South London and Maudsley NHS Foundation Trust

Annual Report and Accounts 2017/2018

South London and Maudsley NHS Foundation Trust

Annual Report and Accounts 2017/2018

Presented to Parliament pursuant to Schedule 7, paragraph 25 (4) (a) of the National Health Service Act 2006

Contents

Contents **5**
Chapter 1. Performance report **10**
1.1 Overview of performance **10**
Joint foreword from the Chair and Chief Executive 10
Who we are 14
Our year 2017-2018 14
South London and Maudsley NHS Foundation Trust in numbers 16
Trust workforce 16
Brief history of the Trust 17
Strategic overview of the Trust 20
Our vision 20
Our five commitments 20
Our strategy 20
Our key initiatives 21
Future performance 22
1.2 Performance analysis 24
How we monitor and measure performance 24
National standards performance 2017/18 25
Performance management framework 26
Trust performance and quality dashboard 27
Significant developments 31
1.2 Performance analysis **33**
Financial performance 33
Trust financial position 33
Details on our financial performance are shown below 35
Trends in income, EBITDA and assets employed 36
Turnover 36
Assets employed 37
Events since year end affecting the Trust 37
Overseas operations 38
Equality and diversity 38
Environmental matters 39
Chapter 2. Accountability report **42**
2.1 Directors' report **42**
How the Board operates 42
Board of Directors 42
Compliance with fit and proper persons test' 43

Meet the Board 43
Attendance at boards and committees 48
Committee structures 51
Audit Committee 51
Business Development and Investment Committee 51
Finance and Performance Committee 51
Quality Committee 51
Remuneration Committee 51
Regard to NHSI Quality Governance Framework 52
Internal control 52
Board assurance framework 2017/18 53
The role of internal audit 65
Appointment of external auditors 66
External audit process 66
Statement of disclosure to the auditors 66
Value of external audit services for 2017/18 67
Liquidity 67
Cost allocation 67
Credit 67
Price 67
Trust Governance 68
Senior Management Team 68
Clinical Academic Groups (CAGs) 68
Maudsley Charity 68
Scheme of delegation 68
Disclosures in the public interest 69
Staff consultation 69
Stakeholder relations 69
Social, community, equality and human rights 71
Patient and public involvement 71
Better payments practice code 74
Countering fraud and corruption 75
Complaints 75
Complaint themes 76
Research and development 79

Signed 80

2.2 Remuneration report 81

Annual Statement 81

Senior managers' remuneration policy 81

Executive director remuneration: 81

Annual report on remuneration 82

Remuneration committee 82

Senior managers service contracts 84

Signed 85

Single total figure table – salary and pension entitlements of senior employees 86

2.3 Staff report 87

Our workforce profile 87

Sickness absence and occupational health 89

Trust ethnicity profile 89

Trust gender profile 90

Gender data 90

Staff turnover 91

Staff exit packages 91

Off payroll arrangements 92

Staff survey results 94

2.4 NHS Foundation Trust Code of Governance Disclosures 100

Council of Governors 100

Roles and responsibilities of the Council of Governors 100

Council of Governors 102

Council of Governors' elections 2017 /18 104

Nominations committee: The Nominations Committee is appointed and authorised by the Council of Governors. The Committee is responsible for: 107

Members of the nominations committee 107

Governors' interests 108

Membership 108

Reasons to become a South London and Maudsley NHS Foundation Trust member 109

Membership recruitment 110

Contact details for the Membership Office 111

Non-Executive Directors – independence and experience 111

Directors – assessing performance 111

2.5 NHS Improvement's Single Oversight Framework 113

2.6 Statement of the Chief Executive's responsibilities as the Accounting Officer of South London and Maudsley NHS Foundation Trust 114
Signed 115

2.7 Annual governance statement 116
Scope of responsibility 116
The purpose of the system of internal control 116
Capacity to handle risk 116
The risk and control framework 119
Work to assess services are well-led under NHS Improvement's well-led framework 120
Effectiveness of governance structures 122
Data assurance and security 123
Equality 124
Equality and human rights legislation compliance 124
Climate change obligations 124
Review of economy, efficiency and effectiveness of the use of resources 124
Information governance 125
Annual quality report 127
Review of effectiveness 128
Internal audit 129

Annex 1 – Quality report 130
Independent auditor's report to the Council of Governors of South London and Maudsley NHS Foundation Trust 187
Financial statements for the year ended 31 March 2018 195
Foreword to the accounts 195
INDEPENDENT AUDITOR'S STATEMENT TO THE DIRECTORS OF SOUTH LONDON AND MAUDSLEY NHS FOUNDATION TRUST ON THE NHS FOUNDATION TRUST CONSOLIDATION SCHEDULES 196
Group and Trust Consolidated Statement of Comprehensive income 197
Group and Trust Statement of Financial Position 198
Group and Trust Statement of changes in equity 199
Group and Trust Consolidated Statement of Cash Flows 200
Notes to the accounts 201
South London and Maudsley NHS Foundation Trust Notes to the Accounts 214

Independent auditor's report to the Board of Directors of South London and Maudsley NHS Foundation Trust 237
Basis for opinion 237
Who we are reporting to 237
Conclusions relating to going concern 238
Key audit matters 238
Key Audit Matter – Group and Trust 238
How the matter was addressed in the audit – Group and Trust 238
Our application of materiality 241

An overview of the scope of our audit....241
Other information....242
Other information we are required to report on by exception under the Code of Audit Practice....242
Matters on which we are required to report by exception....243
Responsibilities of the Accounting Officer and Those Charged with Governance for the financial statements....243
Auditor's responsibilities for the audit of the financial statements....243

Chapter 1. Performance report

1.1 Overview of performance

Joint foreword from the Chair and Chief Executive

2017-18 has been another extremely busy year for the Trust with rising demand for our services. Our staff have worked hard to respond to this pressure, showing incredible commitment - as our monthly SLaM Star and annual awards demonstrate, they consistently go the extra mile in caring for people with mental illness.

In the past year we have received positive feedback from patients about the quality of our care. Of those service-users and carers who responded to our survey, 96 per cent said that they found our staff to be kind and caring.

We also met a number of our quality priorities - with action plans in place to further improve our focus on quality in 2018-19. The Trust remains rated overall 'good' by the Care Quality Commission and we continue to use their feedback as a basis for our on-going learning and improvement.

Our financial and operational performance

The organisation performed well both operationally and financially during 2017-18. Thanks to an extraordinary amount of hard work by our operations and finance teams, we have been able to meet our financial and performance targets. We ended the year in line with the Trust's original financial plan, resulting in us achieving our ambition to break-even, on an operational basis, by the end of the financial year. We are receiving Sustainability and Transformation Funding of just over £5m which we will be able to use this in the improvement of our estate, particularly in improving our places and spaces for patients.

These are significant achievements for the Trust and a tribute to the efforts of staff across the organisation who delivered cost savings and efficiencies of £25.4m, standing us in good stead for the coming year.

Improving the quality of our care for patients and service users

This past year, we invested further in our Quality Improvement (QI) programme. The QI team has supported staff to find new ways to improve and as a result we saw positive changes at both a team and trust level. For example, initiatives to improve discharge in our work to reduce the use of out of area 'overspill' beds; and the Trust-wide initiative – 'Four Steps to Safety' – which aims to reduce violence and aggression, have achieved early successes. [To be updated with whole population health information.]

Supporting and engaging our workforce

Staff across the NHS do a difficult job, often in challenging circumstances. This year's NHS staff survey results highlighted this and flagged that there is more we can do to improve the experience of our staff at work.

Although staff rated the Trust highly in some areas - such as appraisals, communication, and staff contribution to improvements at work - our staff survey scores remain disappointing in some areas including stress, violence, harassment and bullying. We know that staff who are engaged, happy and supported at work provide the best care, and detailed action plans that flow from the survey are now in development.

Inclusive, compassionate leadership is key to addressing many of the issues raised in the survey, which is why in the past year we have invested heavily in our Inclusive Leadership programme which was beginning to be rolled out in 2017/18 and will involve every manager across the whole organisation.

In 2017/18 we have been focused on the support and opportunities available for staff who are from Black and Minority Ethnic (BME) backgrounds, who make up just over a quarter of our workforce. Led by the BME Staff Network, the Board has set three aspirations to deliver by 2021 – to achieve representation of BME staff at all pay bands; eliminate the over-representation of BME staff involved in disciplinary proceedings; and to improve career opportunities.

Improving our engagement with staff has also been a priority. In the past year, our senior leadership team has gone back-to-the-floor, taking part in new, regular walkarounds on our wards and in our community services.

Developing our five-year strategy

Throughout 2017-18 we have been working with our staff, patients, partners and other stakeholders to develop our five-year strategy, called Changing Lives. The Changing Lives strategy and the theme of inclusion were at the heart of our well-attended staff annual conference in March.

The strategy sets out how we will work with people with mental illness, their families and carers, supporting them towards recovery and a positive future.

Nationally, commissioning is moving towards population health outcomes delivered through health system alliances. In an alliance model, health care, social care and charitable organisations work together in a single system to meet the needs of the local population. Our work as part of the Lambeth Alliance is one example of where we are doing this.

Our Changing Lives strategy reflects this shift, and in 2017-18 we began work to realign the management of our services into boroughs so that we can better meet the health needs of our local population and to work more closely with local organisations.

Working with our partners

Working with our partners as part of the South London Mental Health and Community Partnership (SLP) this past year, we have achieved significant quality, and cost benefits.

SLP has made real progress in improving care, experience and outcomes for our patients in south London. Our teams' expertise, experience and innovation is coming together in major programmes to improve services through clinically-led change - in Forensic, Child and Adolescent Mental Health, Nursing Development, Complex Care, and Quality Improvement.

We successfully bid to take on commissioning responsibility for large cohorts of Forensic and CAMHS patients from NHS England. This New Models of Care work will bring best practice, assessment, care and case management, and access to high quality services to all service users.

We are already seeing results, for example, in the past year 59 patients have been brought into care closer to home, stepped down or discharged as part of the partnerships work to improve our Forensic services – this was almost treble our target.

Together we are also supporting careers, with a clear career development ladder is in place for thousands of nursing staff with many are taking on new roles and learning opportunities.

Working with our local communities

We remain committed to playing our part to support our local communities. We want to ensure that everyone can thrive, and that people are supported by services which provide the same excellent quality of support for everyone.

To support this work, this year we have set up our own Independent Advisory Group, which includes people from African and Caribbean heritage communities. In the past year we have also continued our work as a key partner in Black Thrive. This work is very important to with its underlying principle that no single action or organisation can solve an entrenched issue.

Research and innovation

In addition to progressing change through partnership working, we want to change lives through delivering new research and digital innovations. Our NIHR funded Biomedical Research Centre has a Department Health award of £66m funding and continues to expand research into new areas and we continue to progress our work in the digital arena as a Global Digital Exemplar.

Working with King's Health Partners, our Academic Health Sciences Centre, this past year we progressed our proposals to develop plans to fundraise and build a Centre for Young People's Mental Health. Supported by the Maudsley Charity, we hope to create a world-leading institute that will impact on the mental health and wellbeing of children and young people by bringing together clinical care, cutting edge research and training and education.

We are lucky to have a group of active and committed Governors who continue to contribute across the breadth of our work – from highlighting important issues around local mental health funding, the role of carers and the caseloads of staff in our community teams, to managing the fantastic Smile bids on behalf of the Maudsley Charity, to supporting our uplifting Staff Recognition Awards, and so much more. This year we welcomed ten new governors to the Council and Lead Governor, Jenny Cobley, was reappointed.

Finally, we would like to thank Board colleagues for their support including those who stepped down this year, Professor Matthew Hotopf and Dr Julie Hollyman. We also welcome to the Board Beverley Murphy as Director of Nursing; Sally Storey as interim Director of Human Resources, Organisation Development, Education and Development; and Non-Executive Directors, Professor Ian Everall and Dr Geraldine Strathdee.

2018-19 will almost certainly be another challenging year for the NHS. We have every confidence that by working closely with our partners and supporting our staff, the organisation will be able to focus on continuing to improve the care that we provide for our patients and communities.

Roger Paffard, Chair
South London and Maudsley NHS Foundation Trust

Dr Matthew Patrick, Chief Executive Officer
South London and Maudsley NHS Foundation Trust

Who we are

We provide NHS care and treatment for people with mental health problems. We also provide services for people who are addicted to drugs or alcohol. Our aim is to be a leader in improving population health and wellbeing - locally, nationally and globally.

As well as serving the communities of south London, we provide over 50 specialist services for children and adults across the UK including a Mother and Baby Unit, Eating Disorders, National Psychosis Unit and National Autism Unit.

We provide:

- mental health services for people living in Croydon, Lambeth, Southwark and Lewisham
- substance misuse services for residents of Lambeth, Bexley, Greenwich and Wandsworth
- specialist services for young people in Kent and Medway who require hospital admission for serious mental illness and outpatient treatment for adults with ADHD
- primary care, secondary care and inpatient mental health services in HMP Wandsworth and Increasing Access to Psychological Therapies (IAPT) services in HMP Brixton
- a range of mental health services internationally, in Europe and the Middle-East
- the largest mental health research and development portfolio in the country
- an extensive range of education, training and learning opportunities – including the Recovery College and Mental Health Simulation Centre. We host the most comprehensive mental health NHS library in London.

In partnership with the Institute of Psychiatry, Psychology and Neuroscience, King's College London, we host the UK's only specialist National Institute for Health Research (NIHR) Biomedical Research Centre for mental health and a Biomedical Research Unit for Dementia.

We are part of one of England's six Academic Health Sciences Centres, King's Health Partners, alongside King's College London, Guy's and St Thomas' and King's College Hospital NHS Foundation Trusts.

We work with Oxleas NHS FT and St West London and St George's NHS Trust to collaborate to provide more sustainable healthcare in South London through the South London Mental Health and Community Partnership.

Our year 2017-2018

- Following a campaign to staff and a network of peer vaccinators, we are the second most improved Trust for flu vaccination in the country, with an uptake rate of more than double last year. **61.6%** of frontline clinical staff were vaccinated which was a very significant improvement from last year's **20.8%.**

- Work is ongoing to improve the experience of BME staff at our Trust, including a mentoring programme and the introduction of BME Diversity in Recruitment Champions.

- FREED, a service promoting early intervention for young people with eating disorders, won two major awards in 2017: BMJ Mental Health Team of the Year and a Positive Practice in Mental Health Award. This service gives young people rapid access to specialised treatment at the crucial early stage of their illness, successfully reducing hospital admissions and the amount of time an eating disorder is left untreated. Its innovative approach has been adopted by three other eating disorders services in England.

- Trust staff received prestigious awards at the Royal College of Psychiatrists Awards 2017. Dr Sridevi Kalidindi, Consultant Psychiatrist in Rehabilitation and Recovery, was awarded Psychiatrist of the Year. Professor Oliver Howes received the R N Jajoo Memorial Academic Researcher of the Year Award.

- The Psychology in hostels project was highly commended at the HSJ Awards in 2017. This project, which places psychologists in homeless hostels to support clients who may have severe mental health issues and a history of substance use, is the UK's leading example of the 'psychologically informed environment' model.

- As part of the South London Mental Health and Community Partnership, we have introduced a comprehensive Nursing Development programme to support the retention, development and recruitment of nursing staff across three Trusts – including the introduction of nursing associate/assistant practitioner roles to create more skilled and stable nursing teams.

- All four home treatment teams at SLaM are now accredited by the Royal College of Psychiatrists' Home Treatment Accreditation Scheme (HTAS), which recognises high-quality care. Croydon was the first to be accredited, with Southwark, Lewisham and Lambeth teams all achieving accreditation over the last four months. Assessors praised the enthusiasm and motivation of staff and positive feedback from service users and carers.

- Introduced rainbow lanyards and stickers as part of our campaign to to improve mental healthcare for lesbian, gay, bisexual, transgender and non-binary (LGBT+) people and to support our LGBT+ staff.

- Launched a new programme to improve and connect the information systems we use across the Trust

- More than a hundred Quality improvement (QI) projects are taking place across the Trust – the first QI wall has been installed at Maudsley Hospital to share our QI journey and showcase the work that staff, patients and carers are doing.

South London and Maudsley NHS Foundation Trust in numbers

We serve a population of 1.3 million people

85% would recommend us to friends and family
96% say they found staff to be kind and caring

Turnover: £381m **Surplus:** £10.5m

Beds: 786

Interactions with patients based on local clinical commissioning group (CCG) 31/03/2018
Croydon - 241,155
Lambeth – 328,185
Lewisham – 264,611
Southwark – 247,941

Across all four local boroughs around half of our contacts with patients are through face to face appointments, with the remaining number being a combination of emails, letters and telephone calls

Patients treated in the community - 64,067

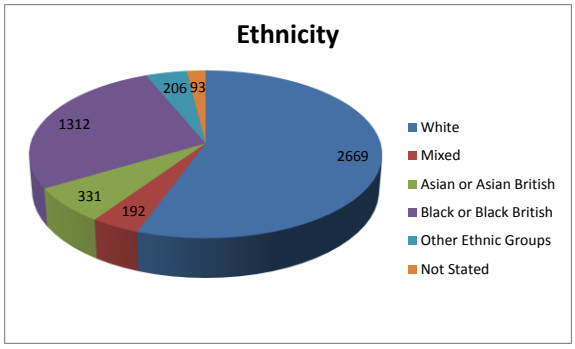
Inpatient care - 3,700

Trust workforce

Number of staff: 4,800

Average number of employees (WTEs)

Trustwide WTE 2017-2018	Average
Medical & dental	447
Ambulance staff	0
Administration & Estates	976
Healthcare Assistants and other support workers	604
Nursing, Midwifery and health visiting staff	1274
Scientific, Therapeutic and technical staff	1037
Healthcare Science staff	0
Social care staff	42
Agency and contract staff	948
Bank staff	0
Other	0
Total average numbers	5328



Brief history of the Trust

Our history dates back to the foundation of the Bethlem Royal Hospital in 1247, the oldest psychiatric institution in the world.

1247

The Priory of St Mary of Bethlehem, Bishopsgate, is founded on land given by Alderman Simon Fitzmary. It later becomes a place of refuge for the sick and infirm. The names 'Bethlem' and 'Bedlam', by which it came to be known, are early variants of 'Bethlehem'. It is first referred to as a hospital for 'insane' patients in 1403, after which it has a continuous history of caring for people experiencing mental distress

1676

In its first move, the Bethlem is re-sited at Moorfields, the first purpose-built hospital for the 'insane' in the country

1815

The Bethlem moves to St George's Fields, Southwark. Following a parliamentary inquiry into the treatment of patients, blocks for the 'criminally insane' are built in 1815-1816

1863

The newly-built Broadmoor Hospital in Berkshire admits Bethlem's 'criminal patients'

1867

The Southern Districts Hospital (or Stockwell Fever Hospital as it became known) opens on the site which is today known as Lambeth Hospital

1908

Henry Maudsley writes to the London County Council offering to contribute £30,000 towards the costs of establishing a "fitly equipped hospital for mental diseases." The Maudsley initially opens as a military hospital in 1915 to treat cases of "shell shock" and becomes a psychiatric hospital for the people of London in 1923

1948

With the introduction of the National Health Service (NHS) in 1948, the Bethlem Royal Hospital and Maudsley Hospital are merged to create a postgraduate psychiatric teaching hospital. The Maudsley's medical school becomes the Institute of Psychiatry

1954

Sister Lena Peat and Reginald Bowen become the first community psychiatric nurses, caring for patients at home who had been discharged from Warlingham Park Hospital in Croydon

1997

The Ladywell Unit, at University Hospital Lewisham, is refurbished for use by adult inpatient mental health services. The development brings together inpatient services which had previously been spread across other hospital sites (Hither Green, Guy's and Bexley)

1999

South London and Maudsley NHS Foundation Trust (SLaM) is formed - providing mental health and substance misuse services across Croydon, Lambeth, Lewisham and Southwark; substance misuse services in Bexley, Greenwich and Bromley; and national specialist services for people from across the UK

2006

South London and Maudsley becomes the 50th NHS Foundation Trust in the UK under the Health and Social Care (Community Health and Standards) Act 2003

2007

South London and Maudsley and the Institute of Psychiatry, King's College London establish a Biomedical Research Centre, funded by the National Institute for Health Research (NIHR), one of only 12 in the UK and the only one devoted to mental health

2009

South London and Maudsley becomes part of one of the five Academic Health Sciences Centres (AHSCs) in the UK to be accredited by the Department of Health. King's Health Partners AHSC also involves King's College London, Guy's and St Thomas' and King's College Hospital NHS Foundation Trusts.

2010

SLaM introduces mental health Clinical Academic Groups (CAGs) in partnership with the Institute of Psychiatry, King's College London. This is a new way of bringing clinical services, research and education together to improve patient care

2011

SLaM opens a new 24-bed, state-of-the-art centre for children and teenagers with mental health problems living in Kent and Medway.

2012

Discussions underway about the idea of creating a new academic healthcare organisation, involving Guy's and St Thomas', King's College Hospital, and South London and Maudsley NHS Foundation Trusts and our University partner King's College London

2014

As part of King's Health Partners, received formal accreditation for a further five years as one of just six Academic Health Science Centres in the country.

2015

Achieved an overall 'Good' and 'Outstanding' ratings from the CQC for our learning disability and autism services. The Department of Health awarded £4 million investment to our Clinical Research Facility and £66m to our NIHR Maudsley Biomedical Research Centre to continue our research into ground-breaking treatments and care for mental health and dementia and expand research into new areas.

2016

The Bethlem Museum was a finalist for the prestigious Art Fund's Museum of the Year.

South London and Maudsley NHS Foundation Trust, started joining together with South-West London and St George's NHS Trust and Oxleas NHS FT, to form the South London Mental Health and Community Partnership to spearhead a better mental health service across South London.

Strategic overview of the Trust

This section sets out a summary of the Trust's vision, strategic direction and priorities.

Our vision

Everything we do is to improve the lives of the people and communities we serve and to promote mental health and wellbeing for all.

Our five commitments

Our staff work in ways that build mutual, respectful relationships with each other, with people when they use our services, and their families, friends and carers, in accordance with our five commitments:

1. be caring, kind and polite
2. be prompt and value your time
3. take time to listen to you
4. be honest and direct with you
5. do what I say I am going to do

Our strategy

The Trust has been working with our staff, our service users, our carers and our local communities to develop a five-year strategy – 'Changing Lives'.

We have been doing so at a time of exceptional financial pressure and demand on the NHS, prompting unprecedented focus on delivering quality services whilst managing costs downwards. This has necessitated a drive to change the way care is delivered through new national imperatives (Mental Health 5-Year Forward View), new ways of delivering services (the New Models of Care Programme and thinking on group structures) and through joint planning across localities (Sustainability and Transformation Plans).

Our strategy and implementation plan is still being refined with the input and engagement of our staff and our service users, but the broad strokes and goals we are seeking to achieve are becoming increasingly clear. Our vision remains to improve the lives of the people and communities we serve and promote mental health and wellbeing for all. The strategy we are developing to achieve this is called, **'Changing Lives'** because the idea of making a positive difference and wanting to work with people to support them change their lives for the better is why we all come to work in the morning. We want to do this in every contact we have with service users, carers and communities, but what is different about this organisation is that we also want to make that contribution at a national and international level and are doing so in a number of ways.

It is a simple but ambitious strategy and involves three elements:

- **A relentless focus on quality of care, experience, and on outcomes** that matter to people. In so doing, we also need to attend to the same matters for the staff that make

up this organisation as much as for service users and carers and work in true partnership with both.
Examples – Quality Improvement (QI) programme, workforce developments and the Estates Strategy

- **A focus on the health of broader communities as well as the health of individuals** – working with partners to deliver more holistic support (for example to include housing, welfare advice and community support); supporting people as close to home as possible and as early as possible; and taking on the management of larger, pooled budgets that enable greater flexibility and targeting of resource to where it is needed.
Examples – Forensic New Models of Care; the Lambeth Alliance

- **Working to ensure that our unique strengths and track-record in research, development and innovation is focused on transforming our ability to help** – doing everything we can to ensure the breadth and depth of our internationally leading research capability supports our ability to deliver better care every day and improve the lives of people at risk of mental health everywhere.
Examples – premature mortality and our smoke free strategy; development of our Centre for Young People's Mental Health.

We have set out key initiatives under each of these elements that will enable us to achieve our strategy. Each of these is led by a member of the senior executive team and involves members of the wider Trust executive team:

Our key initiatives

Relentless focus on quality of care, experience, and on outcomes

- Work in co-production with our service users, their families and carers in the development of services
- Deliver outstanding care and services including achieving CQC 'Outstanding by April 2021
- Ensure we value, involve, develop and empower our staff

Supporting broader communities as well as individuals

- Move to whole population contracts in all boroughs to deliver better population health outcomes, starting with the Lambeth Alliance in October 2018
- Work with our partners in Oxleas and South West London and St. George's to improve the delivery and reach of our national and specialist services

Enabling staff to make full use of research, development and innovation

- Improve the translation of research into clinical practice and develop and develop a successful, international fundraising campaign for the early detection of mental ill-health, including a new Institute for Children and Young People's Mental Health

Making the best use of money and supporting vital information infrastructure

- Ensure we are financially sustainable and governed to the highest possible standards

- Develop profitable commercial ventures that will enable us to further support and invest in our local services
- Ensure we enable staff to make the best use of information with reliable IT infrastructure and applications

Over the coming year we will work with our service users, carers, stakeholders and staff to further refine the strategy whilst at the same time continuing to execute it, making adjustments as we go in response to what is working and the nature of the changing external context.

Future performance

We face a number of key challenges in the year(s) ahead. These include:

- Alongside all public services, the NHS has been set challenging savings targets over the past few years. Although, at 2%, the annual NHS efficiency target in 2018/19 is unchanged from the previous year, the cumulative efficiency target over the last 7 years is over 21%. Such levels of savings are an increasing challenge at a time when pressures on services continue to mount.

- Our four main local CCGs that together provide approximately 60% of our total Trust income continue to require additional savings as part of their Quality Innovation, Productivity and Prevention(QIPP) programme. In 2018/19 these amount to £7.4m. It is vital that the plans agreed with commissioners will enable this funding to be released from services through the delivery of planned developments or service changes to avoid destabilising the delivery of local service care pathways.

- An additional 2.5% of the Trust's contractual income is available to incentivise achieving quality and innovation targets under the contractual Commissioning for Quality and Innovation (CQUIN) schemes negotiated with commissioners. The Trust will continue to seek to maximise its performance in this area. The value of these payments for 2017/18 was £3.8m.

- Our Addictions services will continue to operate in a highly competitive market, with Local Authority budgets under enormous pressure.

- We are at a pivotal point in the Five Year Forward View for Mental Health programme (5YFVMH) with 2018/19 deemed to be a predictor year for the goals of 2020/21. We will be working with our local commissioners to establish models of delivery which are best placed to meet the ambitions of the 5YFVMH locally.

- The Lambeth Living Well Network is due to start in July 2018. In Croydon, the One Croydon Alliance already covers older adult mental health services and they will be undertaking further scoping to explore suitable opportunities to expand the remit.

- Work will continue to optimise our Older Adult services including embedding the new dementia assessment and intervention service at Chelsham House.

- The Trust is undertaking a restructure with services and operational management being aligned to boroughs whilst the clinical academic groups (CAGs) continue to focus on research, new care pathways and new models of care. This will create powerful integration and coherence to services and will include a redesign of our community provision. The transition period will run from April – October 2018.

- As part of our digital strategy programme and as a Global Digital Exemplar Trust, we were the first trust to move to Microsoft Office 365, enabling staff to access up to date information, even when not on site. The system is being configured to ensure all staff have straightforward access to relevant data.

- Our Maudsley Health outpatient clinics (CAMHS and adult) continue to generate increased revenues for the benefit of our local service users. We have also, in partnership with our local partner, signed a Quality Improvement contract to provide expertise into the running of the brand new purpose built 276 bed Mental Health Hospital in Dubai.

Going concern disclosure

After making enquiries, the directors have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

1.2 Performance analysis

How we monitor and measure performance

The NHS Improvement Single Oversight Framework (SOF) sets out operational metrics for monitoring how performance is improved and sustained. 2017/18 performance is shown in the table below.

	Operational performance metrics	Target	17/18
1	People with a first episode of psychosis begin treatment with a NICE-recommended package of care within 2 weeks of referral	50%	65%
2	Ensure that cardio-metabolic assessment and treatment for people with psychosis is delivered routinely in the following service areas: a) inpatient wards b) early intervention in psychosis services c) community mental health services (people on care programme approach)	90%	
3	Data Quality Maturity Index (DQMI) – MHSDS dataset score	95%	95.8%
4	Improving access to psychological therapies (IAPT): proportion of people completing treatment who move to recovery	50%	48%*
5	Improving access to psychological therapies (IAPT): patients seen within 6 weeks of referral	75%	88%
6	Improving access to psychological therapies (IAPT): patients seen within 18 weeks of referral	95%	99%
7	Inappropriate out-of-area placements	In line with trajectory to eliminate no later than 2021	Jan 18 – 155 OBDs Feb 18 – 332 OBDs

			Mar 18 - 88

*The yearly average for indicator 4 for 2017/18 was 48% although by the end of the financial year the Trust had achieved a recovery rate of 52%

National standards performance 2017/18

In Improving Access to Psychological Therapies (IAPT) waiting time performance (indicators 5 and 6), the Trust has consistently achieved the 18-week waiting time standard throughout 2017/18 across all four boroughs. At an aggregated level, the 6-week standard was also met, although there was significant variation across the teams, with one service not meeting the standard for the first four months and another since July 2017. This service restructured due to challenges arising from a revised financial envelope, but progress is being made and investments are planned for 2018/19.

An area of concern this year has been the IAPT recovery rate (indicator 4) in one borough. In response to this, an action plan was drawn up in November 2017 and continues to be monitored on a weekly basis, including recommendations from our internal audit team. In March 2018, they achieved the 50% target for the first time in 2017/18 with the Trust overall achieving 52%. In addition, a four borough Clinical Data Lead for IAPT services has been appointed to support the ongoing data governance work.

