The Tavistock and Portman NHS
NHS Foundation Trust

Board of Governors

Agenda and papers
of a meeting to be held

2pm – 4pm
Thursday 9th December 2010

Lecture Theatre
Tavistock Centre
120 Belsize Lane
London, NW3 5BA

Board of Governors

2pm – 4pm, Thursday 9th December 2010

Agenda

Preliminaries

1. **Chair's opening remarks**
   Ms Angela Greatley, Trust Chair

2. **Apologies for absence**

3. **Minutes of the previous meeting** — *(Minutes attached) For approval*

4. **Matters arising** — *(Report attached) For noting*

Reports & Finance

5. **Trust Chair's Report** — *For discussion*
   Ms Angela Greatley, Trust Chair

6. **Chief Executive's Report** — *(Report attached) For discussion*
   Dr Matthew Patrick, Chief Executive

7. **Finance & Performance** — *(Report attached) For discussion*
   Mr Simon Young, Director of Finance

8. **Governors' Reports** — *For noting*

Quality & Development

9. **New Trust Services: Children's Website** — *For discussion*
   Dr Sally Hodges, Patient & Public Involvement and Communications Lead

10. **New Trust Services: Big White Wall** — *For discussion*
    Dr Richard Graham, Clinical Director, Adolescent Directorate
    Ms Emily Buttrum, Associate Director of Business Development

11. **Annual Plan** — *(Report attached) For noting*
    Mr Simon Young, Director of Finance

Conclusion

12. Any other business

13. Notice of future meetings

Tuesday 25th January : Board of Directors
Thursday 3rd February : Board of Governors
Tuesday 22nd February : Board of Directors
Tuesday 29th March : Board of Directors
Thursday 28th April : Board of Directors
Thursday 5th May : Board of Governors
Tuesday 24th May : Board of Directors
Tuesday 28th June : Board of Directors
Tuesday 26th July : Board of Directors
Thursday 15th September : Board of Governors
Tuesday 27th September : Board of Directors
Tuesday 25th October : Board of Directors
Tuesday 29th November : Board of Directors
Thursday 1st December : Board of Governors

Meetings of the Board of Directors are from 2.30pm until 5.30pm, and are held in the Board Room. Meetings of the Board of Governors are from 2pm until 5pm, and are held in the Lecture Theatre. Directors' Conferences are from 12.30pm until 5pm.

Board of Governors
Part I

Meeting Minutes, 2pm – 5pm, Thursday 9th September 2010

Present:			
Ms Angela Greatley Trust Chair	Ms Jennie Bird Public: Camden	Mr Jonathan Bradley Staff: Clin, Academic, Snr	Ms Mary Burd Public: Camden
Cllr Patricia Callaghan Local Authorities	Mrs Amanda Hawke Staff: Admin & Tech	Ms Chrissie Kimmons Public: Rest of Eng. & W	Ms Jan McHugh Public: Rest of Eng & W
Ms Carole Stone Public: Rest of London	Prof. Steven Trevillion University of East London	Mr John Wilkes Public: Rest of London	
In Attendance:			
Ms Louise Carney Trust Secretary (minutes)	Dr Matthew Patrick Chief Executive	Mr Carl Doherty Dep. Director of Finance (items 7 & 10)	Dr Sally Hodges PPI & Communications Lead (items 11 & 12)
Ms Trudy Klauber Dean (item 13)	Prof. Stephen Briggs Associate Dean, SAMHS (item 13)		
Apologies			
Dr Robin Anderson Public: Rest of London	Mr Robin Bonner Staff: Reps. of Recognised Staff Orgs & Trade Unions	Mr John Carrier Primary Care Trusts	Ms Stephanie Cooper Public: Rest of London
Mr Adam Elliott Public: Camden	Ms Sara Godfrey Public: Rest of London	Ms Simone Hensby Non-Statutory Sector	Dr Caroline Lindsey Public: Rest of London
Dr Aulay Mackenzie University of Essex			

Actions

AP	Item	Action to be taken	By	Due
1	11	Miss Carney to investigate whether student Members maintain membership once their courses have finished	LC	Dec 10
2	11	Miss Carney to set up working group for Members engagement	LC	Oct 10

Actions **Agenda item** **Future Agendas**

1. Chair's opening remarks

Ms Greatley welcomed everyone to the meeting, particularly Cllr Pat Callaghan, the Trust's new Local Authorities Stakeholder Governor, and Lis Jones, the Trust's new Nurse Director. Ms Greatley welcomed Non-Executive Directors Mr Bostock, Ms Moseley, Ms Satyamurti, and Mr Strang, who were observing. Ms Greatley also welcomed another additional observer from the public.

2. Apologies for absence

As above.

3. Minutes of the previous meeting

The minutes were approved subject to some minor amendments.

4. Matters Arising

Dr Patrick explained that the drive behind the new reconfiguration of Board of Directors' sub-committees, and in particular the creation of a Clinical Quality, Safety, and Governance Committee was to ensure that resources were correctly allocated and that the Board of Directors could be adequately assured. The new structure was built on a system of individual responsibility and accountability, and places the Trust in a much more secure position.

Miss Carney reminded Governors that Ms Burd had been voted on to the Trust's erstwhile Clinical Governance Committee, and that Ms Burd would like to transfer her membership to the CQSG Committee, and that Ms Cooper had indicated her interest in this committee. Governors unanimously voted Mses Burd and Cooper to the CQSG Committee.

Miss Carney noted that due to a graphics error, Mr Elliott's name did not appear on the Board of Governors Performance Committee.

Cllr Callaghan congratulated the Trust on its approach to engaging with its adolescent patients.

