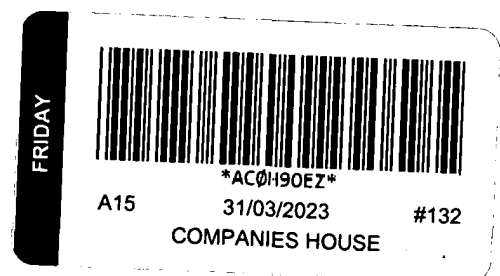


Registered number: 10762047

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

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022



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

COMPANY INFORMATION

Directors	A G Christie A J Couldrick B C Carr J P Glasby R E Harker C J Horwath E M Stafford J L Turnross D J Stringfellow B K Dhanoa (resigned 14 September 2022) L A K Yale-Helms J Tew (resigned 14 June 2021) S Dodd (appointed 22 September 2021, resigned 25 November 2021)
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

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BIRMINGHAM CHILDREN'S TRUST COMMUNITY INTEREST COMPANY
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STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2022

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".

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".

Performance

2021/22 was another challenging year for the Children's Trust. The pandemic and its legacy continued to have impact, and we sought to maintain delivery of improving services for the most vulnerable children in a new and different context.

Demand for our services is high and rising, as is the complexity of need we are working with. This has the potential to impact significantly on our financial performance in future years, but in the year 2021/22 we managed to close the year with a deficit of less than 1% of our operating budget – a better picture than for most children's service authorities around the country.

Some of our successes in the year include the following:

- continuing stability in the Trust's leadership.
- embedding the Early Help offer to families, in partnership with schools and the voluntary and community sector in the city.
- completing a second Focused Visit by Ofsted with a positive commentary on the ongoing progress of the Trust and the quality of our practice with children in care.
- maintaining our 'system leadership' presence, working across the children's and the safeguarding partnerships.
- continuing to deepen and broaden our offer to families through our Stronger Families programme, helping us to maintain a lower rate of children in care compared with statistical, regional neighbours and core cities.
- demonstrating value for money in an independent review commissioned by the Council as our commissioner.
- continuing to invest in and to support our workforce, enabling us to maintain a rate of agency/interim SW lower than statistical and regional neighbours.

We faced a number of challenges through 2021/22, some of which continue, including:

- recruitment and retention of the social work workforce: there are national challenges that affect us, but we work to 'grow our own' and to build a strong and committed workforce, supported to deliver good social care to families.
- placement sufficiency for children and young people in our care: market failure, profiteering and regulation all

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STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

have an impact, along with the constant need to build and replenish our carer base and develop new and innovative models and offers.

Our relationship with the Council remains a critically important feature of our success. The most recent appointments in the Council to the role of Director of Children and Families and Assistant Director (Commissioning) are welcomed and we are optimistic this positive relationship will continue and that we work together in partnership to deliver good services and good outcomes for Birmingham's most vulnerable children, young people and families.

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. We were largely successful in 2021/22, maintaining strong performance across the suite of indicators, including those captured in the contract with the Council. We have fallen outside of our tolerances in relation to an increased rate of agency social workers in the workforce (in part a phenomenon of the pandemic) and in relation to the time taken for children to be adopted. Placement stability for our children in care is very strong, and we continue to have a high proportion of young people in and leaving care who are going on to higher education.

Areas of particularly strong performance in the year have included placement stability for children in care; care leavers living in suitable accommodation; timely reviews for children in care and initial child protection conferences.

Summary of Trust performance in 2021/22:

KPI	Measure	Number of months where target met, within tolerances last 12 months	% where target met, within tolerances last 12 months
1	% of all referrals with a decision within 24 hours	12/12	100%
2	% of re-referrals to children's social care within 12 months	12/12	100%
3	% assessments completed within 45 working days	10/12	83%
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 (A2)	7/12	58%
12	Number of children who have been adopted in year or who leave care	N/A	73 against a target of 85
13	% of agency social workers (including team managers)	0/12	0%
14	Average caseload of qualified social workers	12/12	100%
15	% of social workers who have had supervision (in month)	12/12	100%

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STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Results of Ofsted inspections during 2021/22 as summarised in the table below.

Children's social care	Date	Inspection/Findings
Birmingham Children's Trust Fostering Agency	16-20 August 2021	<p>The independent fostering agency provides effective services that meet the requirements for good.</p> <ul style="list-style-type: none">• Overall experiences and progress of children and young people, taking into account - Good• How well children and young people are helped and protected - Good• The effectiveness of leaders and managers - Requires improvement to be good <p>Fostering Agency reports can be found here: https://reports.ofsted.gov.uk/provider/4/1273591</p>
Focused Visit – Children in Care	27-28 October 2021	<p>Headline findings – extract from Ofsted letter:</p> <p>"Most children in care benefit from living with settled carers who meet their needs. Social workers know children well and ensure that, for most children, their views help inform plans for their future. Children make progress in care and are supported to do well in school and enjoy their childhood. Most children benefit from stable and wellmatched placements which meet their needs. Social workers advocate strongly for their children, and effective professional networks ensure that children's needs are understood and progressed. A very small number of children who have experienced unplanned placement disruptions have been placed in unregistered children's homes. For those children aged 16 to 17 years old placed in unregistered children's homes, there has not been the same level of senior management oversight to assure the quality of placements."</p> <p>Children's social care inspection reports can be found here: https://reports.ofsted.gov.uk/provider/44/80429</p>

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STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Principal risks and uncertainties

The Trust maintains a strategic risk register which included seven strategic risks for 2021/22 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 £8.6m. The Trust was able to mitigate some of this pressure and deliver savings across other areas of activity which totalled £4.7m. The Council provided an additional grant via the Household Support Fund of £2.1m and agreed to a contract variation of £1.8m at the year end which represented less than 1% against the operational budget. The combined effect of this was the Trust delivered a balanced operational outturn in line with its aims of being a not-for-profit community interest company.

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 rate of increase in the care population has now reduced from 5.7% per annum in 2021/22 to 3.7% which is indication that the preventative work of the Trust through Early Help, Family Support and other areas of innovation (e.g. "Breaking the Cycle") are having a real positive impact.

The Council appointed the Chartered Institute of Public Finance & Accountancy (CIPFA) to undertake a Budget Sufficiency Review across children's services during 2021/22, this report highlighted that the Trust represented good value for money and that funding levels should be increased in children's social care and prevention. CIPFA also rated the Trust as 3* out of 5 in terms of Financial Management in January 2020 which is defined as having "strong financial management in place". The Trust continues to make progress across the organisation to further strengthen financial management with the aim of achieving a 4* using the CIPFA national assessment framework.

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STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Spend in respect of Covid-19 up to 31 March 2022 was £1.2m 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. The Council has confirmed that Covid-19 funding will not continue into 2022/23.

In 2021/22 the Trust continued to make use of the Troubled Families programme, now titled Stronger Families, and managed to set aside £2.2m of "payment by results" monies to be carried forward into 2022/23 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 income for the year

	£'000
Net operational surplus (against budget)	-
Movement in retained earnings	(2)
Movement in pensions reserves	31,446
Amortisation of intangible lease assets	(658)
Total comprehensive income for the year	30,786

The Trust had closing negative reserves of £109.3m as at 31 March 2022. This includes a pensions liability of £120.0m and a £3.9m Lease Asset reserve. The movement in the net pension liability (net of gains) during 2021/22 under FRS 102 was estimated to be £31.4m, reducing the acquired net pension liability to £120.0m. 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.

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STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

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.

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 October 2021 highlighted the continued progress the Trust had made and that consistent senior leadership at the Trust was helping to strengthen social work practice.

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.

A full inspection of the Trust as an Independent Fostering Agency was undertaken in August 2021 and rated services to be good, which was an improvement on the last inspection back in 2019.

The Trust's residential children's homes are subject to Ofsted inspection on a regular basis as well as its Adoption services, which at the last inspection in February 2019 was rated good, with outstanding elements in

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STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

relation to effectiveness of leaders and management.