Following on from the focused work in the previous financial year, the Trust has consistently exceeded the national standard in 2017/18 for Early Intervention in Psychosis (indicator 1). Caseloads across the teams have been increasing since the standard was introduced in April 2016 and the service continues to monitor the impact of this growth.

Activity outturn in 2017/18

Contracted inpatient activity for 2017/18 included a downward trajectory for bed usage towards the end of the financial year. The overall adult bed usage has decreased throughout 2017/18 with a reduction in Croydon being a key driver of the overall Trust position. Although we are still above contracted levels, work is ongoing in all boroughs to continue to reduce bed occupancy including focussed work on reviewing barriers to discharge, delayed transfers of care and length of stay.

As part of planned closures by our local CCGs during 2017-19, and with the aim of moving more care into the community, 33 beds were decommissioned. Our four local commissioners have agreed in principle not to reduce adult acute inpatient service capacity any further. The Trust currently has 340 acute adult beds and is working towards a bed occupancy rate of 85% and a Length of Stay of 30 days by March 2019

In 2016/17 the Acute CAG implemented a two-year plan to control admissions into beds and to reduce the length of stay through systematic quality improvements with the aim of eliminating the need for overspill and improving the patient experience. The Acute Referral

Centre (ARC), established in October 2016, is fully operational providing a centralised triage function for the Trust and playing a key role in maintaining an accurate position on barriers to discharge.

2017/18 has seen a significant reduction in Out of Area Placements (OAPs), with these reducing to zero in Q3. Although later months saw a return to a low level of usage, as part of the 5YFVMH programme and working with both the South East London and South West London STPs, the Trust is working towards eliminating the usage of OAPs.

Performance management framework

In addition to the NHS Improvement metrics, the Trust uses a Performance Management Framework to support the management and assurance of our overall performance. There are Key Performance Indicators across the following areas:

- Finance (including cost improvements and cost reductions)
- Operations (workforce, activity and quality indicators)
- Patient and commissioner measures
- Learning and growth

Performance indicators are reviewed at a service level and aggregated to produce overarching dashboards for performance and quality across the Trust – as detailed below.

Trust performance and quality dashboard

Mar-18 | Performance Management Framework Trust Summary

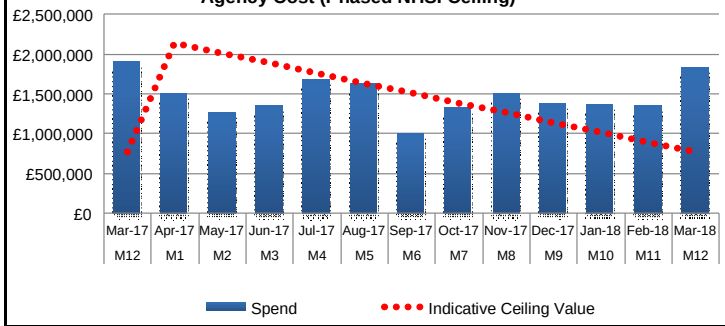
Finance & CIPs

Please refer to Board Finance Report

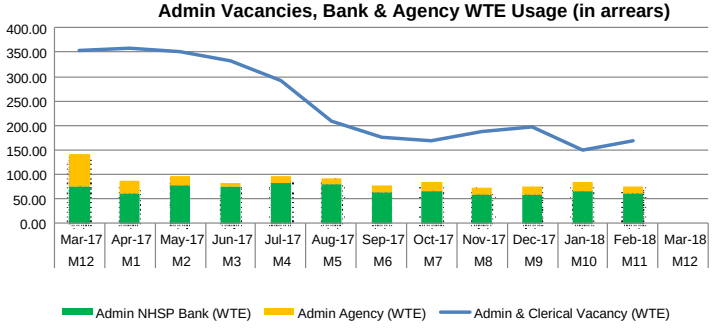
Please refer to Board Finance Report

Workforce

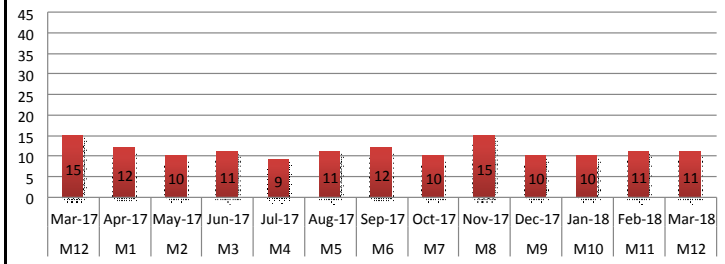
Agency Cost (Phased NHSI Ceiling)



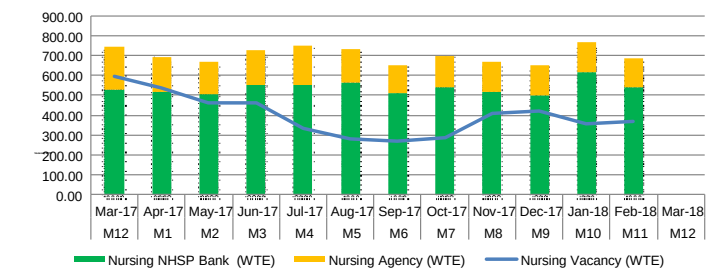
Admin Vacancies, Bank & Agency WTE Usage (in arrears)



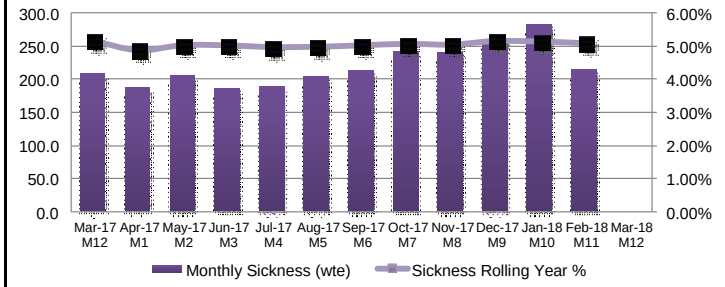
Safer Staffing: Wards Breaching 20% of shifts



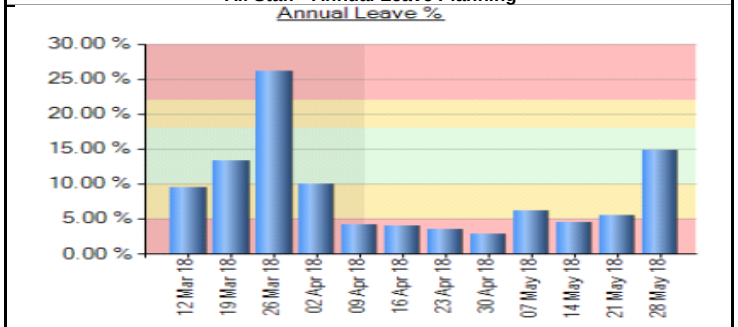
Nursing Vacancies, Bank & Agency WTE Usage (YTD) (in arrears)



Sickness (in arrears)

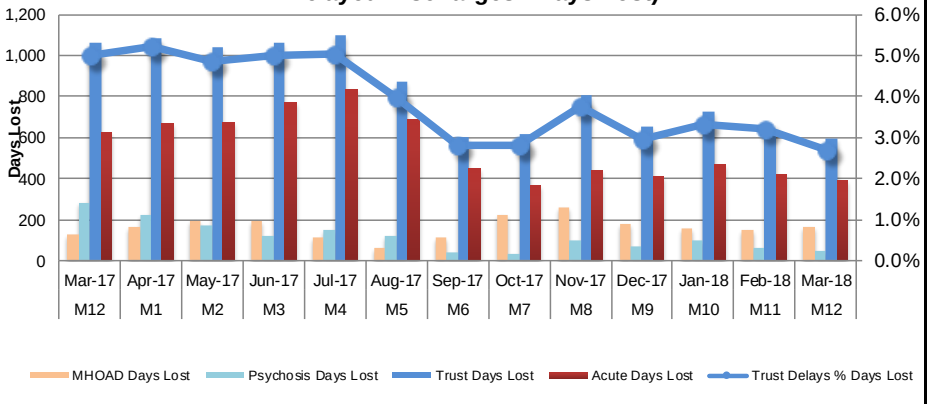


All Staff - Annual Leave Planning

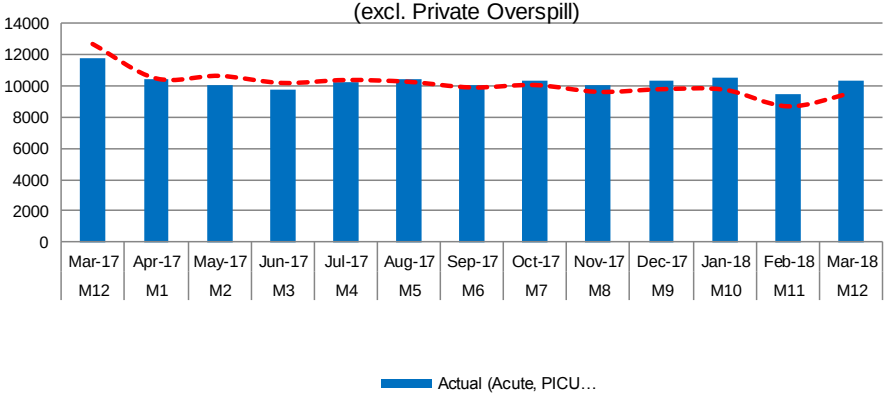


Activity

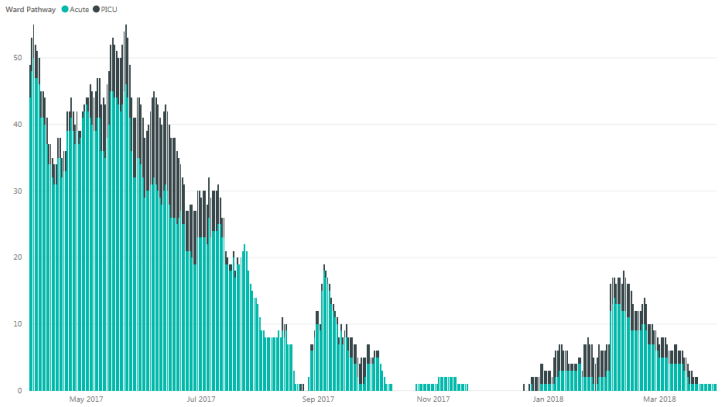
Delayed Discharges - Days Lost)



Adult OBD Against Monitor Plan
(excl. Private Overspill)

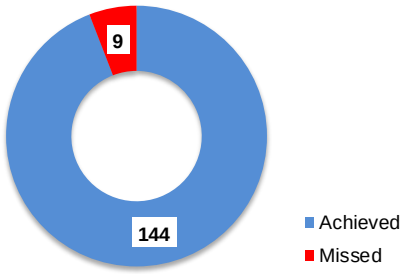


Acute CAG overspill (April - March)



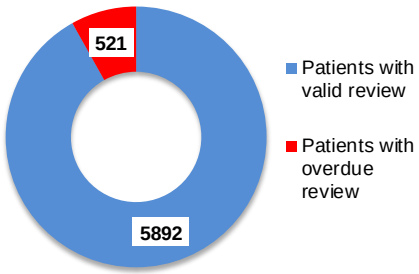
NHS Improvement & Contract KPIs (Latest Month)

7 Day Follow Up (Target 95%)



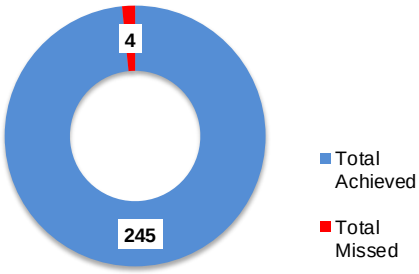
94.1%	of patients followed up within 7 days of discharge
-1.9%	variation to the previous month

CPA 12 Month review



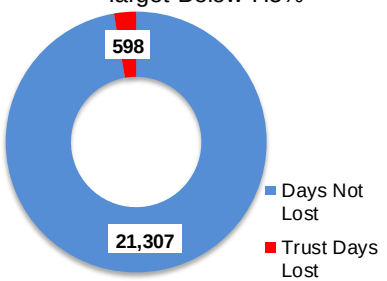
91.9%	of patients had a CPA review within 12 months
-0.5%	variation to the previous quarter

HTT Gatekeeping (Target 95%)



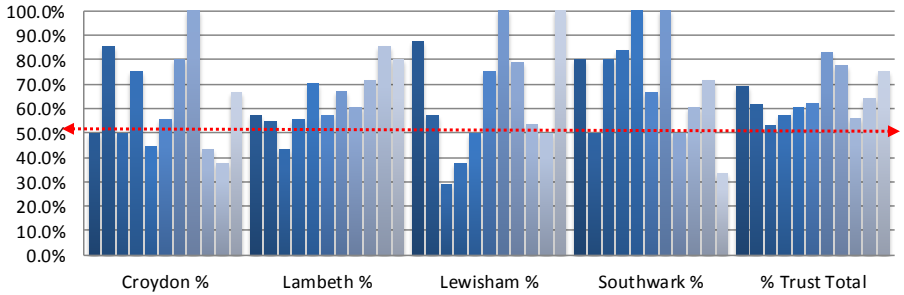
98.4%	of patients received an HTT assessment
-1.2%	variation to the previous month

Delayed Discharges (Feb) Target Below 7.5%



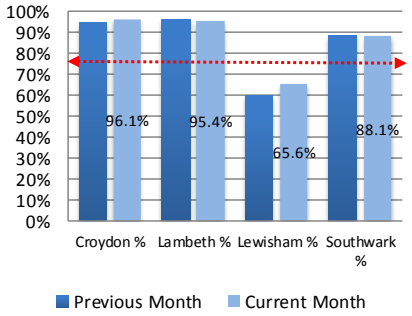
2.7%	of discharges delayed
-0.5%	variation to the previous month

Early Intervention in First Episode Psychosis Completed Pathways (50% target) by Month)



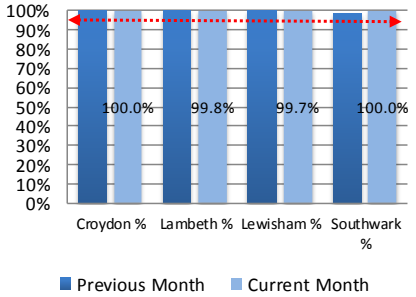
64%	of patients received Psychosis treatment within 2 weeks
Figures shown above are in one month in arrears	

IAPT Waiting Time (6 Weeks)



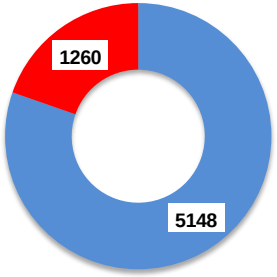
87.7%	of patients completing treatment within 6 weeks
1.1%	variation to the previous month

IAPT Waiting Time (18 Weeks)



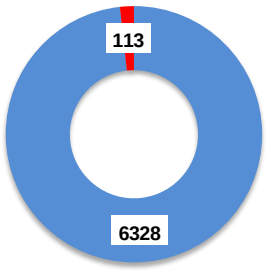
99.7%	of patients completing treatment within 18 weeks
0.2%	variation to the previous month

Full Risk Screen (CPA Patients)



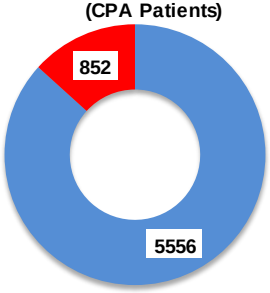
80%	of patients had a full risk screen
-8.8%	variation to the previous month

Child Need Risk Screen (CPA Patients)



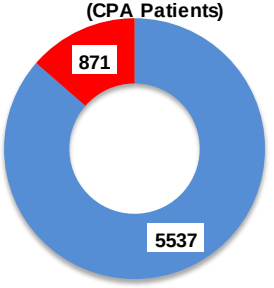
98%	of patients had a child need risk screen
0.2%	variation to the previous month

Employment Recording (CPA Patients)



87%	of patients employment status recorded
9.4%	variation to the previous month

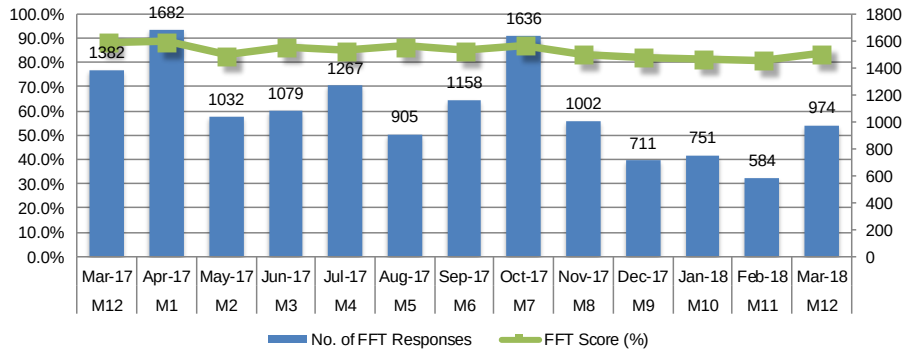
Accommodation Recording (CPA Patients)



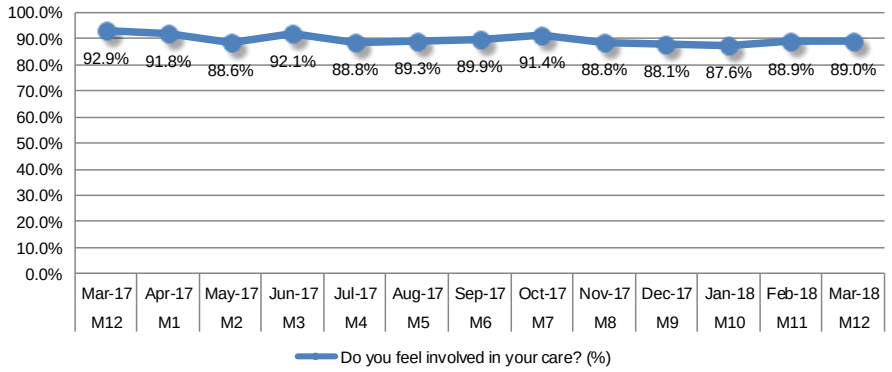
86%	of patients accomadation status recorded
10.3%	variation to the previous month

Customer (Patient & Commisioners)

Friends and Family

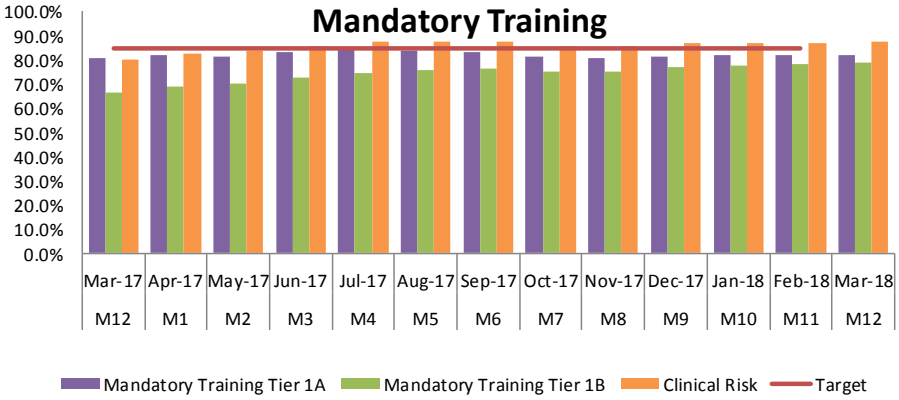


Patient Surveys (PEDIC)

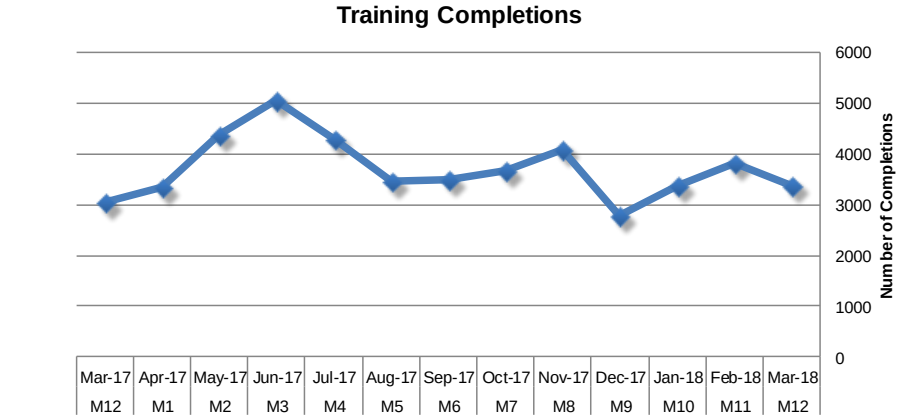


Learning and Growth

Mandatory Training



Training Completions



Significant developments

CAMHS community services have continued to focus on transformation plans. Dedicated crisis teams have been introduced, offering outreach to young people who would otherwise have presented at an Emergency Department, whilst Early Intervention Psychosis workers are embedded within the Psychosis pathway to ensure that young people presenting with first episode Psychosis are assessed and treated within 2 weeks. There is ongoing work taking place to further develop the Crisis support offer within CAMHS.

CAMHS are also working as part of the South London Partnership (SLP) New Models of Care. This is a partnership between Oxleas, South West London & St. George's and SLaM, with a focus on ensuring that young people who require a hospital admission are being placed closer to home, and where possible, supporting people in the community rather than admitting them to hospital.

In response to a lack of adolescent PICU beds both locally and nationally, an 8 bed inpatient unit has opened on the Bethlem site. Whilst the PICU will be managed by CAMH services at SLaM, the team will work closely with colleagues across the new SLP to improve pathways across all areas and associated outcomes. The service offers quick access to young people who need to step up from a general adolescent unit as well as to young people requiring admission via A&E, preventing inappropriate admissions.

In addition, the SLP has been successful in securing monies for the Forensic CAMHS service which will be hosted within SLaM.

As part of the transformation of inpatient services in the Older Adult CAG, in January 2018 Chelsham House became an Acute Dementia Assessment unit with the aim of providing specialist assessment, treatment and person-centred interventions for patients presenting with Behavioural and Psychological Symptoms of Dementia (BPSD). A new system for following the BPSD pathway has been implemented to support the assessment and care of patients admitted to this and other wards, alongside a review of staff roles and a systematic implementation of the use of clinical outcome measures.

The Crisis Assessment Team was launched in December 2017, operating a triage system covering all four SLaM boroughs. Referrals are received from Police officers or London Ambulance staff, supporting diversion at the triage stage. In the first four months, 289 assessments were carried out by the team, 96 of which were resolved without the need to attend A&E and 41 of which avoided the need to be taken to a place of safety by the police (section 136).

We recognise the key issues we need to address. We are tackling this in a number of ways, including through:

- Our quality improvement programme, which continues to monitor the acute care pathway and implement improvements across all Trust services
- Addressing commissioning and capacity issues to help reduce the pressure on our inpatient areas
- Prioritising recruitment and safer staffing
- Resolving outstanding estates and facilities issues

- Through the Programme Management Office, and Transformation Steering Group and Board we continue to deliver transformative service delivery changes and cost improvements

In order to best position ourselves to manage our risks we are:

- Collaborating with our commissioners to ensure the services we provide meet the needs of their populations and fulfil the mental health investment standard
- Working across the system with partners such as Our Healthier South East London, Sustainability and Transformation Partnerships and the South London Partnership
- Ensuring we work across the organisation including community, child and adolescent, older adults and specialist services

1.2 Performance analysis

Financial performance

Trust financial position

We ended the year in line with the Trust's original financial plan, resulting in us achieving our ambition to break-even, on an operational basis. The Trust reported a technical net surplus of £10.5m. However, this includes £5.0m of additional incentive funding from NHS Improvement and a £5.5m net adjustment related to the revaluation of Trust assets. None of the additional incentive or revaluation adjustments count against the Trust's financial control total from NHSI and could not be used for patient care related activities in 2017/18. However, the additional cash received from the £5.0m additional incentives will be used in future years to support the Trust's longer-term capital planning strategy for the benefit of our service users.

This has been a challenging year for the Trust and was set against a background of:

- Cost pressures in a number of CAGs and corporate services where delays or gaps in cost improvement plans contributed to those services not being in financial balance. To mitigate against this, additional in year savings measures were implemented including 'locking in' underspends from those services that were in surplus.

- A requirement to invest in our new hotel services contract, the new junior doctor contract and apprenticeship levy whilst maintaining continuing investment into our ICT infrastructure to improve resilience and user experience and our quality initiative (QI) programme to deliver and accelerate our strategic priorities and support clinical and financial sustainability.

- A wide ranging programme of cost improvements required to meet Government efficiency targets (set at 2% in 2017/18) and re-investment into more efficient service delivery and other improvements.

- A further reduction in costs required to meet the budgetary targets of local CCGs. In 2017/18, contracts with Lambeth, Southwark, Lewisham and Croydon CCGs included £9.1m of additional saving initiatives.

- Our financial performance has been supported by a positive average cash balance in 2017/18 of approximately £57.5m (£49.7m 2016/17) to ensure the Trust continues as a going concern and is able to fund its estates transformation strategy.

During the year, the main drivers of the Trust's performance have been:

- **The impact of high levels of adult acute inpatient activity resulting in the use of beds outside the Trust ('overspill').** The key driver for this is that while rates of admission were stable or reduced, the anticipated reductions in length of stay did not materialise as planned. This has meant that the planned reduction in OBDs for 2017/18 has not transpired. Although the Trust had risk share arrangements in place with all four of its local CCGs, the scale of overspill (up to 50 external beds) meant that unfunded placements contributed £2.5m to the bottom line position (a 10% reduction from 2016/17). In the second half of the year actions taken to reduce overspill took effect such that overspill

averaged around 4 beds from October 17. Going into 2018/19, there will be a continued focus on reducing our reliance on external beds, driving lengths of stay down so that we can realise our ambition to run the adult acute wards at c85% occupancy.

- **Responsibility for purchasing (non-medium and low secure) external placements in Lambeth, Southwark and Lewisham lies with the Trust.** Whilst Lambeth operated within plan, Lewisham and Southwark placements continued to be outliers. This was particularly so in Southwark where, prior to the impact of any risk shares, placement activity was £2.8m above funding available (£0.9m higher than 2016/17). Going forward, Southwark CCG have provided additional investment in 2018/19 and a more realistic savings target that should enable a balanced position to be maintained during the year.

- **Ward nursing costs** remained an issue where the variance from plan was £0.2m higher than in 2016/17 at £2.1m above funding. In particular two of our four Psychiatric Intensive Care Units (PICUs) and two of our Triage Wards exceeded staffing establishments by £1.18m (56% of the total ward nurse overspend). Going into the new financial year the one remaining Triage Ward is planned to convert to an acute ward (reducing its current cost) whilst one of the PICU wards has been subject to a QI initiative that should bring about financial as well as quality improvements.

- **Use of agency staff** at rates above funded pay budgets. In 2017/18 NHSI set a ceiling to spend no more than £17.4m on all agency staff. Based on this target the Trust spent £17.2m, just meeting the target by £0.2m (1%). Although this represented an improvement from 2016/17 (a reduction of £5.4m), it still meant that using agencies to fill vacant posts incurred an additional expense of c£2.8m above the cost of employing permanent staff (assuming a 20% agency premium). This will clearly be an area of continued focus in 2018/19 with a new reduced NHSI target set which the Trust is expected to perform within as well as helping the drive to realise further cost reductions from reduced agency premiums.

- **Cost Improvement Plans** (CIPs) - to come within its NHSI Control Total of a £2.2m surplus, the Trust had planned to deliver savings of £27m. At year end, the Trust recorded savings against cost improvement schemes of £25.5m (a 94% achievement). The savings generated represent a substantial achievement being approximately 7% of total expenditure. The main shortfalls occurred on planned overspill reductions and estate savings. Although this was an improvement on the 2016/17 position it was underpinned by £10m of non recurrent schemes including property disposals, tight controls and close monitoring of budgets giving rise to in-year underspends that were then 'locked in' and release of various balance sheet provisions. This recurring gap is being picked up as part of the Trust's 2018/19 plan where the focus will be on the quality and deliverability of the CIP schemes.

Details on our financial performance are shown below

Income and expenditure position

	FT	Group
	£m	£m
Income	381.1	378.6
Expenses	(368.6)	(370.1)
Net gains on disposal of assets	3.9	3.9
Net finance income	0.2	3.7
Fair value movements	0.1	0.9
PDC (Govt) Dividend	(6.2)	(6.2)
Surplus	10.5	10.8

Control Total	
Surplus	10.5
Less STF core funding	(2.3)
Less STF additional 17/18 incentive	(0.4)
Less STF funding incentive and bonus	(2.4)
Surplus before STF funding	5.4
Plus net impairments releases	(5.8)
Plus depreciation on donated assets	0.5
Relevant surplus against Control Total	0.1
Control total set by NHSI before STF	0.0
Surplus against Control Total	0.1

Cash position	FT	Group
	£m	£m
Opening cash	55.1	57.3
Operating surplus	15.4	11.5
Net finance income	0.2	3.7
Dividend paid	(5.7)	(5.7)
Capital expenditure	(5.7)	(5.7)
Capital receipts and gains	6.9	8.3
Net movement in financial assets	0.0	1.8
Increase in working capital	1.1	(1.1)
PDC received	2.9	2.9
Closing cash	70.2	73.0

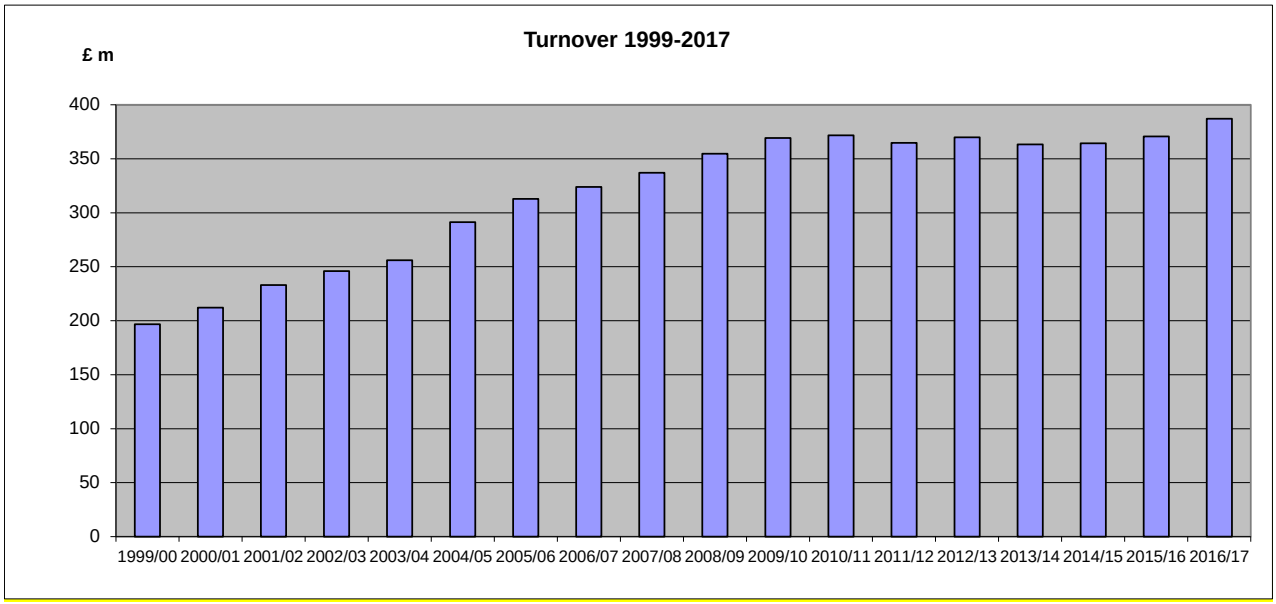
The Trust is assigned a Use of Resource rating by NHSI. The rating is based upon 5 financial metrics: liquidity (number of days of operating costs held in cash or cash-equivalents), capital service capacity (the degree to which income covers financial obligations), I&E margin (the degree to which the Trust is operating a surplus/deficit), distance from plan (the variance between our planned I&E deficit and our actual deficit) and agency spend (distance from our NHSI

target). The ratings are averaged to calculate the overall rating and range from 1-4 where 1 represents the best. In 2017/18 we achieved a rating of 1.

