

**A MEETING OF THE MEMBERS' COUNCIL OF  
THE SOUTH LONDON AND MAUDSLEY NHS FOUNDATION TRUST  
WILL BE HELD ON THURSDAY, 7<sup>th</sup> JUNE 2012 AT 5.00 PM  
IN SEMINAR ROOM 3, WOLFSON BLOCK,  
INSTITUTE OF PSYCHIATRY, DE CRESPIGNY PARK**

**AGENDA**

- 1 Introductions and apologies for absence.
  - 2 To receive any declarations of interest.
  - 3 Questions and answers (10 minutes – see overleaf)
- FOR DECISION**
- 4 To agree the minutes of the Members' Council Meeting held on Thursday, 8<sup>th</sup> March 2012 and to note any matters arising from the minutes. Attachment A
  - 5 To agree the recommendations from the Nominations Committee: Attachment B
    - The appointment of a Non Executive Director
    - The re-appointment of a Non Executive Director
  - 6 To note the report of the Audit Committee and agree the process for the appointment of the external auditor. Attachment C
- FOR DISCUSSION**
- 7 Future role of governors:
    - Health and Social Care Act 2012 (Paul Mitchell) Attachment D
    - Development requirements (Discussion)
    - Re-establishment of the Constitution review group
- FOR INFORMATION**
- 8 To receive reports from the Members' Council Working Groups:
    - Bids Programme (Noel Urwin) Verbal
    - Membership Development and Communications (Dr Dele Olajide) Attachment E
    - Social Inclusion / Personalisation (Stephanie Correia) Verbal
    - Benefits (Noel Urwin) Verbal
    - Quality (Steve Hill/Noel Urwin) Attachment F
    - Annual Plan development (Noel Urwin) Attachment G
  - 9 Kings Health Partners update. Verbal
  - 10 Chief Executive's and Directors' reports. Attachment H

- 11 Forward planner – future meeting at Bethlem Royal Hospital in 2013.
- 12 Any other urgent business.
- 13 Dates of meetings in 2012:
  - Tuesday, 11<sup>th</sup> September at 3.30 pm
  - Thursday, 13<sup>th</sup> December at 5.00 pm

**Please send apologies to Carol Stevenson telephone 020 3228 2441 or email [membership@slam.nhs.uk](mailto:membership@slam.nhs.uk)**

### **Item 3 - questions and answers**

At the joint meeting between the Members' Council and Board of Directors held in November 2011 it was agreed that a 10 minute slot would be made available for members of the Trust to submit questions related to services provided by the Trust. In order that a considered response can be made at the meeting, members are asked to submit any questions to the Paul Mitchell, Trust Secretary by 10.00 am on Wednesday, 6<sup>th</sup> June 2012.

These can be made by:

**Post:** Trust HQ, Maudsley hospital, Denmark Hill, SE5 8AZ

**Telephone:** 020 3228 5376

**Email:** paul.mitchell@slam.nhs.uk

**Attachment A**

**MEMBERS' COUNCIL – SUMMARY REPORT**

**Date of meeting:** 7<sup>th</sup> June 2012

**Name of Report:** Minutes of the meeting held on  
8<sup>th</sup> March 2012

**Author:** Paul Mitchell, Trust Secretary

**Presented by:** Madeliene Long, Chair

**Purpose of the report:**

To agree the minutes and to note any matters arising.

**MINUTES OF THE MEETING OF THE MEMBERS' COUNCIL OF  
THE SOUTH LONDON & MAUDSLEY NHS FOUNDATION TRUST  
HELD ON THURSDAY 8<sup>TH</sup> MARCH 2012  
IN SEMINAR ROOM 3, INSTITUTE OF PSYCHIATRY**

<b>PRESENT</b>	Madeliene Long	Chair
<b>Elected members</b>	Michelle Baharier	Elected Member
	Valerie Baker	Elected Member
	Stephanie Correia	Elected Member
	Polly de Blank	Elected Member
	David Dean	Elected Member
	Les Elliot	Elected Member
	Andy Glyn	Elected Member
	Caroline Hough	Elected Member
	Francis Keaney	Elected Member (Staff)
	John Muldoon	Elected Member
	Dele Olajide	Elected Member (Staff)
	Roger Oliver	Elected Member
	Gill Todd	Elected Member (Staff)
	Noel Urwin	Elected Member
<b>Partner Organisation</b>	Sophie Corlett	MIND
	Ian Creagh	KCL (King's College London)
	Dora Dixon-Fyle	London Borough of Southwark
	Andrew Eyres	Lambeth Primary Care Trust
	Rachel Heywood	London Borough of Lambeth
<b>IN ATTENDANCE</b>	Stuart Bell	Chief Executive
	David Blazey	Social Inclusion, Rehabilitation and Recovery Project Manager
	Valerie Boulet	Fundraising & Supporter Development KCL & KHP
	Dan Charlton	Head of Communications
	Robert Coomber	Non Executive Director
	Harriet Hall	Non Executive Director
	Gus Heafield	Director of Finance
	Paul Mitchell	Trust Secretary & Director of the Maudsley Charity
	Kathrin Ostermann	Fundraising & Supporter Development KCL & KHP
	Zoe Reed	Director of Strategy and Business Development
	Carol Stevenson	Membership Officer
<b>APOLOGIES</b>	Martin Baggaley	Medical Director
	Charles Bland	Non Executive Director
	Martin Camden	Elected Member
	Asanga Fernando	Elected Member (Staff)
	Stephen Hill	Elected Member

	Kumar Jacob	Non Executive Director
	Jaya Kathrecha	Elected Member
	Jan Oliver	Guys and St Thomas' FT
	Crada Onuegbu	London Borough of Lewisham
	Gabrielle Richards	Professional Head of Occupational Therapy
	Tim Smart	Kings College Hospital FT
	Nick Stewart	Elected Member (Staff)

Ref	Issue	Who	When
MC 12/01	<p><b>DECLARATIONS OF INTEREST</b></p> <p>Standing declarations of interest were taken.</p>		
MC 12/02	<p><b>MINUTES OF PREVIOUS MEETING - MEMBERS' COUNCIL</b></p> <p>David Dean confirmed that he had attended the meeting.</p> <p>Subject to this amendment, the minutes of the meeting held on 15<sup>th</sup> December 2011 were <b>AGREED</b> as an accurate record.</p> <p><b>Matters arising</b></p> <p>The information requested following the presentation on staffing issues had been circulated.</p>		
MC 12/03	<p><b>MAUDSLEY CHARITY</b></p> <p>Paul Mitchell gave an overview presentation on the Maudsley Charity.</p> <ul style="list-style-type: none"> <li>• The Charity had an endowment comprising property and share assets of approximately £90 million.</li> <li>• Grants totalling £1.5 to £2 million were made annually.</li> <li>• Major projects: <ul style="list-style-type: none"> <li>○ Windsor Walk redevelopment in conjunction with KCH FT and Ronald McDonald House (completion due summer 2012)</li> <li>○ New Learning Centre on the Maudsley site (completion due summer 2013)</li> </ul> </li> </ul> <p>Kathrin Ostermann gave a presentation on Fundraising and Supporter Development.</p> <ul style="list-style-type: none"> <li>• Together we Can</li> <li>• Work with the charities of the four organisations within KHP (King's Health Partners).</li> <li>• Newly launched website and magazine. <ul style="list-style-type: none"> <li>○ <a href="http://togetherwecan.org.uk">togetherwecan.org.uk</a></li> <li>○ <a href="mailto:info@togetherwecan.org.uk">info@togetherwecan.org.uk</a></li> <li>○ 020 7848 4701</li> </ul> </li> </ul>		