5. Trust Chair's Report

Ms Greatley and the Board of Governors recorded their formal thanks to Roger Freeman, previously Local Authority Stakeholder Governor, who had been replaced by Patricia Callaghan on the Trust's Board of Governors. Cllr Callaghan noted that Cllr Freeman was a well-respected colleague of hers.

6. Governors' Reports

Mr Wilkes noted that the first Governors bulletin had been circulated and urged Governors to e-mail Miss Carney with any information they would like to share with their Governor colleagues. Miss Carney noted that in future she would add any relevant press briefings to the bulletin.

7. Chief Executive's Report

Dr Patrick noted that the White Paper was now a major drive in the Trust's agenda. The next three to eighteen months would be critical for the health economy in terms of implementing the White Paper and the provider / commissioner landscape. Dr Patrick predicted turbulence in that journey, particularly in the current economic climate. Maintaining close relationships with commissioners was seen as very important.

Dr Patrick noted that the Big White Wall had also been nominated for a Health Service Journal innovation award, in addition to the nomination for a National eWell-Being Award.

Dr Patrick reminded Governors that the Trust's Annual General Meeting would take place on Thursday 14th October, and encouraged all Governors to attend.

8. Finance Director's Report

Mr Doherty noted that at Month 4, the Trust had a surplus of £84k, and expected to be on target for year-end. Mr Bradley queried whether the Trust was able to spend this surplus. Dr Patrick noted that Monitor requires foundation trusts to have secure liquidity. Ms Greatley noted that the Trust needed to be careful about spending a surplus too early in a year, but may choose to re-invest it in the second half of the financial year. Dr Patrick explained that last year the Trust had asked for bids from staff for project funding. Prof. Trevillion noted that there was likely to be significant change in the health economy and a strong contingency was necessary to deal with this.

The Trust had a Financial Risk Rating (FRR) of 3, which was in line with its Plan. Dr Patrick noted that the majority of foundation trusts were now targeting an FRR of 3. This was partly for economic prudency, and the realisation that it is more appropriate to keep money in the health system, generating enough surplus only for financial security.

Dr Anderson queried whether the Trust faced any financial risk from the organisations and Primary Care Trusts (PCTs) it has contracts with. Dr Patrick noted that the Trust's contracted income was relatively reliable. The Trust was currently negotiating contracts for 2011/12. In the North Central Sector, a number of PCTs have significant deficits, which may prove to be problematic. However, the Trust's income is widely spread across many PCTs. The Trust's main vulnerability is from "big wave" phenomenon; whilst the Trust can plan, and be responsive to change, it cannot predict huge environmental change.

9. White Paper

Ms Greatley noted that the White Paper represented huge change within the health system, and highlighted the two major changes, which were a change in focus for commissioning, and the creation of an independent NHS Board.

Dr Patrick gave a presentation on the current process of commissioning. It was noted that proposals placed commissioning with GP consortia, although it was noted that GPs were not at present equipped to commission services.

Ms Greatley noted that the White Paper presented changes to the health system at a time when money was extremely tight. Dr Patrick noted that the NHS will face a funding gap of £15-20bn over the next three to four years. Local Authority funding would not be protected. Ms Callaghan noted the importance of preventative healthcare, highlighting that cutting early

intervention services has massive cost implications for treatment services.

Ms Kimmons presented her thoughts on the White Paper

- Four supplementary consultation documents had been published thus far (a fifth was to follow), whose content appeared contradictory to that in the White Paper. This implied that the White Paper had not been fully thought through. There was little clarity in the supplementary papers. Ms Kimmons suggested that there was potentially all to play for, and that there were many opportunities to influence the direction of health policy.

- Local Authorities had been given a greater role than had been expected, and this presented more opportunities for integrated social care. It was proposed that Local Authorities take over health needs assessments from PCTs. Local Authorities would become a more significant player in the health market.

- Provided that a provider meets regulatory standards, they will be able to complete in the health market, meaning that the NHS could face private sector competition. This presents both opportunities and threats.

- The level and location of commissioning was still to be confirmed. It had been suggested that Strategic Health Authorities (SHAs) would be abolished in 2012, and PCTs in 2013, though it is doubted that this regional tier will be totally abandoned. GP commissioning would require risk pooling.

- The NHS never changes quickly, and whilst many changes had been proposed in the White Paper, the general direction of travel had not been drastically altered. Ms Greatley noted that work with GPs had been developed in recent years.

Ms Greatley noted that there is already overspending from GPs in the health market, and that the Government may not be able to control GP spending.

Ms Callaghan noted that Local Authority funding was not protected. Ms Greatley suggested that the Local Authority role will be a very interesting one, as they play a very important role in mental health and children's health.

10. Annual Report & Accounts 2009/10

Mr Doherty presented the 2009/10 Accounts, noting that the Trust had achieved a surplus of £651k in 2009/10, which was £510k above target. Dr Patrick noted that 2009/10 had been a very good year, but noted that things had gone well fro the Trust last year. The Trust sets a prudent plan, allowing for variances, to ensure that at year end the Trust is ahead of Plan, as opposed to below. Dr Patrick noted that thus far into the year, the Trust

was performing well, although Ms Greatley noted that the Trust was likely to face difficult challenges.

Ms Callaghan commended the Trust on the steps it was taking towards patient and public involvement.

Ms Callaghan noted that the Trust had not received any comments from the local Health Scrutiny Committee on the Quality Report. Dr Patrick explained that the Committee had not been able to provide comments before the deadline for submission of the Report to the regulator. Ms Callaghan suggested that the Trust may still wish to submit the Quality Report to the Committee for comment. Ms Greatley noted the importance of all ensuring all stakeholders have an opportunity to see and comment on the Quality Report.

