

Annual Report 2006/2007



Our Vision

What we at Sandwell Mental Health NHS and Social Care Trust aim for is:

**a quality service delivered with
kindness, care and integrity
to improve your quality of life**

With this in mind, our values are:

- Openness and transparency
- Integrity and respect
- Empowerment
- Kindness and caring
- Quality and excellence
- Positive and proactive

لأجل الحصول على نسخة ملخصة من هذه الوثيقة باللغة العربية فالرجاء الاتصال
ب(إيفون مَيّن Yvonne Mayne) على رقم الهاتف أدناه.

এই তথ্যপত্রটির সারসংক্ষেপের বাংলায় একটি কপি পেতে চাইলে দয়া করে नीचे देया नम्बरे
फोन करे 'इभन मेहन' (Yvonne Mayne) এর সঙ্গে যোগাযোগ করুন।

આ દસ્તાવેજનો ગુજરાતીમાં સારાંશ મેળવવા માટે કૃપા કરી નીચે જણાવેલા
નંબર પર ઈવોન મેઇનનો સંપર્ક સાધો.

यदि आपको इस प्रलेख का संक्षेप हिन्दी में चाहिए तो कृपया नीचे दिए गए टैलीफोन नंबर
पर इवोन मेन से संपर्क करें।

ਇਸ ਦਸਤਾਵੇਜ਼ ਦਾ ਪੰਜਾਬੀ ਵਿੱਚ ਸੰਖੇਪ ਰੂਪ ਹਾਸਲ ਕਰਨ ਲਈ ਵਿਰਧਾ ਕਰਕੇ ਈਵੋਨ ਮੇਨ ਨੂੰ ਚੇਠਾਂ
ਦਿੱਤੇ ਗਏ ਨੰਬਰ ਉੱਤੇ ਫੋਨ ਕਰੋ।

براه کرم اس دستاویز کا اردو میں خلاصہ حاصل کرنے کے لیے نیچے دیئے گئے نمبر پر عوان میں سے رابطہ کیجئے

If you require large print or braille, please contact Yvonne Mayne on 0845 146 1800.

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Foreword from Chairman and Chief Executive

Reflections – and the shape of things to come



*Bob Piper
(Chairman)*



*Karen Dowman
(Chief Executive)*

We are delighted to introduce you to our Annual Report for 2006/07 – a challenging year in many respects but also a time of celebration for the Trust.

Our crisis team and home treatment services have really come into their own now – and their ability to step in with help in people’s own homes or elsewhere in the community has significantly reduced admissions to Hallam Street Hospital.

This is all part of our goal to provide the most appropriate services – at the right time and the right place – to prevent people becoming so ill that they need to go into hospital.

It was also particularly pleasing to note that our patients’ views of our services have improved – in fact the National Patients Survey found we had an above average number of service users who have individual care plans.

A high spot of the year was when we moved our Trust Headquarters from Lodge Road into Delta Point, a modern office block in Greets Green Road, West Bromwich.

Our corporate services staff had struggled on, without complaint, in overcrowded accommodation, with poor storage and limited parking, for so long.

Delta Point provides us with much more space – both inside and

outside in the car park – as well as decent training, seminar and conference facilities.

This move also paved the way for the refurbishment of Lodge Road to provide – at last – much-improved and more accessible accommodation for our Child and Adolescent Mental Health Services (CAMHS).

We would both like to thank all our staff, who have had to make many sacrifices through difficult financial circumstances.

It is through their dedication – and the hard work of our finance department – that we ended the year with a small surplus.

The Board has worked extremely hard to ensure financial governance and we have been shaping our business processes to gear up for our quest for Foundation Trust (FT) status.

A board-to-board appraisal with the Strategic Health Authority was successful and we are now in the process of revising our business plan to push forward to become an FT.

In the coming year we will be focusing not only on our FT trail but also upon modernising services.

The biggest impact will be in merging our Old Age and Adult Directorates and the creation of a Specialised Service Directorate. As people now live longer, the

previous age of 65 for transfer from 'adult' to 'old age' makes less sense.

This reduction in our directorates from five to two is aimed at creating better integrated services.

It also ties in with our focus upon improving the quality of services by reducing the number of treatment interventions. For instance, our primary care team is becoming the single point of access for adults, so that they are guided through the various treatment options and services available, right from the outset.

Our integrated business plan is focusing upon improving services for people with learning disabilities and substance misuse.

A Black Country High Dependency Unit and an expansion of our Eating Disorders Service will also be operational by the end of the financial year.

The NHS has had a turbulent year structurally but, locally, these changes have resulted in the

creation of a single Primary Care Trust (PCT) for Sandwell, which is extremely positive, particularly with regard to consistency and continuity of services.

As PCTs move into a new role, focusing upon commissioning, the need for partnership working has never been more crucial – and we welcome this.

Reflections . . .

“ I must give particular praise to our Non-Executive Director John Blyth, a Local Authority nominated member of our Board, who is now stepping down. John has done a great deal of work on our Diversity and Equality agenda, culminating in us now recruiting a Head of Diversity.

A major part of this work is about making sure that our staff represent as much as possible the population of Sandwell, so that we can make our services more accessible and culturally appropriate, as well as engaging with the Black and Minority Ethnic communities.

John has also concentrated upon bringing our Facilities Management services back 'in-house' and making them cost-effective – and we are delighted to now welcome to the Trust around 60 workers previously employed by cleaning and catering contractors.

We wish John very best wishes for the future.

I would also like to thank, once again, my two Personal Assistants, Gail Parry and Sandra Rutter, who never fail to support me and keep me in order! ”

Bob Piper

Looking Forward . . .

“ Although our journey into FT status will provide a different discipline for us, it is still the focus on quality of services that will be paramount.

Becoming an FT will help us to engage even more with service users, carers and the wider community. There will be the opportunity to have a membership base, electing governors that represent the community. As stigma in mental health is

still a big issue, this further involvement of the community must surely help to raise awareness and understanding.

We see evidence all over the borough of new buildings, including health centres, which bring opportunities for us to expand our services within the community – and we are sure this will increase as the 2010 programme rolls out. ”

Karen Dowman

The roots of our Trust

The Trust has its origins in the early 1990s as a directly-managed unit of the former Sandwell Health Authority.

In April 1995, the Secretary of State for Health approved the establishment of the Black Country Mental Health NHS Trust, which became the main NHS provider

of mental health and learning disability services for people in Sandwell.

Turnover in its first year of operation was £11.8 million.

The development of local hospital services following the closure of the large institutions of St Margaret's Hospital in Walsall and All Saints Hospital in Birmingham

and new investment in community services resulted in a significant increase in turnover in the early years of being a Trust.

The Heath Lane hospital site was developed for inpatient facilities for people with learning disabilities in 1998. February 2000 heralded the opening of Hallam Street Hospital for adults with mental illness, under a Private Finance Initiative with Ryhurst – the first in the West Midlands region.

In April 2003, after due consultation, the Black Country Mental Health Trust became the Sandwell Mental Health NHS and Social Care Trust, one of only five Care Trusts providing mental health services in the country. This represented a significant step in the provision of integrated health and social care services, where the provision of mental health social care services was delegated by agreement of the Local Authority to the new Trust.

More recently, new investment in implementing the National Service Framework for Adult Mental Health and the development of Child and Adolescent Mental Health Services have added to the turnover for the Trust, which at 31 March 2007 stood at almost £46.3 million.

On the Move . . .

The development of a single centre for our Child and Adolescent Mental Health Services (CAMHS) was a high priority for us – and we achieved this during the year ending on 31 March 2007.

CAMHS had, for so long, been provided at two separate sites – and our solution was to convert the Trust headquarters in Lodge Road into a modern centre, allowing ease of access to higher quality services.

The Trust was able to attract specific capital funding from the Strategic Health Authority and the support of local service commissioners for this project.

