal. These are prime example of giving power to youth voice, not to mention giving the microphone to care leavers. As an underrepresented group of individuals, our involvement in co-production is beneficial for both the Trust and us. We feel like we are giving back to the same community that nourished the best in us, and the Trust benefits from our valuable experiences."

The Trust has worked hard to understand and address the impact of Covid 19 and lockdowns on children in care and care leavers. Young people within the Trust have overcome significant levels of adversity and struggle. However, something that has come to light is the sheer resilience and courage we possess to build a life worth living despite these pervasive difficulties. For a lot of us, we have had to hustle and work hard to maintain stability, whether this be in home life, work or education. That is why as an empowered group of care leavers, we worked towards creating a Covid Pledge, on how we want the Trust to be accountable for our care and how we can also be accountable for our own welfare. We spoke about, heating, eating, internet and mental health... all incredibly prevalent topics which we hope will be addressed."

Zaynab 19, Care Leavers Forum

On behalf of the Children in Care Council (CICC) (12-18), the Junior CICC (8-12), Special Education Needs CICC (12+), Care Leavers Forum (18-25) & the Young Parents Project.

CONTENTS	Page
What our children and young people said	2
1. Introduction	5
2. Summary of the Trust's performance	8
3. Governance and relationships	16
4. Summary of the Council's performance of its obligations	18
5. Cost of performing the services in 2020/21	18
6. Summary of any changes to the Agreement agreed during 2020/21	18
7. Demand for services in 2020/21 and the expected demand for the services in 2021/22; social, demographic or other relevant factors which affected the services in 2020/2 and/or may affect the services in 2021/22	19
8. Effects of any changes in children's social care legislation or guidance on the delivery of the services and/or any actual or anticipated change in law and the implications of such changes	26
9. Strategic priorities and outcomes for 2020/21	27
10. Results of any audits or surveys carried out during 2020/21	32
11. Outcomes of any rectification plans	32
12. High-level review of applicable Central Government funding generally, including details of any anticipated Central Government funding (or changes to that funding) directed to the services in 2020/21 and/or 2021/22 or future contract years where applicable	32
13. Summary of the outcome of any surveys of service users, and relevant stakeholders and third parties in relation to the services	33
14. Matters relating to the risk register	36
15. Outcome of Ofsted monitoring visits and inspections	37
16. Statement confirming how the principles of the Business Charter have been implemented or are yet to be implemented	40
17. Proposed changes to the Agreement	40

1. Introduction

Welcome to this, the third annual report from the Children's Trust.

When we wrote our Business plan for last year, we had no idea of the year that was to come. Delivering our services during a pandemic has been difficult. It has tested our personal and collective resilience. It has brought sadness through the loss of Trust team-mates to the virus. It has brought anxiety and concern for personal wellbeing while we have continued to prioritise the wellbeing of the children and families we support.

But we have come through it, so far. We have tested what we now know are deep wells of strength, commitment and resilience in the Trust. We have continued to develop, evolve and innovate as an organisation and as a service provider, and we have built greater strength into the partnerships we have with the City Council, with Health and the Police, with schools and with the voluntary and community sector. At the time of writing, our front-line staff and our foster carers and residential staff are getting vaccinated. This brings real hope for the end of the pandemic. The pandemic has had an impact on the demand for Trust services, for example, those related to domestic abuse. It has disrupted the education of vulnerable children and young people and it has exacerbated the challenge of securing employment opportunities for our young people. These and many other issues are considered more fully in the self-assessment for 2020/21 prepared by the Trust.

We have worked hard to ensure our services deliver value for money for the Council. We undertook a CIPFA Financial Management review which highlighted real strength in our financial arrangements as well as pointing us to further improvement. And we worked with CIPFA C.Co to explore how we can strengthen our financial base, improve demand forecasting and management, and get even better value in our commissioning. Our unit costs are competitive, our forecasting model sophisticated.

We have worked hard to keep our services open and operating throughout the last year. Our social workers have been visiting families in their homes every day since March 2020. We have had to change how we do some things, and we learned a lot, very quickly, about our ability to switch overnight to a home-based working model. But we know that our work is all about relationships and personal contact. It's how we support families; it's how we support each other. So we have been tested, and look forward to a more flexible, agile operating model in the future, one where we never again occupy as many desks in offices, but where we can come together easily and safely as teams, for supervision and support, to meet with families and children and to work increasingly collaboratively with our partners.

In 2020/21 our Youth Offending Service was inspected and judged to be 'Requires Improvement to be Good'. The inspection identified a number of strengths and a number of areas where important and rapid improvement was needed. These improvements are now being taken forward. Our Fostering service was examined by Ofsted in an Assurance visit in December 2020, and considerable improvements since the last inspection were identified. Our residential units providing short breaks are improving, reflected in their Ofsted visits, and overall we can point to continuous improvement. This will ultimately be tested when Ofsted undertake a full inspection.

Throughout the year we maintained good performance across the suite of national performance indicators for social care, including in relation to the key performance indicators that form part of the contract between the Trust and the Council. We reported on our services and our progress twice to Education and Children's Social Care Overview and Scrutiny Committee, and to the Health and Wellbeing Board. Our cycle of monthly commissioning meetings with the Council has been maintained.

We continue to face some real challenges. Recruitment and retention is a challenge, so we are doing some detailed focused work this year to sharpen our branding and recruitment processes, improve our offer, and enable us to market the Trust better for what we believe we will become: the best place to learn, to lead and to practice.

The Trust has started to confront some difficult and deep-rooted challenges in relation to equality and diversity. The death of George Floyd, in the US last summer, sparked a response in our workforce and a response for us. There is much we need to do.

Our partnership with the City Council has remained strong. We have worked hard to gain and to maintain the confidence of elected members and senior officers in the Council and believe the relationship is fundamental to how we improve, together, the lives of the city's most vulnerable children. We would point to three things that exemplify the strength of our collaboration:

- We recognise that even in a difficult financial climate, the Council has recognised and acknowledged the evidence the Trust has brought forward, along with the plan for supporting families going forward, and has seen fit to invest additionally in the Trust in 2021/22 to help us meet the demand that exists. And the Trust has worked hard to close a deficit in the 2020/21 budget and to 'balance its books'.
- The Council invested to enable the Trust to recruit early help workers who are now working with families and children, with schools and community organisations, to tackle needs earlier and to reduce the need for children's circumstances to escalate.
- With the recent departure of the Council's Director of Children's Services (DCS) the Council approached the Trust to ask the Chief Executive to fulfil the DCS role and to provide leadership and management for the senior leaders in the Council's Education and Skills Directorate, on an interim basis. This reflects a high level of trust and confidence between our organisations and offers opportunities for closer collaboration and integrated work going forward.

This annual report will demonstrate the progress made in the year 2020/21 and summarise our financial and service performance during the year.

In the last 12 months our work as Corporate Parents has improved, and the Corporate Parenting Board has sharpened its focus on our work and that of partners in being the best we can for the children and young people we care for and who leave our care. The work of the Children in Care Council and the Care Leavers Forum is invaluable and described well in this year's Foreword.

We have built the strength of our wider partnerships too. Our emerging work in Early Help is central to developments with our partners – with other statutory services, with voluntary and community groups and with schools. We are learning to be good partners, building co-production and genuine engagement to shape and to resource services. The feedback we receive indicates we are having some success.

In the early weeks of 2021 new discussions have developed with the City Council, initially about the role the Trust Chief Executive could play to cover the gap between the departure of the Council's Director of Children's Services and recruitment of the next one, and subsequently about the future role of the Trust in supporting delivery of additional Council services. This is a measure of the trust and confidence we have built, and the strength and integrity of the critical relationship between the Trust and the Council.

It's been a tough year for everyone, including the Children's Trust. The difficult times are not yet behind us. And we know that the legacy of the pandemic, particularly for children, young people and families in the city, will be significant. But there are also grounds for optimism. We

know our communities are strong and resilient. The city's public services are more collaborative now than they have been in many years. And with the Commonwealth Games on the horizon we have much to plan for, in order to celebrate and support the youth and diversity of our city. Birmingham Children's Trust looks forward to playing its part.

Andrew Christie
Chair



Andrew Christie, Chair

Andy Couldrick
Chief Executive



Andy Couldrick, Chief Executive

2. Summary of the Trust's performance

As the pandemic took hold in March 2020, we expected that we would see some changes in need and demand for statutory services and as such, we anticipated that some of our key performance indicators would change dramatically. This has not been the case as we quickly altered our practice response to ensure that children and families received the timely response that they are entitled to.