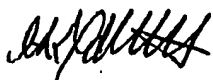
At the last inspection of Youth Offending Services across March and July 2020 the overall rating was requires improvement to be good. This has been the subject of significant management attention and a series of improvement actions have been completed across 2021/22.

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.

This report was approved by the board on
behalf.

20 September 2022 and signed on its



L A K Yale-Helms
Director

BIRMINGHAM CHILDREN'S TRUST COMMUNITY INTEREST COMPANY
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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The directors present their report and the financial statements for the year ended 31 March 2022.

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 (2021 - £nil). A reconciliation to the reported comprehensive loss is included on Page 3 of the Strategic Report.

The movement in the net pension liability during 2021/22 under FRS102 was estimated to be £31.5m reducing the net pension liability to £120.0m. 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
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

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 (resigned 14 September 2022)
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 14 June 2021)
J L Turnross - Executive Director
D J Stringfellow - Executive Director
L A K Yale-Helms - Executive Director
S Dodd - Non Executive Director (appointed 22 September 2021, resigned 25 November 2021)

There are currently two vacancies at Non Executive Director which will be the subject of an appointment process.

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 2022 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 2021/22 was agreed by 31 March 2021. In recognition of the demand pressures from the increase in the care population the Council agreed to a permanent increase of £5.3m 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 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 continued to be provided to the Council during 2021/22.

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
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

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 2021 to 31 March 2022

	2021/22	2020/21
Energy consumption used to calculate emissions (kWh)	4,507,749	5,086,290
Energy consumption break down (kWh):		
• gas	1,985,851	2,811,089
• electricity	1,427,446	1,443,235
• transport fuel	1,114,452	831,966
Scope 1 emissions in metric tonnes CO₂e		
Gas consumption	358.2	516.9
Scope 2 emissions in metric tonnes CO₂e		
Purchased electricity	272.9	336.5
Scope 3 emissions in metric tonnes CO₂e		
Business travel in employee owned vehicles	303.0	200.6
Total gross emissions in metric tonnes CO ₂ e	934.1	1,054.0
Intensity ratio Tonnes CO ₂ e per child in care	0.45	0.54

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.

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.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

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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.

This report was approved by the board on 20 September 2022 and signed on its behalf.



L A K Yale-Helms
Director

BIRMINGHAM CHILDREN'S TRUST COMMUNITY INTEREST COMPANY
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**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 2022, 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 2022 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
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**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 8, 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:

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 Trusts' ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Trust for fraud. The laws and regulations we considered in this context for the UK operations were The Office for Standards in Education, Children's Services and Skills (Ofsted).

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of non-core contract 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, reading minutes of meetings of those charged with governance and designing audit procedures for non-core contract income.

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.

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.

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)**

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

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: 31 March 2023

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	2022 £000	2021 £000
Turnover	4	236,536	213,455
Operating expenses		(255,932)	(219,435)
Operating loss		(19,396)	(5,980)
Interest receivable and similar income	8	21	18
Interest payable and similar expenses	9	(3,479)	(1,811)
Loss before taxation		(22,854)	(7,773)
Loss for the financial year		(22,854)	(7,773)
Actuarial gains/(losses) for the year	18	53,640	(68,754)
Other comprehensive income for the year		53,640	(68,754)
Total comprehensive income for the year		30,786	(76,527)

The notes on pages 21 to 34 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 2022

	Note	2022 £000	2021 £000
Fixed assets			
Intangible assets	11	4,055	4,606
		<u>4,055</u>	<u>4,606</u>
Current assets			
Debtors: amounts falling due within one year	12	14,530	6,385
Cash at bank and in hand	13	17,388	31,176
		<u>31,918</u>	<u>37,561</u>
Creditors: amounts falling due within one year	14	(21,281)	(20,815)
Net current assets		<u>10,637</u>	<u>16,746</u>
Total assets less current liabilities		<u>14,692</u>	<u>21,352</u>
Creditors: amounts falling due after more than one year	15	(4,000)	(10,000)
Pension liability		(120,036)	(151,482)
Net liabilities		<u>(109,344)</u>	<u>(140,130)</u>
Capital and reserves			
Lease asset reserve	16	3,948	4,606
Pension liability reserve	16	(120,036)	(151,482)
Profit and loss account	16	6,744	6,746
		<u>(109,344)</u>	<u>(140,130)</u>

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

20 September 2022



L A K Yale-Helms
Director

The notes on pages 21 to 34 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 2022**

	Lease asset reserve £000	Pension liability reserve £000	Retained earnings £000	Total equity £000
At 1 April 2021	4,606	(151,482)	6,746	(140,130)
Comprehensive income for the year				
(Loss)/Profit for the year	(658)	(22,194)	(2)	(22,854)
Actuarial gains on pension scheme	-	53,640	-	53,640
At 31 March 2022	3,948	(120,036)	6,744	(109,344)

**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)

The notes on pages 21 to 34 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 2022

	2022	2021
	£000	£000
Cash flows from operating activities		
Loss for the financial year	(22,854)	(7,773)
Adjustments for:		
Amortisation of intangible assets	658	658
Interest paid	3,478	1,811
Interest received	(21)	(18)
(Increase)/decrease in debtors	(611)	7,356
(Increase)/decrease in amounts owed by groups	(7,532)	-
Increase in creditors	2,670	309
(Decrease)/increase in amounts owed to groups	(2,206)	-
Difference between pension charge and cash contribution	22,194	10,081
Net cash generated from operating activities	(4,224)	12,424
Cash flows from investing activities		
Purchase of intangible fixed assets	(107)	-
Interest received	21	18
Net cash (used in)/ generated from investing activities	(86)	18
Cash flows from financing activities		
Repayment of other loans	(6,000)	-
Interest paid	(3,478)	(1,811)
Net cash used in financing activities	(9,478)	(1,811)
Net (decrease)/increase in cash and cash equivalents	(13,788)	10,631
Cash and cash equivalents at beginning of year	31,176	20,545
Cash and cash equivalents at the end of year	17,388	31,176
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	17,388	31,176
	17,388	31,176

The notes on pages 21 to 34 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 2022

	At 1 April 2021 £000	Cash flows £000	At 31 March 2022 £000
Cash at bank and in hand	31,176	(13,788)	17,388
Debt due after 1 year	(10,000)	4,000	(6,000)
	<u>21,176</u>	<u>(9,788)</u>	<u>11,388</u>

The notes on pages 21 to 34 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 2022

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 2022 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 2021/22 was agreed by 31 March 2021. In recognition of the demand pressures from the increase in the care population the Council agreed to a permanent increase of £5.3m in the contract sum for 2021/22 onwards.

BIRMINGHAM CHILDREN'S TRUST COMMUNITY INTEREST COMPANY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

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 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 continued to be provided to the Council during 2021/22.

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 2022. 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 2022

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 2022

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 2022 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 2022

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:

	2022	2021
	£000	£000
Contract sum core payment	201,489	192,726
Government grant income	21,588	13,322
Contributions from third parties	3,406	6,069
Contributions from health	301	748
Other income	9,752	590
	<u>236,536</u>	<u>213,455</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 2022**

5. Auditor's remuneration

	2022 £000	2021 £000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	46	44

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

	2022 £000	2021 £000
Fees payable to the Company's auditor for the preparation of financial statements	2	2
	2	2

6. Employees

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

	2022 £000	2021 £000
Wages and salaries	63,855	56,366
Social security costs	6,559	5,713
Cost of defined contribution scheme	30,309	18,206
	100,723	80,285

During the year there were severance payments totalling £125,545 (2021: £17,500).

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

	2022 No.	2021 No.
Qualified social workers	841	825
Other (non-social workers)	977	920
	1,818	1,745

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

7. Directors' remuneration

	2022	2021
	£000	£000
Directors' emoluments	790	749
	<u>790</u>	<u>749</u>

During the year retirement benefits were accruing to 4 directors (2021: 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £231k (2021 - £217k).