11. Membership Report

The Board of Governors discussed Membership recruitment. Dr Hodges noted that the Trust currently writes to all patients inviting them to become Members, and that students are automatically made Members unless they opt out. When the Trust was in the foundation trust application process, it held a number of recruitment events, including an open day at the Trust with entertainment for children, holding local stalls at shopping centres, attending local mental health days, and also wrote to all alumni inviting them to become Members. Dr Hodges noted that feedback from these events had been very positive, and the Trust would like to be able to run similar events more regularly, but faced resource restrictions. Dr Bradley queried whether the Trust had invited the Tavistock Society of Psychotherapists and Allied Professionals (TSP) members. Dr Hodges answered that they had been invited to join when the Trust was in its FT application stage.

Dr Patrick suggested that Membership numbers can become a distraction, and that how the Trust engaged with its Members was more important than how it recruited or how many Members it had. Ms Kimmons noted that Public Governors had a duty to represent Members.

Dr Anderson queried who the Trust's Members were. It was noted that a significant proportion of Members were students or ex-students. Governors queried whether students were removed from the Membership Register once they left the Trust. Miss Carney to investigate.

AP1

Governors broke out into smaller discussion groups to consider Membership.

AP2 It was agreed to set up a working group to consider Member engagement. Miss Carney to arrange.

12. Patient & Public Involvement Committee Annual Report

Dr Hodges noted that the PPI Committee was focusing on how to engage

with its younger population. Ms Kimmons noted that the PPI Committee should be more closely involved with Governors.

13. Training Services Report

Ms Klauber noted that the Trust was experiencing a late bout of recruitment, which may be attributable to people trying to make themselves more employable, and was therefore not sustainable.

Ms Klauber noted that the White Paper had not had any immediate impact on the Trust's training services, but would present financial risks in the 2011/12. It was not known whether national contracts would be disbursed regionally.

Prof. Briggs presented an outline of the Trust's e-learning strategy, noting that e-learning presented a new departure for the Trust. E-learning allowed the Trust to maintain its training ethos, but presented new challenges in terms of clinical supervision and observations. Ms Klauber noted that the Trust was learning more about its own teachings as it transferred these to an e-learning environment.

E-learning increased the Trust's potential in local, national, and international markets. Ms Klauber noted that e-learning made the Trust's training services accessible to people who would love to, but would never be able to train at the Trust. Dr Patrick noted that this was not just people who were geographically remote from the Trust. Ms Greatley also noted that there are many professionals, for instance nurses, who can rarely be released from work to take advantage of the Trust's trainings. Ms Callaghan noted that this was a very positive step forwards for the Trust.

14. Any other business

Miss Carney presented Governors with the following documents:

- Trust's Annual General Meeting flyer
- Audit Commission "NHS Foundation Trust Accounts. A Guide for Governors
- FTGA publication "Questions are the Answer"
- FTGA Snapshot Summer 2010
- FTGA Essential Brief 13

15. Notice of future meetings

Noted.

Outstanding Action Part 1

The Tavistock and Portman NHS
NHS Foundation Trust

No.	Originating Meeting	Agenda Item	Action Required	Director / Manager	Due Date
1	Sep-09	12. Training Services Report	Dr Mackenzie to contact Ms Klauber to discuss online learning	Aulay Mackenzie	Dec-10
2	May-09	5. Trust Chair's Report	Miss Carney to schedule discussion on independence of Foundation Trusts	Louise Carney	Feb-11
3	Feb-10	10. Lead Governor	Holder of Lead Governor role to be reviewed annually	Board of Governors	Feb-11

Board of Governors : December 2010

Item : 4

Title : Matters Arising

Summary :

This paper reports on a meeting to consider Member engagement.

For : Noting

From : Trust Chair

Member Engagement

1. Introduction

1.1 Following the September meeting of the Board of Directors, a meeting was set up with Angela Greatley, Trust Chair, Stephanie Cooper, Public Governor, Sally Hodges, PPI & Communication Lead, and Louise Carney, Trust Secretary to discuss Member-Governor engagement. This group met on Tuesday 16th November.

2. Contact with Members

2.1 The Trust is restricted by the Data Protection Act in its interaction with Members. It was agreed that Members would only be contacted three times a year with the Members' Newsletter and with correspondence related to elections.

2.2 The Trust's current contact with Members is via the Members' Newsletter and the Annual General Meeting.

3. Members' Contact with Governors

3.1 If Members wish to contact a Governor they can do so via the Trust Secretary. A reminder will go in the next issue of the Members' Newsletter reminding Members of how they contact their Governors, and on the letter sent to all new Members.

3.2 It was also agreed to make it clear in the Members' Newsletter who the Governors are for each constituency.

4. Members' Interests

4.1 The Trust is redesigning its Membership Application Form to allow Members to identify their areas of interest, which will allow the Trust to target audiences for events. Existing Members can be alerted of this change, once the form is rolled out, so that they can indicate their areas of interest.

5. Events for Members

5.1 Debbie Lampon, the PALS officer holds events for patients on areas of the Trust's work. In the past, these have been well-attended. It

was suggested that these are opened up to Members. Notification of these can go in the Members' Newsletter and on the Trust's website.

5.2 The Trust will be recruiting a new post which will be dedicated to work on the quality agenda and to Governor-Member relationships. It is thought that this role will lead on events for Members.

6. Membership Welcome Pack

6.1 The Trust is updating its Membership Welcome Pack, which will more fully explain what is involved in Membership, the role of Members, Governors, and details with how Members can contact Governors.