	<ul style="list-style-type: none"> <li>○ facebook.com/togwecan</li> <li>○ twitter.com/togwecan</li> </ul> <p><b>Discussion</b></p> <ul style="list-style-type: none"> <li>• There was a Mental Health charity called 'Together'. It was agreed that 'Together we Can' was sufficiently distinct to avoid confusion.</li> <li>• Need to forge links with SLaM (South London and Maudsley) membership.</li> <li>• The Maudsley Charity could showcase projects (as is done by the Guy's and St Thomas' Charity). An awards ceremony would bring in good publicity.</li> <li>• Local publications such as Living South and SE21 could be targeted for articles to increase publicity.</li> <li>• Details of peer support projects will be circulated.</li> <li>• The Recovery Conference which several members recently attended was supported by the Maudsley Charity. A follow-up of the service user attendees would be valuable.</li> </ul>	<p><b>PM</b></p> <p><b>KO</b></p> <p><b>CS</b></p>	
<p><b>MC</b> <b>12/04</b></p>	<p><b>WORKING GROUPS</b></p> <p><b>Annual Plan &amp; Strategy Group</b> Noel Urwin reported.</p> <p>The issues examined recently had been:</p> <ul style="list-style-type: none"> <li>• Welfare (report received from Carol Waylett)</li> <li>• Latest draft of the Annual Plan</li> <li>• Estates strategy.</li> </ul> <p><b>Discussion on Welfare</b></p> <ul style="list-style-type: none"> <li>• This issue is also being addressed at Borough and third sector level. Need to work together to prevent duplication of activity.</li> <li>• Request to include Freedom passes in the discussion.</li> <li>• Avoid losing examples of good practice such as Every Penny Counts in Lambeth.</li> <li>• There were high levels of anxiety among users and concerns about advocacy services closing.</li> <li>• Reports that GPs (general practitioners) may need guidance in understanding the needs of people returned to them from CMHTs (Community Mental Health Team).</li> <li>• Form a Members' Council Working Group on welfare benefits.</li> </ul> <p><b>Bids Steering Group</b> Noel Urwin reported.</p> <ul style="list-style-type: none"> <li>• The next Bids Scheme will launch on 2<sup>nd</sup> April and will be called 'Keep on Smiling'.</li> <li>• Members' Council invited to assist in the assessing of the bids. Please contact Carol Stevenson.</li> </ul>	<p><b>CS/PM/</b> <b>All</b></p> <p><b>All</b></p>	

	<ul style="list-style-type: none"> <li>• Consider link to the “Together we Can” magazine.</li> <li>• Consider link to KCL – doctors in training.</li> </ul> <p><b>Membership and Communications Group</b> Dele Olajide reported.</p> <ul style="list-style-type: none"> <li>• The group had been considering how to increase membership and refining the “Offer”.</li> </ul> <p><b>Social Inclusion and Personalisation</b> Stephanie Correia tabled a report summarising recent activity.</p> <ul style="list-style-type: none"> <li>• All interested members were invited to attend the meetings (next meeting 21<sup>st</sup> May).</li> </ul> <p><b>Quality Group</b> Noel Urwin reported on behalf of Stephen Hill.</p> <ul style="list-style-type: none"> <li>• The group had been looking at their role and had identified several areas to examine. <ul style="list-style-type: none"> <li>○ Trust Board’s quality role</li> <li>○ Seven day follow-up</li> <li>○ Mental Health Act</li> </ul> </li> <li>• Recommendation that the governance of service quality is presented to the whole Members’ Council.</li> <li>• LINKs (Local Involvement Network) groups are now meeting monthly and contact will be maintained.</li> </ul>		
<p><b>MC</b> <b>12/05</b></p>	<p><b>KHP</b> Stuart Bell reported.</p> <p>The development of a strategic outline case (SOC) will take about 3 months.</p> <p>The next Joint Governors’ meeting is on 21<sup>st</sup> March at St Thomas’s Hospital.</p> <p><b>Discussion</b></p> <ul style="list-style-type: none"> <li>• Long term time scales were not available at this stage.</li> <li>• The University (KCL) believe the close involvement of the Mental Health Trust is essential.</li> <li>• The membership should be engaged from the earliest opportunity.</li> <li>• Joint working can proceed without waiting for a formal merger – there are examples in Addictions.</li> </ul>		

<p><b>MC 12/06</b></p>	<p><b>CEO (Chief Executive Officer)'S REPORT</b></p> <p>Stuart Bell reported.</p> <p>Health and Social Care Bill</p> <ul style="list-style-type: none"> <li>• This continues to change. The latest development involved the removal of some of the competition clauses.</li> </ul> <p>CQC</p> <ul style="list-style-type: none"> <li>• The Trust was waiting for the CQC to pay a return visit to the Bethlem Royal Hospital.</li> <li>• Until this visit takes place, and outstanding compliance issues are stood down, SLaM will be scored Amber/Red for governance by Monitor.</li> </ul> <p>Bill Yule Unit</p> <ul style="list-style-type: none"> <li>• Four adolescents absconded from the Bill Yule Unit on 26<sup>th</sup> February.</li> <li>• All have returned without incident.</li> <li>• The Unit is being temporarily suspended whilst reviews are carried out.</li> </ul> <p>Integrated Care in Lambeth and Lewisham</p> <ul style="list-style-type: none"> <li>• The funding application to the Guy's and St Thomas' charity has been approved.</li> <li>• Focus: <ul style="list-style-type: none"> <li>○ Frail older people</li> <li>○ People with multiple long-term problems.</li> </ul> </li> </ul>		
<p><b>MC 12/07</b></p>	<p><b>QUESTIONS</b></p> <p>No questions had been received.</p>		
<p><b>MC 12/08</b></p>	<p><b>AOB (Any Other Business)</b></p> <p>The Audit group will initiate the appointment of the external auditor.</p> <ul style="list-style-type: none"> <li>• Bids will be invited</li> <li>• A recommendation will be brought to the Members' Council in September.</li> </ul>		
<p><b>MC 12/09</b></p>	<p><b>FORWARD PLANNING</b></p> <p>Topics for future meetings</p> <ul style="list-style-type: none"> <li>• Mental Health Act</li> <li>• Governance of service quality</li> </ul>		

<b>MC 12/10</b>	<b>NEXT MEETINGS</b> Thursday 7 <sup>th</sup> June 2012 at 5.00pm Tuesday 11 <sup>th</sup> September at 3.30pm Thursday 13 <sup>th</sup> December 2012 at 5.00pm		
---------------------	---	--	--

Z:\Members' Council\Meetings\

CMS March 2012

**Attachment B**

**MEMBERS' COUNCIL – SUMMARY REPORT**

**Date of meeting:** 7<sup>th</sup> June 2012

**Name of Report:** Report from the Nominations Committee

**Author:** Paul Mitchell

**Presented by:** Madeliene Long

**Purpose of the report:**

1. To agree to advertise for a Non Executive Director.
2. To agree the recommendation of the Nominations Committee for the re-appointment of Kumar Jacob for a further three years term as a Non Executive Director.

## REPORT OF THE NOMINATIONS COMMITTEE – JUNE 2012

### 1. Appointment of a Non-Executive Director

#### 1.1 Introduction

There are currently two vacancies for Non Executive Directors on the SLaM Board (Chris Clare term of office ended December 2010; Charles Bland resigned March 2012). The Nominations Committee noted that the long term composition of the Board will be determined by the re-established constitution working group. In the meantime there is a requirement to ensure the effective running of the Board and Committees.

#### 1.2 Recommendation

- To recruit one Non Executive Director.
- Update the specification for the role.
- Advertise and review progress.

### 2. Reappointment of a Non-Executive Director

#### 2.1 Introduction

The Terms of Reference of the Nominations Committee give it the responsibility to:

‘receive reports on behalf of the Members’ Council on the process and outcome of appraisal for the Chair and Non Executive Directors’ (2.2.3) and,

‘ make recommendations to the Members’ Council concerning the re-appointment of any Non Executive Directors at the conclusion of their specified terms of office, giving due regard to their performance and abilities to continue to contribute to the Board in the light of knowledge, skills and experience required.’ (2.2.4)

#### 2.2 Process for the reappointment of Kumar Jacob and appraisal.

Kumar Jacob is coming to the end of his present term as a Non Executive Director on the Foundation Trust Board on 31<sup>st</sup> August 2012. He was re-appointed as a Non-Executive Director in July 2009 and is willing to be re-appointed again. He has been subject to appraisal by the Chair on an annual basis. He has been chair of the charitable funds committee where he has initiated a number of major projects, 6-11 Windsor Walk re-development, new learning centre, fundraising via KHP. The charity is also taking on a more operational role with the establishment of three social enterprises which will be run at arms length from the charity, these are for Maudsley International, the Bethlem gallery and the new learning centre. Kumar Jacob has specific expertise in this area which should continue to be utilised.