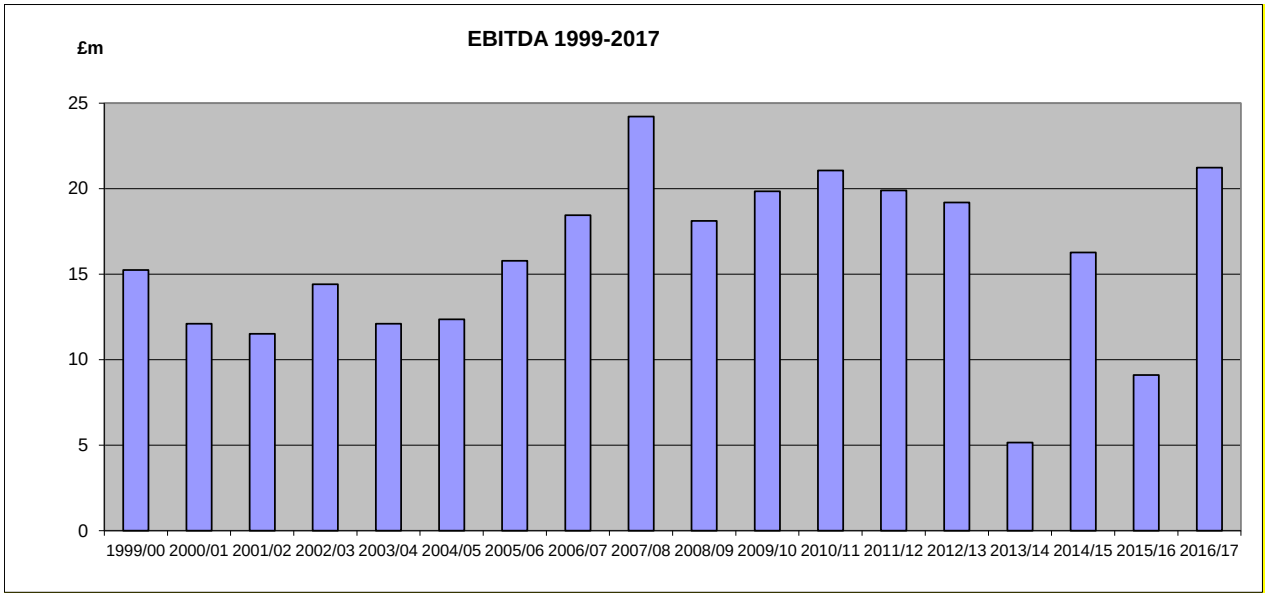
Trends in income, EBITDA and assets employed

The charts below show the trends in turnover, retained surplus/deficit and assets employed over the seventeen year period since the formation of the Trust.

Turnover

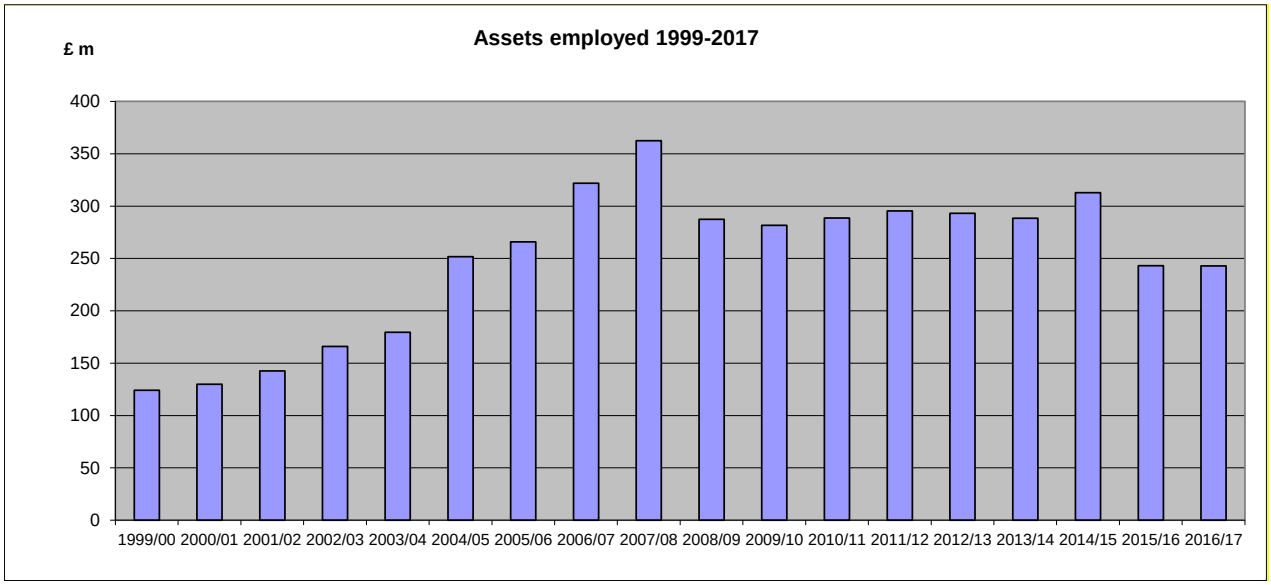


Turnover increased by 4.4% in 2016/17, 1.9% before STF. 80% of income is received from NHS Clinical Commissioning Groups and NHS England and a further 12% from other NHS organisations.



2016-17 EBITDA includes £9.3m STF

Assets employed



The net assets of the Trust include property of £230m.

Events since year end affecting the Trust

The Trust Board of Directors is the corporate Trustee for the Maudsley Charity. Rebecca Gray is the Chief Executive.

The Charity commissioned an external review of its strategic direction and governance processes in 2015. Following this review, the Board made a decision to support the conversion of the Charity from a 'corporate trustee' model to that of an independent NHS charity to support its intention to grow in impact and in income. The Charity became independent of the Trust on April 1 2018.

Overseas operations

This year, the Trust launched a new adult outpatient clinic, opened by HRH The Duke of York, at Maudsley Health Abu Dhabi. The clinic, alongside Maudsley Child and Adolescent International Abu Dhabi, is a collaboration between our organisation and the Macani Medical Centre. The service is managed by the Trust, with a core team based in Abu Dhabi supplemented by visiting consultant staff from the Maudsley Hospital who provide specialist clinics.

Since Maudsley Health Abu Dubai opened in 2015, the service has taken an active role in the local education and translational medicine landscape, fostering the development of collaborative efforts, providing quality mental health care and wellbeing in children, adolescents and support for families.

We do this by delivering effective, evidence-based interventions and comprehensive, high quality assessments, using the most appropriate tools. Our services are centred on adults, young people and their families and are delivered with compassion, respect and a commitment to the developmental needs of children and young people.

The services are staffed by a multi-disciplinary team of experienced professionals including clinical psychologists, nurses and psychiatrists, using the pathways, protocols and outcome measures from the Trust. The local team has the necessary expertise and experience to treat the vast majority of patients presenting with a broad range of mental health disorders including depression, anxiety, relationship problems, bipolar disorder, alcohol and addiction problems, psychosis, autism and personality disorder.

There are regular visits from experts from the UK who see patients for second opinions and take part in training and education programs in Abu Dhabi and the UAE. The local team supported by visiting specialists offer an extensive range of cutting edge, evidence based treatments, often developed and researched on at SLaM such as the New Maudsley model for eating disorders which is the most established and successful treatment regime for eating disorder.

Equality and diversity

The Trust continues to work hard to put its commitment to equality and diversity into everyday practice. Examples of activity include:

- An Equalities and Workforce Committee of the Board was established to enable the Chair, Chief Executive, Non-Executive Directors and Executive Directors to strengthen governance on equality, diversity and inclusion in the Trust.

- The Trust Board approved an ambitious Workforce Race Equality Standard implementation plan. This makes a commitment to achieve the following by spring 2021:

- Achieve representation of BME staff at pay bands 8C and above that reflects the proportion of BME staff in our workforce. We are also considering moving to tracking this at Band 7.
- Eliminate the over-representation of BME staff involved in disciplinary proceedings.
- Improve the Career Opportunities offered for BME staff.

- A new post, Workforce Equalities Manager to take forward the Trust's agenda regarding workforce equality, diversity and inclusion

- New BME Diversity in Recruitment Champions who sit on all recruitment panels for band 7 and above vacancies.

- The Trust initiated an inclusive leadership intervention to equip managers with the right skills, tools and techniques to support their teams and personal development. This aims to help the Trust create and maintain an inclusive culture in which diversity is valued and celebrated.

- The Trust continued working in partnership on shared priorities with Lambeth Black Health and Wellbeing Commission Independent Advisory Group (IAG) and started development of similar IAGs in Croydon, Lewisham and Southwark.

- Black History Month events were held across the Trust to celebrate cultural diversity and promote mental wellbeing for service users and staff.

- During LGBT History month, an LGBT+ Mental Health event was held in partnership with the IoPPN, KCL and the Maudsley Charity. This shared valuable evidence on LGBT+ mental health issues and enabled the Trust to hear ideas from service users, staff and partners about how it can improve treatment and outcomes for LGBT+ people.

- Working to improve communication with disabled service users by implementing the NHS Accessible Information Standard.

- Developing guidance on supporting transgender young people in CAMHS services.

- Continued use of over 500 face-to-face interpreters per month (in around 90 different languages including British Sign Language) to ensure effective communication with service users whose first language is not English.

Environmental matters

The Estates and Facilities department continues to operate an Environmental Management System (EMS) which is accredited to the ISO:14001 and ISO:50001 standards, as monitored by the British Standards Institute (BSI). The Trust successfully transitioned to the new ISO:14001 (2015) standards in 2017, with the Environmental Management Group to overseeing the development of new systems and documents including one linking the environmental impact of the trust and its legal requirements with key stakeholder groups one of the key requirements of the new standard.

The EMS has continued to support the reduction of the Trusts use of gas, electricity and fuel and CO_2 emissions. 'The headline Trust figure for CO_2 emissions for 2017/18 has provisionally been calculated at 8,609 tonnes, a 13% reduction from the emissions produced by the Trust in 2016/17 (9,607 tonnes).

Diesel use has continued to fall with average consumption reducing by an average 106 litres per month, from 1,744 to 1,638 litres in the previous year.

The recycling rate across the Trust is 34% which is a 10% increase on the previous year. The increase is attributed to a decrease in EfW (energy for waste) tonnage across the sites under the main waste contract which was achieved through operation management and education, and the CEF directive for the domestic contractor to dispose of kitchen food waste by anaerobic digestion.

While the Trust's environmental management system and related polices are principally driven by the Capital Estates and Facilities department there is an increasing amount of work being undertaken across the Trust to improve the Trusts sustainability performance and CSR work stream. The Work Well Project developed by the Career Management Service included a sustainability action plan in its successful application bid to the Big Lottery Fund which includes appointing a Green champion within the project delivery team. The Trust's Procurement team are actively engaging with the South London Procurement Network to increase the proportion of contracts awarded by SLaM to SME's and local companies as well as ensuring environmental elements are included within tender assessments and scoring. One of the most exciting developments in 2017 was the creation of the Maudsley Psycling Club, set up by staff with the aim of appealing to the wider Trust community. Not only has the group organised led rides, it has developed contacts with local shops, supported cycle promotion events and has agreed to act as the trusts bicycle user group (BUG).

The Trust has been engaging with national and regional environmental support groups and networks including the Sustainable Development Unit and National Performance Advisory Group. It has also begun work on drafting a new Sustainable Development Management Plan to replace the existing Carbon Management Plan and is undertaking the SDU's SDAT tool assessment. This will allow the trust to measure its progress on sustainability year on year and will be included in the 2019 report.

Within the EMS the Trust has established five steering groups covering different project areas within the Environmental and Sustainability field. These cover: Waste; Water; Energy Management; Transport; and Bio-Diversity, and develop and manage the implementation of new initiatives and projects. As well as improving the Trusts environmental performance, they also help to meet the objectives contained with the Trusts Carbon Management Plan. The following examples show the practical work the Trust has undertaken in 2017/18.

- The Trust's new online energy and carbon management system is now operational. This links into the Trusts existing sub metering network and invoices from our energy suppliers, producing real time and historic energy use reports, from the entire Trust's Estate through to individual sites and individual buildings. A dashboard, allowing all staff to access real time information on the energy performance of their buildings has been developed and will be made available when the Trusts new intranet site is introduced in the summer of 2018.

- As part of the environmental management system the Trust has produced energy reports in 2017 for each of its three main sites: Lambeth Hospital, The Maudsley Hospital and Bethlem Royal Hospital.

- The Environmental Management System holds a Legal Register, containing details of all Environmental Legislation and associated regulations and their impact on the Trust. This is reviewed on a 6 monthly basis and has been independently audited by BSI during 2017/18 as part of the ISO:14001 & ISO:50001 auditing and re-accreditation process.

- The Trust has continued to work with the First Step Trust, contracting vehicle servicing and maintenance CEF fleet with their Smart Garages subsidiary. First Step Trust are a social enterprise who train and employ ex-mental health service users with the aim of providing them work experience and skills, in order to help them find long term employment in the community.

- CEF also introduced a reuse portal called Warp IT at the end of 2017 which allows unwanted items and supplies to be traded between individuals in different departments and teams. To date the portal has saved the Trust £4,138 on buying new and associated procurement costs.

- On the Bethlem site CEF are working towards eradicating the Oak processionary moth which can cause irritation to humans and damage to oak trees. The Forestry Commission has reported that only 34 oak trees have to be treated in the 18/19 year which is 82% decrease on the trees to be treated in the 17/18 yea

- The Environment Agency (EA) is also considering the Bethlem as a potential site to carry out minor modifications to help mitigate flooding in Elmer's End during periods of heavy rain. The EA has already carried out a habitat survey to assist them in determining if any modifications on the Bethlem site are feasible. The habitat survey has identified ancient woodlands and habitat suitability for a range of species.

Dr Matthew Patrick
Chief Executive
South London and Maudsley NHS Foundation Trust
Date:24 May 2018

Chapter 2. Accountability report

2.1 Directors' report

How the Board operates

Board of Directors

The Board of Directors is collectively responsible for the Trust's strategic direction, its day-to-day operations and performance. Their powers, duties, roles and responsibilities are set out in the Trust's Constitution.

The role of the Board includes:

- Providing active leadership of the Trust within a framework of prudent and effective controls which enable risk to be assessed and managed.
- Setting the Trust's strategic aims, taking into consideration the views of the Council of Governors, ensuring that the necessary financial and human resources are in place for the Trust to meet its objectives and review management performance.
- Ensuring the quality and safety of healthcare services, education, training and research delivered by the Trust and applying the principles and standards of clinical governance set out by the Department of Health, the Care Quality Commission and other relevant NHS bodies.
- Ensuring compliance by the Trust with its terms of authorisation, its Constitution, mandatory guidance issued by NHS Improvement, relevant statutory requirements and contractual obligations.
- Ensuring that the Trust exercises its functions effectively, efficiently and economically and sets the Trust's values and standards of conduct and ensures that its obligations to its members, services users, carers and other stakeholders are understood and met.

As a unitary Board, all Executive Directors and Non-Executive Directors have joint responsibility for every decision of the Board of Directors and share the same liability. This does not impact on the particular responsibilities of the Chief Executive as the Accounting Officer. Non-Executive Directors are responsible for determining appropriate levels of remuneration of Executive Directors and have a key role in appointing, and where necessary removing, Executive Directors and in succession planning.

The Board of Directors meets in public and actively encourages Governors, members and the public to attend. The Board also holds private sessions when these are required. There is also a regular programme of Board development and self-assessment. There are meetings between the Governors and the Non-Executive Directors before every public Board, to provide an additional opportunity for Governors to ask questions of the Non-Executive Directors.

Compliance with fit and proper persons test'

The Trust regularly reviews the fitness of directors to ensure that they remain fit for their role. We require all persons in relevant roles to complete an annual self-declaration form confirming that they continue to be a fit and proper person. The Chief Executive is responsible for appraising the Executive Directors and ensuring that all other relevant roles are appraised. The Chair is responsible for appraising the Non-Executive Directors, and the Council of Governors receive an annual statement about compliance. The Chief Executive is appraised by the Chair. The Chair is appraised through processes agreed with the Nominations Committee, an includes feedback from Governors, Non-Executive Directors and Executive Directors.

Individuals are required to make the Trust aware as soon as practicable of any incident or circumstances which may mean they are no longer to be regarded as a fit and proper person, and provide details of the issue, so that this can be considered by the Trust. Any issues of non–compliance are to be notified to the Chair and he is responsible for making an informed decision regarding the course of action to be followed.

Meet the Board

The descriptions below of the expertise and experience of the Trust's Directors demonstrates their breadth of skills, knowledge and expertise. The current Non-Executive and Executive Directors are as follows:

Roger Paffard Non-Executive Director (Chair)

Appointed 12 Jan 2015 – Jan 2018, reappointed January 2018 – Jan 2021

Roger Paffard was appointed Chair in January 2015. He has broad experience at Chair, Non-Executive and Chief Executive level across the business, public and voluntary sectors.

Roger's career started in marketing with Lever Bros and Bristol-Myers and he subsequently held Chief Executive posts with Alberto Toiletries, Sharps Bedrooms (part of ADT), Staples Office Superstores and Thorntons Chocolates. In 2000, he switched to the public sector with chief executive roles at Remploy (a non-departmental public body helping to train and find employment for disabled people) and United Lincolnshire Hospitals NHS Trust. Over the last 13 years he has also held Trustee roles with three national charities (Marie Curie, Royal Voluntary Services and Sue Ryder) and some smaller educational or grant-making charities. He was Vice-Chair of Newark and Sherwood NHS Clinical Commissioning Group until end of 2016. He was Chair of the Charity Sue Ryder until July 2017.

He has developed a special interest in end of life care, parity of esteem for mental health services, equality of opportunity for disabled people and integrated care.

Alan Downey – Non-Executive Director
Appointed 24 June 2014 – May 2017, reappointed December 2016

Alan Downey began his career in 1981 as a fast-stream civil servant at the Department of the Environment, where he worked on a range of policies in areas such as urban regeneration, social housing, environmental protection and local government finance. He also spent two years as private secretary to successive Ministers of Local Government. In 1989 he joined KPMG, one of the Big Four accountancy and consulting firms, becoming a partner in 1997.

At KPMG, his clients included government departments, local authorities and NHS Trusts as well as companies in the transport, leisure and financial services sectors. Much of his consulting work focused on performance improvement and commercial strategy. In his final years at KPMG Alan led the firm's public-sector business in the UK and in Europe, Middle East and Africa. He retired from KPMG in June 2014 and has taken on a number of non-executive and charitable roles.

Alan was appointed as Chair of South Tees Hospitals NHS FT and formally took up his role from March 2018. He has indicated his plan to step down from his South London and Maudsley NHS FT NED role later in 2018.

Mike Franklin – Non-Executive Director
Appointed 23 May 2016 – May 2019

Mike Franklin is a former Commissioner with the Independent Police Complaints Commission. He was also HM Assistant Inspector of Constabulary and has acted as a Specialist Assistant Inspector, Race and Diversity across 43 policy orders in England and Wales. Mike was Chair of the Community Policy Consultative Group for Lambeth and also served on the TUC race relations Committee. Having grown up in Lambeth and Southwark, Mike is passionate about engaging with diverse local communities. He was also a Non-executive at Guy's and St Thomas' NHS Foundation Trust.

Duncan Hames – Non-Executive Director
Appointed 12 May 2016 – May 2019

Duncan Hames was a Member of Parliament from 2010-2015, during which time he served as the parliamentary aide to the Deputy Prime Minister, Nick Clegg MP – attending the Government's weekly Cabinet. He was also a board member of the Great Britain China Centre and a member of the Policy Advisory Board of the Social Market Foundation.

Duncan is a Chartered Management Accountant and has over 10 years of experience as a management consultant. Before entering Parliament, he also served on the board of the South West of England Regional Development Agency, chairing its Audit Committee. In August 2016, he was appointed as Director of Policy at Transparency International UK.

Duncan took up the role of Senior Independent Director from January 2018, following the departure of Julie Hollyman.

June Mulroy MBE – Non-Executive Director

Appointed 12 January 2015 – January 2018, reappointed January 2018 – January 2021

June is a chartered accountant with over 35 years' experience including at main board level in both the private and public sectors in the UK and overseas. For over 15 years June has also served as a non-executive governor/director in higher and further education, and in restorative justice and has been audit chair for most of that time.

June's working experience has been principally in financial services in UK, Switzerland, Ireland and France. There have also been substantial projects in the NHS and in UNESCO (Paris). Her 7-year appointment as an executive director in the Pensions Regulator where she was tasked with changing UK Pensions Policy and Regulation, resulted in her being awarded an MBE.

June took up the role of Deputy Chair from January 2018, following the departure of Julie Hollyman.

Anna Walker – Non-Executive Director
Appointed 1 July 2016 – June 2019

Anna Walker brings extensive expertise in regulation and governance relevant to safety and quality. She was Chair of the Office of Rail Regulation until December 2015 and was the Chair of Young Epilepsy.

She is a Non-Executive on the Board of Dŵr Cymru Welsh Water and a member of the Council of Trustees of Which? She was formerly Chief Executive of the Healthcare Commission, a Director General at the Department of Trade and Industry and the Department for Environment, Food and Rural Affairs and Deputy Director General of the Office of Telecommunications.

Professor Ian Everall – Non-Executive Director
Professor Ian Everall was appointed Executive Dean of the Institute of Psychiatry, Psychology and Neuroscience (IoPPN) in September 2017. He has been the forefront of research into cellular, molecular and genetic changes in the brain in major psychiatric disorders for more than 20 years.

Professor Everall trained in psychiatry at the Bethlem Royal and Maudsley Hospitals. Previously Cato Chair of Psychiatry and Head of the Department of Psychiatry at the University of Melbourne, he obtained his MBChB at Leicester University School of Medicine.
In 1989 he obtained Membership of the Royal College of Psychiatrists and a MRC Clinical Research Training Fellowship, followed in 1992 by an advanced MRC Clinician Scientist Fellowship in the Department of Neuropathology, Institute of Psychiatry.

Professor Everall gained his PhD in 1992 and in 1993 was appointed Senior Lecturer at the Institute of Psychiatry and Honorary Consultant Psychiatrist at The Maudsley Hospital. He was appointed Professor of Experimental Neuropathology at the Institute of Psychiatry in 1999 and in 2004 became Professor of Psychiatry at the University of California, San Diego.

Dr Geraldine Strathdee – Non-Executive Director
Appointed January 2018 – January 2021

Geraldine's roles have included NHS England's National Clinical Director for Mental Health and consultant psychiatrist at Oxleas NHS Foundation Trust from 2013-2016. For over 20 years Geraldine has held senior roles in mental health policy, regulation and clinical management, at national and London regional levels, and advises internationally on mental health service design and quality improvement, while working as a practising clinician.

Clinically, Geraldine has worked in a wide range of primary care, inpatient and community services, and latterly with people with complex and multiple needs, as a Consultant Psychiatrist for the Bromley Assertive Community Treatment team in Oxleas. Geraldine's research interests have included the fields of primary care mental health, evaluation of community services and dual diagnosis. Current research interests include the evaluation of competency based leadership programmes and clinical networks to drive transformational improvements, and high impact educational programmes.

Dr Matthew Patrick – Chief Executive

Dr Matthew Patrick took up the role of Chief Executive of the Trust in October 2013. Prior to this, he was Chief Executive of the Tavistock and Portman NHS Foundation Trust in north London, a specialist mental health trust of international standing. Originally trained as a psychiatrist at the Maudsley and Bethlem Royal Hospitals, for many years Dr Patrick combined clinical work and developmental research.

Gus Heafield – Chief Financial Officer
Gus is a Chartered Accountant with over twenty years' experience across both the private and public sectors. He has been the Director of Finance and Corporate Governance at the South London and Maudsley since 1999.

Kristin Dominy – Chief Operating Officer
Appointed in 2015, Kris was previously Executive Director of Operations for Avon and Wiltshire Mental Health Partnership NHS Trust. Kris has previously worked for the Trust as a mental health nurse having first trained as a general nurse, the Healthcare Commission and the National Treatment Agency.

Dr Michael Holland – Medical Director
Michael was appointed as Medical Director in 2016, having previously been the Trust's Deputy Medical Director and Chief Clinical Information Officer. He has many years of clinical leadership experience having been appointed as a consultant psychiatrist in the Trust in 2003.

Beverley Murphy- Director of Nursing
Beverley Murphy joined the trust as Director of Nursing in April 2017. She was previously director of nursing at West London Mental Health Trust and before that Chief Nurse at Leeds & York

Partnership NHS Foundation Trust. Beverley has worked as a mental health nurse for 33 years and has held a range of senior nursing and quality governance roles across the NHS.

Altaf Kara – Director of Strategy and Commercial

Altaf Kara is Director of Strategy and Commercial – he joined South London and Maudsley NHS Foundation Trust in June 2016 and was appointed as an Executive Director on the Trust's board from November 2017.

Prior to joining the Trust, he was a partner in corporate finance at Deloitte where he specialised in hospital turnarounds, operational impact and health economy restructuring within the NHS.

With over 20 years' experience in professional services covering a range of issues in the public and private sector, including retail, consumer products, media and entertainment and healthcare, Altaf brings a depth of commercial and strategic experience and skills to the Trust both in the UK and overseas.

Apart from responsibility for commercial and strategic activities, he has Board responsibility for estates, communications and external partnerships.

<u>Previous Director, whose terms came to an end in 2017:</u>

Dr Julie Hollyman – Non-Executive Director (Senior Independent Director and Deputy Chair Appointed January 2015 – Dec 2017

Dr Julie Hollyman trained and worked as a consultant psychiatrist in London. She then became the Chief Executive of the mental health service in which she worked. Subsequently she was Chief Executive at Richmond, Twickenham and Roehampton Healthcare NHS Trust, Broadmoor Hospital Authority, and West London Mental Health NHS Trust. Julie left the NHS 11 years ago and since then has worked as a Non-Executive in the not for profit and charitable sectors. Julie's term came to an end in December 2017.

Attendance at boards and committees

Board member *(NB Numbers given show attendance at meetings as a member. Board members attended a number of other Committee meetings as attendees)*	**Trust Board** 11 meetings held in 2017/18	**Remuneration Committee** 1 meeting held in 2017/18	**Audit Committee** 5 meetings held in 2017/18	**Business Development and Investment Committee** 5 standard meetings; 1 extraordinary meeting held in 2017/18	**Quality Committee** 7 meetings held in 2017/18	**Finance and Performance Committee** 5 meetings held in 2017/18	**Equalities & Workforce Committee** 3 meetings held in 2017 / 18	**Mental Health Law Committee** 3 meetings held in 2017/18
Roger Paffard *Trust Chair*	11	1		5		5	3	
Matthew Patrick	11			3		3	2	
Kristin Dominy	11			2	6	3		
Gus Heafield	9			5		5		
Michael Holland	10			3	5			3 (via an appropriate deputy)
Neil Brimblecombe *until 1 May 17* **Beverley Murphy** *from 1 May 17*	1 10				7		3	3

Altaf Kara *Executive Director from Oct 17*	10			6		4		
Dr. Julie Hollyman *until Dec 18. Chair of Mental Health Law Committee*	7			3	5			3
Dr. Geraldine Strathdee *from Jan 18. Chair of Mental Health Law Committee*	3				1			(No meetings held since appointment)
Alan Downey	9			3		3		
Mike Franklin	10						3	
Duncan Hames *Chair of Audit*	9		5					
June Mulroy *Chair of BDIC & FPC*	10	1	5	6		5		
Anna Walker *Chair of Quality*	10	1	5		6		3	
Prof Matthew Hotopf	3							

Until Sept 2017								
Prof Ian Everall *From Sept 2017*	4							

*Attendance refers only to core members

There is a register of Directors interests held by the Trust Secretary. This is available by contacting the Trust Secretary, Rachel Evans, on telephone 0203 228 5376.

Committee structures

Audit Committee

The overall role of the Committee is to promote the efficient and effective management of risk and excellent financial management and governance within the Trust. It does this by putting in place arrangements: (a) generally to review and periodically report to the Board on the adequacy of the Assurance Framework and the associated systems and procedures which support it; and (b) specifically to monitor, review and periodically report to the Board on the adequacy of the financial systems and procedures used within the Trust.