We anticipated that referrals to social work services would increase significantly. This has not been the case as an effective Covid early help offer was quickly developed. This initiative reduced the need for children and families to be open to a social worker as risk and harm were prevented. This meant that social workers could respond to children in a timely manner. This standard has been maintained throughout the pandemic.

Prior to the pandemic we worked hard to reduce the numbers of referrals to the Trust. We strengthened closing and step down arrangements, we worked hard with families and with partners to discuss next steps and this resulted in only eighteen percent of families being referred to the Trust for a subsequent time. We tested referrals and found that in the vast majority of cases the presenting reason was different to the last assessment and intervention. We anticipated that re-referrals would increase during the pandemic and this has happened. However, the rate of increase is much less than we expected or planned for at 25%. We continue to test the reasons for repeat referrals to assure ourselves of the quality of step down and closure.

For the third successive year, performance against the contract performance indicators has been strong all year. At no point since the Trust went live has the Council had to enact the rectification processes designed, in the contract, to deal with underperformance by the Trust.

One of the biggest challenges during the pandemic has been the progression of public care proceedings. This has not been unique to Birmingham and it has meant we were at risk of missing the KPI 12 adoption target for reasons beyond our control. Initially, the courts stepped down the granting of final adoption orders where children were already placed with their adopters. However, after a slow start and challenge to the LFJB, we were able to achieve seventy orders. We anticipate a higher number of adoptions for 2021/22 as a number of children are waiting (and so we have proposed an increase in the target for 2021/22). We are clear that the impact on these children is minimal as they live with their adoptive families. The pressure remains on the child's social worker as cases that would usually be closed are still subject to statutory functions.

In addition to the contract performance indicators, the Trust has shared its wider suite of performance measures (captured in the ChAT report), demonstrating strong and/or improving performance across the full suite of children's social care indicators. This full picture of Trust performance has been examined at both the Operational Commissioning Group and the Children's Trust Partnership Governance Group.

The Trust real-time performance reporting tool, Power BI, has enabled every manager, from Team Manager to Chief Executive, to view key data regarding need, demand and performance, down to individual level.

The appended "Annual Performance Summary April 2020 – March 2021" provides a fuller account of performance and highlights areas of success and issues requiring attention.



Annual Performance
Report 2020_21 FINAL

PI	Measure	Number of months where target met or within tolerances last 12 months	% where target met or within tolerances last 12 months
1	% of all referrals with a decision within 24 hours	11/12	92%
2	% of re-referrals to children's social care within 12 months	10/12	83%
3	% assessments completed within 45 working days	12/12	100%
4	% Initial CP conferences held within 15 working days	12/12	100%
5	% of children who became the subject of a CP plan for a second or subsequent time within the last 2 years	12/12	100%
6	% of children (under 16 years) who have been looked after for 2.5 years or more, and in the same placement (or placed for adoption) continuously for 2 years or more	12/12	100%
7	% children experiencing 3 or more moves in a year	12/12	100%
8	% of children in care reviews held on time	12/12	100%
9	% of care leavers who are in education, employment, and training (EET)	12/12	100%
10	% of care leavers who are living in suitable accommodation (19-21)	12/12	100%
11	Average time between a child coming into care and being placed with an adoptive family (A1)	12/12	100%
12	Number of children who have been adopted in year or who leave care	12/12	100%
13	% of agency social workers (including team managers)	11/12	92%
14	Average caseload of qualified social workers	12/12	100%
15	% of social workers who have had supervision (in month)	12/12	100%

As well as the performance measures, the Trust now has a well-embedded Quality Assurance framework, overseen by the Practice Hub. There is a wider range of performance audit undertaken, and the learning from audit feeds back into practice to drive improvement. Reports on our quality assurance work are shared at the Operational Commissioning Group.

The feedback we get from children, young people and family members about the work we do is a key strand of how we 'measure' how we are doing. Our Rights and Participation service plays an important role not only in advocating for our young people, but in ensuring their voices are heard clearly and continue to shape the services we offer.

Progress on our 2020/21 Priorities

We routinely refresh our Trust Development Plan and we regularly share it with our regulators. It is an honest and detailed account of our progress and our areas for continued improvement and development.

The Development Plan informs our priority-setting, alongside the review and audit work we undertake (for example our self-evaluation, the CIPFA financial management review) and what we learn from those who use our services and from our staff.

As well as continuing to lead, drive and support better practice across the Trust, and in support of improving practice and outcomes for children, young people and families, our key strategic priorities for 2020/21 are set out in the table. Some elements have been affected by the pandemic, but overall significant progress has been made.

Birmingham Children's Trust Strategic Priorities 2020/21: What we said; what we did

Strategic Priority: We said...	Impact/Benefits	Impact: We did...
<p>Review our service structure to develop a new operating model:</p> <ul style="list-style-type: none"> • Social work structure • Emergency Duty Team • Disabled Children's Social Work Service 	<ul style="list-style-type: none"> • Fewer social worker changes for children • More integrated day/out of hours service offering better responses and improved safety planning; longer, 'flexible day' in operation • Resources, focus and practice are better integrated with wider service to support Trust priorities and best practice: child-centred, family-focused 	<ul style="list-style-type: none"> • The Covid pandemic created new challenges to practice both in terms of emerging needs and service demand. As a result, a decision was made to respond to some critical issues such as points of transfer. However, the move to locality working and the re-defining of social work teams was paused. We will return to this work once the recovery phase following the pandemic is completed. • Transfer points examined to improve consistency of work • EDT review completed. Increased out of hours 'Edge of Care' support in place and improved day-EDT transitions • Children First improvement programme for Disabled Children's Services will be complete by March 2021, including closer working with SEND

Strategic Priority: We said...	Impact/Benefits	Impact: We did...
Lead/support the development of a new, city-wide Early Help service	<p>If Trust is the chosen deliverer of new service:</p> <ul style="list-style-type: none"> • New locality-based multi-disciplinary service 'up and running' swiftly • Increased active early help to children, young people and families • Potential reduction of contacts/referrals to Trust <p>Potential reduction in demand across Trust: Child in Need; Child Protection; Child in Care</p> <p>If Trust is not the deliverer:</p> <ul style="list-style-type: none"> • Implementation supported to ensure focus on the right children and families • Outcome measures/success criteria agreed and in place • Reduced demand on Trust services 	<ul style="list-style-type: none"> • Trust has delivered initial cohort of new early help workers, supporting four localities across city, with a fifth supported through the Trust SEMH Pathfinder project • Strong initial locality early help model established as response to Covid. 7000 families supported • Stronger partnership arrangements between Trust and schools established • Impact on demand not clear: skewed by pandemic effect and newness of service offer

Strategic Priority: We said...	Impact/Benefits	Impact: We did...
Redesign our Family Support service	(Linked to implementation of Early Help service) <ul style="list-style-type: none"> • Less capacity used in Early Help • More focused support to children and families at greater risk of breakdown • Stronger links with Edge of Care Service • Fewer care admissions, particularly of older young people 	<ul style="list-style-type: none"> • We have completed a review of the family offer – we have implemented Families Together Plus and we will operationalise Families Together (the replacement for Family Support) when the Early Help offer is fully in place. • Family Support playing critical link in the interface between Early Help and statutory services, as well as supporting social workers in their role
Establish our RAA partnership	<ul style="list-style-type: none"> • Progress towards position of 100% of Birmingham children placed with Birmingham adopters • Maintained highly regarded adoption support services • Compliance with Government requirement • Stronger partnership service model with Voluntary Adoption Agency 	<ul style="list-style-type: none"> • Business case approved by the Council • Procurement process for a Voluntary Adoption Agency partner is live • Adoption performance has remained strong
Review and recommission our residential care and short breaks offer to children with disabilities and their families	<ul style="list-style-type: none"> • Improved service effectiveness and efficiency • Improved occupancy levels • Greater tailoring of support to need • Enhanced service offer through new commissioning approach (including potential strategic partnership for delivery) 	<ul style="list-style-type: none"> • Review is part of the wider Children First review of services for disabled children, reporting in March 2021