The Chair's review of his performance has recently been concluded and endorsed Kumar Jacob's continued ability to contribute to the Board in the light of the knowledge, skills and experience required.

### **2.3 Recommendation**

The Nominations Committee recommends the re-appointment of Kumar Jacob for a further three years term as a Non Executive Director with effect from 1<sup>st</sup> September 2012.

Paul Mitchell  
Trust Board Secretary

Z: members council / meeting 2012 06 07 / att b nominations committee report

**Attachment C**

**MEMBERS' COUNCIL – SUMMARY REPORT**

**Date of meeting:** 7<sup>th</sup> June 2012

**Name of Report:** Audit Committee report

**Author:** Steven Thomas, Secretary to the Audit Committee

**Presented by:** Gus Heafield, Director of Finance

**Purpose of the report:**

To update the Members' Council on the work of the Audit Committee and to agree the process for the appointment of the external auditor.

# South London and Maudsley NHS Foundation Trust ('SLaM')

## Audit Committee Report to Members' Council 2011/12

### 1. Nature and scope of this report

1.1 In line with the Code of Governance issued by Monitor, the Terms of Reference ('TOR') of the Audit Committee ('the Committee') state the following:

- (a) *'the Committee's Chair will report to the Members' Council: annually on the Committee's work; and (if and as the Committee considers it necessary) on matters needing action or improvement, and the corrective steps to be taken'* (TOR 14.3 refers); and
- (b) *'the Committee will annually report to the Members' Council as to the performance of the external auditor (including details such as the quality and value of the work, and the timeliness of reporting and fees) to enable the Members' Council to consider whether or not to reappoint the external auditor. The Committee will also make recommendations to the Members' Council as to the appointment, reappointment, termination of appointment and fees of the external auditor and (if the Members' Council rejects the Committee's recommendations) prepare an appropriate statement for the Board to include in the Annual Report'* (TOR 8.1(a) refers).

1.2 This report, approved by the Committee on 28 May 2012 and supplemented where appropriate by a verbal report from the Committee Chair to the Members' Council, seeks to fulfil those reporting obligations.

### 2. Annual report on the Committee's work

2.1 Attached is a final draft copy of the Committee's 2011/12 Annual Report, a draft of which the Committee considered at its meeting held on 28 May 2012. The Board of Directors received a copy of the final draft report at its meeting held on 07 June 2012 and will receive a finalised version at its meeting set for 26 June 2012.

### 3. Report on matters needing action or improvement

3.1 The Committee confirms that no such matters have arisen which it considers need to be raised with the Members' Council. During the year the Committee has, in accordance with its role, reported regularly to the Board of Directors and flagged issues for its attention, such as those noted in the Committee's 2011/12 Annual Report (2.5 refers).

### 4. External auditor

4.1 As outlined in the attached Annual Report (section 4 refers) the Committee has reviewed the performance of the external auditor and on that basis considers that (Annual Report 2.4 refers):

- (a) the performance of SLaM's external auditors (including the quality and value of the work, the timeliness of reporting and the external audit fee) is and has been appropriate;
- (b) the Members' Council should allow the current external auditors to continue in post pending the results of a tendering exercise to be completed by 31 October 2012. The Members' Council will be duly involved in that exercise and will consider the Committee's recommendation as to appointment of external auditors in the light of the tendering exercise; and
- (c) the Members' Council should formally approve the external audit fee of £60,000 for 2011/12.

4.2 **Tendering exercise 2012/13: background.** Note that on 18 June 2009, on the basis of an appropriate tendering exercise conducted by SLaM, the Members' Council formally awarded the contract for external audit services 'for a period of three years' (that is, for the years 2009/10 to 2011/12 inclusive) to the Audit Commission. In view of this and the Government's announced plans for replacing the current audit regime and the Audit Commission, SLaM is tendering the external audit contract. At the Committee's March 2012 meeting, the Audit Commission noted that, *'if SLaM so wished whilst resolving its external audit arrangements, the Audit Commission could remain as SLaM's auditors after signing their auditor's report on the 2011/12 accounts up until 31 October 2012'* (draft Committee minutes 10.1.1(a) refers).

#### **Attachment**

Committee's 2011/12 Annual Report (final draft)

# South London and Maudsley NHS Foundation Trust ('SLaM')

## 2011/12 Annual Report of the Audit Committee

### 1. About this report

1.1 This report builds on the in-year reporting by the Audit Committee ('AC') to the Board of Directors ('the Board') of key relevant issues as these are identified. The report focuses on matters relating to the year ended 31 March 2012 ('2011/12', or 'the year') but may refer to other matters where considered helpful. The plan for review and consideration of this report is as follows:

- 28 May 2012: draft of this report reviewed at the special accounts review meeting of the AC;
- 07 June 2012: final version of this report considered at the Trust Board Seminar and later that day at the meeting of the Members' Council, together with a summary; and
- 26 June 2012: final version of this report considered at the AC meeting.

1.2 This report takes account of guidance in 'The Audit Committee Handbook' issued by the Department of Health in 2011. In format and general content the report is consistent with reports produced for previous years.

### 2. The AC and its conclusions for the year 2011/12

**2.1 Purpose.** The overall role of the AC is to promote the efficient and effective management of risk and excellent financial management and governance within SLaM (paragraph 2.1 of the AC's current terms of reference refers).

#### Conclusions for the year 2011/12

2.2 The AC has reflected on and reviewed its constitution (as set out in its Terms of Reference – 'TOR'), its work for the year and the reports and other information provided to it by SLaM management, internal audit, external audit and the Local Counter Fraud Specialist ('LCFS'). On that basis, the AC confirms that:

- (a) the Assurance Framework, and the associated systems and procedures that support it, are generally satisfactory, noting that some further specific improvements are required and are being implemented (AC TOR 2.1(a) refers);
- (b) the financial systems and procedures used within SLaM are generally satisfactory, noting that some further specific improvements are required and are being implemented (AC TOR 2.1(b) refers); and
- (c) the AC, duly delegated by the Board, has considered and approves the Annual Accounts and Annual Report for the year ended 31 March 2012 (AC TOR 4.2 refers).

2.3 To the extent possible from knowledge gained through membership of the Board and of its committees including the AC, AC members have also commented to the Board as appropriate on key SLaM initiatives and key issues faced by SLaM (such as those noted in 4.2).

2.4 On the basis of its review, the AC considers that:

- (a) the performance of SLaM's external auditors (including the quality and value of the work, the timeliness of reporting and the external audit fee) is and has been appropriate;
- (b) the Members' Council should allow the current external auditors to continue in post pending the results of a tendering exercise to be completed by 31 October 2012. The Members' Council will be duly involved in that exercise and will consider the Committee's recommendation as to appointment of external auditors in the light of the tendering exercise; and
- (c) the Members' Council should formally approve the external audit fee of £60,000 for 2011/12.

2.5 The AC flags the following areas of continuing general concern:

- (a) the need for efficiencies and cost improvements, driven by financial pressures on the NHS;
- (b) the need to address Estates-related issues on a timely basis;
- (c) the impact of the evolving structure of Clinical Academic Groups ('CAGs'); and
- (d) the need for SLaM to continue to reduce excessive bed occupancy. For 2011/12 this has improved to 85% (women) and 100% (men) from an overall 120% for 2010/11. However, as advised to the AC by the Service Quality Improvement Committee ('SQIC') *'Bed occupancy ... continues to represent one of the principal risks facing the Trust, especially in relation to potential reductions in the number of beds commissioned.'*

### 3. Constitution of the AC

3.1 **AC membership.** The Board keeps under review the balance of skills and experience of the AC's members, and the need for rotation of roles. Details of AC members are as follows:

- (a) **Robert Coomber** joined SLaM as a Non Executive Director ('NED') and AC member in May 2007 and took on the role of AC Chair in June 2007. In June 2010 his role as a NED was confirmed for a further three years; and
- (b) **Charles Bland** became an AC member immediately after the end of the AC's meeting held on 14 December 2009 and on 09 March 2012 his membership of the AC ceased. Following this **Professor Shitij Kapur** and **Dr Patricia Connell-Julien** (both being current Non Executive Board members) were appointed as AC members.