However, equally critical was the need to identify an alternative location for the corporate trust headquarters staff, who had occupied Lodge Road in difficult conditions, which were becoming more cramped.

The solution for this was found about one mile away at Delta House, which now not only provides more suitable office facilities for headquarters staff but also a series of rooms at ground floor operating as training and meeting facilities. This removes the need for us to rent external facilities and reduces the pressure on meeting facilities at operational sites such as Edward Street and Hallam Street.

Corporate staff completed their move to Delta House in early October 2006, which meant the refurbishment of Lodge Road for CAMHS could begin.

Refurbishment is probably an understatement – Lodge Road has been transformed into a modern, purpose-designed facility, which we are sure both staff and service users will be proud of.

Investment at Edward Street

The Trust invested £220,000 to improve facilities on Chance Ward at Edward Street Hospital to pave the way for patients to move in there from Garden Lodge.

Garden Lodge was first opened by the Trust in 1994 as a 24-bedded inpatient facility for older people with a mental illness.

However, during 2005, the Older People's Mental Health Directorate conducted a wide review of their service provision that brought into question the future of Garden Lodge, where occupancy had fallen to less than 50%, giving rise to concerns about the quality and safety of service provision there.

As a result, the Trust drew up a proposal to cease using Garden Lodge and transfer the remaining inpatients into Edward Street Hospital.

Public consultation on the proposal ended on 9 May 2006 and, while there was general support for the proposal, there were concerns – especially from families of patients – that the environment at Edward Street would be inferior to Garden Lodge.

In response to these concerns, we invested capital funding to improve the facilities on Chance Ward, where it was agreed all the patients and staff from Garden Lodge would transfer to.

The safe transfer of patients from Garden Lodge to Chance Ward was completed in the third week of September 2006.

Facilities management services come 'home'

Our Facilities Management Services – including domestic, catering and portering teams – transferred back to direct employment by the Trust on 1 April 2007.

For the seven years up to 31 March 2007, facilities management had been provided under contract by Medirest Ltd.

Over the past two years, a significant amount of work was undertaken to determine the future of these services for all our sites, except Hallam Street Hospital, where they are provided under our Private Finance Initiative with Ryhurst.

The Trust Board established a sub-committee to oversee and steer the process of evaluating the options available to the Trust. Many staff and managers were involved in the process, which resulted in a decision to bring back the services in-house, which we believe will ultimately benefit patient care.

The services were transferred on 1 April 2007 and thanks go to the corporate facilities management, human resource and finance teams for their collective efforts in ensuring a successful transition.

Our annual health check

In 2006, the 'star ratings' system was replaced with the 'Annual Health Check' – a rigorous new assessment tool used by the Healthcare Commission to analyse and rate performance in the NHS.

The new system looks at performance in two areas – how the Trust uses its resources and the quality of its services.

In October 2006 we were awarded a rating of 'fair' for both areas, on a scale of 'excellent', 'good', 'fair' or 'weak'.

While the overall rating was 'fair', some elements of the assessment received a 'good' score, including access to adult community services and the involvement of patients and carers in decision-making.

Core & Developmental Standards declaration 2006/07

This year's declaration shows a very significantly improved position for the core standards for Better Health.

There is only one area where the Trust Board has identified it has insufficient assurance regarding compliance. This related to Care Programme Approach (CPA) and care management.

A significant programme of work has been undertaken and the Trust is confident that it will achieve full compliance in this area in 2007/08.

As part of the 2006/07 declaration, we have – for the first time – been required to declare our progress against the clinical and cost-effective developmental standard.

The Trust has indicated that its progress has been 'fair'.

A small working group has been established to consider what focused pieces of work need to take place in 2007/08 to support an improved position next year.

'Good' score for adult community services

Our adult community health services scored 'good' in one of two improvement reviews carried out in the Trust during 2006.

This compared favourably to other community mental health providers in the West Midlands, where 61% of those assessed scored 'fair' and only one Trust was rated 'excellent'.

Work is going on to address areas of need identified in the Adult Community Health review.

Improvement reviews are carried out on aspects of healthcare that are considered important across the country – and where there are opportunities for the quality of services to be raised locally by healthcare organisations.

Such reviews are carried out in every relevant organisation and can be applied in a variety of settings, including along patient pathways, disease groups and to services provided to patient groups.

They are based on a standard approach, based on information, and are highly targeted.

The Trust also took part in the Substance Misuse Service review and the acute hospital portfolio around medicines management during 2006/07.

The improvement review of the substance misuse services was carried out in partnership with the National Treatment Agency and the results for the 2006/07 review are still awaited.

How we manage risk

We received a very positive assessment from the Clinical Negligence Scheme for Trusts (CNST) during 2006/07.

The CNST handles clinical negligence claims against NHS Trusts, who jointly fund the scheme. All NHS Trusts are regularly assessed against CNST standards, which are set out in eight domains that focus on different elements of the organisation's risk management systems.

This year the Trust had a very positive assessment in the first level at which Trusts are assessed, achieving a robust pass overall and 100% compliance in six of

the eight domains. This reflects significant progress following the considerable work that has been put into improving risk management monitoring and information systems throughout the Trust.

We were also congratulated on the progress we had made, receiving acknowledgement of the 'great deal of time and effort that had been invested in developing policies and systems to address risk management and staff training'.

The eight assessment standards, covering key aspects of clinical care, are:

1. Learning From Experience (incident reporting)
2. Response to Serious Untoward Incidents involving, or relating to, Service Users
3. Communication between Professionals and Service Users
4. Clinical Information and the Care Record
5. Induction and Staff Procedures
6. Training
7. Care Processes
8. Communication between Professionals involved in the Care of Service Users

A summary is provided below indicating the scores received for each standard, which is contrasted to the previous assessment in March 2006.

SUMMARY OF ASSESSMENT: March 2006 – March 2007

	March 2006	March 2007
Standard One	40%	100%
Standard Two	100%	100%
Standard Three	40%	100%
Standard Four	70%	100%
Standard Five	30%	100%
Standard Six	10%	100%
Standard Seven	82%	85%
Standard Eight	85%	78%

Improving our care programme approach

Our service users have responded well to the improvements we have made in care management and driving forward the Care Programme Approach (CPA).

The measure of success for this can be found in the results of the Service User Survey Results for 2007, compared to those for 2006.

When asked 'have you been given (or offered) a written or printed copy of your care plan?', 57% of our service users said 'yes', which is 12% above the average for all Trusts and compares to just 24% in 2006.

Our Care Management and CPA Steering Group was set up in early 2006 to review, revise and implement good practice within Adult Mental Health.

The group undertook its work through sub-groups. An external consultant acted as Project Manager and a Team Manager was seconded part-time. These sub-groups worked closely with a service user group, nominated by the Service User Reference Group (SURG).

The following was achieved:-

- **Clinical practice:** Policy and procedures have been thoroughly revised, including the CPA paperwork. The new policy and procedures were launched in the Adult Directorate on 4 December 2006, following extensive training and professional development sessions with staff, managers and Consultants in community and in-patient settings within the Adult Directorate. The Adult Directorate produced an Action Plan to ensure successful implementation.
- **Learning and development:** An intensive package of training on clinical practice and information systems took place between November 2006 and January 2007.
- **Systems:** The Information Services Team developed and implemented a CPA module within the Trust's clinical information and reporting system 'Oasis'.

The issue for the Trust now is – how do we maintain this improvement within the Adult Directorate and simultaneously roll it out to Elderly and Learning Difficulties?

Our strategy has been:-

- To rename the Steering Group, the Care Management/CPA Monitoring Group, to take an overview of performance, responding to new national guidance, and amend practice guidelines where necessary. The group will meet quarterly.
- To establish a smaller Care Management/CPA Core Group. This meets monthly and is responsible for the roll-out of CPA to the other service areas and to recruit to a post to lead on performance and monitoring of Care Management and CPA Trust wide.