Board of Governors : December 2010

Item : 6

Title : Chief Executive Report

Summary :

The report covers the following items:

1. Introduction
2. Welcomes
3. White Paper Update
4. Mental Health Strategy
5. NHS Finance
6. North Central London
7. Governors' responsibilities
8. Big White Wall
9. Children's Website
10. Rio Admin Go Live
11. And Finally...

For : Discussion

From : Chief Executive

Chief Executive Report

1. Introduction

1.1 Three months feels like an awfully long time in the NHS at the moment. I suppose that is my way of preparing you for the length of this report. I have tried to cover what I feel is important for the Board of Governors to know, but also a number of items on which you have asked for further information.

1.2 As I hope you will gather from reading my report, it is a very hard time for the NHS and broader public sector, with the whole system under tremendous pressure financially and with the challenge of large scale structural reorganisation. At the same time you will see that there are also many areas of positive development for our Trust. Managing these two fronts is not easy, but in essence it constitutes the current task – looking after the basics (with all that entails, including very challenging productivity targets) while supporting our developmental potential.

2. Welcomes

2.1 I would like begin by letting the Board of Governors know about recent changes on the Board of Directors. Firstly, I am sad to report that Emma Satyamurti has left the Board after being a Non-Executive Director for over seven years. During that time, her contribution has been both generous and of enormous help. Emma has contributed significant expertise from her professional life as an employment lawyer. Beyond this, however, Emma has been an absolute pleasure to work with, and I think has contributed tremendously to the development and present culture that characterises the Board of Directors. She will be greatly missed, by me, by all Board members I am sure, but also by the staff group with whom she had a substantial amount of contact.

2.2 I would also like to take the opportunity to welcome two new members of the Board of Directors.

2.3 Firstly Dr. Ian McPherson, who formally joined the Board of Directors on 1st November. As I hope you will all know, Ian is a Clinical Psychologist by professional background. He worked as a clinician and clinical trainer in higher education before moving into NHS management and then on to mental health policy implementation and service development at regional and national levels. He is currently National Director of the National Mental Health Development Unit (NMHDU), building on the work of the National

Institute for Mental Health in England (NIMHE) where he was also National Director. I am sure that Ian's contribution to the Board of Directors will be highly valued.

2.4 Secondly I would like to introduce you all to Lis Jones, our new Nurse Director. Lis brings with her a wealth of experience from both local and national level in relation to the development and delivery of mental health services and training. Formerly with Camden and Islington NHS Foundation Trust, Lis retired from full-time employment a little over a year ago. We are delighted that she has agreed now to join our Board of Directors on a part-time basis, and I am sure that she will be a great asset to the Trust, working closely with our nursing discipline, led by Marcus Evans.

3. White Paper Update

3.1 The articulation and clarification of Andrew Lansley's health white paper has continued over the past months. The timetable for the transfer of commissioning responsibilities from Strategic Health Authorities (SHAs) and Primary Care Trusts (PCTs) to GP Consortia is being clarified, with an emphasis on early transition. SHAs will cease to exist in April 2012, PCTs formally a year later. In the meantime, though, in the light of the 54% target savings in management costs for all of these organisations, PCTs across London and the country are moving to the creation of clusters with a single executive. Within London, the plan is that all of these savings should be made over the next year, releasing additional money that can be invested in the support of developing GP Consortia. Early implementers or pathfinder GP Consortia are being actively identified with the first already named.

3.2 It is of note that within this year's contracting round, it is clear that PCTs are already very actively consulting local GPs and Local Commissioning Groups around all of their commissioning intentions.

3.3 Uncertainty still remains around the location of commissioning for training from 2012.

3.4 In line with Lansley's vision of a health service driven by users and fuelled by information, Lord Darzi has released an iPhone app called 'Wellnote'. The app allows users to store information about their health and medications, their hospital appointments, and allows users to rate any hospital in relation to quality of care, level of service and whether they would recommend it.

3.5 In line with the proposed changes to commissioning, members of the Trust are actively making contact with the leads of established GP Consortia across all of our contract areas.

4. Mental Health Strategy

4.1 Alongside the white paper, the Government and Department of Health are working on a Mental Health Strategy, due to be published in December (perhaps more likely January now). This paper is under active revision at the moment and the Trust has contributed through a variety of routes. Much of the policy direction outlined in New Horizons is represented in the new strategy, including a focus on public mental health, recovery, personalisation, early year's interventions and primary prevention, and psychological therapies.

4.2 In relation to psychological therapies, future funding to expand access to talking therapies has now been confirmed. A part of this future will include expansion of the programme to encompass children and young people. Training funds will also continue, with control of education and training funds remaining at regional IAPT Board level.

4.3 Clearly the manner in which services are developed for adults, children and young people is of concern to this Trust, and we are working to influence the development of policy and strategy in this area. In particular we are concerned to ensure that the commitment to make a broader range of therapies available is enacted, and that it is recognised that the IAPT model used for adult populations would not be applicable for children and young people. At the same time the aim of increasing access for these groups is excellent.

4.4 In the meantime the Department of Health has identified its mental health QIPP (Quality, Innovation, Productivity and Prevention) priorities. These represent areas of priority work for the department, and will include:

4.4.1 The mental health acute care pathway

4.4.2 The interface with physical health, to include chronic conditions and medically unexplained symptoms

4.4.3 Out of area treatments

4.5 The implementation of Payment by Results for mental health continues to be a priority, including the development of a tariff for CAMHS.