3.2 The AC considers that the AC has maintained at all times an appropriate balance of skills and experience, including the recent relevant financial experience of Robert Coomber and Charles Bland.

3.3 **AC meetings: fitness for purpose.** The Director of Finance and Corporate Governance ('DoF') has a standing invitation to attend all AC meetings as do SLaM's internal auditors, external auditors and Local Counter Fraud Specialist ('LCFS'). Other members of the Board may attend if they wish. The AC invites the attendance of the Trust Chair, the Chief Executive, other key Executive (and Non Executive) Directors and senior SLaM officers if and as necessary given the business planned for each AC meeting. AC meetings must be held not less than four times a year. In addition to those meetings, a special purpose AC meeting is held each year to consider the draft audited accounts and related documents. The AC has an annual work plan, integrated with SLaM's workplan, and schedules its meetings to consider and act on specific issues within that plan, and to consider other key relevant issues if and as these become apparent. Appendix A to this Annual Report records details for the AC's meetings held in the year.

3.4 **AC reporting.** After each AC meeting the AC Chair reports to the next Board meeting any key relevant issues identified by the AC. That report is accompanied by full draft minutes of the AC meeting, and by a report on documents signed and sealed on behalf of SLaM.

### 4. The AC's work for the year 2011/12

4.1 The AC fulfils its remit in the following three main ways, in turn explained further below:

- (a) internal processes – review of assurances requested from SLaM's officers;
- (b) independent assurances – review of assurance reports from internal auditors, external auditors and LCFS further to the AC's overall direction of their work; and
- (c) 360° assessment – of the AC and other parties.

#### Internal processes

4.2 The AC calls for SLaM officers to attend its meetings to provide reports and assurance, and to update the AC about progress on implementing recommendations following audit and other assurance reviews. Appendix A lists all SLaM officers attending the AC's meetings in the year. Key areas which the AC is monitoring in this way include:

- (a) SLaM's delivery of its cost improvement programme and preparation of contingency plans. The AC considers that this represents a severe challenge for SLaM;
- (b) issues related to the Estates Department. In response to these SLaM has strengthened the Estates Department management team, implemented other improvements, and tasked internal audit to review this area. Some issues remain, as noted by internal audit (4.17 refers);
- (c) a major claim by SLaM against one of its contractors regarding the quality of construction of a building in SLaM's estate. At its March 2012 meeting the AC discussed this with SLaM's legal advisers, but the position is not yet finalised; and
- (d) SLaM's risk management system as applied in the evolving structure of CAGs. To find out more about this the AC requested the Service Directors/Joint Leaders from two key CAGs to attend two AC meetings, and discussed with them risk issues of which they were aware and how SLaM's risk management system operated in practice. These discussions indicated no major issues.

4.3 The AC monitors SLaM's progress in resolving agreed corrective actions derived from internal audit reports.

4.4 The AC integrates its operations with those of the other committees of the Board, for instance through:

- (a) the reporting, by committee Chairs at each Board meeting, of any key issues identified at committee meetings;
- (b) consideration of any key matters which the SQIC considers should be reported to the AC; and
- (c) cross-membership of committees. For instance Robert Coomber is a member of the Activity and Finance Committee, and Charles Bland was a member of the SQIC.

4.5 SLaM's annual accounts for 2011/12 received a clean audit opinion from the external auditors. In line with best practice for production of annual accounts, executive management produced a report to the full Board concluding that there were no significant doubts about SLaM's ability to continue as a going concern.

4.6 In addition to reports on relevant key financial issues arising during the year, the DoF also reported to the AC on: documents signed and sealed on behalf of the Board; breaches of the procurement requirements set out in SLaM's Standing Financial Instructions; agreed waivers of the procurement requirements set out in SLaM's Standing Financial Instructions; and write-offs of losses and special payments such as compensation.

4.7 At its meetings the AC reviews and comments on the Assurance Framework as required by the AC's terms of reference which state that: *'The ... Assurance Framework is the strategic system for assessing recording monitoring and managing all significant risks across SLaM. The role of the [AC] is to ensure that risks are properly assessed, recorded and responded to in a manner which promotes the best possible use of resources and patient care and meets all appropriate governance and care standards. The role of the [AC] is periodically to review the composition of the assurance framework in order to determine if it is both current and proportionate and to test the management systems which support it in order to assess the effectiveness and efficiency of risk management throughout SLaM'* (AC TOR section 3 refers).

## Independent assurances

4.8 Based on its consideration of the Assurance Framework, audit reports and other information received during the year, the AC has directed audit resources to carry out risk-based reviews of SLaM's systems, including review of specific issues and follow-up reviews on areas previously audited, as summarised below.

### External Audit

4.9 The work of external audit falls into two broad categories: audit of SLaM's annual accounts to provide an opinion thereon; and assessment of SLaM's use of resources ('value for money' – 'VFM' work). In March 2012 the AC reviewed and approved external audit's plans for its work for 2011/12, and the audit fee of £60,000 for this (that AC meeting was inquorate; proceedings at that meeting were ratified at the quorate AC meeting held on 28 May 2012).

4.10 The AC received regular progress reports from external audit about their work, and has also received from them:

- (a) their Annual Governance Report covering the 2011/12 audited annual accounts, as required by auditing standards. That report noted that external audit issued a **clean ('unqualified') audit opinion** on the 2011/12 accounts, noted **no significant unadjusted errors** in the accounts and noted **no material weaknesses in internal financial control** relevant for the purpose of their audit;
- (b) external audit's Annual Governance Report also noted that external audit had noted **no weaknesses in VFM arrangements** at SLaM, but that a full opinion on this could only be given when the audit of SLaM's Quality Report was concluded, and this is planned for late June 2012;
- (c) additional reports and briefings during the year, as appropriate; and
- (d) (in September 2011) the 2010/11 'Annual Audit Letter' summarising external audit's work and findings for 2010/11. The analogous report for 2011/12 will be issued on an analogous timescale.

### Internal Audit

4.11 As noted in their Audit Needs Assessment document, internal audit provides an independent, objective assurance and consulting service designed to add value and improve an organisation's operations. As such, its role embraces two key areas:

- (a) the provision of an independent and objective opinion to the 'Accountable Officer' (the Chief Executive), the Board and the AC on the degree to which risk management, control and governance support the achievement of SLaM's agreed objectives; and
- (b) the provision of an independent and objective consultancy service specifically to help line management improve SLaM's risk management, control and governance arrangements.

4.12 **Change in internal audit provider.** As from 01 September 2011 SLaM changed its internal audit provider as a result of a tendering exercise conducted over previous months to demonstrate continued value for money and quality of service. Based on plans agreed with the AC, the outgoing provider (South Coast Audit – 'SCA') performed a limited number of reviews covering the 5 months to 31 August 2011. In September 2011 SCA reported overall that: *'significant assurance can be given that there is a generally sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently. However, some weakness in the design and/or inconsistent application of controls put the achievement of particular objectives at risk.'* **SCA's overall opinions are structured on a four-point scale: full assurance; significant assurance; limited assurance; and no assurance.**

4.13 SCA flagged two specific areas in which they could only express 'limited assurance'. These related to: the Capital Planning Department; and Finance's support of the Estates and Facilities procurement programme. Action plans are in place to address these issues, and the new internal audit provider has reflected these matters in their audit plans.

4.14 As from 01 September 2011 Parkhill has acted as SLaM's internal audit provider. The AC has held several private meetings with them to ensure that Parkhill fully understands the contribution that SLaM seeks from them in particular (as stated in the minutes of the September 2011 AC meeting): *'their contribution to SLaM's efficient, effective and timely identification and management of risks including financial risks; their contribution to adding value to SLaM's operations; and the appropriate measurement and reporting of those contributions.'* The AC has regularly reviewed, commented on and approved (with amendments where necessary) internal audit's plans. The planned internal audit work took account of the findings reported by the outgoing internal auditor, and supported Parkhill's 2011/12 Head of Internal Audit Opinion.