At its meetings for 2017/18, the Committee considered reports that it had requested from Trust management, external audit, internal audit and counter-fraud specialists. These reports were requested in accordance with a work programme specified and regularly updated by the Committee.

In accordance with the Committee's Terms of Reference, an observer from the Council of Governors attends the Committee's meetings. The observer receives copes of the Committee's minutes and summaries of key issues reported by the Committee to the Board, and reports back to the Council of Governors.

Business Development and Investment Committee

The Business Development and Investment Committee scrutinises the development and implementation of the Trust's commercial strategy, approves major investment decisions including proposals for new business and scrutinises the strategy for the improvement of efficiency and productivity in order to enable delivery of the Trust's strategic and operational objectives. An observer from the Council of Governors attends the meetings.

Finance and Performance Committee

The main role of the Finance and Performance Committee is to provide assurance to the Board about the delivery and sustainability of performance and delivery against operational and financial plans and the delivery of the Trust's financial strategy. An observer from the Council of Governors attends the meetings.

Quality Committee

The overall purpose of the Quality Committee is to monitor improvement and provide assurance to the Board on quality across the Trust. It monitors the delivery of the Trust's quality priorities, national mandatory requirements and professional regulators' standards. It examines service failures, ensuring that action plans are in place and lessons learned, whilst also having oversight of the Trust's mechanisms for involving service users and carers in all aspects of their care and at all levels of decision-making.

Remuneration Committee

Information about the Remuneration Committee is provided in the Remuneration report.

Equality and Workforce Committee

The Board established a new Board Committee in October 2017 to provide an increased focus on equalities and workforce issues. The Committee was established on a one-year basis in the first instance.

Regard to NHSI Quality Governance Framework

The Trust has taken regard to NHSI's quality governance framework in arriving at its overall evaluation of the organisation's performance, internal control and board assurance framework. See the annual governance statement for our plans to improve the governance supporting the improvement of service quality.

Internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of the South London and Maudsley NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the South London and Maudsley NHS Foundation Trust for the year ended 31 March 2018 and up to the date of approval of the annual report and accounts.

Board assurance framework 2017/18

Below is a summary review of risk areas and our Trust's system of internal controls

Ref.	Risk Area	Risk Description	Trust Lead(s)	Key Actions	Progress
1	Workforce Equalities & Workforce Committee	If the trust cannot attract, recruit and retain enough highly skilled staff, in the right settings with the ability to respond to organisational change. The risk is that the quality of care may not be acceptable or consistent across services. *Source of Assurance:* • *Recruitment and retention KPIs* • *Annual national staff survey* • *Quarterly staff friends and family test* • *Deep dive reports e.g. to CCG*	Director of Human Resources	a) Implementing retention and recruitment strategy actions including getting the basics right b) Improving recruitment processes c) Improving staff engagement, d) Enhancing the development and training offer and redesigning roles e) Talent management programme f) Targeted recruitment campaigns	**The risk is being mitigated but further work is required to produce robust vacancy data (ESR out of line with ledger) and the high agency staff usage in some areas e.g. CPNs.**

Ref.	Risk Area	Risk Description	Trust Lead(s)	Key Actions	Progress
2.	Strategic change & innovation Quality committee / Finance and Performance Committee	If the trust does not deliver services from an effective operational structure, have clear care pathways and clinically driven care protocols there is a risk that there will be delays in care and that transfers between services will adversely impact the quality of care and service user experience. *Source of Assurance:* • *Performance monitoring KPIs through PACMAN (including DToC, LoS and other throughput and quality measures such as patient experience)* • *CQC Review.* • *Clinical governance framework, monitoring and assurance processes built into Alliance contract with clear governance and assurance route to SLaM*	Chief Operating Officer	a) Trust re structure to a borough model has commenced to create more effective decision-making b) Large scale initiative of the QI programme is designed to reduce variation in operational practices c) QI as the key methodology for change in alliances d) Development of clear clinical governance framework as part of alliance contract	**The risk is being mitigated but remains high as the Trust moves into implementation of the restructure.**

Ref.	Risk Area	Risk Description	Trust Lead(s)	Key Actions	Progress
3.	Strategic change & innovation Finance and Performance Committee	Failure to develop Trust informatics systems could adversely impact the quality of care, staff experience and our ability to meet contract requirements. *Sources of Assurance* ● *An information assurance process is being developed between the Head of Business Intelligence and the Head of Information Governance which will embrace all systems and include data assurance and system support and management*	Chief Operating Officer	a) Digital strategy 2018-21 approved b) BI Department moved from Digital Services to Performance & Contracts in order to enhance the linkages with operational departments and users across the Trust c) The transfer of the BI department will continue to build on the Digital Services plans to integrate data from other source systems owned by different departments e.g. Datix, Finance, E&F data, eRoster, LEAP etc. into the Power BI system.	**The risk is being mitigated but further work is required to ensure formal information controls are in place with the various owners of data sources: Finance, HR, Estates & Facilities, BI and Digital Services.**

Ref.	Risk Area	Risk Description	Risk Lead(s)	Key Actions	Progress
4.	Strategic change & innovation SMT; R&D committee	If the Trust and IoPPN do not have aligned objectives there is a risk that the outcome of research will not focus on developments in practice that make a difference to our service users and the effective delivery of services *Source of Assurance:* • *Updates at SMT and R&D committee, feeding into Board of Directors via R&D and QI reports*	Chief Executive Officer	a) CEO and SMT members working closely with the new Dean of the IoPPN and with the Director of the BRC to ensure alignment b) Formation of CTI binding research and informatics imperatives.	**This is a new risk. No formal reporting has yet taken place**

Ref.	Risk Area	Risk Description	Trust Lead(s)	Key Actions	Progress
5.	Quality (patient safety, experience & clinical outcomes) Quality committee	If the Trust fail to listen to the experience of people that use services and / or fail to implement the learning from all sources of adverse incidents there is a risk that services will not learn, not improve safety and present unacceptable risks for people that use services. *Source of Assurance:* • *Learning lessons report to QC and Board* • *Practice changes (locally and trust wide) as a result of adverse incidents* • *Reports on PPI strategy by CAGs into the trust wide involvement committee* • *Oversight of the level 2 serious incident reports by the Medical and Nursing Director, closure of all SI reports by the CCGs* • *Oversight of CEO level complaint responses by Director of nursing* • *Oversight of all reported incidents by Service and Clinical Directors*	Director of Nursing	a) PPI strategy and CAGs implementation plans b) Involvement of service users in CAG governance c) Adherence to 'Being Open' d) Quality of complaints and SI reports is overseen by senior CAG and Executive Directors e) Risk management strategy and incident reporting structure in place f) Action plans developed to implement learning from adverse incidents	**Governance for these developments is progressing Combination of oversight of PPI implementation plans at trust wide level; Clinical Directors being held to account for delivery of improvement plans internally and by the CCG; clear escalation framework for all incidents reported and closure of complaints offers reasonable assurance.**

Ref.	Risk Area	Risk Description	Trust Lead(s)	Key Actions	Progress
6.	Strategic change & innovation SMT, SLMHCP committees & Audit Committee	If the Trust does not have the capacity and the commitment to work with external partners there is a risk that it would be more difficult to deliver / bid for services that meet service user need thereby undermining the sustainability of the trust. *Source of Assurance:* • *Updates at Audit Committee and Board*	Chief Executive Officer & Director of Strategy & Commercial	a) Tracked in SMT against objectives b) Clear owners of key relationships	**There is good progress with management of this risk although constant review is necessary due to unknowns from a changing contracting landscape and new relationships**

Ref.	Risk Area	Risk Description	Trust Lead(s)	Key Actions	Progress
7.	Regulation & Compliance Quality Committee	In the context of significant demand and change there is a potential risk that the trust will fail to deliver the necessary quality improvements identified by the CQC or meet our other statutory duties and therefore create a risk of breaching regulation. *Source of Assurance:* • *COO Quality report* • *Learning lessons reports* • *Compliance reports* • *CQUINN reports* • *progress reports of delivery of CQC inspection improvement actions* • *QUEST scores* • *Safer staffing reviews* • *QI progress reports* • *Quality Matters and quality governance compliance meetings*	Director of Nursing	a) Established, well led Board of Directors, experienced Service and Clinical Directors b) Clear operational and professional structure c) Quality governance structures in place d) Operational performance management processes e) Recruitment of sufficient high quality staff with good knowledge or regulatory standards f) Development of relationships with commissioners, full engagement with alliance boards and engagement / leadership of transformation programmes (locally and nationally)	**There is good progress with management of this risk with CQC compliance inspection reports providing good assurance that controls are effective however the staff survey results 16 - 17 and the changes in quality governance processes that will need time to embed.**

Ref.	Risk Area	Risk Description	Trust Lead(s)	Key Actions	Progress
8.	Finance Finance and Performance Committee	If new contract values and the transitions to new contracts do not provide sufficient financial resource to deliver high quality clinical care there is a risk that the trust will not be able to provide timely access to safe high-quality services across all Boroughs and care pathways *Source of Assurance:* • *Contract settlements that align with STP and Trust based business planning requirements* • *FPC and SMT scrutiny of key contract arrangements and changes* • *Clear quality impact assessments detailing the implications and mitigations of any contract change* • *Internal assurance via audit and benchmarking (e.g. reference costs) that SLaM offers excellent Value for Money.*	Chief Financial Officer	a) Dedicated and focused contracting and finance resource to assess financial sustainability implications and terms b) Clear quality assurance procedures (e.g. QIAs) to assess and validate impact of any new contracts on patient care c) Contracts to be sanctioned by FPC, SMT and the Board d) Established QI process and PMO function to ensure a focus remains on delivering maximum value for patients to ensure limited funds are spent effectively and strengthening the Trust's bargaining position	**There are reasonable risk mitigation processes in place however the pace of change and breadth of scope of the new contracting and commissioning arrangements coupled with the uncertainty and complexity of new models will create capacity pressures across all the relevant assurance mechanisms in the Trust**

Ref.	Risk Area	Risk Description	Trust Lead(s)	Key Actions	Progress
9.	Regulation & Compliance SMT & Finance and Performance Committee	The trust estate strategy will be delivered over the next 5 years and is dependent on significant capital investment. During the five years some services will continue to be delivered from poor buildings and there is a risk that the experience of staff and patients is adversely affected and that safety is compromised. *Source of Assurance:* • *Independent baseline* • *Internal audit reports of estate and property and capital processes* • *CRG* • *Reports to Finance and Performance Committee* • *Health and safety workplace assessments* • *Ligature anchor point assessment and associated work plan* • *Clinical team awareness and management of environmental risks.*	Chief Executive Officer & Director of Strategy & Commercial	a) Six facet surveys on maintenance needs. b) Robust systems and processes (Planet; Datix) c) Achievement of demanding targets for responsiveness - particularly for statutory and urgent needs d) Compliance checked independently by Director of Capital, Estates and Facilities e) A capital works programme which is informed and prioritised by clinical need.	**The risk is being mitigated but further work is required**
Ref.	**Risk Area**	**Risk Description**	**Trust Lead(s)**	**Key Actions**	**Progress**

10	Reputational SMT & Audit Committee	If we do not work in a way that protects the reputation of the trust there is a risk that we will find it difficult to recruit staff, service users will report adverse experience, we will not be an attractive business partner and we will attract undue attention of our regulators. *Source of Assurance:* • *Chief Executive's report to the Board* • *Opinion of regulators/ key partners* • *Reputation with key opinion formers in mental health.* • *Positive media coverage* • *Board committee reports* • *Auditor's report* • *Well led assessment for the Board* • *Staff survey* • *PEDICs*	Chief Executive Officer & Director of Strategy & Commercial	a) Horizon scanning b) Maintaining robust clinical and corporate governance - particularly for unusual risks c) Trend data on key measures such as use of restraints, mortality, patient experience, staff and patient survey d) Production & monitoring off financial control data e) Maintaining engaged workforce f) Implementation of PPI strategy g) Establishment of open relationships with commissioners and regulators	**The risk is being mitigated but further work is required further develop robust governance around non-core projects and embed staff engagement strategy.**

Ref.	Risk Area	Risk Description	Trust Lead(s)	Key Actions	Progress
11	Quality (patient safety, experience & clinical outcomes) Quality committee	There is a risk that the significant time, resource and money that the trust has invested in quality improvement will not result in the improvements in quality and efficiency of services that is anticipated. *Source of Assurance:* • *Data is collected for each project from inception* • *The data plan is drawn up individually by project and projects are assigned a project progress score on a monthly basis* • *SMT members updated bi weekly* • *Bi - monthly reporting to QC and Board*	Medical Director	a) Investment in a clear methodology b) Rolling out of training c) Dedicated QI resource - QI team assist and monitor progress with each project d) QI Programme Board implemented & monitors progress of QI delivery	**The risk is being mitigated but further work is required to embed new governance processes**

Ref.	Risk Area	Risk Description	Trust Lead(s)	Key Actions	Progress
12	Finance Finance and Performance Committee	If services and departments do not deliver within their budgets, do not deliver the planned cost improvements, QIPPs and CQUINs and if we do not manage the need for inpatient beds within the trust capacity the risk is that costs are uncontrolled and that the financial position of the Trust is destabilised which prompt intervention by the Regulators *Source of Assurance:* • *Monthly outturn performance reports* • *Internal audit reviews of systems and processes* • *External audit review* • *Review meetings with commissioners.* • *Reports to the Finance and Performance Committee and the Trust Board.* • *Agency progress reporting through Finance reports to the Board*	Chief Financial Officer	a) Regular Performance meetings held with CAGs and Corporate where CIPs are monitored and escalated to a Portfolio board chaired by the CEO. b) Financial performance (incl. CIP and QIPP) monitoring & reporting monthly to the FPC, Trust Board, NHSI and SMT c) Management of overspill beds via an escalation process to Gold and Silver command structures d) Quality Impact Assessments implementation for all CIPs e) Review of further recurrent and one-off opportunities to mitigate risks	**The risk mitigation measures are in place and kept under constant review**

The role of internal audit

Internal Audit has reviewed and reported on systems of internal control, governance and risk management processes based on an internal audit plan approved by the Audit Committee. Internal Audit's work included identifying and evaluating controls and testing their effectiveness, in accordance with Public Sector Internal Audit Standards. Where scope for improvement was found, recommendations were made and appropriate action plans agreed with management. Internal Audit reports to the Audit Committee on management's progress in implementing agreed recommendations. In accordance with NHS Internal Audit Standards, the Head of Internal Audit is required to provide an annual opinion, based upon and limited to the work performed, on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes. This is achieved through a risk-based plan of work, agreed with management and approved by the Audit Committee, which should provide a reasonable level of assurance, subject to certain inherent limitations. The purpose of the annual Head of Internal Audit Opinion is to contribute to the assurances available to the Accounting Officer and the Board which underpin the Board's own assessment of the effectiveness of the organisation's system of internal control. This opinion will in turn assist the Board in the completion of its Annual Governance statement.

Significant issues

The Audit Committee confirms that for 2017/18 no matters arose which needed to be escalated for the attention of the Board of Directors. However, the Committee considered that the Board of Directors should be made aware of the Committee's concerns about certain issues, and of the actions proposed to address them, and has reported these to the Board of Directors during the period. Key issues thus reported include:

- internal audit's reports on: data quality audit – Improving Access to Psychological Therapies ('IAPT'); right to work; IR35 compliance; property disposals; estates repairs and maintenance; and the Adult Mental Health ('AMH') project;
- revisions to the Trust's Risk Management Strategy, Board Assurance Framework and supporting processes, taking account of recommendations from internal audit work;
- revisions to the Trust's Declaration of Interests Policy; and
- review of options for provision of payroll services.

The Committee considered significant issues in relation to the financial statements. In particular, at its meeting in March 2018, with input from external audit, the Committee considered issues around:

- occurrence and accuracy of income from patient care activities, in particular income related to additional NHS contract activity;
- the risk of management override of controls; and
- valuation of property, plant and equipment.

Appointment of external auditors

The Council of Governors appointed new external auditors for the Trust at its meeting in September 2017 – Grant Thornton. Grant Thornton took over from Deloitte as the Trust's external auditors in September 2017.

The tender process by which Grant Thornton was appointed involved both South London and Maudsley NHS FT and Oxleas NHS FT. The tender process involved a group of representatives from both Trusts including from the Council of Governors, the Audit Committee Chairs and the Chief Financial Officers. The group reviewed tenders received from Grant Thornton, Deloitte and one other external audit provider. The group met representatives from Grant Thornton on two occasions and made a recommendation to the Council of Governors that Grant Thornton be appointed as the Trust's external auditor for the period 23 September 2017 to September 2020.

External audit process

The Audit Committee reviews the performance of the external auditors. These reviews take account of the reports from external audit, and other parties, considered at each Audit Committee meeting. Based on this, the Audit Committee considers that the performance of the Trust's external auditors (including the quality and value of the work, the timeliness of reporting and the external audit fee) is and has been appropriate over the past year.

Statement of disclosure to the auditors

Each of the persons who is a director at the date of approval of this Annual Report confirms that: so far as the director is aware, there is no relevant audit information of which the NHS Foundation Trust's auditor is unaware; and the director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the NHS Foundation Trust's auditor is aware of that information.

The Trust has taken regard to NHS Improvement's quality governance framework in arriving at its overall evaluation of the organisation's performance, internal control and board assurance framework. See the annual governance statement for our plans to improve the governance supporting the improvement of service quality.

For reports arising from Care Quality Commission reviews of the Trust and consequent action plans, including consultation with local groups and organisations, including the overview and scrutiny committees of local authorities covering the membership areas please see the Quality Report later in this report.

Details of senior employees' remuneration and expenses can be found in the remuneration report. The Directors considered the Annual Report and Accounts taken as a whole are fair, balanced and understandable and provide the information necessary for stakeholders to assess the Trust's performance, business model and strategy. The directors are responsible for the maintenance and integrity of the corporate and financial information included in the Trust website. Legislation in the United Kingdom governing the preparation and dissemination of financial information differs from legislation in other jurisdictions.

Value of external audit services for 2017/18

The value of external audit services was as follows and the amounts in all cases include VAT.

	Statutory audit/£	Other remuneration for 'non-audit' work/£
Trust	£74k	£8k

Grant Thornton's audit plan, reviewed by the Audit Committee at its December 2017 meeting, reported the nature and value of non-audit services provided by Grant Thornton both before and after being appointed as the Trust's external auditor. Grant Thornton confirmed in the plan that there were no significant facts or matters that impacted on their independence as auditors that they were required or wished to draw to the Trust's attention. On the basis of the information reported in the plan the Audit Committee concurred that such non-audit work did not pose a significant risk to the independence and objectivity of the external auditor.

Liquidity

At the year-end, the Trust had net current assets of £32m including £70m cash. The Trust is not, therefore, exposed to significant liquidity risks.

Cost allocation

The Trust has complied with the cost allocation and charging guidance issued by HM Treasury.

Credit

The majority of our income comes from contracts with other public-sector bodies, and we therefore have low exposure to credit risk.

Price

Most of our income is covered by contracts signed with CCGs at the start of the year and paid over 12 months in equal instalments. The contracts with CCGs are adjusted in line with the nationally agreed efficiency target and a generic inflation factor that covers pay and non-pay inflation and other specific national cost pressures such as new drugs and changes to employers' national insurance.

Trust Governance

Senior Management Team

The Senior Management Team (SMT) comprises the Executive Directors, together with the Director of Human Resources and the Director of Corporate Affairs. It is chaired by the Chief Executive. SMT exists to promote the effective functioning of the organisation, to ensure that quality and clinical advice is properly considered, to make decisions on the allocation of resources within the Scheme of Delegation and to ensure that the SMT has an effective understanding of the operational functioning of the Trust. The Senior Management Team meet every week and discuss performance, quality, finance, strategy and delivery.

Clinical Academic Groups (CAGs)

The services we provide to patients are currently organised into Clinical Academic Groups (CAGs). Clinical Academic Groups bring people together who are experts in their field in areas such as addictions, psychosis and child and adolescent mental health so that we can offer patients the very best care and treatment, based upon reliable research evidence that it works.

Maudsley Charity

The Trust Board of Directors is the corporate Trustee for the Maudsley Charity. Rebecca Gray is the Chief Executive.

The Charity commissioned an external review of its strategic direction and governance processes in 2015. Following this review, the Board made a decision to support the conversion of the Charity from a 'corporate trustee' model to that of an independent NHS charity to support its intention to grow in impact and in income. The Charity became independent of the Trust on April 1 2018.

Scheme of delegation

The Trust operates a Scheme of Delegation which provides examples of how powers may be reserved to the Board, generally for matters for which it is held legally accountable or through its terms of authorisation, whilst at the same time delegating to the appropriate level the detailed application of Trust policies and procedures. That said, the Board remains accountable for all of its functions - including those delegated to the Chair, individual directors or officers - and therefore expects to receive information about the exercise of delegated functions to enable it to maintain a monitoring role.

Disclosures in the public interest

Income disclosures required by section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012)

The Trust confirms that it has met the requirement under Section 43 (2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012) that:

- income from the provision of goods and services for the purpose of the Health Service in England is greater than its income from the provision of goods and services for any other purposes
- and that, there is no impact from other income received on its provision of goods and services for the purposes of the health service in England.

Staff consultation

We provide information to our staff through a number of different mechanisms including SLaM News, SLaM eNews, the Trust intranet and Clinical Academic Group management briefings. We have a joint staff committee which includes all representative staff organisations and trade unions where information about key strategic and operational matters is discussed including the Trust's financial performance. In situations where they may be changes to services, all staff and key stakeholders are consulted with. The Chair and Chief Executive also hold a regular series of staff fora across hospital and community based sites. Each member of the Senior Management Team is visiting teams across the breadth of the Trust as part of the Quality Improvement Leadership Walkarounds. Issues raised at these walkarounds are discussed on a weekly basis with the Senior Management Team.

We have been engaging staff, as well as service users and carers, in developing our new strategy – 'Changing Lives'. For staff, this has involved a series of roadshows across the breadth of the organisation, involving the Chief Executive, the Chair and a number of senior members of the Board. Staff have heard about the different elements of the strategy and provided extensive opportunity to provide steers, input and ask questions.

We obtain feedback from our staff through the appraisal process, team meetings, the annual staff survey, through the quarterly friends and family test and the Quality Improvement leadership walkarounds.

Stakeholder relations

The Trust continues to engage and work with our staff, service users, carers, partner organisations and local communities on a variety of topics and in a range of ways, from face to face to digital, through social media channels and printed format.

While our vision remains the same – to improve the lives of the people and communities we serve and to promote mental health and wellbeing for all – during 2017-18 we have been developing our five-year strategy. The strategy is called Changing Lives which reflects our desire to make a positive difference to the lives of the people we work with. While the strategy and related implementation plan is still being refined much work has already been done, initially with input from our Clinical Commissioning Groups (CCGs) and Local Authority partners, followed by consultation with staff via focus groups and road shows and culminating in our annual staff conference. In the year ahead we will continue to work with our staff and to engage with service users, carers and stakeholders, refining the strategy as we go.

We continue to be a key stakeholder in the development of the Lambeth Living Well Network Alliance which brings together Lambeth CCG and Local Authority, Guy's and St Thomas NHS Foundation Trust, the voluntary sector, service users and carers, and Lambeth Healthwatch to improve access to support, including easier early access and a rapid crisis response, integrated and coordinated care and support for people who experience mental health problems, and managing demand and resources effectively.

The Trust convenes a quarterly meeting with colleagues from the four Healthwatch organisations that work across Lambeth, Southwark, Lewisham and Croydon. These meetings enable all the organisations to share information and identify opportunities to work collaboratively, with a focus on:

- Service changes that are being planned
- Healthwatch reports that are being planned, to increase service user involvement and maximise feedback from a mental health perspective
- Share results and learning from relevant Healthwatch reports
- Update Healthwatch colleagues on the developing Trust strategy and direction of travel

The Trust is committed to improving the experience of black and minority ethnic (BME) service users and carers and recognises the importance of working in partnership with communities. Trust staff are members of the Croydon BME Partnership Group, which brings together statutory bodies and voluntary groups to improve the experience of BME service users and carers in Croydon, and Lambeth Black Thrive which has been set up as a partnership-based, cross-sector approach to deliver system change. In addition, a partnership which was initiated in Lambeth two years ago, where Trust staff work closely with Lambeth Independent Advisory Group (IAG) who connect back to BME communities, is now being replicated across the other boroughs. In the last 12 months, we have started working with newly formed Independent Advisory Groups in Croydon and Southwark who are developing their work programmes to improve the experience of black service users and carers.

The South London Mental Health Partnership (SLMHP), brings together our Trust with Oxleas NHS Foundation Trust and South West London and St George's Mental Health NHS Trust, and enables us to bring together our expertise and resources to improve services across South London. The SLMHP collaboration work to date includes:

- Delivering forensic mental health services so that patients who had previously been treated outside the local area can be supported closer to home.
- Commissioning and delivering Tier 4 CAMHS services for young people with the most complex problems.
- A Nursing Development Programme to improve training and career opportunities for nurses across the Trusts.

Social, community, equality and human rights

Our Recovery College continues to deliver a patient and service user co-produced and co-delivered 'Ours to Own' course. This helps participants understand how they can use human rights in their daily lives as service users, carers or staff members.

The Trust published its annual equality information in January 2018 to comply with the public-sector equality duty. This includes 2018 Trust-wide equality information that provides information on the demographic profile of the Trust's service users and the experience of service users with different protected characteristics.

We also continue to publish local ethnicity reports for Croydon, Lambeth, Lewisham and Southwark. These provide information on the ethnicity of service users accessing 12 of the Trust's services, IAPT recovery rates and the experience of service users of different ethnicities in each borough.

The Trust is also developing a Trust-wide integrated equalities action plan. Evidence from a range of sources suggests that the Trust's priority areas for equality improvement should be in relation to service users, carers and staff who are from BME backgrounds, disabled, lesbian, gay, bisexual or transgender (LGBT).

Patient and public involvement

During 2017 the Trust has reviewed and improved the governance structure to support service user and carer involvement. The Family and Carers Committee have reviewed its Terms of Reference and have a carer co-chair.

An outcomes framework has been developed to provide a road map for the implementation of a patient and public involvement policy. The immediate priorities are; demonstration of service user and carer

involvement in their own care; service user and carer involvement in quality improvement and demonstrating the positive impact of involving service users and carers in delivery and governance

The Trust ran, for the second year, the Service User and Carer Leadership programme to equip service users and carers in roles such as chairing the CAG Service Users and Carer Groups or becoming a Governor.

The number of responses to the Friends and Family Test (FFT) and the internal patient experience surveys has increased from the previous year. In 2017/18 the Trust received over 12,000 FFT responses. On average for 2017/18, 85% said that they would recommend their friends and families to the Trust (FFT) and from the internal patient experience surveys 96% said they found staff kind and caring. The Trust continues to demonstrate that it is responsive to feedback from people who use services, their friends, families and carers by continuing to rollout the 'You said, we did' programmes across services.

The Trust is one of only a few number of NHS organisations to provide demographic breakdowns of the experience of people who use its services, and this is published as part of the Trust's annual Human Rights and Equality Report.

The overall performance from the National Community Mental Health Survey for 2017 was in line with results from previous years and 'about the same' as all other participating Trusts. The Trust scored 'better' than most other trusts in two questions: feeling you have seen NHS mental health services often enough for your needs (6.8/10) and getting the help you needed when contacting out of hours crisis support (6.9/10). The three highest scoring questions were knowing how to contact someone if you had a concern about your care (9.6/10), the care and services being well organised (8.3/10) and being carefully listened to (8.2/10).

There continues be a wide range of involvement activities across the Trust and within the CAGS for people who use services, their friends, families and carers. As the Trust moves forward with the Quality Improvement programme, all projects will be co-produced and co-delivered in partnership with people who use services and their friends, families and carers.

Disability

The Trust has a range of policies and approaches which enable disabled people to gain employment with the Trust, and remain in employment where feasible, should they become disabled during their period of employment with the Trust.

The Trust's Equal Opportunities Policy covers all aspects of employment, from recruitment and selection, training and development to conditions of service and reasons for the termination of employment. It also sets out the guiding principles that influence the way the Trust carries out its employment based activities and the expectations of all staff accordingly.

The Trust's Recruitment Policy makes reference to eliminating all forms of discrimination in accordance with the Equality Act 2010 which also covers disability. The Trust operates the "Two Ticks" standard for recruitment whereby disabled applicants are guaranteed an interview if they meet the essential requirements of the person specification. When invited to interview, all applicants are asked if any special adjustments are required to enable them to attend.

Where a disabled candidate is appointed, the Trust is responsible for carrying out any reasonable adaptations to the workplace or supplying additional equipment to assist the new employee in their role. This usually follows assessment, advice and support from our Occupational Health Service. Additional help may also be sought through external agencies such as the Local Employment Services Office.

The Trust's Sickness Policy and Disability Policy provide guidance on the support available and provided to employees where they may become disabled during their employment. The Sickness Policy is designed to support employees during periods of illness which may possibly lead to a disability. The Sickness Policy offers employees the option of a phased return/period of rehabilitation with no loss in pay. Occupational Health advice is sought through all stages of the sickness process in accordance with the policy.

Where an employee can no longer sustain their former role due to capability, the Trust seeks to medically redeploy them into a role which they may be able to suitably fulfil. This may include a period of re-training. Where an employee develops a disability the Trust's Disability Policy is used as guidance for managers on the Trust's expectations of how employment related processes are managed regarding employees with a disability. The policy is designed to enable a working environment in which having a disability does not act as a barrier to staff enjoying a positive and full working life in which they are able to reach their full potential. A central feature of the Disability Policy is the need to make reasonable adjustments which will enable a disabled employee to remain in work.

The concept of 'reasonable adjustment' is the cornerstone of the Equality Act 2010. Since 1995 employers have had a legal duty to make such adjustments to accommodate employees who may find themselves unable to work under the arrangements they were initially employed due to disability. This can involve a number of different things including adjustments to premises, changing working hours, transferring to other locations, purchasing specialised equipment and re-training, to name a few.

All staff have equal access to an appraisal, training opportunities and career development throughout the year.