Strategic Priority: We said...	Impact/Benefits	Impact: We did...
Develop new commissioning models : care and support; new, Trust-owned supported accommodation	<ul style="list-style-type: none"> • Move away from inherited block contracted model • New care models commissioned, better integrating residential and family-based care • New cross-sector delivery partnerships established • Jointly commissioned Emotional/Mental Health Tier 3.5 provision • Replace independent/private sector supported accommodation with Trust-run services: better quality, lower cost 	<ul style="list-style-type: none"> • Commissioning Improvement Programme in train, working with the Institute for Public Care (Oxford Brookes University) • New commissioning partnerships being established and improved provider/market engagement • Joint commissioning programme underway with NHS and Children's Partnership around residential care for children with complex needs • Developing plans for integrated commissioning function linked to the NHS Integrated Care System changes
Improve financial management via Trust-wide CIPFA financial management review	<ul style="list-style-type: none"> • Stronger financial management across the Trust 	<ul style="list-style-type: none"> • Review reported • Action plan being implemented • Financial management continuing to strengthen in the Trust
Complete Business Support review post-Eclipse	<ul style="list-style-type: none"> • Efficient business support supporting social work teams to maximise time spent with children and families 	<ul style="list-style-type: none"> • Phase 2 of review ready to begin • Challenge from trade unions over a Council process out of the Trust's control risks delaying progress
Commission (with Birmingham City Council) independent reviews : looking at demand; unit costs; practice	<ul style="list-style-type: none"> • To feed into 2021/22 budget-setting, an objective and independent position, agreed with the Council, reflecting future demand and growth in the Trust and consequent funding requirements • A shared Council/Trust position around prevention, early help and targeted support 	<ul style="list-style-type: none"> • Effective joint work with the Council, including Member-led star chambers, informed 2021/22 budget proposals • CIPFA C.Co review to be shared with the Council and joint action plan to be agreed • Agreed position reached on Early Help and adoption of Trust Strong Families programme

Strategic Priority: We said...	Impact/Benefits	Impact: We did...
Recruitment and retention pipeline: pay and rewards to keep the Trust competitive as the social work employer of choice in the region	<ul style="list-style-type: none"> • Effective recruitment • Retention mechanisms, through progression and reward, that keep experienced social workers in the Trust • Further conversions of agency social workers into Trust employees • New social work apprenticeship scheme operating: first cohort of 'home grown' social workers commencing training 	<ul style="list-style-type: none"> • Trust Recruitment & Retention Commission established, led by the Trust's Non-Executive Directors • Specialist capacity brought in to improve the Trust's branding, marketing, external image and recruitment pathways in an overarching staff attraction, recruitment and retention strategy. • Investment in the recruitment team, additional marketing and advertising resources and methods. • Development of enhanced pay and non-benefits for hard to fill posts and all staff where applicable. Benefits statements published for social workers along with the Trust value proposition. A Trust car lease scheme is being introduced plus a new benefits portal for all employees.

3. Governance and relationships

The Trust is owned by the Council. But its day to day operational delivery is controlled by the Trust Executive Team which is accountable to the Trust Board in order to ensure operational independence. The role of the Board is to set the strategic aims of the Trust, oversee the management of the business and hold the Executive Team to account. It is the responsible body for the performance of the Trust in terms of delivering its legal and contractual obligations and achieving outcomes for children in Birmingham.

For the period during which children's social care and family support services remain subject to Government intervention, the Chair of the Board is appointed by the Secretary of State for Education. The Council retains "reserved powers" for certain significant matters including, for example, approval of this Business Plan.

The governance arrangements for the Trust are set out in the Articles of Association and its scheme of delegation. The Service Delivery Contract details how the Trust will work with the Council to ensure the priorities and objectives specified within the contract are delivered, how decisions are made and how the Trust is held to account.

A Governance Side Agreement is in place between the DfE and the Council, describing those areas of the Trust's governance over which the DfE retains some control, or influence, whilst the Council is subject to intervention.

The Trust Board of Directors has a wide portfolio of expertise and knowledge in children's services, commercial, financial and other disciplines. The Board provides support and challenge on the direction and strategy of the Trust. The volume of work generated for Trust non-executive directors (NEDs), and a wish to improve the diversity of the Board, have led to initial discussions about increasing by one the number of NEDs supporting the Children's Trust, in agreement with the City Council and DfE.

The Board consists of a chair and 7 non-executive directors. Details of current Board members are available on the Trust Website at: https://www.birminghamchildrenstrust.co.uk/who_we_are.

The Trust Board has established the following committees:

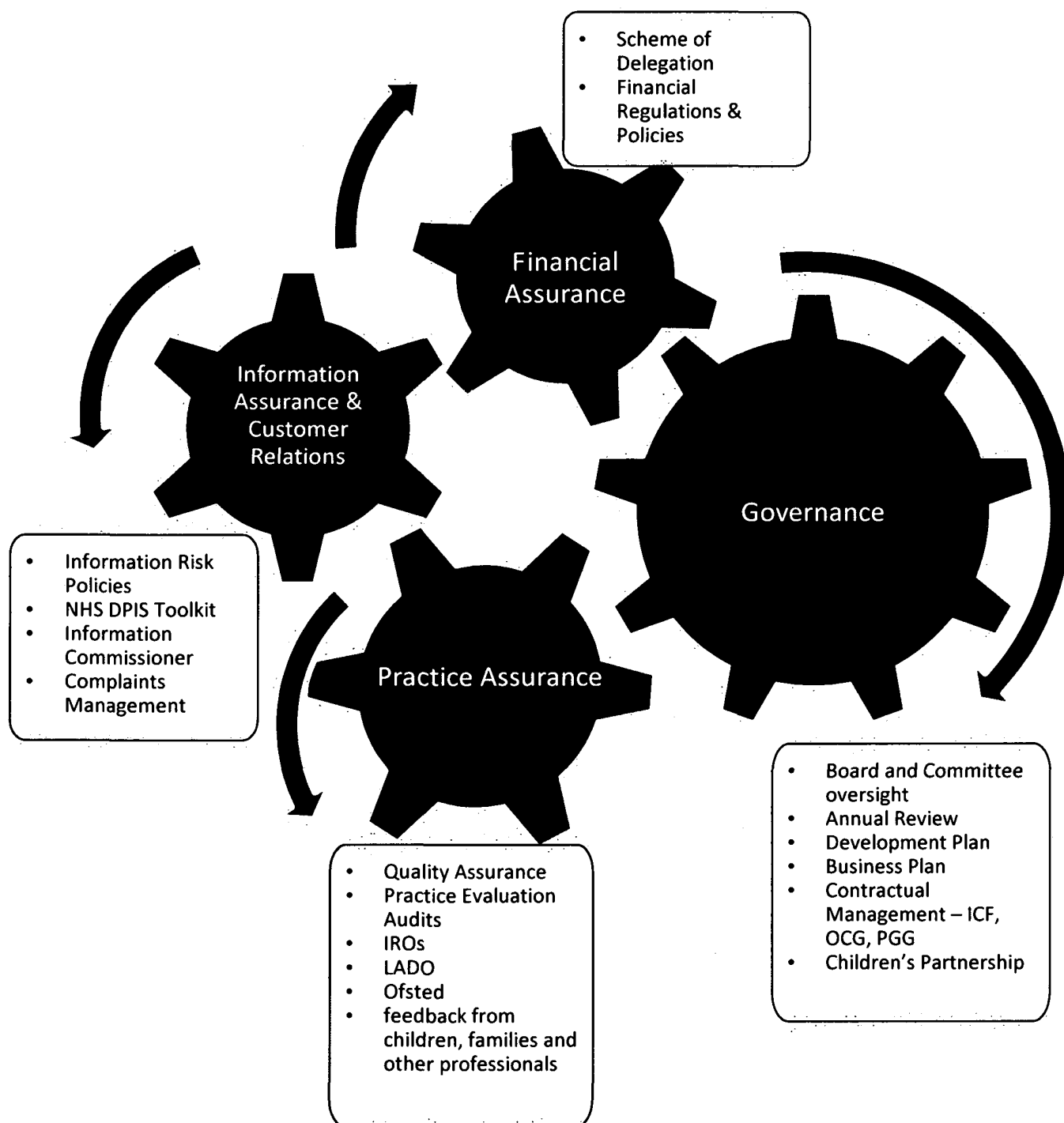
- Finance and Resources.
- Performance and Quality Assurance.
- Workforce.
- Nominations and Remuneration.

