



With all of us in mind

**Members' Council  
Friday 25 July 2014**

**10:00**

**Refreshments will be available from 9:30 and the meeting will finish with lunch at 13:00  
Large conference room, Learning and Development Centre, Fieldhead, Wakefield, WF1 3SP**

**Agenda**

<b>Item</b>	<b>Time</b>	<b>Subject Matter</b>	<b>Presented by</b>		<b>Action</b>
1.	10:00	Welcome, introductions and apologies	Ian Black, Chair	<b>Verbal</b>	To receive
2.		Declaration of Interests for new governors	Ian Black, Chair	<b>Paper</b>	To confirm
3.		Minutes of the previous meeting held on 30 April 2014	Ian Black, Chair	<b>Paper</b>	To agree
4.	10:10	Chair's report and feedback from Trust Board Chief Executive's comments	Ian Black, Chair Alex Farrell, Deputy Chief Executive	<b>Verbal</b>	To receive
5.	10:40	Consideration of the Trust's annual report and accounts for the period 1 April 2013 to 31 March 2014. The full annual report and accounts can be found on the Trust's website at <a href="http://www.southwestyorkshire.nhs.uk/about-us/performance/annual-report/">http://www.southwestyorkshire.nhs.uk/about-us/performance/annual-report/</a>	Peter Aspinall, Chair, Audit Committee/Paul Thomson, Deloitte	<b>Paper/ presentation</b>	To receive
6.		Quality Report 2013/14 external assurance review. The Trust's Quality Report can be found on the Trust's website at <a href="http://www.southwestyorkshire.nhs.uk/quality-innovation/quality-account/">http://www.southwestyorkshire.nhs.uk/quality-innovation/quality-account/</a>	Tim Breedon, Director of Nursing/Paul Thomson, Deloitte	<b>Paper/ presentation</b>	To receive
7.	11:10	Trust five-year strategic plan 2014/15 to 2018/19 and Trust declaration of sustainability	Alex Farrell, Deputy Chief Executive	<b>Paper/ presentation</b>	To receive
8.	11:30	Serious incidents annual report 2013/14	Tim Breedon, Director of Nursing	<b>Presentation</b>	To receive
9.	11:45	National staff survey 2013, wellbeing survey and Friends and Family test for staff	Alan Davis, Director of	<b>Presentation</b>	To receive

Item	Time	Subject Matter	Presented by Human Resources		Action
10.	11:55	Performance report Quarter 1 2014/15. The full performance report for month 2 2014/15 is enclosed with these papers and can also be found on the Trust's website at <a href="http://www.southwestyorkshire.nhs.uk/wp-content/uploads/2012/06/performance-report-M2-2014-15.pdf">http://www.southwestyorkshire.nhs.uk/wp-content/uploads/2012/06/performance-report-M2-2014-15.pdf</a> . The dashboard for Q1 2014/15 will be available at the meeting and summarised in a presentation.	Alex Farrell, Director of Finance	<b>Paper/ presentation</b>	To receive
11.	12:15	Monitor Code of Governance	Dawn Stephenson, Director of Corporate Development	<b>Paper</b>	To receive
12.	12:30	Membership of the Nominations Committee	Ian Black, Chair	<b>Paper</b>	To agree
13.	12:40	Membership of the Foundation Trust Governors' Association	Dawn Stephenson, Director of Corporate Development	<b>Paper</b>	To agree
14.		<p><u>Date of next meeting</u></p> <p>Friday 24 October 2014. This will be a morning meeting in the large conference room, Textile Centre of Excellence, Textile House, Red Doles Lane, Huddersfield HD2 1YF</p> <p><u>Dates for 2015</u></p> <p>Friday 30 January 2015 morning meeting, conference room 2, Textile Centre of Excellence, Textile House, Red Doles Lane, Huddersfield HD2 1YF. This will also include the annual joint meeting with Trust Board.</p> <p>Wednesday 29 April 2015 afternoon meeting, large conference room, Learning and Development Centre, Fieldhead, Wakefield, WF1 3SP.</p> <p>Friday 25 July 2015 afternoon meeting, Legends Suite, Oakwell Stadium, Barnsley FC, Grove Street, Barnsley, S71 1ET.</p> <p>Wednesday 4 November 2014 afternoon meeting, large conference room, Learning and Development Centre, Fieldhead, Wakefield, WF1 3SP.</p>	Ian Black, Chair	<b>Verbal</b>	
	13:00	Close			

**Members' Council**  
**25 July 2014**

<b>Agenda item:</b>	<b>2</b>
<b>Report Title:</b>	Members' Council Declaration of Interests
<b>Report By:</b>	Dawn Stephenson
<b>Job Title:</b>	Director of Corporate Development
<b>Action:</b>	To confirm

**EXECUTIVE SUMMARY**

Purpose and format

The purpose of this item is to provide information regarding the declarations made by governors on their interests as set out in the Constitution and Monitor Code of Governance.

Recommendation

**The Members' Council is asked to NOTE the individual declarations from newly appointed or elected governors.**

Background

The Trust's Constitution and the NHS rules on corporate governance, the Combined Code of Corporate Governance, and Monitor require a register of interests to be developed and maintained in relation to the Members' Council. During the year, if any such Declaration should change, governors are required to notify the Trust so that the Register can be amended and such amendments reported to the Members' Council.

Both the Members' Council and Trust Board receive assurance that there is no conflict of interest in the administration of the Trust's business through the annual declaration exercise and the requirement for governors to consider and declare any interests at each meeting.

There are no legal implications arising from the paper; however, the requirement for governors to declare interests on an annual basis is enshrined in the Health and Social Care Act 2012 in terms of the content of the Trust's Constitution.

Process

The Integrated Governance Manager is responsible for administering the process on behalf of the Chair of the Trust and the Company Secretary. The declared interests of governors are reported in the annual report and the register of interests is published on the Trust's website.

# **Members' Council Declaration of Interests**

<b>Governor</b>	<b>Description of interest</b>
BROWNBIDGE, Garry Staff elected, psychological therapies	No interests declared
CRAVEN, Julie Publicly elected, Wakefield	Declaration not yet receive
CROSSLEY, Andrew Publicly elected, Barnsley	<ul style="list-style-type: none"> <li>➤ Director, Pathway Sales Limited</li> <li>➤ Part owner (and shareholder non-controlling), Liaison Financial Services</li> <li>➤ Consultancy services via Pathway Sales Limited for Liaison Financial Services</li> <li>➤ Deputy Director, Samaritans, Barnsley</li> <li>➤ Volunteer mentor, Remedi</li> <li>➤ Volunteer gateway assessor, Citizens' Advice Bureau</li> </ul>
FENTON, Michael Publicly elected, Kirklees	Declaration not yet receive
O'HALLORAN, Catherine Appointed, University of Huddersfield	➤ Employed by University of Huddersfield
REDMOND, Daniel Publicly elected, Calderdale	➤ Director and Trustee, Calderdale Wellbeing Healthy Minds project
WILKINSON, Adam Appointed, Calderdale Council	Declaration not yet received



## Minutes of the Members' Council meeting held on 30 April 2014

<b>Present:</b>	Marios Adamou Stephen Baines Ian Black Hilary Brearley Adrian Deakin Claire Girvan Nasim Hasnie John Haworth Andrew Hill Ruth Mason Bob Mortimer Kath Padgett Dave Rigby Kevan Riggett Jeremy Smith Michael Smith Hazel Walker Peter Walker Tony Wilkinson David Woodhead	Staff – Medicine and pharmacy Appointed – Calderdale Council Chair of the Trust Appointed – Barnsley Hospital NHS Foundation Trust Staff – Nursing Staff – Allied Health Professionals Public – Kirklees Staff – Non-clinical support Public – Barnsley Appointed – Calderdale and Huddersfield NHS Foundation Trust Public – Kirklees Appointed – University of Huddersfield Public – Kirklees Public – Barnsley Public – Kirklees Public – Calderdale Public – Wakefield Public – Wakefield Public – Calderdale (Lead Governor) Public - Kirklees
<b>In attendance:</b>	Peter Aspinall Laurence Campbell Bernie Cherriman-Sykes Alan Davis Bernard Fee Julie Fox Jonathan Jones Steven Michael Sean Rayner Daniel Redmond Dawn Stephenson Karen Taylor Helen Wollaston	Non-Executive Director Non-Executive Director (designate) Integrated Governance Manager (author) Director of Human Resources and Workforce Development Non-Executive Director Non-Executive Director Non-Executive Director Chief Executive District Service Director, Barnsley and Wakefield Public – Calderdale (designate) Director of Corporate Development District Service Director, Calderdale, Kirklees and Specialist Services Deputy Chair
<b>Apologies:</b>	Shaun Adam Doug Dale Netty Edwards Margaret Isherwood Robert Klaasen Margaret Morgan Jules Preston Barry Seal Laura Wharmby	Public – Barnsley Public – Wakefield Staff – Nursing support Appointed – Wakefield Council Public – Wakefield Appointed – Barnsley Council Appointed – Mid Yorkshire Hospitals NHS Trust Public – Kirklees Appointed – Staff side organisations

### MC/14/12 Welcome, introduction and apologies (agenda item 1)

Ian Black, Chair of the Trust, welcomed everyone to the meeting. He began by reminding all present that this was Bernard Fee's last Members' Council meeting and he thanked Bernard for his support for and contribution to the Trust over the last six years. His challenge at Trust Board and his strong customer and patient focus would be missed. The Chair also welcomed Laurence Campbell to the meeting. Subject to the approval of the Members' Council under agenda item 8.2, he will appointed to replace Bernard Fee from 1 June 2014.

**MC/14/13 Declaration of interests (agenda item 2)**

The Members' Council **NOTED** the individual declarations made as part of the annual declaration exercise and **CONFIRMED** the changes to the Register of Interests as set out in the paper.

**MC/14/14 Minutes of the previous meeting held on 31 January 2014 and notes from the joint meeting with Trust Board (agenda item 3)**

The Members' Council **APPROVED** the minutes from the meeting held on 31 January 2014. The action points and the notes from the joint meeting with Trust Board were noted. There were no matters arising.

**MC/14/15 Chair's report and feedback from Trust Board/Chief Executive's comments (agenda item 4)**

Ian Black began by saying that 2013/14 had been a good, although challenging, year for the Trust. Monitor targets had been achieved and the Trust had maintained its regulatory position. Through the Chief Executive and the Medical Director, the Trust has been involved in the new Care Quality Commission inspection regime. Marios Adamou has also been selected as a specialist advisor. The Trust will be part of Wave 3 with an inspection due between now and the end of 2015.

He went on to say that the two-year operational plan was approved by Trust Board in March. There was strong challenge from Non-Executive Directors on the content of the plan. The coming year is very much one of planning for transformational change, which the Trust must embark on in order to remain sustainable and viable. In June, Trust Board will be required to make an assessment of its sustainability over the next five years as part of the development of the Trust's five-year strategic plan and make a return to Monitor. This will be challenging.

Claire Girvan asked why the Trust was not as far on the transformational journey as it would have liked. Steven Michael responded that there has been a tendency to want to understand the destination in detail before taking the first step on the journey, which has stopped the Trust embarking on the process. The Trust must now move to implementation in a stepped and incremental way towards a long-term vision. There may be elements of uncertainty but these will be addressed as part of the journey.

**MC/14/16 Two-year operational plan 2014/15 to 2015/16 (agenda item 5)**

The Chief Executive introduced this item and confirmed that Trust Board approved the two-year operational plan at its meeting on 25 March 2014. The plan articulates the short-term challenge faced by the Trust over the next two years. The Trust is working in partnership within the NHS community to ensure services are delivered as effectively and efficient as possible and do not duplicate provision or overlap. These partnerships are positive and constructive but individual organisations are feeling pressured.

The plan is underpinned by six key aspects of future delivery.

- Integration of the urgent care pathway – the Trust's beds, in-patient and core services.
- Significant improvement in outcomes for long-term conditions, particularly in terms of links between physical and mental health.
- Health and wellbeing with a focus on prevention, recovery and self-care.
- Improved use of technology to support all services

- Healthy communities, development of alternative capacity and social capital, through partnering and involvement in local communities as part of the Trust's offer.
- Specialist services.

Steven Michael updated the Members' Council on the current commissioning position in relation to secure services. The specialist services budget moved to NHS England, which now has responsibility for commissioning specialist services. The move has uncovered a budget deficit and this has been pro-rated to organisations. This has an impact on the Trust's secure services with a reduction in funding in 2014/15 of £631,000. The Trust is expected to agree this reduced funding by 9 May 2014. This will pose a risk for Trust services for a group of vulnerable and sometimes dangerous individuals. The position impacts on all NHS providers; however, it may not affect private providers if commissioned through another area commissioning team. *NB following negotiations between the Trust and specialist commissioners, the Trust has been given its full budget allocation for 2014/15.*

Bob Mortimer asked if the Trust's funding was guaranteed. Steven Michael responded that budgets have been agreed with commissioners for 2014/15 with the exception of medium and low secure services.

Steven Michael went on to outline the key points in the two-year plan.

- Do the day job well
  - The quality plan ensures continued delivery.
  - 2014/15 needs to be a year of delivery and of values.
- Deliver the transformation
  - 2014/15 is a transition year. 2015/16 is a year of transformation.
  - Enablers (workforce, estate, information management and technology, and finance) will focus on supporting transformation.
- Manage our partnerships
  - Entering new territory, such as, development of alternative capacity and implementation of integrated community models in partnership.
  - Increasing levels of commissioner-led change. The Trust's focus is on readiness and partnership.

In June, Trust Board is expected to make a sustainability declaration as part of its five-year strategic plan. This will be partly informed by the challenge facing the NHS and future configuration of organisations. Ian Black commented that much thought will be needed on the declaration Trust Board is required to make and will reflect the changing health economy. Marios Adamou asked whether the Trust needed more of an imperative (a 'burning platform') to provide the impetus for change in how the Trust delivers services, who delivers services and where services are delivered from. Ian Black concurred. The Trust needs to find 15% savings over three years, which demonstrates the scale of the challenge the Trust is facing and that something very different is needed. A year-on-year approach gives the impression that savings can be piecemeal and non-recurrent. Steven Michael added that, in 2013/14, the Trust had a £1.7 million shortfall against its recurrent cost improvement target. A mix of recurrent and non-recurrent alternatives was found; however, the impact carries over into this current year and such a position is unsustainable.

Dave Rigby commented that language is very important as the Trust has had a cut in its budget and has to find cost efficiencies, which results in a significant level of cuts/savings needed. This is not the message coming from Government in relation to NHS protected funding. Steven Michael commented that public perception is of protected funds and this is

not the case. Current funding translates into a flat-cash position for the Trust representing a cut in the actual budget available.

Dave Rigby also expressed some nervousness about the Trust's ability to achieve £4.85 million savings from transformation in 2015/16 as the timing will be difficult to control particularly where the Trust has to rely on partners.

Claire Girvan commented that staff do understand the context. As transformation starts, staff will begin to understand the impact and consequences.

Tony Wilkinson asked whether the Trust has contingency plans to achieve the long-term plan given the current nervousness. Steven Michael responded that these are not fully formed currently but there are a number of developing partnerships to share the challenges, which the Trust is encouraged to pursue. Ian Black added that much of the nervousness around the five-year plan is what the NHS will look like in the future; however, the Trust knows as an individual organisation that it needs to be as well placed as possible to adapt to future changes and this will form the basis of its five-year strategic plan.

In response to a question from Dave Rigby, Steven Michael confirmed that the next phase of engagement would see the Trust returning to the people who participated in the engagement events to demonstrate how themes link to the Trust's vision and plans. Future engagement events will have a stronger alignment with commissioners and partner organisations. The Trust will work to ensure individuals and communities in harder to reach communities are included.

Claire Girvan asked whether there was a concern that leadership development was lacking currently. Steven Michael responded that the Trust recognises that leading the next phase of change will be hard and the Trust has committed to supporting leadership and development. Part of the rationale for introducing the new leadership and management arrangements within business delivery units is to support this.

Marios Adamou asked whether there was appetite within Trust Board to have a plan more developmental, growth-oriented and innovative. Steven Michael responded that it was difficult to see how the Trust would grow when forced to find efficiencies in services; however, specialist services could provide opportunities for growth. Bernard Fee added that the Trust can grow through managing its cost-base over the short-term. Effective management of the transformation programme to develop a stronger and consolidated Trust will provide opportunities to grow.

### **MC/14/17 Holding Non-Executive Directors to account (agenda item 6)**

The duty to hold Non-Executive Directors to account for the performance of Trust Board is a key part of the governor role. The discussion item was designed to help governors find out more about the Trust's Non-Executive Directors and the role they play in the Trust. Five groups were chaired/facilitated by a Non-Executive Director and, in a brief introduction, each Non-Executive Director covered:

- what they bring to the Trust (their individual skills and experience);
- why they became a Non-Executive Director and why this Trust;
- their role in the Trust focusing on the Committee they Chair or are a member of, and provided a brief outline of the Committee's remit, key issues and how the Committee gets assurance.

#### Groups

Peter Aspinall – Audit Committee and Information Management and Technology Forum



Ian Black – Remuneration and Terms of Service Committee and his role as Chair  
Julie Fox – Mental Health Act Committee and Charitable Funds  
Jonathan Jones – Estates Forum  
Helen Wollaston – Clinical Governance and Safety Committee and her role as Deputy Chair/Senior Independent Director.

Non-Executive Directors were also asked to comment on the other Committees they sit on to demonstrate the breadth of Non-Executive Director involvement.

Governors and other members of Trust Board were randomly allocated to groups and each governor had the opportunity to meet and challenge all Non-Executive Directors. The discussions were intended to be a two-way interactive process with governors given the opportunity to ask questions. Governors were provided with Non-Executive Directors' pen portraits, and a brief description of the Non-Executive Director role and that of an Executive Director within the unitary Board.

#### **MC/14/18 Performance report Quarter 4 2013/14 (agenda item 7)**

Steven Michael took the Members' Council through the key points from the quarter 4 report.

Dave Rigby asked what the Trust intended to improve performance in relation to service users with a care co-ordinator. Karen Taylor responded that this is being addressed on an individual and team basis where hotspots have been identified.

#### **MC/14/19 Members' Council statutory duties/governance (agenda item 8)**

##### Outcome of elections to the Members' Council (agenda item 8.1)

Dawn Stephenson provided an update on the elections to the Members' Council and confirmed the following outcome.

- In Barnsley, there were three candidates for two seats and Andrew Hill (re-elected) and Andrew Crossley were elected.
- In Calderdale, there was one candidate for one seat and Daniel Redmond was elected unopposed.
- In Kirklees, there were eight candidates for two seats and Nasim Hasnie (re-elected) and Michael Fenton were elected.
- In Wakefield, there were four candidates for two seats and Hazel Walker (re-elected) and Jackie Craven were elected.
- For the staff psychological therapies vacancy, there was one candidate for one seat and Garry Brownbridge was elected unopposed.

All were elected for a three-year term from 1 May 2014.

There remains one vacancy for the public constituency of the rest of South and West Yorkshire and one vacancy for the staff seat for social care staff working in integrated teams.

Ian Black welcomed the re-election of Nasim Hasnie, Andrew Hill and Hazel Walker, and also welcomed newly-elected Daniel Redmond, attending his first meeting.

##### Non-Executive Director appointment (agenda item 8.2)

*Laurence Campbell left the meeting at this point.*

Ian Black provided the rationale for the Nominations Committee's proposal to appoint Laurence Campbell. **The Members' Council APPROVED the recommendation from the Nominations Committee to appoint Laurence Campbell as a Non-Executive Director of**

**the Trust for a three-year period from 1 June 2014 at the level of remuneration for a Non-Executive Director current at the date of appointment.**

Non-Executive Director re-appointment (agenda item 8.3)

*Julie Fox left the meeting at this point.*

Ian Black provided the rationale for the Nominations Committee's proposal to re-appoint Julie Fox. **The Members' Council APPROVED the recommendation from the Nominations Committee to re-appoint Julie Fox as a Non-Executive Director of the Trust for a three-year period from 1 August 2014.**

Chair and Non-Executive Directors' remuneration (agenda item 8.4)

*The remaining Non-Executive Directors and the Chair left the meeting at this point.*

As Lead Governor, Tony Wilkinson assumed the Chair and the Chair and Non-Executive Directors present left the room for items 8.4 and 8.5. He asked Alan Davis to introduce these items.

Alan Davis began by explaining the process and that, as in previous years, a sub-group of the Members' Council had been established to look at the remuneration of Non-Executive Directors. The sub-group again agreed to commission an independent review of Non-Executive Director remuneration and engaged CAPITA to undertake this work. The sub-group considered a report produced by CAPITA and supported the finding that the basic rate set in 2009 was still appropriate; however, the sub-group did recognise that the basic rate set in 2009 was based on a contractual time commitment of between 2 and 2.5 days per month and that the latest Non-Executive Director appointment has an increased contractual time commitment of between 2.5 to 3 days per week. The sub-group felt that the increase in contractual time commitment was significant and reflected the additional complexities and challenges now within these roles. It was the view of the sub-group that there was, therefore, a rationale to support an increase based on additional contractual time.

The sub-group proposed a small increase from £12,500 to £13,250 per annum as recognition of an additional two days commitment per year. This would be backdated to 1 April 2014.

There would be no change to the additional remuneration for the Deputy Chair or for the Chair of the Audit Committee.

The sub-group also proposed no change to the Chair's remuneration at this time; however, it sought support to commission CAPITA to review Chair remuneration in other organisations for further consideration by the sub-group and the Members' Council.

**The Members' Council APPROVED the recommendation from the sub-group to:**

- **increase the remuneration of a Non-Executive Director of the Trust from £12,500 to £13,250 from 1 April 2014;**
- **make no increase to the additional remuneration for the Deputy Chair or for the Chair of Audit Committee; and**
- **to commission Capita to review the remuneration for the Chair with a view to making a proposal to the Members' Council later in the year.**

Chair's appraisal (agenda item 8.5)

*The Non-Executive Directors returned to the meeting at this point.*

Tony Wilkinson invited Helen Wollaston to introduce this item. **The Members' Council RECEIVED and NOTED the report on the Chair's appraisal.**

*The Chair returned to the meeting at this point.*

Membership of the Nominations Committee (agenda item 8.6)

Ian Black asked for expressions of interest to join the Nominations Committee. He stressed that governors who put themselves forward should have some experience of recruitment and selection at a senior level and commit to attending the Foundation Trust Network GovernWell module on Non-Executive Director appointments.

**MC/14/20 Date of next meeting (agenda item 9)**

The next meeting will be held in the morning of Friday 25 July 2014 in the large conference room, Learning and Development Centre, Fieldhead, Wakefield, WF1 3SP.

**MC/14/21 Any other business**

In closing the meeting, Ian Black thanked Dave Rigby personally and on behalf of both Trust Board and the Members' Council for his enormously significant support for, and contribution to, the Trust over the last seven years. He commented that he would particularly miss his constructive challenge for the Trust and the Board, and wished him well in the future.

**Signed** ..... **Date** .....

**Members' Council  
25 July 2014**

<b>Agenda item:</b>	<b>5</b>
<b>Report Title:</b>	Annual report and accounts 2013/14
<b>Report By:</b>	Alex Farrell
<b>Job Title:</b>	Deputy Chief Executive/Director of Finance
<b>Action:</b>	To receive

**EXECUTIVE SUMMARY**

Purpose and format

The purpose of this report is to enable the Members' Council to receive the Trust's annual report and accounts for the period 1 April 2013 to 31 March 2014, which were approved by the Audit Committee, on behalf of Trust Board, on 23 May 2014.

Recommendation

**The Members' Council is asked to RECEIVE the annual report and accounts.**

Background

Under its Constitution, the Trust is required to present its annual report and accounts to the Members' Council at a general meeting.

The Audit Committee considered the report from the Director of Finance on the final accounts, the Head of Internal Audit Opinion and the findings of the external auditors, Deloitte. The Trust met all its financial targets and achieved a Monitor rating of 4. The Trust received an unqualified audit opinion on the 2013/14 accounts and a positive opinion on the requirement to demonstrate Value for Money.

There was one mis-statement in the accounts, which was corrected, and there was no overall impact on the accounts as a result of this mis-statement. Two recommendations were made in relation to risk management and internal controls systems:

1. that the Trust establishes a formal, legally-binding agreement for the Dales in Halifax, which was accepted by management; and
2. that the Trust should obtain signed contract variations before rendering services covered by the variations, which was also accepted by management.

The Head of Internal Audit Opinion for 2013/14 provided substantial assurance 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.

The Committee approved the accounts for 2013/14 and Trust Board formally adopted the annual report and accounts at its meeting on 24 June 2014.

To support this item, the following papers have been sent to the Members' Council and the Trust's external auditor, Deloitte, will make a brief presentation at the meeting on the key points arising from its audit.

- Director of Finance's report on the accounts.
- The report from Deloitte to those charged with governance (ISA 260).
- The Chief Executive's Annual Governance Statement.
- Statements of income, financial position and cash flows for the period.

The report from the Director of Finance gives a summary of the financial position and the Trust's full annual report and accounts for 2013/14 can be found at <http://www.southwestyorkshire.nhs.uk/about-us/performance/annual-report/>.



With all of us in mind

**Members' Council 25 July 2014**  
**Director of Finance report on the annual accounts 2013/14**  
**(Audit Committee 23 May 2014)**

**1.0 Introduction**

The Audit Committee has delegated authority from Trust Board to scrutinise and approve the Trust's Annual Accounts for the financial year ended 31 March 2014, and to decide whether to recommend the Trust Board adopt these accounts. The Trust is required to submit its financial position for the period 1 April 2013 to 31 March 2014 to Monitor in the required format.

2013/14 represents the first year in which the Trust has submitted Consolidated Group Accounts. The purpose of this is to show the total resources that Trust Board has responsibility for and, as such, encompasses both the Trust's Accounts and the Trust's Charitable Funds activity.

The following report provides an analysis of the balances within the accounts and links them back to the overall Trust position reported in-year to Trust Board. The audited accounts, including details of senior managers' remuneration, were presented to the Audit Committee.

These accounts are made available to the public as part of the Trust's Annual Report; this report also includes details of the Trust's quality report. The content of the Annual Report has been reviewed by Audit to ensure it meets disclosure requirements. The Trust Board agreed the processes and approval of the Quality Report/Accounts through the Clinical Governance and Clinical Safety Committee. In addition, the Members' Council has a Quality Group, which is a sub-group of the Members' Council, which has been actively involved in the compilation of the Quality Report for 2013/14.

**2.0 Trust Financial Performance 2013/14 overall**

The Trust's planned annual surplus for 2013/14 was £3.72 million; actual surplus was £3.75 million and overall was £33,000 better than planned. Capital expenditure for the year was £8.77 million against an original plan of £8.99 million which was broadly in line with plan. Various elements of the Capital Programme were revised in year with investment emphasis placed on updating inpatient facilities and ensuring that the infrastructure of main Trust sites are suitable for future Trust plans.

During 2013/14 Monitor's financial risk rating was revised to the Continuity of Service Risk Rating (COSRR). As at the end of March 2014, the Trust rated 4 as planned (with 4 being the highest possible rating).

The Trust's cash position remained strong throughout the year with sufficient resources to meet its outgoings. Surplus balances were reviewed in line with the Treasury Management Policy and as such have not been externally invested during 2013/14.

This presents the maximum financial benefit to the Trust.

Although not a requirement for Monitor, Trust Board supports the NHS better payment practice code which sets a target of paying 95% of valid invoices within 30 days of receipt, the Trust paid 95% of invoices within 30 days. In addition, the Government has requested all public sector bodies to pay small and medium sized suppliers within ten working days given the challenging economic climate; in response to this, the Trust paid 75% of local suppliers within ten days during 2013/14 to help sustain local communities. Work remains on-going to maintain and

improve these payment rates.

The Trust recorded delivery of £8.4 million of cost improvement programmes during 2013/14. Overall £1.8 million of the original plan was either delayed or substituted. Following review and mitigating actions, there was a £264,000 shortfall against the original plan.

### **3.0 Background**

Foundation Trusts have to produce annual reports, quality accounts and audited accounts in line with clearly defined timescales set by Monitor as the regulatory body. The format of the accounts is specified by the Secretary of State and broadly adheres to International Financial Reporting Standards commonly referred to as IFRS.

The accounts are included in full in the Annual Report as required by Monitor; these are subject to review by Deloitte as the Trust's External Auditors, who have to give a formal opinion on the accounts.

Deloitte presented its 'ISA 260 Report – Communication of Audit Matters to Those Charged with Governance' to the Audit Committee. The report records any adjustments and audit amendments agreed in finalising the accounts and highlights any issues that have arisen during the audit.

### **3.1 Annual Accounts**

This is the format of accounts made available to the public and presented at the annual members' meeting. They are commercial in style and include notes on accounting policies. The accounts presented to the Audit Committee were the final version and included agreed audit adjustments.

### **3.2 Summarisation Schedules (FTCs)**

These form the internal Foundation Trust accounts and are consolidated to produce overall accounts for the NHS. They show the in-year and prior year balances and provide additional information for reconciling intra-NHS debtors, creditors, income and expenditure. The figures in the spreadsheets are linked and cross checked to the accounts presented in narrative form.

### **3.3 Submission Deadlines and Adjustments**

For 2013/14, the draft accounts were required to be submitted to Monitor and made available to Audit by 9:00 on 23 April 2014. The accounts were submitted on time. The audited accounts were submitted to Monitor by the required deadline of 30 May 2014. The audit commenced 28 April 2014.

### **3.4 Annual Governance Statement**

The Chief Executive, as Accounting Officer, has a responsibility to consider the adequacy and effectiveness of the Trust's system of internal control. The outcome of this review is reported in a statement in the Annual Report as required.

The Trust is required to disclose any significant matters in the Annual Governance Statement. For this accounting period, the major strategic risks arose from the data quality and capture of clinical information on RiO, the care packages and pathways project and its ability to deliver improvement in service quality and outcomes, reduction in local authority funding and changes to the benefits system, planning and implementation of transformational change, inherited children's and adolescents' mental health services, changes to national funding arrangements, bed management pressures and specialist commissioning arrangements.

### **3.5 Accounting Policies**

For 2013/14, the Trust updated its accounting policies in line with changes in accounting standards and associated guidance. Changes to these policies were discussed and approved by Audit Committee in October 2013 before adoption. There was no requirement for any prior period adjustments although the Group Consolidation exercise has required inclusion of additional prior years' information as appropriate.

### **3.6 Major Judgement Areas**

Trust Board has approved a challenging cost saving programme for 2014/15 and beyond. As a result, a number of posts are at risk and will result in a number of redundancies. This affects approximately 43 whole time equivalent (wte) posts during 2014/15 and 43 wte further redundancies during 2015/16. The Trust has estimated the associated redundancy costs and made provision for them in the 2013/14 accounts.

## **4.0 Analysis of the Annual Accounts**

### **4.1 Statement of Comprehensive Income (Income & Expenditure Account)**

#### **4.1.1 Income**

Total income for the year was £235.4 million (£232.4 million for 2012/13). This is split into income from healthcare activities and other operating income.

For 2013/14, the income from healthcare activities remained relatively static, increasing by £793,000. Income reduced from the previous year primarily due to tariff deflation applied through contract negotiations (as experienced nationally). Income increases arose from new income received in year (for example CAMHS, RAID).

Other operating income was £15.4 million in 2013/14 (£13.1million 2012/13). This increased income arises from increased participation in the Trust lease car scheme and therefore higher contributions. This also includes additional funding for hosted budgets such as Altogether Better, specific projects and the accounting treatment for the impairment of assets.

#### **4.1.2 Expenditure**

Total operating expenditure increased by £5.4 million (2.3%) to £230.4 million (£225.0 million in 2012/13). Expenditure is detailed in note 6 of the accounts. The main changes are:

- Staffing costs and number of staff employed are in note 7 of the accounts.
- Staff costs have increased by £1.8 million (1.0%). This increase is a combination of a staff pay award being received in 2013/14 and additional staffing for services such as CAMHS, RAID and Health Visiting.
- Overall, the average wte employed by the Trust has remained broadly static as additional staff, as noted above, have been offset by reductions including the impact of the Trust Mutually Agreed Resignation scheme.
- Non pay costs have increased by £2.5 million. The largest increases have been the inclusion of the Trust impairment and additional expenditure on out-of-area placements. These have been offset by reductions in non-pay expenditure in most areas/categories.

#### **4.1.3 Operating Surplus**

The Trust's 2013/14 operating surplus before dividends and interest is £5.2 million; the surplus in 2012/13 was £7.5 million and is therefore a reduction of £2.3 million.

This movement is reflective of the Trust expectations within the Annual Plan.

#### **4.1.4 Interest**

Interest received on bank deposits during the year was £88,000 (£374,000 2012/13). No interest payments were made during the year. This is in line with the Trust's Treasury Management Policy and the amendments to the Public Dividend Capital (PDC) calculation. Whilst higher rates of interest (although not as high as previously experienced) could have been achieved with external investment, maintaining funds with the Government Banking Service has realised the greatest overall financial benefit.

#### **4.1.5 Public Dividend Capital (PDC)**

Public dividend capital dividend payable during the year amounted to £1.5 million (£1.6 million 2012/13). Part of this reduction is due to the positive cash balances held by the Trust and needs to be considered in conjunction with the Interest Received position as described at 4.1.4.



#### **4.1.6 Retained Surplus**

The Trust's retained surplus after interest, taxation, depreciation and amortisation for 2013/14 was £3.8 million (£6.0 million 2012/13). No financial support was provided to the Trust during the year and the Trust received no loans.

### **4.2 Statement of Financial Position (Balance Sheet)**

#### **4.2.1 Non-Current Assets (Fixed Assets)**

Non-Current Assets have increased by £34.6 million from 2012/13 (7.3%). This totals £103.8 million. The largest element of this change is due to the transfer of assets from NHS Barnsley on 1 April 2013.

##### **Intangible Assets**

Intangible assets have increased in year by £316,000 due to the transfer of software licences from NHS Barnsley (note 13 in the accounts).

##### **Property, Plant and Equipment – PPE**

Note 14 of the accounts provides details of the changes in PPE. In summary, the changes reflect an increase for the capital expenditure less any depreciation during the reporting period, and include the impact of any asset revaluation. A total of £8.4 million was included as additions to capital assets during 2013/14. The main schemes included:

- completion of the major Newton Lodge scheme and commencement of the Hepworth inpatient facilities scheme for forensics;
- commencement of the Fieldhead infrastructure scheme;
- The purchase of Laura Mitchell House (Halifax) enabling development of the Calderdale hub.

Total depreciation for the year was £5.0 million.

##### **Investment Property**

There has been no change to the value of Trust investment property in-year and remains valued at £0.4 million.

#### **4.2.2 Stock**

Over the twelve month period there has been a £278,000 reduction in stock. This follows a review of stock within the Barnsley Community Equipment Store. There has been no change in counting or accounting policy around stock.

#### **4.2.3 Trade and Other Receivables (Debtors)**

Receivables have increased by £2.1 million. Further detail is provided in note 20 of the accounts. The main factor in this increase has been the transfer of block contract income from local health commissioners to local authority commissioners. This has been experienced throughout the course of the year with payments being received but later than previously experienced. This is demonstrated by the level of debt which is 0 – 30 days overdue.

#### **4.2.4 Cash**

Cash at bank and in hand was £33.1 million as at 31 March 2014 (£29.9 million at 31 March 2013).

#### **4.2.5 Trade and Other Payables (Creditors)**

Trade and other payables have increased by £3.0 million overall on last year. Further detail is provided in note 22 of the accounts.

Of this £1.9 million relates to a specific NHS invoice for which appropriate backing information is being sought to allow full and appropriate authorisation to be undertaken. Due to the timing of the capital programme there has also been an increase in the level of capital creditors as the Trust is awaiting invoices for work undertaken in Quarter 4.