Health and safety

The Director of Nursing is the Executive lead for health and safety. The Trust takes the health and safety of its staff, patients and visitors very seriously. The Trust has a Health & Safety Work Plan which enables the Trust Board to be provided with assurances that there are satisfactory arrangements in place for managing health and safety risk across the Trust. The Trust has a Health, Safety & Fire Committee that monitors performance in this area through receiving reports and updates on a range of areas including: -

- Bi monthly reports on health and safety compliance audits.
- Bi-monthly reports on fire and health and safety inspections and risk assessments.
- Occupational reports on needle stick and sharps incidents.
- Staff related incidents e.g. violence and aggression.

The Trust has a dedicated health and safety team who work across corporate and clinical departments to establish a system which improve safety practices, procedures and provide assurances.

During period April 2016 – March 2017 there were a total of 45 reported RIDDOR incidents reported. Under the reporting criteria, the vast majority of these incidents were due to staff taking an over '7 day' absence from work as a result of injuries sustained during the course of their duties.

The Trust's core health and safety policies have been updated to ensure that these comply with comply with health and safety legislation and NHS management standards.

There have been no HSE or Fire Enforcement Notices during the period of 2017

Better payments practice code

Better Payments Practice Code is a target of paying 95% of bills within contract terms or 30 days where no terms have been agreed. The code requires the Trust to aim to pay undisputed invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later. We paid 82%

of non-NHS invoices within this period (86% in terms of value) and 71% of NHS invoices within this period 88 % in terms of value.

Countering fraud and corruption

The Trust increased its dedicated counter fraud resource in 2017/18 by entering into a shared service arrangement with another NHS Foundation Trust. The Trust complies with the requirements of the NHS Counter Fraud Authority in relation to proactive and reactive counter fraud work. The Local Counter Fraud Specialist attends each monthly induction session and provides information on fraud prevention and detection to all new starters and the Trust has recognised reporting lines for staff to raise concerns regarding fraud and corruption. Any allegations are assessed and investigated in accordance with professional standards with the outcome of all referrals reported through to the Trust's Audit Committee.

Complaints

The Trust received 551 formal complaints from 1 April 2017 to 31 March 2018. This is an increase (7%) from the previous year 2016/17 during which the Trust received 512 complaints. Of the number of complaints investigated (and closed at the date of this report) 57% were either upheld or partially upheld.

Currently there have been seven requests for Independent Review by the Parliamentary Health Service Ombudsman (PHSO) where the original complaint was made during the same period. This accounts for 0.1% of the number of complaints received at the first stage going to the second stage of the Complaints procedure. As we write this report in April 2018, four cases (PMIC, Acute, Psychosis and MHOA CAGs) are still under review by the Ombudsman's office, with two cases (PMIC) closed with no further action and one case (PMIC) upheld and referred back for further local resolution.

Complaint themes

A breakdown of the formal complaints received by category is detailed below:

Primary subjects of formal Complaints 2017/18	Number of Complaints
Care and Treatment	210
Attitude/Behaviour	124
Admission/Transfer Arrangements	41
Other	34
Discharge	30
Communication	28
Detention under the Mental Health Act	22
Patient privacy/dignity/confidentiality	18
Administration	15
Patient's property	11
Policy/Corporate decisions	7
Environment	4
Catering	2
Equipment	2
Assistance and Information	1
Hotel Services/Catering/Portering/Security etc.	1
Wellbeing & Restraint	1
Totals:	**551**

The highest number of complaints received were categorised under the Care and Treatment category with concerns relating to care planning, co-ordination of treatment and communication with families/carers.

Quarters 1 and 2 saw a marked increase in the number of formal complaints and PALS contacts about ADHD and Autism services.

As part of on-going work to address in response to the increasing dissatisfaction, the service

- Planned an administration away day which included a patient speaker. As an interim measure, the administrative team attended a well-received day of customer service training
- Formalised team meetings at which quality standards, patient concerns and complaints are reviewed. One team meeting a week focuses on reflective practice to improve learning and increase conversations about the impact of staff behaviour on patients
- Carried out on a communications survey to analyse and take forward different ways to improve communication, which would better accommodate the needs and preferences of patients
- Worked with PALS to provide reference information to ensure some more frequent enquiries could be addressed in a more timely manner
- Continues to work with the ePJS team to explore regarding electronic solutions to clinic processes
- Liaising with commissioners to review communication with patients and general practitioners.

Compliments

The Trust formally recorded 241 compliments this year covering a range of services within the Trust. Some summaries of, and verbatim extracts from, expressions of appreciation received by Trust staff and across services have been summarised below.

CAG	**Number**
Acute Care	12
Addictions	50
Behavioural & Developmental Psychiatry	58
Child and Adolescent Mental Health Services	2
Corporate	5
MHOA and Dementia	33

Psychological Medicine & Integrated Care	66
Psychosis	15
Totals:	241

Ward	Description
CIPTS, Tamworth Road (Croydon)	Letter to staff states "thank you for your time, patience and allegiance. For creating a safe room every week. For your loyalty and sheer perseverance (did I mention, your uncommon patience) I was surprised that our time together became such a hugely significant part of my life.
Chelsham House, MHOA N&S Acute Care Unit, (Bethlem)	Letter to CEO from a patient's friend who "regularly visiting my dear friend and colleague at Chelsham House and I never failed to be impressed in the manner staff carried out their often difficult work. All the staff, be they doctors, nurses or support showed the utmost patience and kindness in handling the problems my friend presented. My friend sadly passed away and that her last days were nursed in bed, she had constant one to one personal attention. Without contradiction, she could not have better care anywhere else in the health service. I feel that the Ward Manager should be singled out for particular praise as he has moulded a hardworking and happy team about him and clearly the caring professionalism exhibited, stems from his example. The empathy he showed to me and my friend's partner during the days leading up to her death eased the burden of grief. End of life nursing was new to some of his staff and he ensured they were counselled."
Psychosis Community Service (Lambeth North West), 332 Brixton Road	Email to consultant from patient's family "…that meeting went very well and resulted in an outcome far beyond our expectations. So, a mighty big thank you from us all for helping bring this about - it is the first-time patient, my family and I have felt as hopeful as this for a very long time."

Research and development

Research and development is central to the identity of quality and excellence with our care based on research-derived evidence, helping us to improve the lives of the people and communities we serve. South London and Maudsley NHS Foundation Trust has the highest research profile of any mental health Trust in the UK, and a key Trust objective is to ensure that our research portfolio continues to grow.

Our aim is that all of our patients and service users are offered the opportunity to participate in research appropriate to their interests and to place them at the centre of our research endeavour. We actively encourage service user involvement in the research process itself, through collaboration with researchers in the design, implementation and oversight of research, such as through membership of the Service User Research Enterprise (SURE) with the Institute of Psychiatry, Psychology & Neuroscience (IoPPN) at King's College London, as well as representation on the Trust's R&D Committee.

SLaM benefits from its strong academic partnerships as well as access to state-of-the-art research facilities and a wide portfolio of R&D funding streams. These streams cover a mix of biomedical research and more applied, later-stage research through various programmes such as NIHR Programme Grants for Applied Research and NIHR Research for Patient Benefit. Being part of an Academic Health Science Centre - King's Health Partners - brings us into a stronger and unique partnership where both mental health and physical care come under the same umbrella, allowing us to further expand our research perspectives.

Working in close partnership with Europe's largest centre for research in this area, the Institute of Psychiatry, Psychology & Neuroscience (IoPPN) at King's College London, the Trust hosts the UK's National Institute for Health (NIHR) Biomedical Research Centre (BRC) for mental health, now under its third 5-year period of competitively awarded NIHR funding. Our approach is to seek ways to promptly and effectively translate our research findings into clinical settings, enhancing the transfer of knowledge from research into practice and service development, not just within our own Trust, but nationally and globally. Reciprocally, we work with our partners to help answer new research questions prompted by clinical need. With our world-leading specialist research facilities and close interactions between the Trust and the university we can conduct research from 'bench to bedside', including a large number of clinical trials which test new treatments or approaches to see whether they are effective.

An illustration of how research is being used to identify innovative therapeutic approaches is the Avatar Trial led by Professor Tom Craig. Face-to-face discussion between a person with schizophrenia and an avatar representing their auditory hallucination was more effective at reducing hallucinations than a

form of adaptive counselling. This is being looked at further to investigate the treatment's effectiveness in other health settings.

A different research approach has been used to demonstrate the impact of SLaM's smoke-free policy on levels of violence, with a study showing a 39 per cent reduction in the number of physical assaults per month following the introduction of the policy. As part of SLaM's policy, smokers are routinely offered stop smoking treatment such as nicotine replacement therapy (NRT) and patients are allowed to use e-cigarettes.

We are building our collaborations and partnerships with industry through our new Centre for CNS Therapeutics while our new Centre for Translational Informatics (CTI) introduces a fresh perspective on commercial research, focusing not on traditional pharmacological trials but instead on digital innovations. Using our specialised Clinical Research Facility, extensive databases, and consent-gathering procedures, we are well placed to lead trials of new treatments. Our close collaboration with the Collaboration for Leadership in Applied Health Research and Care (CLARHC South London) provides an implementation component to our translational work as well as sharing expertise in Patient & Public Involvement (PPI).

We ensure that all research in our organisation is undertaken to the highest scientific and ethical standards through effective research governance and management, led by the joint R&D Office of SLaM and IoPPN.

Signed

Dr Matthew Patrick
Chief Executive
South London and Maudsley NHS Foundation Trust
Date:24 May 2018

2.2 Remuneration report

Annual Statement

There have been no changes to the majority of the Trusts most senior managers' remuneration packages since their appointment. The salaries of the most senior managers are based on a market comparison benchmark data at the time of the appointment. The Medical Director is employed under Medical and Dental terms and conditions which are agreed nationally.

Approval is sought from NHS Improvement where salaries for senior staff exceed £150,000. Salaries over £150,000 are benchmarked to the market. No appointment is confirmed until approval has been received.

Mr Duncan Hames

Remuneration Committee Chair

Senior managers' remuneration policy

The salaries of the most senior managers are based on a market comparison benchmark data at the time of the appointment. The Medical Director is employed under Medical and Dental terms and conditions which are agreed nationally.

Executive director remuneration:

The total remuneration for each Executive Director consists of the following:

Salary + Pension	=	Total Remuneration
Salary: To provide a reward for the role. This is set at an appropriate level in light of benchmarking and market conditions. The experience of an individual and the nature of the role contribute to determining the salary. The salary is linked to the delivery of the strategic objectives of the Trust and measurement of performance is determined through achievement of an individual's objectives in meeting Trust objectives and strategic aims. The salary incorporates the High Cost Area Supplement and any increases are in line with cost of living increases for other NHS staff groups. Salary levels may be increased in light of additional responsibilities and in such circumstances, will be approved by the Remuneration Committee. Salaries are spot rates and do not include an incremental pay increase on a periodic basis.		
Pension: All NHS staff are eligible to join the NHS Pension Scheme operated through NHS Business Services Authority, unless already in receipt of NHS pension. All new appointments from April 2015 will join the 2015 Pension Scheme. There are a range of benefits covered by the		

pension scheme and details of these can be seen on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Under pension scheme membership rules an employee can contribute up to a maximum of 14.5% of salary depending on salary level and the employer will contribute 14.3%. There are no performance standards or measures associated with the NHS Pension scheme.

Annual report on remuneration

The Remuneration Committee is appointed and authorised by the Trust to develop and implement reward management strategies and systems that attract, retain and motivate staff at all levels in the Trust.

This includes reward and recognition for Executive Directors, the Senior Management Team and those staff not covered by nationally agreed terms and conditions.

The Committee shall:

- Agree the remuneration, conditions of service and any compensation/termination payments to the Chief Executive and Executive Directors of the Trust.
- Take into account relevant nationally determined parameters on pay, pension and compensation payments and any guidance issued by the NHS.
- Be responsible for approving any significant variation to nationally agreed pay and compensation rates for other employees.

Remuneration committee

All Non-Executive Directors of the Trust Board are members of the committee but there are three core Non-Executive Directors which includes the Chair of the Trust. A quorum will be at least two members. Mr Duncan Hames is Chair of the Remuneration Committee.

The Chief Executive and the Director of HR, OD and Education and Development act as Advisors to the Committee.

Remuneration Committee Attendance:

Name	Role	No. of attendances
Roger Paffard	Trust Chair	1
June Mulroy	Non-executive Director	1
Anna Walker**	Non-Executive Director	1
Duncan Hames*	Non-Executive Director	0

*Since appointed as Chair of the Remuneration Committee, taking over from Julie Hollyman.

**Anna Walker attended to cover the absence of Non-Executive Director Duncan Hames

During the reporting period, the Committee met once.

All Executive Directors are substantive employees of the Trust with contracts of employment. All contracts are open-ended and subject to contractual notice periods by either party. Termination of employment and calculation of payment would be in accordance with contractual notice periods. The contracts contain clauses relating to the adherence of Trust policies. All senior manager positions are subject to the same employment policies as all other employees and consistent with the arrangements under Agenda for Change, including performance, disciplinary and redundancy arrangements. Details of the actual remuneration packages for each senior manager is outlined in the table below.

Pension benefits accrued under the NHS Pension Scheme are the only non-cash element of senior managers' remuneration. This includes both a contribution from the employee and the employer made in accordance with statutory scheme regulations.

Senior managers have objectives set by the Chief Executive Officer, and the Board, in the case of the Chief Executive Officer in delivering the Trust's long term aims and strategy. These are monitored and reviewed on a regular basis and form part of the Annual Appraisal process. All Senior Manager's remuneration is subject to the achievement of satisfactory performance.

Consideration is given to pay and conditions of all employees when setting senior managers remuneration policy.

Senior managers service contracts

The following table includes details of the service contracts for Senior Managers who have served during the reporting period:

Name	Role	Start Date	Term of Office	Notice Period
Roger Paffard	Chair	12 January 2015	3 years (renewed from January 2018)	N/A
Duncan Hames	Non-Executive Director	12 May 2016	3 years (renewable)	N/A
June Mulroy	Non-Executive Director	12 January 2015	3 years (renewed from January 2018)	N/A
Julie Hollyman	Non-Executive Director	12 January 2015 (to December 2017)	3 years (renewable)	N/A
Geraldine Strathdee	Non-Executive Director	1 January 2018	3 years (renewable)	N/A
Alan Downey	Non-Executive Director	24 June 2014	3 years (renewable)	N/A
Professor Ian Everall	Non-Executive Director	1 September 2017	3 years (renewable)	N/A
Mike Franklin	Non-Executive Director	23 May 2016	3 years (renewable)	N/A
Professor Matthew Hotopf	Non-Executive Director	1 October 2016 (to September 2017)	3 years (renewable)	N/A
Anna Walker	Non-Executive Director	1 July 2016	3 years (renewable)	N/A
Dr Matthew Patrick	Chief Executive	7 August 2015	5 years fixed term	6 months
Dr Michael Holland	Medical Director	6 September 2016	Open ended	12 weeks (medical

				terms and conditions)
Dr Neil Brimblecombe	Director of Nursing	3 January 2017 (to 2 June 2017)	6 months fixed term	3 months
Gus Heafield	Chief Financial Officer	1 April 1996	Open ended	6 months
Beverley Murphy	Director of Nursing	1 May 2017	Open ended	6 months
Kristin Dominy	Chief Operating Officer	14 August 2015	Open-ended	6 months
Altaf Kara	Commercial and Strategy Director	28 November 2017	Open-ended	6 months

Signed

Dr Matthew Patrick
Chief Executive
South London and Maudsley NHS Foundation Trust
Date:24 May 2018

Single total figure table – salary and pension entitlements of senior employees

			Salary	Other fees	Pension related benefits	Total	Compensation for loss of office	Real increase in pension at age 60	Lump sum at age 60 related to real increase in pension	Total accrued pension at age 60	Lump sum at age 60 related to accrued pension	Cash equivalent transfer value	Real increase in cash equivalent transfer value	Expenses
			£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's
Roger Paffard	Chair	2018	55-60	-	-	58								-
		2017	55-60	-	-	58								1
Lesley Calladine	Non-Executive Director to 31st May 2016	2017	0-5	-	-	2								-
Robert Coomber	Non-Executive Director to 30th June 2016	2017	0-5	-	-	4								-
Alan Downey	Non-Executive Director	2018	10-15	-	-	14								-
		2017	10-15	-	-	14								-
Ian Everall	Non-Executive Director from 1st October	2018	0-5	-	-	-								
Mike Franklin	Non-Executive Director	2018	10-15	-	-	14								-
	from 23rd May 2016	2017	10-15	-	-	12								-
Duncan Hames	Non-Executive Director and Chair of the Audit Committee	2018	15-20	-	-	17								-
	from 12th May 2016	2017	10-15	-	-	15								-
Julie Hollyman	Non-Executive Director to 31st Dec 2017	2018	10-15	-	-	10								-
		2017	10-15	-	-	14								-
Matthew Hotopf	Non-Executive Director to 30th Sept 2017	2018	5-10	-	-	7								-
	from 1st Oct 2016	2017	5-10	-	-	7								-
Shitij Kapur	Non-Executive Director to 30th Sept 2016	2017	5-10	-	-	7								-
June Mulroy	Non-Executive Director	2018	10-15	-	-	14								-
	Chair of the Audit Committee to 27th Sept 2016	2017	15-20	-	-	16								-
Geraldine Strathdee	Non-Executive Director from 1st Jan 2018	2018	0-5	-	-	4								-
Anna Walker	Non-Executive Director	2018	10-15	-	-	14								-
	from 1st July 2016	2017	10-15	-	-	10								-
Matthew Patrick	Chief Executive	2018	135-140	-	-	140		-	-	-	-	-	-	-
		2017	135-140	-	-	140		-	-	-	-	-	-	1
Gus Heafield	Chief Financial Officer	2018	145-150	-	12	159		1	4	42	125	850	74	-
		2017	145-150	-	30	177		2	7	40	120	768	62	-
Martin Baggaley	Medical Director to 5th Sept 2016	2017	90-95	-	-	95		-	-	-	-	-	-	-
Neil Brimblecombe	Director of Nursing to 2nd April 2017	2018	0-5	-	-	1		-	-	-	-	-	-	-
		2017	115-120	-	10	129		1	3	66	197	-	-	-
Kristin Dominy	Chief Operating Officer	2018	140-145	-	(9)	133		-	-	62	186	1,256	67	-
		2017	135-140	-	120	256		6	18	61	184	1,177	115	-
Michael Holland	Medical Director	2018	160-165	-	82	246		5	7	41	101	637	100	-
	from 6th Sept 2016	2017	75-80	-	26	103		2	1	35	93	531	15	-
Altaf Kara	Director of Strategy and Commercial from 28th Nov 2017	2018	50-55	-	-	53		-	-	-	-	-	-	-
Beverly Murphy	Director of Nursing from 3rd April 2017	2018	125-130	-	141	270		7	21	61	182	1,079	130	-

	2018 £ 000's	2017 £ 000's
Total directors remuneration	873	872
Total employers pension contributions	68	60
Number of directors to whom benefits are accruing under defined benefit schemes	4	4
Michael Holland is the highest paid director (2017 Gus Heafield)		
Remuneration rate as highest paid director	£164,262	£146,450
Median staff remuneration	£36,537	£36,025
Ratio of highest paid director to median staff remuneration	4.50	4.07

There were no benefits-in-kind received by senior employees.

There were no performance related bonuses and there are no long-term performances related bonuses.

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 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.

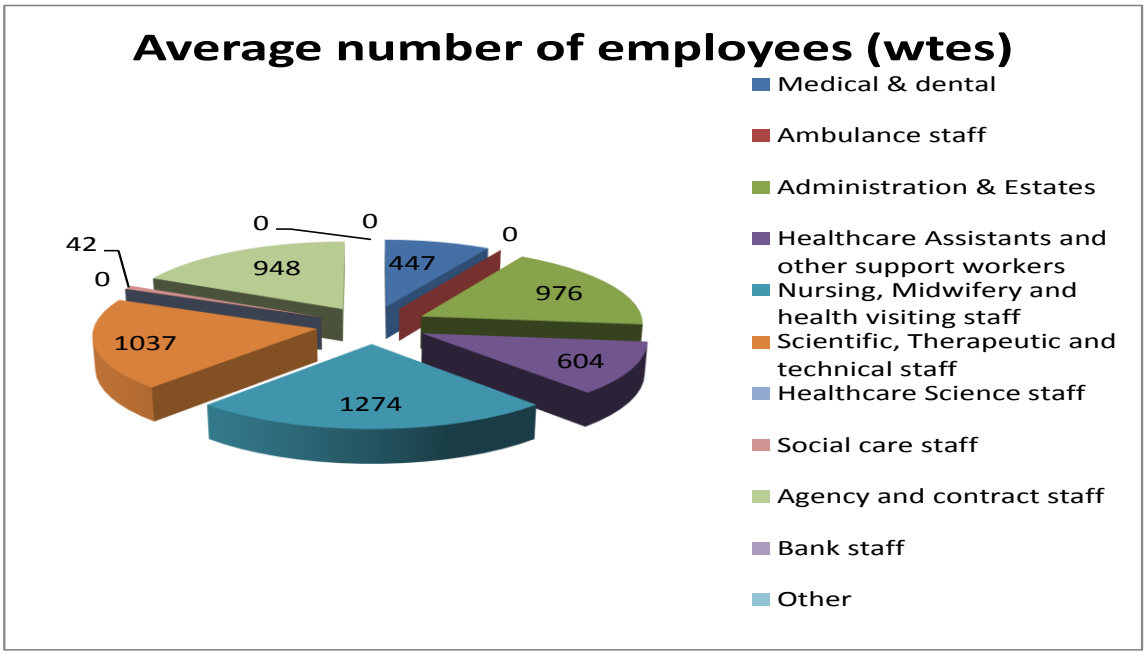
Real Increase in CETV - This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses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

Six Governors of the Members Council claimed expenses during the year totalling £1,228 (2017 five totalling £8,128).

2.3 Staff report

Our workforce profile

SLaM has more than 230 services including inpatient wards, outpatient and community services, and have almost 4,800 substantive staff working for us. Locally we serve a population of 1.3 million people, and we treat more than 45,000 patients in the community across south London as well as providing inpatient care for approximately 5,300 people each year.



Trustwide WTE 2017-2018	Average
Medical & dental	447
Ambulance staff	0
Administration & Estates	976
Healthcare Assistants and other support workers	604
Nursing, Midwifery and health visiting staff	1274
Scientific, Therapeutic and technical staff	1037
Healthcare Science staff	0
Social care staff	42
Agency and contract staff	948
Bank staff	0
Other	0
Total average numbers	5328

Registered nurses (Nursing, Midwifery and health visiting staff) form the largest part of the workforce at 29%. When combined with healthcare assistants (support to nursing) this makes up over 43% of the overall workforce. The largest proportion of agency workers (which includes NHS Professionals) will also be registered nurses. Scientific, Therapeutic and Technical staff (Psychology, Psychotherapy and Allied Health Professions) remain the second largest group followed by Administration & Estates.

All Trust employment policies are assessed to identify any equality and human rights implications which may arise from implementation or application. This includes staff who are or become disabled where we apply our Disability in Employment Policy which includes making reasonable adjustments were required and providing further training. The Trust's Occupational Health department provides advice where staff become disabled during their employment. We operate under "disability confident" status and offer any disabled applicant a guaranteed interview where they meet the minimum requirements and have Mindful Employer status.

During the reporting period the Trust continued to deliver its equality objectives 2013-16 and published equality information (including data on the Workforce Race Equality Standard) in January 2017 to comply with the public sector equality duty. The Trust published its Workforce Race Equality Standard (WRES) data in July 2017. In response to feedback from the previous Staff Survey the Trust has developed and commenced implementing a significant and ambitious WRES Action Plan.

We regularly consult with staff and their representatives systematically on matters of concern, through our Joint Staff Committee. In areas where we have undertaken significant service changes or staff reductions, we undertake a full consultation exercise with potentially affected staff and other stakeholders. To continue improving Trust performance, we regularly ask for feedback from staff through regular staff forums with the Chair and Chief Executive, carrying out an Annual Staff Survey and Friends and Family Test, with the latter being conducted three times a year. The results from the staff survey are presented annually to the Board and an action plan developed in response to the feedback. This action plan is monitored through the Trust's Equalities and Workforce Committee.

During the year we have continued with our extensive performance development (appraisal) programme where 90% of all non-medical staff had a performance development review to ensure the activities undertaken work towards the Trust's overall performance. Medical staff appraisals are undertaken as part of the training programme for doctors in training and as part of revalidation for non-training doctors.

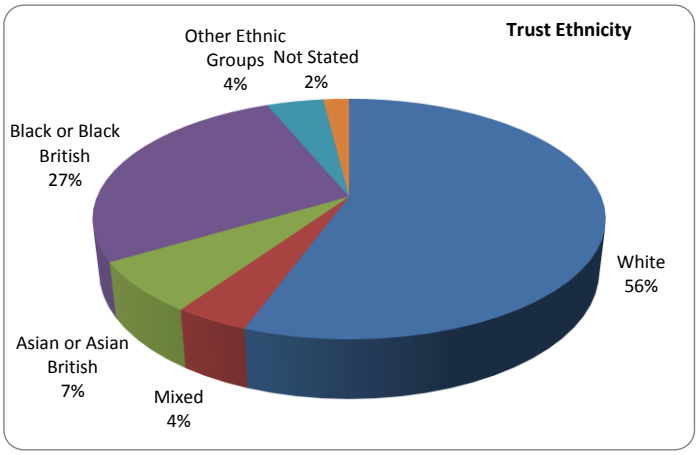
Information on policies relating to counter fraud and corruption is published on the Trust's Intranet and we work closely throughout the year with our local counter fraud service.

Sickness absence and occupational health

Absence

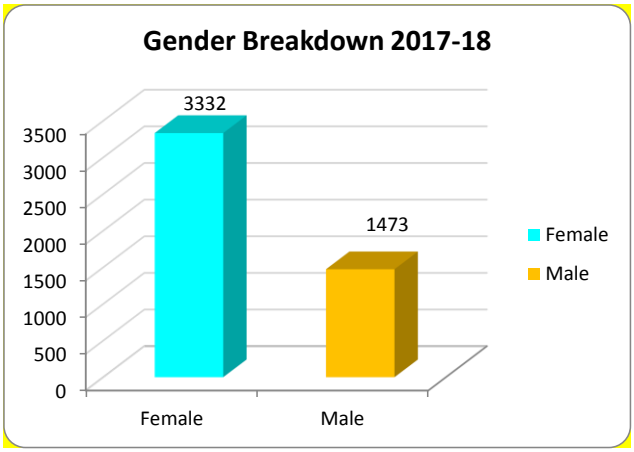
The sickness level for 2017/18 was 5.00% which has decreased from 5.04% in the previous year. However, the Trust calculates sickness by the actual number of working days lost. If the Trust used the common denominator of 365 days the sickness level for 2016/17 would be 3.05%. The Trust actively promotes health and wellbeing amongst employees. All staff members have access to the Trust's occupational health service, Employee Assistance programme, physiotherapy and the staff counselling and wellbeing service. Information on health, safety and occupational health is published on the Trust's intranet. The Trust has been awarded Achievement status under the London Healthy Workplace Charter. Staff are also actively encouraged to participate in Schwartz rounds and access support from the Critical Incident Support Service following a traumatic event at work.

Trust ethnicity profile



Staff from a White ethnic background are the largest proportion in the workforce and has reduced by 1% on the previous year but still remains marginally higher than the profiles across our four main boroughs which have an average population of 55% white. Staff from a Black or Black British ethnic background has increased by 1% and remains fairly consistent with the local populations across the boroughs. Asian or Asian British has remained the same compared to the previous year.

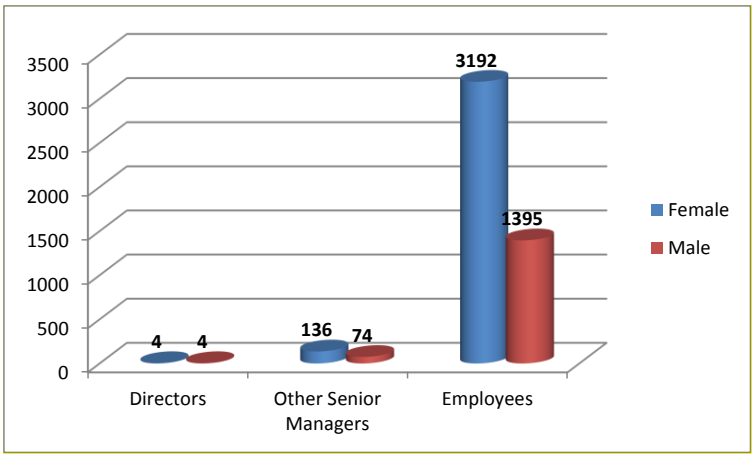
Trust gender profile



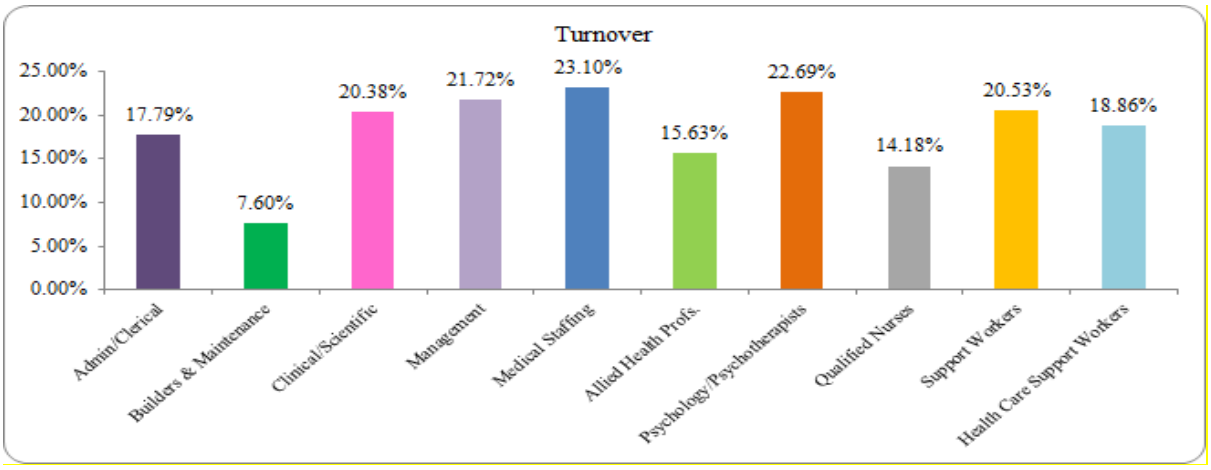
The Trust gender profile has remained relatively the same as the previous year although both the number of females and males has increased overall.

