

**DATE: 17 November 2008**

**Dudley and Walsall Mental Health Partnership NHS Trust – Progress Update**

**Ward(s)** All

**Portfolios:** Councillor Mrs. B McCracken

**Summary of report:**

Following previous reports to the Panel, this paper aims to update members on the establishment of the new Dudley and Walsall Mental Health Partnership NHS Trust.

**Background papers:**

Not applicable

**Reason for scrutiny:**

To provide the Health Scrutiny Panel with a brief update following the formal consultation process on the proposals which took place in 2007.

Signed:

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the right.

David Martin  
Executive Director

7 November 2008

**Resource and legal considerations:**

The Council is currently in negotiations with the Trust regarding 'Section 75' formal partnership agreements for the provision of mental health services. This will facilitate the ongoing integrated delivery of services, underpinned by robust governance arrangements.

**Citizen impact:**

Mental Health services previously managed by NHS Walsall (previously Walsall teaching PCT) are now part of the newly established Dudley and Walsall Mental Health Partnership NHS Trust.

**Environmental impact:**

Not applicable.

**Performance management:**

Performance management of the services will continue under the current management arrangements.

**Equality Implications:**

The proposals support the equality and diversity commitment of the Local Authority.

**Consultation:**

A formal consultation process was undertaken during the period September – December 2007.

**Contact Officers:**

Margaret Willcox – Assistant Director, Adult Services

☎. 01922 658218

[willcoxm@walsall.gov.uk](mailto:willcoxm@walsall.gov.uk)

Gary Graham – Chief Executive (Dudley and Walsall Mental Health Partnership NHS Trust)

☎. 01384 362362

[gary.graham@dudley.nhs.uk](mailto:gary.graham@dudley.nhs.uk)

## 1. Background and Introduction

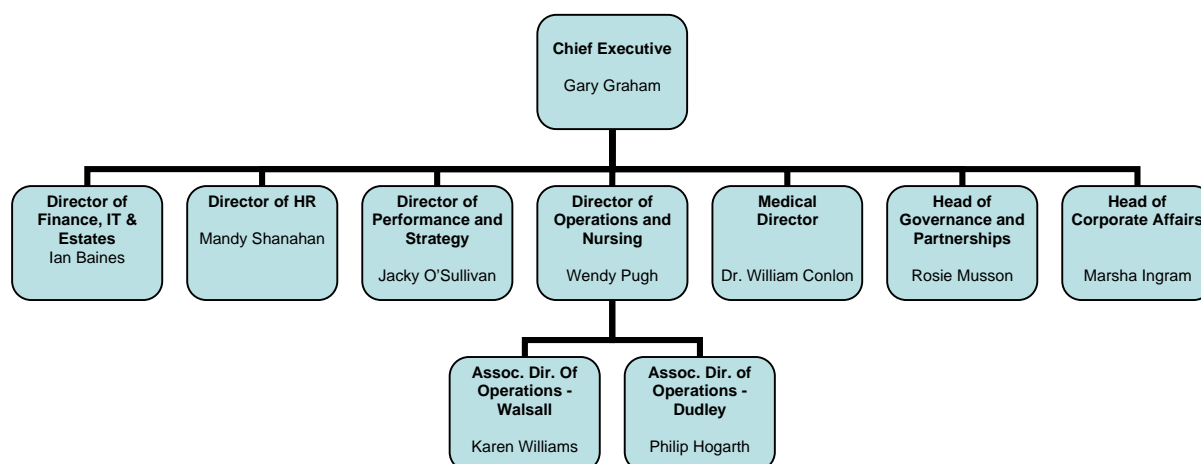
The Dudley and Walsall Mental Health Partnership NHS Trust was formed on 1<sup>st</sup> October 2008 from the former mental health provider arms of Dudley PCT and NHS Walsall (formerly Walsall Teaching PCT), working in partnership with the respective Local Authorities. Proposals to form the Trust emerged from an option appraisal of mental health provider services in the Black Country in 2005, and a subsequent decision that a Black Country-wide mental health provider Trust should not be pursued at that time.

