

Kent County Council Cabinet Briefing – June 2008

Erville Millar

Chief Executive, Kent and Medway NHS and Social Care Partnership Trust [KMPT]

Foundation Trust Application

Kent and Medway NHS and Social Care Partnership Trust [KMPT] is in the process of applying for Foundation Trust [FT] authorisation. FTs are independent 'Public Benefit Corporations' as established under the Health and Social Care Acts of 2003 and 2006 and are free from the control of the Department of Health [DH] and the Strategic Health Authority [SHA]. They are regulated by Monitor, the independent regulator of FTs. To achieve authorisation NHS Trusts have to demonstrate that they are well managed, financially viable and legally constituted.

The authorisation process is a rigorous and testing process and the Trust is presently in the SHA / DH phase. This phase requires the Trust to produce a 5 year business plan and integrated financial model, proposed constitution, membership strategy and governance rationale. The phase also includes an exacting 'historic due diligence [HDD]' assessment of our application by independent auditors. We have negotiated a delay in the HDD process to the beginning of August 2008, supported by both the SHA and DH, to allow our full approved accounts for the two years that the Trust has been operating to be used rather than the year prior to merger. The planned authorisation date of 1 February 2009 remains unchanged.

	2007
Diagnostic Phase	February – April
	2008
SHA / DH Phase	January – September
Consultation	January – March
Historic Due Diligence [HDD]	August
Secretary of State Support	September
Monitor Phase	October – December
	2009
Authorisation	1 February

Figure 1: FT Application Timeline

Whilst FTs are free from the centralised control of the DH and the SHA they remain fully within the NHS and continue to provide their core healthcare services to the public free at the point of delivery. FTs are prevented from increasing income from private health care provision.

KMPT believe that attaining FT authorisation will provide the Trust a significant freer and more flexible environment to operate and thrive within. FTs operate in the style of commercial organisations, they have rolling accounts and are able to retain any

financial surpluses and can invest such surpluses into new or existing services. They are free to establish new partnerships with private, third sector and voluntary organisations to strengthen service quality and delivery. As an FT the Trust will be better able to deliver high quality, safe, sustainable and affordable mental health services and remain the provider of choice.

KMPT is an improving organisation; it has always met its financial targets and has been steadily improving its performance as measured through its Auditor Local Evaluation [ALE] scores and other indicators. The Trust has a good reputation and established partnership arrangements and service agreements with commissioners. It is the only comprehensive provider of secondary mental health services in Kent and Medway. The Trust has identified that further work is needed to develop customer relations and information systems and reduce reference costs. Over the next five years the Trust, with the support of commissioners, intends to compete in new market areas such as providing low secure forensic services, psychological therapies and children and young people's services. The Trust will also expand its current market in relation to primary care mental health services and psychological therapies, which are relatively low cost to enter. Strategic service developments over the next five years include the redesign of secondary mental health services in Eastern and Coastal Kent, strengthening services for children and younger people, advancing psychological therapies and increasing market share in specialist forensic services. The Trust is ceasing loss making services that are not part of Trust core business.

Central and distinctive to the Trust's service delivery today and in the future is its partnership with social care partners, particularly Kent County Council [KCC]. The ability for the Trust to work in partnership with KCC, which includes the valuable contribution of seconded social care staff, to provide holistic, fully-integrated, person centred services that not only aid recovery but help people to truly flourish and to be part of communities, families and neighbourhoods is a real strength in establishing the Trust as the provider of choice. At the regional level the Trust is a signatory to both KCC and Medway Council's Local Area Agreements [LAAs], which identify target s to improve services for vulnerable adults and young people. In addition the Trust highly regards initiatives such as KCC's Apprenticeship and Economic Regeneration Schemes as key drivers to provide employment opportunities and secure our region's firm economic base. At a personal level the Trust is committed to working with KCC to transform and broaden the social care programme and give people more choice and control over their health and social care thereby increasing personalisation in the delivery of mental health services. These, along with formal links with Care Service Improvement Partnership [CSIP] and National Social Inclusion Programme, will establish and promote the public health initiatives that reduce stigma, increase social inclusion, employment, housing and leisure activities that are key to the holistic service provision. The strength of our partnerships, such as that with KCC, will be a significant strategic advantage as healthcare moves into a competitive provider market. The Trust is the only comprehensive provider of secondary mental health services in Kent and Medway and has developed its strategies to reflect the objectives of the local health and social care economy. The majority of the population is served by KCC with the remainder served by Medway Council.