4.15 Parkhill's key overall conclusion for 2011/12 is that: *'Significant assurance can be given that there is a generally sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently. However, some weakness in the design and/or inconsistent application of controls put the achievement of particular objectives at risk.'* **Parkhill's overall opinions are structured on a four-point scale (different from SCA's): significant assurance; adequate assurance; limited assurance; and no assurance.**

4.16 The AC has [XX Drafting note. This information per HoIA opinion needs some minor reconciliation with App B which is based on a later Parkhill report – update of 2011/12 internal audit projects and audits]:

- (a) monitored regular progress reports requested from Parkhill on Parkhill's delivery of internal audit plans, and influenced changes to the plan to direct work to risk areas identified as internal audit work progressed;
- (b) noted that internal audit has completed 20 risk-based audit assignments 11 of which provided an assurance statement (the other 9 were systems reviews supporting SLaM's 2011 NHSLA application);
- (c) noted that for these 11 risk-based audits that provided assurance statements, 10 received an opinion of 'substantial assurance' or 'adequate assurance'. The one area receiving a 'limited assurance' opinion is Estates and Procurement Strategy (see below);
- (d) noted that 11 audit reviews are in progress, and Parkhill does not anticipate that significant issues will arise from any of these;
- (e) noted that internal audit and SLaM's clinical audit function are liaising and coordinating plans; and
- (f) flagged to the Board key issues noted from the foregoing.

4.17 **Estates and Procurement Strategy.** Internal audit noted that their 'limited assurance' opinion *'... centred upon the fact that in recent years there has been an apparent lack of a coherent strategy (now being addressed), with regards to Estates spend and congruence with Capital Programme considerations and overall Trust objectives. Moreover, it was unclear as to how Estates projects and associated spend*

was being prioritised in view of countering key Trust risks and whether all Estate risks had been systematically evaluated.'

### **LCFS ('Local Counter Fraud Specialist')**

4.18 SLaM's LCFS service is provided through a separate service level agreement. As from 01 September 2011 SLaM changed its LCFS provider from SCA to Parkhill as a result of a tendering exercise conducted over previous months to demonstrate continued value for money and quality of service. The management of the handover was analogous to that of the handover of the internal audit service (see above).

4.19 SCA provided a report on their LCFS work for the 5 months to 31 August 2011. As requested by the AC to meet mandated requirements, Parkhill will provide a report for the 7 months to 31 March 2012 outlining delivery of the counter fraud plan through work on the prevention and detection of fraud, and through investigation into specific instances of suspected fraud. The AC requested and received regular updates on fraud issues from SCA and Parkhill during 2011/12.

### **Other independent assurances about SLaM's operations**

4.20 To help it to maintain and enhance the efficiency and effectiveness of its operations, in selected areas SLaM uses the consultancy and advisory services of some of the major independent accountancy firms. Significant points from their reports are flagged at AC meetings and/or dealt with at Board level if and as appropriate.

### **360°assessment of the AC and other parties**

4.21 In line with best practice the AC structures and monitors its operations through processes such as the following:

- (a) ongoing monitoring of progress against an agreed AC annual work programme;
- (b) review/amendment of the AC's own terms of reference for continued relevance, for subsequent review/approval by the Board, most recently in February 2011;
- (c) private discussions with SLaM management, internal audit and external audit, as noted in Appendix A;
- (d) annual assessment of the efficiency and effectiveness of its operations (see below) and
- (e) ongoing use of an appropriately experienced chartered accountant as AC Secretary.

4.22 **Annual 360° assessment.** The AC annually assesses the efficiency and effectiveness of its operations as part of a 360° exercise to assess the contributions to efficient and effective audit/governance and cost control arrangements of the following parties: the AC; the Board; internal audit; external audit; and LCFS. For 2011/12 the AC decided to adopt a more flexible, discursive approach than that used in previous years, but to ensure year to year consistency referred as necessary to a checklist based on that used in the exercises for previous years.

4.23 As noted in the minutes of the March 2012 AC meeting: *'In summary, after due discussion, it was agreed that all parties had performed well and had contributed appropriately to efficient and effective audit/governance and cost control arrangements. However, in common with other Trusts, SLaM faced significant challenges. All parties should therefore remain alert and should continue to seek to improve performance.'* As appropriate, the AC has actioned development points noted from previous 360° assessments.

## **5. AC Developments**

5.1 The AC and the Board have taken and continue to take steps further to improve the efficiency and effectiveness of the AC's operations. This includes taking account of 360° assessments (section 4 refer s).

5.2 The AC's terms of reference (most recently approved by the Board in February 2011) are due for review. The AC considers it best that this awaits further discussion at Board level, given SLaM's circumstances.

Robert Coomber  
Audit Committee Chair  
May 2012

**APPENDIX A: AC MEETINGS AND ATTENDANCES FOR 2011/12**

2011/12	02 Jun	28 Jun	20 Sep	30 Nov	13 Dec	07 Mar	20 Mar
Notes (see foot of table)	1			2		2	3
<b>AC members (all Non Executive Directors)</b>							
Robert Coomber (AC Chair)	Y	Y	Y	Y	Y	Y	Y
Charles Bland	Y	Y	Y	Y	Y	Y	
<b>In attendance</b>							
Committee support function							
Steven Thomas (AC Secretary)	Y	Y	Y	Y	Y	Y	Y
SLaM officers							
Chief Executive		Y					Y
Non Executive Director					Y		
Director of Finance and Corporate Governance	Y	Y	Y	Y	Y	Y	Y
Assistant Director of Finance (Finance)	Y						
Director of Estates Facilities and Capital Planning			Y				Y
Service Director and Joint Leader – Psychosis					Y		
Service Director and Joint Leader – CAMHS							Y
Head of Communications	Y						
Deputy Director of ICT			Y				
Governance Manager		Y			Y		Y
Senior Project Manager							Y
External providers of assurance							
EA ('External Audit'): Engagement Lead	Y	Y	Y		Y		Y
EA: Engagement Manager	Y	Y	Y		Y		Y
IA ('Internal Audit'): Audit Manager (outgoing)		Y	Y				
IA: Team Leader (outgoing)	Y	Y					
LCFS (outgoing)		Y	Y				
IA: Managing Director (incoming)			Y	Y	Y		
IA: Account Director (incoming)			Y	Y			
IA: Audit Manager (incoming)			Y	Y	Y	Y	Y
LCFS: Head of LCFS (incoming)			Y	Y	Y	Y	Y
LCFS (incoming)				Y	Y		Y
Legal Adviser (Partner – Trowers & Hamlins)							Y
Legal Adviser (Partner – Trowers & Hamlins)							Y

**AC private meetings.** The AC held private meetings with SLaM management as required, and held private meetings: with internal audit and LCFS (20.Sep, 30.Nov, 07.Mar and 20.Mar); and external audit (20.Mar)

**Quorum:** Two AC members

Y denotes attendance

The Committee received apologies for absence where appropriate from non-attendees

Note 1. Special purpose AC meeting

Note 2. Informal meeting with new internal audit provider and new LCFS provider

Note 3. Inquorate meeting. Proceedings were ratified at the quorate AC meeting held on 28 May 2012

**APPENDIX B: KEY AUDIT WORK FOR 2011/12**

The information below seeks to summarise the work of SLaM's auditors (internal audit and external audit) for 2011/12 and the main results of that work. Any internal audits for which the internal audit conclusion was 'limited assurance' are highlighted below, with internal audit's summary conclusion about issues identified and corrective actions agreed.

<b>SCA INTERNAL AUDIT reports for 5 months to 31 August 2011</b> <i>Information agrees with the Head of Internal Audit Report</i>	<b>Assurance level (4.12 refers)</b>
The Appointment of NKM Associates Limited.	N/A
Follow-up Review of the Capital Planning Department.	Limited
Finance's Support of the Estates & Facilities Procurement Programme	Limited
Review of Financial Controls Failures	Significant
A Review of the Trust's Cost Improvement Plans & Drug Expenditure Monitoring Systems	Significant
ICT Infrastructure Power Support for Business as Usual Review	Significant
Information Governance Review	Significant

Note that Parkhill has taken account of the foregoing in planning internal audit work for the 7 months to 31 March 2012.