#### **4.2.6 Provisions (Current and Non-Current)**

There has been an overall reduction of £0.9 million in provisions over the period. This mostly relates to the in-year utilisation of previous provisions for redundancy costs. The total provision

at 31 March 2014 is £7.2 million (£8.1 million 31 March 2013). The remaining provisions relate to pensions and other legal claims liabilities as detailed in note 25 of the accounts.

#### **4.2.7 Other liabilities (Current and Non-Current)**

These relate to deferred income which has increased to £0.84 million in 2013/14 (£0.79 million in 2012/13). The majority of this relates to the hosted budgets for Altogether Better.

There are no prior period adjustments.

#### **4.2.8 Statement of Changes in Taxpayers Equity (Capital and Reserves)**

Details of all reserve movements for the accounting period are on page 4 of the accounts. The main movement for the year relates to the transfer of assets from NHS Barnsley on 1 April 2013. Other movements include the retained surplus for the accounting period and the impact of the revaluation exercise.

#### **4.3 Statement of Cash Flow – Page 5**

The Trust has £33.1 million of cash as at 31 March 2014 (£29.9 million at 31 March 2013). This is an increase of £3.2 million (9.7%).

The increase arises from £13.2 million within the EBITDA position (excluding non-cash items and re-valuations), £0.3 million movement in inventories and £3.2 million increase in creditors.

The interest received in the period was £88,000.

Cash outflows included capital expenditure £7.4 million and £1.4 million for dividend payments. It also included the movement in debtors and the reduction in accruals values.

#### **4.4 Remuneration Report**

The Trust is required by its Regulators to make available to the public details of senior managers' remuneration. Full remuneration and pension reports have been included in the Annual Report and in the accounts at note 38. The format of this note has been revised for 2013/14.

At time of producing the annual report and accounts, Directors' Performance Related Pay had still to be finalised for 2013/14. The disclosure reflects the payment received during 2013/14 which is the value awarded for 2012/13.

The Remuneration ratio has reduced from 7.0 to 6.4. This is due to the retirement of a Director with significant exit costs and does not reflect an underlying trend.

**Alex Farrell**

**Deputy Chief Executive/Director of Finance**

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED  
31 March 2014**

		<b>Group</b>		<b>Trust</b>	
		<b>Year Ended</b>	<b>Year Ended</b>	<b>Year Ended</b>	<b>Year Ended</b>
		<b>31 March 2014</b>	<b>31 March 2013</b>	<b>31 March 2014</b>	<b>31 March 2013</b>
	<b>note</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Operating Income from continuing operations	5	235,755	233,003	235,446	232,446
Operating Expenses of continuing operations	6	(230,626)	(225,049)	(230,253)	(224,981)
<b>Operating surplus / (deficit)</b>		<b>5,129</b>	<b>7,954</b>	<b>5,193</b>	<b>7,465</b>
<b>Finance costs:</b>					
Finance income	10	93	378	88	374
PDC Dividends payable		(1,529)	(1,538)	(1,529)	(1,538)
<b>NET FINANCE COSTS</b>		<b>(1,436)</b>	<b>(1,160)</b>	<b>(1,441)</b>	<b>(1,164)</b>
Movement in fair value of investment property and other investments	15	0	(256)	0	(256)
<b>Surplus/(Deficit) from continuing operations</b>		<b>3,693</b>	<b>6,538</b>	<b>3,752</b>	<b>6,045</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>3,693</b>	<b>6,538</b>	<b>3,752</b>	<b>6,045</b>
<b>Other comprehensive income</b>					
<b>Will not be reclassified to income and expenditure:</b>					
Gain/(loss) from transfer by absorption from demising bodies		35,741	0	35,741	0
Impairments		(3,518)	0	(3,518)	0
<b>TOTAL COMPREHENSIVE INCOME / (EXPENSE) FOR THE YEAR</b>		<b>35,916</b>	<b>6,538</b>	<b>35,975</b>	<b>6,045</b>

The Group accounts are the consolidation of the Trust (South West Yorkshire Partnership NHS Foundation Trust) and the South West Yorkshire Partnership Foundation Trust and Other Related Charities (see note 1.28 for more details).

The notes numbered 1 to 38 form part of these accounts.

		Group			Trust		
		31 March	31 March	1 April 2012	31 March	31 March	1 April 2012
STATEMENT OF FINANCIAL POSITION		2014	2013		2014	2013	
note		£000	£000	£000	£000	£000	£000
<b>Non-current assets</b>							
13	Intangible assets	773	457	81	773	457	81
14	Property, plant and equipment	102,608	68,333	63,178	102,608	68,333	63,178
15	Investment Property	410	410	801	410	410	801
	<b>Total non-current assets</b>	<b>103,791</b>	<b>69,200</b>	<b>64,060</b>	<b>103,791</b>	<b>69,200</b>	<b>64,060</b>
<b>Current assets</b>							
19	Inventories	282	560	531	282	560	531
20	Trade and other receivables	7,022	4,715	5,329	6,771	4,718	5,323
21	Cash and cash equivalents	33,655	30,710	27,331	33,114	29,855	26,978
	<b>Total current assets</b>	<b>40,959</b>	<b>35,985</b>	<b>33,191</b>	<b>40,167</b>	<b>35,133</b>	<b>32,832</b>
<b>Current liabilities</b>							
22	Trade and other payables	(23,194)	(20,147)	(21,656)	(23,194)	(20,146)	(21,655)
25	Provisions	(3,507)	(4,575)	(2,430)	(3,507)	(4,575)	(2,430)
22	Other liabilities	(843)	(787)	(419)	(843)	(787)	(419)
	<b>Total current liabilities</b>	<b>(27,544)</b>	<b>(25,509)</b>	<b>(24,505)</b>	<b>(27,544)</b>	<b>(25,508)</b>	<b>(24,504)</b>
	<b>Total assets less current liabilities</b>	<b>117,206</b>	<b>79,676</b>	<b>72,746</b>	<b>116,414</b>	<b>78,825</b>	<b>72,388</b>
<b>Non-current liabilities</b>							
25	Provisions	(3,703)	(3,495)	(3,103)	(3,703)	(3,495)	(3,103)
22	Other liabilities	0	0	0	0	0	0
	<b>Total non-current liabilities</b>	<b>(3,703)</b>	<b>(3,495)</b>	<b>(3,103)</b>	<b>(3,703)</b>	<b>(3,495)</b>	<b>(3,103)</b>
	<b>Total assets employed</b>	<b>113,503</b>	<b>76,181</b>	<b>69,643</b>	<b>112,711</b>	<b>75,330</b>	<b>69,285</b>
<b>Financed by</b>							
<b>Taxpayers' equity</b>							
	Public Dividend Capital	43,397	41,991	41,991	43,397	41,991	41,991
27	Revaluation reserve	14,785	7,261	7,282	14,785	7,261	7,282
	Other reserves	5,220	5,220	5,220	5,220	5,220	5,220
	Income and expenditure reserve	49,309	20,858	14,792	49,309	20,858	14,792
<b>Others' equity</b>							
	Charitable fund reserves	792	851	358	0	0	0
	<b>Total taxpayers' and others' equity</b>	<b>113,503</b>	<b>76,181</b>	<b>69,643</b>	<b>112,711</b>	<b>75,330</b>	<b>69,285</b>

Chief Executive.....Date

23/5/14

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED  
31 March 2014**

	note	Group		Trust	
		Year Ended 31 March 2014 £000	Year Ended 31 March 2013 £000	Year Ended 31 March 2014 £000	Year Ended 31 March 2013 £000
<b>Cash flows from operating activities</b>					
Operating surplus/(deficit) from continuing operations		5,129	7,954	5,193	7,465
<b>Operating surplus/(deficit)</b>		<b>5,129</b>	<b>7,954</b>	<b>5,193</b>	<b>7,465</b>
<b>Non-cash income and expense:</b>					
Depreciation and amortisation	6	5,144	2,944	5,144	2,944
Impairments	6	5,085	0	5,085	0
Reversal of Impairments	5	(2,252)	0	(2,252)	0
(Gain)/Loss on Disposal	6	0	0	0	0
(Increase)/Decrease in Trade and Other Receivables	20	(2,193)	634	(2,192)	634
(Increase)/Decrease in Inventories	19	278	(29)	278	(29)
Increase/(Decrease) in Trade and Other Payables	22	1,495	(513)	1,494	(513)
Increase/(Decrease) in Other Liabilities	22	57	368	57	368
Increase/(Decrease) in Provisions	25	(860)	2,537	(860)	2,537
Movements in operating cash flow in respect of Transforming Community Services transaction		(1,573)	0	(1,573)	0
NHS Charitable Funds - net adjustments for working capital movements, non-cash transactions and non-operating cash flows		(255)	9	0	0
<b>NET CASH GENERATED FROM/(USED IN) OPERATIONS</b>		<b>10,055</b>	<b>13,904</b>	<b>10,374</b>	<b>13,406</b>
<b>Cash flows from investing activities</b>					
Interest received		93	378	88	374
Purchase of intangible assets		(413)	(303)	(413)	(303)
Purchase of Property, Plant and Equipment		(6,814)	(9,168)	(6,814)	(9,168)
Sale of Investment Property		0	135	0	135
<b>Net cash generated from/(used in) investing activities</b>		<b>(7,134)</b>	<b>(8,958)</b>	<b>(7,139)</b>	<b>(8,962)</b>
<b>Cash flows from financing activities</b>					
Public dividend capital received (PDC adjustment for modified absorption transfers of payables/receivables)		1,406	0	1,406	0
PDC Dividend paid		(1,382)	(1,567)	(1,382)	(1,567)
<b>Net cash generated from/(used in) financing activities</b>		<b>24</b>	<b>(1,567)</b>	<b>24</b>	<b>(1,567)</b>
<b>Increase/(decrease) in cash and cash equivalents</b>		<b>2,945</b>	<b>3,379</b>	<b>3,259</b>	<b>2,877</b>
<b>Cash and Cash equivalents at start of period</b>		<b>30,710</b>	<b>27,331</b>	<b>29,855</b>	<b>26,978</b>
<b>Cash and Cash equivalents at 31 March</b>		<b>33,655</b>	<b>30,710</b>	<b>33,114</b>	<b>29,855</b>

## 2. Pooled budget

The Group & Trust has no pooled budgets.

## 3. Operating segments

The Group & Trust has a single operating segment, Healthcare.

## 4. Income generation activities

The Group & Trust does not undertake any significant income generation activities.

## 5 OPERATING INCOME

### 5.1 Income from activities comprises

	Group & Trust	
	Year Ended 31 March 2014	Year Ended 31 March 2013
	Total	Total
	£000	£000
NHS Foundation Trusts	129	(17)
NHS Trusts	0	3
Strategic Health Authorities	0	280
CCGs and NHS England	195,449	0
Primary Care Trusts	0	204,256
Local Authorities	23,140	13,384
Department of Health - other	0	138
NHS Other	127	0
Non NHS: Other	1,248	1,256
<b>Total income from activities</b>	<b>220,093</b>	<b>219,300</b>

### 5.2 Analysis of income from activities

	Group & Trust	
	Year Ended 31 March 2014	Year Ended 31 March 2013
	Total	Total
	£000	£000
Block Contract income - Mental Health Services	138,209	159,632
Income from PCTs - Community Services	0	45,429
Income from CCGs & NHS England - Community Services	66,478	0
Income not from CCG's, NHS England or PCTs - Community Services	14,399	13,137
Other non-protected clinical income	1,007	1,102
<b>Total income from activities</b>	<b>220,093</b>	<b>219,300</b>

### 5.3 Other Operating Income

		Group Year Ended 31 March 2014	Group Year Ended 31 March 2013	Trust Year Ended 31 March 2014	Trust Year Ended 31 March 2013
	Note	Total £000	Total £000	Total £000	Total £000
<b>Other operating income</b>					
Research and development		237	241	237	241
Education and training		3,011	2,428	3,011	2,428
Other		7,048	7,314	7,048	7,328
Reversal of impairments of property, plant and equipment	12	2,252	0	2,252	0
Income in respect of staff costs where accounted on gross basis		2,805	3,149	2,805	3,149
NHS Charitable Funds : Incoming Resources excluding investment income		309	571	0	0
<b>Total other operating income</b>		<b>15,662</b>	<b>13,703</b>	<b>15,353</b>	<b>13,146</b>
<b>Total Operating Income</b>		<b>235,755</b>	<b>233,003</b>	<b>235,446</b>	<b>232,446</b>

Revenue is mostly from the supply of services, revenue from the sale of goods and services is not material.

### 5.4 Income from activities from Commissioner Requested Services and all other services

	Group Year Ended 31 March 2014	Group Year Ended 31 March 2013	Trust Year Ended 31 March 2014	Trust Year Ended 31 March 2013
	Total £000	Total £000	Total £000	Total £000
Income from Commissioner Requested Services	220,093	219,300	220,093	219,300
Income from non-Commissioner Requested Services	15,662	13,703	15,353	13,146
<b>Total Income</b>	<b>235,755</b>	<b>233,003</b>	<b>235,446</b>	<b>232,446</b>

### 5.5 Operating lease income

The Group & Trust earned no income from operating leases in 2013/14 or in 2012/13.

## 6 Operating Expenses

### 6.1 Operating Expenses

	Note	Group Year Ended 31 March 2014 £000	Group Year Ended 31 March 2013 £000	Trust Year Ended 31 March 2014 £000	Trust Year Ended 31 March 2013 £000
Services from NHS Foundation Trusts		191	(1)	191	(1)
Services from NHS Trusts		0	0	0	0
Services from CCGs and NHS England		0	0	0	0
Purchase of healthcare from non NHS bodies		4,153	2,890	4,153	2,890
Employee Expenses - Executive directors		1,105	1,415	1,105	1,415
Employee Expenses - Non-executive directors		126	124	126	124
Employee Expenses - Staff		168,799	165,705	168,799	165,705
Supplies and services - clinical (excluding drug costs)		3,475	4,045	3,475	4,045
Supplies and services - general		4,272	5,480	4,272	5,480
Establishment		7,110	6,805	7,110	6,805
Research and development		0	8	0	8
Transport (Business travel only)		168	151	168	151
Transport (other)		909	1,061	909	1,061
Premises		10,478	14,374	10,478	14,374
Increase / (decrease) in provision for impairment of receivables		150	33	150	33
Increase in other provisions		0	0	0	0
Change in provisions discount rate		53	0	53	0
Inventories written down (net, including inventory drugs)		0	0	0	0
Drug Costs (non inventory drugs only)		1,457	779	1,457	779
Inventories consumed (excluding drugs)		486	660	486	660
Drug Inventories consumed		2,649	2,795	2,649	2,795
Rentals under operating leases - minimum lease payments		7,103	7,033	7,103	7,033
Depreciation on property, plant and equipment		4,968	2,890	4,968	2,890
Amortisation on intangible assets		177	54	177	54
Impairments of property, plant and equipment	12	5,085	0	5,085	0
Audit services- statutory audit		65	68	65	68
Audit services - charitable fund accounts		2	5	0	0
Other auditor remuneration		94	79	94	84
Clinical negligence		283	328	283	328
Loss on disposal of other property, plant and equipment		0	0	0	0
Legal fees		302	367	302	367
Consultancy costs		878	1,689	878	1,689
Training, courses and conferences		950	1,131	950	1,131
Patient travel		42	25	42	25
Car parking & Security		7	7	7	7
Redundancy		1,785	2,834	1,785	2,834
Early retirements		42	96	42	96
Hospitality		102	99	102	99
Publishing		96	157	96	157
Insurance		305	165	305	165
Other services, eg external payroll		1	6	1	6
Losses, ex gratia & special payments		5	5	5	5
Other		2,382	1,619	2,382	1,619
NHS Charitable funds: Other resources expended		371	68	0	0
<b>Total Operating Expenses</b>		<b>230,626</b>	<b>225,049</b>	<b>230,253</b>	<b>224,981</b>

	Group Year Ended 31 March 2014 £000	Group Year Ended 31 March 2013 £000	Trust Year Ended 31 March 2014 £000	Trust Year Ended 31 March 2013 £000
<b>10. Finance Income</b>				
Interest on loans and receivables	88	374	88	374
NHS Charitable funds: investment income	5	4	0	0
<b>Total</b>	<b>93</b>	<b>378</b>	<b>88</b>	<b>374</b>

The Group & Trust has no interest on impaired financial assets included in finance income in 2013/14 or in 2012/13.

#### 11. Finance Costs - interest expense

The Group & Trust incurred no finance costs in 2013/14 or in 2012/13.

#### 12. Impairment of assets (PPE & intangibles)

	Group & Trust					
	Net Impairment £000	31 March 2014 Impairments £000	Reversals £000	Net Impairment £000	31 March 2013 Impairments £000	Reversals £000
<b>Impairments charged to operating surplus / deficit:</b>						
Loss or damage from normal operations	0	0	0	0	0	0
Over Specification of assets	0	0	0	0	0	0
Other	396	396	0	0	0	0
Changes in market price	2,437	4,689	(2,252)	0	0	0
<b>Total Impairments charged to operating surplus / deficit</b>	<b>2,833</b>	<b>5,085</b>	<b>(2,252)</b>	<b>0</b>	<b>0</b>	<b>0</b>
Impairments charged to the revaluation reserve	3,518	3,518	0	0	0	0
<b>Total Impairments</b>	<b>6,351</b>	<b>8,603</b>	<b>(2,252)</b>	<b>0</b>	<b>0</b>	<b>0</b>

Other impairments relate to the IT assets transferred from NHS Barnsley on the 1st April 2013. These assets were individual items of IT equipment costing less than £5,000 which under the Trust Accounting Policy are not capitalised.

In 2013/14 the Trust undertook a full revaluation of the Estate. This led to increases in values on existing Trust estate which reversed previous impairments (principally on the Fieldhead site). The majority of the impairment relates to NHS Barnsley Estate which transferred on the 1st April 2013 and was revalued using the same Modern Equivalent Asset (MEA) methodology as the existing Trust estate. This led to an impairment on these assets.



### 13 Intangible assets

	Group & Trust	
	Total	Software licences (purchased)
	£000	£000
<b>13.1 Intangible assets 2013/14</b>		
<b>Gross cost at 1st April 2013</b>	<b>871</b>	<b>871</b>
Transfers by absorption - Modified	539	539
Additions - purchased	413	413
Reclassifications	0	0
<b>Gross Cost at 31 March 2014</b>	<b>1,823</b>	<b>1,823</b>
<b>Amortisation at 1st April 2013</b>	<b>414</b>	<b>414</b>
Transfers by absorption - Modified	459	459
Provided during the year	177	177
Reclassifications	0	0
<b>Amortisation at 31 March 2014</b>	<b>1,050</b>	<b>1,050</b>
<b>Net book value</b>		
NBV - Purchased at 31 March 2014	773	773
<b>NBV total at 31 March 2014</b>	<b>773</b>	<b>773</b>

Transfers by absorption - Modified relate to Software licences transferred to the Trust from NHS Barnsley under the Estate Transfer on 1st April 2013. A summary of these transactions is shown under note 14.1.

### 13.2 Intangible assets 2012/13

	Group & Trust	
	Total	Software licences (purchased)
	£000	£000
<b>Gross cost at 1st April 2012</b>	<b>398</b>	<b>398</b>
Additions - purchased	303	303
Reclassifications	170	170
<b>Gross Cost at 31 March 2013</b>	<b>871</b>	<b>871</b>
<b>Amortisation at 1st April 2012</b>	<b>317</b>	<b>317</b>
Provided during the year	54	54
Reclassifications	43	43
<b>Amortisation at 31 March 2013</b>	<b>414</b>	<b>414</b>
<b>Net book value</b>		
NBV - Purchased at 31 March 2013	457	457
<b>NBV total at 31 March 2013</b>	<b>457</b>	<b>457</b>
<b>NBV total at 1st April 2012</b>	<b>81</b>	<b>81</b>

### 13.3 Intangible assets

Intangible Assets are all purchased software licences and are depreciated over the life of the licence which is currently no more than 5 years. There has been no revaluation of these assets.

No Intangible Assets were acquired by Government Grant.

### 13.4 Economic Lives of Intangible Assets

Intangible Assets are depreciated over a maximum life of five years.

## 14.1 Property, plant and equipment 31 March 2014

Group & Trust	Total	Land	Buildings excluding dwellings	Assets under Construction & Payments On Account	Plant & Machinery	Transport Equipment	Information Technology	Furniture & Fittings
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Cost or valuation at 1st April 2013</b>	<b>79,024</b>	<b>11,731</b>	<b>50,891</b>	<b>10,297</b>	<b>3,488</b>	<b>289</b>	<b>1,916</b>	<b>412</b>
Transfers by absorption - Modified	60,534	7,686	48,633	0	1,045	546	1,957	667
Additions - purchased	8,360	270	4,677	2,337	410	26	248	392
Impairments charged to operating expenses (note 12)	(396)	0	0	0	0	0	(396) *	0
Impairments charged to the revaluation reserve (note 12)	(3,518)	(790)	(2,728)	0	0	0	0	0
Reversal of impairments credited to operating income	0	0	0	0	0	0	0	0
Reversal of impairments credited to the revaluation reserve	0	0	0	0	0	0	0	0
Reclassifications	0	0	10,175	(10,297)	122	0	0	0
Revaluations	(31,447)	(328)	(30,018)	0	0	0	(1,101) *	0
Reclassified as held for sale	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0
<b>Cost or Valuation at 31 March 2014</b>	<b>112,557</b>	<b>18,569</b>	<b>81,630</b>	<b>2,337</b>	<b>5,065</b>	<b>861</b>	<b>2,624</b>	<b>1,471</b>
<b>Accumulated depreciation at 1st April 2013</b>	<b>10,691</b>	<b>741</b>	<b>6,758</b>	<b>0</b>	<b>1,696</b>	<b>85</b>	<b>1,179</b>	<b>232</b>
Transfers by absorption - Modified	23,300	0	20,605	0	829	360	1,382	124
Provided during the year	4,968	0	4,097	0	361	92	301	117
Impairments charged to operating expenses	4,689	250	4,439	0	0	0	0	0
Reversal of impairments credited to operating income (note 12)	(2,252)	(578)	(1,674)	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0
Revaluations	(31,447)	(328)	(30,018)	0	0	0	(1,101) *	0
Reclassified as held for sale	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0
<b>Accumulated depreciation at 31 March 2014</b>	<b>9,949</b>	<b>85</b>	<b>4,207</b>	<b>0</b>	<b>2,886</b>	<b>537</b>	<b>1,761</b>	<b>473</b>
<b>Net book value</b>								
<b>Net book value at 31 March 2014</b>								
NBV - Owned at 31 March 2014	102,608	18,484	77,423	2,337	2,179	324	863	998
NBV - Donated at 31 March 2014	0	0	0	0	0	0	0	0
<b>NBV total at 31 March 2014</b>	<b>102,608</b>	<b>18,484</b>	<b>77,423</b>	<b>2,337</b>	<b>2,179</b>	<b>324</b>	<b>863</b>	<b>998</b>

Accumulated depreciation on land relates to historic impairments recognised through operating expenditure.

Included within buildings is improvements to buildings which are not owned by the Trust (Leasehold). These assets are not revalued in the year and hence not all accumulated depreciation has been reversed out upon revaluation.

On the 1st April 2013, Estate transferred from NHS Barnsley, a summary of this transaction is shown below (this is the net transaction):

	Property, Plant & Equipment	Intangibles	Total Assets Transferred	Capital Creditors	Total Liabilities Transferred
	£'000	£'000	£'000	£'000	£'000
<b>Transferred from NHS Barnsley</b>	<b>37,234</b>	<b>80</b>	<b>37,314</b>	<b>(1,573)</b>	<b>(1,573)</b>

\* The Property, Plant & Equipment transferred from NHS Barnsley, above, included Information Technology assets under £5,000 which did not meet the Trust accounting policy (note 1.7). As such these assets were transferred to the Trust as shown in the table above and have been subsequently revalued to zero leading to an impairment of £396k.

## 14.2 Property, plant and equipment 31 March 2013

Group & Trust	Total	Land	Buildings excluding dwellings	Assets under Construction & POA	Plant & Machinery	Transport Equipment	Information Technology	Furniture & Fittings
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Cost or valuation at 1st April 2012</b>	<b>72,182</b>	11,731	49,830	5,668	2,712	181	1,525	535
Additions - purchased	8,172	0	1,656	5,057	960	108	391	0
Reclassifications	(170)	0	428	(428)	(170)	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0	0
Disposals	(1,160)	0	(1,023)	0	(14)	0	0	(123)
<b>Cost or Valuation at 31 March 2013</b>	<b>79,024</b>	<b>11,731</b>	<b>50,891</b>	<b>10,297</b>	<b>3,488</b>	<b>289</b>	<b>1,916</b>	<b>412</b>
<b>Accumulated depreciation at 1st April 2012</b>	<b>9,004</b>	741	5,273	0	1,563	60	1,042	325
Provided during the year	2,890	0	2,508	0	190	25	137	30
Impairments	0	0	0	0	0	0	0	0
Reclassifications	(43)	0	0	0	(43)	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0	0
Disposals	(1,160)	0	(1,023)	0	(14)	0	0	(123)
<b>Accumulated depreciation at 31 March 2013</b>	<b>10,691</b>	<b>741</b>	<b>6,758</b>	<b>0</b>	<b>1,696</b>	<b>85</b>	<b>1,179</b>	<b>232</b>
<b>Net book value</b>								
<b>Net book value at 1 April 2012</b>	<b>63,178</b>	10,990	44,557	5,668	1,149	121	483	210
<b>Net book value (NBV) at 31 March 2013</b>								
NBV - Owned at 31 March 2013	68,333	10,990	44,133	10,297	1,792	204	737	180
NBV - Donated at 31 March 2013	0	0	0	0	0	0	0	0
<b>NBV total at 31 March 2013</b>	<b>68,333</b>	<b>10,990</b>	<b>44,133</b>	<b>10,297</b>	<b>1,792</b>	<b>204</b>	<b>737</b>	<b>180</b>

Accumulated depreciation on land relates to historic impairments recognised through operating expenditure.

#### 14.3 Economic Lives of Property, Plant and Equipment

	Group & Trust	
	Min Life	Max Life
	Years	Years
Land	0	0
Buildings excluding dwellings	0	90
Dwellings	0	0
Assets under Construction & POA	0	0
Plant & Machinery	0	11
Transport Equipment	0	7
Information Technology	0	5
Furniture & Fittings	0	10

The economic lives are based on the District Valuers full Estate revaluation. In this respect buildings has increased from 87 to 90 years.

#### 14.4 Finance Leases

The Group & Trust holds no finance lease assets.

## 15 Investments

### 15.1 Investments - Carrying Value

	<b>Group &amp; Trust</b>	
	<b>Property*</b>	<b>Property*</b>
	<b>31 March 2014</b>	<b>31 March 2013</b>
	<b>£000</b>	<b>£000</b>
<b>At Carrying Value</b>		
Balance at Beginning of Period	410	801
Acquisitions/Reclassifications in year	0	0
Movement in fair value (revaluation or impairment)	0	(256)
Transfers to/from assets held for sale and assets in disposal groups	0	(135)
<b>Balance at End of Period</b>	<b>410</b>	<b>410</b>

\* The Group & Trust has no other investments.

Estate which the Trust Board has declared surplus to requirements is recorded as investment property under IFRS and its value is updated annually to the current market value.

### 15.2 Investment Property expenses

The Group & Trust incurred £0k (zero) on investment property expenses in 2013/14 (£8k in 2012/13). The 2012/13 charge related to the refurbishment of a property which was then sold.

### 15.3 Investments in subsidiaries

The Trust is the Corporate Trustee for the NHS Charity, South West Yorkshire Partnership Foundation Trust and Other Related Charities, registered charity number 1055931.

The following are summary statements before group eliminations which have been consolidated into these accounts in 2013/14 and in the restated Group numbers for prior years.

#### Summary Statement of Financial Activities

	<b>31 March 2014</b>	<b>31 March 2013</b>
	<b>£000</b>	<b>£000</b>
Total Incoming Resources	314	575
Resources expended with this NHS body	0	(9)
Resources expended with bodies outside the NHS	(373)	(73)
<b>Net movement in funds</b>	<b>(59)</b>	<b>493</b>

#### Summary Statement of Financial Position

	<b>31 March 2014</b>	<b>31 March 2013</b>	<b>01 April 2012</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Cash and cash equivalents	541	855	353
Trade and other receivables	260	0	6
Trade and other payables	(9)	(4)	(1)
<b>Net Assets</b>	<b>792</b>	<b>851</b>	<b>358</b>
Other restricted income funds	29	29	30
Unrestricted income funds	763	822	328
<b>Total Charitable Funds</b>	<b>792</b>	<b>851</b>	<b>358</b>

Other restricted income funds relate to monies held by the Trust for Spectrum CIC (Community Interest Company).

## 16. Non-current assets held for sale and assets in disposal groups

### 16.1 Non-current assets held for sale

	Group & Trust	
	Investment properties	Investment properties
	31 March 2014	31 March 2013
	£000	£000
<b>NBV of non-current assets for sale and assets in disposal groups at carrying value</b>	0	0
Plus assets classified as available for sale in the year	0	135
Less assets sold in year	0	(135)
<b>NBV of non-current assets for sale and assets in disposal groups at end of period</b>	<b>0</b>	<b>0</b>

### 16.2 Liabilities in disposal groups

The Group & Trust has no liabilities in disposal groups in 2013/14 or in 2012/13.

## 17. Other assets

The Group & Trust has no other assets in 2013/14 or in 2012/13.

## 18. Other Financial Assets

The Group & Trust has no other financial assets in 2013/14 or in 2012/13.

## 19. Inventories

### 19.1. Inventory Movements

	Group & Trust		
	Total	Drugs	Other
	£000	£000	£000
<b>Carrying Value at 1 April 2013</b>	<b>560</b>	<b>58</b>	<b>502</b>
Additions	2,857	2,651	206
Inventories recognised in expenses	(3,135)	(2,649)	(486)
<b>Carrying Value at 31 March 2014</b>	<b>282</b>	<b>60</b>	<b>222</b>
	<b>Total</b>	<b>Drugs</b>	<b>Other</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Carrying Value at 1 April 2012</b>	<b>531</b>	<b>68</b>	<b>463</b>
Additions	3,484	2,785	699
Inventories recognised in expenses	(3,455)	(2,795)	(660)
<b>Carrying Value at 31 March 2013</b>	<b>560</b>	<b>58</b>	<b>502</b>

Under the Trust accounting policies, stock is valued at the lower of stock and net realisable value. Other Inventories is stock held at the Community Equipment Stores (Loans Service) in Barnsley.

## 20. Trade and other receivables

### 20.1 Trade and other receivables

	Group 31 March 2014 £000	Group 31 March 2013 £000	Group 01 April 2012 £000	Trust 31 March 2014 £000	Trust 31 March 2013 £000	Trust 01 April 2012 £000
<b>Current</b>						
NHS Receivables	1,910	1,431	2,359	1,910	1,431	2,359
Receivables due from NHS charities – Revenue	0	0	0	3	3	0
Other receivables with related parties	2,124	295	390	2,124	295	390
Provision for impaired receivables	(277)	(127)	(94)	(277)	(127)	(94)
Prepayments	1,465	1,296	1,230	1,465	1,296	1,230
Accrued income	1,083	1,089	466	1,083	1,089	466
PDC receivable	0	140	111	0	140	111
VAT receivable	155	330	303	155	330	303
Other receivables	307	261	558	308	261	558
NHS Charitable funds: Trade and other receivables	255	0	6	0	0	0
<b>TOTAL CURRENT TRADE AND OTHER RECEIVABLES</b>	<b>7,022</b>	<b>4,715</b>	<b>5,329</b>	<b>6,771</b>	<b>4,718</b>	<b>5,323</b>

The Group & Trust has no non current trade and other receivables as at 31 March 2014 (£0 (zero) as at 31 March 2013).

### 20.2 Provision for impairment of receivables

	Group & Trust 31 March 2014 £000	Group & Trust 31 March 2013 £000
<b>Balance at start of period</b>	127	94
Increase in provision	163	82
Amounts utilised	0	0
Unused amounts reversed	(13)	(49)
<b>Balance at 31 March</b>	<b>277</b>	<b>127</b>

The Group & Trust provides for all non NHS receivables over 90 days past their due date and all salary overpayments.

### 20.3 Analysis of impaired receivables

	Group & Trust 31 March 2014 £000	Group & Trust 31 March 2013 £000	01 April 2012 £000
<b>Ageing of impaired receivables</b>			
0 - 30 days	80	1	6
30-60 Days	2	6	0
60-90 days	0	1	0
90- 180 days	13	8	58
over 180 days	182	111	30
<b>Total</b>	<b>277</b>	<b>127</b>	<b>94</b>

	Group 31 March 2014 £000	Group 31 March 2013 £000	Group 01 April 2012 £000	Trust 31 March 2014 £000	Trust 31 March 2013 £000	Trust 01 April 2012 £000
<b>Ageing of non-impaired receivables past their due date</b>						
0 - 30 days	2,072	620	1,031	1,817	620	1,031
30-60 Days	649	166	77	649	166	77
60-90 days	90	35	108	90	35	108
90- 180 days	241	35	246	241	35	246
over 180 days	35	41	84	35	41	84
<b>Total</b>	<b>3,087</b>	<b>897</b>	<b>1,546</b>	<b>2,832</b>	<b>897</b>	<b>1,546</b>

### 20.4 Finance lease receivables

The Group & Trust has no finance lease receivables.

### 21. Cash and cash equivalents

	Group 31 March 2014 £000	Group 31 March 2013 £000	Trust 31 March 2014 £000	Trust 31 March 2013 £000
<b>Balance at 1st April</b>	<b>30,710</b>	<b>27,331</b>	<b>29,855</b>	<b>26,978</b>
Net change in year	2,945	3,379	3,259	2,877
<b>Balance at 31 March</b>	<b>33,655</b>	<b>30,710</b>	<b>33,114</b>	<b>29,855</b>
<b>Broken down into:</b>				
Cash at commercial banks and in hand	663	940	122	85
Cash with the Government Banking Service	32,992	29,770	32,992	29,770
<b>Cash and cash equivalents as in statement of financial position</b>	<b>33,655</b>	<b>30,710</b>	<b>33,114</b>	<b>29,855</b>
<b>Cash and cash equivalents as in statement of cash flows</b>	<b>33,655</b>	<b>30,710</b>	<b>33,114</b>	<b>29,855</b>

### Third party assets (Patient Monies) held by the Trust

	Group & Trust 31 March 2014 £000	Group & Trust 31 March 2013 £000
Bank balances	234	239
Monies on deposit	90	138
<b>Total third party assets</b>	<b>324</b>	<b>377</b>

This has been excluded from the cash and cash equivalents figure reported in the accounts.

## 22. Trade and other payables

### 22.1 Trade and other payables

	Group 31 March 2014 £000	Group 31 March 2013 £000	Group 01 April 2012 £000	Trust 31 March 2014 £000	Trust 31 March 2013 £000	Trust 01 April 2012 £000
<b>Current</b>						
NHS payables - capital	232	72	0	232	72	0
NHS payables - revenue	3,145	353	2,735	3,145	353	2,735
Amounts due to other related parties - revenue	2,877	2,258	2,386	2,877	2,258	2,386
Other trade payables - capital	2,566	1,179	2,247	2,566	1,179	2,247
Other trade payables - revenue	3,630	3,751	2,703	3,630	3,751	2,703
Social Security costs	1,811	1,754	1,702	1,811	1,754	1,702
Other taxes payable	1,539	1,656	1,685	1,539	1,656	1,685
Other payables	65	92	0	65	92	0
Accruals	7,322	9,031	8,197	7,322	9,031	8,197
PDC dividend payable	7	0	0	7	0	0
NHS Charitable funds: Trade and other payables	0	1	1	0	0	0
<b>TOTAL CURRENT TRADE AND OTHER PAYABLES</b>	<b>23,194</b>	<b>20,147</b>	<b>21,656</b>	<b>23,194</b>	<b>20,146</b>	<b>21,655</b>

The Group & Trust had no non current trade and other payables as at 31 March 2014 (£0 (zero) as at 31 March 2013).