The Assistant Director of Social Care will chair both of these meetings.

The Core Group is currently preparing the roll-out of CPA to the other service areas. We are collating information about the number of service users subject to CPA and the number of staff who will need training. A meeting has been arranged with General Managers and Clinical Leads from Elderly and Learning Disabilities to develop an Implementation Plan, which should be complete by June.

Caring for detained patients

The Trust receives regular visits from the Mental Health Act Local Commissioner, which help us to identify areas where we could improve our services.

For example, during 2006, when we received eight such visits, the Commissioner identified a lack of recreational activities and occupational therapy on the wards at Hallam Street Hospital.

These facilities have now been made available and the improvement has been acknowledged in the Mental Health Act Commission's annual report for the Trust.

Some other areas for improvement have been identified following three visits in this reporting year.

As a result, the limited input from advocacy services in the Elderly and Learning Disabilities Directorates has been targeted, as have some perceived problems of communication between patients and staff at Gerry Simon Clinic.

In 2004 The Mental Health Act Commission (MHAC) appointed a Local Commissioner to visit the inpatient sites of the Trust on a regular basis to monitor the operation of the Mental Health Act and the care of detained patients.

The Commissioner makes recommendations on the basis of each individual visit and we have a robust process to ensure that these visits and the recommendations are responded to appropriately.

Each Directorate is required to produce an Action Plan to address any issues raised by the Commissioner following all visits.

The recommendations and the Action Plans are closely monitored through the Mental Health Legislation Policy Development Monitoring Forum, a multi-professional, multi-agency group, which meets monthly and is co-Chaired by the Assistant Director of Social Care and the Approved Social Work Lead.

For the period 1 December and 30 November each year, the MHAC produces an Annual Report for the Trust. The Trust response to this is

based upon an Integrated Action Plan. Both the report and the Trust's response are made public, as they are posted on the MHAC website.

We have developed an excellent relationship with the MHAC at both a Local and Area level.

Not only do we have this formal process but we have also invited the Local and Area Commissioners to our Mental Health Act Forum and we have met them informally.

What our service users say

Service users gave us some high ratings in a 2006 survey, while also pinpointing some areas for improvement.

All Trusts have to take part in the National Service User Survey, which we conducted with a randomly-selected sample of service users from adults and older peoples mental health service.

The purpose is to support understanding of what service users think about the care and treatment they receive.

In 2006, we had a 41% response rate to the survey, which was broadly in line with other NHS Mental Health service providers.

Analysis of the data shows a number of positive elements – notably, service users gave us high ratings for contact with psychiatrists and the Trust and confidence they felt in staff.

Importantly, they indicated that staff treated them with respect and dignity and the rating for quality of care had improved between 2005 and 2006.

The survey did identify some areas for improvement – particularly regarding getting access to hard copies of care plans and support to find work and access benefits and social support.

The Trust established a project group to look at core management and the Care Programme Approach, which will address these issues.

In common with other mental health service providers, the survey results indicate a gap between those people who wish to access talking therapies and those who actually do access such therapy. The Trust has established a psychological and social therapies group.

We take complaints seriously

Listening to what people say about us is one of the best ways of identifying areas where services could be improved.

Compliments are much appreciated and show where we are getting things right – but complaints can also be valuable to help us to pinpoint any areas for improvement.

While the complaints received within the Trust are usually specific to an individual's circumstances, our investigation of them can lead to changes for the better.

The Trust received 36 formal complaints in 2006/07, three of which were completely withdrawn. This is a reduction on 2005/06 when 40 complaints were received.

Thirty three (91%) of the complaints were acknowledged within one working day and 29 (85%) were fully responded to within the Healthcare Commission's target of 20 working days which is slightly higher than the 80% achieved in 2005/06.

During the year no complaints have been referred to the Healthcare Commission for an independent review, which we

believe is testament to the fact that we treat all complaints seriously and investigate thoroughly issues raised.

Our aim is, always, to endeavour to provide the most comprehensive and honest response to all issues raised.

The Adult Directorate generated 22 (61%) of the complaints, with the general themes being care and treatment and communication.

The Trust recognises that it may not always get things right – however, it is committed to acting on the views of service users and carers.

Staff have their say

In October 2006, the fourth National NHS Staff Attitude Survey was conducted.

It was designed to collect the views of staff about their work and the local NHS Trust they are employed by.

The overall aim is to gather information that could help provide better care for patients and improve the working lives of those who provide the care.

As in previous years, our response rate – which was 62% – was in the best 20% of Mental Health and Learning Disability Trusts nationally.

The 2006 survey findings support that some progress has been made within the Trust, while recognising that additional improvements are still to be made. It should also be noted that, within the Trust, Staff Side will be developing and implementing an action plan throughout 2007.

KEY POSITIVES OF THE 2006 SURVEY RESULTS

Most staff who responded to the survey said:

- They could approach their manager about flexible working
- They felt that Personal Development Reviews (PDRs) were useful and improved their work. They also had agreed and clear objectives. Most staff who had a PDR also had a Personal Development Plan (PDP)
- There were substantial levels of training
- They had received their Agenda for Change bandings
- They worked in teams, with clear objectives, and were encouraged to do so
- They had clear planned goals and objectives for their work
- They were satisfied with support from work colleagues and immediate manager
- They were satisfied with responsibility and use of their abilities
- Good frontline management scores on helping with difficult tasks at work and being supportive in a personal crisis
- They knew how to report errors, negligence, incidents of violence etc
- Almost all were aware of counselling and occupational health services at work
- There were high levels of reporting of violence

Areas where staff believe improvements need to be made – and what we are doing about it:

- Publicise the results of the Staff Attitude Survey to staff
- Increase awareness of retirement and job flexibility policies in order to improve recruitment and retention
- Further increase awareness of childcare support
- Further improve the coverage of PDRs and PDPs
- Improve and build on telling staff how they are doing; give them feedback
- Improve on policy awareness for all groups of staff within the Trust
- Continue to communicate the Trust's strategic vision for the future, so that staff become active and enthusiastic promoters of the Trust
- Enhance communications to ensure that key messages upwards and downwards are clearer
- Improve awareness of the need for staff to report violence, assaults or cases of bullying and harassment

As a result of the 2006 National NHS Staff Survey findings, the Trust is currently working to improve on practices and ensure that the above recommendations are implemented and built on to further improve work-life balance, and reduce work pressure for staff.

Relations with our employees

Since 1995 the Trust has enjoyed excellent employee relations, despite having significant issues to deal with, such as service development, redesign and change of management programmes.

The success of the organisation and what it has achieved is, therefore, a testament to its partnership working arrangements.

As a result, there is a need to develop and build on the employee relations by modernising the way we negotiate, consult and involve Trade Unions and professional organisations to embed the shared

trust and confidence in true partnership working.

Over the last year, meetings have been held between management and Staff Side to review and develop the employee relations and staff involvement requirements for the Trust. This has included:

- Reviewing existing arrangements, including: Trust Board representation, Consultative Committee and Trust Council arrangements.
- Identifying and understanding existing issues requiring attention, i.e. to increase number of staff representatives across the Trust, support their development; provide appropriate time off, facilities and support.
- Looking at the next natural stage in the employee relations development within the Trust. Over the last 10 years this has progressed from one of incorporating standard consultation, communication and negotiation arrangements, to staff involvement and, more recently, shared governance, ensuring staff involvement is at the heart of all the Trust's operations and ongoing development.
- Considering the most appropriate way of supporting the Trust's revised organisation and governance framework to ensure it meets future needs, i.e. fitness for purpose to deliver the future Mental Health Reconfiguration.

The new Trust Employee Relations and Staff Involvement Governance Arrangements were finalised on the 26 October 2006, including how to ensure a natural progression of true staff involvement and shared responsibility.

Help make this a fraud free Trust!