Following the submission of a formal business case about the proposals to the Strategic Health Authority in summer 2007 and their subsequent support, the formal consultation exercise took place during the period September to December 2007. Given a general level of positivity for the proposals and the expressed support of Joint Health Scrutiny Committee, both PCT Trust Boards and the Strategic Health Authority, the proposals finally received Ministerial approval in August 2008.

This paper aims to provide the Panel with an overview of the new Trust, including, including a summary of its estate, financial position and workforce. A key strategic aim of the new organisation will be to plan its transition to 'Foundation Trust' status, which will be subject to a separate consultation process.

## 2. Board-level Structure

The Board-level structure for the new Trust is shown diagrammatically below:



At locality level, the strategic management of clinical services will be the remit of the Associate Directors of Operations. The Head of Governance and Partnerships is the Board-level lead for partnership working with the two Local Authorities.

## 3. Overview of Services

The new Trust provides a range of mental health services to the communities it serves, including:

- All community and mental health services for adults of working age, including Community Mental Health Team (CMHTs), Assertive Outreach and rehabilitation

services, Home Treatment / Crisis Resolution services and a range of primary care based mental health services.

- All community mental health services for Older People, including outpatient services.
- All mental health inpatient facilities for adults of working age and Older People.
- All existing health-provided Child and Adolescent Mental Health Services (CAMHS) and Early Intervention services.
- Substance Misuse Services.
- Criminal justice liaison services.
- Services provided by Community Development and Liaison Workers.
- The medical component of Learning Disability services (in Walsall).
- All elements of Psychology services, apart from those provided to people with physical health problems or a Learning Disability (which have remained with the respective PCT).
- Mental Health social care services which are managed by the Trust on behalf of the Local Authorities via partnership agreements.

The Trust remains committed to the undertaking made explicit within the consultation that services which people currently access locally will remain so.

#### **4. Workforce Overview**

The workforce employed within the Trust is the largest and most valuable asset in the delivery of Mental Health services across Dudley and Walsall and represents the largest expenditure for the organisation. The newly established Trust will employ just over 1,100 substantive staff (based on headcount). The figures reflected within this section of the report detail the staff that have 'TUPE' transferred into the Partnership Trust with effect from 1<sup>st</sup> October 2008 and have been reported from the Electronic Staff Records system. The figures exclude all bank staff and seconded Social Care staff and are based on information provided as at 19<sup>th</sup> September 2008.

##### **i. Staff Profile**

The table below details the current staff profile across the two localities:

	Dudley	Walsall	Both
Staff in post (Headcount)	607	500	1107
Staff in post (WTE)	527.69	452.52	980.12
Full Time Staff	412	396	808
Part Time Staff	195	104	299
Gender Profile – Male (Aug)	143	134	277
Gender Profile – Female (Aug)	464	366	830

[Table 1]

## ii.. Dudley locality/Walsall locality Occupational Code Breakdown

Table 2 details the current occupational breakdown across the two localities reflecting both headcount and whole time equivalent (WTE).

	Dudley Locality		Walsall Locality		Total	
	Headcount	FTE	Headcount	FTE	Headcount	FTE
Admin & Estates	146	118.37	105	93.40	251	211.77
Health Care Ass & Support	124	107.20	88	78.57	212	185.77
Medical & Dental	54	50.35	53	46.60	107	96.95
Nursing and Midwifery	222	200.29	227	209.64	449	409.93
STT Staff	61	51.48	23	20.21	84	71.69
of which AHP	24	21.27	9	8.01	33	29.29
Other			4	4.00	4	4.00
Total	607	527.69	500	452.42	1107	980.12

[Table 2]

## **5. Finance Overview**

The work within the finance implementation workstream to ensure the successful set-up of the organisation from a finance perspective viewpoint has been extremely challenging and varied. The main issues arising from this work are as follows:

### i. Gross Turnover

The gross turnover of the new Trust in 2008/09 is anticipated to be as follows:

Walsall - £31.5m      Dudley - £30.2m      Overall Total - £61.7m

### ii. Service Level Agreement (SLA) Values

The Interim Finance Director has agreed with both PCT Finance Directors that, in essence, the SLA value agreed upon is the available funding for the year. The upshot of this, is that any under or over spend generated by Mental Health services during the first 6 months of 2008/09 will carry forward into the new Trust.