### 22.2 Better Payment Practice Code

Better Payment Practice Code - measure of compliance	Group & Trust 31 March 2014 Number	31 March 2014 £000
Total Non-NHS trade invoices paid in the year	43,406	48,993
Total Non NHS trade invoices paid within target	41,222	45,357
Percentage of Non-NHS trade invoices paid within target	<b>95%</b>	<b>93%</b>
Total NHS trade invoices paid in the year	891	11,351
Total NHS trade invoices paid within target	822	10,544
Percentage of NHS trade invoices paid within target	<b>92%</b>	<b>93%</b>
	<b>31 March 2013 Number</b>	<b>31 March 2013 £000</b>
Total Non-NHS trade invoices paid in the year	40,621	47,661
Total Non NHS trade invoices paid within target	39,289	45,716
Percentage of Non-NHS trade invoices paid within target	<b>97%</b>	<b>96%</b>
Total NHS trade invoices paid in the year	1,367	22,413
Total NHS trade invoices paid within target	1,298	21,833
Percentage of NHS trade invoices paid within target	<b>95%</b>	<b>97%</b>

The Better Payment Practice Code requires the Trust to aim to pay all undisputed invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later.



### 22.3 Early retirements detail included in NHS payables

The Group & Trust has no early retirement costs included in payables as at 31 March 2014 (£0 (zero) as at 31 March 2013).

### 22.4 Other liabilities

	Group & Trust		
	31 March 2014 £000	31 March 2013 £000	01 April 2012 £000
<b>Current</b>			
Deferred Income	843	787	419
<b>TOTAL OTHER CURRENT LIABILITIES</b>	<b>843</b>	<b>787</b>	<b>419</b>
<b>Non-current</b>			
Deferred Income	0	0	0
<b>TOTAL OTHER NON CURRENT LIABILITIES</b>	<b>0</b>	<b>0</b>	<b>0</b>

### 22.5 Other Financial Liabilities

The Group & Trust has no other financial liabilities as at 31 March 2014 (£0 (zero) as at 31 March 2013).

### 23. Borrowings

The Group & Trust has no borrowings as at 31 March 2014 (£0 (zero) as at 31 March 2013).

### 24. Prudential Borrowing Limit

The Prudential Borrowing Code requirements in section 41 of the NHS Act 2006 have been repealed with effect from 1 April 2013 by the Health and Social Care Act 2012 and as a result this disclosure is no longer required.

## 25. Provisions

	Group & Trust Current			Group & Trust Non-current		
	31 March 2014 £000	31 March 2013 £000	01 April 2012 £000	31 March 2014 £000	31 March 2013 £000	01 April 2012 £000
Pensions relating to other staff	56	54	52	584	584	559
Legal claims	77	35	30	770	696	328
Equal Pay	6	6	0	0	0	180
Redundancy	2,240	3,933	2,312	1,500	1,500	1,458
Other						
Injury Benefit	54	47	36	849	715	578
Other	1,074	500	0	0	0	
<b>Total</b>	<b>3,507</b>	<b>4,575</b>	<b>2,430</b>	<b>3,703</b>	<b>3,495</b>	<b>3,103</b>

	Group & Trust					
	Total	Pensions relating to other staff	Legal claims	Equal Pay	Redundancy	Other
	£000	£000	£000	£000	£000	£000
At start of period	8,070	638	731	6	5,433	1,262
Change in the discount rate	53	17	0	0	0	36
Arising during the year	3,578	42	415	0	2,389	732
Utilised during the year (accruals)	(28)	(14)	0	0	0	(14)
Utilised during the year (cash)	(3,658)	(43)	(98)	0	(3,478)	(39)
Reversed unused	(805)	0	(201)	0	(604)	0
<b>At 31 March 2014</b>	<b>7,210</b>	<b>640</b>	<b>847</b>	<b>6</b>	<b>3,740</b>	<b>1,977</b>

### Expected timing of cash flows:

Not later than one year;	3,507	56	77	6	2,240	1,128
Later than one year and not later than five years	2,688	214	770	0	1,500	204
Later than five years (see note 31.3).	1,015	370	0	0	0	645
<b>Total</b>	<b>7,210</b>	<b>640</b>	<b>847</b>	<b>6</b>	<b>3,740</b>	<b>1,977</b>

Pensions relating to former directors and staff - these provisions relate to the expected pension payments to former employees. The total value is based upon a standard life expectancy of the former employee. Should this life expectancy be different the value and timing of the payments will be affected. The value of the pension payment is also affected by annual pension increases, determined by the NHS Pensions Agency.

Redundancy - This provision, totalling £3.7m, relates to approximately 43 posts during 2014 / 2015 and a further 43 redundancies during 2015 / 2016. These both form an integral part of the Trust Cost Improvement Programme.

Legal claims - these provisions relate to public and employer's liability claims. The value and timing of the payments is uncertain until the claims have been fully investigated and any settlements agreed.

Equal pay - this relates to provisions for 6 equal pay claims. The provision is for legal costs only. As per NHS guidance the Trust is not presently making a provision in terms of the claims.

Other - injury benefits are payable by the NHS Pensions Agency. The total value of the provision is based upon a standard life expectancy of the former employee. Should this life expectancy not be achieved the value and timing of the payments will be affected. The value of the pension payment is also affected by annual pension increases, determined by the NHS Pensions Agency.

Other - A £880k provision has been made in relation to the Trust's liability for a proportion of the demolition costs of St Luke's Hospital site which the Trust previously occupied.

Other - A £194k provision has been made in relation to a potential liability resulting from HMRC guidance on VAT recovery, this relates to a 2 year potential overclaim by the Trust.

£443K is included in the provisions of the NHS Litigation Authority at 31 March 2014 (£1,046k at 31 March 2013) in respect of clinical negligence liabilities of the NHS Trust.

## 26. Contingencies

### 26.1 Contingent liabilities

The Group & Trust has no contingent liabilities as at 31 March 2014 (none as at 31 March 2013).

### 26.2 Contingent assets

The Group & Trust has 1 contingent asset as at 31 March 2014 (1 as at 31 March 2013).

The Group & Trust contingent asset relates to the expected sale of non Trust estate for which the Trust is entitled to a proportion of the land receipt. This relates to the provision on demolition costs made above.

## 27. Revaluation reserve

## Group & Trust

	<b>Total Revaluation Reserve £000</b>	<b>Revaluation Reserve - property, plant and equipment £000</b>
<b>As at 1 April 2013</b>	<b>7,261</b>	<b>7,261</b>
Transfers by absorption - Modified	11,042	11,042
Impairments	(3,518)	(3,518)
Other reserve movements	0	0
<b>Revaluation reserve at 31 March 2014</b>	<b>14,785</b>	<b>14,785</b>
	<b>£000</b>	<b>£000</b>
<b>As at 1 April 2012</b>	<b>7,282</b>	<b>7,282</b>
Revaluations	0	0
Other reserve movements	(21)	(21)
<b>Revaluation reserve at 31 March 2013</b>	<b>7,261</b>	<b>7,261</b>

## 28. Finance lease obligations

The Group & Trust has no finance lease obligations.

## 29. Finance lease commitments

The Group & Trust has not entered into any new finance leases during the period.

## 30 Capital commitments

Contracted capital commitments at the period end not otherwise included in these financial statements:

	<b>Group &amp; Trust</b>	
	<b>31 March 2014 £000</b>	<b>31 March 2013 £000</b>
Property, plant and equipment	1,925	2,195
Intangible assets	0	0
<b>Total</b>	<b>1,925</b>	<b>2,195</b>

These capital commitments relate to developments at Newton Lodge with the main Trust Contractor.

## Annual Governance Statement 2013/14

### Scope of responsibility

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

My Annual Governance Statement reflects the challenges and changes that have faced the Trust over the past year. The complexity and diversity of the services the Trust provides and the geographical areas it covers presents a unique challenge, which is reflected in the Trust's approach to the management of risk. I would particularly like to highlight two areas.

The Trust took the Report of the Mid Staffordshire NHS Foundation Trust Public Inquiry findings extremely seriously and must integrate the recommendations with the findings from other national reports, such as Winterbourne View, and work to enhance, not reinvent, governance processes. The response taken, therefore, has been an appropriately measured one and, wherever possible, proposed action has been integrated with existing and planned organisational processes. The Trust has established a Director-level group to oversee the work to address Francis actions involving the Directors of Nursing, Human Resources and Workforce Development, and Corporate Development and the Medical Director. The group is supported by the 'Francis into Action' group, with cross-Trust representation and led by the Director of Nursing, to ensure actions are implemented within and across the Trust's services. The Trust also received substantial assurance from internal audit on its arrangements for responding to the Report's recommendations.

This year has also seen the consolidation of the integration of services that transferred to the Trust in Barnsley, Calderdale and Wakefield. The Trust has also seen children's and adolescents' mental health services (CAMHS) transfer in Calderdale and Kirklees, and Barnsley. As a result, the Trust now provides CAMHS across its four districts; however, the transfers have not been without risk and the Trust has robust arrangements in place to address the inherited risks presented around leadership and reputation and to ensure improvements are made to service delivery. This will continue to be an area of risk for the Trust in 2014/15.

### The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of South West Yorkshire Partnership NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in South West Yorkshire Partnership NHS Foundation Trust for the year ended 31 March 2014 and up to the date of approval of the annual report and accounts.

## Capacity to handle risk

The Trust has robust and strong arrangements and frameworks in place to ensure it has the capacity to handle and manage risk.

One of the strengths of the Trust is the stability of its Board. During the year, the Chair has continued to consolidate the changes to Trust Board to improve its effectiveness. The Members' Council approved the re-appointment of one non-executive director for a further three-year term and has devolved responsibility to the Nominations Committee to oversee and manage the process to appoint a replacement for another non-executive director, who will leave Trust Board in May 2014 following completion of two three-year terms of office.

One of the considerations for the Nominations Committee is to ensure effective succession planning. As a result, the Committee supported the Chair's view that the process should focus on recruiting an individual who could replace the current Chair of the Audit Committee, who will leave office in 2015. The recruitment process has now begun and the Committee took the decision to commission an external recruitment consultant to manage the process to ensure openness and transparency. A recommendation for appointment will be made by the Committee to the full Members' Council in April 2014.

To address two potential areas of risk, Trust Board has established two non-executive director-led forums for estates and information management and technology. The purpose of both groups is to ensure the Trust's strategy is developed and implemented, and that risk is managed effectively.

In July 2013, the Trust's District Service Director for Calderdale and Kirklees left the Trust to take a post at Calderdale and Huddersfield NHS Foundation Trust. Although this presented a risk in terms of leadership and management of both Business Delivery Units (BDUs), it provided an opportunity to review and consolidate the senior level structure for all four locality-based BDUs to support the transformation programme. As Chief Executive and in consultation with the Chair of the Trust, I put arrangements in place to utilise the skills and experience of two existing Directors to ensure strong and effective strategic and operational management within each BDU whilst maintaining a strong local focus.

As a result, there are now three BDU Directors leading and managing Calderdale and Kirklees BDUs, with specialist services, Barnsley and Wakefield BDUs, and forensic services. This has enabled a stronger management structure to be developed for each BDU with the appointment of deputy directors providing operational leadership and management. This will allow BDU Directors to focus on building and managing strategic and partner relationships, and to lead the transformation agenda. This will be supported by arrangements at service line level where a clinical lead, general manager and practice governance coach will work together and carry responsibility at ward, unit and department level to enact the service change required to achieve transformation. The framework for this arrangement has been agreed and will be phased in from 1 April 2014.

This re-structure left a gap at Director-level in terms of service improvement, innovation and health intelligence, and the Trust undertook a national recruitment exercise, which resulted in no appointment being made; however, with the support of the Remuneration and Terms of Service Committee, I re-evaluated the position and an interim appointment has been made to cover the role with the secondment from NHS England to the role of Director of Service Improvement and Health Intelligence for a six month period on a part-time basis.

In consultation with the Chair, I have adopted a prudent approach to Director-level appointments over the past year; however, the Trust is entering a difficult period to realise its plans for transformation and to deliver its service delivery and financial plans. Therefore, in

the coming year the Trust Board structure will be reviewed to ensure it has the capacity, skills and experience in place within the parameters of its Constitution to support sustainability and ongoing fitness for purpose.

Trust Board is ably supported by an involved and proactive Members' Council, which is a key part of the Trust's governance arrangements. Since becoming a Foundation Trust in 2009, the Members' Council has gone from strength-to-strength in its ability to challenge and hold non-executive directors to account for the performance of Trust Board. The agendas for Members' Council meetings focus on its statutory duties, areas of risk for the Trust and on the Trust's future direction. Starting in 2013, the Trust has developed through the Members' Council Co-ordination Group a programme of training and development to ensure governors have the skills and experience required to fulfil their duties.

The Trust has continued its ambitious transformational service change programme and associated structures to transform the way it delivers services during 2013/14, ensuring it continues to deliver services that meet local need, offer best care and better outcomes, and provide value for money whilst ensuring that the Trust remains sustainable and viable. Implementation of this programme as well as maintaining delivery of high quality and safe services has presented the Trust with its biggest challenge in 2013/14. Four workstreams are in place to cover mental health services, learning disability services, general community services and forensic services. Each has a Director sponsor and clinical lead and is supported by robust project management arrangements through the newly-established Project Management Office. Although the scale and pace has made it hard to effect and enact fundamental change during 2013/14, the work to build the framework will hold the Trust in good stead for achieving transformational change during the coming year at a faster pace.

During 2013/14, I continued to embed the organisational development model (based on "What really works: the 4+2 formula for sustained business success" (Nohria, Joyce and Robertson)) to support operational delivery. The model provides a framework for principal objectives to be agreed and set by the Board, underpinning the Board assurance framework and implementation objectives determined in line with key executive director accountabilities. These objectives are reviewed by me with individual directors on a quarterly basis. Any resulting amendments to the Assurance Framework are reported directly into the Trust Board including any changes to the organisational risk register.

The Trust works within a framework that devolves responsibility and accountability throughout the organisation by having robust service delivery arrangements. This year has seen further development and embedding of the BDU arrangements, underpinned by service line management and currency development at service delivery level. Development work continues to progress, closely scrutinised by the Audit Committee.

BDUs are supported in their work by the Quality Academy, which provides co-ordinated support services linked to the accountabilities of executive directors. There are six key domains in the Quality Academy:

- financial management;
- information and performance management;
- people management;
- estates management;
- compliance, governance and public involvement; and
- service improvement and development.

This process has been overseen and co-ordinated by me as Chief Executive and led by the Deputy Chief Executive, reviewing Quality Academy development with a formal link to appraisal, ensuring both support to and quality assurance of systems development. As the Trust enters a critical point in its development, I have commissioned a review of the Quality Academy to ensure it is fit for purpose to support BDUs in the current challenging climate.

The organisational framework has allowed organisational development work to be tracked in terms of effectiveness. This has been developed further through regular review. From this Framework, a number of workstreams have been developed and launched to ensure the Trust has a workforce fit for the challenges in the future, such as the Talent Pool, the Magnificent 7 and a values-based recruitment, induction and appraisal programme.

Following a review of the Trust's mission and values in 2012/13, which involved extensive consultation and engagement, the Trust's new mission and values were launched in April 2013. The Trust has also engaged and consulted service users, carers, staff and stakeholders on its plans for transformation. Clear themes have emerged from the consultation and these themes have underpinned the development of a vision for each transformation programme workstream.

The Trust continues to develop and create additional capacity in the community and different models of delivery and support for service users and carers through initiatives such as Creative Minds and joining the second phase of the Improving Recovery through Organisational Change (ImROC) initiative, as well as hosting Altogether Better, a national initiative which supports development of community champions.

Training needs of staff in relation to risk management are assessed through a formal training needs analysis process and staff receive training appropriate to their authority and duties. The role of individual staff in managing risk is also supported by a framework of policies and procedures that promote learning from experience and sharing of good practice and is set out in the Risk Management Strategy, reviewed and approved by Trust Board on an annual basis. This is supported by risk management training for Trust Board, undertaken annually.

As Chief Executive, I have a duty of partnership to discharge, and therefore work collaboratively with other partner organisations. The Trust recognises that in the medium- and longer-term, services across the local health economy are unsustainable in their current form. Therefore, the Trust has to work in partnership with other organisations to ensure that services are provided in the most effective way and that the Trust remains sustainable and viable. One key example of this is the strategic outline case developed with partners in Calderdale and Greater Huddersfield.

The Trust is fully involved in sound and robust partnership arrangements with the four local authorities in Barnsley, Calderdale, Kirklees and Wakefield and the five clinical commissioning groups covering Barnsley, Calderdale, Greater Huddersfield, North Kirklees and Wakefield. Relationships have been fostered, developed and built on with commissioners. The Trust also has good working relationships with Local Area Teams at Director and senior management level. The relationship with the Secure Commissioning Group, covering the Trust's medium and low secure services, has proved challenging during 2013/14 as national policy affects commissioning intentions locally. This has impacted on the Trust's forensic services, and maintenance of sound relationships locally is a critical factor in supporting the future success of these services.

The Trust has also been closely involved in development of a strategic outline case in Calderdale and Greater Huddersfield with acute and community partners, proposing better integration of all aspects of health and social care and an increased focus on self-care.

Closer links have also been made in mid-Yorkshire and Barnsley in relation to the Better Care Fund and, in Barnsley, the Pioneer Initiative.

All Executive Directors are fully engaged in relevant networks, including quality governance boards, nursing, medical, finance and human resources at local and regional level. Both the Chair and I attend national network meetings and I am the NHS Confederation elected Chief Executive representative on the Mental Health Network Board. Both myself and the Medical Director have been selected to participate in the Care Quality Commission's new inspection process for mental health trusts and this will provide invaluable intelligence for the Trust.

As Chief Executive of the Trust, either I or nominated directors attend formal Overview and Scrutiny Committees in each of the local authority areas as requested and meet informally, on a regular basis, with the Chairs of each of the Committees to update on the Trust's strategic direction.

### **The risk and control framework**

The Trust was awarded a Licence by Monitor on 1 April 2013 with no conditions. There are currently no risks to compliance with the Licence conditions that apply to the Trust, including NHS Foundation Trust condition 4, which applies to Foundation Trusts only. An internal audit undertaken, has provided an opinion of substantial assurance on the arrangements that the Trust has in place for ensuring compliance with its Licence conditions, which supports assurance of the validity of the Corporate Governance Statement and is backed by a self-assessment at Board level of the arrangements the Trust has in place. This is supported by my Annual Governance Statement, risk management arrangements, and the Trust's annual plan.

Trust Board has the overall responsibility for probity (standards of public behaviour) within the Trust, and is accountable for monitoring the organisation against the agreed direction and ensuring corrective action is taken where necessary. Its attitude to risk is prudent and pragmatic, adopting a flexible approach to risk and determination of its response as the need arises. Trust Board acknowledges that the services provided by the Trust cannot be without risk and it ensures that, as far as is possible, this risk is minimised. The Trust does not seek to take unnecessary risks and will determine its approach and its appetite for risk to suit the circumstances at the time.

As Chief Executive, I remain accountable, but delegate executive responsibility to the Executive Directors of the Trust for the delivery of the organisational objectives, while ensuring there is a high standard of public accountability, probity and performance management. Central to this process of quality assurance has been the development of the Quality Academy. The personal objectives of each director have clear risk and assurance statements attached to them. The Assurance Framework reflects the strategic objectives assigned to the Executive Directors.

Agenda setting ensures that the Board is confident that systems and processes are in place to enable individual, corporate and, where appropriate, team accountability for the delivery of high quality person-centred care. The cycle of Trust Board meetings continues to ensure that Trust Board devotes sufficient time to setting and reviewing strategy and monitoring key risks. Within each quarterly cycle, there will be one meeting with a focus on business risk and performance, one formal public meeting and one strategic development session. Trust Board meetings are held in public and the Chair encourages governors to attend each meeting.

Strategic risk is managed in line with the Trust's Risk Management Strategy, which was amended and approved by the Trust Board in December 2013 to ensure it remains fit for



purpose. The strategy sets out specific responsibilities and accountabilities for the identification, evaluation, recording, reporting and mitigation of risk in accordance with the principle to reduce risk to as low as reasonably practical. The Trust's risk matrix sets out those risks which, under this principle, are tolerable from those which are unacceptable.

The Trust has a Risk Register in place which outlines the key strategic risks for the organisation and action identified to mitigate these risks. This is reviewed on a monthly basis by the Executive Management Team (EMT) and quarterly by Trust Board, providing leadership to the risk management process. Risk Registers are also developed at service delivery level within BDUs and within support directorates, again being subject to regular reviews in line with Trust's Risk Management Strategy and monitored monthly by EMT. This includes the opportunity to share concerns and good practice.

The Trust's main risks as set out in the organisational risk register are as follows.

1. Data quality and capture of clinical information on RiO will be insufficient to meet future compliance and operational requirements to support service line reporting and the implementation of the mental health currency, leading to reputational and financial risk in negotiation of contracts with commissioners. Mitigated by robust project management arrangements, engagement plans with commissioners and implementation plans reflected in contract monitoring agreed and in place, supported by the Data Quality Steering Group chaired by the Director of Nursing and BDU data quality improvement plans.
2. The Care Packages and Pathways project will not deliver an improvement in service quality and outcomes through the roll out of clustering and mental health currency, mitigated by established project management arrangements and formal working groups linked to commissioners in all areas, work on currency and benchmarking included in the mental health strand of the transformation programme to evidence benefits, and input and participation in Care Packages and Pathways programme to share best practice and benchmark progress.
3. Reduction in local authority funding and changes to the benefits system will result in increased demand for health services (due to the potential increase in demand for services and reduced capacity in integrated teams), which will create a risk of a negative impact on the ability of integrated teams to meet performance targets, mitigated by dialogue with local authorities on solutions that maintain quality, participation in transformation programmes at system level to deliver improvements, creating opportunities to reduce reliance on the public sector through support for third sector providers, and development of the ImROC implementation plan in partnership with service users to promote recovery.
4. Risk that the planning and implementation of transformational change through the 'big ticket' programmes will increase clinical and reputational risk through an imbalance of staff skills and capacity between the 'day job' and the 'change job', mitigated by additional resources and external consultancy recruited to support the transformation programme, and key deliverables reviewed and monitored by EMT.
5. The Trust has identified a lack of robust systems and processes to support safe practice within inherited children's and adolescents' mental health services, including timely access and responses, and appropriate clinical interventions, mitigated by development of a robust recovery plan based on best practice and compliance requirements with timescales in place for delivery and with strong commissioner involvement.

6. Changes to national funding arrangements will increase the risk that in the 2014/15 contracting round the monies prioritised by commissioners for Trust services will increase the level of savings required to maintain financial viability, mitigated by engagement of expertise to ensure capacity is in place and robust EMT review of commissioner intentions and contract management.
7. The Trust continues to closely monitor bed management pressures across the Trust and, although no regulatory action was taken following a whistleblowing incident to the Care Quality Commission, mitigating action is in place through robust monitoring against the Bed Management Protocol across all BDUs with a clear escalation process and clinical leadership.
8. Specialist commissioning arrangements have significantly altered since the business plan to expand the medium secure women's service was approved. There is a risk that the expanded bed base will be ready for commissioning without either an agreed commissioning model or financial envelope which could potentially have a significant negative revenue impact within the Forensic contract value, mitigated by development of an internal service offer, internal financial modelling and ongoing negotiations with commissioners and the head of specialist commissioning.

In terms of future risk, the risks outlined above will continue into 2014/15 and the mitigating action will remain in place.

Innovation and learning in relation to risk management is critical. The Trust uses an e-based reporting system, DATIX, at Directorate and service line level so that incidents can be input at source and data can be interrogated through ward, team and locality processes, thus encouraging local ownership and accountability for incident management. The Trust identifies and makes improvements as a result of incidents and near misses in order to ensure it learns lessons and closes the loop by improving safety for service users, staff and visitors. The Trust operates within a just, honest and open culture where staff are assured they will be treated fairly and with openness and honesty when they report adverse incidents or mistakes.

The Trust works closely with the National Patient Safety Agency (NPSA) patient safety manager. The Trust uses Root Cause Analysis (RCA) as a tool to undertake structured investigation into serious incidents with the aim of identifying the true cause of what happened, to identify the actions necessary to prevent recurrence and to ensure that the Trust takes every opportunity to learn and develop from an incident. The Trust has a number of Serious Incidents Investigators in place to provide capacity for and independence in undertaking investigations into serious incidents. The Trust also appointed Practice Governance Coaches to work closely with BDUs to learn lessons, implement best practice and address areas of weakness and development.

The Clinical Governance and Clinical Safety Committee monitors the implementation of recommendations arising from external agencies, such as the Francis Report and Winterbourne View, independent inquiries and external reviews until actions have been completed and closed. A sub-group of the Committee was established in 2010 to provide an organisational overview of the incident review, action planning and learning processes to improve patient safety and provide assurance to the Committee on the performance management of the serious incident review process, associated learning, and subsequent impact within the organisation.

The provision of mental health services carries a significant inherent risk, resulting, on occasion, in serious incidents, which require robust and well governed organisational controls. During 2013/14 there were 101 SIs across the Trust compared to 44 SIs in

2012/13. The increase in reported SIs reflects the changes to reporting arrangements, which, from 1 April 2013, included reporting of grades 3 and 4 pressure ulcer and information governance incidents. The underlying trend for SIs, however, is stable. There were no 'Never Events' (as defined by the Department of Health) relating to serious, largely preventable patient safety incidents that should not occur if the available preventative measures have been implemented.

There are four SIs subject to Serious Case Review, one in Kirklees relating to an adult death, one in Kirklees and one in Barnsley relating to domestic homicide, and one in Durham relating to a service user assessed in Calderdale.

Information governance is a key compliance area for the Trust. Control measures are in place to ensure that risks to data security are identified, managed and controlled. The Trust has put an information risk management process in place led by the Trust SIRO (senior information risk owner). Information asset owners cover the Trust's main systems and record stores, along with information held at team level. An annual information risk assessment is undertaken. All Trust laptops and memory sticks are encrypted and person identifiable information is required to be only held on secure Trust servers. The Trust achieved the target of 95% of staff completing training on information governance by 31 March 2014 and messages on compliance with Trust policy have been backed up by regular items in the weekly staff news. Incidents and risks are reviewed by the Information Governance Trust Action Group chaired by the Director lead for information governance, which informs policy changes and reminders to staff.

From June, the Trust was required to report any information governance incidents scoring level 2 or above externally to the Health and Social Care Information Centre (HSCIC) and the Information Commissioners Office (ICO). This has meant that incidents which previously would not have been reported are now reported externally. Three incidents have been reported as meeting the threshold for external reporting under the new reporting requirements. Two of these, which occurred in Wakefield CAMHS, are being followed up by the ICO and could result in enforcement actions or a fine. Another incident where a letter with sensitive information was wrongly addressed may also be a level 2 score. There were two level 1 incidents. Under the previous reporting criteria for the period January to July there were three level 1 incidents and one level 2 incident. The Trust was not required to report these externally.

The Trust works closely with public stakeholders to involve them in understanding and supporting the management of risks that impact upon them. Stakeholders are able to influence the Trust in a number of ways, including patient involvement groups, public involvement in the activities of our Trust, membership of the Trust and its Members' Council, and regular dialogue with MPs and other partners. The engagement events held by the Trust during 2013/14 to support its transformation programme have also provided an opportunity to involve service users, carers and stakeholders in the management of risk.

Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with through Trust policies, training and audit processes, ensuring equality impact assessments are undertaken and published for all new and revised policies and services. Any new or revised policies, strategies, service redesign and projects must undertake an Equality Impact Assessment before approval. This ensures that equality, diversity and human rights issues, and service user involvement are systematically considered and delivered on core Trust business. All commissioned services also have an Equality Impact Assessment. The Equality and Inclusion into Action Group ensures EIAs are fully mainstreamed into BDUs' performance framework.

As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are complied with. This includes ensuring that deductions from salary, employer's contributions and payments into the Scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.

The Foundation Trust has undertaken risk assessments and Carbon Reduction Delivery Plans are in place in accordance with emergency preparedness and civil contingency requirements, as based on UKCIP 2009 weather projects, to ensure that this organisation's obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

The Foundation Trust is fully compliant with the registration requirements of the Care Quality Commission. The Trust continues to assess its compliance with CQC registration requirements through an internal regulatory compliance review process and a regular programme of unannounced visits. The focus of unannounced visits in 2013/14 has been on areas of risk and to follow up findings of previous visits.

The Trust has assessed itself against the NHS Constitution and a report was presented to Trust Board in June 2013. This covered all areas of the Trust. The Trust meets all the rights and pledges with the exception of the pledge "The NHS commits to make the transition as smooth as possible when you are referred between services, and to include you in the relevant discussions". It meets this partly as the Trust endeavours to consult and involve all service users and, where appropriate, their carers, in decisions about their care; however, there are occasions when the nature of an individual's illness makes this inappropriate.

The key elements of the Trust's quality governance arrangements are as follows.

- The Trust's approach to quality reinforces the commitment to quality care that is safe, person-centred, efficient and effective. The strategy specifies the responsibilities held by individuals, BDUs, the Executive Management Team and Trust Board, co-ordinated under the Quality Academy. The Clinical Governance and Clinical Safety Committee is the lead committee for quality governance.
- There are quarterly quality reports for Trust Board and Executive Management Team as well as monthly compliance reporting against quality indicators within performance reports. Trust Board also receives a quarterly report on complaints.
- CQC regulation leads monitor performance against CQC regulations and the Trust undertakes a quarterly self-assessment.
- External validation, accreditation, assessment and quality schemes support self-assessment (for example, accreditation of ECT, PICU and Memory Services; CQC Mental Health Act Visits, NHSLARMS status, national surveys (staff and service user), implementation of Essence of Care and Productive Ward, etc.)
- Trust Action Groups provide organisational overview and performance monitoring against key areas of governance such as SIs, Infection Prevention and Control, Information Governance, Management of Aggression and Violence, Drugs and Therapeutics and Practice Effectiveness.
- Measures are implemented and maintained to ensure practice and services are reviewed and improvements identified and delivered, such as the Trust's prioritised clinical audit and practice evaluation programme.

The Trust continues to build on its existing service user insight framework to enhance and increase understanding of the Trust's services, to demonstrate the quality of services and to

show the actions taken in response to the feedback. A number of initiatives have been established to strengthen customer insight arrangements, including the following.

- Systematising the collection of service user and care feedback through kiosks and hand held tablets, with a consistent approach to action planning and communication of the response to feedback, including assessment against the Department of Health's Friends and Family Test.
- Development of 'What Matters' linked to the Trust's seven quality priorities.
- Review and implementation of a pilot exercise for the '15 Steps Challenge' in Barnsley during 2013 involving service users and carers, and stakeholders, including staff.
- Production of 'How was it for you today' working with service users and staff toolkit to receive service user carer feedback of their experience in out-patient clinics.

This has resulted in an increase in the number of issues raised and in the number of compliments received, which is a positive development in the context of the encouragement the Trust gives to people to offer feedback in all its forms.

The Trust was also awarded Customer Service Excellence for all areas during 2013.

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

The governance framework of the Trust is determined by Trust Board. It is described in the Trust's annual report under the section 'The Way We Work'. This includes information on the terms of reference, membership and attendance at Trust Board and its Committees, including the Audit and Remuneration and Terms of Service Committees, and the Nominations Committee, which is a sub-group of the Members' Council. The Trust complies with Monitor's Code of Governance and further information is included in the Trust's annual report.

The Executive Management Team has a robust governance structure ensuring monitoring and control of the efficient and effective use of the Trust's resources. Financial monitoring, service performance, quality and workforce information is scrutinised at meetings of the Trust Board, Performance EMT, BDU management teams and at various operational team meetings. The Trust is a member of the NHS Benchmarking Network and participates in a number of benchmarking exercises annually. This information is used alongside reference cost and other benchmarking metrics to review specific areas of service in an attempt to target future efficiency savings. In 2013/14, work has continued to develop and prepare BDUs and support services for the introduction of service line reporting. Work has also continued both internally and with partners on the quality, innovation, productivity and prevention (QIPP) agenda.

The Trust has a well-developed annual planning process which considers the resources required to deliver the organisation's service plans in support of the Trust's strategic objectives and quality priorities. These annual plans detail the workforce and financial resources required to deliver the service objectives and include the identification of cost savings. The achievement of the Trust's financial plan is dependent upon the delivery of these savings. A robust process is undertaken to assess the impact on quality and risks associated with cost improvements both prior to inclusion in the annual plan and during the year to ensure circumstances have not changed. The process and its effectiveness are monitored by the Clinical Governance and Clinical Safety Committee.

Quality Impact Assessments take an objective view of cost improvements developed by BDUs of the impact on the quality of services in relation to the Trust's seven quality priorities (access, listening to and involving service users, care and care planning, recording and evaluating care, working in partnership, ensuring staff are fit and well to care, and

safeguarding). The Assessments are led by the Director of Nursing and the Medical Director with BDU Directors and senior BDU staff, particularly clinicians.

During 2013, the Audit Committee reviewed the Trust's external audit arrangements, and, as the original appointment of Deloitte allowed for an extension of its contract with the Trust for a further period, the Trust sought approval from the Members' Council to re-appoint Deloitte for a further two years. This represented prudent use of Trust funds as it precluded the need for a tender exercise and also resulted in a reduction in the audit fee to reflect that there was no necessity for Deloitte to incur costs on re-tendering activity.

As part of the annual accounts review, the Trust's efficiency and effectiveness of its use of resources in delivering clinical services are assessed by its external auditors and the auditor's opinion is published with the accounts.

In 2013, KPMG, the Trust's internal auditor, began a series of value for money assessments of 'back office' functions, starting with facilities. The outcome of these reviews will be used to improve the support corporate functions provide to BDUs and to achieve efficiencies and improve effectiveness for support functions.

### Annual Quality Report

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) to prepare Quality Accounts for each financial year. Monitor has issued guidance to NHS Foundation Trust boards on the form and content of annual Quality Reports which incorporate the above legal requirements in the *NHS Foundation Trust Annual Reporting Manual*.

The following steps have been put in place to assure Trust Board that the Quality Report presents a balanced view and that there are appropriate quality governance arrangements in place to ensure the quality and accuracy of performance information. Quality metrics are reviewed monthly by Trust Board and the Executive Management Team and form a key part of the performance reviews undertaken by Business Delivery Units as part of their governance structures. The Clinical Governance and Clinical Safety Committee had delegated authority from Trust Board to oversee the development of and approve the Quality Report.

#### Governance and leadership

There is clear corporate leadership of data quality through the Deputy Chief Executive/Director of Finance with data quality objectives linked to business objectives, supported by the Trust's data quality policy and evidenced through the Trust's Information Assurance Framework, Information Governance Toolkit action plans and updates. The commitment to, and responsibility for, data quality by all staff is clearly communicated through Trust induction, Information Management and Technology Strategy, Data Quality Policy and RiO training.

#### Role of policies and plans in ensuring quality of care provided

The Trust firmly believes that good clinical recording is part of good clinical practice and provision of quality care to service users. There is comprehensive guidance for staff on data quality, collection, recording, analysis and reporting which meets the requirements of national standards, translating corporate commitment into consistent practice, through the Data Quality Policy and associated IM&T policies. There are performance and information procedures for all internal and external reporting. Mechanisms are in place to ensure compliance through the Information Governance TAG and annual reports to the Audit and Clinical Governance and Clinical Safety Committees on data quality.

### Systems and processes

There are systems and processes in place for the collection, recording, analysis and reporting of data which are accurate, valid, reliable, timely, relevant and complete through system documentation, guides, policies and training. Corporate security and recovery arrangements are in place with regular tests of business critical systems. These systems and processes are replicated Trust-wide.

### People and skills

Roles and responsibilities in relation to data quality are clearly defined and documented, with data quality responsibilities referenced within the Trust's induction programme. There is a clear RiO training strategy with the provision of targeted training and support to ensure responsible staff have the necessary capacity and skills.