The diversity of the NHS means that fraud may arise almost anywhere and be perpetrated by anyone, whether staff, patients, contractors or visitors. Recent figures show that the NHS Counter Fraud and Security Management Service have saved the NHS over £811 million through their investigations. That's £136m up on last year's reported figure – and the money saved goes back into the NHS for patient care.

2006/07 was a very busy year, with various mandatory regional and local proactive exercises, including checks on procurement of NHS goods and services, hospital travel costs and confirming work permits and visas for staff.

The National Fraud Initiative, the Audit Commission's data matching exercise for public sector bodies, has also been released for 2006/07, so checks are being undertaken against the relevant matches for this Trust – for example, in payroll to pension payroll, housing benefits and work permits.

Fraudulent issues previously identified were:-

- obtaining employment by deception (for example, using false documentation)
- two or more employments with overlapping shift patterns – in other words, being paid by two organisations for the same hours
- working for one organisation while on paid leave from another employer (for example, sickness absence or compassionate leave)

When anyone reports an alleged fraud, the information received is acted upon.

It is assessed and evaluated to ascertain if individuals need to be interviewed.

Sanctions are then considered which might be Civil, Criminal or Disciplinary, and whether the police need to be involved. All investigations are dealt with confidentially, sensitively and with the utmost integrity.

So if you suspect a fraud has happened or is taking place please call me on 0121 612 8055, email jeanette.price@smhsct.nhs.uk or, if you wish, ring the Fraud and Corruption Reporting Line on 0800 028 4060.

A challenging but positive year for human resources

The Human Resources (HR) team had a very challenging, yet positive, year with a number of key achievements.

Yvonne Warner, Director of Human Resources and Organisational Development was runner-up in the Healthcare People Management Association (HPMA) Director of the Year award in October 2006.

At the same conference, Judy Griffiths, Senior HR Manager, represented the Birmingham & Black Country branch and spoke to delegates to share learning experiences on management change in the NHS.

During the year there have been a number of key service changes within the Trust and the HR team has worked extensively, in partnership with Staff Side, on most of these.

One of the largest of these was the movement of approximately 60 facilities staff into the Trust as a result of a TUPE transfer.

Learning and Development

One of the key achievements is the full implementation of the Leadership & Management strategy, which now offers help to managers of all levels to gain the skills they require.

This is being met through running integrated programmes that span from the ILM (Introductory certificate in first Line Management) to the certificate and diploma in Managing Health & Social Care.

The Trust NVQ programme, for Health Care Support Workers to achieve levels 2 and 3 in Care, has gone from strength to strength,

with 37 staff completing their awards this year.

The delivery of NVQs has also been widened to support administrative staff and the Trust is running its first cohort in Business & Administration.

To celebrate the achievement of staff who completed ILM and NVQs, the Chief Executive and the Director of Human Resources and Organisational Development presented them with awards at a ceremony on 26 January 2007.

Being prepared

The Trust reviewed its Emergency and Major Incident Plan during 2006, following new NHS guidance.

To further ensure compliance with emergency planning requirements, the Trust is now taking part in an audit initiated by the West Midlands Strategic Health Authority.

Feedback from this will be used to support further review and development of the Trust's Emergency and Major Incident Plan during 2007.

Our commitment to equality and diversity

Sandwell Mental Health NHS and Social Care Trust is committed to promoting equality and tackling prejudice, discrimination or harassment experienced by anyone on any grounds.

The work to be undertaken around our Diversity agenda is continuous and far-reaching, with the aim of embedding this commitment throughout all the Trust's activities.

We have significant legal responsibilities in the field of equality and diversity, with additional duties applying in the public sector.

Significant changes in legislation occurred throughout 2006 and continue in 2007, with an increasing number of requirements for the Trust. Legislation applies to equality in

the following areas: race; gender; sexual orientation; religious beliefs; bullying and harassment.

The Disability Discrimination Act 2005 extended the definition of disability and introduced a new general duty, covering all aspects of our organisation, to promote equality of opportunity, eliminate harassment, promote positive attitudes towards disabled people and to encourage participation of disabled people in public life.

The introduction of this new legislation gives the Trust a clear responsibility to become a proactive agent of change and, in response to this, we have produced an action plan that sets out our intentions for achieving disability equality throughout the Trust.

Environmental matters

The Trust is committed to achieving NHS targets by reducing CO₂ emissions and primary energy consumption by a minimum 15% by 2010.

A number of initiatives have commenced, including an audit carried out by the Carbon Trust, which has identified a number of deficiencies that are to be addressed.

During 2007/08, the Trust is to invest £125,000 on the replacement of inefficient boiler plant at a number of its sites together with improvements to insulation and time controls.

As part of its emerging service led Estate Strategy, it is further intended that new developments coming forward, including the High Dependency Unit, will benefit from new technology such as ground heat source pumps and rainwater harvesting.

The Trust is also part of the West Midlands NHS Good Corporate Citizenship Group setup specifically to share good practice and expertise in developing more sustainable communities.

Health Technical; Memorandum 07-01 'Safe Management of Healthcare Waste', has placed mandatory requirements on Trusts to effectively manage their waste with effect from November 2006. The Trust has set up a Group of specialist advisors to review and update its Waste Management Policy and implement good practice. This will be achieved by the summer 2007.

Business objectives of the Trust

The Trust has reviewed its strategy as part of the Foundation Trust diagnostic process. The strategy and ensuing high level objectives build on a current reputation of solid and increasingly good performance, a strong and demonstrable patient focus, financial stability, value for money and a long history of sound governance and partnership innovation. Over the past 12 months the Trust has focused on both external and internal influences affecting its business and has identified seven strategic service and organisational objectives:

- To be a specialist sub-regional provider of care for people with learning disabilities and mental health who have complex needs
- To provide accessible, timely, effective and convenient services to people with mental ill health and learning disabilities of all ages

- To promote good mental health and social inclusion through integrated services
- To share our clinical expertise with other providers through innovative models of partnership working
- To deliver value for money in our estate
- To make excellent use of resources and constantly explore opportunities for increasing resources and generating income
- To achieve Foundation Trust status

These strategic objectives have associated short and long term goals and outcomes, which will be monitored by the Trust Board. In addition, the Trust's planning process has identified several potential areas of service development linked to both the strategic objectives and to commissioner intentions, of which four have been prioritised for early development.

Operating and financial review

	2002/03	2003/04	2004/05	2005/06	2006/07
Turnover (£000)	30,233	38,019	42,870	46,047	46,254
Retained Surplus/(Deficit) (£000)	11	1	6	28	61
Cumulative Break Even Position (£000)	(83)	(82)	(76)	(48)	13
Cumulative as a % of Turnover *	(0.27%)	(0.22%)	(0.18%)	(0.10%)	0.03%

* The cumulative deficit in past years was below the materiality threshold of 0.5% set by the Department of Health

Although facing an extremely challenging financial situation in 2006/07, the Trust has been able to achieve all its statutory financial targets due to the hard work and sacrifices of all the Trust's employees throughout the year. In 2006/07 the Trust made a surplus of £61,000 against a target surplus of £30,000, and this has enabled the removal of the small historic deficit from the Trust's accounts. The table above gives the Trust's financial performance for the past 5 years.

Of the total income received by the Trust during the year, 87% was received from either Sandwell PCT or Sandwell Metropolitan Borough Council. It remains that the majority of services provided by the Trust are to people resident within the borough of Sandwell or registered with a Sandwell GP. The Trust has a good record of partnership working with these two organisations, evidenced through the establishment of the Trust as a Care Trust and the existence of Partnership Boards for both mental health and learning disability services.