The governance arrangements, between the Council, Trust and DfE, have worked effectively during the Trust's first three years. The framework of Operational Commissioning Group, Trust Partnership Governance Group and routine engagement at Overview and Scrutiny, alongside regular meetings between the Trust Chief Executive and the Council Chief Executive, Director of Children's Services and Lead Member, have together proved successful in ensuring that the Council is well informed, and the Trust held accountable for delivering the right results and the necessary improvements.

The Trust's Executive Directors consist of the Chief Executive, the Director of Practice, the Director of Commissioning & Corporate Parenting and the Director of Finance & Resources. The Executive provides management oversight of operational activities of the Trust under a scheme of delegation approved by the Trust Board.

Quality Assurance Framework

The framework below sets out how the Trust assures itself about performance, governance and other key matters.



4. Summary of the Council's performance of its obligations

The Council and Trust have continued to work in partnership effectively during what has been a challenging year. The impact of Covid-19 has been considerable on all public services in Birmingham, not least children's social care. Despite the pressures the pandemic has placed on professionals the Trust has continued to deliver within the performance tolerances set by the Council. This should be acknowledged and celebrated as a significant achievement, as we emerge from the height of the pandemic.

The Trust is an active member of the Birmingham Children's Partnership, contributing well to the leadership of the public sector system in the city. It has taken on a new commission that supports the delivery of early help locally. This work has started well and we hope to report success in future reports. There are a range of areas where the Council and Trust are interdependent, particularly in relation to education, public health and SEND. These interdependencies will remain an area of joint focus, as will joint commissioning across social care, SEND and with our NHS partners. The Council is satisfied with our own performance as a client and aims to review and improve its overall commissioning arrangements, including our capacity to support the mission critical contract with the Birmingham Children's Trust.

5. Cost of performing the services in 2020/21

The Trust's financial position improved during 2020/21 with additional funding of £6.1m to meet the continued rise in the care population and increases in placement costs, offset by the delivery of a number of supply side savings, including ending some of its block contract arrangements, and securing other efficiencies across the Trust's activities.

The Trust delivered a balanced outturn in 2020/21 which is a significant achievement in its third operational year. It is recognised that the care population continues to increase but the rate of increase has slowed to 2.3% compared with 5.7% in previous years.

The cost of performing the services in 2020/21 can be summarised as follows:

	Budget 2020/21 £m	Outturn Variance 2020/21 £m	Outturn Variance 2019/20 £m
Pay	86.6	-3.3	-0.6
Placement costs	95.3	3.0	12.9
Other costs	28.8	1.2	-2.0
Total Expenditure	210.7	0.9	-10.3
Funded by:			
Contract sum from the Council	204.3	-	-7.0
Other income and contributions	6.4	0.9	-3.3
Total Income	210.7	0.9	-10.3

6. Summary of any changes to the Agreement agreed during 2020/21

There were no changes made to the agreement during 2020/21.

7. Demand for services in 2020/21 and the expected demand for the services in 2021/22; social, demographic or other relevant factors which affected the services in 2020/21 and/or may affect the services in 2021/22

Following an initial increase in the care population up to May 2020 the rate remained at around 67 per 10,000 for the remainder of the year. The ongoing effect of the pandemic has been difficult to predict, with some older children remaining in care and a continued pressure with placement costs. Despite this, the Trust was able to deliver an overall balanced outturn for 2020/21.

The Trust's Medium Term Financial Plan (MTFP) for the next three financial years made a case for a further net increase in funding in 2021/22 of £5.3m to meet this continued increase in demand. A summary of the financial proposals for 2021/22 which were approved by the Council at its meeting of 23 February 2021 is provided in the table below.

Budget		2021/22 (£m)
Placements (demand growth 56 children p.a.)		5.3
Family & Friends (+89, less -78 fostering, -11 Residential)		(1.2)
SGO & Viability Team		0.6
Sufficiency (+39 Foster carers, -39 external fostering, +7 Adopters)		(0.3)
Staffing capacity	- Practice (including investment)	0.6
	- IROs	0.2
	- Legal	0.4
Better commissioning	- Efficiencies	(0.5)
	- Investment	0.2
Total		5.3

The Trust is not proposing any further increase across the remaining period of the MTFP and aims to remain within its funding envelope for 2022/23 and 2023/24. The key assumptions behind this are that:

- the Trust can deliver £2m savings in 2021/22 from its Strong Families Programme by increasing the number of children placed with family and friends, and continues to grow the number of its own carers, including foster carers and adopters; and
- the Council will make the proposed investment in Early Help of £5m per annum which will enable the Trust to expand its offer across the city and, in partnership with the other voluntary community groups, start to reduce the pressure on social workers.

A summary of the MTFP proposals is provided below.

	2021/22 £m	2022/23 £m	2023/24 £m
Children in care	5.3	3.9	2.9
Demand management	(1.2)	(2.4)	(2.4)
Supply side (incl' commissioning)	(0.8)	(1.4)	(1.2)
Sub-total	3.3	0.1	(0.7)
Staffing capacity	0.9	0.7	0.4
Innovation & invest to save	1.1	-	1.8
Property rationalisation	-	(0.5)	(1.0)
Other efficiencies	-	(0.3)	(0.5)
Total	5.3	-	-

Contract Sum 2021/22

As part of the Annual Review (Schedule 3 to the Contract) and the Annual Budget Setting Process, the Trust is required, by 30 October in each Contract Year, to submit the Contract Sum Proposal to the Council for consideration as part of the Council's general budget-setting process. In response the Trust submitted its financial proposals based on the following scenario:

- a reduction of £1.8m in the grant for Unaccompanied Asylum Seeking Children (UASC).
- a net increase of £5.3m per the demand forecast¹ in the MTFP.
- an increase of 2.5% against pay budgets and retention of a pensions cash provision to enable the Trust to fund increments in 2021/22.
- an indexation increase of 2% for non-pay inflation.

¹ The Council and the Trust have reached an in-principle agreement that the financial payment mechanism in the contract will be amended such that if actual demand exceeds the forecast then this will be dealt with via a contract variation agreed via the Operational Commissioning Group.

At the Partnership Governance Group meeting between the Council and Trust on 26 January 2021 the proposed increase of £7.9m in the contract sum for 2021/22 was agreed as follows:

Contract Sum 2021/22	2021/22 (£000)
Contract Sum b/f	204,193
Adjustments - UASC (full year effect)	-1,774
Sub-total	202,419
Demand pressure (net) per MTFP	5,340
Pay provision (2.5%) - increments	2,060
Indexation (2.0%) - Non pay inflation	2,238
Total Contract Sum 21/22	212,057

How we spend our money and how we are funded

A breakdown of how the Trust spends its money and how we are funded is given below for 2021/22.

Spending and funding analysis	2021/22 (£m)
Employees	93.1
Premises	3.3
Transport	1.6
Supplies and services	5.9
Payments to third party providers	107.4
Transfer payments to other public bodies	4.8
Total planned spending	216.2
Funded by:	
Core contract sum from Birmingham City Council	202.1
Government grants paid via Birmingham City Council	9.9
Total contract sum	212.0
Other grants and contributions received direct by the Trust	4.2
Total funding	216.2

Capital proposals

The Trust has made significant progress with its estate, with the Covid-19 response providing a platform to move forward some changes at pace and as part of the business continuity response. The Trust has successfully split contact and conference sites providing dedicated space for these distinct and separate functions and released accommodation such as the South Access Contact Centre as not fit for purpose. Additional investment in Business Services and Support has created a permanent Property Programme Manager role to take forward the Trust longer term accommodation agenda.

A wider review of the relationship with the Council as Landlord has resulted in the Trust taking forward a renegotiation of the Support Service Agreement to further strengthen and clarify responsibilities and enabling the Trust to act as the Landlord's agent. By seeking to establish a dedicated, Trust-focused facilities management role and to enable the Trust to look at the wider market for support with maintenance, these changes, once fully ratified, will strengthen not only quality and value for money but also compliance ensuring accommodation is fit for purpose for our children, young people and families and staff.

The Trust made a capital bid of £2m to the Council in relation to improvements and planned maintenance of Trust properties. This funding was approved by the Council as landlord on 9 November 2020, on behalf of the Trust. The table below provides a summary of the property programme:

Property programme		2021/22 (£m)
Improvements	– programmed works on operational properties	0.5
	- contact centres and child protection conferencing	1.2
Planned maintenance		0.3
Total planned capital spending		2.0

The replacement of the South Access Contact Centre was achieved in 2020/21 with the opening of the new Keystones contact centre and a new conferencing facility is still planned in the south of the city. St Andrews was repurposed as a contact centre only and the Willows converted into conference only facility. Proposals for a third contact centre in 2020/21 were affected by Covid-19 but it is still envisaged this will be achieved in early 2021/22.