### Data use and reporting

Data provision is reviewed regularly to ensure it is aligned to the internal and external needs of the Trust through Performance EMT and Trust Board, with KPIs set at both service and Board level. This includes identification of any issues in relation to data collection and reporting and focussed action to address such issues.

The Trust's external auditor, Deloitte, provides external assurance on the Quality Report and the findings are presented to the Audit Committee, Clinical Governance and Clinical Safety Committee, Trust Board and the Members' Council.

## Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within South West Yorkshire Partnership NHS Foundation Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the content of the quality report attached to this Annual Report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by Trust Board, the Audit Committee and the Clinical Governance and Clinical Safety Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Assurance Framework provides me with evidence that the effectiveness of controls put in place to manage the risks to the organisation achieving its principal objectives have been reviewed. The Assurance Framework is approved by Trust Board on an annual basis and reviewed and updated on a quarterly basis throughout the past year. There were no significant gaps identified in the Assurance Framework.

Directors' appraisal is conducted by me as Chief Executive. Objectives are reviewed on a quarterly basis, prioritised in line with the performance related pay structure agreed by the Remuneration and Terms of Service Committee. This has provided a strong discipline and focus for Director performance. Non-Executive Director appraisals are undertaken by the Chair of the Trust.

The Trust has developed a values-based appraisal system for staff, which was introduced across the Trust from 1 April 2013. The Trust set a target of 80% of staff having an appraisal in the first quarter of 2013. This presented a significant challenge to the Trust in

terms of ensuring staff and managers were trained in the new process and appraisals undertaken. The target was achieved in July 2013.

My review is also informed by reports from external inspecting bodies including external audit and PLACE audits. The Trust scores for each of its in-patient facilities were above the national average except for privacy and dignity in Enfield Down, The Poplars and Castle Lodge. These are community units where, as a result of their size, there were issues in relation to identifying male and female designated lounges, family visiting areas and multi-faith rooms.

As a result of an inspection visit to the Fieldhead site by the Care Quality Commission, the Trust was issued with two compliance actions in July 2013. Locations visited were Trinity 2, Newton Lodge and Bretton. The CQC found that overall patients were receiving a good level of service; however, there were some concerns regarding the design and layout of some of the hospital's seclusion rooms and the general décor and environment of Hepworth ward (within Newton Lodge). The CQC also identified some concern regarding how some patients' seclusions had been reviewed and continued. A detailed action plan has been submitted to address the compliance issues, which will be fully completed by 31 May 2014. Following the concerns raised, during the autumn of 2013, Trust Board took a decision to delay the opening of additional capacity within Newton Lodge as an opportunity to temporarily move service users from Hepworth Ward, which required major structural changes to bring the environment up to current standards. This work is due for completion in June 2014.

In addition, the effectiveness of internal control and risk management systems was subject to external scrutiny and validation through the concluding part of the Monitor assessment process for the transfer of estate from NHS Barnsley, which included external scrutiny by the independent accounting firm KPMG and Hempsons solicitors.

All Committees of Trust Board are chaired by Non-Executive Directors to reflect the need for independence and objectivity, ensuring that effective governance and controls are in place. This structure ensures that the performance of the organisation is fully scrutinised. The Committee structure supports the necessary control mechanisms throughout the Trust. The Committees have met regularly throughout the year and their minutes and annual reports are received by the Board. Further information on Trust Board Committees is contained in the annual report and in the Trust's Risk Management Strategy.

The Audit Committee is charged with monitoring the effectiveness of internal control systems on behalf of the Board and has done so as part of its annual work programme and reported through its Annual Report to the Board. The Audit Committee is able to provide assurance to Trust Board that, in terms of the effectiveness and integration of risk Committees, risk is effectively managed and mitigated through assurance that Committees meet the requirements of their Terms of Reference, that Committee workplans are aligned to the risks and objectives of the organisation, which would be in the scope of their remit, and that Committees can demonstrate added value to the organisation.

The role of internal audit at the Trust is to provide an independent and objective opinion to me, my managers and Trust Board on the system of control. The opinion considers whether effective risk management, control and governance arrangements are in place in order to achieve the Trust's objectives. The work of internal audit is undertaken in compliance with the NHS Internal Audit Standards. The internal audit function within the Trust is provided by KPMG.

The work undertaken by internal audit is contained in an annual audit plan approved by the Audit Committee. Development of the work programme involves pre-discussion with the



Executive Management Team. It is based on audit of core activity around areas such as financial management, corporate governance and Board assurance processes, and audit of other areas following assessment and evaluation of risks facing the Trust. This includes priority areas identified by the Executive Management Team for internal audit focus on risk and improvement areas. Internal audit provides the findings of its work to management, and action plans are agreed to address any identified weaknesses. Internal audit findings are also reported to the Audit Committee for consideration and further action if required. A follow up process is in place to ensure that agreed actions are implemented. Internal audit is required to identify any areas at the Audit Committee where it is felt that insufficient action is being taken to address risks and weaknesses.

From April 2013 to January 2014, 19 internal audit reports were presented to the Audit Committee. Substantial assurance was received for eight reports and moderate assurance given in seven areas. Three reports were given limited assurance in relation to adult safeguarding, data quality and service level agreements management (non-healthcare). A limited progress opinion was given to a follow up report on the stewardship of financial affairs of patients. Three advisory reports were presented in relation to the Trust's commercial strategy, clinical leadership and self-directed support. KPMG also undertook an investigation on behalf of the Trust.

One audit commissioned by the Director of Corporate Development in relation to procurement (non-pay purchasing) received no assurance. The report was presented to the Committee in October 2013 and the Committee sought robust assurance from the Director of Finance on the Trust's response to the recommendations. In January 2014, KPMG was satisfied and the Committee assured that the Trust had addressed the recommendations with one exception where further work is required, which was accepted by KPMG and the Committee. As a result and taking into consideration the preliminary findings of a financial management audit, which also looked at the progress towards completion of the recommendation arising out of the procurement audit, KPMG confirmed that it was sufficiently assured of the actions the Trust had taken that the outcome of the audit would not affect its Head of Internal Audit Opinion.

Action plans are developed for all internal audit reports in response to the recommendations and the Audit Committee invites the lead Director for each limited or no assurance report to attend to provide assurance on actions taken to implement recommendations. For all limited and no assurance reports, a further audit is undertaken within six months.

Seven reviews are ongoing at the end of the year and are due to report to the Audit Committee in April 2014.

The Head of Internal Audit's overall opinion for 2013/14 is one of substantial assurance.

The Trust is committed to a continual improvement in the quality of its data in order to support improvement of the service it offers to users of its services and to meet its business needs. Regular reviews of the quality of the Trust's clinical data are undertaken by the Information Management and Technology Trust Action Group (TAG) and, where data quality standards are identified as a risk factor, these will be reported to the Trust's Senior Information Risk Owner (SIRO) for further investigation. Business Delivery Units and the Executive Management Team are also responsible for reviewing and assessing the quality of data and for ensuring mitigating action is in place to ensure any areas of weakness are addressed. Trust Board, through its Committees, also considers data quality from both an operational and analytical perspective. The principles supporting the Trust's approach to data quality are contained in its Data Quality Strategy and Policy.

As Chief Executive, I am supported by the Executive Management Team. The EMT supports me in co-ordination and prioritisation of activity in the Trust ensuring that the strategic direction, set by a unitary Trust Board, is delivered. It is jointly responsible for ensuring that the agreed leadership and management arrangements are in place, supported by robust and clear governance and accountability processes. It ensures the organisation champions equality and that the Trust is 'diversity competent'.

## Conclusion

I have reviewed the relevant evidence and assurances in respect of internal control. The Trust and its executive managers are alert to their accountabilities in respect of internal control. Throughout the year, the Trust has had processes in place to identify and manage risk.

With the exception of the internal control issues that I have outlined in this statement, which are not considered significant, my review confirms that the Trust has a generally sound system of internal control that supports the achievement of its policies, aims and objectives and that those control issues have been or are being addressed.

Over the past year, the Trust has undergone significant change; however, it is my view that the system of internal control has remained robust and enabled change and risk to be managed effectively.



.....  
**Steven Michael**  
**Chief Executive**  
**23 May 2014**

**Members' Council  
25 July 2014**

<b>Agenda item:</b>	<b>6</b>
<b>Report Title:</b>	Quality Accounts 2013/14
<b>Report By:</b>	Tim Breedon
<b>Job Title:</b>	Director of Nursing, Clinical Governance and Safety
<b>Action:</b>	To receive

**EXECUTIVE SUMMARY**

Purpose and format

The purpose of this report is to enable the Members' Council to receive the Quality Report and the report from Deloitte on the external review of the Trust's Quality Report for 2013/14.

Recommendation

**The Members' Council is asked to RECEIVE the Quality Report and the report from Deloitte on the external review of the Trust's Quality Report for 2013/14.**

Background

All Foundation Trusts are required to produce a Quality Report based on guidance issued by Monitor and the Department of Health. From 2011, Monitor also required external assurance of Quality Reports and that the auditors' report is presented to the Members' Council. As requested by Trust Board, the Quality Report was scrutinised in detail by the Clinical Governance and Clinical Safety Committee prior to presentation to the Audit Committee where it was formally approved. The Quality Report was published on the NHS Choices website by the required deadline of the end of June 2014.

The external assurance review conducted by Deloitte was received by the Audit Committee on 23 May 2014 and is included in these papers for the Members' Council. The audit reviewed the content against Monitor's Annual Reporting Manual and for consistency with other reporting mechanisms and found that:

- the content was in line with guidance and consistent with documents reviewed;
- the format reflected the recommendation to provide greater explanation of data tables; and
- areas of good practice related to a clear statement of future priorities and how these will be achieved, use of tables and graphs, and the concise presentation of information.

Deloitte also undertook a data quality review of two nationally mandated indicators (delayed transfers of care and access to crisis resolution teams). The review of the data to support the delayed transfers of care indicators was satisfactory; however, during the review, an issue relating to the seven-day follow up indicator was raised.

Previously, the Trust queried the definition of the indicator and it was clarified that other denominators should be included. Performance for quarter 4 was calculated under the revised guidance for the Monitor return. Monitor was of the view that the Trust did not need to re-state the figures for previous quarters. As the indicator is aimed at ensuring service users are safe and supervised following discharge, the Trust is satisfied that patient safety had not been compromised.

At the time of the Audit Committee, Deloitte was of the view that this represented a significant issue in terms of completeness of data and that the Quality Accounts would be qualified as a result; however, as Monitor had not asked the Trust to re-state its position nor asked other Trusts to review their data, this indicated a wider issue. As a result, at a meeting with external auditors on 27 May 2014, Monitor confirmed it accepted the position and Deloitte was able to give an unqualified audit opinion on the Trust's Quality Accounts.

Monitor has subsequently confirmed that it does not require the Trust to re-state its performance for quarters 1, 2 and 3 of 2013/14; it does, however, expect the Trust to comply with the target for quarters 1 and 2 of 2014/15. If it does not, Monitor may decide to review its decision.

Deloitte also audited a local indicator in relation to the monitoring and measuring of medication errors. The overall conclusion was satisfactory subject to implementation of a number of recommendations, which have been accepted by management.

The Committee approved the Quality Report for 2013/14 and the full Quality Report can be found on the Trust's website at <http://www.southwestyorkshire.nhs.uk/quality-innovation/quality-account/>.

## **2013/14 limited assurance report on the content of the quality report and mandated performance indicators**

### **Independent auditor's report to the Council of Governors of South West Yorkshire Partnership NHS Foundation Trust on the quality report**

We have been engaged by the Council of Governors of South West Yorkshire Partnership NHS Foundation Trust to perform an independent assurance engagement in respect of South West Yorkshire Partnership NHS Foundation Trust's quality report for the year ended 31 March 2014 (the "quality report") and certain performance indicators contained therein.

This report, including the conclusion, has been prepared solely for the Council of Governors of South West Yorkshire Partnership NHS Foundation Trust as a body, to assist the Council of Governors in reporting South West Yorkshire Partnership NHS Foundation Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2014, to enable the Council of Governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicators. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors as a body and South West Yorkshire Partnership NHS Foundation Trust for our work or this report, except where terms are expressly agreed and with our prior consent in writing.

#### **Scope and subject matter**

The indicators for the year ended 31 March 2014 subject to limited assurance consist of the national priority indicators as mandated by Monitor:

- Care Programme Approach, 7 day follow up (CPA); and
- Access to Crisis Resolution Teams.

We refer to these national priority indicators collectively as the "indicators".

#### **Respective responsibilities of the directors and auditors**

The directors are responsible for the content and the preparation of the quality report in accordance with the criteria set out in the *NHS Foundation Trust Annual Reporting Manual* issued by Monitor.

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that:

- the quality report is not prepared in all material respects in line with the criteria set out in the *NHS Foundation Trust Annual Reporting Manual*;
- the quality report is not consistent in all material respects with the sources specified in the guidance; and
- the indicators in the quality report identified as having been the subject of limited assurance in the quality report are not reasonably stated in all material respects in accordance with the *NHS Foundation Trust Annual Reporting Manual* and the six dimensions of data quality set out in the *Detailed Guidance for External Assurance on Quality Reports*.

We read the quality report and consider whether it addresses the content requirements of the *NHS Foundation Trust Annual Reporting Manual*, and consider the implications for our report if we become aware of any material omissions.

We read the other information contained in the quality report and consider whether it is materially inconsistent with either refer back to the specified documents in the guidance with the specific documents below:

- board minutes for the period April 2013 to 28 May 2014;
- papers relating to quality reported to the board over the period April 2013 to 28 May 2014;
- feedback from the Commissioners dated 13<sup>th</sup> May 2014
- feedback from local Healthwatch organisations dated 20<sup>th</sup> May 2014;
- the Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated Q1 July 2014 / Q2 October 2013 / January Q3 2014/ Q4 April 2014;
- the latest national patient survey;
- the latest national staff survey;
- Care Quality Commission quality and risk profiles dated April, June, July, August, November, December 2013 & February 2014; and
- the Head of Internal Audit's annual opinion over the Trust's control environment dated 23 May 2014.

We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with those documents (collectively the "documents"). Our responsibilities do not extend to any other information.

We are in compliance with the applicable independence and competency requirements of the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics. Our team comprised assurance practitioners and relevant subject matter experts.

### **Assurance work performed**

We conducted this limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) – "Assurance Engagements other than Audits or Reviews of Historical Financial Information" issued by the International Auditing and Assurance Standards Board ("ISAE 3000"). Our limited assurance procedures included:

- Evaluating the design and implementation of the key processes and controls for managing and reporting the indicators.
- Making enquiries of management.
- Testing key management controls.
- Limited testing, on a selective basis, of the data used to calculate the indicator back to supporting documentation.
- Comparing the content requirements of the *NHS Foundation Trust Annual Reporting Manual* to the categories reported in the quality report.
- Reading the documents.

A limited assurance engagement is smaller in scope than a reasonable assurance engagement. The nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

### **Limitations**

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw allows for the selection of different, but acceptable measurement techniques which can result in materially different measurements and can affect comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision of these criteria, may change over time. It is important to read the quality report in the context of the criteria set out in the *NHS Foundation Trust Annual Reporting Manual*.

The scope of our assurance work has not included governance over quality or non-mandated indicators which have been determined locally by South West Yorkshire Partnership NHS Foundation Trust.

### **Conclusion**

Based on the results of our procedures, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2014:

- the quality report is not prepared in all material respects in line with the criteria set out in the *NHS Foundation Trust Annual Reporting Manual*;
- the quality report is not consistent in all material respects with the sources specified above; and
- the indicators in the quality report subject to limited assurance have not been reasonably stated in all material respects in accordance with the *NHS Foundation Trust Annual Reporting Manual*.



Deloitte LLP  
Chartered Accountants  
Leeds  
28 May 2014



With all of us in mind

**Members' Council**  
**25 July 2014**

<b>Agenda item:</b>	<b>7</b>
<b>Report Title:</b>	Five-year strategic plan 2014 to 2019 and Trust declaration of sustainability
<b>Report By:</b>	Alex Farrell
<b>Job Title:</b>	Deputy Chief Executive/Director of Finance
<b>Action:</b>	To receive

Background

The Trust was required by Monitor to submit a two-year operational plan (2014/15 to 2015/16), which was reported to the Members' Council in April 2014, and a five-year strategic plan, which also includes a requirement for the Trust to make a declaration of sustainability over one, three and five years. This was submitted to Monitor at the end of June 2014.

The requirement to submit two plans reflects the increasingly challenging combination of factors facing the NHS over the next five years. As a result, Monitor and other NHS and social care regulatory bodies are strengthening the business planning requirements placed on Foundation Trusts and other bodies, including clinical commissioning groups, to drive greater alignment and enhanced longer term planning.

Five-year strategic plan

At its meeting in June 2014, Trust Board considered the five-year strategic plan, particularly its declaration of sustainability, and gave unanimous approval for the content. A summary of the plan is included in the papers for this meeting.

The plan provides a view of the Trust's longer-term plans in relation to:

- a capacity analysis for Trust estate;
- the plan for information management and technology;
- key workforce trends;
- funding and cost analysis;
- a political, economic, social/cultural, technological, legal/regulatory and environmental analysis (PESTLE) and an analysis of the Trust's strengths, weaknesses, opportunities and threats (SWOT);
- a business case for sustainability;
- alignment with commissioners' plans;
- key opportunities by business delivery unit (BDU);
- the Trust's plans for sustainability;
- key milestones for the plan; and
- key risks and mitigating action.

Declaration of sustainability

Trust Board was presented with a number of scenarios and agreed with the Executive view that, on the current configuration, it could confirm sustainability for one and three years but it would be difficult to confirm that the Trust would remain sustainable in five years. Trust Board robustly tested the view



and provided challenge in terms of the plans the Trust has to ensure continued provision of the services it currently provides and its plans to remain sustainable in year 1 and to year 3.

As a result of the discussion, the declaration made to Monitor was as follows with the rationale outlined below.

	One year	Three years	Five years
<b>Financially sustainable</b>	Confirmed	Confirmed	Not confirmed on current configuration
<b>Operationally sustainable</b>	Confirmed	Confirmed	Not confirmed on current configuration
<b>Clinically sustainable</b>	Confirmed	Confirmed	Not confirmed on current configuration

Based on a scenario analysis of the current position, the Trust will be challenged to be able to declare a sustainable position clinically, operationally or financially at year 5 of the strategic plan. The assessment of the local health and social care economy is that no current NHS provider will be able to certify that they will be in a sustainable position at this point.

In the declaration of sustainability for year 3, the plan presents a strategic direction and option analysis that drives the reshaping of the cost base through efficiency in workforce, service model and infrastructure in years 1 and 2. It goes on to create substitution activity for statutory services in year 3 at lower cost using the Recovery Model building on the success of Creative Minds and alternative capacity models.

From year 3 onwards the Trust is predicting that sustainability will only be achieved through development of core NHS services on larger geographic footprints, such as West Yorkshire or Yorkshire and Humber for specialist services, which reduces back office costs but maintains a local responsive delivery of community services having greater reliance on self-directed support and self-care.

Therefore, the declaration of sustainability outlined above reflects the Trust position that, on its current scope and configuration, it is sustainable financially, operationally and clinically up to the end of year 3. Beyond this timescale, in order to be sustainable, services would need to be part of a bigger entity with critical mass as a specialist mental health and community provider.

**The Members' Council is asked to NOTE the content of the Trust's five-year strategic plan and the declaration of sustainability.**



# South West Yorkshire Partnership NHS Foundation Trust Strategic Plan 2014 – 2019 PUBLIC SUMMARY

30/06/14



With all of us in mind

SWYPFT Strategic Plan 2014 - 2019.  
Commercial in Confidence

# 1.1 Declaration of Sustainability

*The Board declares that, on the basis of the plans as set out in this document, the Trust will be financially, operationally and clinically sustainable according to current regulatory standards in one, three and five years time*

	One year	Three years	Five years
Financially sustainable	Confirmed	Confirmed	Not Confirmed on current configuration
Operationally sustainable	Confirmed	Confirmed	Not Confirmed on current configuration
Clinically sustainable	Confirmed	Confirmed	Not Confirmed on current configuration

Based on our scenario analysis of the “as is “ the Trust will be challenged to be able to declare a sustainable position clinically, operationally or financially at year 5 of the Strategic plan. Our assessment of the local health and social care economy is that no current NHS provider will be able to certify that they will be in a sustainable position at this point.

In our declaration of sustainability for year 3 the plan presents a strategic direction and option analysis which drives the reshaping of the cost base through efficiency in workforce, service model and infrastructure in years 1 and 2 and creates substitution activity for statutory services in year 3 at lower cost using the Recovery Model and building on the success of Creative Minds and alternative capacity models.

From year 3 onwards the Trust is predicting that sustainability will only be achieved through development of core NHS services on larger geographic footprints e.g. West Yorkshire or Yorkshire and Humber for specialist services; which reduces back office costs but maintains a local responsive delivery of community services which has a greater reliance on self directed support and self care.

Therefore the declaration of sustainability outlined above reflects the Trust position that on its current scope and configuration it is sustainable financially operationally and clinically up to the end of Year 3. Beyond this timescale in order to be sustainable the services would need to be part of a bigger entity with critical mass as a specialist mental health and community provider.



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**Declaration of  
Sustainability**

## 2.3.1 Capacity Analysis - Estates

The Estates Strategy previously approved by the Trust Board is focused on:

- Development of Community Infrastructure
- Development of Inpatient Estate linked to Acute Care Pathway
- Ensuring Compliance with national standards and the regulators
- Emergent agenda regarding shared premises with partners
- Disposal of Surplus Estate

**Capital Plan:** The capital programme is aligned to the Long Term Financial Plan and is as per the submission made to Monitor in January 2014. The approach adopted is that all new capital developments will be designed to support service transformation and will be based on agile working principles supported by greater use of IM&T. All new capital developments will be subject to the approval of business cases that clearly set out the service and financial impact. Where the planned development encompasses in patient facilities there will be an emphasis on developments increasing staff resilience whilst reducing revenue and staffing costs by adopting a site wide strategic planning approach on the two main sites at Fieldhead and Kendray through Site Development Control Plans. All developments will adhere to the principles of eliminating same sex accommodation.

**Capital Receipts:** In 2014/15 the Plan forecasts receipts from disposal of surplus investment property. Future capital expenditure post 2016-17 is dependent on generating capital receipts from the disposal of surplus estate. This represents a critical risk to the overall estates strategy as any slippage in disposal will create increased revenue running costs from 2016-17 and deferring of capital investment.

**Transformation Focus:** The major enabling schemes in our Capital Plan are set out in the table overleaf. The focus of these schemes is to support integrated team working closer to communities – in line with the transformation vision of the Trust and of our partners. Also opportunities to consolidate sites from which support services are provided enable the Trust to deliver further efficiencies, while minimising impact on front-line clinical delivery. In addition the vision for inpatient services is for high quality in-patient facilities at geographically strategic locations within the Trust area delivering single room en suite accommodation designed to support cost effective staffing models



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**Market Analysis  
and Context**

## 2.3.2 IM&T Plan

### **The aim for the next five years is to use IM&T to facilitate the transformation of services**

This includes both transformation of the services which we deliver to local populations and the support services which are provided within the Trust to our Business Delivery Units. It also encompasses joint work with partners across the health and social care spectrum to ensure safe and seamless services for the people we serve.

Specific improvements will include more agile working, improving the productivity, accessibility and responsiveness of our services. This will also improve the working lives of our colleagues by reducing unnecessary journeys. The use of clinical records 'bring forward' systems in conjunction with unobtrusive tablet style technology will support more personalised care and enhanced safety through real time updating of clinical records. This will also improve the amount of direct patient facing time of our teams. Improved integration of key clinical systems with social care systems will improve productivity through reducing the need for double-entry of notes.

More service users will be able to access our services through the use of technology. This may include booking appointments at convenient times, reviewing helpful information to better manage long term conditions, or accessing on-line or group based peer support. In addition wider use of Lync technology will support consultations and advice over video link between computers, smart phones or other devices. Our existing telehealth and telecoaching services will be rolled out further, enabling more people to take control of their health and wellbeing, using regular measurements and feedback to reduce reliance on urgent care services.

We will use data more to identify improvement opportunities and to measure benefits. This will include wider participation in benchmarking, both within the Trust and beyond. It will also include participation in local integration initiatives such as the Barnsley Integration Pioneer and Calderdale and Huddersfield locality teams initiative. Where appropriate we will consider opportunities to use data to support risk stratification in support of efficient resource deployment.

Support Services will explore the wider use of technology to drive efficiency. This may include increased automation and self service options for routine transactional requirements, allowing more emphasis on high value adding business partnering support activities which meet the needs of internal customers. This approach will also support the development of a unified support service infrastructure capable of providing both scale efficiencies and enhanced access to practical and knowledgeable support to efficiently meet the needs of a significantly larger organisation operating across a wider geographic footprint.



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**Market Analysis  
and Context**

## 2.3.4 Key Workforce Trends

**Changes in Skills and Roles:** The movement from a professional model of service to an enabling recovery focused approach is the key driver for changes to skills and roles. This includes the development of peer support worker roles both within the Trust and in local partner organisations, supporting initiatives such as Recovery Colleges and Creative Minds. It also requires a change in emphasis for the existing clinical workforce, where more staff will spend more of their time focus on the development of partnerships e.g. with housing support providers, and on the delivery of education and enablement. Other important changes will include:

- Review of administrative support provision to enable greater use of resources, including use of technology
- Changes to the clinical support worker roles between bands 1 through to 4. The Trust envisages a stepped approach to implementation of a Healthcare Support Worker Career structure which will have greater career progression opportunity
- Increase in clinical and non clinical apprenticeship posts at both intermediate (level 2) and advanced (level 3) roles.
- Potential to develop Assistant Practitioner roles as a career development opportunity towards band 5 nursing roles
- Review of medical models across the trust to support complex case management and consultancy, and also the provision of a greater range of sub-specialties
- Greater use of volunteers – supporting customer service excellence and other important facets of high quality service provision

**Impact of 7 day working:** The Trust currently operates services on a 7 day basis, but there are also substantial numbers of services which are operated on a 5 day working week. The most significant impacts of a move towards 7 day access are likely to be in those clinical areas which are part of pathways directly connected to acute wards as they step up efforts to have an even flow of discharges over 7 days. This would impact on Intermediate Care teams and mental health liaison teams which already operate 7 days per week. Other services may see increases in relation to medical and nursing requirements, but this will be offset through balancing of sessions currently delivered Monday – Friday and through enhanced use of technology to support flexible working and communications.

**Impact of Safe Staffing Levels on wards:** The Trust's Quality and Nursing Directorate has recently undertaken an analysis of staffing levels within the acute pathway and has supported this with internal comparisons. Steps are being taken to initiate external benchmarking arrangements. This supports the existing work that the Trust undertakes to track trends in incidents and to ensure that investment is made in skills and staff numbers where required in response. In the absence of further analysis an assumed movement would be to invest the difference in tariff deflator from 1.8% to 1.5% which was agreed with local commissioners in respect of our acute pathway related income.



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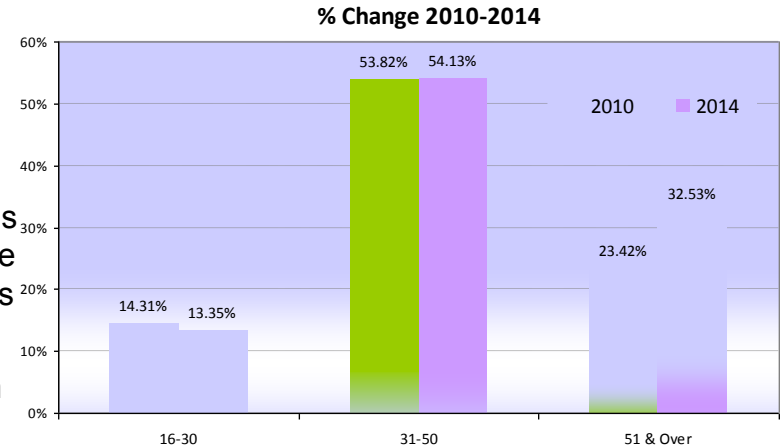
## 2.3.4 Key Workforce Trends

**Flexible working:** The Trust will see increased demand from its existing workforce for flexible and part-time working. The Trust is seeing a correlation between the rising age profile and an increasing 'part-time' workforce. The Trust has seen a 6% rise in staff working part-time between 2009 and 2014 (36% in 2009 rising to 42% in 2014). This rise is expected to continue over the next 5 years and potentially reach 50% by 2020. This will allow for greater flexibility of the existing workforce in terms of rostering opportunities and an ability to provide greater levels of service outside of 9-5 Mon-Fri working hours. The adverse effect of this change is expected to be pressure on pension costs and on-cost provision.

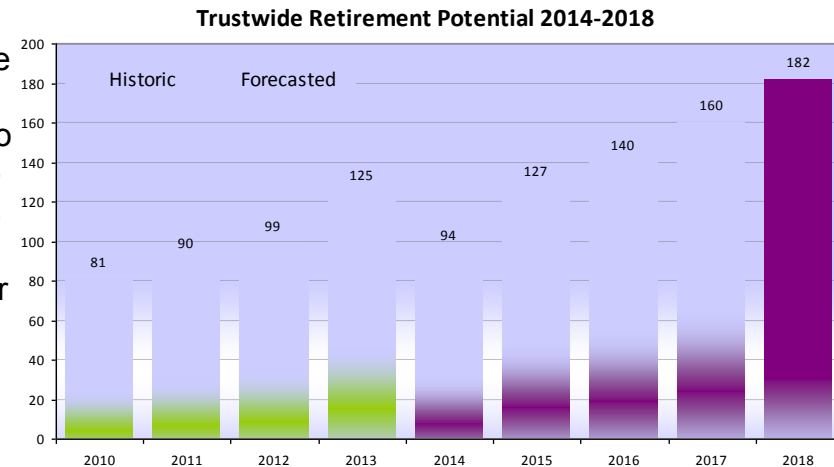
**Turnover:** Turnover within the Trusts workforce has seen little fluctuation over the last 5 years with rates between 9-11% and the Trust envisages that this will remain constant over the next 5 years. We anticipate increases in turnover due to retirement to be offset by a relatively slow NHS job market ultimately keeping the labour turnover rate constant.

**Age Profile:** Over the next 5 years the Trust must address the rising age profile of our workforce. Over this period we will see an increasing potential for staff to retire from 3% of our total staff in post in 2014 rising to 6% of our total staff in post in 2019. The Trust saw a total of 81 staff retire in 2010 and this has risen to 125 head counted staff in the last 12 months to 2014 with a total of 24 staff opting to take voluntary resignation. The number of people taking retirement within the Trust has risen year on year since 2010 and it is expected to continue to increase each year rising to approximately 182 by 2018. Roles that provide the Trust with the greatest degree of risk centre around nursing roles, HCSW roles, estates staff and admin and clerical roles over the next 5-10 years.

**Figure 2: Workforce Age Profile**



**Figure 3: Workforce Retirement Potential**



With all of us in mind

## 2.3.4 Key Workforce Trends

**Hard to Recruit to posts:** Allied Health professionals have traditionally been a staff group which is difficult to recruit but which is critical to delivery of holistic care and supporting recovery. It represents around 6% of the workforce with a current turnover rate of 10%. Current information on numbers of graduates indicates that in future there will be sufficient pool of staff to recruit from. The priority for AHP workforce development will be to develop workforce structure which will create better progression pathway for professional development through promotion of AHP support workers, assistant practitioners and AHP mentors and preceptorship programmes

### **Changes in WTE**

In the last 4 years the Trust has seen an increase of 400 WTE (10.3% growth) reaching 4,594 in April 2014. This growth was driven by increases in several areas of the clinical workforce, partially as a result of the Trust's success in providing community based alternatives to hospital admission and health and wellbeing work.

In the last 12 months the increase has been just 14.4 WTE. Based on the Trust's current footprint and range of services the plan is to reduce workforce numbers during the next five years. This reflects the application of the Trust's efficiency and productivity programmes (CIP and Transformation) and also reflects the projected income and expenditure profile, which is aligned to commissioning intentions.

The scale of change indicated by the Year 1-3 CIP requirement is a reduction of 5-6% annually. The impact of these reductions is offset by the workforce predicted retirement potential of 6.17% by 2019, and the natural churn associated with posts becoming vacant. In addition the plan for sustainability (section 3) anticipates the development of a much larger platform for the services which we deliver. This means that the net effect (primarily in latter years of the Plan) is a growth in WTE numbers by the end of the 5 year period. This does not change the underlying trend which is to drive CIPs and transformation in the initial years of the Plan, driving a downward pressure on the number of WTEs in preparation for sustainable growth in the second half.

The table overleaf highlights the high level movements in WTE anticipated by this plan. It includes elements related to both continued delivery of efficiency through CIP and transformation programmes and also the development of a sustainable footprint for clinical services which involves increases in workforce as well as efficiency related downward pressure



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## 2.4 Funding Analysis

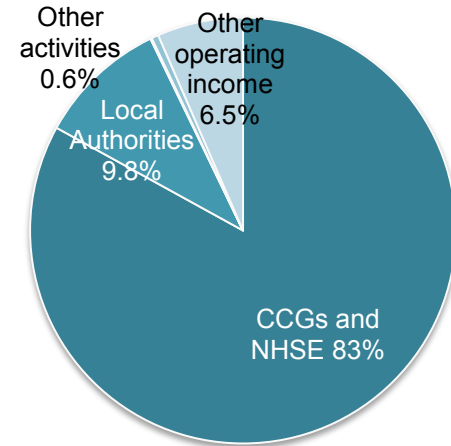
Figure 1 highlights the relative shares of our income by source.