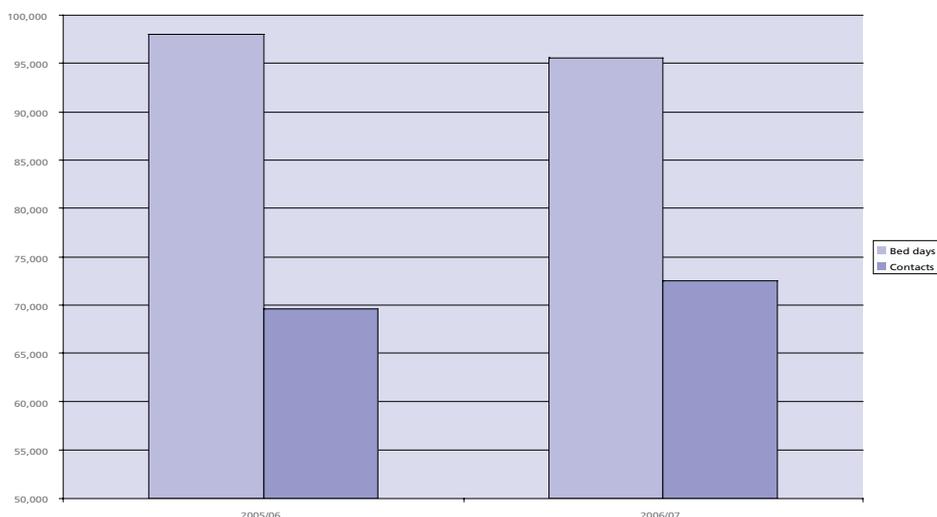
The major challenge to the Trust during the year was to absorb the disproportionate impact that the implementation of Agenda for Change had on overall pay costs. This pressure, in addition to the national requirement for efficiencies that totalled £1.25m for the Trust, caused a low point during the summer of 2006 when the reported financial position was £500,000 overspent. In response to this, the Trust Board initiated a number of measures to reduce costs including the introduction of risk-based staffing and vacancy controls. These measures had the desired effect and the Trust was able to report a positive run-rate from quarter three until the end of the year.

Despite the difficult operating environment, the Trust was able to maintain training programmes for staff to ensure that service quality was not affected. However, the level of reported sickness increased from 6.6% in 2005/06 to 6.8%. The reduction of this rate to one closer to the national average of 4.5% is a key priority for the Trust over the coming years.

Working closely with Sandwell Primary Care Trust and Sandwell Metropolitan Borough Council, the year saw the successful closure of inpatient beds at Garden Lodge, Smethwick and at Hallam Street Hospital reflecting the continued move towards care in community settings wherever practical and the development of Home Treatment services. Likewise, the transfer of the Trust's Supported Living service for people with Learning Disabilities to an independent sector provider has enabled the Trust to maintain its focus on core service delivery.

Further supporting the development of enhanced community services in Sandwell, the Trust's Early Intervention service continued its expansion during the year. The aim of the service being the early identification and treatment of psychosis in young people and adults.

Graph showing increased community activity compared to 2005/06



Reflecting the general direction of travel from inpatient services to more community based care, total activity across the Trust showed a corresponding shift when compared to 2005/06 (see graph above).

At a corporate level, the Trust began preparations for the eventual achievement of Foundation Trust status. Following discussions with local commissioners and the West Midlands Strategic Health Authority, an action plan has been developed and worked through which it is planned will enable the Trust to begin the application process in 2007.

In September 2006, the Trust received its assessment by the Healthcare Commission for 2005/06 under the new Annual Health Check, which replaced the system of 'star rating'. The Trust was assessed on Quality and Use of Resources. Although the final assessment was 'Fair' in both areas, this was in line with the

results for a significant number of NHS organisations in the West Midlands and other mental health trusts nationally. Further information can be obtained via the Healthcare Commission's website: <http://www.healthcarecommission.org.uk>

The two key areas from the 2005/06 assessment that the Trust focused on for 2006/07 were to ensure full compliance with core health care standards and demonstrating that the Trust benchmarks its services to ensure value for money. It is believed that this work will lead to an improved assessment for 2006/07.

Looking forward to the financial year 2007/08, the Trust will be required to achieve efficiencies worth £1.4 million to ensure continued financial stability. Many of the cost improvement programmes focus on the efficient and effective deployment of the Trust's staff resource and targeting further reductions in temporary

staffing. The implementation of a new roster management system for inpatient wards will provide this assurance in addition to improved management information.

Further areas for cost improvement include the Trust estate and energy efficiency. The Trust has initiated a comprehensive review of its estate with the aim being to ensure that all the buildings from which it operates are of the highest quality, can meet the requirements of future service need and provide value for money. A key factor in this context will be the future use of Hallam Street Hospital, built in 1999 under the Private Finance Initiative and to which the Trust has a continuing financial obligation until 2023. The review will be completed by the summer of 2007 and is expected to identify significant areas for greater efficiency in the medium term.

Capital expenditure committed in 2006/07 and planned for future years is as follows:

	2006/07	2007/08	2008/09	2009/10	2010/11
Capital Expenditure (£000)	1,471	2,523	1,671	985	1,054

Future capital related expenditure will enable the Trust to support the outcomes of the Estate Review and maintain the value and quality of the Trust’s asset base.

The Trust continues to review the contracts it has for services provided by other organisations. From April 2007, the Trust had new providers for its pharmacy and payroll services. In addition, the way in which facilities management is provided was reassessed resulting in some of the services being brought back ‘in house’. Other areas for review in 2007 will be catering and patient transport.

Building on a past record of high quality integrated service provision accompanied by sound corporate

and clinical governance, the Trust plans to further develop its business through the provision of specialist services to those with complex needs at a sub-regional level. As the Trust is the only stand-alone mental health and learning disability service provider in the Black Country, it is believed that this is both a realistic and desirable goal.

Service developments planned for 2007/08 include the third and final phase of the Early Intervention service and greater links with the acute sector in the form of enhanced psychiatric liaison. Also, the year will see the construction of a High Dependency Unit by the Trust that will meet a service need not currently provided for within

the Black Country. It is expected that the Unit will be operational by the late summer of 2008.

As commissioning develops and traditional service provision is opened up to competition from the voluntary and private sector and other NHS providers, the Trust will need to ensure that it remains the provider of choice as well as seeking new markets and opportunities. The Trust has instigated major change to its internal structures and processes to make certain that it can respond effectively to these challenges. These will be embedded during 2007/08 and are significant in the preparation for Foundation Trust status in 2008/09.

Income and Expenditure Account for the year ended 31 March 2007

	2006/07 £000	2005/06 £000
Income from activities		
Continuing Operations	45,328	45,106
Other operating income	926	941
<i>less</i> Operating expenses		
Continuing Operations	(45,255)	(45,152)
OPERATING SURPLUS BEFORE INTEREST		
Continuing Operations	999	895
<i>add</i> Interest receivable	67	86
<i>less</i> Interest payable	(51)	(49)
<i>add</i> Other finance costs – Net return on pensions assets	29	16
SURPLUS (DEFICIT) FOR THE FINANCIAL YEAR	1,044	948
Public Dividend Capital dividends payable	(983)	(920)
<i>less</i> RETAINED SURPLUS (DEFICIT) FOR THE YEAR	61	28
Financial target performance	3.60%	3.50%

The Trust is required to absorb the cost of capital at a rate of 3.5% of average relevant net assets. The rate is calculated as the percentage that dividends paid on public dividend capital, totalling £983,000, bears to the average relevant net assets of £27,462k, that is 3.6%.