The Children's Trust has pulled together an ambitious and innovative programme of services and activities all designed to support families, and to keep children and young people safely in their families and communities. Demand for care is rising nationally, at a rate of over 5% (in Birmingham that would equate to an additional 90-100 children in care each year). The rate of children in care in Birmingham is below that of statistical neighbours, and we believe that this programme will enable this position to be maintained.

Strong Families: Key Elements

Set out below is the range of improvement and innovation initiatives the Trust has taken since establishment, all built on three critical value propositions:

- children do best when growing up safely in their birth families.
- when parents are unable to care safely for their children, the search for alternative care starts with the child's family and friends and, if none available, seeks alternative family-based care.
- all of our work with families is relationship-based and restorative (based on the simple premise that we 'do with' children and families, rather than 'do to' or 'do for').

The initiatives and programmes we have introduced can be separated to reflect our approach to **Demand**: meeting need in the lowest-tariff way, at the earliest point, preventing escalation into higher-tariff, higher-cost care, and **Supply**: ensuring that the services and care we provide to meet need represent the best quality at the best value for money.

Managing Demand Programme

Project/Activity	Description/Intended Impact
Early Help	Multi-agency work with families to prevent escalation of problem and referral on to social care.
Pathfinder	School-based and joint-funded Early Help programme: 45 schools plus City of Birmingham School (PRU). Reduction in referrals to social care beginning to result.
Preparation for Adulthood & Transitions	Joint programme with Adult Services: transitions and support for young people reaching adulthood and needing ongoing support to live independently.
Family Group Conferences	Formal process for families to take responsibility, make decisions and find solutions for their children, supported by the state but led by the families: more children stay within their families/return to their families from care - from 50 FGCs a year 12 months ago, we now have capacity for 350.
Social Work Practice Model	Relationship-based and restorative practice model, recognising importance of families, relationships and wider systems in which children live. Consistency of practice underpinned by shared values and acknowledgement of trauma. Helping our understand and intervention methods. The introduction of family support, domestic abuse workers and adult mental health workers to the ASTI (social work assessment teams) in February 2021.
Multi-systemic Therapy	Intervention with high-risk young people and their families, focused on reducing risk behaviours and avoiding family breakdown.

Contextual Safeguarding Hub 'EmpowerU'	Multi-agency hub centring our work with young people at risk of being missing, exploitation, gangs, guns etc. Joined-up targeted approach to managing risk and addressing environmental factors. Working with families as a protective factor for young people. Reducing consequence of exploitation on family breakdown.
Family Drug and Alcohol Court	Special court dealing with substance-misusing parents/families where domestic abuse is an issue, to keep children safely in their care where we would otherwise be seeking removal.
Reuniting Families	Programme aimed at returning children from care safely back into their families.
Safer Families	Partnership with a voluntary organisation providing intensive, volunteer-based support to families at risk of breakdown. Reducing risk of need for alternative care.
Strengthening Families Project	Targeted programme in Northfield: social workers and health visitors working together with expectant mothers where risks of intervention are high, to support more to safely care for their babies in the community.
Breaking the Cycle	Programme owned by the Trust working with parents who have lost previous children to the care system to enable them to make different choices about their futures and/or to care more safely for further children.

Improving Supply Programme

Project/Activity	Description/Intended Impact
Family & Friends Care	Care provided by a relative when a child cannot live with parents. Since 2018 the Trust has doubled the rate of children in family and friends care to 10.4%: still below the national average use of this care type.
Foster Carer Recruitment	Improved recruitment: media, social media etc. Trust now showing net increase in carers after 3 years+ of net loss each year.
Regional Adoption Agency/Strategic Partnership	Innovative partnership with a Voluntary Adoption Agency will improve supply of local adopters and reduce cost of inter-agency fees paid currently.
Improved Residential Commissioning	Reversing out of high-cost, poor performing block contract; reducing urgent spot-purchasing; improving cost and contract management; building new provider alliances to improve value for money and quality.
Recommissioning Supported	Moving to a new commissioning partnership, working with a local voluntary organisation and Adult Services to provide stronger

Accommodation	placements at better value.
Tripartite Funding Agreement	For children in care with complex needs, funding contributions from NHS and the Council (education) (DSG) are lower than in other systems. So disproportionate costs fall to the Trust. Leveraging a more equitable funding model will reduce the burden that falls to the Trust.
Lifelong Links	Project that reconnects older young people in care to family networks/important adults in their lives. Leads to lasting support networks and, for some, a swifter exit from care.

All of these programmes have been initiated since the Trust was established. Some have attracted external funding (DfE, OPCC), the rest achieved by moving resource within the Trust. Each project is in its relative infancy and as they gain traction and increase impact, so the Trust will be able to track and report on savings achieved/costs avoided.

Intended Cumulative Impact of Strong Families Programme

First and foremost, the goal of the programme is to produce better outcomes for the city's most vulnerable children, young people and families. Keeping families together and supporting families' strengths and their reach, to safeguard children, will produce better outcomes. For children in care, getting them cared for close to home, in stable family-based placements will similarly produce better outcomes. High quality residential care for those unable to live in their families, or in other families, will support their life chances and enable them to grow to become independent, economically active, social connected adults.

Clearly the Trust wants to continue to deliver its services at the best possible value for money for the Council, as our owner and commissioner. We believe that the cumulative impact of the Strong Families programme will be on both 'demand' and 'supply'. Neither will change overnight, but over a three year medium-term financial plan (MTFP) period the Trust is setting some stringent targets that will mitigate the cost of increasing demand for services and increase cost avoidance. Key amongst these are:

- 25% of children in care living with family and friends rather than in 'stranger' foster or residential care.
- increase of 20% in the number of children placed with Trust foster carers.
- increase of 50% in the number of children placed with Trust adopters.
- decrease of 10% in the unit cost of care.
- management of the care population to stay at least 5 points below our statistical neighbour average (this would represent 8-10% below core cities average).

We can anticipate, as the new city-wide early help service rolls out, a reduction in referrals to the Trust. However, there are many examples nationally of new early help unearthing and identifying previously hidden need and risk, so it is sensible not to set short-term targets around the impact until we have implemented the initial wave in five localities and extracted the learning from this. We know, in the short term, there is 'pent up' demand in the system around vulnerability, domestic abuse etc, exacerbated by Covid. The Council's Early Help business case already sets out the ambition in terms of the impact of orchestrated, integrated, targeted early help on future demand for Trust services.

8. Effects of any changes in children's social care legislation or guidance on the delivery of the services and/or any actual or anticipated change in law and the implications of such changes

The Covid pandemic brought about a number of amendments to children's legislation, regulations and associated guidance. The coronavirus regulations fundamentally allowed children's services to change some basic social care and social work practices. The use of remote meetings and visits was agreed as a means of minimising the rates of infection transmission. The Trust implemented amended visiting and meeting policies in response to the amended regulations. In addition to this, a number of dispensations were made in respect of fostering and adoption recruitment and review processes. As this report is written, pre-pandemic practice has resumed with the only exception being the use of hybrid meetings.

A review of the existing regulations and accompanying guidance is underway. The Trust has contributed to the consultation.

The Government will be amending the Care Planning, Placement and Case Review (England) Regulations 2010, to make it a condition of placing in "other arrangements settings" (ie. independent and semi-independent settings) under section 22C(6)(d) of the Children Act 1989 that the child is aged 16 or over. The effect of this will be that local authorities must place children in care who are under the age of 16 in either foster care or a children's home that is registered with Ofsted.

The changes are scheduled to come into effect in September 2021, following a grace period, to give local authorities time to respond to the changes and make alternative arrangements. There is some trepidation as to whether this timescale will realistically be achieved as the sector has raised concerns with central government regarding the sufficiency of care placements for such young people. The Trust has maintained its position as policy that we do not place young people aged under sixteen years in unregistered settings. However, there have been rare occasions where unregulated provision for young people under aged 16 or still in secondary education (year 11) has been used. A sufficiency strategy has been produced which has given rise to a number of commissioning initiatives that look to in-source emergency provision to mitigate against, but not eradicate, this change in policy.