In summary 83% of our income is derived from CCG and NHS England contracts, 10% is from Local Authority contracts, and less than 1% related to activities undertaken for other NHS organisations. The Trust's 'other operating income' accounts for 6.5% and includes education & training and Research & Development

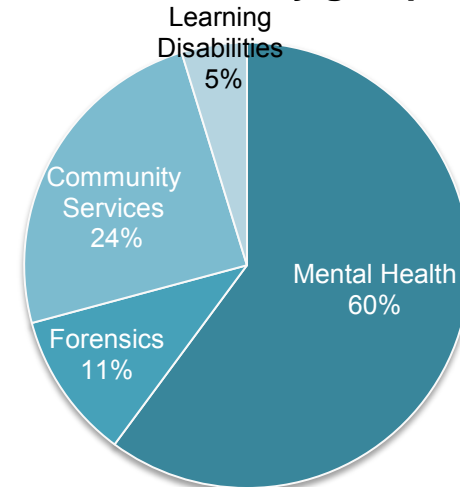
In terms of Service Lines our income relates to the following high-level groupings of services:

- Mental Health, including;
  - CAMHS
  - Adult Acute Mental Health
  - Adult Community Mental Health
  - Rehabilitation and Recovery
  - Older People's Mental Health (incl. Dementia)
- Forensic
- Learning Disabilities
- Community Physical Health, including:
  - Community Nursing and therapies
  - Long Term Conditions
  - Intermediate Care
  - Health and Wellbeing services

**Figure 4: Share of income by source / type**



**Figure 5: Share of income by grouped service line**



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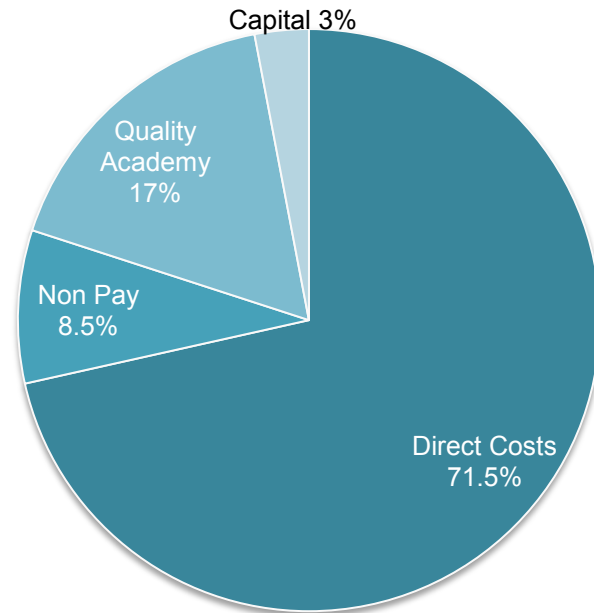


## 2.4 Cost Analysis

The Trust uses the income received to cover the costs of delivering and supporting services. Figure 3 highlights the breakdown of costs into

- Direct Costs, including;
  - Clinical and support staff involved in direct service provision
  - Agency and bank staff costs
  - Other pay costs
  - Redundancy costs
- Non-Pay Costs, including;
  - Drugs
  - Supplies
  - Sub-contracted services and SLAs
  - Travel and vehicle costs
  - Utilities and property costs
- Indirect costs and overheads, including;
  - Quality Academy
- Capital Charges, including:
  - Public Dividend Capital
  - Depreciation, and
  - Impairment

**Figure 6: Breakdown of expenditure by cost type**



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## 2.6 PESTLE Analysis

### Political

- Austerity – particularly Local Authorities
- Parity of esteem
- Integration and personalisation
- Better Care Fund – linked to above
- Role of Health and Wellbeing Boards
- Electoral cycle – timescales for major change?
- ‘Marketisation’ of NHS
- Changing dynamics between DH, NHSE and Monitor + compete/collaborate dichotomy
- Fragility of partners and political dimension associated

### Social/ Cultural

- Ageing population
- Ageing workforce and extension of working lives
- Changing perception of work/life balance
- Public expectations of welfare state changing
- Public expectations of customer service changing

### Legal / Regulatory

- Monitor / CQC / OFT – competition and collaboration
- Engagement/consultation requirements
- Partnership framework/partnership vehicles
- Framework for social enterprise

### Economic

- Declining investment/ continued austerity
- Impact of Better Care Fund
- Technological/pharma developments driving costs
- Impact of economic factors e.g. benefits reform on demand for Trust services
- Current pay and pension model sustainability?
- Continuing care costs
- Regeneration in local authorities – presents opportunities to partner
- Development of alternative/community capacity

### Technological

- Improved access to information
- Social media
- Interoperability
- Increased numbers dependent on technology
- Trust capacity to digitise at the scale needed
- Telehealth/telemedicine
- Channel shift – more self serve
- Enables ‘long tail’ services – less geographically restricted
- Double running – those that don’t want/ cant use IT

### Environmental

- Carbon footprint
- Sustainability of estate
- Growth of alternative forms of provision
- Perception of what is seen as ‘local’ services

## 2.6 SWOT Analysis

<b>Strengths</b>	<ul style="list-style-type: none"> <li>• Wide range of services – offering opportunities for person centred integrated care – particularly physical/ mental health</li> <li>• Market leading co-production and engagement approaches – leading to Recovery focused service offers e.g. ‘Creative Minds’ and ‘Recovery College’</li> <li>• Biggest Forensic contract in Yorkshire – wide range of services and estate fit for purpose</li> <li>• Clear understanding of service offers and service user requirements through mental health currency</li> <li>• Good track record – financial, risk and quality KPI performance</li> </ul>
<b>Weaknesses</b>	<ul style="list-style-type: none"> <li>• Need to develop more robust standardised approach to lead provider roles</li> <li>• Under developed commercial and marketing capability and capacity, highlighted by most service lines as a development area</li> <li>• Some service models increasingly considered old-fashioned by commissioners – not fully aligned to Recovery and Self Care agenda</li> <li>• Under developed capacity planning approaches will require co-ordination and regular review</li> </ul>
<b>Opportunities</b>	<ul style="list-style-type: none"> <li>• Recovery College and Creative Minds as focus for partnership – also supports offer to Health and Wellbeing market – both mental and physical health</li> <li>• Forensic clinical network</li> <li>• Development of Trust-wide specialist services (CAMHS, ADHD, PD etc)</li> </ul>
<b>Threats</b>	<ul style="list-style-type: none"> <li>• Loss of contracts through tenders if do not transform and engage sufficiently with commissioners</li> <li>• System focus on acute hospital economics plus local authority funding restrictions challenges parity of esteem</li> <li>• Acute overspend on specialised commissioning budget</li> </ul>



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SWYPFT Strategic Plan 2014 - 2019.  
Commercial in Confidence

**Market Analysis  
and Context**

## 2.7 Base Case: Sustainability

**Clinical and Operational Sustainability:** Within the Base Case we have assumed delivery of CIPs and transformational changes in line with our Two Year Operational Plan. We are also assuming funding for all cost pressures deemed necessary to deliver operational and clinical sustainability over the initial three years of this Plan. We have an agreed set of CIP and transformation schemes which are subject to a Quality Impact Assessment process and have been shown to be deliverable without compromising safety and service quality. In years four and five the opportunity to make internally generated efficiencies without some impact on clinical and operational sustainability is challenging.

**Financial Sustainability:** The Trust is aware that the forthcoming period will be more challenging. The financial climate is heightened by; an increase in the number of people requiring support, an increase in expectations from those people receiving the service in terms of availability and standard of service.

During this period we will need to maintain a downward pressure on costs at the same time as delivering significant efficiencies. These efficiencies will come from services changes, increased productivity and changes in skill mix. At the point when other parts of the social care and health sector are being squeezed we will prioritise our efforts on those people who require the service the most whilst looking for creative alternatives to support community and individual resilience.

The financial plan and execution is therefore complex but equally ambitious. It sets out to reduce the net expenditure over the Plan years 1-3 so that it's fit for purpose and ready and able to secure a sustainable platform for the services it provides. This is likely to be on a bigger footprint. It is anticipated that the growth will enable efficiencies to be realised from support service functions, provide greater resilience and have the capacity to respond to and effectively engage with our stakeholders.

the overall financial position is set out overleaf. This assumes that CIP of 5% can only be sustained for the first three years of the Plan. After that the opportunity for finding internally generated savings on the cost base is significantly reduced. The mode, also recognises relatively high proportion of cost pressures throughout the period because of the impact of 7 day working workforce configuration and investment in technology. The position at Year 5 is predicted to be an in year deficit and a Financial Risk Rating of 3. the combination of which is not sustainable.

We have used this base case position to understand the scale of the challenge and determine the remedial action required. We used this as a starting point and examined our strategic options. These are set out at Section 3



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## 2.8 Alignment with Commissioners

The Trust operates mainly in four local health economies; Barnsley, Calderdale, Kirklees, and Wakefield, and across the whole of Yorkshire & Humber for Forensic services. This sub-section reviews commissioning intentions of both CCG and local authority commissioners in each patch, including planned use of the Better Care Fund. Where possible all of the following sources have been reviewed as part of this analysis:

- CCG 2 year and 5 year plans
- Health & Wellbeing Strategies
- Better Care Fund submissions
- Published service line commissioning intentions
- Pre Qualifying Questionnaires and Invitations to Tender
- Informal intelligence from contract management processes

Section 2.8.1 addresses the Calderdale local health economy, section 2.8.2 refers to the Kirklees area made up of both Greater Huddersfield and North Kirklees CCGs, 2.8.3 covers Wakefield, and 2.8.4 is Barnsley

**Extent of Alignment of assumptions:** To the extent that commissioning plans have been published they have been noted and incorporated into the assumptions used in the development of this Plan. In practice this means that commissioning intentions with regards to mental health service strategy are relatively well understood but financial assumptions regarding contract values and any specific decommissioning threat is less clear.

Engagement with commissioners and other local health economy partners is generally good, with the Trust actively participating in a wide range of strategic planning and service development activities. As such we have good relationships with our commissioners and are working together for a collectively sustainable future.

**Working together with NHS provider organisations locally:** The Trust continues to be an active partner in the development of provider-led responses to local health economy challenges. In Calderdale and Huddersfield a commissioner led strategic review of health and social care has led to the development of an Outline Business Case by a number of local provider organisations (CHFT, Locala and SWYPFT). This work offers a proposal to commissioners of how providers can work together to offer more effective integrated care and address the financial challenges facing the health economy. In Wakefield we are participating in the development of a similar provider led response (with Locala, Mid Yorkshire Hospitals Trust and others).



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# 3.2 Service Line Analysis - Summary

Each of the service lines at section 3.1 have been analysed in terms of the market conditions, SWOT for our own services, consideration of risks and issues and exploration of possible future scenarios. At the end of each analysis a review of strategic options has been undertaken. Table 21 summarises the Strategic Intent in each area. The full analysis for each service line is included at Appendix C. The key messages arising from the Service Line Analysis, which apply generally are;

- Consolidation of existing service portfolio
- Transformation including channel shift to self care, and
- Further development of Partnership for synergies in skills and service offerings

**Table 21: Summary of Service Line Analysis**

Service Line	Grow	Shrink	Partner	Transform	Comments
Acute MH	✓			✓	Growth Yr 4 onwards re sustainable service platform
Community MH	✓	(✓)	✓	✓	Growth in sub-specialisms initially
Rehab & Recovery		(✓)	✓	✓	New community model – partner re housing support
Dementia			✓	✓	Partner re post-diagnosis support
CAMHS	(✓)		✓	✓	Partner potentially re T2 T4, sub-specialism growth
Substance Misuse		(✓)	✓	✓	Integrated partnership for community. Beds viability?
Forensic	✓		✓	✓	Clinical Network, medium secure growth
Learning Disability			✓	✓	Partner around consultancy and advice – system flow
LTCs				✓	Virtual ward, care co-ordination/ referral mgt centre
Health & WB	✓			✓	Scalable multi-channel technology platform is key to grow
Intermediate Care				✓	CCG review of model and consolidation of bed base
Community Nursing & Therapies				✓	Improved access and flexibility of response - lean

(✓) = Applies to part of Service Line only

# 3.3 Key Opportunities & Challenges

Calderdale & Kirklees BDUs	Wakefield BDU
<ul style="list-style-type: none"> <li>Hospital Liaison continues to build partnership credentials, plus Community Liaison offer into OBC Locality Teams offers growth potential for a Trust wide model</li> <li>Rehabilitation: although all parties desire to improve the current pathway and to reduce the extent of OATs, the sharing of resulting efficiencies between commissioner QIPP and provider CIP will require further exploration.</li> <li>The resourcing of Calderdale Crisis and Home Based Treatment continues to be an issue impacting on the effective provision of alternatives to hospital admission, and therefore will require resolution as part of the acute care pathway transformation.</li> <li>The cross-subsidy of Calderdale services by Wakefield, North Kirklees and Greater Huddersfield CCGs is unsustainable. Although this is being addressed incrementally, resolution is challenging.</li> <li>Trust wide sub-specialisms delivered locally highlighted by commissioners and Service Line teams in most localities</li> </ul>	<ul style="list-style-type: none"> <li>Creative Minds funded for first time – but more to do to build commissioners association of the Trust with recovery and prevention</li> <li>This perception held more widely in relation to Health and Wellbeing</li> <li>IAPT opportunity – commissioners requiring more complete range of psychological therapies – potential partnership opportunity.</li> <li>Review of all main adult mental health services = opportunity to realign to recovery principles but also challenge to funding and pathway stability.</li> <li>Community liaison model allied to GP network locality teams – This offers potential to become a Trust wide model.</li> </ul>



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# 3.3 Key Opportunities & Challenges

Barnsley BDU	Other
<ul style="list-style-type: none"> <li>Intermediate Care Review – opportunities regarding Virtual Ward, but challenges regarding potential impact on bed based services – mitigated by consolidation of estate as per capital plan</li> <li>Barnsley Hospital – opportunity to provide solutions – LTC models including telehealth, but requiring further pace and depth in transformation</li> <li>Health and Wellbeing model – must adapt to integrated wellness service specifications, and note threat of local authority in-sourcing</li> <li>Personality Disorder pathway under development offers system efficiencies and qualitative gains – potentially a model for Trust-wide services</li> <li>Physical / Mental health interface – e.g. smoking cessation highlighted by CCG</li> <li>Evaluation of Recovery College – opportunity to ensure share of market which is moving towards smaller 3rd sector providers</li> <li>Self harm attendances at general hospital noted by commissioners – related to transitional arrangements and balance psychology/ psychiatry</li> </ul>	<ul style="list-style-type: none"> <li>ADHD/ ASD growth potential strong – Trust wide offer</li> <li>CAMHS quality and access issues being addressed but also offers good potential for niche offers e.g. HSB.</li> <li>Forensic Clinical Network formation positions positively. Much riding on specific detail of national tender exercise.</li> <li>Learning Disabilities transformed offer has good commissioner sign up in principle – further work on income model.</li> </ul>



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## 3.4 Our Plan for Sustainability

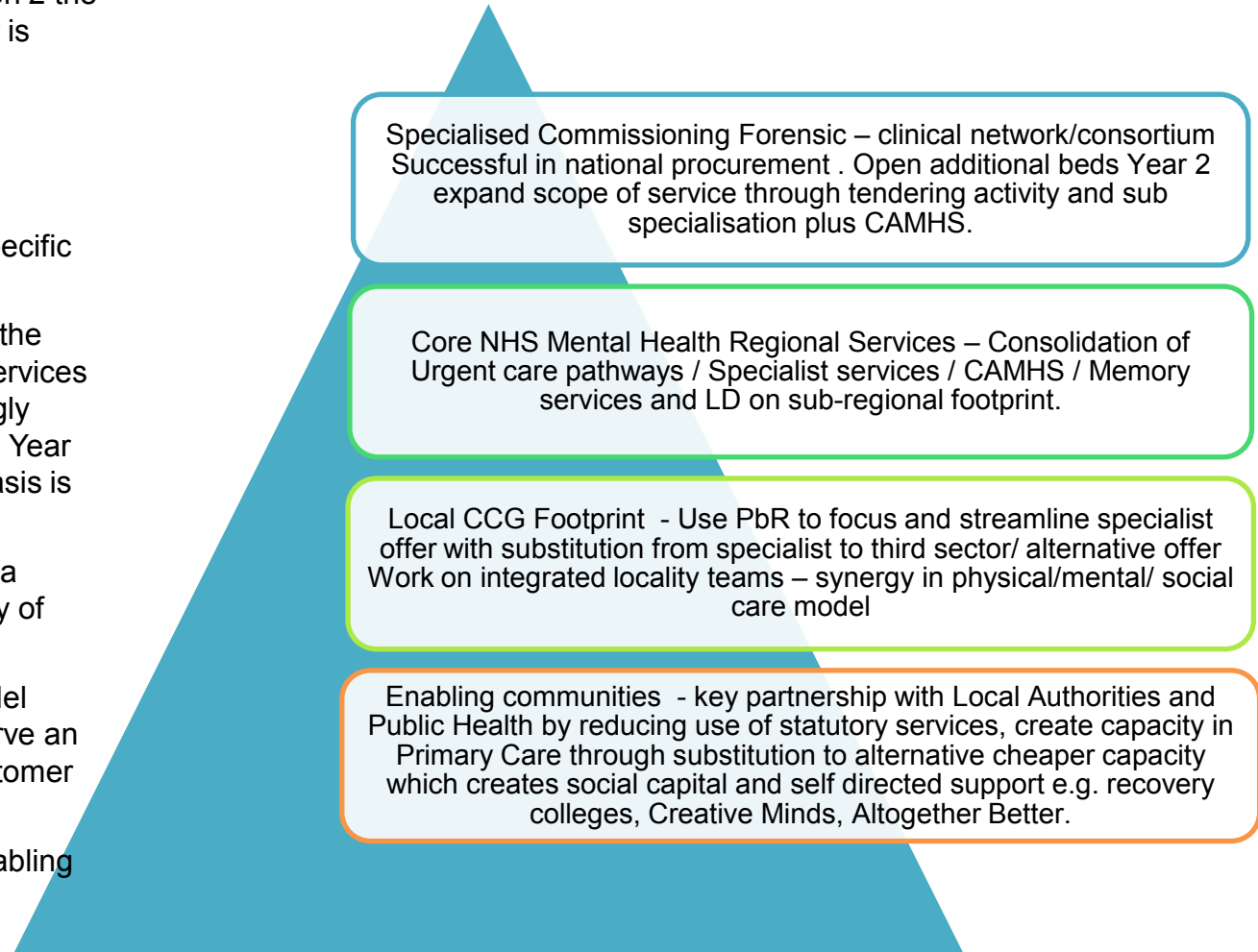
As in the base case set out at Section 2 the Trust's chosen plan for sustainability is predicated on;

- Driving hard on CIPs through transformation in Years 1-3, and
- Increasing our focus on income generation through Service Line specific plans as outlined at Section 3.4.1.

In addition this Plan recognises that the challenges of sustainability for the services which we provide become increasingly challenging at the current scale from Year three onwards. Therefore the emphasis is additionally on the following:

- Growth through partnership to find a sustainable platform for the delivery of each strata of service provision
- Achieving scale and operating model efficiency in support services to serve an increasingly dispersed internal customer base
- Continuing the journey towards enabling recovery and promoting self care.

**Figure 7: Model for Sustainable Services**



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## 3.4.3 Our Plan: Sustainability

**Clinical and Operational Sustainability:** Within our plan for sustainability we have carried forward all of the existing mechanisms to ensure clinical and operational safety, including robust ongoing quality impact assessments of all CIP and transformation schemes prior to implementation and during roll-out. Where the base-case identified decreasing potential for internally generating efficiencies without impacting on quality in the final two years of this five year plan, our revised plan for sustainability addresses this through the establishment of a larger platform for services, which will enable more synergies to be found. This is expected to result in better access to highly specialised services, with a wider range of services being clinically and operationally viable over a wider footprint. Technology will enable access to skills and expertise over a greater number of hours per day, 7 days per week, which will enhance access for service users. Service improvement and practice governance coaching will support the spread of best practice, and oversight of quality will be maintained through current Trust Board committee structures.

Clinical sustainability is reliant upon a shift from a service to person centred delivery model. Clearly this supports the transition towards greater reliance on self directed support. In this context sustainability can only be achieved through significant redesign of clinical workforce, requiring promotion of an enabling rather than the fixing professional culture that currently prevails. In practice this will require substitution of some current roles and activities with peer support.

**Financial Sustainability:** In response to increasing demand and workforce related inflationary pressures, this Plan ensures that all investment requirements can be met and that efficiencies can be generated with out impacting on clinical quality. In the latter years of the Plan synergies in management administration and support services will become available, as a sustainable platform is found for the services which we provide.

In order to be ready to take advantage of such synergies it is essential that we stick to the delivery of CIPs through transformation of both clinical and support services over the first three years of the plan – building an infrastructure that is fit for the future. In addition to developing the services models and the enabling technology based delivery channels, we must focus on the accompanying work force change required to ensure we have the right skills, role types and sustainable workforce numbers to be in position to execute the Plan from Year 3 onwards.

the overall financial position is set out on the previous page. This plan would see the Trust maintain a surplus in every year and would see the FRR remain at 4 by 2019.



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# 4.1 Key Delivery Milestones

**Sustainable Platform:** Our plan for Year 3 onwards requires the development of strong external partnerships and potentially new organisational forms. This takes us into relatively innovative territory, where engagement of commissioners and regulators as well as provider partners across the health and social care spectrum will be of major importance.

Therefore the milestone plan below focuses on the engagement activities as well as the development of operating models which will be fit for purpose at scale.

**Figure 8: Sustainable Platform – Initial Key Delivery Milestones**

	Year One	Year Two	Year Three	Year Four	Year Five
CIP Delivery	Mainly driven through workforce schemes	Increasingly transformational service change	Increasingly support service efficiency	synergies	synergies
Transformation	BDU developed quick wins, plus 'ground work' for bigger change	Focus on alternative models – Recovery College, Creative Minds etc. Use technology to support growth in sub specialisms		New roles (peer support, volunteers) embedded in workforce, workforce into new organisational forms	
Commercial	Maintain net contract position, linked to transformation	Growth through bids and business cases. Development of alternative organisational vehicles to support transformation. By Y3 achieve some growth through wider service platform		Increased emphasis on wider service platform	Consolidation of benefits realisation from wider service platform
IT Investment	Focus on enablers for transformation e.g. agile, telehealth, interoperability of clinical systems. By Y2/3 enable support service scalability			Support to larger organisation plus micro orgs through Creative Minds	
Forensic	Clinical Network / partnership	Achieve growth through national procurement exercise		Consolidate and drive pathway efficiencies	
Partnership	Active contribution to integrated care initiatives in LHEs e.g. MH liaison, dementia, primary care, social care		Increasingly using joint ventures and business partnerships, plus sub-regional specialism linked to wider service platform, while maintaining core LHE presence		

## 4.2 Managing Risks & Resourcing the Plan

**Resourcing:** Our plan for Years 1 and 2 is predicated on the delivery of cost improvements through transforming services. To support this work we have created a dedicated Programme Management Office, established a fund to second clinical and operational staff, and also where required brought in external advisors to support specific developments. This is reflected in our non-recurrent expenditure plans.

Our plan from Year 3 onwards requires the addition of new skills in the Trust and will also require some highly specialist external support. In Year 1 the Trust will add a dedicated commercial manager to the team, to drive the income generation activity and support the formation of critical operational partnership arrangements. The Trust will continue to make use of legal and commercial advice to guide the process of finding a sustainable scalable platform for service provision. This is reflected with increasing transitional resource into Years 2 – 4 of the Plan.

**Table 24: Strategic Risks**

Risks	Controls
CIP delivery through transformation of services and change of working practices is slower than planned/ cannot achieve the planned levels of benefit in Years 1 and 2, impacting the Trust's timescale for resolution of longer term sustainable platform	Weekly CEO chaired 'ORG' meetings tracking delivery and unblocking issues. Further substitution schemes under development.
Development of Specialist Services / Forensic clinical networks and national tender exercise does not lead to maintenance/ growth of Forensic contribution in Y3	Focus on development of networks in Y1 and invest in preparation for tender exercise
Potential partner timescales not well aligned with our own. This is especially pertinent for us in view of the large number of local health economies in which we operate and the number of partners	Early conversation and adaptation of plans
Commissioner / regulator concerns – potentially re competition impact	Early conversation, expert advice, clear analysis of service user and system benefits
Any significant decommissioning of current contracts by our CCGs would challenge the delivery of sustainability (commissioning intentions indicate this is not currently planned)	Focus on demonstrating quality and value to commissioners to reduce the need to test market
Embedding Recovery principles throughout our service delivery is a significant cultural change from the former professional model requiring careful management of clinical risk	Clinical leadership roles and practice governance roles in place, plus regular review at EMT and Trust Board ctees
Management of workforce transition – recruitment and development of new roles (peer support etc) , retain skills, maintain staff side relationships.	Programme approach to workforce schemes, regular staff side engagement and clear comms.



With all of us in mind

## Integrated Performance Report: Strategic Overview





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## Introduction

Dear Board Member/Reader

Welcome to the Trust's Integrated Performance Report: Strategic Overview for month 2 2014/2015 (May 2014 information unless stated). The integrated performance strategic overview report is a key tool to provide assurance to the Board that the strategic objectives are being delivered and to direct the Board's attention to significant risks, issues and exceptions.

The Trust continues to improve its performance framework to deliver the Trust IM&T strategy of right information in the right format at the right time. Performance reports are now available as electronic documents that allow the reader to look at performance from different perspectives and at different levels within the organisation.

Performance is reported through a number of key performance indicators (KPIs) using the Trust's balanced score card to enable performance to be discussed and assessed with respect to

- Business Strategic Performance – Impact & Delivery
- Customer Focus
- Operational Effectiveness – Process Effectiveness
- Fit for the Future - Workforce

KPIs provide a high level view of actual performance against target and assurance to the Board about the delivery of the strategic objectives and adhere to the following principles:

- Makes a difference to measure each month
- Focus on change areas
- Focus on risk
- Key to organisational reputation
- Variation matters



## HIGH LEVEL PERFORMANCE SUMMARY (YEAR TO DATE)

### OUTCOMES

- Monitor Governance Risk Rating
- Monitor Finance Risk Rating
- CQUINs

### RAG RATING

G
G
A/G

### CUSTOMER FOCUS

- Complaints
- Members council
- Annual community survey

G
A/G
A/G

### OPERATIONAL EFFECTIVENESS

- Case load management (7 day follow-up; CPA review; gate kept; DTOC)
- Data Quality

G
A/G

### FIT FOR THE FUTURE WORKFORCE

- Sickness
- Training
- Appraisal

A/R
A/G
Not available

# Trust Board Performance Dashboard – Vital Signs (Month 2 2014/15)

## Business Strategic Performance: Impact & Delivery

Month 2 2014/15

Section	KPI	Target	Current Position	Status	Trend	Forecast Position
Monitor Compliance	Monitor Governance Risk Rating (FT)	Green	Green	✓	—	4
	Monitor Finance Risk Rating (FT)	4	4	✓	—	4
CQC	CQC Quality Regulations (compliance breach)	Green	Green	✓	—	4
CQUIN	CQUIN Barnsley	Green	Amber/G	▲	—	3
	CQUIN Calderdale	Green	Amber/G	▲	—	3
	CQUIN Kirklees	Green	Amber/G	▲	—	3
	CQUIN Wakefield	Green	Amber/G	▲	—	3
	CQUIN Forensic	Green	Amber/G	▲	—	3
IAPT	IAPT Barnsley: % Who Moved to Recovery	50%	48.21%	✓	↓	3
	IAPT Kirklees: % Who Moved to Recovery	52%	52%	✓	↓	3
	IAPT Outcomes - Barnsley	90%	98.43%	✓		4
	IAPT Outcomes - Calderdale	90%	97%	✓		4
	IAPT Outcomes - Kirklees	90%	100%	✓		4
Inf' Prevent'	Infection Prevention (MRSA & C.Diff) All Cases	8	0	✓	—	4
C-Diff	C Diff avoidable cases	0	0	✓	—	4
PSA Outcomes	% SU on CPA in Employment	10%	7.8%	✗	↑	3
	% SU on CPA in Settled Accommodation	60%	72.2%	✓	↑	4

## Customer Focus

Month 2 2014/15

Section	KPI	Target	Current Position	Status	Trend	Forecast Position
Complaints	% Complaints with Staff Attitude as an Issue	< 25%	17% 4/23	✓	↓	4
MAV	Physical Violence - Against Patient by Patient	19-25	Within ER	✓	—	4
	Physical Violence - Against Staff by Patient	51 - 65	Above ER	▲	—	4
FOI	% of Requests for Information Under the Act Processed in 20 Working Days	100%	100%	✓	—	4
Media	% of Positive Media Coverage Relating to the Trust and its Services	> 60%	81%	✓	—	4
Member's Council	% of Publicly Elected Council Members Actively Engaged in Trust Activity	> 50%	47%	▲	↓	3
	% of Quorate Council Meetings	100%	100%	✓	—	4
Membership	% of Population Served Recruited as Members of the Trust	1%	1%	✓	—	4
	% of 'Active' Members Engaged in Trust Initiatives	> 50%	40%	▼	—	2
Befriending services	% of Service Users Allocated a Befriender Within 16 Weeks	> 70%	75%	✓	↑	4
	% of Service Users Requesting a Befriender Assessed Within 20 Working Days	> 80%	100%	✓	—	4
	% of Potential Volunteer Befriender Applications Processed in 20 Working Days	> 90%	100%	✓	—	4

## Operational Effectiveness; Process Effectiveness

Month 2 2014/15

Section	KPI	Target	Current Position	Status	Trend	Forecast Position
Monitor Risk Assessment Framework	Max time of 18 weeks from point of referral to treatment - non-admitted	95%	99.8%	✓	↑	4
	Max time of 18 weeks from point of referral to treatment - incomplete pathway	92%	98.7%	✓	↑	4
	Delayed Transfers Of Care (DTOC) (Monitor)	< = 7.5%	4.18%	✓	↓	4
	% Admissions Gatekept by CRS Teams (Monitor)	95%	100.00%	✓	—	4
	% SU on CPA Followed up Within 7 Days of Discharge (Monitor)	95%	96.35%	✓	↓	4
	% SU on CPA Having Formal Review Within 12 Months (Monitor)	95%	94.00%	⚠	↓	4
	Meeting commitment to serve new psychosis cases by early intervention teams QTD	95%	207.97%	✓	↑	4
	Data completeness: comm services - Referral to treatment information	50%	100%	✓	—	4
	Data completeness: comm services - Referral information	50%	94%	✓	—	4
	Data completeness: comm services - Treatment activity information	50%	94%	✓	—	4
	Data completeness: Identifiers (mental health) (Monitor)	97%	99.40%	✓	—	4
	Data completeness: Outcomes for patients on CPA (Monitor)	50%	84.70%	✓	↑	4
	Compliance with access to health care for people with a learning disability	Green	Green	✓	—	4
	% Inpatients (All Discharged Clients) with Valid Diagnosis Code	99%	99.1%	✓	↑	4
Data Quality	% Valid NHS Number	99%		●	●	4
	% Valid Ethnic Coding	90%		●	●	3
Mental Health PbR	% of eligible cases assigned a cluster	100%	95.7%	✗	↑	
	% of eligible cases assigned a cluster within previous 12 months	100%	80.2%	✗	↓	

## Fit for the Future; Workforce

Month 2 2014/15

Section	KPI	Target	Current Position	Status	Trend	Forecast Position
Appraisal	% of Staff Who Have Had an Appraisal in the Last 12 Months	>=90%				
Sickness	Sickness Absence Rate (YTD)	<=4%	4.8	⚠	↓	3
Vacancy	Vacancy Rate	10%	3.5%	✓	—	4
Safeguarding	Adult Safeguarding Training	>=80%	72.25%	⚠	↑	3
Fire	Fire Attendance	>=80%	74.75	⚠	↑	3
IG	IG Training	>=95%	89.31	⚠	↓	4

## Overall Financial Position

Performance Indicator		Month 2 Performance	Annual Forecast	Trend from last month	Last 3 Months - Most recent			Assurance	
<b>Trust Targets</b>					1	-	-		
<b>1</b>	Monitor Risk Rating equal to or ahead of plan	●	●	↑	●			4	-
<b>2</b>	£2.58m Surplus on Income & Expenditure	●	●	↑	●			4	-
<b>3</b>	Cash position equal to or ahead of plan	●	●	↑	●			4	-
<b>4</b>	Capital Expenditure within 15% of plan.	●	●	↓	●			4	-
<b>5</b>	Delivery of Recurrent CIP	●	●	↔	●			4	-
<b>6</b>	In month Better Payment Practice Code	●	●	↔	●			4	-

### Summary Financial Performance

1. The Financial Risk Rating (Risk Assessment Rating) is 4 against a plan level of 4. A score of 4 is the highest possible.

2. The year to date position, as at May 2014 is showing a net surplus of £1.3m which is £1.1m ahead of plan.

Overall the current BDU forecast positions require the utilisation of provisions (£1m) in order for the Trust to forecast a balanced surplus position. Work continues within all areas of the organisation to ensure that cost pressures are mitigated and expenditure reductions are maximised.

The largest singular cost pressure identified by the Trust relates to additional Out of Area expenditure ( payments made to 3rd parties for the provision of Healthcare). This is an unfunded cost pressure and the current forecast includes a pressure of £1m.

3. At May 2014 the cash position is £31.29m which is £0.42m ahead of plan.

4. Capital spend to May 2014 is £0.53m which is £0.66m (55%) behind the Trust capital plan. The overall Capital Plan is currently being revalidated. Based upon current performance a resubmission of the Capital Programme will be required to Monitor at Quarter 1.

5. At Month 2 the Cost Improvement Programme is £0.13m ahead of plan of £1.73m. (7.3%) Based upon current knowledge it is forecast that there will be a £1.29m shortfall (outstanding schemes rated as red ) and therefore further substitute schemes will need to be introduced.

6. As at 31st May 2014 (Month 1) 94% of NHS and 96% of non NHS invoices have achieved the 30 day payment target (95%).

## Monitor Risk Rating

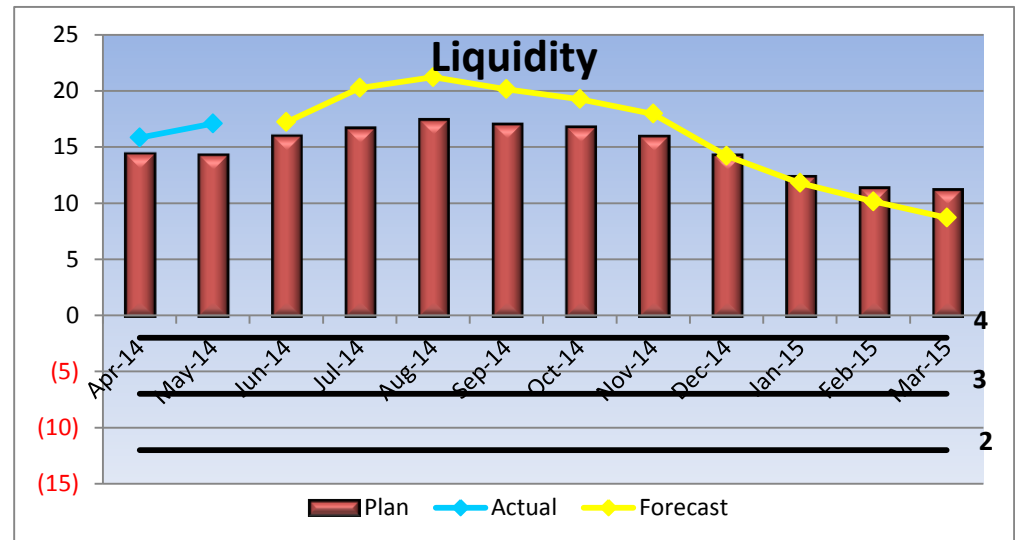
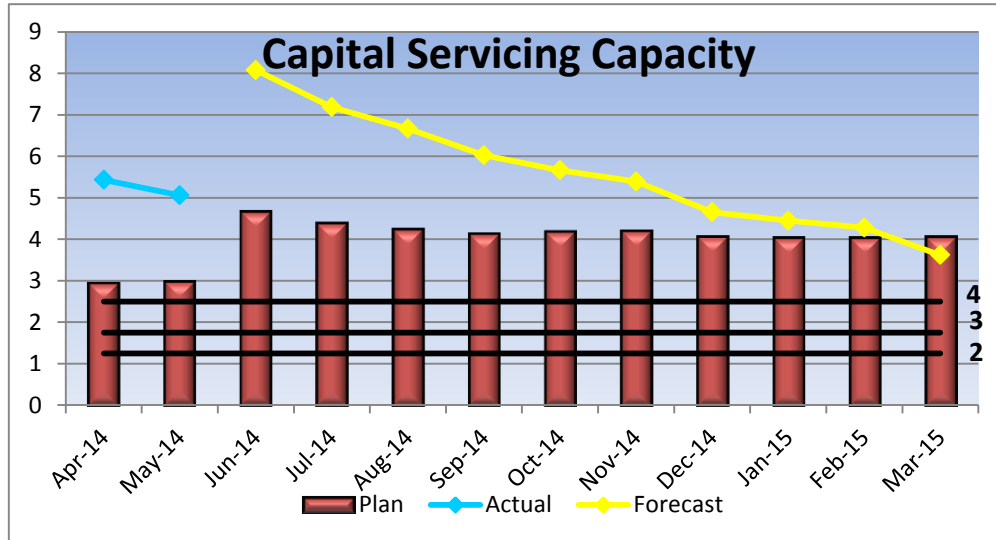
### Continuity of Service Risk Rating 2014 / 2015

	Actual Performance		Annual Plan May 2014	
Metric	Score	Rating	Score	Rating
Capital Servicing Capacity	5.1	4	3.0	4
Liquidity	17.1	4	14.3	4
Weighted Average		4		4

Overall the Trust maintains a Continuity of Service Risk Rating of 4 and maintains a material level of headroom before this position is at risk. This is shown in the graphs below.