The value of the company's contributions paid to a defined benefit pension scheme in respect of the highest paid director amounted to £34k (2021 - £32k).

8. Interest receivable

	2022	2021
	£000	£000
Other interest receivable	21	18
	<u>21</u>	<u>18</u>

9. Interest payable and similar expenses

	2022	2021
	£000	£000
Bank interest payable	183	209
Other interest payable	3,296	1,602
	<u>3,479</u>	<u>1,811</u>

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
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

11. Intangible lease assets

	Intangible lease assets £000
Cost	
At 1 April 2021	6,580
Additions	107
At 31 March 2022	6,687
Amortisation	
At 1 April 2021	1,974
Charge for the year	658
At 31 March 2022	2,632
Net book value	
At 31 March 2022	4,055
At 31 March 2021	4,606

BIRMINGHAM CHILDREN'S TRUST COMMUNITY INTEREST COMPANY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

12. Debtors

	2022 £000	2021 £000
Trade debtors	1,058	949
Amounts owed by group undertakings	11,918	4,385
Other debtors	339	195
Prepayments and accrued income	1,215	856
	<u>14,530</u>	<u>6,385</u>

13. Cash and cash equivalents

	2022 £000	2021 £000
Cash at bank and in hand	17,388	31,176
	<u>17,388</u>	<u>31,176</u>

Of the cash held at year end, £17.5m (2021: £32.0m) was on deposit with Birmingham City Council as part of a treasury pooling arrangement.

14. Creditors: Amounts falling due within one year

	2022 £000	2021 £000
Trade creditors	6,214	3,467
Amounts owed to group undertakings	1,744	3,950
Other taxation and social security	3,827	4,603
Other creditors	8	461
Accruals and deferred income	9,488	8,334
	<u>21,281</u>	<u>20,815</u>

BIRMINGHAM CHILDREN'S TRUST COMMUNITY INTEREST COMPANY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

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

	2022 £000	2021 £000
Other loans	4,000	10,000
	<u>4,000</u>	<u>10,000</u>

Current borrowings are in respect of one loan facility provided by Birmingham City Council. The full loan is £10m and £4m was repaid during the year. The loan matures on 31st March 2028 and 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.

Statement on retained earnings 2021/22

	Opening balance £000's	Movement in year £000's	Closing balance £000's
Supporting Families	5,912	(1,466)	4,446
Pay Reserve	834	1,464	2,298
Total	6,746	(2)	6,744

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 2022**

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:

	2022 £000	2021 £000
Reconciliation of present value of plan liabilities		
At the beginning of the year	376,014	252,247
Current service cost	29,709	17,354
Administration expense	149	-
Interest cost	8,019	5,934
Contributions by scheme participants	3,910	3,486
Experience loss/(gain) on defined benefit obligation	436	(2,013)
Change in financial assumptions	(36,770)	105,202
Change in demographic assumptions	(1,912)	(3,268)
Estimated benefits paid net of transfers in	(2,761)	(2,928)
At the end of the year	376,794	376,014

BIRMINGHAM CHILDREN'S TRUST COMMUNITY INTEREST COMPANY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

18. Pension commitments (continued)

Reconciliation of present value of plan assets:

	2022 £000	2021 £000
At the beginning of the year	224,532	179,600
Interest on assets	4,723	4,332
Return on assets less interest	15,394	31,167
Contributions by scheme participants	3,910	3,486
Contributions by employer	10,960	9,003
Estimated benefits paid plus unfunded net of transfers in	(2,761)	(2,928)
Administration expenses	-	(128)
At the end of the year	256,758	224,532

	2022 £000	2021 £000
Fair value of plan assets	256,758	224,532
Present value of plan liabilities	(376,794)	(376,014)
Net pension scheme liability	(120,036)	(151,482)

The amounts recognised in profit or loss are as follows:

	2022 £000	2021 £000
Current service cost	29,709	17,354
Net interest expense	3,296	1,602
Administration expenses	149	128
Total	33,154	19,084
 Actual return on scheme assets	 15,394	 35,499

The cumulative amount of actuarial losses recognised in the Statement of Comprehensive Income was £NIL (2021 - £NIL).

The Company expects to contribute £NIL to its Defined Benefit Pension Scheme in 2023.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

18. Pension commitments (continued)

	2022	2021
	£000	£000
Analysis of actuarial loss recognised in Other Comprehensive Income		
Return on fund assets in excess of income	15,394	31,167
Change in financial assumptions	36,770	(105,202)
Experience gain on defined benefit obligation	(436)	3,268
Change in demographic assumptions	1,912	2,013
	<u>53,640</u>	<u>(68,754)</u>

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

	2022	2021
	%	%
Discount rate	2.75	2.05
Future salary increases	4.15	3.85
Future pension increases	3.15	2.85
Inflation assumption	3.15	2.85
Mortality rates		
- for a male aged 65 now	21.2	21.6
- at 65 for a male aged 45 now	22.9	23.4
- for a female aged 65 now	23.6	23.9
- at 65 for a female member aged 45 now	<u>25.4</u>	<u>25.8</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

19. Commitments under operating leases

At 31 March 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £000	2021 £000
Not later than 1 year	2,143	2,393
Later than 1 year and not later than 5 years	1,997	2,381
	<u>4,140</u>	<u>4,774</u>

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 £897,204 (2021: £1,031,262) for services performed during the year by Progress Children's Services. There was £nil owed to Progress Children's Services Limited at 31 March 2022 (2021: £nil).

The director B Carr is also a director of BVSC Enterprises Limited. During the year Birmingham Children's Trust was invoiced £nil (2021: £2,471) for services performed during the year by BVSC Enterprises Limited. There was £nil owed to BVSC Enterprises Limited at 31 March 2022 (2021: £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.

302837/15

CIC 34

Community Interest Company Report

For official use
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*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 2022

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 2021/22 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 2022

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 2021/22 Annual Report pages 2-4 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, annual foster carer survey, adoption satisfaction survey, and annual family support feedback.

A Health Check staff survey was carried out over November 2021 to February 2022 to get a temperature check across **all staff** in several domains such as organisational culture, learning and resources, but with a particular focus on staff wellbeing and job satisfaction. Findings included:

- Generally **performing well** in relation to team communication and support (78% positive feedback), job satisfaction (75% positive feedback) and in issues specific to front-line practitioners, e.g. reflective supervision (73% positive feedback). It should be noted that for job satisfaction and front-line practitioners there was on average positive feedback, but the range in positive responses was high (25%). This suggested that while overall the Trust performed well in these areas, these experiences may differ.
- **Key development areas** appeared to be in relation to working remotely (56% positive feedback; 21% negative feedback), wellbeing (60% positive feedback; 16% negative feedback), learning and work resources (60% positive feedback; 15% negative feedback) and organisational culture (62% positive feedback, 16% negative feedback).
- Overall **practitioners and non-practitioner staff** responded similarly around aspects related to job satisfaction, organisational culture and learning and work resources. However, there were more consistent differences seen between practitioners and non-practitioner staff responses around aspects related to wellbeing, management approach and support, team communications and support, and working remotely.

The Trust carried out its first Race workforce survey between August and September 2021. A repeat of the survey is scheduled for September 2023. This will enable good benchmarking and monitoring of progress and impact to take place.

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.

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.

Developments include:

- Our Children in Care and Care Leavers Forum have:
 - formed a new participation group in 2022: the LGBTQ+ Council.
 - continued to support interviews across the Trust including those for our newly qualified social workers.
 - supported the development of the child's voice within Trust Practice Standards within quotes and video footage.
 - been involved in the production of the new Practice Model design, graphics and animation.
- Young people attending the Corporate Parenting Board now sit on several multi-agency groups, influencing policy and procedure, these include:
 - **Housing** – looking at improvements in housing allocation and repairs, 18+ Transitions and co-production of the Trust's National Housing Protocol. We know services need to do better for young people leaving care.
 - **Mental Health** and support is a big area of concern for children and young people. Services need to be designed and co-produced with us as young people. Young people will now sit on all of the multi-agency Emotional Wellbeing Steering Groups to shape what future services for children and young people will look like.
 - **The Perinatal Pathway** has been shaped by our young parents' experiences that were shared at the Board. Our Young Parents are now shaping the multi-agency regional offer to new parents through our co-production work with Birmingham and Solihull Clinical Commissioning Group's work.