Gender data

Gender Breakdown 2017-18	Female	Male	Total
Directors	4	4	8
Other Senior Managers	136	74	210
Employees	3192	1395	4587
Total	3332	1473	4805



Staff turnover



Staff turnover has been proportionally highest in the medical staffing group which is mainly due to junior doctors in training rotating to new posts. Psychology/psychotherapy professional group has the second highest turnover from being the highest in the previous year. Qualified nursing had the second lowest turnover after building and maintenance staff.

Staff exit packages

All staff exit packages are in accordance with contracts of employment. There have been no exit packages which did not comply with contractual notice periods under a contract.

Staff exit packages

Number of staff exit packages by cost band	£ 000's	Compulsory redundancy No.	Other No.	**2018 Total No.**	2017 Total No.
	0-10	3	-	**3**	17
	10-25	4	-	**4**	29
	25-50	5	-	**5**	16
	50-100	6	-	**6**	6
	100-150	2	-	**2**	2
	150-200	2	-	**2**	1
		22	-	**22**	71
		£ 000's	£ 000's	**£ 000's**	£ 000's
Cost of staff exit packages		1,318	-	**1,318**	1,913

Off payroll arrangements

In accordance with HM Treasury definitions the following tables outline the number of off-payroll payments for more than £245 per day, which have been in excess of six months. These relate to contractors undertaking fixed term projects for the Trust, or where skills required are not available within the Trust. It is the usual practice to employ substantive employees through the payroll but there may be exceptions to this.

Off payroll payments are regularly reported on and monitored by members of the senior management team. This includes the use of agency staff within infrastructure and corporate services.

TABLE 1

For all off-payroll engagements, as of 31 March 2017 for more than £245 per day and that last longer than 6 months:

	Number
Number of existing engagements as of 31 March 2018	28
Of which, the number that have existed:	
for less than 1 year at the time of reporting	6
for between 1 and 2 years at the time of reporting	3
for between 2 and 3 years at the time of reporting	1
for between 3 and 4 years at the time of reporting	2
for 4 or more years at the time of reporting	12
Please confirm that all existing off-payroll engagements, outlined above have at some time been subject to a risk based assessment as to whether assurance is required that the individual is paying the right amount of tax and where necessary that assurance has been sought.	yes

TABLE 2

For all new off payroll engagements between 1 April 2017 and 31 March 2018, for more than £245 per day and that last longer than 6 months

	Number
Number of new engagements between 1 April 2017 and 31 March 2018	2
Number of new engagements which include contractual clauses giving SLaM the right to request assurance in relation to income tax and NI obligations	2
Number for whom assurance has been requested	
Of which:	
assurance has been received	1
assurance has not been received	1
engagements terminated as a result of assurance not being received, or ended before assurance received.	0

TABLE 3

For off-payroll engagements of board members and/or senior officials with significant financial responsibility between 1 April 2017 and 31 March 2018

	Number
No. of off-payroll engagements of board members and/or senior officials with significant financial responsibility during the financial year	0
No. of individuals that have been deemed 'board members and/or senior officials with significant financial responsibility' during the financial year. This figure should include both off-payroll and on-payroll engagements.	17

Staff survey results

This year 1883 employees of Trust's eligible workforce completed the survey. The response rate to the survey was 44% which is an increase on the 2016 response rate of 40%.

The aim of the national staff survey is to gather information that help Trusts provide better care for patients and improve working lives of those who provide this care. It is also used to form the foundations and development of the Trust's Engagement Strategy.

The survey results will also support our Equality Delivery System for the workforce and will provide the basis to identify how Trust policies are working in practice. This year the survey report includes a dedicated section for the Workforce Race Equality Standard (WRES). The staff survey complements the Friends and Family Test which is now in its third year.

The survey contains questions about the job staff perform, how they work with colleagues, about the Trust leadership, the supervision staff receive and staff views on their healthcare organisation.

Response				
	2016/17	2017/18		Trust Improvement/deterioration
	Trust	Trust	Mental Health and LD average	
Response Rate	40%	44%	52%	Improvement by 4%

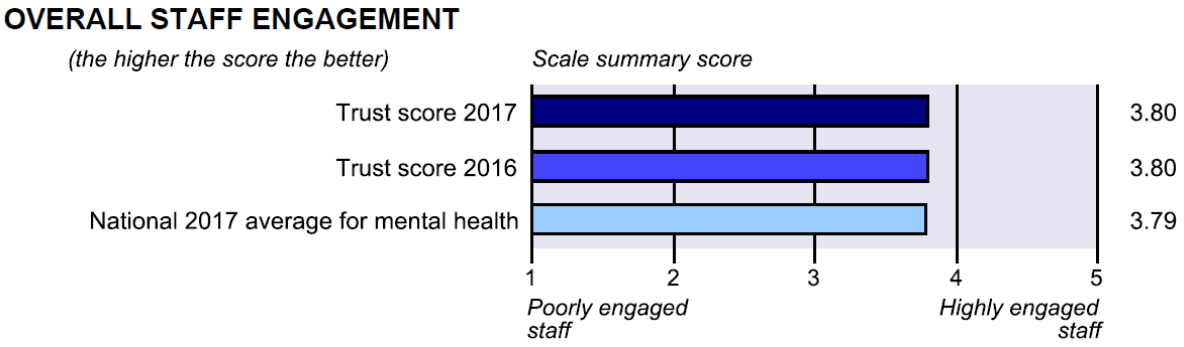
Top 5 ranking scores				
	2016/17	2017/18		Trust Improvement/deterioration
	Trust	Trust	Mental Health and LD average	
Percentage of staff appraised in the past 12 months.	93%	94%	89%	1% increase
Effective use of patient/service user feedback	3.82	3.84	3.72	0.02 increase
Staff recommendation	3.67	3.69	3.67	0.02 increase

as a place to work or receive treatment				
Percentage of staff able to contribute towards improvements at work	76%	73%	73%	3% increase
Percentage of staff attending work in the last 3 months despite feeling unwell because they felt pressure from their manager, colleagues or themselves.	53%	53%	53%	No change

Bottom 5 ranking scores				
	2016/17	2017/18		Trust Improvement/deterioration
	Trust	Trust	Mental Health and LD average	
Percentage of staff working extra hours	76%	77%	72%	1% decrease
Percentage of staff satisfied with the opportunities for flexible working patterns	51%	53%	60%	2% decrease
Percentage of staff /colleagues reporting the	59%	57%	61%	2% decrease

most recent experience of harassment, bullying or abuse				
Percentage of staff experiencing physical violence from staff in last 12 months	3%	4%	3%	1% increase
Percentage of staff believing that the organisation provides equal opportunities for career progression and promotion	76%	76%	85%	No change

In addition, our Trust score for overall staff engagement has remained the same at **3.80** compared to a score of 3.79 which was the national average for all mental health/learning disability Trusts. BME, non-disabled and male staff reported the most positively. The Addictions CAG reported the most positively and the Psychological Medicine CAG the least positively.



The table below shows how South London and Maudsley NHS Foundation Trust compares with other mental health/learning disability trusts on each of the sub-dimensions of staff engagement and whether there has been a change since the 2016 survey.

	Change since 2016 survey	Ranking, compared with all mental health
OVERALL STAFF ENGAGEMENT	• No change	• Average
KF1. Staff recommendation of the trust as a place to work or receive treatment *(the extent to which staff think care of patients/service users is the trust's top priority, would recommend their trust to others as a place to work, and would be happy with the standard of care provided by the trust if a friend or relative needed treatment.)*	• No change	• Average
KF4. Staff motivation at work *(the extent to which they look forward to going to work, and are enthusiastic about and absorbed in their jobs.)*	• No change	• Average
KF7. Staff ability to contribute towards improvements at work *(the extent to which staff are able to make suggestions to improve the work of their team, have frequent opportunities to show initiative in their role, and are able to make improvements at work.)*	• No change	✓ Above (better than) average

Particular questions (12a-d and KF1) are used to support the key finding concerning staff recommendation of the Trust as a place to work or receive treatment. These questions also form the basis of the "Friends and Family Test (FFT)

The table below highlights that there have been improvements in three areas, one area has worsened and one remained the same.

		Your Trust in 2017	Average (median) for mental health	Your Trust in 2016
Q21a	"Care of patients / service users is my organisation's top priority"	74%	73%	72%
Q21b	"My organisation acts on concerns raised by patients / service users"	73%	75%	74%
Q21c	"I would recommend my organisation as a place to work"	60%	57%	58%
Q21d	"If a friend or relative needed treatment, I would be happy with the standard of care provided by this organisation"	61%	61%	61%
KF1.	Staff recommendation of the organisation as a place to work or receive treatment (Q21a, 21c-d)	3.68	3.67	3.67

We have been working hard to improve staff experience at SLaM following last year's results, and it is good to see improvements showing in some areas, with more staff recommending SLaM as a place to work.

Our work over the last year has included improving our communication and engagement with staff, celebrating achievements and successes, running focus groups, engagement events, setting up networks, and making sure the senior leaders get out and about to meet with staff on different sites and in different teams. It is good to see that more staff are reporting good communication between senior management and staff.

Involving staff in service improvement through QI (Quality Improvement) has been high on our agenda, and the survey ranks us above average amongst mental health Trusts for staff feeling able to make suggestions for improvement and show initiative. We are also above average for the effective use of service user feedback.

Our staff are our eyes and ears, and we have been encouraging staff to speak up, and report errors incidents and near misses so we can learn from them. In this year's survey, more staff are saying that our reporting procedures are fair and effective, and that the care of patients is our top priority.

We have prioritised improving the experience of our BME staff, and this year's survey showed that in a number of areas, BME staff rate the trust more highly than their white counterparts, and their overall engagement score is higher (3.91 vs 3.75).

We know that we still have much work to do, however, and that the trust needs to continue to invest in staff and act on employee feedback in order to make improvements that will lead to a truly happy workforce and widespread culture of engagement.

Although our Four Steps to Safety programme, designed to reduce violence and aggression, is well established, and we have put in place a number of measures to address concerns about discrimination and equal opportunities for career progression, including the Review and Reflect Checklist, BME representation in recruitment to senior posts, and a Trust-wide Inclusive Leadership

training programme, we have yet to see a change in our survey results in these areas. Our scores remain disappointing in the areas of discrimination, equal opportunity, stress, violence, harassment and bullying.

Action plans that flow from the survey have been developed and presented to the Trust's new Equalities and Workforce Committee.

2.4 NHS Foundation Trust Code of Governance Disclosures

South London and Maudsley NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a comply or explain basis. The NHS Foundation Trust Code of Governance, most recently revised in July 2014, is based on the principles of the UK Corporate Governance Code issued in 2012.

The Trust integrates governance principles and procedures within its operations and management arrangements. The Board of Directors has reviewed the Trust's compliance with the NHS Foundation Trust Code of Governance, and considers that the Trust has complied in all material respects. This section has three parts:

(A) Council of Governors
(B) Membership
(C) Directors – additional disclosures

Council of Governors

Since February 2017, the Lead Governor for the Trust has been Jenny Cobley (Public Governor) and the Deputy Lead Governor has been Brian Lumsden (Public Governor). Both were re-elected in December 2017.

Roles and responsibilities of the Council of Governors

The responsibilities of Council of Governors are as set out in the NHS Act 2006 as amended and reflected in the Trust's Constitution. They include:

- Supporting the Board in setting the longer-term vision for the Trust, to influence proposals to make changes to services and to act in a way that is consistent with NHS principles and values and the terms of the Trust's authorisation;
- Engaging in dialogue with, and provide advice to, the Board regarding the Trust's future vision and strategy, and to act as a source of ideas about how the Trust can provide its services in ways that meets the needs of the communities it serves;
- Reviewing annually the extent to which the Trust is meeting its objective of delivering high-quality services;
- Working with the Board of Directors on such other matters for the benefit of the Trust as may be agreed between them;
- Exercising other functions at the request of the Board of Directors;

- Responding as appropriate when consulted by the Board of Directors;
- Exercising such other powers and to discharge such other duties as may be conferred on the Council of Governors under the Constitution.

The legislation relating to NHS Foundation Trusts lists further responsibilities for the Council of Governors as follows:

- Appointing the Chair and their Non-Executive Directors of the NHS Foundation Trust at a general meeting;
- Removing, where it is deemed necessary by three-quarters of the Council of Governors, the Chair or Non-Executive Directors of the NHS Foundation Trust at a general meeting;
- Approving, by a majority, the appointment of the Chief Executive by the Non-Executive Directors;
- Appointing or removing the auditor at a general meeting of the Council; and
- Receiving a presentation of the Annual Report and Accounts at a general meeting.

The Board has a duty to consult and pay due regard to the views of the Council of Governors in relation to forward planning. The Council of Governors is not responsible for the day-to-day running of the Trust. Legislation provides that all powers of the NHS Foundation Trust are to be exercisable by its Directors. The Council of Governors cannot veto decisions made by the Board.

All Directors regularly attend meetings of the Council of Governors as a means of both gaining an understanding of the issues being considered and to respond directly to questions or issues raised during the meeting. There is a dedicated slot for Non-Executive Directors to provide a presentation at the Council meetings, followed by a question and answer session. A report on the Council of Governors activity is a standing item on the agenda for the monthly meeting of the Board. There is a formal procedure for Governors to log questions with the Non-Executives and there are regular slots scheduled between Governors and Non-Executive Directors for the former to ask questions in person. Governors attend as observers at Board Committee meetings.

The Council of Governors has the power to remove the Chair or any Non-Executive Director, but this should only be exercised after exhausting all means of engagement with the Board. In the first instance, the Council should raise any issues with the Chair and the Senior Independent Director.

As stated in the 2006 Constitution, the Trust has established appropriate Dispute Resolution Procedures where necessary, relating to matters such as eligibility, disqualification and termination of tenure.

Council of Governors

The following table sets out the details of our Governors, their attendance at Council of Governor meetings and their term of office.

		Attendance					Term	
ToR member	Name	08-Jun-17	19-Sep-17	14-Dec-17	8-Mar-18		Start	End
Chair	Roger Paffard	Y	Y	Y	Y		Full year	
Appointed Governor	Bobby Abbott			A	Y		Dec 17	N/A
Staff Governor	Ermias Alemu			Y	Y		Dec 17	N/A
Service User Governor	Christine Andrews	A	N	N	A		Full year	
Service User Governor	Mark Banham	N	N	N	N		Full year	
Staff Governor	David Blazey	Y	Y					Nov 17
Service User Governor	Stella Branthonne-Foster	Y	N	N	N		Full year	
Public Governor	James Canning			Y	Y		Dec 17	N/A
Service User Governor	Sean Casey	N	A	A	N		Full year	
Public Governor	Handsen Chikowore	Y	Y	A	Y		Full year	
Public Governor	Jenny Cobley	Y	Y	Y	Y		Full year	
Staff Governor	Giles Constable			Y	Y		Dec 17	N/A
Staff Governor	Simon Darnley	A	Y	Y	Y		Full year	
Public Governor	Janet Davies	Y	A	Y	Y		Full year	
Service User Governor	Barbra Davison	N	N	N	N		Full year	
Appointed Governor	David Dawson	A	N	N	N		Full year	
Appointed Governor	Jim Dickson	A	Y	A	Y		Full year	
Carer Governor	Angela Flood	Y	Y	Y	Y		Full year	
Appointed Governor	Tom Flynn	A	Y	A	A		Full year	
Service User Governor	Kathryn Grant			A	Y		Dec 17	N/A
Appointed Governor	Dr Charles Gostling		N	A	Y		Sept 2017	N/A
Public Governor	Ruth Govan			Y	A		Dec 17	N/A
Public Governor	Alan Hall	N	N					Nov 17

Appointed Governor	Harpal Harrar		N	N	Y		Aug 2017	N/A
Service User Governor	Marnie Hayward	Y	Y					Nov 17
Appointed Governor	Paul Heenan	A	N	N				Aug 17
Carer Governor	Jeannie Hughes	Y	Y	Y	Y		Full year	
Appointed Governor	Bert Johnson	A	Y	Y	Y		Full year	
Appointed Governor	Dr Seb Kalwij	A	A	N	N		Full year	
Staff Governor	Francis Keaney	Y	Y					Nov 17
Appointed Governor	Nancy Kuchemann	A	A	Y	Y		Full year	
Public Governor	Brian Lumsden	Y	Y	Y	Y		Full year	
Service User Governor	Clara Martins de Barros	Y	Y	Y	Y		May 2017	N/A
Public Governor	John Muldoon	N	Y					Nov 17
Staff Governor	Rosie Mundt-Leach	Y	Y	Y	Y		Full year	
Staff Governor	Siobhan Netherwood	Y	Y					Nov 17
Appointed Governor	Girda Niles	A	N	N	N		Full year	
Appointed Governor	Prof Ian Norman	Y	A	A	A		Full year	
Service User Governor	Phathiwe Ntini	N	N	N	N		Full year	
Service User Governor	Zoe Rafah	N	N	N	N		Full year	
Carer Governor	Susan Scarsbrook	Y	Y	Y	Y		Full year	
Public Governor	Gillian Sharpe	Y	Y	Y	Y		Full year	
Appointed Governor	Luke Sorba	A	A	Y	Y		Full year	
Appointed Governor	Paula Swann	A	N					June 2017
Public Governor	Michael Tinarwo	N	N	N	N		Full year	
Staff Governor	Tom Werner	Y	Y	Y	A		Full year	
Staff Governor	Emma Williamson			Y	Y		Dec 17	N/A
Appointed Governor	Louisa Woodley	N	Y	Y	Y		Full year	

Council of Governors' elections 2017 /18

Two rounds of elections were held:
January 2017 elections for Service User – National.
August 2017 elections for Service User (local boroughs), Public and Staff governors.
The date of the autumn elections was brought forwards to allow governors to complete core and induction training before taking up their posts on 1st December.

Month	Constituency	Number of vacancies	Number of candidates
January	Service User (National)	1	1
August	Service User (Local boroughs)	1	3
August	Public	5	22
August	Staff	2	5

Current vacancies

- NHS England – 1 vacancy, appointed post has not been filled for some time.

Recruitment, training and development

Governor recruitment

- Proactive work has been undertaken by our election administrators (Electoral Reform Society) and by ourselves to encourage members to put themselves forward for election, resulting in the hard-to-fill Service User (National) seat being filled and all other seats being contested.
- Work undertaken by current governors using their networks to encourage others.
- In advance of the elections, potential Governors were invited to attend a session with existing Governors to find out more about the role and what it involves in practice.

Governor training

The Trust organises a number of training opportunities for its Governors, including -

- Induction for new governors
- Govern well courses
    - Core Governor training supplied for all new governors (shared session at Kings College Hospital NHS Foundation Trust) (8 governors)
    - Recruitment: The governor role in non-executive appointments (2 governors)

    - Accountability (2 governors)
    - NHS Finance and Business Skills (on-site session) (7 governors)
    - Member and Public Engagement (1 governor)
- Internal Quality Improvement training (7 governors)

Engagement between governors, members and the public

Governors engage with members and the public in a range of different fora, including Healthwatch, local events and engagement opportunities. A quality improvement project is being developed to further improve the engagement with local communities. Specific engagement opportunities have included -

Members' Seminars

- Two Members' Seminars were held
    - Lost Years – about 100 people attended
    - Mental Health Stigma – about 50 people attended
- Further seminars are planned for 2018.

Annual Public meeting and staff awards:

- The Governors hosted the Annual Members Meeting in September 2017 at the Kia Oval.
- There was Governor involvement in the staff awards, from planning stage onwards, and including a special Governors' award category.
- Governors Review of the Year.

Lobbying on Mental Health Investment

A group of Governors, led by the Lead Governor Jenny Cobley, have written to local MPs and other local leaders to express their concerns about the level of mental health investment in our local communities. This has led to a number of meetings with local leaders and prominent media coverage.

Quality Improvement

A governor Quality Improvement project has been launched to develop our approach to membership engagement.

Membership strategy and efforts to engage a diverse range of members

Members' Seminars (above)
Members' Bulletin is circulated monthly to all members with e-mail.
The Council of Governors bids schemes

- 'Let's Smile' ran through 2017 with grants of up to £750 available for a project which will benefit at least three service users. 125 awards were made, although a few problems were encountered with service and staff moves and in one case the bidder died before the bid could be implemented. This scheme closed on 31 December 2017 and reports are being collated.
- A new bids scheme called Smile Together has now been launched and interest is high with over 120 requests for application forms in the first two weeks.
- These schemes are funded through the Maudsley Charity.

Governor working groups and committees

Membership and Involvement Group: This group looks at issues of membership, recruitment and communication with the Council of Governors and the membership. It identifies how members can become more actively involved and oversees and promoted involvement and social responsibility activities of the membership. The group is working on how to improve involvement of service users and carers and under-represented groups. It approves annual membership targets and election strategy.

Quality Working Group: This group aims to review and comment on quality-related information so that the various perspectives can be collated and made available to the Non-Executive Directors. The group uses the annual Quality Accounts, the Limited Assurance Report from the external auditors and quality-related information presented to the Board, as well as information from visits and inspections, to identify specific areas of interest or concern. It looks at, and feeds into the Quality Report, including nomination one of the areas in the Quality report to be subject to Audit by the Trust's Auditors.

Planning and Strategy: This group works with the Director of Strategy, feeding in to the Trust's annual Forward Plan. The role of the group is to assist the Governors to fulfil their responsibility for regularly feeding back information about the Trust's quality priorities to the membership constituencies and stakeholder organisations.

Bids Group: The Council of Governors has run an innovative scheme for a number of years which awards small funds (up to £750) for members who wish to develop schemes to improve patient experience or increase social inclusion. The Bids Group assesses the proposals submitted, authorises funds and evaluates the outcomes. It works with the Maudsley Charity.

Governance: This group looked at issues of governance relating to the Council of Governors and has produced a number of policies including the Governors' Handbook. The group was wound up in September 2017.

Nominations committee: The Nominations Committee is appointed and authorised by the Council of Governors. The Committee is responsible for:

- the selection and re-appointment process for Non-Executives;
- receiving reports on behalf of the Council of Governors regarding the outcome for appraisals for the Chair and Chief Executive;
- providing advice to the Council of Governors on remuneration and low aces for the Chair and Non-Executives; and
- Reviewing the skill mix on the Board of Directors

Members of the nominations committee

		Attendance			
		28 June 2017	12 Oct 2017	9 Nov 2017	29 Jan 2018
Roger Paffard	Nominations Committee Chair	Y	Y	Y	Y
Marnie Hayward (until November 2017)	Service User Governor	Y	Y	APOL	
Francis Keaney (until November 2017)	Staff Governor	APOL	Y	APOL	
Brian Lumsden (from July 2017)	Public Governor		Y	Y	Y
John Muldoon (until November 2017)	Appointed Governor	Y	Y	Y	
Ian Norman	Appointed Governor	APOL	Y	APOL	Y
Susan Scarsbrook (from Dec 2017)	Carer Governor				Y
Gill Sharpe	Public Governor	Y	Y	Y	Y
Tom Werner (from July 2017)	Staff Governor		Y	Y	Y

Governors' interests

There is a register of Governors interests held by the Trust Secretary. This is available by contacting the Trust Secretary, Rachel Evans, on telephone 020 3228 5376.

Membership

The Trust is committed to continuing to develop an active and engaged membership community. The objectives are to:

- Value all members;
- Promote mental and physical wellbeing among members;
- Grow membership numbers in a meaningful way; and
- Provide practical and relevant information.

We aim to:

- Target specific membership audiences, not just membership as a whole;
- Regularly communicate our news, events and membership benefits;
- Seek feedback and listen to the views of our members;
- Organise events relevant to the needs and interests of our members; and
- Highlight the work of the Council of Governors and encourage members to put themselves forward for nomination.

Anyone in England can be a member of the Trust. Our key membership constituencies are made up of our patients and service users, our carers, our staff and the wider public – which includes groups such as our partners and stakeholders, community support groups and local networks. Our audience also includes our colleagues in King's Health Partners.

The Membership and Involvement Group, with support from the Non-Executive Directors, is actively looking at the composition of the Trust's membership and is developing plans for ensuring that they better represent the make-up of our local communities.

We use the following channels to engage with our members:

- **Members' Bulletin**: This is a monthly online bulletin featuring the latest Trust News and Events. It is sent to all non-staff members with email addresses.

- **"Get Involved"**: This is a designated part of the Trust's website which includes the following sections:
    - **Membership** – basic information on what it means to be a member of the Trust, a link to the online registration form and detail on the benefits of membership.
    - **Events –** displays a range of events taking place around the Trust and in our local communities.
    - **Volunteering and other opportunities** – links to a range of volunteering, involvement and paid opportunities.
    - **Connect with us** – details on how to keep in touch with us as well as news from around the Trust and our local communities.

Reasons to become a South London and Maudsley NHS Foundation Trust member

There is always something happening at South London and Maudsley NHS Foundation Trust and becoming a member means that you can keep up to date with news and events at the Trust. Members receive a monthly member bulletin and a quarterly news magazine.

Members elect the Governors who sit on the Council of Governors and help the Board to determine our priorities for the future. As a member, you can stand for election yourself (if you are over 16) and make your voice heard.

Unique to SLaM, our Council of Governors runs a bids scheme to award up to £750 funding to members who have a good idea that will support the patient experience, social inclusion or mental wellbeing.

We also have a Members-only discount scheme in partnership with Healthcare Staff Benefits who have signed up a variety of businesses, local and otherwise who can offer you discounts on goods and services.

Becoming a member of SLaM

- Anyone who lives in England and Wales can join the Trust as a public member.
- Anyone who is employed by the Trust under a contract of employment may become or continue as a staff member provided they are (1) employed by the Trust under a contract of employment who has no fixed term or has a fixed term of at least 12 months; (2) have been continuously employed by the Trust under a contract of employment for at least 12 months.
- Individuals who exercise functions for the purposes of the Trust, otherwise than under a contract of employment with the Trust may become or continue as members of the staff

constituency provided such individuals have exercised these functions continuously for a period of at least 12 months.

- Anyone whose name is recorded as a patient on the Trust's patient administration system or other record maintained for the purpose of identifying patients of the Trust and who has, within the last five years, attended the Trust as a patient can join as a member of the service user constituency.
- Anyone who has within the last five years attended the Trust as the carer of a patient, may become or continue as a member of the Trust in the carer constituency.

Membership recruitment

We continued to increase the membership base of the Foundation Trust which stood at 15,203 members at the end of March 2018.

Public constituency	
At year start (April 1, 2017)	8434
New members	893
Members leaving	277
At year end (31 March 2018)	9050
Staff constituency	
At year start (April 1, 2017)	4788
New members	873
Members leaving	817
At year end (31 March 2018)	4826
Patient constituency (service user + carer)	
At year start (April 1, 2017)	1315
New members	37
Members leaving	15
At year end (31 March 2018)	1337

Increased awareness of data security has been reflected in a slightly increased level of requests to be removed from membership.

We have reviewed our processed in anticipation of GDPR and do not envisage a major impact on membership figures.

Contact details for the Membership Office

The contact point within the organisation for members who wish to communicate with the Council of Governors or the Directors is:

Director of Corporate Affairs and Trust Secretary Rachel Evans,
Email: rachel.evans@slam.nhs.uk
Telephone: 0203 228 5376

Information about the membership of the Board and the roles of the Directors are set out in the Accountability Report.

Non-Executive Directors – independence and experience
The Board of Directors has continued to assess the independence of its Non-Executive Directors further to the requirements of the Code of Governance, and considers that each Non-Executive Director is independent in character and in judgment.

Declarations of interest are made, where relevant, at each meeting of the Board. The Board considers that the materiality and circumstances relating to these relationships are such that they do not affect, nor could appear to affect, the independence of the Directors concerned.

The Chair's other responsibilities are described earlier in the document. He was Chair of the Sue Ryder charity until July 2017. He had no other significant commitments.

The Board of Directors has an appropriate balance of skills and experience between the Executive Director posts and the Non-Executive Director posts. This is kept under regular review.

Directors – assessing performance
Individual evaluation of the performance of Non-Executive Directors is carried out by the Chair.
Evaluation of the performance of Executive Directors is carried out by the Chief Executive.
Evaluation of the performance of the Chair is carried out by the Senior Independent Director, who engages an external consultant to gather 360-degree feedback to inform the evaluation.

External evaluation of the Chair was undertaken by QCG consultants. They do not have other relevant connections to the Trust.

The statement of details of appointment to each Non-Executive Director set out the circumstances in which their appointment may be terminated, subject to the approval of the Council of Governors in general meeting. These circumstances include breach of obligations to the Trust, committing an act that brings the NED or the Trust into serious disrepute, committing an act of negligence or dishonesty, and more.

The Nominations Committee receives reports on behalf of the Council of Governors on the process and outcome of the appraisal for the Chair and the other Non-Executive Directors. The key messages are then presented to the full Council. The Remuneration Committee receives a report from the Chief Executive on the performance of all Executive on the performance of all Executive Directors. The Chair reports to the Remuneration Committee on the performance of the Chief Executive.

The recruitment of new Non-Executive Directors has involved, with the agreement of the Nominations Committee, the use of external recruitment consultants and extensive advertising to ensure a robust and diverse field of applicants.

Dr Matthew Patrick
Chief Executive
South London and Maudsley NHS Foundation Trust
Date: 24 May 2018

2.5 NHS Improvement's Single Oversight Framework

This segmentation information is the trust's position as at 31 March 2018**.** Current segmentation information for NHS trusts and foundation trusts is published on the NHS Improvement website.

Area	**Metric**	**2017/18 Q3 score**	**2017/18 Q4 score**
Financial sustainability	Capital service capacity	2	2
	Liquidity	1	1
Financial efficiency	I&E margin	2	1
Financial controls	Distance from financial plan	1	1
	Agency spend	1	1
Overall scoring		**1**	**1**

The finance and use of resources area is based on the scoring of five measures from '1' to '4', where '1' reflects the strongest performance. These scores are then weighted to give an overall score.