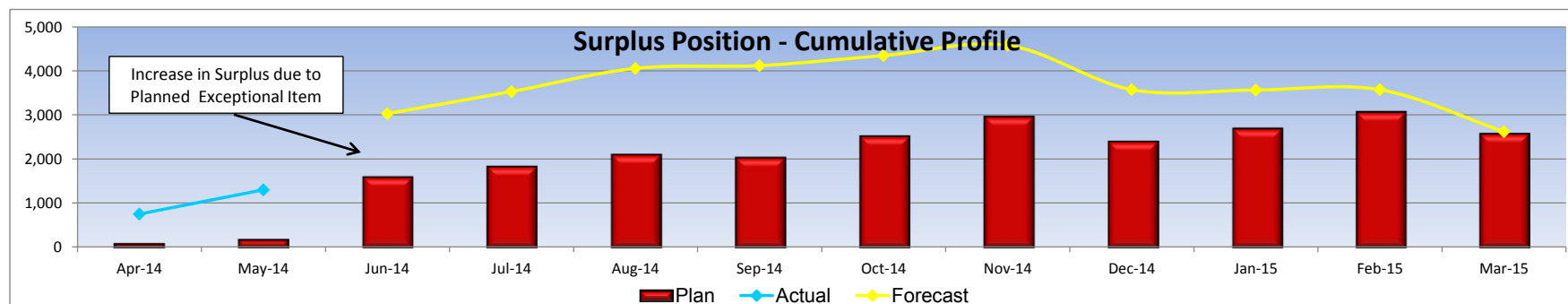
There is currently no expectation that this will be lower than a 4.

Both ratios are currently better than planned.



## Income & Expenditure Position 2014 / 2015

Budget Staff in Post	Actual Staff in Post	Variance		This Month Budget	This Month Actual	This Month Variance	Description	Year to Date Budget	Year to Date Actual	Year to Date Variance	Annual Budget	Forecast Outturn	Forecast Variance
WTE	WTE	WTE	%	£k	£k	£k		£k	£k	£k	£k	£k	£k
				(18,121)	(18,095)	26	Clinical Revenue	(36,290)	(36,276)	14	(217,839)	(217,675)	164
				(18,121)	(18,095)	26	<b>Total Clinical Revenue</b>	(36,290)	(36,276)	14	(217,839)	(217,675)	164
				(1,070)	(1,200)	(130)	Other Operating Revenue	(2,065)	(2,265)	(200)	(12,340)	(13,012)	(673)
				(19,191)	(19,295)	(103)	<b>Total Revenue</b>	(38,354)	(38,541)	(186)	(230,179)	(230,687)	(508)
4,547	4,390	(157)	3.5%	14,528	14,312	(216)	BDU Expenditure - Pay	29,008	28,398	(609)	171,298	171,919	622
				3,705	3,597	(108)	BDU Expenditure - Non Pay	7,358	7,158	(200)	44,008	44,971	962
				162	157	(5)	Provisions	355	331	(24)	4,636	3,612	(1,024)
4,547	4,390	(157)	3.5%	18,395	18,066	(329)	<b>Total Operating Expenses</b>	36,721	35,888	(833)	219,942	220,502	560
4,547	4,390	(157)	3.5%	(796)	(1,229)	(432)	<b>EBITDA</b>	(1,634)	(2,653)	(1,020)	(10,237)	(10,185)	52
				433	422	(10)	Depreciation	865	845	(21)	5,191	5,191	0
				264	264	0	PDC Paid	527	527	0	3,164	3,164	0
				0	(7)	(7)	Interest Received	0	(15)	(15)	0	(89)	(89)
				0	0	0	Impairment of Assets	0	0	0	(700)	(700)	0
4,547	4,390	(157)	3.5%	(100)	(550)	(450)	<b>Surplus</b>	(241)	(1,296)	(1,055)	(2,582)	(2,620)	(37)



The information above represents the plan, and phasing associated with this, as per the 2 year plan submitted to Monitor in April 2014. This includes the planned phasing impact of the Trust Cost Improvement Programme, as shown within the CIP information.

Overall the Trust surplus position, as at May 2014 / month 2 is £1,296k. This is £1,055k better than planned. The main element of this is:

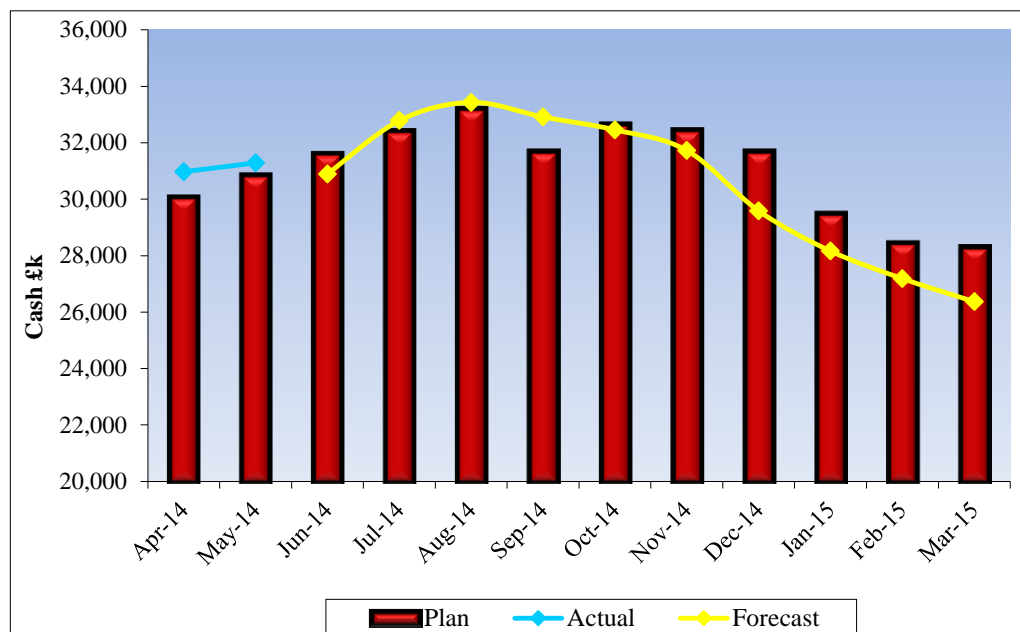
- \* Pay underspends across all BDU's with the expenditure on pay being less than budgeted including taking account of the impact of bank, agency and locum staff.

However the forecast at month 2 highlights a number of risk areas / financial pressures which will need to be addressed. These include:

- \* Identified risks around cost reductions / savings within the Cost Improvement Programme. These continue to be the subject of management review and implementation. At this point in time plans are yet to be finalised and as such have been RAG rated as red and are reflected in the forecast. In the original plan the majority of these were designed to be delivered in Quarters 3 and 4.
- \* BDU cost pressures, the largest of which relates to additional costs from Out of Areas expenditure.

Overall the current BDU forecast positions require the utilisation of provisions (£1m) in order for the Trust to forecast a balanced surplus position. Work continues within all areas of the organisation to ensure that cost pressures are mitigated and expenditure reductions are maximised.

## Cash Flow Forecast 2014 / 2015



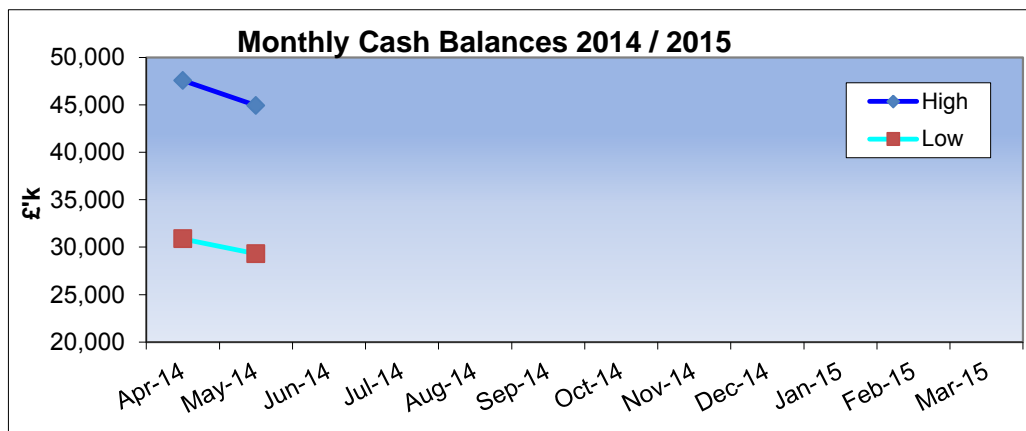
The Cash position provides a key element of the Continuity of Service Risk Rating. As such this is monitored and reviewed on a daily basis.

Weekly review of actions ensures that the cash position for the Trust is maximised.

Overall the cash position for May 2014 is £31.29 m which is £0.42 m ahead of plan.

The current cashflow forecast is being validated, and action taken specifically with the balance sheet position, to improve this current forecast position (for example action to tackle the level of Non NHS debtors).

	Plan	Actual
	£k	£k
Opening Balance	33,114	33,114
Closing Balance	30,866	31,285



The graph to the left demonstrates the highest and lowest cash balances with each month. This is important to ensure that cash is available as required.

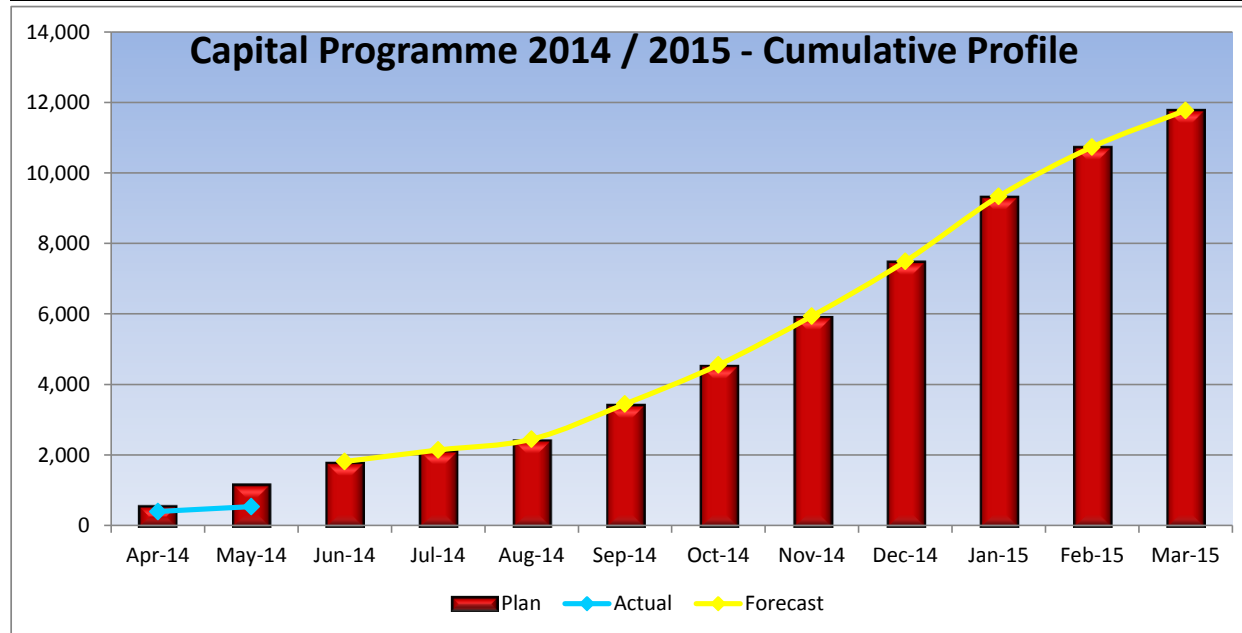
The highest balance is : £44.93m.

The lowest balance is : £29.29m.

This reflects cash balances built up from historical surpluses that are available to finance capital expenditure in the future.

## Capital Programme 2014 / 2015

Capital Expenditure Plans - Application of funds	Annual Budget £k	Year to Date Plan £k	Year to Date Actual £k	Year to Date Variance £k	Forecast Actual £k	Forecast Variance £k	Note
<b>Maintenance (Minor) Capital</b>							
Facilities & Small Schemes	2,294	448	54	(394)	2,294	0	5
<b>Total Minor Capital</b>	<b>2,294</b>	<b>448</b>	<b>54</b>	<b>(394)</b>	<b>2,294</b>	<b>0</b>	
<b>Major Capital Schemes</b>							
Hub Development / Hepworth	6,644	448	274	(174)	6,644	0	3
Fieldhead Hospital Development	2,392	284	178	(105)	2,392	0	4
IM&T	450	15	25	10	450	0	
<b>Total Major Schemes</b>	<b>9,486</b>	<b>747</b>	<b>478</b>	<b>(269)</b>	<b>9,486</b>	<b>0</b>	
VAT Refunds				0	0	0	
<b>TOTALS</b>	<b>11,780</b>	<b>1,196</b>	<b>532</b>	<b>(663)</b>	<b>11,780</b>	<b>0</b>	1, 2



### Capital Expenditure 2014 / 2015

1. The total Capital Programme for 2014 / 2015 is £11.78m

2. The year to date position is £663k under plan (55%) when compared to the Monitor plan for month 2.

The main reasons behind this variance are:

3. £234k variance to plan in relation to Forensics inpatient redevelopment. Approximately £200k of this relates to expenditure recognised in 13/14. The scheme overall is forecast to spend in line with plan. This additional funding will be utilised within the overall Capital Programme.

\* This is partially offset by expenditure on the Calderdale Hub development which is £71k ahead of plan.

4. Underspend arising from Infrastructure (£72k) and Decant Facilities (£33k)

5. Underspends against Facilities (£215k) and Small Schemes (£145k) have been addressed and a revised spending plan has been put in place to bring back in line with profile.

\* This includes Minor Works Scheme (£50k) delayed pending review.

Overall the Capital Programme is forecast to be fully utilised and a revised profile will be reviewed as part of the Quarter 1 Monitor return.



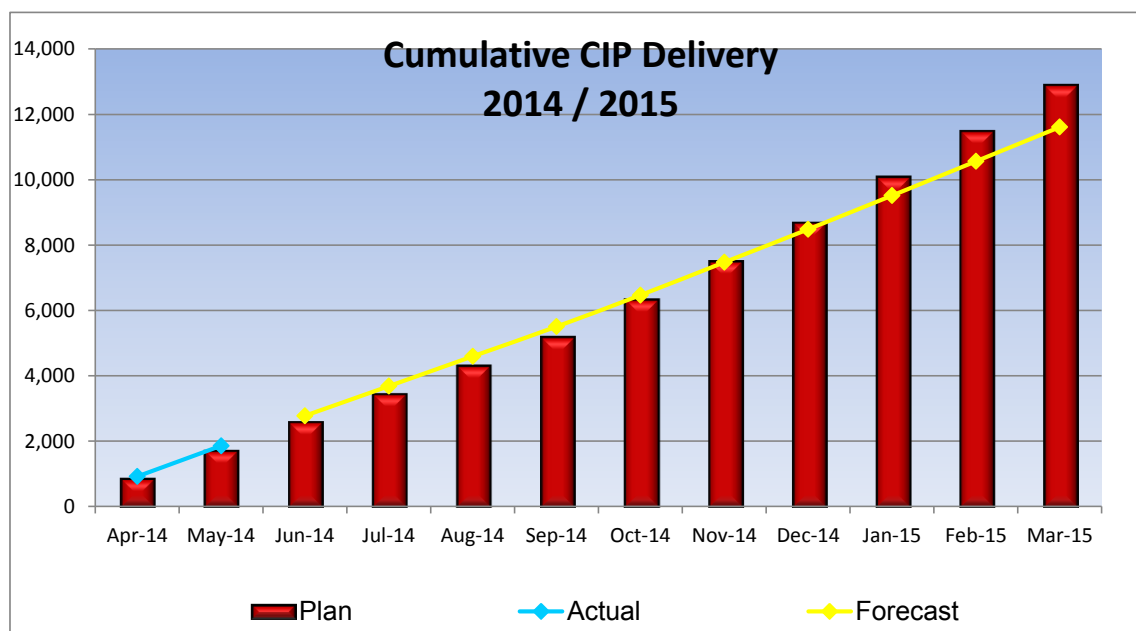
## Summary Performance of Cost Improvement Programme

### Delivery of Cost Improvement Programme 2014 / 2015

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	YTD	Forecast
	£k	£k	£k	£k	£k	£k	£k	£k	£k	£k	£k	£k	£k	£k
Target - Monitor Submission	864	864	864	868	868	868	1,159	1,159	1,182	1,400	1,400	1,400	1,727	12,898
Target - Cumulative	864	1,727	2,591	3,459	4,328	5,196	6,355	7,515	8,697	10,097	11,497	12,898	1,727	12,898

Delivery as planned	809	1,643	2,461	3,269	4,067	4,862	5,701	6,546	7,393	8,257	9,120	9,983	1,643	9,983
Mitigations - Recurrent	65	130	196	259	337	417	506	600	696	797	913	1,030	130	1,030
Mitigations - Non Recurrent	41	80	116	151	187	222	258	325	392	460	528	596	80	596
Total Delivery	914	1,854	2,773	3,680	4,591	5,502	6,465	7,471	8,481	9,513	10,561	11,610	1,854	11,610

Shortfall / Unidentified	(51)	(126)	(182)	(220)	(264)	(306)	(110)	44	215	584	936	1,288	(126)	1,288
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The profile of the Trust Cost Improvement Programme for 2014 / 2015 is outlined above. This profile demonstrates the Trust's plan to deliver increased savings through the year.

The current position is a £84k shortfall against the original plan. However substitutions actioned by BDU's mean that the Trust is ahead of plan at month 2 by 126k. The overall forecast is a £1288k shortfall as schemes planned for later in the year are currently not finalised.

This is based upon information available at this current time and it's a prudent assessment of delivery. This has been reflected within the overall Trust forecast position.

Work is being undertaken but has not yet been finalised and therefore is not included within this month 2 position. This will be reflected once actions are agreed and implemented.

## Better Payment Practice Code

NHS		
	Number	Value
	%	%
Year to April 2014	97.4%	93.7%
Year to May 2014	93.7%	93.1%

Non NHS		
	Number	Value
	%	%
Year to April 2014	97.0%	94.0%
Year to May 2014	96.4%	93.0%

Local Suppliers - 10 days		
	Number	Value
	%	%
Year to April 2014	83.5%	65.3%
Year to May 2014	82.2%	63.3%

The Better Payment Practice Code requires the Trust to pay 95% of valid invoices by the due date or within 30 days of receipt of goods or a valid invoice whichever is later.

The performance against target for NHS invoices is 94% of the total number of invoices that have been paid within 30 days and 93% by the value of invoices.

The performance against target for Non NHS invoices is 96% of the total number of invoices that have been paid within 30 days and 93% by the value of invoices.

The Government has asked Public Sector bodies to try and pay Local Suppliers within 10 days, though this is not mandatory for the NHS. This was adopted by the Trust in November 2008.

To date the Trust has paid 82% of Local Supplier invoices by volume and 63% by the value of invoices within 10 days.

## PERFORMANCE OVERVIEW

### 1.0 IMPACT AND DELIVERY

#### 1.1 Monitor Compliance Framework

- The Trust measures for governance self-assessment against the new Risk Assessment Framework were implemented from October 2013. As at month 1 the Trust's self-assessed risk rating is green.

#### 2 Care Quality Commission (CQC)

- The timescale for completion of identified interventions in regard to the 2 compliance actions related to the CQC visit to Fieldhead (Forensic and Trinity 2) has now passed. It should be anticipated that the CQC will make a return inspection visit fairly soon.
- There has been a further delay to the completion of the CQC Fox View report. The latest intelligence is that the Trust should expect to receive this within 3 to 4 weeks.

#### 1.3 CQUINs

##### 1.3.1 Barnsley

Overall Performance Rating : Amber/Green

The majority of the schemes for 2014/15 are new, with only the National NHS Safety Thermometer for Pressure Ulcer prevalence building on a local scheme in Barnsley already in place.

##### Key Risk Areas:

- National CQUIN - improving physical healthcare within Mental Health. Risks associated with ensuring ICD codes are recorded and full recording of cardio metabolic factors are completed.
- Local CQUIN – NHS Safety Thermometer – maintenance of current position for BDU already performing well in the national picture.
- Local CQUIN – Pressure Ulcers - Improve pressure ulcer prevention and management. Reduce deterioration and service improvement following learning. Some potential risks associated with achievement of thresholds Q2 onwards.
- Local CQUIN (NHSE) Health Visiting Services – risk associated with improved prevalence of breastfeeding at 6-8 weeks within the health visiting service.

##### 1.3.2 Calderdale, Kirklees & Wakefield

Overall Performance Rating: Amber/Green

All schemes with the exception of the National Safety Thermometer and Service User experience are new for 2014/15

**Key Risk Areas:**

- National CQUIN - Improving Physical Healthcare - The main concern is in relation to the Patients of CPA indicator and how the success of achievement with this CQUIN is dependent upon the inter-dependencies between SWYPFT and GPs.
- Local CQUIN - Service User Experience - represents the biggest area of risk for non-achievement based on 2013/14 performance averaging 75% achievement.

**1.3.3 Forensic**

Overall Performance Rating: Amber/Green

**Key Risk Areas:**

- National CQUIN – Improving Physical Healthcare. Risks relate to interdependencies with GP's as identified in other BDU's

**1.4 IAPT - % Moving to Recovery - Barnsley**

Increased in the numbers entering treatment and DNA rate have negatively impacted on this KPI. The service are working to minimise this negative impact.

**1.5 PSA Outcomes**

Month 2 data shows a continued under performance against the national Department of Health outcome measures % on CPA in employment (Target >10%).

Position in Barnsley, Calderdale, Kirklees and Wakefield has improved compared to Month 1. Wakefield 6.6%, Kirklees 8.8%, Calderdale 8.9%, Barnsley 6.1%

**2.0 CUSTOMER FOCUS**

**2.1 Membership/befriending services**

% of members actively engaged – efforts to engage members continue with an increase in active engagement since the previous quarter. The Trust's vision for volunteering may also have a positive impact on member involvement in future months

Befriending service – the befriender recruitment drive has had a positive impact on the number of service users allocated a befriender within 16 weeks and efforts in this area are continuing

**3.0 OPERATIONAL EFFECTIVENESS**

**3.1 Data Quality**

Work on-going within BDUs to reduce risk related to the introduction of financial penalty for non-achievement related to a number of KPI's. Amber/Green Risk associated with Ethnic coding and 7 Day FU at BDU level – BDU Data Quality Action plans being reviewed.

### 3.2 CPA Reviews

Deterioration in performance in month 2 takes the Trust position just below threshold (94%). Forecast is to achieve at quarter end and this is being monitored within BDU's.

### 3.2 Mental Health Currency Development External

Workshop took place with commissioners 19 May to discuss 2014/15 changes to MH Currencies agenda and future shadow contract arrangements. The overall feedback was positive

The Trust volunteered for an external audit by CAPITA on the quality of clustering and costing. This has been received and will be reviewed by EMT. Overall the quality of data on costing was assessed as good ; the report did pick up issues re data quality as anticipated.

The 2 High priority recommendations around accurate clustering were to:-

- 1) Ensure patient notes contain a complete record or presentation and
- 2) Clearly identify and document the assessment scores to ensure cluster accuracy.

CPPP training group are working to develop an e-learning package that will simplify training, improve consistency and accuracy of MHCT scoring / cluster allocation. It is hoped that this will be approved by Royal College of Psychiatrists with the potential that it could in future be marketed.

#### Internal

The revised performance indicators for 2014/15 are on schedule to complete the set up for first submission of quarter 1 to CCGs then monthly thereafter.

A simplified core assessment form has completed the pilot phase in Barnsley and has now been rolled out to the rest of the BDUs. The assessment form was designed by clinical staff co ordinated by the Medical Director. The redesign objective was to streamline generally been well received by clinical staff.

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### 3.2.1 Mental Health Clustering

#### Data Quality Monitoring – Trust Wide Performance - May

Flawless  
Execution  
Continued

Measure	Trust	Calderdale	Kirklees	Wakefield	Barnsley
% Total eligible Service users on caseload - clustered	96%	96%	97%	98%	92%
No of eligible Service users on caseload - clustered	20472	3174	7047	5662	4589
% Adherence to Care Transition Protocols	93%	90%	94%	95%	94%
% of Service Users Reviewed within Cluster frequency	73%	68%	66%	81%	75%
Care Coordinator Recorded	89%	90%	83%	93%	91%

#### 4.0 FIT FOR THE FUTURE: WORKFORCE

**4.1 Appraisal - (End of April position) – 92.3% Overall.** Target levels have been achieved in all BDU's and all are currently experiencing rates above 90% (Barnsley 92.2%, Calderdale 93.9%, Forensics 93.1%, Kirklees 93.3%, Specialist Services 90.1%, Wakefield 91.2% and Support Services 92.3%)

#### 4.2 Sickness – Trustwide Position (End of April position) – 4.84% Overall.

Slight rise from financial year end rate of 4.69% Trustwide in March 2014. The overall position for April 2014 shows an increase from the same position last year which stood at 4.69% for April 2013. The 4.84% rate for April 2014 is the highest rate within the Trust for the month of April since 2009.

- **Current Year to Date (YTD) Sickness Absence Rates by BDU (End of April Position).** Absence projection figures to be published from month 3 data onward following analysis of absence trends, historic data and future potential trends.

	Current YTD absence rate	Absence Projection to March 2015	Current Absence Rate Trend
Barnsley BDU	5.07%	TBC	Increasing
Calderdale BDU	4.15%	TBC	Increasing
Forensic BDU	7.11%	TBC	Increasing
Kirklees BDU	5.06%	TBC	Decreasing
Specialist Services	5.05%	TBC	Increasing
Support Services	4.15%	TBC	Increasing
Wakefield BDU	3.21%	TBC	Decreasing

- **Fire Training (Trustwide End of May Position) – 74.7% (Target – 80%). Increase from 74.4% last month**
- Barnsley BDU: 74.3% - decrease from 75.5%
- Calderdale BDU: 73.4% - decrease from 77.9%
- Forensics BDU: 83.4% - increase from 82.8%
- Kirklees BDU: 72.4% - increase from 68.0%
- Specialist Services BDU: 69.9% - decrease from 75.4%
- Support Services BDU: 76.9% - decrease from 79.9%
- Wakefield BDU: 73.7% - decrease from 79.5%

#### 4.4 Information Governance Training – 89.31%% (Target – 95%)

The position at the 7<sup>th</sup> working day after the end of the month based on a rolling 12 period is 89.3%. This is a small reduction from 90.5% last month. The number of staff who are currently not up to date with their training are 504. Although the numbers falling due for the training are low in the first quarter of this year any member of staff who is not up to date with their training may pose a risk to the organisation in the event of a breach of confidentiality.

- Barnsley BDU: 88.1% - decrease from 90.7%
- Calderdale BDU: 91.2% - decrease from 92.8%
- Forensics BDU: 88.8% - decrease from 90.1%
- Kirklees BDU: 88.5% - decrease from 90.6%
- Specialist Services BDU: 86.4% - decrease from 87.4%
- Support Services BDU: 89.8% - decrease from 90.4%
- Wakefield BDU: 94.6% - decrease from 95.9%

## Glossary

<b>AWA/WAA</b>	Adults of Working Age
<b>AWOL</b>	Absent Without Leave
<b>BDU</b>	Business Delivery Unit
<b>CAMHS</b>	Child and Adolescent Mental Health Services
<b>CCG</b>	Clinical Commissioning Groups
<b>CIP</b>	Cost Improvement Programme
<b>CPA</b>	Care Programme Approach
<b>CPPP</b>	Care Packages & Pathway Project
<b>CQC</b>	Care Quality Commission
<b>CQUIN</b>	Commissioning for Quality and Innovation
<b>CROM</b>	Clinician rated outcome measure
<b>CRS</b>	Crisis Resolution Service
<b>DTOC</b>	Delayed Transfers of Care
<b>EBITDA</b>	Earnings Before Interest, Taxes, Depreciation and Amortization
<b>EIA</b>	Equality Impact Assessment
<b>EIP/EIS</b>	Early Intervention in Psychosis Service
<b>FOI</b>	Freedom of Information
<b>FT</b>	Foundation Trust
<b>HONOS</b>	Health of the Nation Outcome Scales
<b>HR</b>	Human Resources
<b>IAPT</b>	Improving Access to Psychological Therapies
<b>IG</b>	Information Governance
<b>Inf Prevent</b>	Infection Prevention
<b>KPIs</b>	Key Performance Indicators
<b>LD</b>	Learning Disabilities
<b>MAV</b>	Management of Aggression and Violence
<b>MHCT</b>	mental Health Clustering Tool
<b>MRSA</b>	methicillin-Resistant Staphylococcus Aureus
<b>MT</b>	Mandatory Training
<b>NICE</b>	National Institute for Clinical Excellence
<b>NHSE</b>	NHS England
<b>OH</b>	Occupational Health
<b>OPS</b>	Older People's Services
<b>PbR</b>	Payment by Results
<b>PREM</b>	patient reported experience measure
<b>PROM</b>	Patient reported outcome measure
<b>PSA</b>	Public Service Agreement
<b>PTS</b>	Post Traumatic Stress
<b>ROA</b>	Return On Assets
<b>SIs</b>	Serious Incidents
<b>SU</b>	Service Users
<b>SWYT/SWYPFT</b>	South West Yorkshire Partnership Foundation Trust
<b>SYBAT</b>	South Yorkshire and Bassetlaw local area team
<b>TBD</b>	To Be Decided/Determined
<b>YTD</b>	Year to Date



## Trust Board Performance Dashboard - Key

	Green		Amber/Green
	Red		Amber/Red
	Performance has improved	-	No assurance level assigned
	Performance maintained or target met and assurance 4	1	Forecast not met; no plan/plan will not deliver
	Performance has declined	2	Forecast high risk not met; plan in place but very unlikely to deliver
	Not Applicable	3	Forecast risk not met; plan in place but unlikely to deliver
N/A	Not Applicable	4	Forecast met; no plan required/plan in place likely to deliver



With all of us in mind

**Members' Council  
25 July 2014**

<b>Agenda item:</b>	<b>11</b>
<b>Report Title:</b>	Monitor Code of Governance
<b>Report By:</b>	Dawn Stephenson
<b>Job Title:</b>	Director of Corporate Development
<b>Action:</b>	To receive

**EXECUTIVE SUMMARY**

Purpose

The purpose of this paper is to provide assurance to the Members' Council that the Trust meets the revised Code of Governance issued by Monitor for compliance from 1 January 2014.

Recommendation

**The Members' Council is asked to RECEIVE the report on the Trust's compliance with Monitor's Code of Governance.**

Background

The Code of Governance is intended to assist Boards of NHS Foundation Trusts to improve governance practices by bringing together the best practice of public and private sector corporate governance. The Trust has routinely assessed itself against the requirements of the Code and has reported the outcome of this assessment to Trust Board. Monitor issued a revised Code on 1 January 2014 and the outcome of the latest review is included as an annex to this paper. This was presented to Trust Board in March 2014. The assessment demonstrates that the Trust complies with the Code although there are some areas for development, which will be addressed during 2014.

Although the Code of Governance is not mandatory, Monitor has adopted an approach of 'comply or explain' and Trusts are required to comment on compliance with the Code in their annual reports, including identifying any areas where they do not comply.



With all of us in mind

## NHS Foundation Trust Code of Governance – action plan March 2014 (Assessment against the revised Code 1 January 2014)

Items marked in light blue are for inclusion in annual report

Code provision	Current position	Action	Lead	When	Where
<b>SECTION A LEADERSHIP</b>					
<b>A.1 The role of the Board of Directors</b>					
<b>Every NHS foundation trust should be headed by an effective board of directors. The board is collectively responsible for the performance of the NHS foundation Trust.</b>					
<b>The general duty of the board of directors, and of each director individually, is to act with a view to promoting the success of the organisation so as to maximise the benefits of the trust as a whole and for the public.</b>					
<u>A.1.1a</u> The board of directors should meet sufficiently regularly to discharge its duties effectively.	Trust Board meets monthly (except for August) on a three-monthly cycle (business and risk, strategic and public).	None	Chair		Trust Board agenda plan
<u>A.1.1b</u> There should be a formal schedule of matters specifically reserved for decision by the board of directors.	Trust has in place Reservation of Powers to the Board and Scheme of Delegation, which is regularly reviewed by Trust Board.  An annual schedule of Trust Board business is in place and agreed with the Chair.	Scheme of Delegation to be reviewed following review of Quality Academy (September 2014) and linked to service line reporting.	SM/AF/DS		Scheme of Delegation  Trust Board plan
<u>A.1.1c</u> Above should include a clear statement detailing the roles and responsibilities of the council of governors.	Set out in the Trust's Constitution, the Members' Council Standing Orders and Members' Council Code of Conduct.	Given the change to the Members' Council role as a result of the Health and Social Care Act 2012, a formal statement will be developed to provide absolute clarity on the roles and responsibilities.	DS	Summer 2014	Trust Constitution/ Trust Board governance handbook
<u>A.1.1d</u> The above statement should also describe how any disagreements between the council of governors and board of directors will be resolved.	Contained in Constitution (Trust Board Standing Orders).	To be made explicit in the statement of responsibilities.	DS	Summer 2014	Trust Constitution/ Trust Board governance handbook
<u>A.1.1e</u> Summary statement of how the board of directors and council of governors operate, including a summary of the types of decisions to be taken by each and which are delegated to the executive management by the board of directors. These arrangements should be	Included in annual report. Ongoing review through the year through agenda setting.	None	DS		Annual report

Code provision	Current position	Action	Lead	When	Where
<u>reviewed at least annually.</u>					
<u>A.1.2a</u> The annual report should identify the chair, deputy chair, the chief executive, the senior independent director and the chair and members of the nomination, audit and remuneration committees.	Included in annual report	None	DS		Annual report
<u>A.1.2b</u> The annual report should also set out the number of meetings of the board of directors and the above committees and individual attendance by directors.	Formal record of attendance is maintained for Trust Board and its Committees and is included in the annual report.	None	DS		Formal record
<u>A.1.3</u> The board of directors should make available a statement of the objectives of the NHS foundation trust showing how it intends to balance the interests of patients, the local community and other stakeholders, and use this as the basis for decision-making and forward planning.	The Trust's mission, vision, values and goals are available on the Trust's website and can be provided on request. The Trust's statement of its objectives is set out in its business plan and its quality priorities are included in the Quality Accounts. A forward look is contained in the Trust's annual report. All documents are available on the Trust's website. Monitor publishes a copy of all Foundation Trust annual plans on its website and a summary of the plan is publicly available following submission to Monitor.	None	DS		Website/ annual report
<u>A.1.4a</u> The board of directors should ensure that adequate systems and processes are maintained to measure and monitor the NHS foundation trust's effectiveness, efficiency and economy as well as the quality of its healthcare delivery. The board should regularly review the performance of the NHS foundation trust in these areas against regulatory requirements and approved plans and objectives.	Trust Board receives performance and financial information on a monthly basis and detailed human resources, compliance, quality and patient experience reports quarterly. Trust Board also receives assurance through Quality and financial accounts. Trust Board Committees provide assurance to Trust Board on matters delegated to them by Trust Board, including CQC registration, NHS LARMS and Monitor's compliance framework.	None	AF/DS/ TB		Performance reports
<u>A.1.5</u> The board of directors should ensure that relevant metrics, measures, milestones and accountabilities are developed and agreed so as to understand and assess progress and delivery of performance. Where appropriate, and in particular in high	Performance reports to Trust Board contain relevant performance indicators to enable Trust Board to assess progress and delivery of performance. These are reviewed annually for relevance, timeliness and risk. This includes externally	None	AF/DS/ TB		Performance reports

Code provision	Current position	Action	Lead	When	Where
risk or complex areas, independent advice, for example, from the internal audit function, should be commissioned by the board of directors to provide an adequate and reliable level of assurance.	determined indicators, such as Monitor targets and CQUINs set by commissioners. Trust Board also receives a quarterly report on patient experience. Independent advice/assistance is sought, in particular from KPMG and Deloitte, on a range of issues, as appropriate.				
<u>A.1.6</u> The board of directors should report on its approach to clinical governance and its plan for the improvement of clinical quality in accordance with guidance set out by the Department of Health, NHS England, the Care Quality Commission and Monitor. The board should record where, within the structure of the organisation, consideration of clinical governance matters occur.	The Trust's approach to quality is set out in the Quality Improvement Strategy approved by Trust Board in September 2013. The Trust's Quality Accounts contain a range of indicators of quality, which are set following wide consultation with stakeholders and the Trust's Members' Council. Trust Board receives a biannual update on compliance with Monitor's Quality Governance Framework and quarterly update on CQC registration.	None	TB		Quality Improvement Strategy/ Quality Accounts/ Annual report
<u>A.1.7</u> The chief executive, as the accounting officer, should follow the procedure set out by Monitor for advising the board of directors and council of governors, and for recording and submitting objections to decisions considered or taken by the board of directors in matters of propriety or regularity, and on issues relating to the wider responsibilities of the accounting officer for economy, efficiency and effectiveness.	Chief Executive would do so as and when appropriate.	None	SM		Trust Board minutes
<u>A.1.8</u> The board of directors should establish the constitution and standards of conduct for the NHS foundation trust and its staff in accordance with NHS values and accepted standards of behaviour in public life, which include the principles of selflessness, integrity, objectivity, accountability, openness, honesty and leadership (The Nolan Principles).	Vision, values and goals set by Trust Board and reviewed at least annually. Trust Board signed up to the Combined Code and Nolan Principles in March 2006. The duties and obligations of Directors are set out in Trust Board Standing Orders and in the Members' Council Standing Orders for Governors. Both Trust Board and the Members' Council are reminded of the obligations during the annual declaration of interests exercise. As NHS employees, all staff are required to	None	DS		MVVG Constitution and Standing Orders Register of interests Policy

Code provision	Current position	Action	Lead	When	Where
	<p>adhere to NHS values and code of conduct and the Trust has a Standards of Business Conduct in Public Service Policy in place.</p> <p>A risk assessment of the Trust's arrangements in response to the Bribery Act was undertaken by internal audit and presented to the Audit Committee in October 2013. A recommendation was made regarding the Trust's practice in relation to assessing risk as a result of staff declarations and a paper was presented to the Audit Committee in January 2014.</p> <p>Trust Board and the Members' Council received a presentation from the local counter fraud specialist in relation to Directors' and governors' responsibilities in relation to counter fraud and bribery.</p>				
<u>A.1.9</u> The board of directors should operate a code of conduct that builds on the values of the NHS foundation trust and reflect high standards of probity and responsibility. The board of directors should follow a policy of openness and transparency in its proceedings and decision-making unless this is in conflict with a need to protect the wider interests of the public or the NHS foundation trust (including commercial-in-confidence matters) and make clear how potential conflicts of interests are dealt with.	<p>The Trust's values ensure that Trust Board operates openly and transparently, with high standards of probity and responsibility.</p> <p>Trust Board has criteria for matters submitted to its private session (commercial-in-confidence, matters of patient confidentiality or if a matter would identify a member of Trust staff or the public).</p> <p>The Trust's Constitution, Standing Orders and Declaration of Interests Policy set out how conflicts of interest are dealt with.</p>	None	DS		Values Constitution, etc.
<u>A.1.10</u> The NHS foundation trust should arrange appropriate insurance to cover the risk of legal action against its directors.	Trust Board agreed in March 2008 to take out Directors' indemnity insurance on Authorisation and this is renewed annually.	None	DS		Insurance policy
<u>A.1.11</u> Assuming the governors have acted in good faith and in accordance with their duties, and proper process has been followed, the potential for liability for the council should be negligible. Governors may have the benefit of an indemnity and/or insurance from the trust. While there is no legal requirement for trusts to provide an indemnity or insurance for governors to cover their service on the council	The above insurance also covers governors on the Members' Council who act in good faith and in accordance with their duties.				