### iii. Corporate Costs

The 'fair share' allocation of corporate resources from the respective PCTs has not quite been sufficient to fund the costs of the corporate structure for the new Trust. This is not unexpected, given the new organisation's corporate responsibilities and all posts within the new structure have been scrutinised carefully for appropriateness, both by the new Mental Health Trust and the PCTs.

This means that a residual shortfall of £227,000 will need to be met by the new Trust from within its £61.7 million gross turnover. As this represents only 0.37% of turnover, it is not significant.

#### iv. Capital Investment

The Interim Finance Director has agreed with both PCTs that any funding within the PCT capital programme planned for Mental Health services will be transferred to the new Trust upon its inception. The technicalities of moving the funding in this way are currently being worked through via both the Strategic Health Authority and the Department of Health.

#### v. Provision of transaction-based finance services

The new Trust has agreed that Dudley PCT will provide the new Trust with these services, with robust underpinning contracts to support them.

#### vi. Internal Audit Service Provision

Given that both PCTs had contracted with the same internal audit provider, the new Mental Health Trust has agreed a provisional audit plan with the same provider – C W Audit Services - in order to facilitate consistency. The proposed audit plan will be adopted at the inaugural Audit Committee meeting of the new Trust.

#### vii. Local Counter Fraud Services (LCFS)

Given that both PCTs have differing approaches to the delivery of such services, coupled with the need for the Trust to have a nominated LCFS, the Trust has decided to contract with CW Audit Services for LCFS provision. The proposed LCFS workplan will be adopted at the inaugural Audit Committee meeting of the new Trust.

#### viii. External Audit Provision

The new Trust will be assigned an External audit provider in the usual way, via the Audit Commission. It is anticipated that the provider for the Trust will be agreed at the Audit Commission's December Board meeting.

#### ix. Management Accounting/Financial Management

The new Trust will have in-house provision for these services, with all submissions requiring Finance Director approval prior to despatch. There are currently a number of vacancies within the team, though these will be recruited to imminently. The new Trust has already agreed a range of changes to the format of financial reporting.

#### x. Bank Accounts/Cash

The new Trust now has three new bank accounts in existence, given the Board approval for set-up on 16<sup>th</sup> July 2008. The three bank accounts are as follows:

- A Paymaster General Office Account
- A NatWest Commercial Bank Account
- A National Loans Fund account

The Interim Finance Director has agreed with both PCTs that the service level agreement (SLA) payment for October will be granted on 1<sup>st</sup> October, so as the new Trust will have sufficient cash available upon its inception.

### **6. Estates Overview**

Following some period of negotiation, it was agreed with both PCTs that properties which were being used solely by mental health services would be transferred to the new Trust. Any properties shared with primary or community health services would be retained by the respective PCTs.

On this basis, the agreed freehold property transfers from both PCTs are per the tables below:-

### **FROM DUDLEY PCT**

<b><u>Site</u></b>	<b><u>Address</u></b>	<b><u>GIA m2</u></b>
Bushey Fields Hospital	Bushey Fields Road, Dudley, DY1 2LZ	7,911
Elms Health Centre	Slade Road, Halesowen, B63 2UR	538
Halesview L M H U	Highfield Lane, Halesowen B63 4SG	811
Hill House LMHU	High Street, Amblecote, DY8 4DG	494
Rose Cottage	22-29 Hallchurch Road DY2 0TH	100
Poplars L M H U	Little Cottage Street, Brierley Hill, DY5 1RG	783

### **WALSALL PCT**

<b><u>Site</u></b>	<b><u>Address</u></b>	<b><u>GIA m2</u></b>
Archway Centre	Glebe St, Walsall WS1 3NX	156
Archway House	Glebe St, Walsall WS1 3NX	345
Bloxwich Hospital	Reeves St, Walsall WS3 2JJ	3,006
Dorothy Pattison Hospital	Walsall, WS2 9XH	6,609
6-12 Ida Road (Perseverance House)	Perseverance House Walsall, WS2 9SS	347
76 Ida Road	Walsall, WS2 9SS	98
Kingshill Day Unit	School St, Wednesbury, WS10 9JB	359
Mossley Day Unit	Sneyd Lane, Walsall, WS3 2LW	373

Revaluation of estate- Both PCTs have had the freehold estates transferring to the new MHPT re-valued by the District Valuer. This exercise was undertaken for two reasons.