5. NHS Finance

5.1 Everyone will, I am sure, be familiar with the outcomes of the Government Spending Review. Local Authorities are facing very significant budget reductions, as are Universities and many other areas of the public sector. The NHS has retained effectively level funding, but because of NHS cost pressures (medical inflation, higher demand, new treatments) this equates to a 5% gap in each of the years to come, or £15-20 billion over the next three to four years.

5.2 Finance continues, therefore, to be a major concern across the NHS. With a number of health economies currently in deficit this year's contracting round is already shaping up to be extremely difficult. We should expect to see reductions in contract values across all areas of NHS spend, including both the acute sector and mental health.

5.3 The NHS Operating Framework, the document that sets out NHS priorities for the coming year and the financial framework to support them is due to be published in mid-December. The financial framework is particularly important because it will set out PCT allocations and the manner in which CRES (cash-releasing efficiency savings) will be treated. Both of these are likely to influence the shape of our budget for next year.

5.4 The Trust needs to deliver very significant productivity gains within our own economy for the coming year and beyond. With this in mind, and to ensure that we make these gains in as smart a way as possible (as opposed to taking only opportunistic gains) we have employed a specialist in Lean methodology to work with two pilot areas within the Trust with the aim of helping them improve service design and efficiency. The project was commissioned jointly with all Service Line Managers, but the two pilot areas are Camden CAMHS and the Adolescent Department. It is hoped that if the project is experienced as helpful and effective, we will be able to generalise the learning to other areas of the Trust.

6. North Central London

6.1 Within our own sector, financial pressures remain particularly acute. The reduction required in management costs effectively means that the current operational model of five separate PCTs with five separate Boards is not viable.

6.2 The Joint Committee of PCTs in the sector has set out a proposal to move to the establishment of a single executive team covering all five PCTs to manage the commissioning of services, strategic

transformation and organisational change. The new executive would be led by a single accountable officer for the five PCTs, with effect from April 2011.

6.3 The proposals are currently under discussion with PCT Boards.

6.4 While the NHS within London (and beyond) is grappling with the implications and implementation of the changes outlined in the recent white paper, across London organisations are working to secure their financial positions within this rapidly changing environment. In particular, many PCTs at present find themselves in a deficit position. A number of factors contribute to this, including historic financial positions, increasing demand and activity within the acute sector (general and specialist medicine and surgery), and the recent tariff update to HRG4 which has not been cost neutral. The impact of these factors affects different PCTs to a differing extent. Within our own sector of North Central London it has affected the outer London PCTs more significantly than the inner London PCTs. The North Central London sector is looking to achieve financial balance across its five PCTs, however, so although deficits are located in the north the impact is affecting all five PCTs. The North Central Sector is currently reported as having one of the largest cumulative deficits on any health economy in the country.

6.5 The overall position is, thus, one that potentially overshadows headline economic figures and targets (e.g. to save 5% in costs per year over the next four years). It is, in addition, an inherently unstable and unpredictable position. At this moment in time, it is impossible to predict how this pressure will impact upon different organisations within the system, acute or mental health, large or small. No pattern is, as yet, emerging, except for universal pressure on contracting values.

6.6 As a Trust we are continuing to work closely with our commissioning and provider colleagues to ensure that we can both mitigate risks, but also contribute to the systemic solutions that will have to be employed in the face of such challenges.

7. Governors' responsibilities

7.1 One aspect of proposed NHS reorganisation is a changed role for Monitor, the Foundation Trust regulator. The White Paper published in July 2010 states that "Monitor will be turned into the economic regulator for the health and social care sectors, with three key functions:

7.1.1 Promoting competition;

7.1.2 Price regulation; and

7.1.3 Supporting continuity of services."

7.2 It is not yet clear how much of its existing role Monitor will retain. In particular, the current compliance framework for FTs reflects Monitor's responsibility for "public dividend capital stewardship" – i.e. acting as the principal shareholder of each FT, on behalf of the Secretary of State. This role could be retained by Monitor (with arrangements to manage the potential conflicts of interest); it could return to the Department of Health; or it could go a new body, though this seems unlikely. The Health Bill expected in December 2010 or January 2011 should cover this matter as well as many other legislative details to fulfil the White Paper intentions.

7.3 With so much of the system in flux, David Nicholson, NHS Chief Executive, has suggested that FT Governors will need to ensure that they are active in ensuring that their Trusts are meeting the challenges of quality and productivity.

7.4 Nicholson set out five challenges to Governors:

7.4.1 Prepare to step up to the challenge created by the proposed changes to Monitor's role and embrace the opportunity to take the lead on holding their organisations to account

7.4.2 Provide real challenge to their organisations and not act as a supporters' club

7.4.3 Get under the skin of their Members to gain real insight into their views so they can truly influence what they ask of their organisations

7.4.4 Avoid retreating behind the walls of their Trusts. They must seek genuine partnerships and working with other organisations. Co-operation as well as competition is what is needed and it will no longer be possible for an organisation to succeed at the expense of another

7.4.5 Keep their focus on the quality improvements in patient care that are already going on and the drive for ever greater value for money

7.5 I hope that we can discuss the way in which these opportunities may dovetail with our existing governance structure, including the Board of Directors. With the aim of helping Governors meet these

challenges, however, Simon Young, Director of Finance, has included more information on governance than in previous reports.

8. Big White Wall

8.1 On Wednesday 6th October Dr Liam Fox, Secretary for Defence, made an announcement relating to planned improvements in the mental health treatments available for servicemen and veterans. The announcement was based on a report by Andrew Murrison called "Fighting Fit: A mental health plan for servicemen and veterans". The report includes the online wellbeing service delivered by the Trust in partnership with the Big White Wall as one of the four headlined developments.