Code provision	Current position	Action	Lead	When	Where
of governors, where an indemnity or insurance policy is given, this can be detailed in the trust's constitution.					
<b>A.2 Division of responsibilities</b> <b>There should be a clear division of responsibilities at the head of the NHS foundation trust between the chairing of the board of directors and council of governors and the executive responsibility for the running of the NHS foundation trust's business. No one individual should have unfettered powers of decision.</b>					
<u>A.2.1</u> The division of responsibilities between the chair and chief executive should be clearly established, set out in writing and agreed by the board.	Responsibilities of Chair and Chief Executive are set out in the Standing Orders, approved by Trust Board in March 2008. These were reviewed early in 2011 as a result of the transfer of provider services under Transforming Community Services.	This will be expanded further following guidance in the Foundation Trust Network's "The foundations of good governance" and included in the Trust Board governance handbook.	DS	Summer 2014	Standing Orders/ Trust Board governance handbook
<u>A.2.2</u> The roles of chair and chief executive must not be undertaken by the same individual.	The Trust and its Board would not allow this to happen.	None	Chair		N/A
<b>A.3 The chair</b> <b>The chair is responsible for leadership of the board of directors and the council of governors, ensuring their effectiveness on all aspects of their role and leading on setting the agenda for meetings.</b>					
<u>A.3.1</u> The chair should, on appointment by the council of governors, meet the independence criteria set out in B.1.1. A chief executive should not go on to be the chair of the same NHS foundation trust.	The Members' Council, through the Nominations Committee, is responsible for appointing the Chair of the Trust. Independence criteria would be included in any consideration for appointment to the role of Chair of the Trust. The Trust's Constitution states that the Chair should meet the independence criteria.	None	DS		Nominations Committee
<b>A.4 Non-Executive Directors</b> <b>As part of their role as members of a unitary board, non-executive directors should constructively challenge and help develop proposals on strategy. Non-executive directors should also promote the functioning of the board as a unitary board.</b>					
<u>A.4.1a</u> In consultation with the council of governors, the board should appoint one of the independent non-executive directors to be the senior independent director to provide a sounding board for the chair and to serve as an intermediary for the other directors where necessary. The senior independent director could be the deputy chairman.	The Nominations Committee is responsible for ensuring there is a robust and transparent process for appointing the Senior Independent Director, which is ratified by the Members' Council. The Trust follows best practice in appointing the Deputy Chair as the Senior Independent Director.	None	Chair/DS		Nominations Committee and Members' Council minutes
<u>A.4.1b</u> The senior independent director should be available to governors if they have	SID attends all Members' Council meetings and contact can be made through the	None	DS		

Code provision	Current position	Action	Lead	When	Where
concerns that contact through the normal channels of chair, chief executive, finance director or trust secretary has failed to resolve or for which such contact is inappropriate.	Board Secretary or Chair's office.				
<u>A.4.2a</u> The chair should hold meetings with the non-executive directors without the executives present.	The Chair meets with Non-Executive Directors on a quarterly basis.	None	Chair		Chair's office
<u>A.4.2b</u> Led by the senior independent director, the non-executive directors should meet without the chair, at least annually, to evaluate the chair's performance, and on such other occasions as are deemed appropriate.	A formal process in place to evaluate the Chair's performance led by the Deputy Chair/Senior Independent Director, which includes a meeting of the Non-Executive Directors without the Chair.	None	Deputy Chair/SID		Members' Council papers
<u>A.4.3a</u> Where directors have concerns that cannot be resolved about the running of the NHS foundation trust or a proposed action, they should ensure that their concerns are recorded in the board minutes.	Concerns and issues raised by Directors during Trust Board meetings are recorded in the minutes. If concerns were raised that could not be resolved, the matter would be recorded in the minutes supported by any action agreed to address the situation.	None	Chair/ Board Secretary		Trust Board minutes
<u>A.4.3b</u> On resignation, a director should provide a written statement to the chair for circulation to the board if they have such concerns.	The Chair would ask for such a statement if the situation arose.	None	Chair		Chair's office
<b>A.5 Governors</b> <b>The council of governors has a duty to hold the non-executive directors individually and collectively to account for the performance of the board of directors. This includes ensuring the board of directors acts so that the foundation trust does not breach the conditions of its licence. It remains the responsibility of the board of directors to design and then implement agreed priorities, objectives and the overall strategy of the NHS foundation trust.</b> <b>The council of governors is responsible for representing the interests of NHS foundation trust members and the public and staff in the governance of the NHS foundation trust. Governors must act in the best interests of the NHS foundation trust and should adhere to its values and code of conduct.</b> <b>Governors are responsible for regularly feeding back information about the trust, its vision and its performance to members and the public and the stakeholder organisations that either elected or appointed the. The trust should ensure governors have appropriate support to help them discharge this duty.</b>					
<u>A.5.1a</u> The council of governors should meet sufficiently regularly to discharge its duties. Typically, the council of governors would be expected to meet as a full council at least four times per year.	The Members' Council meets quarterly.	None	Chair		Members' Council meeting minutes
<u>A.5.1b</u> Governors should, where practicable, make every effort to attend the meetings of the council of governors where practicable. The NHS foundation trust should take appropriate steps facilitate attendance.	Code of Conduct for Governors sets out attendance requirements for Governors. The minimum commitment has been discussed by the Members' Council and agreement reached on the principles. The	None	DS		Members' Council meeting minutes/ record of



Code provision	Current position	Action	Lead	When	Where
	Trust gives timely notice of meetings, ensures papers are understandable and simple, offers assistance to get to, and support at, meetings. The Trust also offers any governor the opportunity to seek clarification or further information in advance of the meeting on any of the issues or papers on the agendas. The Chair of the Trust is available prior to Members' Council meetings for governors. The agendas are planned to ensure that as many governors as possible are able to participate and meetings contain items that are taken formally, through presentations, through question and answer sessions, and more informal group discussions.				attendance
<u>A.5.2a</u> The council of governors should not be so large as to be unwieldy. The council of governors should be of sufficient size for the requirements of its duties.	As a result of the Health and Social Care Act 2012, the structure of the Members' Council was reviewed and membership decreased from 42 to 33 governors. This: <ul style="list-style-type: none"> <li>➤ allows the Members' Council to discharge its duties;</li> <li>➤ is sufficient size not to be too unwieldy; and</li> <li>➤ ensures representation of the communities the Trust serves and stakeholder interests.</li> </ul> In October 2013, an additional seat was instated to represent the 'rest of South and West Yorkshire'.	None	DS		Constitution
<u>A.5.2b</u> The roles, structure, composition and procedures of the board of governors should be reviewed regularly as described in B.6.5.	There is an annual session to evaluate the contribution and work of the Members' Council. This is facilitated by an external facilitator and includes a self-assessment by governors, both individually and collectively, of their contribution and effectiveness.	Further work will be done with the Chair of the Trust and the Members' Council to ensure there is a structured approach to induction, training and development for the Members' Council both individually and collectively, particularly to reflect the enhanced role in the Health and Social Care Act 2012.	Chair/DS	Summer 2014	Notes from the session/ evaluation outcome
<u>A.5.3a</u> The annual report should identify the members of the council of governors,	Included in the annual report.	None	DS		Annual report

Code provision	Current position	Action	Lead	When	Where
including a description of the constituency or organisation they represent, whether they were elected or appointed, and the duration of their appointments.					
<u>A.5.3b</u> The annual report should also identify the nominated lead governor.	Included in the annual report	None	DS		Annual report
<u>A.5.3c</u> A record should be kept of the number of meetings of the council and the attendance of individual governors and it should be made available to members on request.	Formal record of attendance is maintained for the Members' Council (and included in the annual report).	None	DS		Formal record
<u>A.5.4</u> The roles and responsibilities of the council of governors should be set out in a written document. The statement should include a clear explanation of the responsibilities of the council of governors towards members and other stakeholders and how governors will seek their views and keep them informed.	The roles and responsibilities of the Members' Council are set out in Members' Council Standing Orders.	A formal statement will be developed following guidance in the Foundation Trust Network's "The foundations of good governance" and will be included in the Trust Board governance handbook.	DS	Summer 2014	Constitution/ Trust Board governance handbook
<u>A.5.5</u> The chair is responsible for leadership of both the board of directors and the council of governors (see A.3) but the governors also have a responsibility to make the arrangements work and should take a lead in inviting the chief executive to their meetings and inviting attendance by other executive and non-executive directors as appropriate. In these meetings other governors may raise questions of the chair or his/her deputy or any other relevant director present at the meeting about the affairs of the NHS foundation trust.	The Chief Executive, other Non-Executive and Executive Directors are invited to each Members' Council meeting.	None	DS		Minutes record attendance
<u>A.5.6a</u> The council of governors should establish a policy for engagement with the board of directors for those circumstances when they have concerns about the performance of the board of directors, compliance with the new provider licence or other matters related to the general wellbeing of the NHS foundation trust.	There is currently no written policy in place. The Trust is required to appoint a Senior Independent Director on the Trust Board and this is done through the Nominations Committee (see A3.3a above).	As a result of the Health and Social Care Act 2012, a formal statement will be developed in relation to the Members' Council engagement with Trust Board given the changes to the role of governors. The policy will require the approval of Trust Board and the Members' Council and will be included in the Trust Board governance handbook.	Chair/DS	Summer 2014	Written statement/ Trust Board governance handbook
<u>A.5.6b</u> The council of governors should input into the board's appointment of a senior	The process to appoint the Senior Independent Director is overseen by the	None	Chair		Nominations Committee

Code provision	Current position	Action	Lead	When	Where
independent director (see A.4.1).	Nominations Committee. The Trust follows best practice in appointing the Deputy Chair in this role.				minutes
A.5.7 The council of governors should ensure its interaction and relationship with the board of directors is appropriate and effective. In particular, by agreeing the availability and timely communication of relevant information, discussion and the setting in advance of meeting agendas and use, where possible, using clear, unambiguous language.	Joint meeting with Trust Board on an annual basis. Members of Trust Board attend Members' Council meetings and governors are encouraged to attend public meetings of Trust Board. Agendas and minutes are provided to governors in a timely way and public papers are available on the Trust's website. The Members' Council Co-ordination Group sets the agenda for Members' Council meetings with the Chair. Papers are prepared, where possible, using clear, unambiguous language with jargon kept to a minimum.	None	DS		Members' Council papers
A.5.8 The council of governors should only exercise its power to remove the chair or any non-executive directors after exhausting all other means of engagement with the board of directors. The council should raise any issues with the chair with the senior independent director in the first instance.	Monitor provides guidance on this in "Your Statutory Duties: A reference guide for NHS foundation trust governors", which has been given to all Governors. The Lead Governor and the Nominations Committee ensure that there are formal mechanisms in place to address any such situation. The Senior Independent Director attends Members' Council meetings to build relationships with governors and to engender trust and confidence.	None	DS		Standing Orders
A.5.9 The council of governors should receive and consider appropriate information required to enable it to discharge its duties, for example, clinical statistical data and operational data.	The Members' Council receives high level performance and operational information based on that submitted to Trust Board, to enable it to discharge its duties. This is regularly reviewed with the Members' Council. Additional information requested is provided within agreed timescales.	None	DS		Members' Council papers
<b>SECTION B EFFECTIVENESS</b>					
<b>B.1 The composition of the Board</b> <b>The board of directors and its committees should have an appropriate balance of skills, experience, independence and knowledge of the NHS foundation trust to enable them to discharge their respective duties and responsibilities effectively.</b>					
<a href="#">B.1.1a</a> The board of directors should identify	All Non-Executive Directors are considered	None	DS		Annual

Code provision	Current position	Action	Lead	When	Where
in the annual report each non-executive director it considers to be independent.	to be independent and a statement to this effect is included in the annual report. Non-Executive Directors are asked to sign a declaration regarding their independence on an annual basis.				report
<u>B.1.1b</u> The Board should determine whether the director is independent in character and judgement and whether there are relationships or circumstances which are likely to affect, or could appear to affect, or could appear to affect, the Director's judgement. The board of director should state its reasons if it determines that a director is independent despite the existence of relationships or circumstances which may appear relevant to its determination.	All Non-Executive Directors are considered to be independent. The declaration of interests process was revised in September 2011 and now asks Non-Executive Directors to specifically declare their independence.	None	DS		Register of interests and annual report
<u>B.1.2</u> At least half the board of directors, excluding the chair, should comprise non-executive directors determined by the board to be independent.	The Trust's Constitution states that Trust Board should be made up of a non-executive Chair, up to six other non-executive directors, and up to six executive directors, one of which is the Chief Executive, and that there will be at least one more non-executive director than executive directors, including the Chair of the Trust. All Non-Executive Directors are considered to be independent.	None	DS		Constitution and Standing Orders
<u>B.1.3</u> No individual should hold, at the same time, positions of director and governor of any NHS Foundation Trusts.	The Trust uses the declaration of interests process to ensure this does not happen.	None	DS		
<u>B.1.4a</u> The board of directors should include in its annual report a description of each director's expertise and experience.	Information included in the Trust's annual report. Process in place to update annually.	None	DS		Annual report
<u>B.1.4b</u> Alongside this, in the annual report, the board should make a clear statement about its own balance, completeness and appropriateness to the requirements of the NHS foundation trust. Both statements should also be available on the NHS foundation trust's website.	Included in annual report.	None	DS		Annual report
<b>B.2 Appointments to the board</b>					

Code provision	Current position	Action	Lead	When	Where
<p><b>There should be a formal, rigorous and transparent procedure for the appointment of directors. Directors of NHS foundation trusts must be “fit and proper” to meet the requirements of the general conditions of the provider licence.</b></p> <p><b>The search for candidates for the board of directors should be conducted, and appointments made, on merit, against objective criteria and with due regard for the benefits of diversity on the board and requirements of the trust.</b></p> <p><b>The board of directors and council of governors should also satisfy themselves that plans are in place for orderly succession for appointments to the board so as to maintain an appropriate balance of skills and experience within the NHS foundation trust and on the board.</b></p>					
B.2.1a The nominations committee(s), with external advice as appropriate, are responsible for the identification and nomination of executive and non-executive directors. The Nominations Committee(s) should give full consideration to succession planning, taking into account the future challenges, risks and opportunities facing the NHS foundation trust and the skills and expertise within the board to meet them.	There are two 'nominations' committees in place. The Nominations Committee is responsible for the appointment of the Chair and Non-Executive Directors. The Remuneration and Terms of Service Committee, under delegated authority from Trust Board, is responsible for the appointment of the Chief Executive and for overseeing the appointment of Executive Directors.	None	DS/AGD		ToR Nominations Committee and Remuneration and Terms of Service Committee
B.2.2 Directors on the board of directors and governors on the council of governors should meet the “fit and proper” persons test described in the provider licence. For the purpose of the licence and application criteria, “fit and proper” persons are defined as those without certain recent criminal convictions and director disqualifications, and those who are not bankrupt (undischarged). In exceptional circumstances and at Monitor's discretion, an exemption to this may be granted. Trusts should also abide by the updated guidance from the CQC regarding appointments to senior positions in organisations subject to CQC regulations.	The Trust is awaiting guidance from Monitor and the CQC on the fit and proper persons' test and how it should be applied to current and future Directors and governors.	None at present	Chair/DS		
B.2.3a There may be one or two nominations committees. If there are two committees, one will be responsible for considering nominations for executive directors and the other for non-executive directors (including the chair).	See B.2.1a above.	None	DS/AGD		ToR Nominations Committee and Remuneration and Terms of Service Committee
B.2.3b The nominations committee(s) should	Contained in the Committee's terms of	None	Chair/DS		ToR

Code provision	Current position	Action	Lead	When	Where
regularly review the structure, size and composition of the board of directors and make recommendations for changes where appropriate. In particular, the nominations committee(s) should evaluate, at least annually, the balance of skills, knowledge and experience on the board of directors and, in light of this evaluation, prepare a description of the role and capabilities required for the appointment of both executive and non-executive directors, including the chair.	reference. The Nominations Committee considers the structure, size and composition of Trust Board when agreeing the process to appoint Non-Executive Directors and seeds applications in light of this consideration.				Nominations Committee
<u>B.2.4</u> The chair or an independent non-executive director should chair the nominations committee(s).	The Chair of the Trust usually chairs the Nominations Committee as set out in the terms of reference. In the absence of the Chair of the Trust or when the Committee is considering matters relating to the appointment of the Chair, the Committee will be chaired by the Lead Governor. If the Lead Governor is unavailable, the Committee can either ask the Deputy Chair/Senior Independent Director to chair the meeting if there is no conflict of interest or agree one of its members to act as Chair for that meeting, again if there is no conflict of interest.	None	Chair/DS		ToR Nominations Committee
<u>B.2.5</u> The governors should agree with the nominations committee a clear process for the nomination of a new chair and non-executive directors. Once suitable candidates have been identified, the nominations committee should make recommendations to the council of governors.	The Nominations Committee works on behalf of governors overseeing the process for nominating and appointing the Chair and Non-Executive Directors. Papers are presented to the Members' Council outlining the process for recruitment and appointment at regular intervals during the process. Support is sought for any process.	None	Chair		Nominations Committee minutes and papers to Members' Council
<u>B.2.6</u> Where an NHS foundation trust has two nominations committees, the nominations committee responsible for the appointment of non-executive directors should consist of a majority of governors.	As a minimum, the Chair of the Trust, the Chief Executive of the Trust and two members of the Members' Council (one elected and one appointed) will form the membership. A Governor to represent the interests of service users/carers and the Lead Governor are also members of the Committee.	None	Chair/DS		ToR Nominations Committee

Code provision	Current position	Action	Lead	When	Where
If only one nominations committee exists, when nominations for non-executives, including the appointment of a chair or a deputy chair, are being discussed, there should be a majority of governors on the committee and also a majority governor representation on the interview panel.	Not applicable.				
<u>B.2.7</u> When considering the appointment of non-executive directors, the council of governors should take into account the views of the board of directors and the nominations committee on the qualifications, skills and experience required for each position.	The Chair represents the views of Trust Board in determining the skills and experience required. The Nominations Committee makes a recommendation to the Members' Council for appointment and will explain the rationale for this recommendation.	None	Chair		
<u>B.2.8</u> The annual report should describe the process followed by the council of governors in relation to the appointments of the chair and non-executive directors.	Included in the annual report.	None	DS		Annual report
<u>B.2.9</u> An independent external adviser should not be a member of or have a vote on the nominations committee(s).	No external adviser is a member of or has vote on either the Nominations Committee or the Remuneration and Terms of Service Committee.	None	DS/AGD		
<u>B.2.10</u> A separate section of the annual report should describe the work of the nominations committee(s), including the process it has used in relation to board appointments. The main role and responsibilities of the nominations committee should be set out in publicly available, written terms of reference.	Included in the annual report. The terms of reference for both the Nominations Committee and the Remuneration and Terms of Service Committee are available on request.	None	DS		Annual report
<b>B.3 Commitment</b> <b>All directors should be able to allocate sufficient time to the NHS foundation trust to discharge their responsibilities effectively.</b>					
<u>B.3.1a</u> For the appointment of a chair, the nomination committee should prepare a job specification defining the role and capabilities required including an assessment of the time commitment expected, recognising the need for availability in the event of emergencies.	This is done as part of the appointment process.	None	DS		ToR Nominations Committee
<u>B.3.1b</u> A chair's other significant commitments should be disclosed to the council of governors before appointment and included in	This would be done as appropriate. The declarations of interest for all members of Trust Board are included in the annual	None	DS		Annual report

Code provision	Current position	Action	Lead	When	Where
<a href="#">the annual report.</a>	<a href="#">report.</a>				
<a href="#">B.3.1c</a> Changes to such commitments should be reported to the council of governors as they arise, and included in the next annual report.	This would be done as appropriate. The declarations of interest for all members of Trust Board are included in the annual report.	None	DS		Annual report
<a href="#">B.3.1d</a> No individual, simultaneously whilst being a chair of an NHS foundation trust, should be the substantive chair of another NHS foundation trust.	Included in Constitution.	None			Constitution
<a href="#">B.3.2a</a> The terms and conditions of appointment of non-executive directors should be made available to the council of governors. The letter of appointment should set out the expected time commitment. Non-executive directors should undertake that they will have sufficient time to meet what is expected of them.	If requested, the Trust would share the terms and conditions of Non-Executive Director appointments. The expected time commitment is set out in the Service Level Agreement for Non-Executive Directors. It is made clear both at interview and in the SLA that the post should only be taken up if the individual can fulfil the time commitment.	None	Chair/DS		NEDs' SLA
<a href="#">B.3.2b</a> Non-executive Directors' other significant commitments should be disclosed to the council of governors before appointment, with a broad indication of the time involved and the council of governors should be informed of subsequent changes.	Declaration of interest process only undertaken when appointment confirmed. Trust Board register of Interests is publicly available in Trust Board papers and on the Trust's website. During the appointment process, the Nominations Committee, through the interview panel, would be responsible for ensuring any significant commitments were identified and any implications for the Trust raised with the candidate.	None	DS		Declaration of interests register/ minutes of Members' Council
<a href="#">B.3.3</a> The board of directors should not agree to a full-time executive director taking on more than one non-executive directorship of an NHS foundation trust or another organisation of comparable size and complexity, nor the chairship of such an organisation.	Trust Board will be alerted to guidance if such a situation arises.	None	Chair		
<b>B.4 Development</b> <b>All directors and governors should receive appropriate induction on joining the board of directors or the council of governors and should regularly update and refresh their skills and knowledge. Both directors and governors should make every effort to participate in training that is offered.</b> <b>The chair should ensure that directors and governors continually update their skills, knowledge and familiarity with the NHS foundation trust and its obligations to fulfil their role on the board, the council of governors and on committees. The NHS foundation trust should provide the necessary resources for developing and</b>					



Code provision	Current position	Action	Lead	When	Where
<b>updating its directors' and governors' skills, knowledge and capabilities.</b> <b>To function effectively, all directors need appropriate knowledge of the NHS foundation trust and access to its operations and staff.</b>					
<b>B.4.1</b> The Chair should ensure that new directors and governors receive a full and tailored induction on joining the board or council of governors. As part of this, directors should seek out opportunities to engage stakeholders, including patients, clinicians and other staff. Directors should also have access, at the NHS foundation trust's expense, to training courses and/or materials that are consistent with their individual and collective development programme.	Each Non-Executive Director has an induction programme tailored to individual needs, experience and interests, with a core programme that includes meetings with the Chief Executive, Executive Directors, Non-Executive Director colleagues, visits to services and the Monitor Non-Executive Director induction programme.	None	Chair		Chair's office
	Each Executive Director has an induction programme tailored to individual needs, experience and interests, with a core programme that includes meetings with the Chair, Non-Executive Directors, Executive Director colleagues, relevant staff and visits to services.	None	Chief Executive		Chief Executive's office
	The Trust offers 1:1 support and 'buddying' as part of the induction programme for Governors. New members also participate in the annual evaluation of Members' Council activity, which enables existing members to assess their performance over the year and for new Governors to learn from the experience of others. Attendance at national GovernWell training modules is also encouraged.	Following changes to the role and responsibilities of governors as a result of the Health and Social Care Act 2012, the support offered to governors both on appointment and during their term(s) of office has been reviewed. A formal induction programme, a structured training and development programme and access to the national governor training and development programme run by the Foundation Trust Network will be developed to ensure that governors have the skills and experience they and the Trust need to meet the new responsibilities.	DS	Summer 2014	
<b>B.4.2</b> The chair should regularly review and agree with each director their training and development needs as they relate to their role on the board.	Responsibility for the training and development of Non-Executive Directors rests with the Chair of the Trust. The Chair undertakes six-monthly review meetings with Non-Executive Directors and ensures that any training and development needs are identified and how these are	None	Chair		Nominations Committee minutes

Code provision	Current position	Action	Lead	When	Where
	addressed agreed. The outcome of these review meetings is shared with the Nominations Committee annually. Responsibility for the training and development of Executive and other Board-level Directors rests with the Chief Executive. The Chief Executive undertakes quarterly review meetings with Directors and ensures that any training and development needs are identified and how these are addressed agreed. The outcome of these review meetings is shared with the Remuneration and Terms of Service Committee annually.	None	Chief Executive		Remuneration and Terms of Service Committee minutes
<b>B.5 Information and support</b> <b>The Board of directors and council of governors should be supplied in a timely manner with relevant information in a form and of a quality appropriate to enable them to discharge their respective duties. Statutory requirements on the provision of information from the board of directors to the council of governors are provided in “Your statutory duties: A reference guide for NHS foundation trust governors”.</b>					
<u>B.5.1</u> The board of directors and the council of governors should be provided with high quality information appropriate to their respective functions and relevant to the decisions they have to make. The board of directors and council of governors should agree their respective information needs with the executive directors through the chair. The information for the both should be concise, objective, accurate and timely, and it should be accompanied by clear explanations of complex issues. The board of directors should have complete access to any information about the NHS foundation trust that it deems necessary to discharge its duties, including access to senior management and other employees.	The Trust has an ongoing process of review of its Trust Board and performance reporting arrangements. All members of Trust Board are involved in this process to ensure information remains fit for purpose for Trust Board. Directors have access to information they require about the Trust to enable them to discharge their duties. As set out in B.1.5, the Members' Council receives high level performance and operational information based on that submitted to Trust Board, to enable it to discharge its duties. This has been reviewed and agreed by the Members' Council Co-ordination Group as appropriate. Papers to the Members' Council contain sufficient information to enable individuals to come to a view on the items put forward and further information is available should it be required.	None	DS		Trust Board and Members' Council papers and minutes
<u>B.5.2</u> The board of directors, and in particular non-executive directors, may reasonably wish to challenge assurances received from executive management. They need not seek	Both Non-Executive and Executive Directors challenge assurances given at Trust Board and seek clarification and further information to inform decisions and	None	Chair		Trust Board minutes

Code provision	Current position	Action	Lead	When	Where
to appoint a relevant adviser for each and every subject area that comes before the board of directors although they should, wherever possible, ensure that they have sufficient information and understanding to enable challenge and to take decisions on an informed basis. When complex or high risk issues arise, the first course of action should normally be to encourage further and deeper analysis to be carried out in a timely manner, within the NHS foundation trust. On occasions, non-executives may reasonably decide that external assurance is appropriate.	discussion. Access to external assurance is available.				
<u>B.5.3a</u> The board should ensure that directors, especially non-executive directors, have access to independent professional advice, at the NHS foundation trust's expense, where they judge it necessary to discharge their responsibilities as directors.	As appropriate, this is in place through the Chair and Chief Executive.	None	Chair/CE		
<u>B.5.3b</u> Decisions to appoint an external advisor should be the collective decision of the majority of non-executive directors.	As appropriate, this would be facilitated through the Chair.	None	Chair/CE/ DS		
<u>B.5.3c</u> The availability of external sources of advice should be made clear at the time of appointment.	The Non-Executive Director appointment letter includes reference to independent sources of information.	None	DS		Appointment letter
<u>B.5.4a</u> Committees should be provided with sufficient resources to undertake their duties.	Administrative arrangements are in place to support committees. Any further need for resources would be considered as appropriate.	None	Chair/DS		
<u>B.5.4b</u> The board of directors should also ensure that the council of governors is provided with sufficient resources to undertake its duties, with such arrangements agreed in advance.	Administrative arrangements are in place to support the Members' Council. Any further need for resources would be considered as appropriate.	None	Chair/DS		
<u>B.5.5</u> Non-Executive Directors should consider whether they are receiving the necessary information and feel able to raise appropriate challenge of recommendations or decisions of the board, in particular making full use of their skills and experience gained both as a director of the trust and also in other	Information is provided to Non-Executive Directors to ensure they are able to provide challenge and inform decision-making. Where further information is required, this is provided.	This will be kept under review to ensure all members of Trust Board are sufficiently equipped to provide challenge and inform decision-making.	Chair/CE		Trust Board papers and minutes

Code provision	Current position	Action	Lead	When	Where
leadership roles. They should expect and apply similar standards of care and quality in their role as a non-executive director of an NHS foundation trust as they would in other similar roles.					
<b>B.5.6a</b> Governors should canvass the opinion of the trust's members and the public, and, for appointed governors, the body they represent, on the NHS foundation trust's forward plan, including its objectives, priorities and strategy, and their views should be communicated to the board of directors.	This remains an area for development as the Trust matures as a Foundation Trust. The Members' Council is involved in developing the strategic direction of the Trust and these views were communicated to Trust Board and considered in the discussions at Board level. The Trust does not have the resource for governors to speak to 13,000 members. Dialogue and involvement groups are asked to comment on the Trust's plans and processes for consultation and engagement are included in any changes to services and/or estate.	This is an objective for the Members' Council and further work will be undertaken on how governors can canvass the opinion of their members and, for appointed governors, the organisation they represent on the Trust's forward plans, bearing in mind the Trust's resources and capacity. A small working group will be established to look at creative ways governors can communicate with members as part of an ongoing work programme.	DS	Summer 2014	
<b>B.5.6b</b> The annual report should contain a statement as to how this requirement has been undertaken and satisfied.	The annual report will contain a summary of the Trust's current position and its plans.		DS		Annual report
<b>B.5.7</b> Where appropriate, the board of directors should take account of the views of the council of governors on the forward plan in a timely manner and communicate to the council of governors where their views have been incorporated in the NHS foundation trust's plans and, if not, the reasons for this.	The Members' Council is involved in developing the strategic direction of the Trust, these views are communicated to Trust Board and considered in the discussions at Board level, and the Members' Council is aware of where their views have been incorporated.	None	Chair/CE		Annual plan/ Members' Council minutes
<b>B.6 Evaluation</b> <b>The board of directors should undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual directors. The outcomes of the evaluation of the executive directors should be reported to the board of directors. The chair should take the lead on the evaluation of the executive directors.</b> <b>The council of governors, which is responsible for the appointment and re-appointment of non-executive directors, should take the lead on agreeing a process for the evaluation of the chair and the non-executives, with the chair and the non-executives. The outcomes of the evaluation of the non-executive directors should be agreed with them by the chair. The outcomes of the evaluation of the chair should be agreed by him/her with the senior independent director. The outcomes of the evaluation of the non-executive directors and the chair should be reported to the governors. The governors should bear in mind that it may be desirable to use the senior independent director to lead the evaluation of the chair.</b> <b>The council of governors should assess its own collective performance and its impact on the NHS foundation trust.</b>					
<b>B.6.1</b> The board of directors should state in	A summary of the Trust Board	None	DS		Annual

Code provision	Current position	Action	Lead	When	Where
the annual report how performance evaluation of the board, its committees and its directors, including the chair, has been conducted, bearing in mind the desirability for independent assessment, and the reason why the NHS foundation trust adopted a particular method of performance evaluation.	development programme and activity through the year will be included in the annual report.				report
B.6.2 Evaluation of the boards of NHS foundation trusts should be externally facilitated every three years. The evaluation needs to be carried out against the board leadership and governance framework set out by Monitor. The external facilitator should be identified in the annual report and a statement made as to whether they have any other connection with the trust.	The governance reviews proposed by Monitor will provide the framework for evaluation of Trust Board. Final guidance on the reviews is awaited.	Agree Trust action when final guidance published by Monitor.	DS	Not confirmed by Monitor but expected summer 2014	
B.6.3 The senior independent director should lead the performance evaluation of the chair, within a framework agreed by the council of governors and taking into account the views of directors and governors.	A formal annual process in place to evaluate the Chair's performance led by the Deputy Chair/Senior Independent Director, agreed by the Members' Council and involving the views of Directors and governors.	None	SID		Report on outcome to Members' Council
B.6.4 The chair, with the assistance of the board secretary if applicable, should use the performance evaluations as the basis for determining individual and collective professional development programmes for non-executive directors relevant to their duties as board members.	For Non-Executive Directors, training and development are identified by the Chair as part of the appraisal process and on an ongoing basis to ensure personal and Trust needs are met and to ensure Non-Executive Directors can fulfil the requirements of their role. For Executive Directors, training and development are identified by the Chief Executive as part of the appraisal process, Directors' quarterly reviews and on an ongoing basis to ensure personal and Trust needs are met. Any development needs in relation to their duties as a member of Trust Board would also be identified in this way.	None	Chair  CE/Chair		Appraisal records
B.6.5 Led by the chair, the council of governors should periodically assess their collective performance and they should	The Members' Council assesses its performance in two ways. ➤ Through individual annual appraisals	None	DS/MC		Annual report/Like Minds/