The national care review is currently underway. Commissioned by Central Government, the review, which is chaired by a national panel, promises to deliver a refreshed approach to the children's sector. The review has been underway for three months at the time of writing this document. The Trust will ensure that all key stakeholders including children, families, social workers, partners and strategic leads contribute to the national review.

9. Strategic priorities and outcomes for 2021/22

The Trust Board has agreed the following service-specific and cross-cutting priorities for the coming year.

Service-Specific Priorities

Strategic Priority	Impact/Benefits	Risks (<i>Mitigation</i>)
Quality of Practice	<p>(Continuous improvement will always be a priority)</p> <ul style="list-style-type: none"> Ofsted readiness Ongoing focused work on assessment, planning, inter-agency partnership working to deliver better outcomes, and the function of social work teams/case progression linked to practice improvement Improvements in Youth Offending Service (YOS) practice through implementation of Action Plan: higher quality assessments of need and risk for young people in the youth justice system Stronger integrated service delivery across YOS and other Trust services 	<ul style="list-style-type: none"> Workforce fragility and turnover (<i>Recruitment and Retention Commission and improved marketing etc</i>) Impact of Covid on capacity and management to drive improvement (<i>Trust wellbeing offer; practice supervisor training and support</i>)
Early Help	<ul style="list-style-type: none"> Services reach and wrap around children as additional needs start to emerge Schools, Health and other partners supported to deliver a bespoke early help response 	<ul style="list-style-type: none"> Impact of Covid on partner priorities and capacity (<i>Birmingham Children's Partnership signed up to the shared agenda and priorities</i>) Greater need found and identified, but not

Strategic Priority	Impact/Benefits	Risks (Mitigation)
	<ul style="list-style-type: none"> Additional capacity through new early help workforce supporting children, families, schools and communities Maintained active partnership work focused on vulnerable children not attending school 	<p>responded to ie. early identification without early help (<i>Partners working together; outcome and progress data regularly reviewed; Trust early help workers supporting partner interventions</i>)</p>
Strong Families Programme	<ul style="list-style-type: none"> Demand: implementation of the programme produces positive impact on demand for higher-tariff Trust services Supply: sufficiency, market engagement, joint commissioning all improve leading to local solutions for children and improving efficiency and value for money 	<ul style="list-style-type: none"> Failure to implement programme (<i>Trust leadership and performance management systems</i>)
Services for Disabled Children	<ul style="list-style-type: none"> Implement findings of review to modernise, personalise and improve services for disabled children 	<ul style="list-style-type: none"> <i>Doing nothing will mean that the offer to disabled children does not meet the standards of practice replicated across the wider social work operating model Trust wide. There have been a number of significant changes to national policy, we must be compliant.</i>
Quality of our work in and with the Courts	<ul style="list-style-type: none"> Ongoing work to reduce length and number of hearings, improve timeliness and quality of Trust submissions, reduce court reliance on 'independent' assessment 	<ul style="list-style-type: none"> Changes fail to impact on the wider court system – shared responsibility (<i>active work through Local Family Justice Board; positive working relationship with senior judiciary; ongoing training and development for social workers</i>)

Strategic Priority	Impact/Benefits	Risks (Mitigation)
Complete establishment of Regional Adoption Agency (RAA)	<ul style="list-style-type: none"> Voluntary Adoption Agency (VAA) partner found; partnership established; improved pipeline for children in need of alternative permanent care 	<ul style="list-style-type: none"> VAA partner not found (<i>Market engagement undertaken; positive interest from the sector</i>)

Cross-cutting Priorities

Strategic Priority	Impact/Benefits	Risks (Mitigation)
Equalities	<ul style="list-style-type: none"> Services delivered in ways, and by a workforce, at all tiers, that reflect the needs and experiences of the population we serve, equitably and fairly Anti-racist practice embedded in our work Staff feel equitably valued by the organisation in which they work; staff have the same opportunities for development and progression; HR activity reflects the workforce Targeted work is undertaken to encourage support and progression for staff from black, Asian and minority ethnic communities Bias and discrimination is unacceptable and is routinely addressed 	<ul style="list-style-type: none"> Progress not made, leading to inequitable service offer and increasingly disenfranchised staff (<i>Staff forum given voice to call leaders to account for progress; top-down focus on beliefs, attitudes and behaviours across the Trust; additional capacity from dedicated role to lead and coordinate the programme of work</i>)

Strategic Priority	Impact/Benefits	Risks (Mitigation)
Recruitment and Retention	<ul style="list-style-type: none"> Trust reputation and profile further enhanced and widely promoted (local, regional, national) Improved pipeline of social workers joining the Trust Improved retention and progression of social workers 	<ul style="list-style-type: none"> Failure to improve recruitment and retention (<i>Recruitment & Retention Commission; dedicated focus; progress monitored</i>) Failure to put together a sufficiently competitive recruitment and retention offer due to the Council's Equal Pay constraints or anxieties (<i>ongoing work with the Council</i>)
Strategic and Operational Financial Management	<ul style="list-style-type: none"> Implement actions emerging from the CIPFA and C.Co reviews, jointly with the Council's Finance partners Enhance financial management at all levels of the trust Improve efficiency and value for money 	<ul style="list-style-type: none"> Failure to implement actions (<i>action plan, governance and performance management</i>) Post-Covid demand greater than planned for leading to financial/service pressures (<i>joint working with the Council; role of the Children's Partnership to support</i>)
Integrated Information Management (and Eclipse)	<ul style="list-style-type: none"> Implement further aspects of Business Support Redesign, including all elements of the Trust's IT strategy: Eclipse; Power BI; upgrades; hardware; HIE 	<ul style="list-style-type: none"> Financial risks (<i>clear costed strategy</i>) Capacity: small team (<i>keep under review; ensure prioritisation</i>)
Partnerships	<ul style="list-style-type: none"> Maintain and enhance Trust presence and contribution to all key partnerships across the city Advocacy for the most vulnerable in these partnerships Drive closer, more effective operational 	<ul style="list-style-type: none"> The city's history is not of a strong system so building and maintaining requires constant partner attention (<i>the Children's Partnership, the Safeguarding Children partnership and the Community Safety Partnership, plus the City Board, can all act as catalysts to drive and cement collaboration</i>)

Strategic Priority	Impact/Benefits	Risks (Mitigation)
Participation and Engagement	<p>partnership working in all contexts: information-sharing; collaboration; trust and confidence</p> <ul style="list-style-type: none"> • Build the reach and scope of our engagement with children in care and care leavers • Establish routine engagement with other service user groups: children in the child protection system and their families; children in need etc • Build greater co-production in our service development • Continue to focus on building engagement and connection with our staff through the Employee Forum, Wellbeing Forum, Equalities Forum and our communications models 	<ul style="list-style-type: none"> • Service user voices do not shape services effectively (<i>engagement processes improving; co-production; surveys etc</i>) • Staff feel disconnected and disengaged from the Trust (<i>regular and effective communication; engagement and representative platforms; senior manager availability and visibility to front-line staff; staff surveys etc</i>)

In achieving our ambition in the coming year we recognise we have some key dependencies: changes and ongoing improvements not directly in the gift of the Trust but critical to our ongoing improvement. These include:

- ongoing SEND improvement.
- school places, attendance and exclusion as they impact on vulnerable children with whom we are working.
- deeper, stronger integration: early help; contextual safeguarding; Preparation for Adulthood etc.
- implementation of an effective integrated commissioning model: Trust, Council, NHS.
- the continuous need to build stronger collaborative working: West Midlands Police, NHS, Council, Birmingham Voluntary Service Council.

We want to work with our partners, and across organisational boundaries, to drive improvement in these areas to further enhance the positive impact we can collectively make for the city's most vulnerable children and families.

10. Results of any audits or surveys carried out during 2020/21

A number of internal audits were completed during 2020/21 for which a series of recommendations were made and appropriate management actions agreed.

The list of internal audit reviews for the year included:

- Business Continuity Planning
- Payroll - Management of Leavers
- Payroll - Pension Administration
- Foster Carer Payments - follow up
- Commissioning/ Procurement - follow up
- Regional Adoption Agency
- Business Support
- HR Critical Friend Process - relating to transfer of HR Support services from the Council to the Trust and review of DBS process

11. Outcomes of any rectification plans

There were no rectification plans required in 2020/21.