8.2 *"[Fighting Fit] must cast its nets more widely than conventional Service health surveillance. To achieve this it should consider interventions that appeal to the target population. An anonymously administered online early intervention services has been pioneered by the award winning social enterprise company Big White Wall (BWW) in partnership with the Tavistock and Portman NHS Foundation Trust (www.bigwhitewall.com). Its potential to engage people who will not access traditional clinical services because of stigma attached to mental illness is apparent from the servicemen and veterans who pay to use BWW."*

8.3 *"The case for trialling an online tool-kit and facilitated support network of this sort for serving personnel is compelling. It is recommended that the Big White Wall or similar is invited to design, in consultation with DMS mental health professionals, a customised mental wellbeing website and to trial an online support network. It is suggested that this should focus on troops returning from Afghanistan and that the service is evaluated after twelve months."*

8.4 We are naturally pleased at the announcement, not least because work with the armed forces has played such a key role in this organisation's history. As most of you will be aware, the Tavistock Clinic was founded after the First World War with the aim of bringing learning and experience from work with shell-shocked soldiers to a wider public; the clinic was also involved in the Second World War in relation to models of officer selection, some of which are in use to this day.

8.5 It seems appropriate that this exciting new service should be developed for the armed forces, and the BWW partnership has now been invited by the Department of Health to make proposals for a pilot in relation to servicing members of the armed forces, their families, and veterans.

8.6 It is of note that the BWW online wellbeing service has been short listed for five awards, and has just won the Guardian Public Sector Transformation Award.

9. Children's Website

9.1 On Thursday 21st October, Cam's Den, Camden's new children's emotional wellbeing website, was launched at Carlton Primary School in Kentish Town.

9.2 Many of you will already have visited the site, which can be found at www.camsden.co.uk. If you haven't yet visited, I would highly recommend that you do.

9.3 The project was supported by innovative commissioning investment from Camden PCT and Local Authority and a community engagement grant from the British Psychological Society. The Trust contributed both financially and through the commitment of staff to work on the project above and beyond external funding.

9.4 Since its launch, the site has attracted very significant interest and coverage. Cam's Den received 14,173 page views between Monday 18th October and Monday 1st November – an average of 1,040 page views per day. In addition the site has been covered in specialist, local and national press, including an article in the Mail on Sunday (http://bit.ly/dnkFbc). In addition the site is being highlighted within a number of other websites.

9.5 The project was led here by Dr Sally Hodges, but involved the whole communications team, many CAMHS staff and a number of volunteers. What is particularly special about the site, however, is that local children where actively engaged in shaping the design and content as it evolved. As a part of the process we commissioned a design company, Elmwood, and an animation company, Absolutely Cuckoo, to bring the vision created by children to life. Both companies contributed significant amounts of pro bono work.

10. Rio Administrative Go Live

10.1 The Trust has been preparing to migrate from CareNotes, our existing clinical record system, to RiO. I am pleased to report that, as of 1st November, RiO went live for our administrative staff and, despite the understandable apprehension that comes with such a change, feedback has on the whole been very positive.

10.2 Enormous credit and thanks must also go to all administrative staff for the amount of effort they have put in and determination they have shown to make this work. The Rio Project Team should also be congratulated for their efforts over the past year, and particularly for the support offered around the 'go live' which, I hear, was greatly appreciated.

11. And Finally…

11.1 On Tuesday 2nd November, the Trust's SHED Unit hosted a very successful Environment Engagement Day. The SHED Unit (Sustainability, Health and Environment Development Unit) was set up by the Trust to lead the drive towards greater environmental awareness and sustainability. It is chaired by Bernadette Wren.

11.2 The Unit provides information, guidance and resources to staff to help them to make informed decisions and to act to reduce our carbon footprint. The Unit also aims to drive change centrally, working at a senior level to influence how we make changes at the heart of the organisation.

11.3 The Environment Day was aimed at helping the Trust and the staff that comprise it in thinking about how we can use less energy and create les waste.

Dr Matthew Patrick
Chief Executive Officer
29th November 2010

Board of Governors : December 2010

Item : 7

Title : Finance and Performance Report

Summary:

As well as financial matters, this report now includes a summary of the Trust's performance in other areas.

Monitor's Financial Risk Rating for the first quarter was 3, in line with the rating for our 2010 Annual Plan. The Governance Rating was green. These ratings are expected to be maintained for the second quarter and for the rest of the year.

The Trust is expected to achieve its budgeted surplus of £150k for the year. Cash balances remain satisfactory, and higher than Plan.

For : Discussion

From : Director of Finance

Finance and Performance Report

1. Compliance with Authorisation

1.1 This Foundation Trust was authorised by Monitor, the NHS Foundation Trust regulator, with effect from 1 November 2006. Its Terms of Authorisation[1] are an eight-page document together with six schedules, of which the first is our Constitution. Two amendments have been added to the Terms of Authorisation since 2006, and all six schedules are updated regularly.

1.2 Monitor uses two rating mechanisms to assess the risks that a Foundation Trust will breach its Terms of Authorisation or its statutory obligations. These two ratings are based on the Annual Plan submitted in May each year; and on the information provided in-year, usually quarterly. The principles and details are set out in the document "*Compliance Framework 2010-11*" published by Monitor[2].