<b>PARKHILL INTERNAL AUDIT reports for 7 months to 31 March 2012</b> <i>Information agrees with the Head of Internal Audit Report</i>	<b>Assurance level (4.15 refers)</b>
Payroll	Substantial
Financial Ledger	Substantial
Cash & Treasury Management	Substantial
Financial Reporting & Budgetary Control	Substantial
Accounts Receivable	Substantial
Accounts Payable	Substantial
Estates & Facilities Procurement (guidance re trial phase – opinion not applicable)	N/A
Estates & Procurement Strategy (management letter with opinion)	Limited
Risk Management & Interim Board Assurance Framework	Substantial
Final Board Assurance Framework	XX IA to advise
NHSLA (9 systems reviews supporting SLaM's 2011 NHSLA application)	N/A
HR Processes (not yet finalised – currently in management discussions)	N/A
Care Quality Commission (not yet finalised – currently in draft)	N/A
<b>Computer Audits</b>	
Cobit Risk Assessment (currently in draft)	N/A
Information Governance Toolkit – Part 1	Adequate
Information Governance Toolkit – Part 2	XX IA to advise
Electronic Documents – Local Scanning (not yet finalised – currently in management discussions)	N/A
Access Controls ePJS (not yet finalised – currently in management discussions)	N/A
ICT Project & Programme Management (not yet finalised – currently in management discussions)	N/A
IT Follow-up (work complete but report not finalised)	N/A

<b>Audit</b>	<b>Internal audit's comments on limited assurance opinion</b>
Follow-up Review of the Capital Planning Department	SCA: 'Overall, we can only provide Limited Assurance that the Department has made significant progress in developing and implementing action plans to rectify the issues identified in our original report. Our review of the Gresham and Snowsfield projects indicates the need for better documenting of responsibilities, better monitoring by the Trust of its capital projects and better co-ordination between the Department with both other services within the Trust and contractors.'
Finance's Support of the Estates & Facilities Procurement Programme	SCA: 'We can only provide Limited Assurance that the proposed changes to non-stock procurement processes within the Department are capable of minimising and mitigating unacceptable risks because insufficient progress has been made to develop a project group to deal with the risks associated with the breaches of Standing Financial Instructions (SFIs), and in implementing good practice identified during the course of this audit.'
Estates & Procurement Strategy	Parkhill: 'Our overall opinion centred upon the fact that in recent years there has been an apparent lack of a coherent strategy (now being addressed), with regards Estates spend vis-a-vis Capital Programme considerations and overall Trust objectives. Moreover, it was unclear as to how Estates projects/spend was being prioritised in view of countering key Trust risks and whether all Estate risks had been systematically evaluated'

<b>EXTERNAL AUDIT work for 2011/12</b> <i>Information based on external audit's Annual Governance Report</i>	<b>Conclusion</b>
<b>Financial statements:</b>	-
Unqualified ('clean') audit opinion?	Yes
Financial statements free from material misstatement (whether caused by fraud or error)?	Yes
No important weaknesses in internal control?	Yes
Any and all errors in the financial statements detected by external audit corrected by SLaM? (Note: 5 such errors were detected and corrected. All related to reclassifications in the Statement of Financial Position or disclosures in the financial statements. None of the errors affected the Statement of Comprehensive Income)	Yes
<b>Annual Report</b>	
Information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements?	Yes
Annual Governance Statement does <b>not</b> reflect compliance with Monitor's requirements?	Nothing to report
<b>Value for money:</b>	-
Proper arrangements to secure value for money?	Yes, subject to completion of work on SLaM's 2011/12 Quality Report (planned for late June 2012)

External audit's Annual Governance Report includes one recommendation, which is considered to be immaterial

**Attachment D**

**MEMBERS' COUNCIL – SUMMARY REPORT**

**Date of meeting:** 7<sup>th</sup> June 2012

**Name of Report:** Health and Social Care Act briefing

**Author:** Foundation Trust Network

**Presented by:** Paul Mitchell, Trust Secretary

**Purpose of the report:**

To update the Members' Council on the timeline of the key dates relating to the implementation of the Health and Social Care Act.



## Health and Social Care Act 2012 Implementation timeline

The table below gives a timeline of the key dates relating to the implementation of the Health and Social Care Act. At this stage some timings are still provisional, as the bill has not formally received Royal Assent.

Date	Health and Social Care Act milestones
<b>2011</b>	
31 October 2011	NHS Commissioning Board Authority (NHS CBA) established as a shadow special health authority.
<b>2012</b>	
April 2012	<p>Health and Social Care Act 2012 expected to receive Royal Assent.</p> <p>NHS CBA takes on some National Patient Safety Agency functions.</p> <p>Local Education and Training Boards (LETBs) established as subcommittees of the SHAs. A Draft Education Outcomes Framework is published.</p>
April to September 2012	<p>Consultations expected on:</p> <ul style="list-style-type: none"> <li>• Licensing exemptions (April – June)</li> <li>• Risk pooling provisions (April – June)</li> <li>• Pricing methodology – disputes (April – June)</li> <li>• Health Special Administration for companies (May – July)</li> <li>• Commissioner regulations – good practice and risk pooling (July – September)</li> </ul>
c. June 2012	<p>The majority of the provisions of the Act come into force, two months following Royal Assent, except where separate provision / regulation is made. <b><i>The appendix below on page 4 gives the detail of these provisions.</i></b></p> <p>NHS Trust Development Authority (NHS TDA) and Health Education England (HEE) established as special health authorities.</p>
July 2012	Monitor as sector regulator to be established, expected to commence licensing functions from 1 January 2013. Overarching duties and general powers commence as do its new FT duties, outwith the formal licensing regime.

<b>Date</b>	<b>Health and Social Care Act milestones</b>
	Monitor commences pricing functions with the NHS Commissioning Board for 2014/15 tariff.
October 2012	<p>Monitor starts to take on its new regulatory functions.</p> <p>HealthWatch England and local HealthWatch are established</p> <p>NHS CBA becomes an executive non-departmental public body, responsible for planning 2013-4.</p> <p>Authorisation of Clinical Commissioning Groups (CCGs) begins. There will be three phases of CCG development – shadow CCGs; those authorised with conditions; and fully authorised (established without conditions).</p> <p>Appointments Commission transfers its functions to the NHSTDA.</p> <p>HEE commences in shadow form and Medical Education England (MEE). LETB authorisation begins (so they can start in April)</p>
<b>2013</b>	
1 January 2013	<p>Monitor licensing regime expected to commence for NHS Foundation Trusts. Foundation trust continuity of service regime commences.</p> <p>Competition Act 1998 powers concurrent with OFT are commenced.</p>
1 April 2013	<p>Monitor starts to license non-FT providers. Regulations (including exemption) to support the provider licensing regime come into force.</p> <p>Regulations:</p> <ul style="list-style-type: none"> <li>- for NHS commissioners protecting patient choice, procurement, and preventing anti-competitive behaviour come into force.</li> <li>- to specify threshold for referring disputes to the pricing methodology to the Competition Commission come into force.</li> <li>- to specify threshold for referring disputes to provider levies to the Competition Commission and commissioner charges regulations come into force.</li> </ul> <p>SHAs and PCTs are abolished and the NHS Commissioning Board takes on its full functions. All of England will be covered by established CCGs, with the vast majority of these being fully authorised.</p> <p>Health Education England takes over SHAs' responsibilities for education and training. Local Education and Training Boards commence work and evolve.</p> <p>The NHS Trust Development Authority takes over SHAs' responsibilities for the foundation trust pipeline and for the overall governance of NHS trusts.</p> <p>Public Health England established.</p>

Date	Health and Social Care Act milestones
<b>2014</b>	
2014	Joint Monitor and CQC licensing regime not expected until 2014.
April 2014	<p>The remaining NHS trusts are expected to largely be authorised as foundation trusts by April 2014 or as soon as possible afterwards to 2016.</p> <p>2014-15 the first year of NHS Commissioning Board and Monitor working together on pricing methodology and tariff.</p> <p>Financial mechanisms (risk pool) to go live.</p> <p>Health special administration (companies), including regulations and rules, comes into force.</p>
<b>2016</b>	
April 2016	<p>Monitor's transitional powers of oversight over foundation trusts will be reviewed (except for newly authorised FTs, where Monitor's oversight will continue until two years after the authorisation date if that is later) – presumption now that FTs will remain in the compliance regime unless they pass an "exit text" to leave; for this to be possible, a test will need to be devised and a future for the PDC steward function will need to be confirmed.</p>

## Appendix

The following sections of the Act will come into force two months from Royal Assent being given.