Management Costs

	2006/07		2005/06	
	£000	% of income	£000	% of income
Management costs	3,171	6.90%	2,983	6.50%

6.1 Better Payment Practice Code – measure of compliance

	2006/07		2005/06	
	Number	£000	Number	£000
Total Non-NHS trade invoices paid in the year	8,485	10,674	10,847	11,216
Total Non NHS trade invoices paid within target	8,109	10,360	10,335	10,981
Percentage of Non-NHS trade invoices paid within target	96%	97%	95%	98%

Balance Sheet as at 31 March 2007

	31 March 2007 £000	31 March 2006 £000
FIXED ASSETS		
Intangible assets	67	5
Tangible assets	29,174	26,675
	<hr/>	<hr/>
	29,241	26,680
CURRENT ASSETS		
Debtors	2,456	1,776
Cash at bank and in hand	82	83
	<hr/>	<hr/>
	2,538	1,859
CREDITORS: Amounts falling due within one year	(2,381)	(1,672)
Local Authority pensions liability	(11)	(64)
	<hr/>	<hr/>
NET CURRENT ASSETS (LIABILITIES)	146	123
	<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES	29,387	26,803
CREDITORS: Amounts falling due after more than one year	(379)	(380)
PROVISIONS FOR LIABILITIES AND CHARGES	(173)	(249)
	<hr/>	<hr/>
TOTAL ASSETS EMPLOYED	28,835	26,174
	<hr/>	<hr/>
FINANCED BY: TAXPAYERS' EQUITY		
Public dividend capital	11,949	11,313
Revaluation reserve	16,540	14,677
Donated asset reserve	0	0
Government grant reserve	0	0
Pension reserve	(12)	(86)
Income and expenditure reserve	358	270
	<hr/>	<hr/>
TOTAL TAXPAYERS EQUITY	28,835	26,174
	<hr/>	<hr/>

Statement of Total Recognised Gains and Losses for the year ended 31 March 2007

	2006/07 £000	2005/06 £000
Surplus (deficit) for the financial year before dividend payments	1,044	948
Fixed asset impairment losses	0	0
Unrealised surplus/(deficit) on fixed asset revaluations/indexation	1,890	764
Increases in the donated asset and government grant reserve due to receipt of donated and government grant financed assets	0	0
Defined benefit scheme actuarial gains/(losses)	0	0
Additions/(reductions) in 'other reserves'	74	(63)
Total recognised gains and losses for the financial year	3,008	1,649
Prior period adjustment	0	0
Total gains and losses recognised in the financial year	3,008	1,649

Karen Dowman, Chief Executive

Paul Stefanoski, Director of Finance and Performance

Cash Flow Statement for the year ended 31 March 2007

	2006/07 £000	2005/06 £000
OPERATING ACTIVITIES		
Net cash inflow/(outflow) from operating activities	1,652	1,698
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE:		
Interest received	96	86
Interest paid	0	0
Interest element of finance leases	(51)	(49)
	<hr/>	<hr/>
Net cash inflow/(outflow) from returns on investments and servicing of finance	45	37
CAPITAL EXPENDITURE		
(Payments) to acquire tangible fixed assets	(1,283)	(336)
(Payments) to acquire intangible assets	(67)	0
	<hr/>	<hr/>
Net cash inflow/(outflow) from capital expenditure	(1,350)	(336)
DIVIDENDS PAID	(983)	(920)
	<hr/>	<hr/>
Net cash inflow/(outflow) before financing	(636)	479
FINANCING		
Public dividend capital received	636	0
Public dividend capital repaid	0	(478)
Capital element of finance lease rental payments	(1)	(1)
Net cash inflow/(outflow) from financing	635	(479)
	<hr/>	<hr/>
Increase/(decrease) in cash	(1)	0
	<hr/>	<hr/>

Remuneration report for Senior Managers 2006/07

The membership of the Committee comprises the Trust's Chairman, Director of Finance and Performance, the Director of Human Resources and Organisational Development and two Non-executive Directors – as at 31 March 2007 these were:

Bob Piper	Chair and chair of the Committee
Paul Stefanoski	Director of Finance and Performance
Yvonne Warner	Director of Human Resources and Organisational Development
Victoria Harris	Non-Executive Director
David Sallah	Non-Executive Director

Remuneration for the Trust's Executive Directors is set by reference to job scope, personal responsibility and performance, and taking into account comparison with remuneration levels for similar posts, both within the National Health Service and the local economy.

Whilst performance is taken into account in setting and reviewing remuneration, the Care Trust does not employ a system of performance related pay for any staff including Executive Directors nor does it contract to liabilities in terms of compensation for early termination. All Executive

Directors are on full time substantive contracts and are required to give three months notice of termination. The Chairman and Non-Executive Directors are appointed on a four year term.

Name and Title	Contract start date	Notice Period	Contract end date
Mr R Piper – Chairman	01/12/2004	3 months	31/11/08
Ms K Dowman – Chief Executive	22/08/1977	6 months	n/a
Mr P Stefanoski – Director of Finance and Performance	31/10/2001	3 months	n/a
Dr S Edwards – Director of Mental Health	01/02/1982	3 months	n/a
Mr A Green – Director of Corporate Governance	23/11/1981	3 months	n/a
Mrs Y Warner – Director of Human Resources and Organisational Development	10/07/1995	3 months	n/a
Mr R Taylor – Director of Nursing and Risk Management	31/01/2005	3 months	n/a
Ms A Saganowska – Director of Social Care	01/10/2005	3 months	n/a
Mr J Blyth – Non-Executive Director	01/01/2005	3 months	31/12/08
Mrs J Webb – Non-Executive Director	01/08/2004	3 months	31/07/08
Mrs A Gosain – Non-Executive Director	01/12/2006	3 months	30/11/10
Mrs V Harris – Non-Executive Director	01/03/2005	3 months	28/02/09
Ms J Smart – Non-Executive Director	01/12/2005	3 months	31/11/09
Ms E Giles – Non-Executive Director	01/08/2005	3 months	31/07/08
Mr D Sallah – Non-Executive Director	01/12/2005	3 months	31/11/09
Mr S Frear – Non-Executive Director	01/03/2007	3 months	28/02/11

Remuneration for the Trust's Executive and Non-Executive Directors during the financial year ended 31 March 2007 is set out in the tables which follow.

Salary and Pension Entitlements of Senior Managers

A) Remuneration

Name and Title	2006/07			2005/06		
	Salary (bands of £5000) £000	Other Remuneration (bands of £5000) £000	Benefits in Kind Rounded to the nearest £100	Salary (bands of £5000) £000	Other Remuneration (bands of £5000) £000	Benefits in Kind Rounded to the nearest £100
Mr R Piper – Chairman	15-20	0	100	15-20	0	0
Mrs K Dowman – Chief Executive	95-100	0	800	95-100	0	3,600
Mr P Stefanoski – Director of Finance and Performance	75-80	0	1,700	75-80	0	800
Dr S Edwards – Director of Mental Health	20-25	155-160	500	30-35	130-135	500
Mr A Green – Director of Corporate Governance	75-80	0	800	75-80	0	800
Mrs Y Warner – Director of Human Resources and Organisational Development	65-70	0	0	75-80	0	0
Mr R Taylor – Director of Nursing and Risk Management	75-80	0	0	75-80	0	0
Ms A Saganowska – Director of Social Care	75-80	0	0	35-40	0	0
Mr J Blyth – Non-Executive Director	5-10	0	0	5-10	0	0
Mrs J Webb – Non-Executive Director	5-10	0	0	5-10	0	0
Mrs A Gosain – Non-Executive Director	5-10	0	0	5-10	0	0
Mrs V Harris – Non-Executive Director	5-10	0	0	5-10	0	0
Ms J Smart – Non-Executive Director	5-10	0	0	0-5	0	0
Ms E Giles – Non-Executive Director	0-5	0	0	0-5	0	0
Mr D Sallah – Non-Executive Director	5-10	0	0	0-5	0	0
Mr S Frear – Non-Executive Director	0-5	0	0	0	0	0

The salaries and allowances of senior managers cover both pensionable and non-pensionable amounts. Benefits in kind relate to participation in the NHS lease car scheme and any travel expense allowances.

Ms E Giles resigned as a Non-Executive of the Trust board on the 31 October 2007.