1.3 The Governance Rating is based on eight elements:

- 1.3.1 Legality of constitution
- 1.3.2 Growing a representative membership
- 1.3.3 Appropriate board roles and structures
- 1.3.4 Service performance
- 1.3.5 Clinical quality and patient safety – including maintaining full and ongoing registration with the Care Quality Commission
- 1.3.6 Effective risk and performance management
- 1.3.7 Co-operation with NHS bodies and local authorities
- 1.3.8 Provision of mandatory services – i.e. the services which are set out in Schedules 2 and 3 of the Foundation Trust's authorisation. These Schedules are updated each year, but usually comprise largely the services that the Trust was providing at the time it was authorised as a Foundation Trust. This provision in the 2003 Act was intended to ensure continuity of services for NHS patients

1.4 The first two elements are evaluated directly by Monitor. For the other six, the rating is based initially on evaluations by third parties and/or on the Board of Directors' self-certification on each matter, which is contained within the Annual Plan submission and the quarterly returns. In most cases, the Compliance Framework goes on to say that "Monitor will also look for evidence" or that "Monitor reserves the right to explore the basis for the self-certification."

1.5 An FT's overall Governance Rating can be green, amber-green, amber-red, or red. The Compliance Framework sets out the

[1] http://www.monitor-nhsft.gov.uk/home/about-nhs-foundation-trusts/nhs-foundation-trust-directory/tavistock-and-portman-nhs-foundation

[2] http://www.monitor-nhsft.gov.uk/home/our-publications/browse-category/guidance-foundation-trusts/mandatory-guidance/compliance-frame-0

interventions and additional reporting requirements which may result from not having a green rating.

1.6 The Conditions in our Terms of Authorisation include several financial requirements, notably:

2. *General duty*

The Trust shall exercise its functions effectively, efficiently and economically.

12. *Financial viability*

The Trust shall at all times remain a going concern as defined by relevant accounting standards in force from time to time.

1.7 The Financial Risk Rating is intended to reflect the risk of a financial breach of the Authorisation. It is the composite of five metrics. Four of these relate to the income and expenditure results in the current and previous years; the fifth relates to the cash position and liquidity for the current year. These metrics are calculated in the Plan and quarterly submissions; they are also periodically reported in detail to the Board of Directors and the Board of Governors.

1.8 The Financial Risk Rating is on a scale of 1 to 5. A rating of 2 indicates "risk of significant breach of Authorisation" and 1 "very likely to be in significant breach of Authorisation." Either of these ratings leads to a requirement for monthly monitoring information (instead of quarterly) and other interventions. Ratings of 3 and above are normally considered satisfactory. The Trust's Prudential Borrowing Limit is set each year on the basis of the Annual Plan Financial Risk Rating.

1.9 This Trust's recent and current ratings are shown in the table below:

	2009/10 Quarter 4	2010 Plan	Quarter 1	Quarter 2
Sent to Monitor	30 April	31 May	31 July	31 Oct
Rating notified by Monitor	4 June	30 July	10 Sept	Awaited
Governance	Green	Green	Green	Green *
Financial Risk	4	3	3	3 *
Mandatory Services ‡	Green	n/a	n/a	n/a

* = expected rating, based on our Quarter 2 returns

‡ = now included in the Governance Rating

1.10 The surplus in 2009/10 was higher than Plan, which increased several of the metrics and led to the rating of 4. We do not plan to repeat this level of surplus. Our current performance leaves a significant safety margin before the Financial Risk Rating would fall to 2.

1.11 For the Governance Rating, we report on several specific indicators each quarter (Compliance Framework 2010-11 Appendix B, Table 1 and accompanying notes). We continue to meet the requirements for all these indicators with one exception. This is the target to achieve 99% completeness in the collection of seven items of patient data. We are currently at or above 99% on five of these; at 98.4% on a sixth; but below 80% on the final item, marital status. This failure does not by itself prevent us from retaining the Green rating, and we do not expect to be seen as at risk of breaching our Terms of Authorisation. The Board of Directors has noted that the available codes for marital status allow for a variety of situations to be recorded, including civil partnerships; but for some of our cases, the clinicians have considered that the question is irrelevant and/or unnecessarily intrusive. There is also not usually any legal reason for needing to hold it on record. The codes "not disclosed" and "not known" are both considered "Not valid" by the NHS Information Centre rules. This explanation has been forwarded to Monitor.

1.12 Our aim and expectation, in line with Plan, is to maintain the current ratings.

2. Income and Expenditure

2.1 Results for the first seven months of the year are shown in the table on the next page.

2.2 The forecast for the year is a surplus of £150k, in line with budget. Income and expenditure are each expected to be some £700k (2%) below budget. There is a contingency reserve to cover variations from this forecast.

2.3 The financial position for future years remains challenging, and the Trust is working on actions to deliver the productivity improvements of 5% per annum which are part of our Plan. A separate paper on the 2011 Annual Plan is presented at this meeting.

3. Cash

3.1 The total in the Trust's bank accounts at 31 October was £4.6m, which was £2.3m higher than Plan. However, this included £1.3m advance payments for November; the balance at 30 November will still be higher than Plan, but by a less significant margin.

3.2 The balance is expected to remain satisfactory through 2010/11, though reducing gradually and ending the year at around £2m. A revised cash forecast for 2011/12, presented to the Board of Directors this month, predicts that the cash balance will remain satisfactory, subject to achieving the planned income and expenditure. The balance could reduce to £1.6m by March 2012.

3.3 Since becoming a Foundation Trust, we have arranged a borrowing facility in order to safeguard our liquidity in the event of short-term difficulties, but there is no current intention to use this.