### NHS foundation trusts

#### Provisions relating to governors

- Governor bodies are renamed 'Councils of Governors'.
- FTs will no longer need to appoint a PCT governor.
- FTs can appoint one **or more** governors from any organisation specified in the constitution.
- Governors have two new general duties:
  - To hold of the non-executive directors individually and collectively to account for the performance of the board;
  - To represent the interests of members as a whole and of the public.
- FTs must equip governors with the skills and knowledge they need to carry out the role.
- Governors have a new power to require one or more directors to attend a meeting (of the council) to obtain information on the performance of the FT and to help them to decide whether to propose a vote on the performance of the FT. FTs must report on the number of times this power was used each year in their annual report.

#### Directors

- Directors have a new duty to promote the success of the FT so as to maximise the benefits for members and for the public.
- Directors have a duty to avoid conflicts of interest and to declare any that should arise
- Directors have a duty not to accept benefits from a third party by virtue of their being a director or for doing or not doing anything in this regard.
- Directors must send a copy of the agenda of the board meeting to the council of governors prior to the meeting taking place and a copy of the minutes of a board meeting to the council of governors as soon as is practicable after a meeting of the board.
- ***The constitution must make provision for meetings of the board of directors to be open to the public.***
- ***The constitution may make provision for parts of the meeting to be held in closed session for special reasons.***

#### Members

- In deciding on constituencies and on whether to have a patient/service user constituency FTs need to take account of the need for those eligible for membership to be representative of those to whom the trust provides services.

#### Meetings

- FTs are required to hold annual members meetings to receive the annual report, accounts and any report of the auditor.

### **Amendment of the constitution**

- A majority of both the board of directors and the council of governors needs to approve amendments to the constitution.
- Monitor no longer has a role in approving constitutions.
- Any amendments regarding the powers or duties of governors must be approved by the annual members meeting or they will cease to remain in force.

### **Panel for advising governors**

- Monitor has the power to establish a panel to advise governors in the event that a council passes a resolution and complains to Monitor that the FT has failed to act in accordance with its constitution or with the provisions of Part 4 of the Health and Social Care Act 2012.
- The panel will have the power to decide whether or not to investigate, but must publish the report of any investigation.
- The panel does not have the power to compel attendance but may comment on any refusal.
- The recommendations of the panel are not binding.

### **Finance**

- Removal of the prudential borrowing code.
- New criteria and transparency for the secretary of state to provide financial assistance in the forms of loans or public dividend capital.

### **Goods and services (containing provisions relating to the private patient income cap)**

- The principal purpose of FTs is defined in the Act as the provision of goods and services for the purposes of the health service in England.
- An FT may provide any services relating to treatment of individuals or in connection with the diagnosis, treatment or prevention of illness or for the promotion of public health.
- ***An FT does not fulfil its purpose unless its total income from the provision goods and services for the purpose of health services in England is greater than its income from all other provision.***
- ***Each annual report must include a section on the impact of non-NHS funded income on the provision of NHS funded services.***
- ***Each forward plan must contain a section on non-NHS funded services and the income that is likely to be generated from it.***
- ***Where a proposal is included in a forward plan for non-NHS funded services the council of governors must consider whether it is satisfied that it will not, to any significant extent, interfere with the fulfilment of the FTs primary purpose and inform the board of directors of its decision.***
- ***Where an FT proposes to increase income from non-NHS funded sources by more than 5% of its total income it may implement the proposal only if more than half of the council of governors voting approve the proposal.***

### **Significant transactions**

- FTs can only enter into significant transactions with the approval of half of those members of the council of governors voting.
- Significant transactions must be defined in the FT's constitution or the constitution must specify that it contains no such description.

### **Mergers, Acquisitions, Separations and Dissolutions**

- Applications may only be made where they are supported by more than half of the council of governors of each applicant where there more than one FT is involved.
- The regulator must grant an application if it is satisfied that such steps have been taken as are necessary to prepare for the transaction
- Where one of the parties to a merger or acquisition is an NHS trust the approval of the secretary of state is required.

### **Healthwatch**

- The Act establishes Healthwatch England as an independent body linked to the CQC.
- The role of Healthwatch England is to be the patient/service user champion within the CQC, to provide advice to the CQC and the Secretary of State and to escalate individual cases that merit the attention of the CQC.
- Healthwatch England will oversee the work of local Healthwatch groups.
- Local Healthwatch groups will be commissioned by local authorities and will take over the duties of Local Involvement Networks (LINKs) . LINKs will be abolished.

### **Public Health**

- Local authorities have a duty to appoint a director of public health. Directors of public health will have an accountability line to the Secretary of State as well as to the local authority.
- Local authorities will take on an increased number of public health functions subject to guidance from the Secretary of State.

### **Strategic Health Authorities and Primary Care Trusts**

- Strategic Health Authorities and Primary Care trusts will be abolished subject to regulations to bring this section of the Act into force.

**Attachment E**

**MEMBERS' COUNCIL – SUMMARY REPORT**

**Date of meeting:** 7<sup>th</sup> June 2012

**Name of Report:** Membership and communications group update

**Author:** Paul Mitchell, Trust Secretary

**Presented by:** Dr Dele Olajide, Chair of the working group

**Purpose of the report:**

To update the Members' Council on recent activity by the membership and communications group:

- BME issues
- Discount scheme
- Membership targets

## Membership and Communication Group

A meeting of the Group was held on 1<sup>st</sup> May 2012. The main items discussed were:

- **BME membership issues** - a presentation was made by Matilda MacAttram of BMH UK. This will be the basis of ongoing discussions regarding opportunities for developing the BME membership of the Trust.
- **Membership discount schemes** – an initial assessment was made of the options. The Membership and Communications Group has been discussing for some time the need for greater benefits to be made available for Trust Members from all constituencies. Three separate schemes operating in the NHS affinity channel market place (NHS Discounts, NHS Members and Medic Care Discounts) have been researched and at the last meeting of the Membership and Communications Group it was agreed that “Medic Care” appeared to have the best offering for SLAM’s particular needs. A more detailed paper has been prepared by Andy Glyn which supports this approach and is available on request.
- **Membership targets for 2012/13** - an overall target of 12,500 was agreed for submission as part of the development of the Trust’s annual plan. The priority remains the target of increasing the number of service user and carer members.

A further meeting of the group will be taking place on Tuesday, 3<sup>rd</sup> July 2012.

Paul Mitchell  
Trust Secretary  
May 2012

**Attachment F**

**MEMBERS' COUNCIL – SUMMARY REPORT**

**Date of meeting:** 7<sup>th</sup> June 2012

**Name of Report:** Members' Council quality statement

**Author:** Members Council Quality sub-group

**Presented by:** Steve Hill, Chair,  
Members Council Quality sub-group

**Purpose of the report:**

To agree the statement.

## **Statement from the Members Council Quality sub-group for inclusion in the Trust's Quality Report 2011/12.**

**Note: this statement is provisional until approved by the full Members Council**

The Members Council quality sub-group has continued to meet quarterly during 2011/12. The group welcomes the Trust's continuing commitment to quality, as exemplified through the quality strategy. We also appreciate the recognition that in some areas there is more work to be done.