S. Frear began employment with the Trust on the 1 March 2007 and therefore only one month of his salary has been disclosed in the 2006/07 accounts.

B) Pension Benefits

Name	2006/07			2005/06		
	Real increase in pension and related lump sum at age 60 (bands of £2500 £000)	Total accrued pension and related lump sum at age 60 at 31 March 2007 (bands of £5000 £000)	Cash Equivalent Transfer Value at 31 March 2007 (£000)	Cash Equivalent Transfer Value at 31 March 2006 (£000)	Real Increase in Cash Equivalent Transfer Value (£000)	Employers Contribution to Stakeholder Pension To nearest £100
Mrs K Dowman – Chief Executive	5-7.5	105-110	610	564	46	0
Mr P Stefanoski – Director of Finance and Performance	2.5-5	25-30	101	86	15	0
Dr S Edwards – Director of Mental Health	17.5-20	175-180	996	883	113	0
Mr A Green – Director of Corporate Governance	2.5-5	75-80	364	335	28	0
Mr R Taylor – Director of Nursing and Risk Management	2.5-5	85-90	448	414	34	0
Mrs Y Warner – Director of Human Resources & Organisational Development	2.5-5	55-60	267	243	24	0

As Non-Executive members do not receive pensionable remuneration, there will be no entries in respect of pensions for Non-Executive members.

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme

and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures, and from 2005/06 the other pension details, include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their

purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real Increase in CETV – This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Independent Auditor's Statement

To the Directors of the Board of Sandwell Mental Health NHS and Social Care Trust

We have examined the summary financial statements for the year ended 31 March 2007 which comprise the Income and Expenditure Account, The Balance Sheet, the Statement of Total Recognised Gains and Losses, the Cashflow Statement and the related notes. We have also audited the information in the Trust's remuneration Report that is described as having been audited.

This report, including the opinion, has been prepared for and only for the Board of Sandwell Mental Health NHS and Social Care Trust in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 36 of the Statement of Responsibilities of Auditors and of Audited Bodies prepared by the Audit Commission. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this statement is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Respective responsibilities of Directors and Auditors

The Directors are responsible for preparing the Annual Report, including the Remuneration Report. Our responsibility is to audit the part of the Remuneration Report to be audited and to report to you our opinion on the consistency of the summary financial statements within the Annual Report and the statutory financial statements. We also read the other information contained in the Annual Report and consider the implications for our statement if we become aware of any apparent misstatements or material inconsistencies with the summary financial statements.

Basis of opinion

We conducted our work in accordance with Bulletin 1999/6 'The auditor's statement on the summary financial statement' issued by the Auditing Practices Board. Our report on the statutory financial statements describes the basis of our audit opinion of those financial statements and on the information in the Remuneration Report to be audited.

Opinion

In our opinion:

- the summary financial statements are consistent with the statutory financial statements of the Trust for the year ended 31 March 2007; and
- the part of the Remuneration Report to be audited has been properly prepared in accordance with the accounting policies directed by the Secretary of State as being relevant to the National Health Service in England.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

Date: 25 June 2007

Statement on Internal Control 2006/07

1. Scope of Responsibility

The Trust Board is accountable for internal control. As Accountable Officer, and Chief Executive of this Board, I have responsibility for maintaining a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives. I also have responsibility for safeguarding the public funds and the organisation's assets for which I am personally responsible as set out in the Accountable Officer Memorandum. In addition, I am accountable to the Chief Executive of West Midlands Strategic Health Authority and represent the Trust on the Sandwell Health Partnership and Sandwell Civic Partnership.

2. 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 organisation's policies, aims and objectives,
- 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 Sandwell Mental Health NHS & Social Care Trust for the year ended 31 March 2007 and up to the date of approval of the annual report and accounts.

3. Capacity to Handle Risk

The Trust has in place a Risk Management Strategy that was approved by the Board in February 2004, this document details the following:

- Defines risk in the context of the Trust
- Details the Trust's attitude and approach to risk
- Gives clear Executive responsibility for financial, clinical and organisational risk
- Provides clarity of Trust structures, roles and responsibilities
- Provides clear procedures and risk management tools for use within the Trust

In addition, there is a mandatory training programme in place involving all staff that covers issues such as Health & Safety and fire safety. There is also more specific training given to certain staff groups dependent on the areas in which they work, for example, Control and Restraint, Care and Responsibility, Physical Intervention Skills.

Specialist risk posts have been established within the Trust to provide support to managers and staff (e.g. infection control nurse, risk services manager, health and safety advisor).

The Trust seeks to continuously improve its management of risk through the analysis of incidents and complaints, conducting incident reviews and benchmarking. The Risk Management Strategy is currently under review to ensure that developments in best practice are incorporated within it.

4. The Risk and Control Framework

The Risk Management Strategy sets out the process in the management of risk. The key elements are:

Risk Identification – risks are identified using a systematic process that may include checklists, previous experience, systems analysis and/or benchmarking. Identification is not confined solely to those risks within the control of the Trust and can be from internal or external sources.

Risk Analysis – to establish the relative severity of individual risks identified it is necessary to consider its source, the consequences should the risk come to fruition and the likelihood of this happening.

Risk Management – the objective is to manage any particular risk at a level within the organisation appropriate to its size and the ability to manage it. This can therefore happen at a number of levels within the Trust – from individual team to Board level. The structures embedded within the organisation as detailed below enable this to happen effectively.

Audit Committee: reviews the overall operation of the Strategy.

Quality Assurance Committee: responsibility for review of the

governance and risk management strategies and associated action plans.

Policy and Development Group: executive group responsible for the approval of policy and management action plans.

Policy Groups: groups established with specific areas of interest to develop policy including the consideration of risk management data.

Operational Risk Group: ongoing review of operational risk and the co-ordination and maintenance of the corporate risk register.

Service Directorates: to ensure appropriate representation on policy groups and the identification of service-specific risks.

The Strategy also sets out the principle that stakeholders will be communicated with in terms of its implementation and the key issues arising. The Trust will continue to share with stakeholders risk management issues through the fora such as Stakeholder Days and local health economy planning events.

The Trust also has in place an Assurance Framework that was approved by the Board in March 2004 (subsequently revised and updated), the key elements of which are:

- The Trust's principal objectives as agreed by the Trust Board
- Identification of the risks to achieving the principal objectives
- The internal controls in place to manage the risks
- Identification of the assurances that provide evidence that the controls are in place and operating effectively
- Evaluation of the assurance obtained
- Identification of gaps in controls or assurance.

The Quality Assurance Committee is tasked with the ongoing monitoring and review of the Framework so as to provide assurance to the Trust Board that the risks to achieving the principal objectives of the organisation are being managed effectively. This approach therefore provides additional evidence in support of the Trust's Statement on Internal Control.

The principal objectives of the organisation have been subject to ongoing review by the Trust Board. The process of evaluating the controls and assurances relating to these revised objectives is ongoing.

During the course of the financial year, the Trust has continued to implement systems to improve reporting processes internally, from both a qualitative and timeliness perspective. These systems will enable the Trust to address quickly the gaps in controls or assurances that arise from the Assurance Framework process.

The full implications of Agenda for Change implementation was a key risk faced by the Trust in 2006/07. The modernisation of roles and responsibilities and the development of staff in line with the Knowledge and Skills Framework had financial as well as workforce implications. The Trust was required to apply additional controls on recruitment during the course of the year to ensure that financial targets were achieved.

Due to ongoing issues regarding the accuracy of salary payments to employees, the Trust initiated further controls to both its own systems and to those of its payroll provider. However, it was agreed by the Trust Board that there was still insufficient assurance and the decision was made to change payroll provider. This came into effect from April 1 2007.

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 in to the Scheme are in accordance with the Scheme's rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the regulations.

Looking forward, the Trust aims to achieve Foundation Trust status as soon as is practical. This direction of travel will bring both risks and opportunities. The Trust Board will be active in monitoring these changes, managing the risks through the engagement of all stakeholders and ensuring that robust plans put in place to mitigate such risks.