Code provision	Current position	Action	Lead	When	Where
regularly communicate to members and the public details on how they have discharged their responsibilities, including their impact and effectiveness on holding the non-executive directors individually and collectively to account for the performance of the board of directors, communicating with their member constituencies and the public and transmitting their views to the board of directors, and contributing to the development of forward plans of the NHS foundation trust. The council of governors should use this process to review its roles, structure, composition and procedures, taking into account emerging best practice.	with the Chair of the Trust. ➤ Through an annual evaluation of the contribution the Members' Council has made, facilitated by an external consultant. The contribution and involvement of Members' Council is included in report to the annual members' meeting, included in regular updates in Like Minds (members' magazine), and in the annual report.				annual self-assessment
<b>B.6.6</b> There should be a clear policy and a fair process, agreed and adopted by the council of governors, for the removal from the council of any governor who consistently and unjustifiably fails to attend the meetings of the council of governors or has an actual or potential conflict of interest, which prevents the proper exercise of their duties. This should be shared with governors. In addition, it may be appropriate for the process to provide for removal from the council of governors where behaviours or actions by a governor or group of governors may be incompatible with the values and behaviours of the NHS foundation trust. Where there is any disagreement as to whether the proposal for removal is justified, an independent assessor agreeable to both parties should be requested to consider the evidence and conclude whether the proposed removal is reasonable or otherwise.	Provision for this is included in the Constitution and in the Members' Council Code of Conduct.	None	DS		Constitution
<b>B.7 Re-appointment of directors and re-election of governors</b> <b>All non-executive directors and elected governors should be submitted for re-appointment or re-election at regular intervals.</b> <b>The performance of executive directors of the board should be subject to regular appraisal and review.</b> <b>The council governors should ensure planned and progressive refreshing of the non-executive directors.</b>					
<b>B.7.1a</b> In the case of the re-appointment of non-executive directors, the chair should	The Chair confirms this as appropriate and discusses the performance and	None	Chair		Minutes Nominations

Code provision	Current position	Action	Lead	When	Where
confirm to the governors that, following formal performance evaluation, the performance of the individual proposed for re-appointment continues to be effective and to demonstrate commitment to the role.	contribution of a Non-Executive Director with the Nominations Committee when considering any proposal for re-appointment.				Committee/ Members' Council
<u>B.7.1b</u> Any term beyond six years (e.g. two three-year terms) for a non-executive director should be subject to particularly rigorous review, and should take into account the need for progressive refreshing of the board.	<p>Constitution specifies the term of office for Non-Executive Directors. The Nominations Committee will recommend the term of office to the Members' Council as part of the recommendation to appoint if it is different to the standard term of three years.</p> <p>The Chair can be re-appointed for a further three years (up to a maximum of nine years) subject to the approval of the Members' Council.</p> <p>Non-Executive directors can be re-appointed for a further three years (up to a maximum of nine years), subject to approval by the Members' Council and following confirmation by the Chair that they have performed effectively and remain committed to the role. Appointments beyond six years will be subject to annual review.</p> <p>However, the Chair has made clear his expectation that Non-Executive Directors would ideally serve for two terms only; however, there may be exceptional circumstances where continuity or the skills and experience of a Non-Executive Director require re-appointment for a further term to meet the needs of the Trust.</p>	None	Chair		Constitution
<u>B.7.1c</u> Non-executive directors may in exception circumstances serve longer than six years (e.g. two three-year terms following authorisation of the NHS foundation trust), but this should be subject to annual re-appointment. Serving more than six years could be relevant to the determination of a non-executive director's independence.	See above.	None	Chair		Constitution
<u>B.7.2a</u> Elected governors must be subject to	Included in Constitution.	None	DS		Constitution

Code provision	Current position	Action	Lead	When	Where
re-election by the members of their constituency at regular intervals not exceeding three years.					
<b>B.7.2b</b> The names of governors submitted for election or re-election should be accompanied by sufficient biographical details and any other relevant information to enable members to take an informed decision on their election. This should include prior performance information.	Model election rules allow candidates to make a statement explaining why they should be elected/re-elected. The Trust provides information on attendance at formal meetings for those elected Governors seeking re-election as required by the model election rules.	None	DS		Election materials
<b>B.8 Resignation of directors</b> <b>The board of directors is responsible for ensuring ongoing compliance by the NHS foundation trust with its licence, its constitution, mandatory guidance issued by Monitor, relevant statutory requirements and contractual obligations. In so doing, it should ensure it retains the necessary skills within its board of directors and works with the council of governors to ensure there is appropriate succession planning.</b>					
<b>B.8.1</b> The remuneration committee should not agree to an executive member of the board leaving the employment of an NHS foundation trust except in accordance with the terms of their contract of employment, including but not limited to service of their full notice period and/or material reductions in their time commitment to the role, without the board first having completed and approved a full risk assessment.	The Remuneration and Terms of Service Committee would undertake such a risk assessment on behalf of Trust Board should the need arise. Although not specifically stated in the Committee's terms of reference, this responsibility is implied through the Committee's management of the process to appoint the Chief Executive and Executive Directors.	Chair and lead Director to review the Committee's terms of reference to ensure this is an explicit duty.	Chair of the Committee/AGD		R&TSC papers and minutes
<b>SECTION C ACCOUNTABILITY</b>					
<b>C.1 Financial, quality and operational reporting</b> <b>The board of directors should present a fair, balanced and understandable assessment of the NHS foundation trust's position and prospects.</b>					
<b>C.1.1a</b> The directors should explain in the annual report their responsibility for preparing the annual report and accounts and state that they consider the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the NHS foundation trust's performance, business model and strategy.	Statement included in the annual report and accounts.	None	DS/AF		Annual report
<b>C.1.1b</b> There should be a statement by the external auditor about their reporting responsibilities.	Statement included in the annual report and accounts.	None	DS/AF		Annual report
<b>C.1.1c</b> Directors should also explain their	Statement included in the annual report	None	DS/TB		Annual



Code provision	Current position	Action	Lead	When	Where
approach to quality governance in the Annual Governance Statement (within the annual report).	and accounts.				report
<u>C.1.2</u> The directors should report that the NHS foundation trust is a going concern, with supporting assumptions or qualifications as necessary.	Included in the annual report and accounts.	None	DS/AF		Annual accounts
<u>C.1.3</u> At least annually and in a timely manner, the board of directors should set out clearly its financial, quality and operating objectives for the NHS foundation trust and disclose sufficient information, both quantitative and qualitative, of the NHS foundation trust's business and operation, including clinical outcomes data, to allow members and governors to evaluate its performance.	Included in the annual report and accounts.	None	Chair/SM		Annual report
<b>C.2 Risk management and internal control</b> <b>The board of directors is responsible for determining the nature and extent of the significant risks it is willing to take in achieving its strategic objectives. The board should maintain sound risk management systems.</b> <b>The board of directors should maintain a sound system of internal control to safeguard patient safety, public and private investment, the NHS foundation trust's assets, and service quality. The board should report on internal control through the Annual Governance Statement in the annual report.</b>					
<u>C.2.1</u> The board of directors should maintain continuous oversight of the effectiveness of the NHS foundation trust's risk management and internal control systems and should report to members and governors that they have done so. A review should cover all material controls, including financial, operational and compliance controls.	Accounting Officer produces an Annual Governance Statement and management report on risk annually. These are reviewed by the Audit Committee and Trust Board, contained in the Trust's annual report and accounts, and reported to the Members' Council. Trust Board also prepares a Corporate Governance Statement, which assesses the effectiveness of the risk management and internal controls to support the Trust's objectives going forward.	None	CE/DS		Annual Governance Statement/ Corporate Governance Statement/ annual accounts
<u>C.2.2</u> A trust should disclose in the annual report: a) if has an internal audit function, how the function is structure and what role it performs; or b) if it does not have an internal audit function, that fact and the processes it employs for	The Trust will include a disclosure in its annual report on the internal audit function within the Trust, how it is structured and what role it performs.  Not applicable.	None	DS		Annual report

Code provision	Current position	Action	Lead	When	Where
evaluating and continually improving the effectiveness of its risk management and internal control processes.					
<b>C.3 Audit committee and auditors</b> <b>The board of directors should establish formal and transparent arrangements for considering how they should apply the corporate reporting and risk management and internal control principles and for maintaining an appropriate relationship with the NHS foundation trust's auditors.</b>					
<u>C.3.1a</u> The board of directors should establish an audit committee composed of at least three members who are all independent non-executive directors.	An Audit Committee is in place and three Non-Executive Directors are members. (All Non-Executive Directors are considered to be independent.)	None	DS/AF		Audit Committee ToR
<u>C.3.1b</u> The board should satisfy itself that the membership of the audit committee has sufficient skills to discharge its responsibilities effectively, including ensuring that at least one member of the audit committee has recent and relevant financial experience.	The Audit Committee is chaired by a Non-Executive Director with recent and relevant financial experience. The two other members have commercial and legal experience. The Committee is considered to have sufficient skills to discharge its responsibilities.	Both internal and external audit have been asked to support the Trust in providing guidance on best practice for Audit Committees to ensure that appropriate skills are in place.	Chair of Audit Committee		
<u>C.3.1c</u> The chair of the trust should not chair or be a member of the audit committee. He/she can, however, attend meetings by invitation as appropriate.	The Chair of the Trust is not a member of the Audit Committee. He attends at least one meeting annually as part of his appraisal process for Non-Executive Directors and the Committee meeting where the annual report and accounts are considered and approved.	None	DS		
<u>C.3.2a</u> The main role and responsibilities of the audit committee should be set out in publicly available, written terms of reference.	The Audit Committee has terms of reference, which are available on the Trust's website and on request.	None	DS		Audit Committee ToR/website
<u>C.3.2b</u> The council of governors should be consulted on the terms of reference, which should be reviewed and refreshed regularly.	The Members' Council has not been consulted on the terms of reference for the Audit Committee. The terms of reference are reviewed annually as part of the process to support the Annual Governance Statement and the Audit Committee's annual report to Trust Board. The terms of reference follow best practice as contained in the HFMA handbook.	As part of the annual reporting process by the Audit Committee to Trust Board, the Members' Council will be consulted on the Audit Committee's terms of reference.	DS/Chair of Audit Committee	January 2015	Members' Council/ Audit Committee minutes
<u>C.3.2c</u> The terms of reference should include details of how it will: ➤ monitor the integrity of the financial statements of the NHS foundation trust,	Audit Committee has terms of reference, which includes the areas listed.	None	DS/AF		Audit Committee ToR

Code provision	Current position	Action	Lead	When	Where
<p>and any formal announcements relating to the trust's financial performance, reviewing significant financial reporting judgements contained in them;</p> <ul style="list-style-type: none"> <li>➤ review the NHS foundation trust's internal financial controls and, unless expressly addressed by a separate board risk committee composed of independent directors, or by the board itself, review the trust's internal control and risk management systems;</li> <li>➤ monitor and review the effectiveness of the NHS foundation trust's internal audit function, taking into consideration relevant UK professional and regulatory requirements;</li> <li>➤ review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements;</li> <li>➤ develop and implement policy on the engagement of the external auditor to supply non-audit services, taking into account relevant ethical guidance regarding the provision of non-audit services by the external audit firm; and</li> <li>➤ report to the council of governors, identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps to be taken.</li> </ul>					
<p><u>C.3.3</u> The council of governors should take the lead in agreeing with the audit committee the criteria for appointing, re-appointing and removing external auditors. The council of governors will need to work hard to ensure they have the skills and knowledge to choose the right external auditor and monitor their performance. However, they should be supported in this task by the audit committee, which provides information to the governors</p>	<p>The Members' Council was involved in the appointment of new auditors in 2010 and the re-appointment in 2013. A governor with appropriate skills, knowledge and experience was involved in the process and interviews to appoint the auditor.</p>	None	Chair of Audit/AF/DS		AC minutes and MC papers and minutes

Code provision	Current position	Action	Lead	When	Where
on the external auditor's performance as well as overseeing the NHS foundation trust's internal financial reporting and internal auditing.					
<u>C.3.4a</u> The audit committee should make report to the council of governors in relation to the performance of the external auditor, including detail such as the quality and value of the work and the timeliness of reporting and fees, to enable the council of governors to consider whether or not to re-appoint them.	This was done as part of the process to tender for external audit services and for consideration of the re-appointment of the auditor.	None	AF		Tender process
<u>C.3.4b</u> The audit committee should also make recommendation to the council of governors about to the appointment, re-appointment and removal of the external auditor and approve the remuneration and terms of engagement of the external auditor.	This was done as part of the process to tender for external audit services and for consideration of the re-appointment of the auditor.	None	AF		Paper to Members' Council
<u>C.3.5</u> If the council of governors does not accept the audit committee's recommendation, the board of directors should include in the annual report a statement from the audit committee explaining the recommendation and should set out reasons why the council of governors has taken a different position.	Should such a situation occur, information to be provided to meet annual report timescales.	None	DS/AF		Annual report
<u>C.3.6</u> The NHS foundation trust should appoint an external auditor for a period of time which allows the auditor to develop a strong understanding of the finances, operations and forward plans of the NHS foundation trust. The current best practice is for a three to five year period of appointment.	The length of appointment is considered as part of any tender process. Deloitte was awarded a contract for an initial period of three years in 2010 and this was extended, under the terms of the original tender exercise, for a further two years in 2013.	None	AF		Tender documents
<u>C.3.7</u> When the council of governors ends an external auditor's appointment in disputed circumstances, the chair should write to Monitor informing it of the reasons behind the decision.	This would be done should such a situation occur.	None	Chair/AF		
<u>C.3.8</u> The audit committee should review arrangements that allow staff of the NHS foundation trust and other individuals where relevant to raise, in confidence, concerns	The Trust has robust counter fraud processes in place. The Local Counter Fraud Specialist produces an annual plan and progress against this plan is reported	None	AF		LCFS documents

Code provision	Current position	Action	Lead	When	Where
about possible improprieties in matters of financial reporting and control, clinical quality, patient safety or other matters. The audit committee's objective should be to ensure that arrangements are in place for the proportionate and independent investigation of such matters and for appropriate follow-up action. This should include ensuring safeguards for those who raise concerns are in place and operating effectively. Such processes should enable individuals or groups to draw formal attention to practices that are unethical or violate internal or external policies, rules or regulations and to ensure valid concerns are promptly addressed. These processes should also reassure individuals raising concerns that they will be protected from potential negative repercussions.	to the Audit Committee at each meeting. An annual report is also presented to the Committee. The Local Counter Fraud Specialist is proactive in raising awareness amongst staff regarding fraud and its reporting. Investigations undertaken and progress against these are reported to each Audit Committee meeting. This includes the Trust's arrangements in relation to the Bribery Act and assessment against the NHS Protect Qualitative Assessment. The Trust has a Whistleblowing Policy in place and is proactive in ensuring staff are aware of the policy and their responsibilities under it.		AGD		Whistleblowing Policy
<a href="#">C.3.9</a> A separate section of the annual report should describe the work of the committee in discharging those responsibilities. The report should include: - the significant issues that the committee considered in relation to financial statements, operations and compliance, and how these were addressed; - an explanation of how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or re-appointment of the external auditor, the value of the external audit services and information on the length of tenure of the current audit firm and when a tender was last conducted; and - if the external auditor provides non-audit services, the value of non-audit services provided and an explanation of how auditor objectively and independence was safeguarded.	Included in the annual report.	None	DS/AF		Annual report
<b>SECTION D REMUNERATION</b>					
<b>D.1 The level and components of remuneration</b>					
Levels of remuneration should be sufficient to attract, retain and motivate directors of quality and with the skills and experience required to run the NHS					

Code provision	Current position	Action	Lead	When	Where
<b>foundation trust successfully, but an NHS foundation trust should avoid paying more than is necessary for the purpose and should consider all relevant and current directions relating to contractual benefits such as pay and redundancy requirements.</b>					
<p><u>D.1.1</u> Any performance-related elements of the remuneration of executive directors should be designed to align their interests with those of patients, service users and taxpayers and to give these directors keen incentives to perform at the highest levels. In designing schemes of performance-related remuneration, the remuneration committee should follow the following provisions.</p> <ul style="list-style-type: none"> <li>➤ Whether directors should be eligible for annual bonus in line with local procedures. If so, performance conditions should be relevant, stretching and designed to match the long-term interests of public and patients.</li> <li>➤ Payouts or grants under all incentive schemes should be subject to challenging performance criteria reflecting the objectives of the NHS foundation trust. Consideration should be given to criteria which reflect the performance of the NHS foundation trust relative to a group of comparator trusts in some key indicators, and the taking of independent and expert advice where appropriate.;</li> <li>➤ Performance criteria and any upper limits for annual bonuses and incentive schemes should be set and disclosed.</li> <li>➤ The remuneration committee should consider the pension consequences and associated costs to the NHS foundation trust of basic salary increases and any other changes in pensionable remuneration, especially for directors close to retirement.</li> </ul>	<p>The Remuneration and Terms of Service Committee considers a performance-related pay scheme on an annual basis for Executive Directors. This includes challenging performance criteria both corporate and individual, which are aligned to the strategic objectives of the Trust, and strict parameters for any awards made.</p>	None	Chair/AGD		R&TSC minutes and scheme details
<p><u>D.1.2</u> Levels of remuneration for the chair and other non-executive directors should reflect the time commitment and responsibilities of their roles.</p>	<p>The Trust, with the agreement of the Members' Council, sets differential remuneration rates for Non-Executive Directors, the Chair of the Audit Committee and the Deputy Chair/Senior Independent</p>	None	Chair/DS/AGD		Papers to the Members' Council

Code provision	Current position	Action	Lead	When	Where
	Director, and the Chair of the Trust to reflect the difference in time commitment and responsibility in the respective roles. The Members' Council reviews the remuneration of the Chair and Non-Executive Directors annually with support from the Director of Human Resources and Workforce Development.				
<a href="#">D.1.3</a> Where an NHS foundation trust releases an executive director, for example, to serve as a non-executive director elsewhere, the remuneration disclosures of the annual report should include a statement of whether or not the director will retain such earnings.	This would be included in the annual report should the situation arise.	None	DS		Annual report
<a href="#">D.1.4</a> The remuneration committee should carefully consider what compensation commitments (including pension contributions and all other elements) their directors' terms of appointments would give rise to in the event of early termination. The aim should be to avoid rewarding poor performance. Contracts should allow for compensation to be reduced to reflect a departing director's obligations to mitigate loss. Appropriate claw-back provisions should be considered in case of a director returning to the NHS within the period of any putative notice.	This would be actioned as appropriate by the Remuneration and Terms of Service Committee. The terms of reference of the Remuneration and Terms of Service Committee includes approval of any termination payments to the Chief Executive and Executive Directors and to ensure these are properly calculated and reasonable with regard to probity and value for money.	None	Chair R&TSC/ AGD		R&TSC terms of reference
<b>D.2 Procedure</b> <b>There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his/her own remuneration.</b>					
<a href="#">D.2.1</a> The board of directors should establish a remuneration committee composed of non-executive directors which should include at least three independent non-executive directors. The remuneration committee should make available its terms of reference, explaining its role and the authority delegated to it by the board of directors. Where remuneration consultants are appointed, a statement should be made available as to whether they have any other connection with	Remuneration and Terms of Service Committee in place. Membership of the Committee is comprised of the Chair of the Trust, two Non-Executive Directors (currently, although the terms of reference allow for a third) and the Chief Executive (non-voting). The Committee has terms of reference, available on request, outlining its role and the authority delegated to it by Trust Board. Any statement regarding use of	None	Chair/DS		R&TSC ToR

Code provision	Current position	Action	Lead	When	Where
the NHS foundation trust.	remuneration consultants would be made in the minutes as appropriate.				
<u>D.2.2</u> The remuneration committee should have delegated responsibility for setting remuneration for all executive directors, including pension rights and any compensation payments. The committee should also recommend and monitor the level and structure of remuneration for senior management. The definition of 'senior management' for this purpose should be determined by the board but should normally include the first layer of management below board level.	Included in terms of reference for Remuneration and Terms of Service Committee.	None	Chair/DS		R&TSC ToR
<u>D.2.3</u> The council of governors should consult external professional advisers to market-test the remuneration levels of the chair and other non-executives at least once every three years and when they intend to make a material change to the remuneration of a non-executive.	The Members' Council set the Chair and Non-Executive Director remuneration on authorisation in May 2009. A process is in place for the Members' Council to assess, on an annual basis, whether a review of remuneration is required. This involves the use of an external consultant if the Members' Council thinks this is appropriate and the support of the Director of Human Resources and Workforce Development.	None	AGD/DS		Members' Council papers and minutes
<b>SECTION E RELATIONS WITH STAKEHOLDERS</b>					
<b>E.1 Dialogue with members, patients and the local community</b> <b>The board of directors should appropriately consult and involve members, patients, clients and the local community.</b> <b>The council of governors must represent the interests of trust members and the public.</b> <b>Notwithstanding the complementary role of the governors in this consultation, the board of directors as a whole has responsibility for ensuring that regular and open dialogue with its stakeholders takes place.</b>					
<u>E.1.1</u> The board of directors should make available a public document that sets out its policy on the involvement of members, patients, and the local community at large, including a description of the kind of issues it will consult on.	The Trust currently has two strategies in place that outline its approach to the involvement of members, stakeholders, service users and carers, and staff (Involving People Strategy and Membership Strategy). The Membership Strategy has been reviewed on an annual basis and will be included in a wider community involvement strategy due for approval in the summer of 2014.	Development and approval of involvement strategy.	DS	Summer 2014	Trust Board minutes and intranet
<u>E.1.2</u> The board of directors should clarify in	Included in E.1.1.	Development and approval of	DS	Summer	Trust Board



Code provision	Current position	Action	Lead	When	Where
writing how the public interests of patients and the local community will be represented, including its approach for addressing the overlap and interface between governors and any local consultative forums already in place (e.g. local Healthwatch, the Overview and scrutiny committees, the local League of Friends, and staff groups).		community involvement strategy		2014	minutes and intranet
<u>E.1.3a</u> The chair should ensure that the views of governors and members are communicated to the board as a whole.	The Chair would do this as appropriate.	None	Chair		
<u>E.1.3b</u> The chair should discuss the affairs of the NHS foundation trust with governors.	This is done through Members' Council meetings, informal briefings and development sessions. The Chair also updates, consults and, if necessary, seeks advice from the Lead Governor on a regular basis on issues affecting the Trust.	None	Chair		
<u>E.1.3c</u> Non-executive directors should be offered the opportunity to attend meetings with governors and should expect to attend them if requested by governors.	Non-Executive Directors are invited to attend Members' Council meetings and there is an expectation by the Chair that all members of Trust Board should do so, subject to other commitments.	None	Chair		
<u>E.1.3d</u> The senior independent director should attend sufficient meetings with governors to listen to their views in order to help develop a balanced understanding of the issues and concerns of governors.	Senior Independent Director is invited to all Members' Council meetings and the annual evaluation session.	None	DS		
<u>E.1.4</u> The board of directors should ensure that the NHS foundation trust provides effective mechanisms for communication between governors and members from its constituencies. Contact procedures for members that wish to communicate with governors and/or directors should be made clearly available to members on the NHS foundation trust's website and in the annual report.	Support for the Members' Council to communicate with members is undertaken in a number ways. ➤ Information on Governors is on the Trust's website with details of how to contact individuals. ➤ The Members' Council has been featured in the members' magazine, 'Like Minds', again with contact details. ➤ A leaflet has been developed in conjunction with the Members' Council and this will be updated during 2014. ➤ Members' Council has a stand at	This is ongoing work through Members' Council.	DS	Ongoing	

Code provision	Current position	Action	Lead	When	Where
	<p>members' events to meet their constituents.</p> <p>➤ Governors have made personal links with dialogue groups.</p> <p>See also B.5.6a.</p>				
<u>E.1.5</u> The board of directors should state in the annual report the steps they have taken to ensure that the members of the board, and in particular the non-executive directors, develop an understanding of the views of governors and members about the NHS foundation trust, for example through attendance at meetings of the council of governors, direct face-to-face contact, surveys of member opinion and consultations.	Included in the annual report.	None	DS/AF		Annual report
<u>E.1.6</u> The board of directors should monitor how representative the NHS foundation trust's membership is and the level and effectiveness of member engagement and report on this in the annual report. This information should be used to review the trust's membership strategy, taking into account any emerging best practice from the sector.	<p>Membership reviewed on a regular basis and any exceptions reported to Trust Board. Focus of recruitment activity is to maintain 1% level and ensure active and engaged membership, which is representative of the communities the Trust serves in Barnsley, Calderdale, Kirklees and Wakefield.</p> <p>Membership is reviewed as part of the development of the annual plan to Monitor and as part of the annual review of the Membership Strategy.</p>	None	DS		Monitor annual plan/ performance report
<b>E.2 Co-operation with third parties with roles in relation to NHS foundation trusts.</b> <b>The board of directors is responsible for ensuring that the NHS foundation trust co-operates with other NHS bodies, local authorities and other relevant organisations with an interest in the local health economy.</b>					
<u>E.2.1</u> The board of directors should be clear as to the specific third party bodies in relation to which the NHS foundation trust has a duty to co-operate. The board of directors should be clear of the form and scope of the co-operation required with each of these bodies in order to discharge their statutory duties.	Under the conditions of its Licence, the Trust is required to co-operate with third party bodies. Although the detail of these bodies is no longer specified it is assumed that Monitor would require foundation trusts to continue to take Schedule 6 of the Trust's Terms of Authorisation into account.	None	DS		
<u>E.2.2</u> The board of directors should ensure that effective mechanisms are in place to co-operate with relevant third party bodies and	Through the Chief Executive, the Trust ensures executive director attendance at key partnership and stakeholder meetings	None	CE		

Code provision	Current position	Action	Lead	When	Where
that collaborative and productive relationships are maintained with relevant stakeholder at appropriate levels of seniority in each. The board of directors should review the effectiveness of these processes and relationships and take steps to improve them.	<p>as appropriate.</p> <p>Lead Directors are identified for relationship management with Monitor and the Care Quality Commission.</p> <p>The Trust has a seat on the Members' Council of Calderdale and Huddersfield NHS Foundation Trust and continues to seek representation on the Members' Council for Barnsley Hospital NHS Foundation Trust.</p> <p>A stakeholder review is undertaken by Trust Board on a regular basis.</p>		<p>DS/TB</p> <p>DS/Chair</p> <p>CE</p>		

**Members' Council**  
**25 July 2014**

<b>Agenda item:</b>	<b>12</b>
<b>Report Title:</b>	Membership of the Nominations Committee
<b>Report By:</b>	Ian Black
<b>Job Title:</b>	Chair
<b>Action:</b>	To agree

**EXECUTIVE SUMMARY**

Purpose

The purpose of this paper is to seek agreement from the Members' Council for the appointment of two governors to the Nominations Committee.

Recommendation

**The Members' Council is asked to AGREE the appointment of Marios Adamou and Nasim Hasnie to the Nominations Committee.**

Background

The Nominations Committee is a standing Committee of the Members' Council set up to assist governors in the exercise of their statutory duty to appoint the Chair and Non-Executive Directors of the Board. The Committee was established in May 2009 and its prime purpose is two-fold:

- to ensure the right composition and balance of the Board; and
- to oversee the process for the identification, nomination and appointment the Chair and Non-Executive Directors of the Trust.

The Committee is also tasked with ensuring there are formal, rigorous and transparent processes in place to appoint the Deputy Chair and Senior Independent Director for the Trust, and the Lead Governor for the Members' Council.

The Committee is chaired by the Chair of the Trust. The terms of reference allow for two members of the Members' Council (preferably one elected and one appointed), the Lead Governor and a co-opted service user/carer, if appropriate, to be members of the Committee. The Chief Executive of the Trust is also a member.

The current membership of the Committee is as follows.

Chair

Ian Black, Chair of the Trust

Members

Steven Michael, Chief Executive

Kath Padgett, appointed governor, University of Huddersfield

Michael Smith, publicly elected governor, Calderdale

Tony Wilkinson, Lead Governor and publicly elected governor, Calderdale

As outlined by the Chair of the Trust in April 2014, a vacancy has arisen following the resignation of

Kath Padgett as a governor. There is also an outstanding vacancy. The Chair was, therefore, seeking interest from governors to join the Committee for two vacancies. He asked that governors have some experience of recruitment and selection at a senior level and commit to attending the Foundation Trust Network GovernWell module on Non-Executive Director appointments.

#### Outcome

Following the meeting in April 2014, three governors put themselves forward to join the Committee. As a result and to help governors decide who should sit on the Committee, the Chair asked the three candidates to provide a short statement outlining why they would like to sit on the Nominations Committee, what skills and experience they have to fulfil the role and what they would bring to the Committee.

One candidate indicated that, on reflection, he did not think he could make the required time commitment at the current time for personal reasons. A statement was received from both the remaining candidates.

After due consideration, the Chair believes that both candidates should be appointed to the Nominations Committee given their skills and experience. He considers that both would make an effective and valuable contribution. The statements can be found at annex 1 for information in support of the Chair's recommendation.

*It should be noted that there is currently a gender imbalance on the Committee and there is no appointed governor representation. It is hoped to address this during 2015.*

#### Proposal

**The Chair is recommending the appointment of Marios Adamou, staff elected medicine and pharmacy, and Nasim Hasnie, publicly elected Kirklees, to the Nominations Committee.**

**Nominations Committee – candidate statements**  
**Members' Council 25 July 2014**

Marios Adamou

I would like to sit on the nominations committee in order to add my unique skills and experience to its function. I have a long experience in short listing and interviewing people from different professions and backgrounds and have learned a lot from that processes. I also developed a professional understanding of skills and competencies required for a Board level position and I am a good judge of character. I work well with people to reach a consensus.

Biographical details

Marios Adamou is a Consultant Psychiatrist and Clinical Lead in neurodevelopmental psychiatry (ADHD and ASD) at South West Yorkshire Partnership NHS Foundation Trust. He is the Head of Specialist Service Development and Foundation Trust Governor at the same organisation. He is a board member of the Governing body of East Ridings CCG. He holds offices at the Royal College of Psychiatrists where he is a member (MRCPsych). He is presently the Deputy Regional Advisor for the Yorkshire Region, elected member of the Executive Committee of the Faculty of General Adult Psychiatry whose is the policy lead, and co-opted member for the Northern and Yorkshire Division. His Medical Training (MD) was completed at the Aristotle University, Thessaloniki, Greece and his Psychiatric training at Guys, Kings and St Thomas's scheme in London. He held full time research positions at the University of Kent and Institute of Psychiatry, London. Marios completed postgraduate degrees (MSc) in Mental Health Studies, MA (History), LL.M (Medical Law), MBA (Business Administration) and PGCE (Medical Education). He earned a postgraduate diploma in Occupational Medicine (DOccMed) and completed a PhD by research. He is a Fellow of the Higher Education Academy (FHEA), the Royal Society of Arts (FRSA), the Royal Society of Public Health (FRSPH) and the Society of Biology (FSB). He is a Chartered Member of the Chartered Management Institute (CMgr MCMI), member of the Institute of Directors (MIOD) and Member of the Academy of Medical Educators (MAcadMED).

Nasim Hasnie

I am pleased to offer the following information in support of my application for membership of the nomination committee.

*Current Roles*

I am Vice Chair of Mount Pleasant Junior School and am a member of the Appointment Committee, involved in appointing staff from head teacher to senior staff. This involves taking part in the recruitment selection process from agreeing a job description and person specification, short listing, interviewing and appointing staff. I have been governor of the school over years.

*Previous Roles*

I was member of the appointment panels in a number of organisations.

1. Kirklees Metropolitan Council in appointment of Principal Officer as Vice Chair of Equal Opportunities Sub-Committee.
2. Huddersfield Pride Limited in appointment of Chief Executive and Senior Managers as Board Member for over 10 Years.
3. National Association of Racial Equality Councils in appointment of staff as Vice-Chair of the Organisation and Chair of Personnel Committee.
4. United Kingdom Immigration Advisory Service as member of Executive committee and Appointment Committee in Appointment of Director and Deputy Director.
5. Kirklees Racial Council as Chairperson in appointment of Director and Officers.
6. Huddersfield Technical College as Senior Lecturer and Equality Officer in occasional appointment of staff
7. Appointment of Head of Translation and Interpretation Units in Middlesbrough, Sandwell and Kirklees Local authorities as a Consultant
8. Huddersfield New College for the appointment of senior staff as Vice-chair of the Governing body.

*Consultancy Work*

I was commissioned to conduct an investigation into Kirklees Metropolitan Council Positive Action Training Scheme around 1993. This involved analysis of recruitment selection process from advertisement to recruitment process. I produced the report with the title "Positive Intention in Unclear Atmosphere". All the recommendations were accepted. The document has a classic status and has benefitted lot of people since then.

I would like to thank everyone for encouraging me to apply. Thanking you in advance of your consideration.

**Members' Council**  
**25 July 2014**

<b>Agenda item:</b>	<b>13</b>
<b>Report Title:</b>	Foundation Trust Governors' Association
<b>Report By:</b>	Dawn Stephenson
<b>Job Title:</b>	Director of Corporate Development
<b>Action:</b>	To agree

**EXECUTIVE SUMMARY**

Purpose

The purpose of this paper is to seek approval for the proposal from the Foundation Trust Network (FTN) that the Foundation Trust Governors' Association (FTGA) becomes part of the FTN following a ballot of FTGA members to be held in July 2014.

Recommendation

**The Members' Council is asked to CONSIDER and SUPPORT the proposal for the Foundation Trust Governors' Association to become part of the Foundation Trust Network and for the Chair to use the Trust's vote to support this proposal.**

Background

The Trust has been a member of the Foundation Trust Governors' Association since April 2010 following agreement by the Members' Council to join. This paper was originally intended to propose that the Trust joins for a further year; however, events have moved on at a national level and a proposal is outlined below for consideration.

Proposal

The Trust received a letter on 3 July 2014 from the FTN, which is the membership organisation representing NHS public provider trusts, to advise on negotiations between the FTN and the FTGA.

The FTN Board has agreed that the FTGA should become part of the FTN, subject to a ballot of FTGA members and the outcome of formal due diligence. The decision follows several months of negotiation between the two organisations. The FTN has not publicised the discussions because the outcome of these negotiations was uncertain and the FTN did not want to provoke unnecessary speculation. Both organisations have now reached a stage where the direction of travel can be confirmed.

The objectives of the negotiations were to create sustainable representation for councils of governors that:

- delivers value for money and has the capacity to offer a range of benefits to members;
- preserves and enhances the voice of governor councils; and
- enhances the reputation of the foundation trust model.

The proposal is to deliver, as a minimum, the current FTGA services over the coming year and quickly



move to delivering further benefits within 18 months. Thereafter, the aim is to deliver a substantially enhanced governor offer as part of the FTN's overall development.

To ensure that the governor voice is preserved and enhanced, a Governor Policy Board will be established. The terms of reference have not been finalised, but the group will consist of a majority of governors together with a smaller number of FT chairs from the FTN Board, one of whom will chair it. An FTN executive director will lead on governor policy and will act as governor champion. This arrangement, alongside the FTN's commitment to guarantee the governor voice, will ensure robust, sustainable representation of councils of governors.

The FTGA will ballot its member organisations during July 2014 and foundation trust chairs will be asked vote on behalf of their trust. The FTN is encouraging foundation trusts who are FTGA members to vote in favour of this arrangement.

Subject to the outcome of the vote, interim arrangements will be in place by the end of August 2014. Negotiations with FTGA representatives will continue up to and after the interim arrangements being put in place.

The FTN will write to trusts again once the result of the FTGA ballot is known and will keep trusts informed of developments.