Other highlights include:

- young people's voices in **placement matching** and how this is incorporated within practice.
- consultation on 'What makes a good and stable relationship' feeding into the Trust's **Relationship-based Practice** model.
- children and people now '**Take Over**' of the Trust's **Corporate Parenting Board** twice a year, which helps to influence the Board and hold Corporate Parents to account. The third 'Take Over' is in January 2023.

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 2022

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></p> <ul style="list-style-type: none"> <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>

(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>

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10762047

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31 March 2022

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 2022

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.)

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31 March 2022

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 2022

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

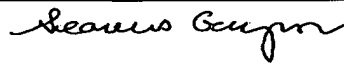
31 March 2022

(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

13 December
2022

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 07766 924 085	
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)

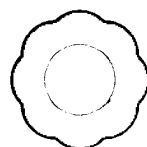
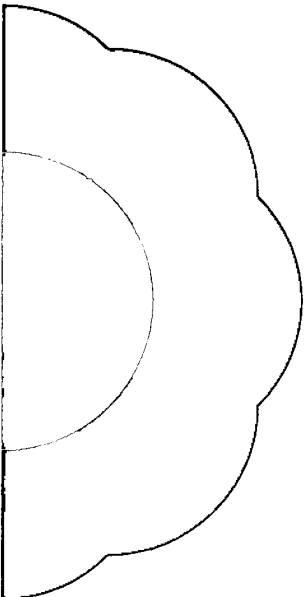
Please ensure the company name is consistent with the company name entered on the accounts.



Annual Report

2021 - 2022

July 2022



**BIRMINGHAM
CHILDREN'S TRUST**



This Foreword is an extract from the Birmingham Children's Trust Business Plan 2022/23

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

The challenges of living and working through a pandemic have been hard for children and young people, impacting on important areas like school, education, employment, mental health and wellbeing, relationships and time spent with important people. Our Birmingham Children's Trust Participation Groups and Forums have continued to make strides forwards despite these challenges.

We have found new ways to work:

- **More flexibility through hybrid group meetings** supporting a wider reach of children and young people like those who live out of the city or have anxiety.
- **The use of film and video content** which is proving very powerful and increasing our voice's direct access to audiences for training and service improvement.
- **Use of targeted online meetings** allowing for quick, targeted and timely consultations giving real time feedback.

Our Participation Groups and Forums

There are 5 active participation groups

- Junior Children in Care Council, Children in Care Council, Care Leavers Forum, Children in Care Council for children with SEND and our Young Parents Project.

Birmingham is a diverse city and we need to ensure that our children and young people have groups that represent them and consider issues specific to their experiences.

We now have 2 new groups forming in 2022

- Our Black, Asian and Ethnic Minorities Council and our LGBTQ+ Council.

Our Voice and influence within the Trust

Our training programme will be developed, presented by care experienced apprentices and young people. Plans are to branch out regionally and nationally!

In recruitment we now have over 25 young people trained and experienced who can join a professional panel as an equal. We have interviewed a large number of staff this way including senior positions, advocacy posts, residential care staff and every Trust ASYE candidate.

Our Care Leaver Apprenticeship Programme has more than doubled with the Trust now supporting 15 care leavers in posts including youth work, communications and marketing, business support and hairdressing.

I was so sad and depressed before this. This has made me a happier person and a bubblier person. I can't wait for Monday to come, I didn't think I would have a job like this. When you lack self-confidence, you compare yourself to others, now my mind is blown that I got this above other people. Having this opportunity now has increased my confidence not only in work but in my life in general - the way I walk, the way I carry myself, at work, in public, with others.

Birmingham Children's Trust Apprentice

Within this we now have Transformation and Improvement Apprentices within the Trust who are and will be supporting services to ensure the voice of children and young people is heard and impacts on decision-making, participation and co-production.

"I'm now in an environment working with other professionals who are passionate about children and young people. This means that not only am I able to develop and grow my knowledge and skillset, I'm also using my lived experience to ensure that children and young people are aware of their rights and through transformations won't have to go through some of the negative experiences I did. Children and young people have a voice, we just need to listen to it."

Transformation and Improvement Apprentice

Our Rights and Participation service Transformation and Improvement Apprentices role is to be more innovative, connect and engage face-to-face with more young people in order to promote positive improvements that will result in better outcomes for children and young people in Birmingham.

"Connecting with young people is vital to make meaningful changes within the Trust, to improve the young people's overall experience. We are always trying to find new ways to get young people to engage in order to get their voices heard. One of the things we aim to do this year is minimise the use of surveys and come up with more innovative ways for young people to engage."

Transformation and Improvement Apprentice

Other highlights

- Young people's voices in placement matching now being implemented.
- Young people influencing the new Trust Practice Standards.
- Consultation on 'What makes a good and stable relationship' feeding into the Trust's Relationship-based Practice model.
- Children and people had a 'Take Over' of the Trust's Corporate Parenting Board in May 2021 and helped to influence the Board and hold Corporate Parents to account.

More Work Ahead

There are still a lot of areas we need to improve on. As young people attending the Corporate Parenting Board, we now sit on several multi-agency groups, influencing policy and procedure, these include:

Housing – we are looking at improvements in housing allocation and repairs, 18+ Transitions and co-production of the Trust's National Housing Protocol. We know services need to do better for young people leaving care.

Mental Health and support is a big area of concern for children and young people. Services need to be designed and co-produced with us as young people. Young people will now sit on all of the multi-agency Emotional Wellbeing Steering Groups to shape what future services for children and young people will look like.

The Perinatal Pathway has been shaped by our young parents' experiences that were shared at the Board. This was eye opening for Board members. Our Young Parents are now shaping the multi-agency regional offer to new parents through our co-production work with Birmingham and Solihull Clinical Commissioning Group's work.

WE ALSO HAVE FUN!!!

We have been able to access the Holiday and Food (HAF) Programme funding and in the holidays have been on some **amazing trips and days out**. These have included Bowling, Laser Quest, Karting, Theme Park visits and a day out in Blackpool.

This gives us time to meet other group members and have fun!!!

Signed on behalf of all our children and young people's groups and forums



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1. Introduction

2021 was another challenging year for the Children's Trust. The pandemic and its legacy continued to have impact, and we sought to maintain delivery of improving services for the most vulnerable children in a new and different context.

We were largely successful, maintaining strong performance across the suite of indicators, including those captured in the contract with the Council. We have fallen outside of our tolerances in relation to an increased rate of agency social workers in the workforce (in part a phenomenon of the pandemic) and in relation to the time taken for children to be adopted. Placement stability for our children in care is very strong, and we continue to have a high proportion of young people in and leaving care who are going on to higher education.

Demand for our services is high and rising, as is the complexity of need we are working with. This has the potential to impact significantly on our financial performance in future years, but in the year 2021-22 we managed to close the year with a deficit of less than 1% of our operating budget – a better picture than for most children's service authorities around the country.

Some of our successes in the year include the following:

- continuing stability in the Trust's leadership.
- embedding the Early Help offer to families, in partnership with schools and the voluntary and community sector in the city.
- completing a second Focused Visit by Ofsted with a positive commentary on the ongoing progress of the Trust and the quality of our practice with children in care.
- maintaining our 'system leadership' presence, working across the children's and the safeguarding partnerships.
- continuing to deepen and broaden our offer to families through our Stronger Families programme, helping us to maintain a lower rate of children in care compared with statistical, regional neighbours and core cities.
- demonstrating value for money in an independent review commissioned by the Council as our commissioner.
- continuing to invest in and to support our workforce, enabling us to maintain a rate of agency/interim SW lower than statistical and regional neighbours.