2.6 Statement of the Chief Executive's responsibilities as the Accounting Officer of South London and Maudsley NHS Foundation Trust

The NHS Act 2006 states that the chief executive is the accounting officer of the NHS Foundation Trust. The relevant responsibilities of the accounting officer, including their responsibility for the propriety and regularity of public finances for which they are answerable, and for the keeping of proper accounts, are set out in the NHS Foundation Trust Accounting Officer Memorandum issued by NHS Improvement.

NHS Improvement, in exercise of the powers conferred on Monitor by the NHS Act 2006, has given Accounts Directions which require South London and Maudsley NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. The accounts are prepared on an accruals basis and must give a true and fair view of the of South London and Maudsley NHS Foundation Trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Department of Health Group Accounting Manual and in particular to:

- observe the Accounts Direction issued by NHS Improvement including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the state whether applicable accounting standards as set out in the NHS Foundation Trust Annual Reporting Manual (and the Department of Health Group Accounting Manual) have been have been followed, and disclose and explain any material departures in the financial statements
- ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance and
- prepare the financial statements on a going concern basis.

The accounting officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the NHS foundation trust and to enable him/her to ensure that the accounts comply with requirements outlined in the above mentioned Act. The Accounting Officer is also responsible for safeguarding the assets of the NHS Foundation Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in the *NHS Foundation Trust Accounting Officer Memorandum.*

Signed

Dr Matthew Patrick
Chief Executive
South London and Maudsley NHS Foundation Trust
Date 24 May 2018

2.7 Annual governance statement

Scope of responsibility

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of South London and Maudsley NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in South London and Maudsley NHS Foundation Trust for the year ended 31 March 2018 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

Risk Management is the responsibility of all staff. Ultimately all who work at the Trust have a responsibility for the delivery of high quality, safe care, although this may manifest itself on a day to day basis in many ways. The following sections define the organisational expectations of roles or groups:

Chief Executive: The Chief Executive is the responsible officer for the South London & Maudsley NHS Foundation Trust and is accountable for ensuring that the Trust can discharge its legal duty for all aspects of risk. As Accountable Officer, the Chief Executive has overall responsibility for maintaining a sound system of internal control, as described in the Annual Governance Statement. Operationally, the Chief Executive has delegated responsibility for implementation of risk management as outlined below.

Chief Finance Officer: The Chief Finance Officer has responsibility for financial governance and associated financial risk.

Medical Director: The Medical Director has joint responsibility for clinical governance and clinical risk management, including incident management, and has joint responsibility with the Director of Nursing for quality.

Director of Nursing: The Director of Nursing has responsibility for patient safety and patient experience, and has joint responsibility with the Medical Director of quality and clinical risk management. The Director of Nursing also leads on Risk and Assurance strategy and has particular responsibility for Health and Safety.

Chief Operating Officer: The Chief Operating Officer (COO) has responsibility for ensuring that effective operational arrangements are in place throughout the Trust and across all sites, this includes performance management and the management of operational risks.

Executive Directors: Executive Directors have responsibility for the management of strategic and operational risks within individual portfolios. These responsibilities include the maintenance of a risk register and the promotion of risk management training to staff within their directorates.

Executive Directors have responsibility for monitoring their own systems to ensure they are robust, for accountability, critical challenge, and oversight of risk.

CAG Directors: CAG Directors are accountable for ensuring that appropriate and effective risk management processes are in place within the CAGs, and that all staff are aware of the risks within their work environment, together with their personal responsibilities.

They must ensure that risks are identified, assessed, and acted upon. They must ensure that where appropriate they are captured on local risk registers, ensuring that risks are reviewed by an appropriate management group at least quarterly as part of performance monitoring, to consider and plan actions being taken.

They must ensure appropriate escalation of risks from team to pathway to directorate level within defined tolerances. Divisional Directors have further responsibility for ensuring compliance with standards and the overall risk management system as outlined in this strategy and related documentation.

Clinical Directors: Clinical Directors are responsible for ensuring that appropriate and effective risk management processes are in place in their designated area and scope of responsibility; implementing and monitoring any control measures identified; ensuring risks are captured on the relevant risk register; and ensuring that local groups review risk registers on a regular basis to consider and plan actions being taken.

Senior Managers: Senior managers that lead on risk management and set the example through visible leadership of their staff. Senior staff are expected to be aware of and adhere to the risk management best practice.

Health and Safety Risk Manager: The Health and Safety Risk Manager advises the Trust on Health and Safety, including statutory compliance requirements; responsible for ensuring that there are systems in place to ensure that safety alerts are disseminated, implemented and monitored.

All Staff: All staff are encouraged to use risk management processes as a mechanism to highlight areas they believe need to be improved. Where staff feel that raising issues may compromise them or may not be effective they should be aware and encouraged to follow the Whistleblowing Policy incorporating guidance on raising concerns.

Staff side representatives also have a role in risk management including providing support and guidance to staff undertaking risk assessments where appropriate, and providing advice in the event of a dispute to the validity of a risk assessment.

The Trust uses QI methodology to encourage staff to learn from good practice and stopping what does not work.

QI improvement activity enables the Trust to learn from good practice as local improvement outcome data is shared and visible to all teams so that they can learn from and scale up and spread what works well. The training methodology encourages people to attend learning events, network and share their experiences and data.

The risk and control framework

Like all NHS organisations, the Trust faces a wide range of risks as a provider of mental health care services – from patient-related treatment risks to organisational issues.

Risk management is a vital part of our governance and quality frameworks.

The Trust's Risk Management Strategy was approved by the Board in July 2016. This sets out the structures and processes to systematically identify, assess analyse the Trust's risks, whether clinical or non-clinical, and put in place robust plans for mitigation. The strategy is being reviewed in 2018.

The Trust appointed a new Head of Risk and Assurance in October 2017. They are undertaking a systematic review of the Trust's Risk and Assurance processes and identifying scope for strengthening processes and approach. The Trust's Risk Management Strategy will be reviewed and updated in light of this work later in 2018.

Our approach recognises the need to ensure that risks are openly discussed and reported within a culture of improvement and openness. We use a standard 5 x 5 matrix for risk scoring. All clinical services, service line management and executive directors are expected to systematically review risks on their risk registers and to provide assurance that the risks are being managed through their local governance.

All significant risks are escalated and reviewed by the senior management team to consider whether further mitigation and moderation may take place. Where these risks could impact on the delivery of corporate objectives and business plan, they are mapped on to the board assurance framework, which is presented quarterly to both the Audit Committee and the Trust Board.

Compliance with NHS Foundation Trust condition 4

Compliance with the NHS Foundation Trust condition 4 requires trusts to "apply those principles, systems and standards of good corporate governance which reasonably would be regarded as appropriate as a supplier of healthcare services".

The principal risk to non-compliance with this condition is for the trust to fail to have in place effective Board and Committee structures that have clear terms of reference and lines of accountability.

The existing Board Committees are well-established, with a new Committee having been established in 2017 – the Equality and Workforce Committee. Each Committee is chaired by a Non-Executive Director who is assisted by at least one other Non-Executive. This enables rigorous and constructive challenge to be given to the executive directors about the performance of the Trust and to provide strategic leadership. The Terms of Reference of each Committee are reviewed on an annual basis and improvements are regularly identified and implemented. The outcomes of the Committee discussions are reported to the Board every month, enabling key points to be escalated and risks and areas of assurance to be highlighted.

The Board receives and discusses a report every month on both the operational and financial performance of the Trust. This provides key information about compliance with NHSI indicators. The Board identifies any areas of concern and areas where further information is required or action needs to be taken.

The Audit Committee's key objectives include monitoring, reviewing and reporting to the Board of Directors on whether the Trust's processes regarding internal control and risk management are efficient and effective. The Audit Committee has reported to the Board of Directors and where scope for improvement was found, has noted these for the senior management team's attention.

Work to assess services are well-led under NHS Improvement's well-led framework

The Trust has given due regard to NHS Improvement's well-led framework in arriving at its overall evaluation of the organisation's governance, leadership, vision and capacity to deliver high-quality, sustainable services.

The Trust's five-year strategy, Changing Lives, was refreshed in 2017-18. Its main focuses are:

- A relentless focus on quality of care and experience, and on outcomes
- Supporting broader communities as well as individuals
- Enabling staff to make full use of research, development and innovation
- Making the best use of money and supporting vital information infrastructure

The strategy has been developed in conjunction with staff, service users, carers and other stakeholders. More information about the strategy can be found elsewhere in this report.

See the Annual Governance Statement for more details of the Trust's systems of internal control, and how those structures monitor and support the improvement of service quality.

The Board Assurance Framework (BAF) is presented quarterly to the Audit Committee and the Board. In 2018-19, the Board will undertake "deep dives" into a BAF risk at each meeting. Please see the section on the Board Assurance Framework in this Report for more information.

The overall purpose of the Trust's Quality Committee (QC) is to monitor improvement and provide assurance to the Board on quality across the Trust. It does this predominantly by:

- Ensuring there is a shared and communicated understanding of quality, monitoring the delivery of the Trust's quality priorities, the national mandatory requirements and professional regulators' standards and its annual national and local quality priorities, incentives and targets
- Focussing on the Trust's overarching system of quality, patient and staff safety and risk governance ensuring this covers the Trust as a whole, its organisational and clinical units, patient pathways and arrangements / partnerships / contractual arrangements with the local healthcare economy
- Having oversight of the Trust's mechanisms for involving service users and carers in all aspects of their care and at all levels of decision-making
- Examining service failures and ensuring action plans are in place and lessons learned
- Reviewing the information which underpins the monitoring of the Trust's quality strategy and approach and ensuring it is fit for purpose

The Quality Committee also receives Care Quality Commission reports following planned and responsive reviews of the Trust, monitoring and scrutinising action and sustainability plans arising from them. For more information, please see the Quality Accounts.

The Trust continues to identify opportunities for learning, including the introduction of Serious Incident (SI) discussions at the Board, as well as implementing a Trust-wide Serious Incident Review Group to increase the scrutiny and oversight of Duty of Candour for serious incident investigations.

Patient and Public Involvement (PPI) remains a priority for the Trust, with service user and carer involvement carried through from 2017-18 to 2018-19 as a Quality Priority. More information as to how the Trust engages patients, carers and other stakeholders can be found in the Quality Accounts.

Effectiveness of governance structures

Board of Directors

The Board is the accountable body for risk and is responsible for ensuring the Trust has effective systems for identifying and managing all risks whether clinical, financial or organisational. The risk management structure helps to deliver the responsibility for implementing risk management systems throughout the Trust.

Specific responsibilities for the management of risk and assurance on its effectiveness are delegated as follows:

Audit Committee

The Audit Committee is responsible for providing assurance to the Trust Board on the process for the Trust's system for internal control by means of independent and objective reviews of corporate governance and risk management arrangements, including compliance with laws, guidance, and regulations governing the NHS. In addition, it has the following responsibilities relating to risk:

- To maintain an oversight of the Trust's general risk management structures, processes and responsibilities, including the production and issue of any risk and control related disclosure statements.
- To monitor the Board Assurance Framework, and ensure its presentation to the Trust Board at intervals that the Board determines.
- To assess the overall effectiveness of risk management and the system of internal control
- To challenge on the effectiveness of controls, or approach to specific risks.

Finance and Performance Committee

The Finance and Performance Committee is responsible for providing information and making recommendations to the Trust Board on financial performance issues, and for providing assurance that these are being managed safely. The committee will consider any relevant risks within the Board Assurance Framework and Trust level risk register as they relate to the remit of the Committee, as part of the reporting requirements, and to report any areas of significant concern to the Audit Committee or the Board as appropriate.

Quality Committee

The Quality Committee is responsible for monitoring improvement and providing assurance to the Board on quality matters across the Trust, including the implementation of quality improvement. The Committee focuses on the Trust's overarching systems of quality, risk governance, and patient / staff safety, ensuring these cover the Trust - its organisational and clinical units, patient pathways and arrangements / partnerships / contractual

arrangements with the local healthcare economy – as a whole. The Committee ensures that there is a shared and communicated understanding of quality, monitoring the delivery of the Trust's quality priorities, the national mandatory requirements, professional regulators' standards and the Trust's annual national and local quality priorities, incentives and targets. It examines service failures, ensuring that action plans are in place and lessons learned, whilst also having oversight of the Trust's mechanisms for involving service users and carers in all aspects of their care and at all levels of decision-making.

Senior Management Team
The Senior Management Team in its role as the Executive decision-making committee of the Trust maintains oversight of the operational risk and is responsible for the operational management and monitoring of risk, through the Board Assurance Framework, and for agreeing resourced treatment plans and ensuring their delivery.

CAG and Corporate Directorate Risk Management Arrangements
CAGs and corporate areas will put the necessary arrangements in place within their areas for proper governance, safety, quality and risk management.

The CAG forums have the responsibility, through the Clinical Directors, for the risks to their services and for the putting in place of appropriate arrangements for the identification and management of risks. The CAGs will develop, populate and review their risks, drawing on risk processes within the services, to ensure that Service, Directorate and CAG Risk Registers are kept up to date through regular review.

In doing this, due account will be taken of the Trust's strategic and corporate objectives, particularly in terms of meeting regulatory standards and guidance, national performance standards and targets and relevant legislation, and of the issues and risks relevant to specific areas within the particular CAG and its services. Directorate meetings similarly will review the risk registers and contribute to the development of the Directorate and CAG Risk Registers and ensure risk registers are in place and operating within the defined tolerances and escalation processes.

Directorate and CAG management teams will be responsible for managing risks that fall within the defined tolerances, and escalating those risks above set tolerances for information, or further action.

Data assurance and security
There is a process of data quality assurance by Business Intelligence for performance and activity reporting which is then reviewed by the Clinical Academic Groups together with the performance team. It is the responsibility of the clinical services to improve their data quality and this is

strengthened by Performance Reviews sessions held monthly with each Clinical Academic Group. Risks to data security are managed by the Information Security Committee and described in the section on Information Governance.

Equality

The Trust continues to work hard to put its commitment to equality and diversity into everyday practice. Examples of the extensive activity on equality and inclusion have been set out earlier in the report.

Equality and human rights legislation compliance

Control measures are in place to ensure that there is compliance with all the organisation's obligations under equality, diversity and human rights legislation.

Climate change obligations

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

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

In auditing the 2017/18 financial statements, the external auditors are required to satisfy themselves that the Trust has appropriate arrangements to secure economy, effectiveness and efficiency. The conclusions of this work are presented to the Audit Committee and the Board. The external audit review did not identify any issues which would lead them to conclude that the Trust did not have proper arrangements in place.

The Trust uses financial models to help develop an annual plan setting out expenditure and savings plans for the next financial year. The plan is developed at Clinical Academic Groups and Directorate level.

During the year, the financial plan is monitored on a regular basis with scrutiny of performance taking place at:

- Board, where a financial report is provided on a monthly basis
- Operational Performance Management meetings (monthly)
- Finance and Performance Committee (monthly)
- Audit Committee (quarterly)

- CAG Executive meetings (monthly)

The consistency of financial and other performance information, provided to the Board, NHSI and produced in the Annual Accounts, is supported by auditors. The information is also subject to review by the Commissioners.

All Clinical Academic Group and Corporate Directorates receive regular financial reports and workforce information to enable their management of allocated resources. They are also assigned a named, qualified accountant to ensure that an appropriate level of financial support and advice is provided.

The remit of the Trust's internal auditors includes reviewing the processes and controls in place to ensure resources are used appropriately and economically. Their work is subject to scrutiny by the Audit Committee.

Information governance

The Trust Information Governance Operating Model, which is the Management and Assurance Framework that outlines key roles and committees which are responsible for managing and monitoring confidentiality, records management, information risk and security.

The Information Security Committee (chaired by the Senior Information Risk Owner) is responsible for protecting the Trust from data security threats and delivers improved data security through the review of incidents, policy development, education of users, highlighting risks and developing risk mitigation action plans.

The Caldicott Committee (chaired by the Caldicott Guardian) is responsible for overseeing the Trust's compliance with confidentiality, information sharing and clinical records policies, developing awareness of Caldicott and confidentiality issues throughout the rust, implementing policies and strategies to improve service user experience in relation to fair, lawful and secure use of their personal confidential information, leading and overseeing the implementation of controls and receiving assurance to maintain service user confidentiality whilst enabling effective and lawful sharing of information.

The Freedom of Information Committee (chaired by the Director of Corporate Affairs and Trust Secretary) is responsible for awareness of and overseeing the Trust's compliance with the Freedom of Information Act 2000 and implementation of an open culture to improve transparency.

The Information Governance Toolkit is an annual online national self-assessment process overseen by the Health and Social Care Information Centre, which enables the Trust to measure its compliance

against Department of Health standards of information governance management, confidentiality and data protection, information security, clinical information, secondary uses and corporate information. The Trust provides evidence to demonstrate compliance with each of the standards in the toolkit, which is independently audited by Internal Audit. Following the independent audit and sign-off by the Trust Caldicott Guardian and the Senior Information Risk Owner, the Information Governance Toolkit assessment is submitted on 31 March each year.

Summary of serious incidents requiring investigation involving personal data as reported to the Information Commissioner's Office in 2017-18				
Date of Incident (month)	Nature of Incident	Nature of Data Involved	Number of Data Subjects Potentially Affected	Notification Steps
31/12/2017	Unauthorised Access / Disclosure	Accidentally disclosure of highly confidential clinical information	Information about less than 10 individuals	The ICO, the DH and relevant CCG were notified. The investigation into the incident is still ongoing.

Incidents classified at lower severity level (level 1) are summarised below.

Summary of other personal data related incidents in 2016-17		
Category	**Type**	**Total No**
A	Corruption or inability to recover electronic data	-
B	Disclosed in error	4
C	Lost in transit	0
D	Lost or stolen hardware	-
E	Lost or stolen paperwork	1
F	Non-secure disposal - hardware	-
G	Non-secure disposal - paperwork	2
H	Uploaded to website in error	1
I	Technical security failing (including hacking)	-
J	Unauthorised access/disclosure	6
K	Other	3

Annual quality report

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

The viewpoints of all our stakeholders are sought during the consultation process in identifying our priorities for the upcoming year.

The approach the Trust Board takes to assuring the quality of our clinical services is to continuously strive for robust assurance. Assurance is provided by:

- Performance data and management reports. The Board receives a Performance dashboard each month, as well as a Quality dashboard. Performance and quality indicators are used at the monthly Operations meetings, and include performance and progress against the quality targets and priorities.
- External inspection, assessment and investigations reports including those from the CQC. The Trust has robust processes to follow through actions resulting from CQC inspections, including Mental Health Act reviews.
- The annual clinical audit programme is prioritised according to risk in three areas of patient safety, clinical effectiveness and patient experience. The Quality Effectiveness Safety Trigger Tool (QUESTT) is used to monitor the key indicators that may impact on quality. A QUESTT tool for Community settings is currently being tested.
- Board members go on site visits to clinical settings, talk directly to service users and listen to what staff and governors have to say about the services that they provide.
- Senior Managers visit teams across the Trust as part of a programme of Leadership Walkarounds – a key element of the Quality Improvement programme.
- Quality of services are monitored at the Quality Committee; a committee of the Board which provides assurance to the Board of Directors on the delivery on the Trust's Quality Strategy.
- The Board Assurance Framework identifies the key risks that might compromise the Trust achieving its most important strategic objectives. Quality is the first strategic objective within the Framework. The Framework is reviewed by the Senior Management Team, at Committee level and at the Board.
- The system for receiving and responding to formal complaints and serious incidents.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS foundation trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the content of the quality report attached to this Annual report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the board, the audit committee, and risk/ clinical governance/ quality committee, if appropriate, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Annual Governance Statement is discussed and approved by the Senior Management Team. The Board of Directors reviews the Annual Governance Statement as part of the draft annual report prior to submission to NHSI.

The Audit Committee's key objectives include monitoring, reviewing and reporting to the Board of Directors on whether the Trust's processes regarding internal control and risk management are efficient and effective. In fulfilling that objective, the Audit Committee has (a) regularly reviewed the financial risks within the Assurance Framework; (b) received reports from relevant members of senior management, including service management, and from the Trust's internal auditors, external auditors and local counter fraud specialists; and (c) discussed those reports with the relevant parties. The Audit Committee has reported to the Board of Directors and where scope for improvement was found, has noted these for the senior management team's attention.

All Committees report regularly to the Board and have a clear escalation route as required.

Clinical audit, along with internal audit, publish a series of audit reports throughout the year on audits against internal policy standards and national standards which include:

- CQC essential standards of safety and quality in health care
- NICE clinical guidelines
- NHSLA risk management standards

The annual audit programme is prioritised on the basis of risk. Audit reports are reviewed at Executive level and are incorporated into topical Board reports.

Internal audit

Internal Audit has reviewed and reported on systems of internal control, governance and risk management processes based on an internal audit plan approved by the Audit Committee. Internal Audit's work included identifying and evaluating controls and testing their effectiveness, in accordance with Public Sector Internal Audit Standards. Where scope for improvement was found, recommendations were made and appropriate action plans agreed with management. Internal Audit reports to the Audit Committee on management's progress in implementing agreed recommendations.

In accordance with Public Sector Internal Audit Standards, the Head of Internal Audit is required to provide an annual opinion, based upon and limited to the work performed, on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes. This is achieved through a risk-based plan of work, agreed with management and approved by the Audit Committee, which should provide a reasonable level of assurance, subject to certain inherent limitations. The purpose of the annual Head of Internal Audit Opinion is to contribute to the assurances available to the Accounting Officer and the Board which underpin the Board's own assessment of the effectiveness of the organisation's system of internal control. This opinion will in turn assist the Board in the completion of its Annual Governance statement.

The head of internal audit opinion is that with the exception of those areas in which limited assurance reports have been issued as reported to the committee during the year, the controls in those areas reviewed are adequate and effective. Where weaknesses have been identified these are being addressed by management and actions have been confirmed through follow up work by internal audit. The Board Assurance Framework, as presented to the Audit Committee in 2017/18 over the course of the year is representative of the key risks faced by the organisation and that the processes are effective.

Conclusion

Our approach to identifying and managing significant risks is explained earlier in the statement. No significant internal control issues have been identified by our internal reviews or through the work of our internal auditors, external auditors or other external regulators. Overall, my assessment is that South London and Maudsley NHS Foundation Trust has a generally sound system of controls that supports the achievement of its objectives and that identified control issues have been or are being addressed.

Signed on behalf of the Board

Dr Matthew Patrick
Chief Executive
South London and Maudsley NHS Foundation Trust
Date: 24 May 2018

Annex 1 – Quality report

Part 1: Statement on quality from our chief executive

The annual quality account report is an important way for the Trust to report on quality and demonstrate improvements to the services we deliver to our service-users, their families, their carers and our local communities.

This year the Trust launched its Changing Lives strategy. Central to this is our ambition to deliver outstanding care and to support the achievement of outstanding outcomes and experience for the people who we work with and serve. This can only be achieved by working in close partnership with service users, carers, communities and with our own workforce. We are also moving to whole population contracts in all our boroughs so that we can deliver better outcomes for all. This will involve the Trust working in Alliances with our local multi agency partners.

A key feature in Changing Lives is a relentless focus on quality of care through our Quality Improvement Programme (QI), now in its second year. This year has been an important year in embedding QI across the organisation. There are now well over a hundred QI projects being taken forward across the length and breadth of the Trust, each helping us to drive improvements and share learning. More than 300 staff have now been trained in the approach, including around 70 of our leaders. These QI projects directly empower our staff to suggest and test improvements to the way that they work and the services they provide.

We know that we will only get the development and delivery of our services right if we work in close partnership and co-production with our service users, their families and carers in the development and delivery of services. The importance we attach to this is reflected in our setting co-production and involvement as the very first of the aims of our Changing Lives strategy.

As part of our commitment to improving standards of quality and safety, members of the senior management team, often accompanied by non-executive directors, are carrying out leadership and safety visits to every single team in SLaM by the end of 2018. Our aim of the 'leadership walkarounds' is to increase staff engagement and develop a culture of open communication, making it easier for staff to raise concerns and for us to hear first-hand about the safety concerns of front-line staff. We also want to be able to identify and celebrate areas of good practice and opportunities for embedding them more widely across the Trust. I have found it really helpful to hear from staff in person about how they felt quality and safety could be improved and to hear about some of the tremendous work already going on. What comes through very clearly is a hugely impressive commitment to quality. The themes and actions from each visit are captured and monitored so that quick progress can be made in relation to the issues that are identified.

We realise that last year we set some targets in line with our QI strategy that were ambitious. Whilst we did not achieve the targets that we wanted in the first year, I was pleased to see that in most cases we were moving in the right direction and making progress. Our aim is for this to continue over the longer timeframe of improvement that we have set out in this report.

Finally, whilst we are still currently rated overall 'Good' with the Care Quality Commission (CQC), there are some areas we are aware still require continued improvement. This was made apparent during our Community Adult Pathway CQC inspection in July 2017. The improvement initiatives are part of the wider QI programme.

The CQC's publication of its rating and full report can be found at the following website: http://www.cqc.org.uk/provider/RV5

To our best knowledge the information presented in this report is accurate and I hope you will find it informative and stimulating.

Dr Matthew Patrick

Chief Executive

South London and Maudsley NHS Foundation Trust

Date:24 May 2018

A summary of successes and developments in 2017/2018

Patient experience

85 per cent of patients would recommend SLAM services to friends and family.

96 per cent of patients said they found staff to be kind and caring.

Quality improvement (QI)

QI has been introduced and is being carried out in most parts of the organisation. Four Steps to Safety has had a positive impact on the incidence of violence and use of restraints on some of our wards. Some teams are seeing an 80 per cent reduction in violent incidents.

Awards/Accreditations

The new SLaM STAR programme has been launched to give recognition to the hard work and dedication of staff.

Two psychiatrists won Royal College of Psychiatrists Awards – the Psychiatrist of the Year 2017, and the R N Jajoo Memorial Academic Researcher of the Year Award.

Eating Disorders (FREED) won the BMJ Mental Health Team of the Year award 2017 and a Positive Practice Award for Mental health. They have also been nominated for one of the Parliamentary Awards for Mental health

The Director the Psychology Interventions Clinic for Outpatients with Psychosis was awarded the British Psychological Society's Professional Practice Board's Award for Distinguished Contributions to Psychology in Practice.

HSJ Awards – Maudsley Simulation (the UK's first centre for mental health simulation) was highly commended for 'improving outcomes through learning and development' having now trained more than 5,000 healthcare professionals.

The Psychology in Hostels project, which places psychologists in homeless hostels, was also highly commended for 'most effective adoption and diffusion of existing best practice'.

Digital and mobile health technology

Last year, we were the first out of seven mental health Trusts to be awarded Global Digital Exemplar (GDE) status by NHS England. Funding of £5 million over three years will help ensure care is more personalised and responsive to patient needs and will support the digital transformation of our services. This will include projects such as electronic observations, electronic prescribing, improvements to our electronic record and the development of our new online Personal Health Record (PHR), Healthlocker (which is replacing myhealthlocker). Key to the GDE programme is our on-going collaboration with the other mental health GDEs, so we can learn from each other and together work to improve digital maturity across the NHS.

Clinical outcomes measurements

We have been collecting routine clinic outcomes as part of the first UK and global clinical outcomes measurement in relation to perinatal, services specifically the Mother and Baby Inpatient unit to allow for evidence based evaluation of improved clinical outcomes. Data collection and measurement has started for perinatal community services and is

External organisations

SLaM has worked closely to develop its relationships with Oxleas and South West London and St Georges with the formation of the South London Partnership (SLP). SLP's key achievement to date is the new model of care across forensic mental health services – taking on the total budget for forensic services for South London.

Other successes

More than 50 per cent of frontline staff have now been vaccinated against the influenza, which is a significant increase from previous years, making SLaM the most improved NHS Trust.

…..and what we can do better.

- **We need to continue to make sure all our staff want to improve the care and treatment that provide for our patients, ensuring staff have the training and support they need, and patients and service users receive safe, quality care.**
- **Improve the experience of BME staff – 40 per cent of the workforce. Trust objectives will be set out to ensure staff are represented at senior pay grades that reflect the proportion of Black and Minority Ethnic (BME) staff in the workforce.**
- **Continue to embed new ways of working to reduce violence on inpatient wards.**
- **Improve on CQC community pathway actions, including workforce (staff morale, recruitment, good supervision, caring staff, etc.); lone working; access to advocacy; medicine management; clear governance structures; inter-agency working (police and social services, etc.); innovative treatments; and flexible working with patients.**

All these have been translated into quality priorities for 2018/19.

Trust activity

During 2017/2018 the Trust provided or subcontracted 233 services including inpatient wards, outpatient and community services. As well as serving the communities of south London, we provide 53 specialist services for children and adults across the UK including perinatal services, eating disorders, psychosis and autism. We provide inpatient care for approximately 3,700 people each year and we treat more than 63,000 patients in the community in Lambeth, Southwark, Lewisham and Croydon, with a local population of 1.3 million with a rich diversity.

We have reviewed all the data available to us on the quality of care in these relevant health services.

The income generated by the relevant health services reviewed in 2017/18 represents 100 per cent of the total income generated from the provision of relevant health services by SLaM for 2017/18.

Part 2: Review of quality performance 2017/2018

Review of progress made against last year's priorities

Our 2017/2018 quality priorities were selected after consultations with stakeholders and staff from our services. The following summarises progress made against each priority over the year.