	2009/10 Actual £000	2010/11 Plan £000	2010/11 Forecast £000	2010/11 First 7 months £000
Income				
Patient Services	13,342	15,209	14,433	8,412
Education and Training	15,091	16,042	16,131	9,751
Consultancy	1,206	1,186	1,320	630
Research	129	338	191	101
Other	531	438	487	222
Total Income	30,299	33,213	32,562	19,116
Expenditure				
Pay	23,061	26,015	25,344	14,541
Non-pay	5,686	5,651	5,820	3,840
Reserves		462	326	
	28,747	32,128	31,490	18,381
EBITDA *	1,552	1,085	1,072	735
Depreciation	(563)	(509)	(491)	(295)
Bank Interest	18	20	16	7
Other Finance Costs	(1)	0	(1)	0
Dividend (to the Dept of Health)	(355)	(446)	(446)	(260)
Retained Surplus	651	150	150	187
EBITDA* as a % of income	5.1%	3.3%	3.3%	3.8%

* = Earnings before Interest, Tax, Depreciation and Amortisation

4. 2010/11 Annual Plan – Objectives

4.1 The 2010/11 Annual Plan approved in May[3] set out the Trust's vision and key strategic priorities for the next three years. It also set specific objectives for each year in the areas of clinical quality, service development, workforce, capital and estates, operational and financial effectiveness, legal and governance matters and regulatory compliance.

4.2 The Assurance Framework is designed to monitor progress on the objectives for the current year; the risks to achieving them; and how

[3] Also on the Monitor website, at the same reference as for (1) above

these risks are being managed, including the controls, assurances and action plans in place. The Assurance Framework for 2010/11 was approved by the Board of Directors in June and has been reviewed at the meetings in September and November.

Simon Young
Director of Finance
29 November 2010

Board of Governors : December 2010

Item : 11

Title : 2011 Annual Plan

Summary:

This paper outlines the process by which the 2011 Annual Plan is to be developed and agreed, including consultation; and gives an updated assessment of the external factors affecting the Trust's future.

For : Noting

From : Director of Finance

2011 Annual Plan

1. Timetable

1.1 The current Annual Plan was approved and submitted to Monitor in May 2010. It is expected, though not yet confirmed, that Monitor's timetable for 2011 will be the same, and that the requirements for content and layout will be similar.

1.2 The Board of Directors agreed in October an internal Trust timetable for the development of the 2011 Plan. This includes consultation with the Board of Governors at the meetings on 3rd February and 5th May 2011, and this update now.

2. Key financial and business factors

2.1 The main financial factors expected to affect the Trust for next year (and beyond) are:

- Commissioners generally seeking to reduce their expenditure on mental health services for adults and for children and adolescents
- No pay scale rises, but some cost inflation from staff receiving incremental points
- Low inflation on other costs
- National efficiency targets leading to NHS price tariffs reducing, or at least not increasing

2.2 The Trust is currently aiming for 5% productivity improvements each year, in order to deliver a small surplus while budgeting for these changes in our income and costs. The 5% target is being worked on by all Directors. We continue to aim for growth where possible – with development potential in some areas including primary care, criminal justice and e-learning – but there will also be a need for some cost reduction in many areas. The productivity target, and also the plans to achieve it, will be reviewed in December/January as more information becomes available.

2.3 At the same time, we already know of some small contracts that will not be renewed; so our plans will take into account the loss of income from this and from other expected contract changes. Taken together with the productivity savings, it could be necessary for our costs to be reduced by more than 5%.

2.4 The Spending Review published in October has hit NHS funding much less severely than other parts of the public sector; but as expected, there is no longer any funding for further growth. Real terms growth of 0.4% per annum is offset by the expectation that more of the health funding will be applied to support social care priorities agreed with local authorities. So there will be a small reduction in funds actually available within the NHS, while demand

continues to rise, along with the continued introduction of new treatments. As a result, commissioners are already announcing their intentions to cut mental health expenditure significantly.

2.5 Changes to the funding of NHS education and training are at present expected to be mainly in other areas in 2011/12, notably the pre-qualification training of doctors (SIFT), which we are not involved in. Negotiations continue, and further assessments and forecasts will be made.

2.6 There will be no cost-of-living increases to NHS pay scales for 2011/12. At present, pay increments are due to be made as usual (i.e. on the anniversary dates for each individual who has not yet reached the top of their scale), though these will be partly offset by the effect of any staff leaving and being replaced by a new person on a lower scale point. DH has suggested negotiating with unions to freeze the increments, but there is no certainty that this will happen.

2.7 The NHS Operating Framework for 2011/12 is due to be published in mid-December. This should include the national efficiency target for the year. This target, together with assumptions about pay and other cost inflation, will lead to the "tariff uplift" for the year, i.e. the changes (up or down) in the prices paid by commissioners to the providers of NHS services. Funding allocations to PCTs will be announced at the same time. These announcements, together with the commissioner negotiations, will enable us to do a more detailed assessment of the Trust's financial challenge and the necessary cost reductions for 2011/12.

3. Developing the 2011 Plan

3.1 Trust management are currently reviewing and updating the strategies for clinical services and for education and training. These will be reviewed by Management Committee in December and by the Board of Directors in January.

3.2 The action plans for productivity and for quality, patient outcomes, patient and public involvement and choice will also be reviewed by the Board of Directors in January.

3.3 For consultation at the Board of Governors meeting on 3rd February, we will provide an update on the external environment and on the key areas of the Plan mentioned in 3.1 and 3.2.

3.4 The HR, estates and research strategies are to be considered by the Board of Directors in February. Discussions will continue with staff and their representatives on measures to safeguard the employment security of staff wherever possible.

3.5 The 2011/12 budget is due to be approved on 29th March, before the start of the new financial year. The Plan (which covers three years)

will be finalised during April and May, including further consultation with the Board of Governors on 5th May.

Simon Young
Director of Finance
29 November 2010