We faced a number of challenges through 2021-22, some of which continue, including:

- recruitment and retention of the social work workforce: there are national challenges that affect us, but we work to 'grow our own' and to build a strong and committed workforce, supported to deliver good social care to families.
- placement sufficiency for children and young people in our care: market failure, profiteering and regulation all have an impact, along with the constant need to build and replenish our carer base and develop new and innovative models and offers.

Our relationship with the Council remains a critically important feature of our success. We sustained this (through another change in leadership in the Council), and we are optimistic this positive relationship will continue and that we work together in partnership to deliver good services and good outcomes for Birmingham's most vulnerable children, young people and families.

Andrew Christie
Chair



Andy Couldrick
Chief Executive



2. Summary of the Trust's performance

The Trust has performed well, in 2021/22, in relation to the contractual performance indicators.

Areas of particularly strong performance in the year have included placement stability for children in care; care leavers living in suitable accommodation; timely reviews for children in care and initial child protection conferences.

Performance has been below target in the indicator measuring the number of agency social workers: this reflects a combination of the impact of the pandemic on sickness levels, compounding the ongoing recruitment and retention challenges. The average time between the Trust receiving court authority to place a child for adoption and deciding on a match has been slightly outside tolerance range – and while better than the average for statistical neighbours, performance is poorer than the national average. An ambitious target of 85 adoptions in the year was set for 2021/22. There were 73 adoptions in the year. This is due to the impact of the pandemic and delays in court for a number of children meaning that adoption orders that could have been granted in 2021/22 will now be granted in 2022/23. We are confident that the new Regional Adoption Agency will assist us in improving our performance.

Summary of Trust performance 2021/22:

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	12/12	100%
2	% of re-referrals to children's social care within 12 months	12/12	100%
3	% assessments completed within 45 working days	10/12	83%
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 (A2)	7/12	58%
12	Number of children who have been adopted in year or who leave care	N/A	73 against a target of 85
13	% of agency social workers (including team managers)	0/12	0%
14	Average caseload of qualified social workers	12/12	100%
15	% of social workers who have had supervision (in month)	12/12	100%

The Trust's Annual QA and Performance Report provides a fuller account of performance and highlights areas of success and issues requiring attention.

As well as the performance measures, the Trust 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.

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 NEDs, and a wish to improve the diversity of the Board, has 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](https://www.birminghamchildrenstrust.co.uk/who_we_are).

The Trust Board has established the following committees:

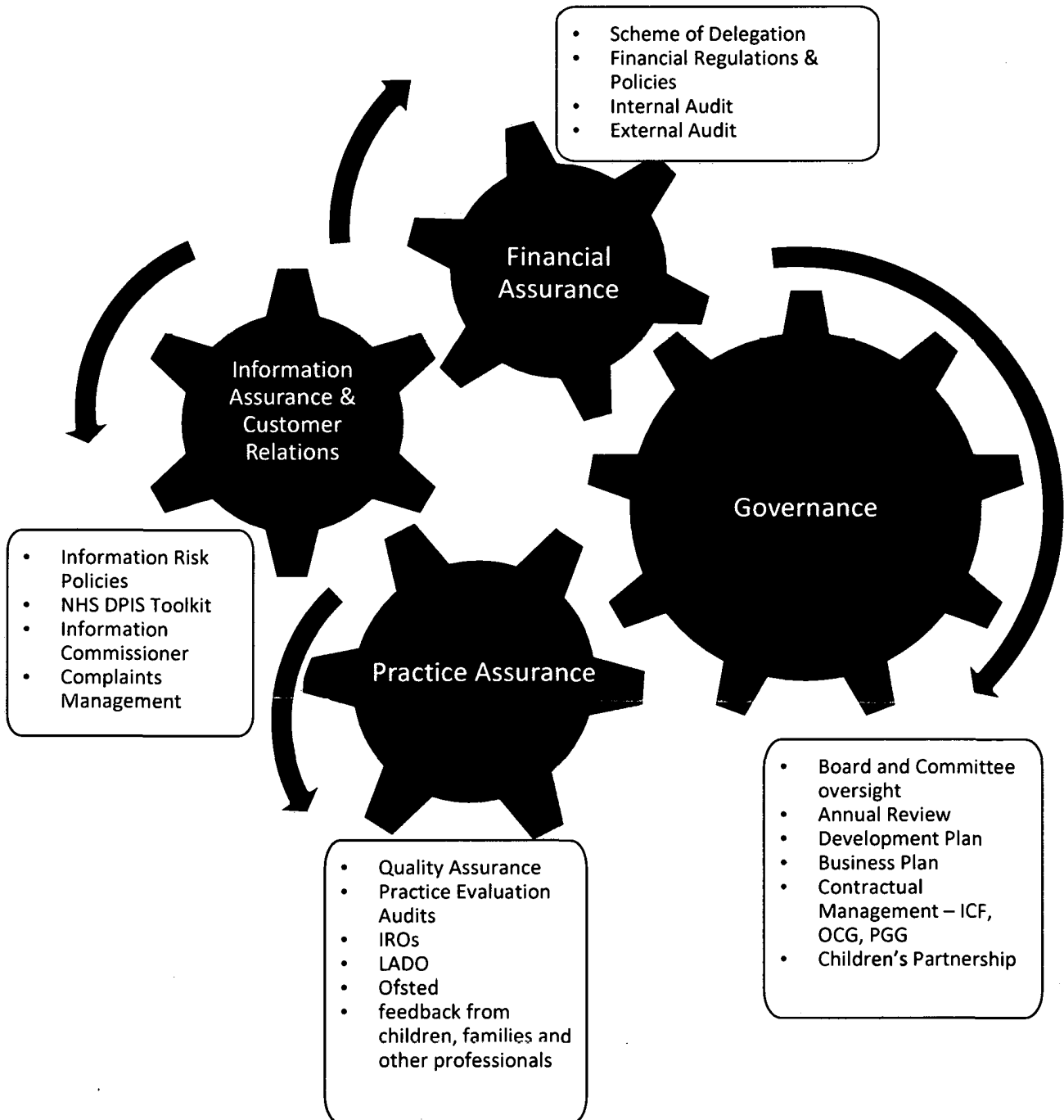
- Finance and Resources.
- Performance and Quality Assurance.
- Workforce.
- Nominations and Remuneration.

The governance arrangements, between the Council, Trust and DfE, have worked effectively during the Trust's first four 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 Trust has continued to deliver within the performance tolerances set by the Council. This should be acknowledged and celebrated as a significant achievement. Although we are post-pandemic, there remains much work to support children and families who have been affected by Covid. The Trust provides the Early Help Service. In March 2022, there was a detailed review of the progress in each locality, and the findings from those ten meetings were overwhelmingly positive. Teams working across the partnership have increased their reach into each neighbourhood, school, and community setting with a programme of training, outreach and surgeries. There have been good outcomes for families receiving longer-term support (more than a month) with progress on a distance travelled tool, and critically, there is also a lot of positive feedback from key partners eg. schools.

With the new leadership at the helm for children and families (including the Director of Children's Services since November 2021), there is a clear recognition of the interrelationship of both the Council and Trust to achieve the very best outcomes for Birmingham's children and young people. So, as the year closed, we started work on setting out our intentions for a refreshed contractual relationship. Our thinking is to go beyond the existing contract extension of 5 years available to us to align with our (joint) ambition of improvement to 'outstanding' in terms of Ofsted inspection as evidence that the Trust and the Council are developing an ambitious long-term relationship.

5. Cost of performing the services in 2021/22

The Trust's financial position for 2021/22 has been challenging and whilst the care population has increased, it was within the original forecast for the year. Complexity of need and a doubling in the number of high cost placements above £5,000 per week have resulted in a placement cost pressure of £8.5m for 2021/22. Management action and efficiencies delivered across the Trust, together with additional grant from the Household Support Fund provided off-setting savings, reducing the overall deficit to £1.8m. This represents less than 1% overall and given the challenges during the year, is considered a good outcome. The Council is expected to agree to a contract variation for the balance in order that the Trust can achieve an overall balanced outturn for 2021/22.