We were particularly pleased to see:

- That patients feel more involved in planning their care. In particular we welcome the development of the 'MyHealthcare Box' [the electronic personal health records web portal], as a means of promoting self determination and recovery
- The Trust's Participation in the National Quality Improvement programme
- The renewed commitment to a focus on outcomes, to research, and the practical application of research findings to improve patient care in line with the King Health Partners strategy
- The high rating on information governance and the undertaking to further improve compliance
- The continued improvement on data quality and the positive performance against key national indicators
- The sustained emphasis on reducing violence and aggression, and the encouraging indications that progress is being made, with a significant reduction in injuries

We would like to see:

- The Trust pursue methods of facilitating easy transfer of patients in and out of primary care, and measures taken to ensure that the learning from the Lambeth pilot is extended to other boroughs
- More emphasis on achieving a balance between the four key elements in the Trust's definition of quality, with an increased focus on, and improved performance in, delivering accessible services in a way that is valued, appreciated, understood and trusted by the people receiving them.
- Clear evidence of a commitment to make and sustain improvements in meeting consent to treatment responsibilities
- Further improvements in the understanding of safeguarding responsibilities across all staff groups within the Trust

Finally we would like to express our thanks to the two members of staff (Cliff Bean and Carol Stevenson) who have continued to support the quality sub-group throughout the year.

**Attachment G**

**MEMBERS' COUNCIL – SUMMARY REPORT**

**Date of meeting:** 7<sup>th</sup> June 2012

**Name of Report:** Annual planning group update

**Author:** Kay Harwood / Annual planning group

**Presented by:** Noel Urwin, Vice Chair

**Purpose of the report:**

To update the Members' Council on the submission made regarding the role of the Members' Council in the development of the Trust's annual plan.

## Extract from the Forward Plan Strategy document 2012-13

### The Trust has had regard to the views of Trust Governors by:

The Members Council meets quarterly and has received presentations on the financial position and regular updates on the development of the Forward Plan. The Members' Council met annually with the Trust Board, where there are updates on the external environment and key issues for the Trust, followed by a review of the past year and planning for the year ahead.

Specifically focused on the Forward Plan, there is a Members' Council Planning and Strategy sub-group, which is open to all Members Council representatives. The sub-group meets on a regular basis with the Executive Director of Strategy and Business Development and the Executive Director of Finance and Corporate Governance, along with senior members of their staff. Presentations and discussions have included the financial context and the draft delivery plan.

The membership of the sub-group has been relatively consistent over the past two years, enabling a shared and more in-depth understanding of the Trust's financial and strategic planning to be achieved. This has yielded the benefit of substantial contributions from members of the sub-group to the development of the Trust's Strategy and thereby our Forward Plan.

In November 2011 the sub-group hosted two events as a means of engaging the wider membership in the development of the Strategy. These events were attended by the Executive Director for Strategy and Business Development and senior members of the Strategy and Business Development team, along with the Trust Secretary, and provided an opportunity for a far-reaching discussion and sharing of ideas to take place. The sub-group would like to build on this by running similar events in each borough in 2012, particularly drawing on the networks of our local involvement groups in attracting a wider audience with whom the Trust would wish to engage.

Last year, in anticipation of the changes to the benefits system, the Members' Council recommended that the Trust review its capacity to inform, advise and support those users who feel their livelihood and mental health are under increasing threat. In January 2012 the Planning and Strategy sub-group returned to this topic, and the Social Inclusion and Recovery Lead attended to give an update on the issues and how the Welfare Department were working to inform, advise and support service users through provision of training, talks, and one to one advice to staff and service users and through an intranet site containing up to date information for staff to access and share with the service users they work with. Following discussion at the full Members' Council meeting in March 2012 it was agreed that a Benefits sub-group would be established, with the first meeting taking place in May.

Currently the Members' Council are running their fourth 'Keep on Smiling' Bids Scheme. Social inclusion and recovery are key themes supported for members to apply for small bids of up to £750. The Members' Council strongly support the recovery programme and some members attended the recent Masterclass and International Conference on Recovery that was organised by the Section for Recovery (Institute of Psychiatry) and Rethink Mental Illness.

**MEMBERS' COUNCIL – SUMMARY REPORT**

**Date of meeting:** 7<sup>th</sup> June 2012

**Name of Report:** Chief Executive's report

**Author:** Paul Mitchell, Trust Secretary

**Presented by:** Stuart Bell, Chief Executive

**Purpose of the report:**

To update the Members' Council on Trust and national issues.

# Chief Executive's Report

June 2012

## 1. National issues

### Health and Social Care Act 2012

The Health and Social Care Bill received Royal assent on 27<sup>th</sup> March, a fuller brief is provided separately.

### Health Secretary sets objectives for NHS Commissioning Board Authority

Andrew Lansley has set out the Government's strategic objectives for the NHS Commissioning Board Authority and the basis against which the Authority will be held to account. The Department of Health will hold the Authority to account for its performance against four strategic objectives, relating to: transferring power to local organisations, establishing the commissioning landscape, developing specific commissioning and financial management capabilities, and developing excellent relationships.

### Legislation planned for next Parliament in Queen's Speech

The coalition Government has unveiled its legislative plans for the next parliamentary session. Alongside proposals to legislate on local audit, joint commissioning for children and family services, regulatory reform and state pensions, a draft Care and Support Bill and Public Sector Pensions Bill were confirmed. The former responds to the Law Commission's recommendations and is designed to support the vision of the forthcoming White Paper. It is also hoped that pre-legislative scrutiny of the Bill will enable the government to gain feedback from those with experience and expertise in social care. The latter involves implementation of the Final Proposed Agreements made with unions for the three largest pension schemes, introduce average earnings as the basis for pension calculations and aim to ensure greater commonality across schemes.

## 2. Trust issues

### Financial position

Activity within the Executive meetings has focussed on the finalisation of the annual plan for 2012/13 and agreement of measures to maintain financial control in the current challenging environment. I have used events such as the Senior Leaders Group (see below) to reiterate the importance of all managers understanding the seriousness of our position so that, where possible, plans for savings are brought forward and any discretionary expenditure eliminated.

### Senior Leaders Group

There was a well attended meeting of the Senior Leaders Group held on Monday, 23<sup>rd</sup> April 2012. Madeliene Long opened the meeting with an update on current plans related to Kings Health Partners. I made a presentation on new models of care and was followed by Jim Lusby talking about the Integrated Care Pilot. Zoe Reed updated on the delivery of the Trust's Forward Plan. Julia Gannon made a presentation on Payment by Results, this was particularly timely as the way that mental health Trusts receive funding is about to change as the Department of Health has expanded Payment by Results to include mental health trusts. The afternoon was concluded with a presentation on the Maudsley Charity Developments by Paul Mitchell and Kathrin Ostermann. This covered the Windsor Walk development, the new mental health learning centre and the new fundraising initiative.

**MyHealthBox**

I attended an event the Trust hosted on Tuesday 15<sup>th</sup> May at the British Film institute (BFI) London Southbank. The event marked the launch of MyHealthBox, a Trust initiative that will allow patients to access their healthcare record through a secure online website. The project has been developed with Microsoft and is the first of its kind in the world. The project was formally launched by Lord Howe, Parliamentary Under Secretary of State for Health.

**Ministerial visit**

Lord Howe, Parliamentary Under Secretary of State at the Department of Health visited the Maudsley hospital on 18<sup>th</sup> April 2012. After being introduced by Madeliene Long, Eric Morris, Psychology Lead for Early Intervention and Aisling Treanor, assistant psychologist for Early Intervention, gave a presentation on the development and introduction of the Buddy App at SLaM and the results so far. Mike Denis, Director of Information Strategy, talked about the Buddy App in a strategic context looking at how the App fits with SLaM's commitment to embracing innovations in IT to help improve the experience of service users.

**Head of Psychology**

I am delighted to report that Alison Beck has started in her role as Head of Psychology for the Trust. She was previously at South West London and St George's Mental Health NHS Trust. I would like to thank Peter du Plessis for acting up prior to Alison's arrival.

**Monitor risk ratings**

Monitor have confirmed that the Trust's current ratings have been amended to: financial risk rating – 3; governance risk rating – Green.

**Stuart Bell**  
**Chief Executive**  
**June 2012**

Z / MC / meeting 2012 06 07 / Chief Exec report Jun 12