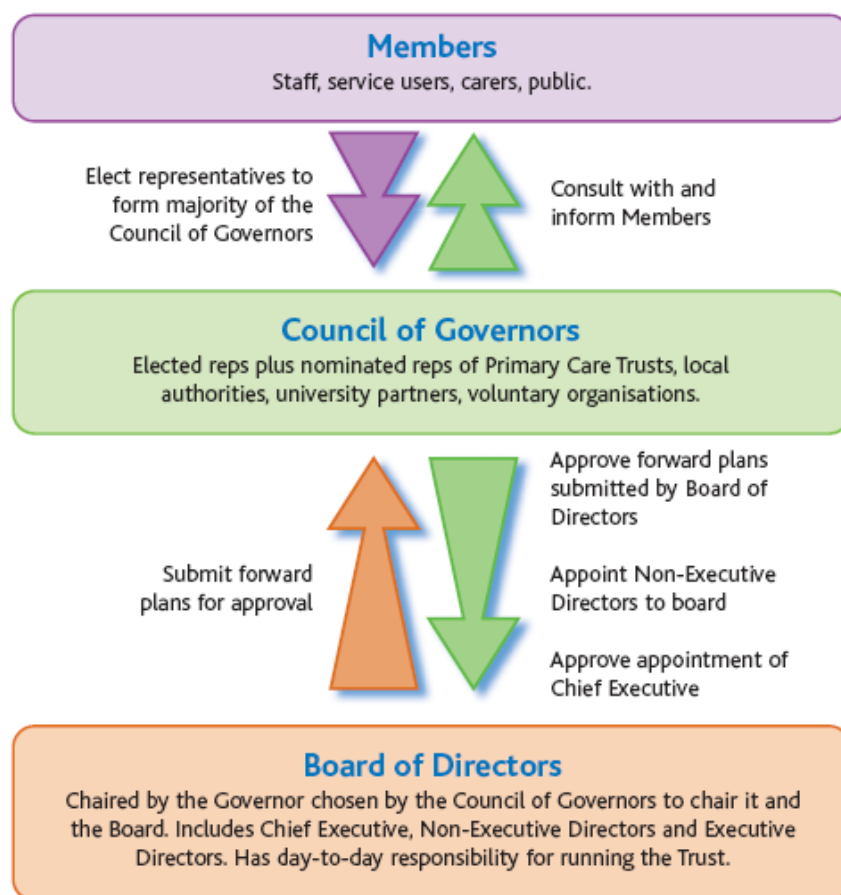


Figure 2: FT Governance Structure

The Trust aspires to play a full role as a corporate citizen. Central to this aspiration is to keep partners, stakeholders, staff, service users and the public central to all planning and service delivery. As an FT the Trust will establish a Council of Governors. The Council of Governors will provide a forum for both appointed Governors, representing our partners and stakeholders, and for elected Governors, representing our staff and local communities, to play a full part in formulating the Trust's long term strategy and holding the Board of Directors to account to deliver that strategy.

Group	Organisation	Number of Governors
NHS	Primary Care Trusts	3
	Acute trusts	1
Local Authority	Kent County Council	2
	Medway Council	1
Partner Organisations	Business Link	1
	Police Service	1
	National Offender Management Service	1
	Academia	1
	Voluntary Sector	3
Total Appointed Representative Governors		14

Group	Organisation	Number of Governors
Staff	East	1
	West	1
	Medway	1
	Trust-wide	1
Total Non-Public Constituency Governors		18
Public	East	7
	West	7
	Medway	6
Total Public Governors		20
TOTAL GOVERNORS		38

Figure 3: KMPT Council of Governors

The Council of Governors will have real, genuine powers through their assigned statutory duties of appointing, and removing if necessary, the Chairman and Non-Executive Directors and setting their remuneration, terms and conditions; appoint / remove the external auditors; approve the appointment of the Chief Executive; receive the Trust's Audit Plan and scrutinise the Annual Plan.

Additionally the Council of Governors may be asked to assist the Trust in other ways such as monitoring patient surveys, recruiting members, organising constituency meetings, etc. We are planning to hold Governor elections in the Autumn 2008 and to have a shadow Council of Governors operating by the end of the year.

The Trust has established a comprehensive structure to its proposed Council of Governors and has included those organisations who provide real partnership with the Trust. The complement of governors includes the statutory requirement to have a majority of governors representing the public. The Trust proposal not to have a separate service user constituency was supported by the public during the consultation phase held at the beginning of the year. The Trust felt strongly that having a service user constituency would only add to the stigma of mental health illness. The Trust does not ask other individuals to declare if they have a mental illness, for example, Non-Executive Directors.

Overall, financial evidence, market assessments and development planning supports the view that the Trust is in a stable financial position with a good market share, established relationships with commissioners, and the potential to extend business. The Integrated Business Plan [IBP] outlines how the Trust will build on these strengths and continue to innovate and improve for the well-being of the local community. The Trust's long term financial modeling indicates that the Trust will remain financially strong when implementing its planned service development plans.

In conclusion, the Trust is keen to continue to work in partnership with the community, stakeholders, local authority and other partners, and to be confidently accountable through its governance arrangements that it will deliver excellent core services.

Robert Knibbs
Foundation Trust Project Director, KMPT