The cost of performing the services in 2021/22 can be summarised as follows:

	Budget 2021/22 £m	Outturn Variance 2021/22 £m	Outturn Variance 2020/21 £m
Pay	99.0	-2.7	-3.3
Placement costs	98.5	8.5	3.0
Other costs	29.6	1.4	1.2
Total Expenditure	227.1	7.2	0.9
Funded by:			
Contract sum from the Council¹	216.9	3.4	-
Other income and contributions²	10.2	3.8	0.9
Total Income	227.1	7.2	0.9

The key headlines were an underspend of £2.7m on pay as result of continued recruitment challenges and a planned contribution to the Pay Reserve of £1.5m; increased contributions from the Troubled Families Reserve and the Household Support Fund; offset by an overspend on placements costs of £8.5m.

The final cost of Covid-19 for 2021/22 was £1.6m which has been funded by the Council and included in the contract sum at 1 above. The Council has confirmed there will not be any Covid-19 funding in 2022/23.

In late 2020 the Trust implemented a £2m capital programme to improve and refresh its residential property estate and make provision for improvements to child protection conference facilities and contact centres for family time. The programme timetable during 2021 continued to be affected by the Covid pandemic and capital spend across 2021/22 amounted to £0.5m. The unspent balance of £1.5m has been carried forward into 2022/23 to enable the completion of the new child protection facility at Lifford House in the south of the city and the opening of Bridgelands, a new residential facility for children with additional needs.

6. Summary of any changes to the Agreement agreed during 2021/22

The Council and Trust agreed to an amendment to Schedule 4 and other related clauses and provisions in the contract in relation to property management, to recognise that the Trust can act as agent of the Council on building maintenance, operations and the capital programme in relation to the Trust property estate, and to allow the Trust to manage the procurement of this, including more flexibility when sourcing suppliers.

A strategic review of the Trust's property estate as a result of the Covid pandemic resulted in a decision to give notice to the Council on the licence to operate at the administrative offices at 67 Sutton New Road, Erdington, Birmingham.

7. Demand for services in 2021/22 and the expected demand for the services in 2022/23; social, demographic or other relevant factors which affected the services in 2021/22 and/or may affect the services in 2022/23

Demand for services continued to increase with the care population rising to 2,094 by the end of March 2022 representing a rate of 72 per 10,000. It is expected that the care population will further increase to 2,171 by March 2023, a rate of 73 per 10,000. This still compares favourably with both statistical and West Midlands neighbours.

The demographic trend in recent years in Birmingham has seen the overall child population increase by around 1% per annum. The current rate of increase in the care population is 3.6% which is caused by both demographic and social-economic factors. There is a concern that the current cost of living crisis and the financial pressure on household incomes is at the worst since 2008. The combined effect is expected to lead to higher levels of social deprivation during 2022/23, with a negative impact on the demand for children's social care.

The numbers of contacts per week continued to increase across 2021/22 with a corresponding increase in the number of referrals to both Family Support and Early Help Services. At March 2022 the number of contacts which resulted in support from the Early Help Service was still averaging nearly 500 contacts per week. Previously this was unmet demand.

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 occasional hybrid meetings where this is considered appropriate.

The Government amended 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 is 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 came into effect in September 2021. The Trust has maintained its position as policy that we do not place young people aged under sixteen years in unregistered settings. However, there are 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 was published in May 2022 and has made a large set of recommendations that, if accepted by government, will change the children's sector. The Trust welcomes many of the recommendations including:

- a significant investment in social care, and particularly in family help.
- a sea change in the way family members are assessed and supported to care for children if parents cannot do so.
- fixing the broken care market: tackling the huge profits being made out of children's care.
- fixing the interim and agency social work market that is causing real difficulties for services in some places.
- improving lifelong links for children in and leaving care and for care experienced adults.

The Government will respond during the course of this year, so change is not going to happen quickly. A new Ministerial Child Protection Group will be assembled to consider next steps and responses from the centre. For the Trust, between now and then, we will continue to test ourselves against the recommendations and improve where we can.

9. Strategic priorities and outcomes for 2022/23

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

Strategic Priority	Impact/Benefits
Quality of Practice	<ul style="list-style-type: none"> • Remains a priority for the Trust • Maintained trajectory of improvement leading to better services, better outcomes, and an improved Ofsted judgement • Further refine and embed the Trust Practice Model and assuring its implementation • Continued focused work on improving the quality of practice in our work in and for the family courts, minimising delay, assuring case progression (Practice and Legal Service) <p>Progress 2021/22:</p> <ul style="list-style-type: none"> • Audit, Practice Evaluation evidence improving practice • Focused Visit October 2021 by Ofsted reported positively on quality of services and practice
Designing Trust Services to Improve the Child's Journey	<ul style="list-style-type: none"> • Shaping Practice to minimise transfer points and maximise consistency • Ensuring the whole system operates effectively and efficiently • Shaping support services to maximise support to Practice and to front-line practitioners, embracing efficiency and innovation in our operating model • Using our new accommodation footprint to enhance the working environment, create productive and trauma - informed spaces, and spaces where children, young people and families are welcome
Stronger Families Programme	<ul style="list-style-type: none"> • Remains a priority for the Trust • More support to keep young people safely within their families • More children and young people cared for in their families rather than by 'stranger carers' when they cannot live with their parents <p>Progress 2021/22:</p> <ul style="list-style-type: none"> • Families Together Plus service embedded • Edge of Care service hours extended to support Out of Hours activity to support children and families • Further increase in delivery of Family Group Conferences: 600+ in 2021/22 enabling effective family decision-making • Stronger Families targets achieved (Care admissions etc) although challenges in relation to complexity of need/risk presenting

Strategic Priority	Impact/Benefits
Maintain delivery of services and workforce wellbeing in the ongoing Covid pandemic	<ul style="list-style-type: none"> • Maintained strong business continuity arrangements in place • Services prioritised to deliver statutory accountabilities and ensure the most vulnerable are regularly seen and supported, working with partners across the system
Further improve Placement Sufficiency, and develop Trust Residential Care offer to children and young people	<ul style="list-style-type: none"> • Increased placement choice and sufficiency • Improved offer for young people with complex needs, in partnership with the NHS (CAMH) • More foster carers recruited, assessed and approved • More adopters recruited, assessed and approved (through the new Regional Adoption Agency)
Support the establishment of BFriends, the new charity	<ul style="list-style-type: none"> • Ensure all proper governance arrangements are in place • Ensure the charity has necessary infrastructure support to enable it to start to deliver its priorities • Agree appropriate trustee arrangements are in place • Support fundraising/income generation in the charity
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
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 <p>(Linked to the 'Child's Journey' redesign priority)</p>
Support to Staff	<ul style="list-style-type: none"> • Develop 'communities of practice' across the Trust, enabling collaborative learning, learning and support • Continue to enhance our wellbeing offer and ensure it is understood and accessible • Explore new development and support models for leaders, managers and front-line practitioners, with external partners
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

Strategic Priority	Impact/Benefits
	<ul style="list-style-type: none"> • Successful implementation of 1B (Oracle) and optimisation of Target Operating Models for HR, Finance and Business Support (and linked to Journey of the Child)
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 partnership working in all contexts: information-sharing; collaboration; trust and confidence
Participation and Engagement	<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

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.
- service, support and care for children and young people with complex needs
- 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 and other areas to further enhance the positive impact we can collectively make for the city's most vulnerable children and families. The Children's Partnership has a defined set of priorities that integrate well with the Trust's, and the Trust will play its part in supporting the Partnership's work.

10. Results of any audits or surveys carried out during 2021/22

A number of follow-up internal audits which were planned by Birmingham Audit in 2021/22 continued to be affected by the Covid pandemic in terms of staff availability. Following a competitive tender process, the Trust appointed Veritau as its new internal auditors for the remainder of the 2021/22 year.