5. Review of Effectiveness

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed in a number of ways. The head of internal audit provides me with an opinion on the overall arrangements for gaining assurance through the Assurance Framework and on the controls reviewed as part of the internal audit work. Executive managers within the organisation who have responsibility for the development and maintenance of the system of internal control provide me with assurance. The Assurance Framework itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its

principal objectives have been reviewed.

My review is also informed by the following:

- The reviews and reports of the Mental Health Act Commission
- The review carried out by the NHS Litigation Authority
- The reviews and benchmarking carried out by the West Midlands Strategic Health Authority.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Trust's Audit Committee and Quality Assurance Committee.

The Quality Assurance Committee's role is to ensure that control weaknesses are managed and that systems are strengthened and improved upon. The Audit Committee assures that this process is working effectively. Executive Directors have clear remits in the management of risk and likewise, internal audit work will be focused on areas where the risk is considered to be greatest. The operation of the Assurance Framework and the outcome of Controls Assurance reviews provides additional information to this end.



Karen Dowman, Chief Executive

Members of the Trust Board at July 2007 and the committees they serve on



Bob Piper

Chair
Remuneration (Chair)
Hospital Managers



David Sallah

Non-Executive Director
Finance
Quality Assurance
(Vice Chair)
Hospital Managers



Victoria Harris

Non-Executive Director
Remuneration
Quality Assurance (Chair)
Hospital Managers (Chair)



John Blyth

Non-Executive Director
Audit (Vice Chair)
Finance (Chair)
Hospital Managers



Julie Webb

Non-Executive Director
Finance
Quality Assurance
Hospital Managers



Jackie Smart

Non-Executive Director
Quality Assurance
Hospital Managers
PPI Sub-Group (Chair)



Anita Gosain

Non-Executive Director
Audit (Chair)
Hospital Managers



Steven Frear

Non-Executive Director
Audit, Finance
Hospital Managers
Quality Assurance
Remuneration



Karen Dowman

Chief Executive
Quality Assurance
Remuneration



Andy Green

Director of Corporate
Governance
Quality Assurance
Finance



Yvonne Warner

Director of Workforce
Quality Assurance
Finance
Remuneration



Sue Marshall

Associate Director of
Care Governance
Quality Assurance



Paul Stefanoski

Director of Finance and
Performance
Quality Assurance
Audit
Remuneration
Finance



Dr Steve Edwards

Director of Mental Health
Quality Assurance



Richard Taylor

Director of Service
Delivery
Quality Assurance



Angela Saganowska

Director of Social Care
Quality Assurance



Martin Brown

Staff Side Representative

Contacting us

Directorates:

Adult and Older Adult

Directorate Services:

Assertive Outreach

Tel: 0121 612 8956

Beeches Road Residential Care

Tel: 0121 612 6611

Carers Mental Health Team

Tel: 0121 612 6000

Churchvale Rehabilitation & Recovery

Tel: 0121 612 6720

Crisis Intervention Team

Tel: 0121 612 6700

Early Intervention

Tel: 0121 612 6716

Forensic Mental Health

Tel: 0121 612 6700

Hallam Street Hospital

Tel: 0845 146 1800

Oldbury & Smethwick Community Mental Health Team

Tel: 0121 612 8800

Positive Choice

Tel: 0121 612 8950

Primary Care Liaison Team

Tel: 0121 612 6800

Rowley Regis & Tipton Community Mental Health Team

Tel: 0121 612 8900

Simpson Street Day Centre

Tel: 0121 612 8980

Wednesbury & West Bromwich Community Mental Health Team

Tel: 0121 612 6800

Old Age Services:

Edward Street Hospital and Day Hospital

Tel: 0845 146 1800

Hillcrest Old Age Psychiatry

Tel: 0121 612 8835/6

Specialist Services Directorate:

Child & Adolescent Services:

Child & Adolescent Mental Health Services

Lodge Road – 0121 612 6620

Drug and Alcohol Services:

Anchor Project

Tel: 0845 112 0100

Learning Disabilities Services:

Crystal House

Community Learning Disabilities Team

Tel: 0845 352 8720 / 8721

Heath Lane Hospital

Tel: 0845 146 1800

Trust Headquarters:

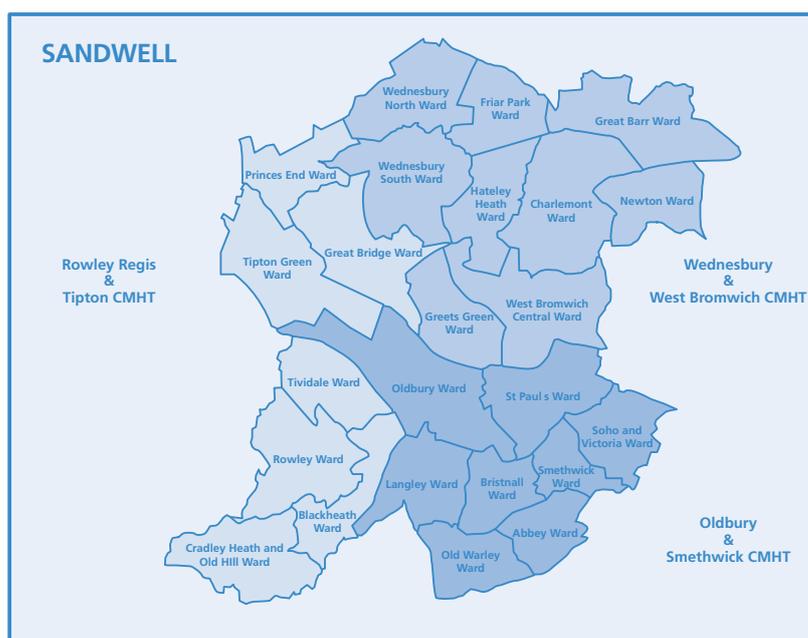
Delta House

Greets Green Road

West Bromwich

B70 9PL

Tel: 0845 146 1800



Other useful contacts

Afro Caribbean Resource Centre		0121 525 9177
Age Concern		
	National Information line:	0800 00 99 66
	Sandwell:	0121 500 1860
Alzheimer's Society	Sandwell	0121 525 7600
Anchor Project		0845 112 0100
Aquarius Alcohol Advice Centre	Sandwell	0121 525 9292
ASRA		0121 565 4678
Autism West Midlands		0121 525 4529
Brook Advisory Centre	Sandwell	0121 557 1937
Cares		0121 558 7003
Childline		0800 1111
Citizens Advice Bureau	Sandwell	0121 552 2022
Cruse Bereavement Care	Sandwell	0121 544 4510
Learning Disability Helpline		0808 808 1111
Lesbian & Gay Switchboard (7pm – 10pm)		0845 257 8255
Mental Health Service (SCH Housing & Care)		0121 506 2800
NHS Direct		0845 4647
PALS – Patient Advice & Liaison Service		0800 587 7720
		Email: pals.officer@smhsct.nhs.uk
People First		0121 520 0813
Rethink (previously known as National Schizophrenic Fellowship)		
	GTE	0121 558 6778
	National Helpline	0845 456 0455
Relate		0121 544 7088
Samaritans		0845 790 9090
Sandwell African Caribbean Mental Health Foundation		0121 525 1629
Sandwell Approach Forum Eliminating Racism (SAFER)		www.safersandwell.co.uk
Sandwell Citizen Advocacy		0121 520 8070
Sandwell Council		0121 569 2200
Saneline		0845 767 8000
Survivors of Bereavement by Suicide (SOBS)		0870 241 3337
Young Carers – general enquiries		0121 525 7667



Sandwell Mental Health
NHS and Social Care Trust
Delta House, Greet's Green Road
West Bromwich B70 9PL
Tel: 0845 146 1800