12. High-level review of applicable Central Government funding generally, including details of any anticipated Central Government funding (or changes to that funding) directed to the services in 2020/21 and/or 2021/22 or future contract years where applicable

The Trust receives payment from the Council in respect of services provided under the contract for which the Council receives Central Government grant funding. A summary of the key grants amounts for 2020/21 and the expected funding level for 2021/22 is set out below.

- Unaccompanied Asylum Seeking Children (UASC) 2020/21 actual core grant received was £3.4m and expected 2021/22 is £3.2m, a decrease of £0.2m.
- Youth Justice Board (YJB) 2020/21 actual core grant received was £1.897m and confirmed grant for 2021/22 is £1.936m, an increase of £39k.

In addition to the above the Trust received an additional £1.6m of UASC grant and £63k YJB grant during the year. These grants were fully used in 2020/21.

During the financial year ending 31 March 2021 the Trust also received core funding of £2.6m from the Troubled Families Programme via the Council. The Trust has earmarked £2.2m of Payment by Results income to be carried forward to support future years' Troubled Family activity. The Troubled Families Programme is now expected to continue until at least 31 March 2023.

13. Summary of the outcome of any surveys of service users, and relevant stakeholders and third parties in relation to the services

Children, Young People and Parents/Carers Feedback Summary

Child Protection Meetings

In Autumn/Winter 2020 the Child Protection Service introduced a new hybrid method for Initial Child Protection Conferences (ICPC) in response to the challenges of Covid. The hybrid model allows parents, principal officers and social workers to meet physically, and for others to join virtually using Teams. A rolling survey was set up for parents and partners to provide feedback on how well the hybrid model was working.

Feedback from parents demonstrated most agreed they: understood the social worker's report for the meeting, that the chairs had helped them understand why the meeting had been called and what would happen, they had the chance to share their views with the chair in advance and during the meeting, they were listened to and treated with respect.

Feedback from partners demonstrated that most agreed they: felt the meeting was well managed by the chair, the chair made it clear what the concerns were, partners had a chance to give their views, partners were listened to, and the child's voice was heard in the meeting. Interestingly 28% reported that they felt the meeting was more effective than traditional face-to-face meetings and 43% said they were equally effective. 19% said they were a little less effective and only 6% said they were much less effective.

Young People Review Meetings

In November 2020 the Independent Reviewing Service introduced its first online survey for children and young people to provide feedback about their experience of review meetings and working with their Independent Reviewing Officer (IRO). This has now been completed by over 60 children and young people.

Nearly 80% agreed their IRO always listened to them and involved them in decisions. 88% said someone always contacted them for their views when they cannot attend their review and the same number said they are always briefed about what happened at their review if they cannot attend. 82% were happy with how often they saw their IRO. When children and young people did not attend the most common reasons were that they were happy and did not feel they needed the meeting, they could not attend because they were doing other things, or they did not like talking in front of others.

Parents Safeguarding Covid Feedback

In December 2020 the Trust undertook its first online survey promoted via text message to parents with children on open Children in Need and Child Protection plans to look at experiences of working with us during Covid. 122 surveys were received back representing the largest collection of feedback from this service user group to date.

- Over half of the parents said they had the same or more contact with their social worker as before Covid (58% parents in the case of children in need and 64% of parents in respect of child protection).
- Circa 70% of parents were satisfied with how often they had contact with their social worker during Covid (at 71% of CIN and 66% of CP cases). Similar numbers said they had received the same or more support from social workers during Covid (at 65% of CIN and 73% of CP Parents).
- 71% of CIN and 63% of CP Parents were satisfied with the support they had received.
- Most parents who had received a physical visit during Covid felt safe with the measures the Trust had put in place (92% of CIN and 86% of CP Parents).

We asked Parents about their experiences of phone/video contact with SWs during Covid:

- 76% of CIN and 74% of CP Parents agree they got their views across
- 84% of CIN and 76% of CP Parents agree they were listened to
- 70% of CIN and 77% of CP Parents agree their children were happy to talk to SWs using phone/video calls
- 78% of CIN and 76% of CP Parents agree they received good advice, support and information from SWs during video/phone calls
- 87% of CIN and 82% of CP Parents agreed the connection and quality of phone/video calls had been good
- Only 41% of CIN and 38% of CP Parents prefer a visual call – this may present challenges to our SWs who can gain more in-depth understanding with video

Care Leavers Covid Feedback

The Trust ran a survey with care leavers to explore their experiences of being supported during Covid; this was returned by 25 young people. 64% said they had less contact with their Personal Advisor (PA) since the start of Covid, but 73% said they were satisfied with how often they are speaking to/seeing their PA.

When asked about their experiences of phone/video contact with PAs during Covid, 68% agreed they could get their views across, 87% agree they were listened to and 82% thought they were provided with good information, advice and support. However, 60% of care leavers said they prefer to have the video off when having calls with their PA.

92% of care leavers who have had physical visits from their PA felt safe doing so. 52% of care leavers felt they received the same level of support during Covid as before, and 19% said they received more. 67% are satisfied with the level of support they have been receiving since Covid; 34% were unsatisfied.

We asked about their experiences of phone/video meetings with PAs during Covid, Care Leavers told us:

- The IT was easy to work and worked well; 100% agreed
- That you were asked your views; 100% agreed
- That you were listened to; 100% agreed
- That meetings talked about progress made; 94% agreed
- That you understood the actions you needed to do after the meeting; 93% agreed
- That you understood the actions others were going to do after the meeting; 94% agreed

Annual Foster Carer Survey October 2020

In October 2020 the Practice Hub ran the Fostering Service's third internal Foster Carer Satisfaction Survey and received 111 responses. The survey showed there had been very positive improvements in carers' satisfaction with the relationship they have with their child's social worker and how often social workers visit.

Carers continued to rate their satisfaction of their relationship with their supervising social worker very highly, as well as how often they visited. The large majority were positive about the guidance and support they received on a range of topics including health, education, staying put, etc. Around 20% of carers were not satisfied with the Annual Review process; this was the same in 2019.

Carers were asked how satisfied they were with support from other professionals. Looked After Children Nurses and Health are rated very highly. In other areas carers answers were less positive. 25% were not that satisfied with support from school, similarly 35% from the virtual school, 39% from Therapeutic Emotional Support Service and 50% from CAMHS.

Carers were very positive about the standard of training provided by the Fostering Service, its effectiveness, quality and that it meets development needs. 20% felt access to training could be improved; 16% felt there could be a fuller range of opportunities, and 26% did not have a training plan as a result of their Annual Review.

The large majority reported that they were invited to and well engaged in Personal Education Plans and Children in Care meetings. A quarter were not invited to Education and Health Care Plans and half were not invited to Pathway Plan meetings. A quarter did not feel effectively involved in Pathway Plan meetings.

85% of carers responding to the survey are members of Birmingham Foster Carers Association (BFCA) and 55% are members of BFCA's Buddy Groups; 87% are members of Foster Talk.

Family Support Service Annual Parent and Child Feedback Report

For the third year running the Practice Hub produced an annual report on feedback from adults and children on working with family Support Workers (FSW), with 398 and 350 responses received respectively.

100% of adults agreed: FSWs explained why their family needed help, spent enough time getting to understand them, they could talk to their FSW about their worries, they could contact their FSW when they needed, they trusted their FSW to do what was best for their children, FSWs were honest with them, FSWs asked what kind of help they needed and they listened to their views.

Just under 100% agreed: FSWs spent enough time getting to understand their children, involved them in decisions, they said there was no support missing from their plan and their family got all the help they needed. Nearly 90% agreed: they received a copy of their plan and rated the help they received between 8-10 out of 10.

The children's feedback was also very positive with nearly 100% fully or partially agreeing their FSW spent enough time getting to know them, that they could talk to them about their worries, FSW explained things in a way they understood, they listened to them, FSWs did

what they said they would and they helped their family. Many fully understood why they had a FSW at 74% and 20% understood a little, and 91% said they got all the help they needed.

14. Matters relating to the risk register

A key challenge and risk for the Trust during 2020/21 was the impact of the pandemic on operational performance. A Business Continuity Group was set up in response to manage and mitigate impact, including implementing risk assessments in line with national guidance and public health advice. Monitoring of staff sickness and those social distancing and unfit to work was undertaken throughout 2020/21 and additional agency staffing deployed where necessary. The overall cost of Covid-19 amounted to £2.1m in 2020/21 which was reimbursed by the Council through the Covid-19 grant funding for essential services.