The list of internal audit reviews for the year included:

- Business Continuity Planning – follow-up
- Foster Carer Payments – follow-up
- Covid Emergency Payments – follow-up
- Oracle (1B) Business Readiness Review

A series of recommendations were made in relation to the above and appropriate management actions agreed and reported to the Finance & Resources Committee.

A strategic plan of internal audit work for the next three years has now been agreed with the Head of Internal Audit at Veritau.

11. Outcomes of any rectification plans

There were no rectification plans required in 2021/22.

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 2021/22 and/or 2022/23 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 grant for 2021/22 and the expected funding levels for 2022/23 is set out below.

- Unaccompanied Asylum-Seeking Children (UASC) 2021/22 actual core grant received was £5.9m and expected 2022/23 is £5.2m, a decrease of £0.7m.
- Youth Justice Board (YJB) 2021/22 actual core grant received was £2.1m; we are still awaiting formal notification of the 2022/23 allocation.

In addition to the above the Trust received an additional £19k YJB grant during the year. This grant was fully used in 2021/22.

During the financial year ending 31 March 2022 the Trust also received core funding of £2.6m from the Troubled Families Programme via the Council. The Troubled Families Programme has been retitled Supporting Families and is expected to continue until at least 31 March 2024.

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

Key to response rate descriptors:

Almost all: 91-100%

Majority: 71-90%

Most: 51-70%

Some: 16-50%

Small number: 0-15%

Child Protection Meetings – Feedback from Parents/Carers and Professionals

In October 2021, the Child Protection Service revised its existing survey to better capture the feedback from parents/carers and professional partners that attend the child protection conference meetings, focusing on their experiences of attending these conferences as an opportunity to have their concerns heard, to understand the running of the meetings, and to assure ourselves that the outcomes of these meetings are beneficial to understand next steps. This will help inform areas of good practice already existing and areas where good practice can be nurtured further and made consistent across the service in delivering effective child protection conferences. Where possible there are tablet devices available in the meeting room for parents to give online confidential feedback when the meeting ends. Parents and professionals are emailed with a link to the online survey. To date, 27 parents/carers and 361 professionals have completed surveys.

Parent and carer feedback tells us that the majority receive a copy of the social work report prior to the meeting, which they understand most or all of, though only some receive help to understand it. Some parents/carers report having a conversation with the Chair in the week prior to the meeting and the majority of those felt the Chair helped them to understand the reason for and what would happen at the meeting, as well as a chance to ask questions. During the meeting, most parents/carers were able to speak first, share their views and felt respected while doing so. All parents/carers report they understand what is being discussed, and almost all understand the outcome of the meeting. However, this drops to a majority understanding the plan moving forward and what actions they or others need to take, suggesting there may be difficulty translating the outcome of the meeting into a plan and again into specific actions, or that these steps could be clearer. Open comments suggest parents/carers are generally happy with the meetings, though for a small number there is a feeling of 'done to' rather than the 'done with' approach we strive for. Engagement from parents/carers could be improved.

Professional feedback tells us that almost all Chairs are able to manage the timings of the meeting well, give everybody the opportunity to speak, and maintain a focus on the needs, safety and concerns for the child. The majority felt that the child(ren)'s voice was heard at the meeting. At the meeting, almost all agreed they had the opportunity to give their views and

that their concerns were taken seriously. Post-meeting, almost all understood the outcomes of the meeting, the plan going forward, and what actions they needed to take to help support the family. As with the parent/carer feedback, fewer professionals reported understanding the plan moving forward and the actions needed than the outcome of the meeting, which could suggest the outcome of the meeting isn't always directly translatable to the plan or actions needed. Open comments suggest the Chairs are generally excellent, and having hybrid meetings has helped with engagement from professionals, though technology issues remain a problem in some cases. Engagement from professionals with the survey is good.

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). Young people are invited to complete the survey via a text message to their own or their carer's mobile phone. This contains a link to the confidential online survey. Every two months there is a randomly selected winner for a prize draw, from which one young person receives £20 of love2shop shopping vouchers. This has now been completed by 116 children and young people.

The majority of children and young people agreed their IRO always listened to them and involved them in decisions. Some said someone always contacted them for their views when they cannot attend their review and the majority said they are always briefed about what happened at their review if they cannot attend. The majority said they 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 or they could not attend because they were doing other things. For those that did attend some or all, the most common experience of the meetings were feeling involved, happy and listened to.

Response rates to this survey have been fairly and consistently low. However there has been a push to engage young people to complete the survey from staff who work with them eg. their IRO or Social Worker.

Annual Foster Carer Survey November 2021

In October 2021 the Practice Hub ran the Fostering Service's fourth internal Foster Carer Satisfaction Survey and received 68 responses. Overall, the majority of carers reported being satisfied with the advice and support they receive both overall and in varying aspects from their child's social worker and their supervising social worker, as well as from other professionals. The majority of carers are invited to meetings that are relevant to them and feel able to fully participate and engage at these meetings. Open comments suggest key themes for improvement, though from a minority of responses: (i) carers do not always feel as though they are treated as professionals and have reported having a more negative or turbulent relationship with their child's Social Worker than their Supervising Social Worker, (ii) carers acknowledge that the workloads and demands on Social Workers are high, but that this can have an impact on the care their child(ren) receive, and (iii) the main reasons that carers would stop fostering, aside from age and retirement, related to lack of support and difficult working relationships.

There is an overall positive relationship between the carer and their child(ren)'s social worker (84%) and their supervising social worker (97%). Carers are satisfied with the frequency of visits from the child(ren)'s social worker (60%) and their supervising social worker (85%).

The majority were positive about the guidance and support they received on a range of topics including health, education, family time, etc. (87-89%), with support around the staying put policy rating the lowest (65%). 10% of Carers were not satisfied with the annual review process, a decline in those not satisfied since 2020.

Carers were asked how satisfied they were with support from other professionals. Looked After Children Nurses, Health and Education continue to be rated highly (81%, 90% and 83% respectively). In other areas carers felt they were less supported: Advocates, Leaving Care and Youth Offending services had the lowest level of satisfaction of support (11%, 18% and 25% respectively).

Almost all carers were very positive about the standard of training provided by the Fostering Service, being easy to access, of good quality, and meeting their development needs helping them to be effective carers. 19% did not have a training plan as a result of their annual review. This has seen improvements in all aspects of the training and development offer to carers since 2020.

Almost all carers were invited to and well engaged in Personal Education Plans and Children in Care meetings. 23% were not invited to Education and Health Care Plans, but of those that did go 80% felt effectively involved. 30% were not invited to Pathway Plan meetings, an improvement since 2021. Of those that did go, 81% felt effectively involved.

84% of carers responding to the survey are members of Birmingham Foster Carers Association (BFCA) and 93% are members of Foster Talk.

Adoption Satisfaction Survey

In November 2020 the Adoption Service set up an online survey for adopters and prospective adopters who have accessed the service to gain feedback on their experiences. This has been tweaked over the past six months to improve engagement with current and prospective adopters at different stages of involvement in the adoption service, as well as gathering feedback in relation to why they choose Birmingham Adoption Agency. To date, 118 responses have been gathered, of which 112 have currently been analysed and reported on. Overall, response rates are very positive and fairly consistent across quarterly reports. Summarised below is a yearly overview from November 2020 – December 2021.

The overall quality of the service was rated as 'Excellent' by 70% of service users and 'Good' by a further 26% of service users. Additionally, 79% of service users were extremely likely to recommend the service.

Almost all current and prospective adopters reported the service was easy to contact (97%), and that the people they were in contact with were easy to talk to (96%) and knew how to help (96%). Service users felt listened to (97%), that their worries were taken seriously (96%), that their needs were addressed in a timely way (93%) and that they were given enough information to understand the service/support available (97%). Importantly, almost all

service users felt they received the support they needed (95%). Finally, meetings were at a comfortable location (99%) that was easy to access (100%) and at a convenient time (98%).