- i) It is considered to be in keeping with principles of 'good housekeeping'.
- ii) It mitigates any impairment risk should the buildings being transferred reduce in value. The new MHPT will not inherit the revaluation reserves built-up within the PCTs in relation to their assets. Therefore, this exercise enables any reductions in value to be written off against the PCT revaluation reserves prior to the inception of the MHPT and hence limits the risk of impairments within future revaluations.

Based on the same rationale, the agreed leasehold property transfers from each PCT are shown in the tables below:

## **DUDLEY PCT**

<b><u>Site</u></b>	<b><u>Address</u></b>	<b><u>GIA m2</u></b>
1 Blackhorse Lane	Brierley Hill DY5 2SY	100
Castle Court	The Broadway, Dudley, DY1 4AN	300
Rose Cottage	22-29 Hallchurch Road DY2 0TH	100
16 Shadwell Drive	Dudley, DY3 2QZ	90
27 Swancote Road	Dudley DY1 2BJ	90
Trafalgar House	47-49 Kings St, Dudley DY2 8PS	TBA
Poplars L M H U	Little Cottage Street, Brierley Hill, DY5 1RG	783

## **WALSALL PCT**

<b><u>Site</u></b>	<b><u>Address</u></b>	<b><u>GIA m2</u></b>
Evergreen Place	Chata Hse, Walsall WS1 1TJ	620
*Greybury House	Bridge St, Walsall WS1 1EP	809
Lantern House	129/130 Lichfield St, Walsall, WS1 1SY	361
Norwich Union House	Lichfield St, Walsall	TBA

*\*Greybury House is the only property which will not be solely occupied by staff employed by the new Mental Health Trust.*

Both the freehold and leasehold transfers will be included within the transfer order documents, with formal title transfers and lease reassignments being undertaken by Trust lawyers thereafter.

The Trust has already established a Capital Planning Group, within which long-term capital investment plans will be drawn up over a period of time, in line with the Trust strategic goals. These plans will require discussion and agreement at future Board meetings.

## **6. Information Management and Technology (IM & T)**

From the point of go-live, the Trust will have access to a mainly new IT infrastructure designed to meet its short-term requirements. Initially, the changes will be 'behind the scenes' with little changing from the users' perspective. Over the next 3-6 months, new services will be introduced and existing services and data migrated onto this new infrastructure.

The new Trust has defined and agreed a service delivery model that sees its core IT services being provided through the two PCTs. Dudley will take the role of lead service provider and will be supported in regional and niche aspects by their colleagues in Walsall. In defining and developing the new service, significant work has been achieved by the combined IT organisations in many areas:

- Extending the existing computer network - A network link and firewalls have been put in place between the two PCTs' networks to provide a joined-up, secure working environment for the MHPT that will allow us to access the same services in the same manner, irrespective of location.



- Developing new Intranet and Internet sites to provide a new, branded central location for day-to-day information and to be the public facing site for the new Trust. Significant work has been done in building these sites from within an incredibly and this reflects the potential benefit of working together within the new Trust to achieve a common aim.
- Building a new email infrastructure that will provide a single email address of *@dwmh.nhs.uk* and allow cross-region scheduling and access to calendars. Existing mailboxes will be migrated onto the new system and old addresses preserved so that no mail is lost.
- Clinical applications are to be left 'as-is' for the foreseeable future, with their operation, support and training being provided through current channels.
- After review, it has been decided to leave the existing telephony solutions in place, as there was little business benefit in moving to a new Trust-specific solution and potentially significant risk to be borne in any global change of phone numbers. To reduce the cost of inter-region calls, a new private link will be installed later in the year so that calls between Walsall and Dudley are free of charge. A new 'Trust HQ' telephone number has been installed to Trafalgar House reception – 0300 555 0262.

Unfortunately, there has been a delay in installing the IT link between the new localities. The plan for migration of IT services to the new MHPT at a high level is currently being finalised.

## **7. Recommendation**

The Panel is asked to note the contents of the report and the establishment of the Dudley and Walsall Mental health Partnership NHS Trust with effect from 1<sup>st</sup> October 2008.