A key risk for the Trust continues to be the sufficiency of placements within the local area to meet the demand for children in care and care leavers. These combined risks in turn create a cost pressure from external placements and supported accommodation. Effective mitigating action taken during the financial year included converting residential placements to fostering, active management of external provider contracts, and delivery on support services efficiencies.

The Trust actively manages risk through its corporate risk register, which is routinely updated via its Executive and monitored through its Finance and Resources Committee and the Trust Board. A refresh of the corporate risk register during 2020/21 highlighted the following key strategic risks for the Trust:

- Birmingham City Council – change in leadership and priorities
- Human resources – recruitment, retention and welfare of staff
- Covid legacy
- Significant incident for a child with whom the Trust is working
- Regulatory failure
- Data intelligence and use of that intelligence
- Development of the Trust

15. Outcome of any Ofsted monitoring visits and inspections

Children's Home	Date	Inspection Findings
CAMBORNE HOUSE	October 2020 (assurance visit)	<p>In the February 2020 interim inspection Ofsted judged that the Home had sustained effectiveness.</p> <p>In the October 2020 assurance visit, one requirement was not met due to Covid-19, this was staff development.</p> <p>Staff have helped children to understand the changes in their routines due to the Covid-19 pandemic. Staff have used a variety of communication tools, such as objects of reference, social stories and Makaton, to help children to understand about Covid-19.</p> <p>Children have continued to be well supported to keep in touch with their families.</p> <p>Staff have adapted well to supporting home learning. This has resulted in children not falling behind with their education.</p> <p>Children's behaviour plans and risk assessments are not always written with enough detail to help to inform staff of the known risks and strategies needed to reduce them.</p> <p>When staff need to use a physical intervention to safeguard a child, it is always well recorded. However, children are not always given the opportunity to talk through their experience.</p> <p>The home has an experienced child-focused manager who knows the children well.</p> <p>The independent visitor has successfully used video technology to enable them to see and speak to children to check on their welfare.</p> <p>Some parts of the home are beginning to show wear and tear.</p>

Children's Home	Date	Inspection Findings
CHARLES HOUSE	February 2021 (monitoring visit)	<p>At the November 2019 full inspection, Ofsted found that the children's home provided effective services that met the requirements for good.</p> <p>In February 2021, the monitoring visit concluded that the independent visitor's monthly audits do not provide enough scrutiny. The independent visitor has not always consulted with children, parents and stakeholders. However, a new independent visitor has been recruited.</p> <p>Some of the previous requirements had been repeated. These include regulation 12 (the protection of children standard), regulation 32 (fitness of workers) and regulation 37 (other records). Therefore, two compliance notices have been issued under leadership and management and fitness of workers.</p> <p>The registered manager has not ensured that staff have been safely recruited. Gaps in employment and one agency reference had not been verified.</p> <p>On one occasion, staff did not adhere to the home's whistle-blowing procedure. The records relating to what steps were taken by the registered manager were not held on the file.</p> <p>The inspector did receive positive feedback from some parents and social workers about the care provided to children.</p>
EDGEWOOD ROAD	September 2020 (assurance visit)	<p>At the February 2020 interim visit, Ofsted found that the overall experiences of children had "improved in effectiveness".</p> <p>In September 2020, Ofsted said: Children are happy and flourishing, despite the restrictions imposed by Covid-19. Staff are enthusiastic in helping children to succeed. As a result, children develop a sense of security and belonging.</p> <p>When children have been unable to attend school because of Covid-19, staff have been skilful in devising daily programmes to help support children's ongoing learning. Staff have been creative in keeping children occupied.</p> <p>Managers have responded appropriately to a complaint. Following discussions with the family, the complaint was resolved, and action taken to ensure that lessons have been learned and children are safe.</p> <p>The manager is an experienced and child-focused manager. Supervision for staff has been prioritised, with staff receiving regular and frequent supervision, which is reflective, informative and gives opportunities for staff to learn.</p>

Children's Home	Date	Inspection Findings
WARWICK HOUSE	February 2021 (monitoring visit)	<p>At the January 2020 full inspection, Ofsted found that the children's home provides effective services that meet the requirements for good.</p> <p>This monitoring visit took place following concerns received by Ofsted from feedback surveys, and also because of the length of time since Ofsted last inspected this home.</p> <p>Requirements from the last inspection have been met. No new recommendations have been made during this monitoring visit.</p> <p>When children returned to the home, the transition was well planned. Staff were up to date with any changes to children support needs.</p> <p>Since the home has reopened, the safety of children and staff has been the registered manager's priority.</p> <p>One child told the inspector that they like staying at the home.</p> <p>This view was echoed by the child's parent and social worker.</p> <p>The registered manager takes complaints seriously and responds appropriately. She works with the staff team to consider any lessons learned following a complaint.</p>

16. Statement confirming how the principles of the Business Charter have been implemented or are yet to be implemented

The Trust has:

- promoted equality, diversity and social inclusion principles throughout our practice and corporate processes.
- established an Apprenticeship Scheme to support care leavers with employment opportunities, and promotion of care leavers through the Council's existing Apprenticeship Scheme.
- applied social value principles through our commissioning arrangements with external providers.

17. Proposed changes to the Agreement

Support services: the Trust has a range of support service agreements (SSAs) with the Council which are monitored via KPIs. The Trust has undertaken a review of a number of these during 2020/21 to ensure they still provide value for money and effective support as follows:

- Legal Services - appointment of an in-house Legal Practice/ Business Support Manager during 2020/21
- Human Resources – the first phase of the transfer of HR advice and support functions from the Council to the Trust was successfully completed during 2020/21 with further phases to continue in 2021/22.
- Internal Audit - tender exercise was delayed to COvid-19 and is now expected to be completed in early 2021/22.
- Health & Safety - renegotiation of the charging arrangements for services provided which, depending on outcome, could lead to the contract being tendered.
- Information Technology & Digital Services – following the expiry of the three year exclusivity period a review of this SSA will take place in 2021/22

Key performance indicators:

- KPI 2: Percentage of re-referrals to children's social care within 12 months - tolerance to increase from 17-24% to 17-28%.
- KPI 11: Average time between a child entering care and moving in with its adoptive family, for children who have been adopted (A1) - to be replaced with KPI 11 Average time between the local authority receiving court authority to place a child and deciding on a match (A2).
- KPI 12: Number of children who have been adopted in the year or who leave care - to rise from 70 to 85.

Covid 19: the additional costs as a result of the pandemic amounted to £2.1m in 2020/21 and was reimbursed by the Council as part of the Covid-19 grant funding for essential services. The long-term impact of the pandemic on children and families is uncertain. The Trust has evidenced a rise in domestic abuse and it is anticipated that hardship will have an

impact.

Regional Adoption Agency: during 2020/21 the Children's Trust will establish, as required by Government policy, a Regional Adoption Agency (RAA). In March 2020 the DfE endorsed the Trust's proposal to develop a joint venture with a Voluntary Adoption Agency to independently deliver the complete range of adoption functions across the Birmingham region. The Trust has progressed this further during 2020/21 and will shortly be in a position to conclude the procurement of a partner to work with the Trust in a different, innovative adoption agency model, with the support of the Council. The Trust intends to make an award to the Voluntary Adoption Agency (VAA) partner in August 2021 and go live in October.

Change control: a number of change controls were agreed with the Council during 2020/21 which resulted in amendments to the annual contract sum as follows:

- increase in grants:
 - Staying Put
 - Youth Justice Board
 - Remand
 - Personal Advisers
 - Troubled Families
 - Unaccompanied Asylum Seekers Children
 - Rough Sleepers
- other change controls:
 - increase to reflect full cost of pay award
 - contribution to Multi-Agency Safeguarding Arrangements

Other matters where no changes are proposed:

Pensions: there have been no changes in the pension arrangements for the Trust during 2020/21. The impact of a triennial review of employer contribution rates took effect from 1 April 2020 and the result was that the employer contribution rate for the Trust was reduced to 19%.

Financial mechanism, finance/contract sum: the Trust was required to agree the annual contract sum for 2021/22 with the Council by 31 March 2021, and this requirement was met at the meeting of the Children's Trust Partnership Governance Group on 30 March 2021.

Changes arising from audits: there were no changes to the service delivery contract as a result of any audit recommendations.