Annual Family Support Feedback

For the fourth year running the Practice Hub produced an annual report on feedback from adults and children on working with Family Support Workers (FSW), with 380 and 309 responses received respectively.

Adult feedback suggests a very strong and positive working relationship with their FSW. 99-100% of adults agreed: FSWs explained why their family needed help and asked what help they needed, spent enough time getting to understand them and their children, 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 and they listened to their views and involved them in decisions. Of these, the majority strongly agreed (84-89%) suggesting this a very strong aspect of FSW.

87% received a copy of their plan, with only 3% reporting something missing from their plan. 94% rated the help they received between 8-10 out of 10 and 98% agreed they got all the help they needed. However, for 37% of families this was not their first referral to Family Support.

The children's feedback was also very positive, particularly around the relationship with their FSW: 98-100% fully or partially agreeing their FSW spent enough time getting to know them, that they could talk to them about their worries, they listened to them and explained things in a way they understood. 96% agreed they got all the help they needed, and 99% agreed their FSW helped their family. The majority fully understood why they had a FSW at 77% and 19% understood a little.

14. Matters relating to the risk register

A key challenge and risk for the Trust during 2021/22 continued to be the impact of the Covid pandemic on operational performance. A Business Continuity Group which was set up in 2020 continued 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 the year and additional agency staffing deployed where necessary. The overall cost of Covid-19 amounted to £1.6m in 2021/22 which was reimbursed by the Council through the Covid-19 grant funding for essential services.

Recruitment and retention of qualified social workers continued to be a major challenge in Birmingham during 2021/22, as is the case regionally and nationally. The Trust commissioned work to review its current recruitment processes and to ensure its reward and retention initiatives remain competitive in a very challenging market.

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 2021/22 highlighted the following key strategic risks for the Trust:

- **Relationship between Trust and Council** - a consistent, stable relationship with the Council is critical to the Trust.
- **Workforce** - effective delivery of service relies on maintaining a sufficient, high-performing and motivated workforce.
- **Demand pressure** - a range of factors, including the legacy of covid as lockdowns end, and children return to schools and settings, increases beyond current capacity creating delivery and financial pressure and consequences. Future waves create additional risks re: staff wellness, availability to work etc.
- **Significant safeguarding Incident with a child with whom the Trust is working** - a child with whom the Trust is working suffers significant harm that might have been avoided had the Trust acted differently.
- **Regulatory issues** - progress in practice improvement is not sustained or is interrupted by other factors (key staff absent; unprecedented demand etc.) leading to regulators identifying service failure in the Trust.
- **Data intelligence, use of that intelligence** - poor access to, ineffective use of and lack of capacity to cleanse data affects the Trust's understanding of demand/supply, effectiveness of service planning, efficient use of resources and quality of work to improve outcomes for children and young people.

- **Trust Development** - as a relatively new organisation with an ambitious development agenda, the risk is that key developments are not delivered, that unnecessary slippage/delay occurs or that external factors impede development.
- **Placement sufficiency** - there are insufficient regulated placements for children who require them, resulting in placements within unregulated or insecure settings.
- **Oracle (1B)** - Trust Support Service teams have no clear view of how the Oracle system will operate, end to end processes, required resource to undertake new processes and the cultural change required by the Trust to implement the new system.

These events in isolation are considered significant but if they were to impact in parallel, the combination of these would pose a serious threat to the Trust.

15. Outcome of Ofsted monitoring visits and inspections

Children's Social Care

Children's social care	Date	Inspection Findings
Birmingham Children's Trust Fostering Agency	16-20 August 2021	<p>The independent fostering agency provides effective services that meet the requirements for good.</p> <ul style="list-style-type: none"> • Overall experiences and progress of children and young people, taking into account - Good • How well children and young people are helped and protected - Good • The effectiveness of leaders and managers - Requires improvement to be good <p>Fostering Agency reports can be found here: https://reports.ofsted.gov.uk/provider/4/1273591</p>
Focused Visit – Children in Care	27-28 October 2021	<p>Headline findings – extract from Ofsted letter:</p> <p>"Most children in care benefit from living with settled carers who meet their needs. Social workers know children well and ensure that, for most children, their views help inform plans for their future. Children make progress in care and are supported to do well in school and enjoy their childhood. Most children benefit from stable and well matched placements which meet their needs. Social workers advocate strongly for their children, and effective professional networks ensure that children's needs are understood and progressed. A very small number of children who have experienced unplanned placement disruptions have been placed in unregistered children's homes. For those children aged 16 to 17 years old placed in unregistered children's homes, there has not been the same level of senior management oversight to assure the quality of placements."</p> <p>Children's social care inspection reports can be found here: https://reports.ofsted.gov.uk/provider/44/80429</p>

Residential Homes for Disabled Children and Young People

Children's Home	Date	Inspection Findings
Camborne House	9 June 2021 (Full inspection)	Requires improvement to be good https://reports.ofsted.gov.uk/provider/2/1273663
	11 January 2022 (Interim inspection)	Ofsted judges that it has sustained effectiveness https://reports.ofsted.gov.uk/provider/2/1273663
	8 March 2022 (Monitoring Visit)	This monitoring visit was carried out to review the action that the provider has taken to meet the two compliance notices. In addition, the inspector reviewed action taken by the provider to meet a requirement raised under regulation 33 and regulation 44. The inspector found that managers have made sufficient progress for both compliance notices under regulation 12 and 13 to be considered met. https://reports.ofsted.gov.uk/provider/2/1273663
Charles House	13-14 April 2021 (Full)	Requires improvement to be good https://reports.ofsted.gov.uk/provider/2/1273497
	2 June 2021 (Monitoring visit)	Effective steps taken to meet the compliance notice https://reports.ofsted.gov.uk/provider/2/1273497
	28 February 2022 (Interim inspection)	Ofsted judged that it has sustained effectiveness. https://reports.ofsted.gov.uk/provider/2/1273497
Edgewood Road	28-29 September 2021 (Full)	The children's home provides effective services that meet the requirements for good. https://reports.ofsted.gov.uk/provider/2/1273658
Warwick House	7-8 September 2021 (full)	The children's home provides effective services that meet the requirements for good. https://reports.ofsted.gov.uk/provider/2/1273485

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 2021/22 to ensure they still provide value for money and effective support as follows:

- Human Resources – second and final phase of the transfer of HR advice and support functions ("AskHR") from the Council to the Trust was successfully completed during 2021/22.
- Internal Audit - tender exercise was completed during 2021/22 and resulted in the appointment of Veritau and a Head of Internal Audit for the Trust.
- Health & Safety – tender exercise was completed during 2021/22 and resulted in the appointment of RLB as health and safety advisers to the Trust.
- Information Technology & Digital Services – following the expiry of the three-year exclusivity period a review of this SSA was completed during 2021/22. This has resulted in some ICT supplies and services being directly commissioned by the Trust.
- The Trust is intending to move to Aston Cross from Lancaster Circus during 2022/23 following the request from the Council for the Trust to exit the building by March 2023. The move has approval from the Trust Board.

Covid-19: the additional costs as a result of the pandemic amounted to £1.6m in 2021/22 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 2021/22 the Trust established, as required by Government policy, a Regional Adoption Agency (RAA).

Change control: a number of change controls were agreed with the Council during 2021/22 which resulted in amendments to the annual contract sum as follows:

- increase in grants:
 - Youth Justice Board
 - Rough Sleepers
 - Unaccompanied Asylum Seekers Children
 - Remand
 - Personal Advisers
- other change controls:
 - increase to reflect full cost of pay awards

Other matters where no changes are proposed:

Pensions: there have been no changes in the pension arrangements for the Trust during 2021/22. 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%. The next triennial review will take effect from 1 April 2023.

Financial mechanism, finance/contract sum: the Trust was required to agree the annual contract sum for 2022/23 with the Council by 31 March 2022. This requirement was met and subsequently approved by Cabinet as part of the wider Council 2022/23 Budget process.

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