Patient safety	**Services applicable to**	**2016/17**	**2017/18**	**Data source**
Reducing restrictive interventions Reduction of 50% in prone restraint	Inpatient services	874	844 (↓3.4%)	DATIX
Violence and aggression reduction Violence and aggression reduction of 50%	Inpatient services	1763	1664 (↓5.6%)	DATIX
Staffing >50% wards reduction of average inpatient ward breaches per month	Inpatient services	20 wards	12 wards	Safer staffing monthly returns
Clinical effectiveness	**Services applicable to**	**2016/17**	**2017/18**	**Data source**
Digital health Further develop electronic systems to improve delivery of care (eObs) across all Trust service areas (>50% of all Adult inpatient wards)	Inpatient services	2 wards started piloting digital health in their services	2 wards are using digital health in their services	
Physical health awareness Ensure clinical and non-clinical staff have received level 1 physical health awareness training across all Trust service areas (target 65%)	All service areas	N/A	77.7%	Education and training
Physical health screening and intervention Inpatients and early intervention patients will have 90% or greater rates for each metabolic screening parameter and, where indicated, interventions	All service areas	Inpatient: Screening: 77% Intervention: 60% Community: Screening: 41% Intervention: 51%	Inpatient: Screening: 84% Intervention: 66% Community: Screening: 42% Intervention: 46%	CRIS

		(based on 10 teams) Early Intervention: Screening: 52% Intervention: 61%	*(based on all teams)* Early Intervention: Screening: 49% Intervention: 47%	
Patient experience	**Services applicable to**	**2016/17**	**2017/18**	**Data source**
Family and carer engagement Ensure family and carer engagement. 75% of identified carers in all Trust service areas will have been offered a Carers' Engagement and Support Plan	All service areas	N/A	9.2%	Carer's Engagement & Support Dashboard
Care Closer to Home: Inpatient Admission Reduction in overall admissions because patients are better managed in their illnesses at home as is appropriate: 10% reduction in admissions in Trust Inpatient Adult Services	Inpatient services	8.64 per day	↓8%	Performance and contract
Care closer to home: Length of stay Reduction in overall admissions because patients are better managed in their illnesses at home as is appropriate: 30% reduction in admissions in Length of Stay (LoS) in Trust Inpatient Adult Services	Inpatient services	47.99 days	↓2%	Performance and contract
Staff experience	**Services Applicable to**	**2015/16**	**2017/18**	**Data source**
Staff health and wellbeing Increase of 5% of staff reporting the organisation definitely takes positive action on health and wellbeing (CQUIN)	All service areas	25%	26% (↑1%)	Staff survey
Management of work-related stress Decrease of 5% of staff saying that they have felt unwell in the last 12 months as a result of work-related stress (CQUIN)	All service areas	43%	41% (↓2%)	Staff survey

Staff recommendation of the organisation as a place to work Achieve >70% on average across the year of staff reporting that they would recommend the organisation as a place to work	All service areas	2016/2017 63%	2017/18 63%	Staff survey
Key:	Target fully achieved	Positive progression towards target	Regression from target	

Patient safety

It is recognised that the priority target set for reducing violence and aggression in 2017 was ambitious but it is widely acknowledged that it will take the organisation longer to meet targets on violence and aggression than originally thought. The Trustwide Reducing Restraint and Restrictive Practices committee has seen the implementation of in-depth CAG reviews of this area with subsequent work streams. There are currently 52 Quality Improvement initiatives with patient safety related aims.
Furthermore, a community PSTS training is being developed with a focus on disengagement. Training will also include training community staff so training can be carried out within CAGs.

Safer staffing and staff experience

The Trust Board has established the Equalities and Workforce Committee to provide assurance to the Trust Board on the recruitment, retention, management and development of the Trust's workforce and the development of an equalities strategy addressing both workforce and service provision.
The committee will have working relationships with other committees outlined below:

- Joint Staff Committee
- Education and Development Committee
- Equalities, Diversity and Inclusion Group (previously the Equalities and Human Rights Group)

Clinical effectiveness

The priority for the trust-wide introduction of Electronic Observation Solutions (eObs) has been slow due to a delay with technical development. The procurement process for new software developers has been completed and the new company, OPUS Healthcare, have been tasked with completing the full physical health functionalities on the system.

There has been continued work with the Physical Health Strategy with the aim to ensure equity of core physical health standards across services by the end of 2018/19. The increase of physical health awareness training aims to help ensure all staff meet these standards. Furthermore, teaching sessions continue to take place for community screening.

Patient experience

Since the launch of the Carer's Engagement and Support Plan in August 2017, the embedding of the form has been slow however there is progress in the right direction. Guidance has been circulated to all CAGs following the Quality Governance Compliance meetings where performance is monitored, which is hoped will improve performance in this area.

There has been a downward trend in admissions and length of stay.

Patients with longer lengths of stay are reviewed weekly at clinical meetings. Longer lengths of stay can be attributable to delayed transfers of care, other reasons of social need and patient

acuity. A higher proportion of current patients in Croydon and Lewisham wards and private overspill have a length of stay over 6 months.

Regular interface meetings between Community and Inpatient wards are occurring with a particular focus on strengthening the joint working and awareness between community teams and wards.

National patient survey of people who use community mental health services: SLaM report 2017

SLaM scored 'about the same' as most other trusts that took part in the 2017 National Community Mental Health Survey. It is pleasing to note that two individual questions (getting help in a crisis and seeing services often enough) scored 'better' than most other trusts. The Trust's highest scoring question was respondents knowing how to contact the person in charge of their care if they had concerns (9.6), and knowing who to contact out of hours if experiencing a crisis scored its highest result since the survey was redeveloped in 2014 (7.2). The three questions where the Trust had the greatest increase in performance in 2017 compared to 2016 are being given information about peer support (+0.9), being given help or advice with finding support for financial advice or benefits (+0.9) and staff checking how the service user is getting on with their medication (+0.8).

Section	Highest performing questions	Number
Organising care	Do you know how to contact this person if you have a concern about your care?	9.6
Organising care	How well does this person organise the care and services you need?	8.3
Health and social care workers	Did the person or people you saw listen carefully to you?	8.2

Section	Greatest increase in performance from 2016	Number
Support and wellbeing	Have you been given information by NHS mental health services about getting support from people who have experience of the same mental health needs as you?	+0.9
Support and wellbeing	In the last 12 months, did NHS mental health services give you any help or advice with finding support for financial advice or benefits?	+0.8
Treatments	In the last 12 months, has an NHS mental health worker checked with you about how you are getting on with your medicines?	+0.8

Table one: national Community Mental Health Survey (2017) top performing questions

Unlike the National Community Mental Health Survey, the National Mental Health Inpatient Survey is entirely voluntary. A total of 18 mental health trusts opted to take part in the 2017 survey. The Trust scored 'about the same' or 'worse' as most other trusts, apart from one which scored 'better' (knowing how to make a complaint). The three highest performing questions in 2017 were not sharing a sleeping area with patients of the opposite sex (94%), being contacted by staff since leaving hospital (84.9%) and feeling welcome upon arrival on a ward (78.9%).

To further improve experience of services, the Trust continues to implement the Patient and Public Involvement (PPI) strategy and report to the Involvement Oversight Group, which in turn reports to the Quality Sub-Committee. The PEDIC Governance Committee continues to ensure that the trust's local survey programme provides a consistent approach to collecting feedback outside the national survey programme. As the response rate for the national surveys is relatively low, services should consider these results in conjunction with other feedback mechanisms and in light of any actions that have taken place in the time following the data collection period. This will enable the findings to be incorporated into local improvement initiatives.

National Staff Survey 2017 – Results

In 2017, 1883 staff across the Trust took part in this survey. This is a response rate of 44% which is below average for mental health/ learning disability trusts in England (52%), and compares with a response rate of 40% in this trust in the 2016 survey.

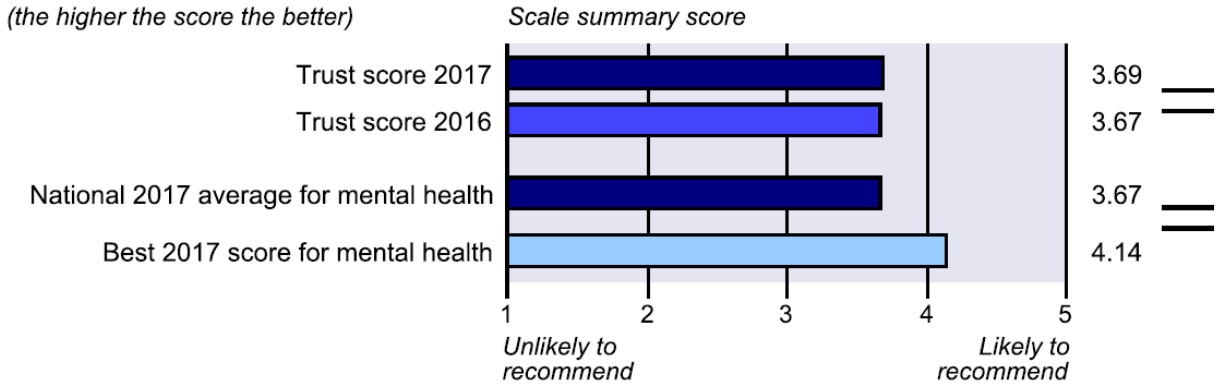
Number of Staff recommending the Trust

In the 2017 survey, SLaM performed slightly higher than the year before on the question 'would staff recommend the trust as a place to work or receive treatment?' SLaM performed slightly above the national average on this question. SLaM's score for this question was 3.68 compared to the national average score of 3.67 for other mental health trusts.

		Your Trust in 2017	Average (median) for mental health	Your Trust in 2016
Q21a	"Care of patients / service users is my organisation's top priority"	74%	73%	72%
Q21b	"My organisation acts on concerns raised by patients / service users"	73%	75%	74%
Q21c	"I would recommend my organisation as a place to work"	60%	57%	58%
Q21d	"If a friend or relative needed treatment, I would be happy with the standard of care provided by this organisation"	61%	61%	61%
KF1.	Staff recommendation of the organisation as a place to work or receive treatment (Q21a, 21c-d)	3.68	3.67	3.67

Table six: National staff survey results

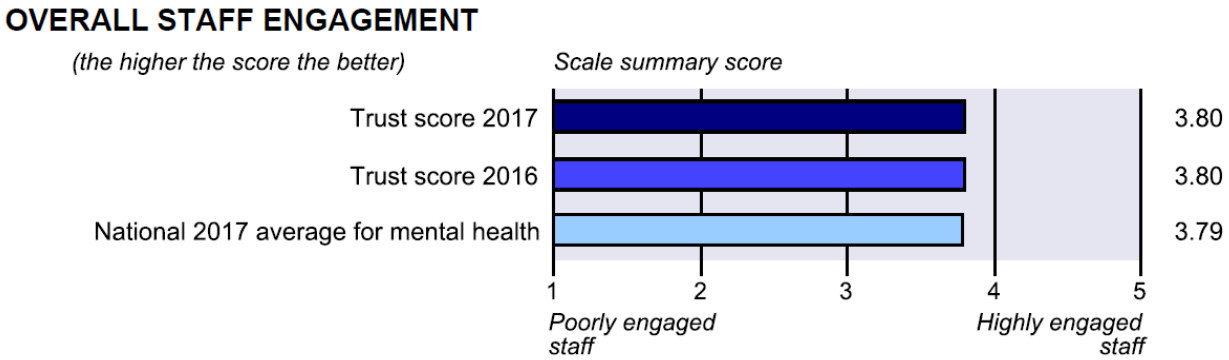
KEY FINDING 1. Staff recommendation of the organisation as a place to work or receive treatment



Graph one: National staff survey results – key finding 1

Overall Staff engagement

The Trust score for overall staff engagement has remained at **3.80** (3.80 in 2016). This is slightly higher than the national average for all mental health/learning disability Trusts which was 3.79.



Graph two: National staff survey results – overall staff engagement

Key Findings – overall Trust

<u>The following are the top five ranking scores for the Trust compared to Mental Health Trusts in England:</u>

- Percentage of staff appraised in last 12 months.
  Trust Score: 94% **National Average: 89%**

- Effective use of patient/ service user feedback (scale summary score).
  Trust Score: 3.84 **National Average: 3.72**

- Percentage of staff able to contribute towards improvements at work
  Trust Score: 76% **National Average: 73%**

- Staff recommendation of the organisation as a place to work or receive treatment
  Trust Score: 3.69 **National Average: 3.67**

- Percentage of staff attending work in the last 3 months despite feeling unwell because they felt pressure from their manager, colleagues or themselves (the lower the score the better)
  Trust Score: 53% **National Average: 53%**

<u>The following are the lowest five ranking scores for the Trust compared to Mental Trusts in England:</u>

- Percentage of staff working extra hours (the lower the score the better)
  Trust Score: 77% **National Average: 72%**

- Percentage of staff satisfied with the opportunities for flexible working patterns
  Trust Score: 53% **National Average: 60%**

- Percentage of staff/ colleagues reporting most recent experience of harassment, bullying or abuse

Trust Score: 57% **National Average: 61%**

- Percentage of staff experiencing physical violence from staff in last 12 months (the lower the score the better)
  Trust Score: 4% **National Average: 3%**

- Percentage of staff believing that the organisation provides equal opportunities for career progression or promotion
  Trust Score: 76% **National Average: 85%**

<u>The following is the area where the experience of staff has improved on the previous annual survey:</u>

- Fairness and effectiveness of procedures for reporting errors, near misses and incidents
  Trust Score 2016: 3.73 **Trust Score 2014: 3.65**

- Percentage of staff reporting good communication between senior management and staff
  Trust Score 2015: 34% **Trust Score 2014: 30%**

<u>Workforce Race Equality Standard</u>

- Percentage of staff experiencing harassment, bullying or abuse from staff in last 12 months
  White **Trust Score 2017: 33%** **Trust Score 2016: 34%**

  BME **Trust Score 2017: 34%** **Trust Score 2016: 35%**

We have been working hard to improve staff experience at SLaM following last year's results, and it is good to see improvements showing in some areas, with more staff recommending SLaM as a place to work.

Our work over the last year has included improving our communication and engagement with staff, celebrating achievements and successes, running focus groups, engagement events, setting up networks, and making sure the senior leaders get out and about to meet with staff on different sites and in different teams. It is good to see that more staff are reporting good communication between senior management and staff.

Involving staff in service improvement through QI (Quality Improvement) has been high on our agenda, and the survey ranks us above average amongst mental health Trusts for staff feeling able to make suggestions for improvement and show initiative. We are also above average for the effective use of service user feedback.

Our staff are our eyes and ears, and we have been encouraging staff to speak up, and report errors incidents and near misses so we can learn from them. In this year's survey more staff are saying that our reporting procedures are fair and effective, and that the care of patients is our top priority.

We have prioritised improving the experience of our BME staff, and this year's survey showed that in a number of areas, BME staff rate the trust more highly than their white counterparts, and their overall engagement score is higher (3.91 vs 3.75).

We know that we still have much work to do, however, and that the trust needs to continue to invest in staff and act on employee feedback in order to make improvements that will lead to a truly happy workforce and widespread culture of engagement.

Although our Four Steps to Safety programme, designed to reduce violence and aggression, is well established, and we have put in place a number of measures to address concerns about discrimination and equal opportunities for career progression, including the Review and Reflect Checklist, BME representation in recruitment to senior posts, and a Trust-wide Inclusive Leadership training programme, we have yet to see a change in our survey results in these areas. Our scores remain disappointing in the areas of discrimination, equal opportunity, stress, violence, harassment and bullying.

Action plans that flow from the survey have been developed and presented to the Trust's new Equalities and Workforce Committee.

Freedom to Speak Up Guardian

This year has seen further activities to embed the Freedom to Speak Up (FTSU) ethos across the Trust. The first Freedom To Speak Up Guardian's Annual Report was made to the Board in March 2018 and a link is provided here to it:

http://www.slam.nhs.uk/media/490535/march_2018_board_papers.pdf.

In summary the report sets out the requirement for the function and how it is organised within the Trust. A detailed Communication Plan has been developed to ensure that the function becomes much more widely known across the Trust as well as promoting the availability of local advocates who are organised on a borough basis. FTSU is included in the ambit of the Equalities and Workforce Committee and there have been two reports to that committee about the function. One was to shape the content of the Annual Report and one was to approve the production of a Trust Statement on the Abuse of Power - a draft of this is included in the Annual Report as an appendix. The Annual Report also sets out the approach that has been taken with people seeking to use its services and summarises the themes and issues emerging. Finally it also contains reference to the work at KHP, London Region and National level.

Equality information and objectives

The Trust published its annual equality information in January 2018. This includes 2017 Trust-wide equality information that provides information on the demographic profile of the Trust's service users and the experience of service users with different protected characteristics.

We also continue to publish local ethnicity reports for Croydon, Lambeth, Lewisham and Southwark. These provide information on the ethnicity of service users accessing 12 of the Trust's services and the experience of service users of different ethnicities in each borough. This year's report also includes outcome data for Improving Access to Psychological Therapies Services (IAPTs) and an increase in activity to provide effective and responsive services for Black and minority ethnic (BME) service users.

The Trust continues to deliver CAG equality objectives for 2017-20. A high-level summary of these is provided below:

- **Acute Care CAG:** To improve access and experiences for service users with learning disabilities in acute wards.
- **Addictions CAG:** To improve access to substance misuse services in Wandsworth for men who have sex with men.
- **Behavioural and Developmental Psychiatry CAG:** To improve the physical health of Black and Minority Ethnic service users in forensic inpatient services.
- **Child and Adolescent Mental Health (CAMHS) CAG:** To improve access and experiences for Asian and Black girls in CAMHS community services.
- **Mental Health of Older Adults and Dementia CAG:** To achieve earlier access to memory services in Lambeth and Southwark for Black service users.

- **Psychological Medicine and Integrated Care CAG:** To improve communication with disabled service users in assessment and liaison teams.

- **Psychosis CAG:** To ensure equitable access to early intervention services for people aged 35 and over**.**

Trust-wide Equality objectives relating to service delivery are being developed. Evidence from a range of sources suggests that the priority areas for equality improvement in service delivery should be working to improve access, experience and outcomes for service users and carers who are from BME backgrounds, disabled, lesbian, gay, bisexual or transgender (LGBT).

The Trust's Board has also set clear ambitions in relation to the Trust's BME workforce. These are supported by a detailed action plan that was agreed by the Board in September as part of the paper on the Workforce Race Equality Standards. The Board set the Trust the challenge by spring 2021 to:

- Achieve representation of BME staff at pay bands 8C and above that reflects the proportion of BME staff in our workforce.

- Eliminate the over-representation of BME staff involved in disciplinary proceedings.

- Improve the Career Opportunities offered for BME staff.

Part 3: Priorities for improvement and statements of assurance from the Trust Board

Our priorities for improvement for 2018/2019

Over the last year we have listened to feedback from service users, their families, carers, staff, local Healthwatch organisations, the Council of Governors as well as commissioners and regulators. A Trust Quality priority setting event was held on the 21nd February 2018 with stakeholders. This feedback alongside feedback from CQC focused visits in in 2017 as well as Trust information from complaints, serious incidents and audits has helped us to identify our future priorities.

The Trust has invested in developing further the learning and improvement culture and will continue the work under way to ensure outcomes from both CQC Compliance and CQC Mental Health Act (MHA) inspections, incidents and complaints will all be used to improve the care we deliver.

Trust Strategy

This year has seen the launch of the Trust's five year strategy, 'Changing Lives'.

What is Changing Lives?

Changing Lives is the name given to the Trust's five-year strategy 2017-2022 and is why we come to work

Changing Lives describes the Trust's strategy to deliver outstanding patient care and improve the mental wellbeing of people in our wider communities, nationally and internationally

Changing Lives goes beyond our current focus on the most unwell people in our communities to focus on all the people we serve

Changing Lives has four aims…

Relentless focus on quality of care, experience and outcomes

Supporting broader communities as well as individuals

Enabling staff to make full use of research, development and innovation

Making the best use of our money and supporting vital information infrastructure

Within the four aims there are nine key initiatives:

1. **Relentless focus on quality of care, experience and outcomes**

   Deliver outstanding care and experience every day from high-quality estate, placing quality improvement at the heart of everything we do.

   Partnership working with our service users, their families and carers in the development and delivery of services.

   Improve how we value, develop, involve and empower our staff.

2. **Supporting broader communities as well as individuals**

   Move to whole population contracts in all our boroughs, to deliver better population outcomes, starting with the Lambeth Alliance

   Work with our partners in Oxleas and South West London and St. George's to improve the delivery and reach of our national and specialist services

3. **Enabling staff to make full use of research, development and innovation**

   Improve the translation of research into clinical practice – including physical and mental health - and develop a successful, international fundraising campaign, including a new institute for Children and Young People's Mental Health

4. **Making the best use of our money and supporting vital information infrastructure**

   Ensure we are financially sustainable and governed to the highest possible standards

   Develop profitable commercial ventures that will enable us to further support and invest in our local services

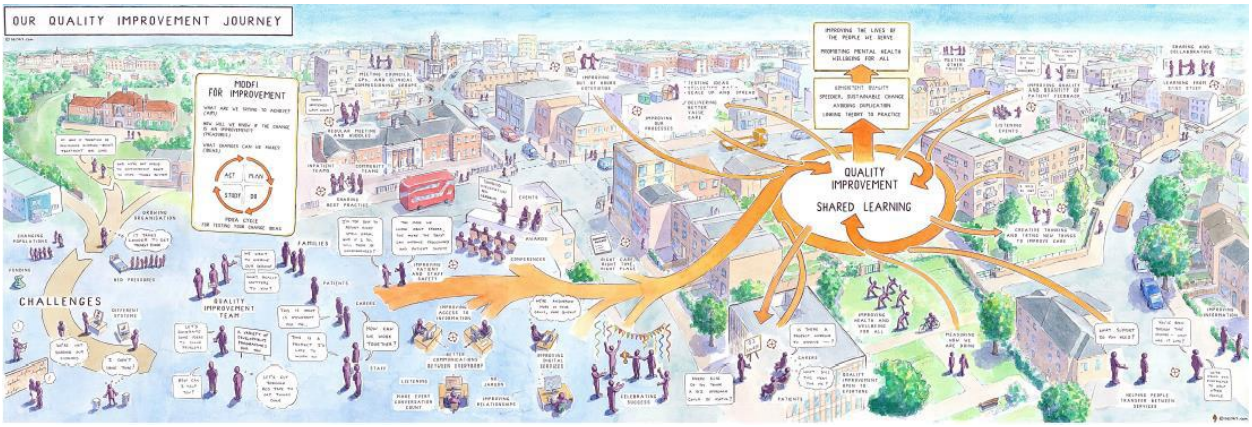
   Ensure we enable staff to make the best use of information with reliable IT infrastructure and applications

What will be different?

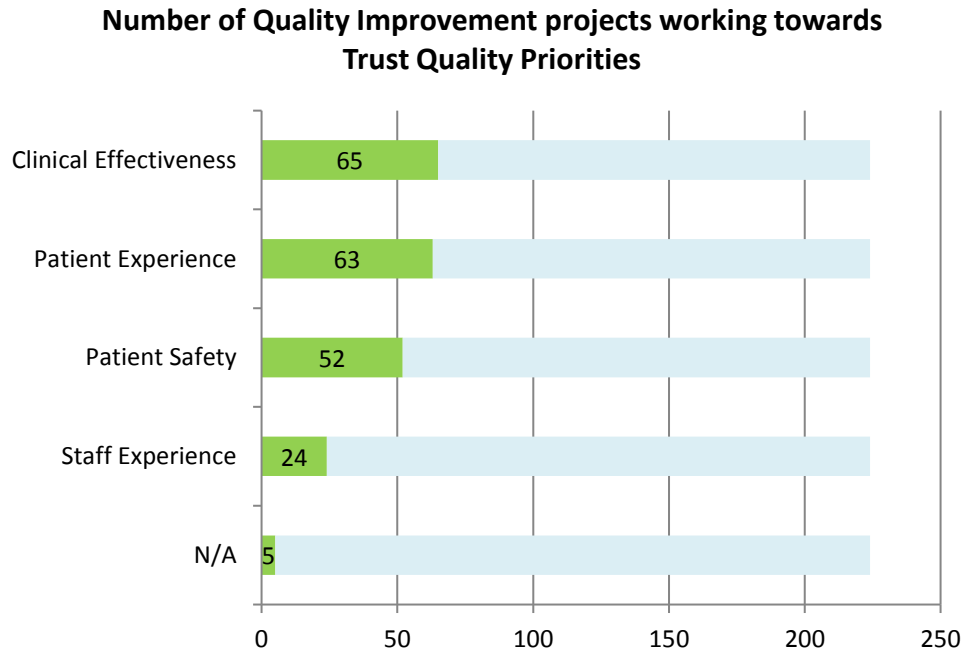
Our focus in the past	Our focus now
• **Providing 'good' care** • **A focus on the 'most unwell' in our communities** • **An 'assumption' of quality care** • **The Trust has most of the answers and can solve issues independently** • **Recognising the importance of staff and patient engagement** • **Research excellence**	• **Outstanding care** • **A continued focus on the 'most unwell' while maintaining focus on the whole population** • **QI at the heart of the Trust's culture and strategy** • **The Trust works in partnership with others to solve issues** • **Actively engaging with staff and patients and focus on working in true partnership** • **Research excellence**

Quality Improvement (QI)

The QI programme now in its second year and is now seeing a real culture change in the principles of QI being embedded across the Trust. This has resulted in approximately 350 trained staff in QI methodology across the trust. Service user and carer engagement in QI initiative started in May 2017 to improve care and outcomes for adults in acute care (I-care). There is now greater QI awareness and Foundation QI Training with staff, services users, carers and partner organisations which has resulted in jointly doing QI projects. The Trust is developing an improved method for co-production to be in place by April 2018



There are a total of 224 quality improvement projects under way in the Trust, with 219 working towards to the Trust Quality Priorities. Fifty three of the projects cover more than one priority.



Graph three: QI projects working towards Trust Quality Priorities

Quality priorities 2018/19

The priorities for 2018/2019 have been arranged under four areas outlined below which incorporate the broader domains of patient safety, clinical effectiveness, patient experience and staff experience. This year there are fewer priorities, each with a number of measurement indicators as outlined below. Progress on achievement of these priorities will be reported on in next year's Quality Accounts.

The metric indicators to measure performance in the key priorities are outlined below:

Reducing violence by 50% over 3 years	Services Applicable to	NHSI Indicator	Definition of measure, baseline and data source
Reducing violence by 50% over 3 years	All clinical pathways	Patient safety and patient experience	Measure all incidents of violence and aggression. Baseline 2017/18: 4158 Source: DATIX Monitoring frequency: monthly
Reduction in restraint by 50% in over 3 years	All clinical pathways	Patient safety and patient experience	Measure all incidences of restraint. Baseline 2017/18: 1716 Source: DATIX Monitoring frequency: monthly

Reduction in prone restraint – zero by 3 years	All clinical pathways	Patient safety and patient experience	Measure all incidences of prone restraint. Baseline 2017/18: 708 Source: DATIX Monitoring frequency: monthly
Reduction in the use of rapid tranquilisation by 25% in 3 years	All clinical pathways	Patient safety and patient experience	Measure all incidents of Rapid Tranquilisation Baseline 2017/18: 840 Source: DATIX Monitoring frequency: monthly
Right care, right time in appropriate setting	Services Applicable to	NHSI Indicator	Definition of Measure, Baseline and Data Source
Reduction in the amount of time waiting from referral to first assessment.	Community	Clinical effectiveness	Measure the amount of time from referral to first appointment across all community settings and all care pathways.* Baseline: will be established in Q1. Source: Trust Dashboard (SQL feed) Monitoring frequency: monthly
Reduction in crisis readmissions by 10%	Trust-wide	Clinical effectiveness	Measure the number of Readmissions within 30 days of discharge. Baseline: 2017/18: 311 Source: BI Production Cube Monitoring frequency: monthly
Service User and Carers Involvement	Services Applicable to	NHSI Indicator	Definition of Measure, Baseline and Data Source
Increase number of identified carers/friends/family for person in receipt of care	Trust-wide	Patient experience	Measure the numbers of identified carers / friends / family Baseline: Reliable measure being developed Q1

			Source: TBC Monitoring frequency: monthly
Increase in the number of care plans over the next three years that have been devised collaboratively with the service user and that the contents have been shared with them. **Target: 100%**	Inpatient first year. To include community services second year once new care plan rolled out.	Clinical effectiveness/patient experience	Measure the number of care plans that have been devised collaboratively with the service user and that the contents have been shared with them. Baseline: 54.3% Source- SNAP audit Monitoring frequency: Monthly
Increase the number of positive responses to 90% over the next three years regarding patients recommending the service to friends and family if they needed similar care or treatment?	Trust-wide	Patient experience	Measure the number of positive responses over the next three years regarding patients recommending the service to friends and family if they needed similar care or treatment? Baseline:2017/18- 85% Source: Friends and Family Test; National Indicator for patient experience Monitoring frequency: Monthly
Staff experience	Services Applicable to	NHSI Indicator	Definition of Measure, Baseline and Data Source
Reduce turnover of staff by 10% in a rolling year over next 3 years	Trust-wide	Staff experience	To measure the turnover of staff in a rolling year Baseline: 18.6% (Rolling Year) March 2018 Source: HR Monthly Report Monitoring frequency: Monthly
Increase the number of positive responses to 75% over the next three years of the number of staff who would recommend SLaM as a place to work	Trust-wide	Staff experience	To measure the number of staff who respond positively to recommending SLaM as a place to work. Baseline: 60% Source: National Staff Annual Survey

			Monitoring frequency: Quarterly Staff Friends and Family Test
Increase the number of positive responses to 75% over the next three years of the number of staff who, if a friend or relative needed treatment, would be happy with the standard of care provided by the organisation.	Trust-wide	Staff Experience	To measure the number of staff who respond positively to being happy with the standard of care provided by the organisation if a friend or relative needed treatment. Baseline: 61% Source: National Staff Annual Survey Monitoring frequency: Quarterly Staff Friends and Family Test

Table seven: Quality Priorities 2018/2019

*The initial target is to develop a baseline for all community based services and to understand variance. From the baseline, individual team targets will be set, monitored and reported on. A clear target is to reduce variance amongst comparable teams.

Care Quality Commission (CQC); inspection July 2017 results and actions

The Trust is required to be registered with the CQC and its current registration status is registered, without condition. In 2017/2018 SLaM has participated in special reviews or investigations by the CQC inspecting the community pathway and specialist eating disorder services. Following the re-inspection, the overall rating for the Trust remains at 'Good'. The overall rating for the Adult Community Pathway was assessed as 'requires improvement' whilst the specific domains of caring and Well Led were assessed as 'Good'. The current CQC Trust grid rating is outlined below.

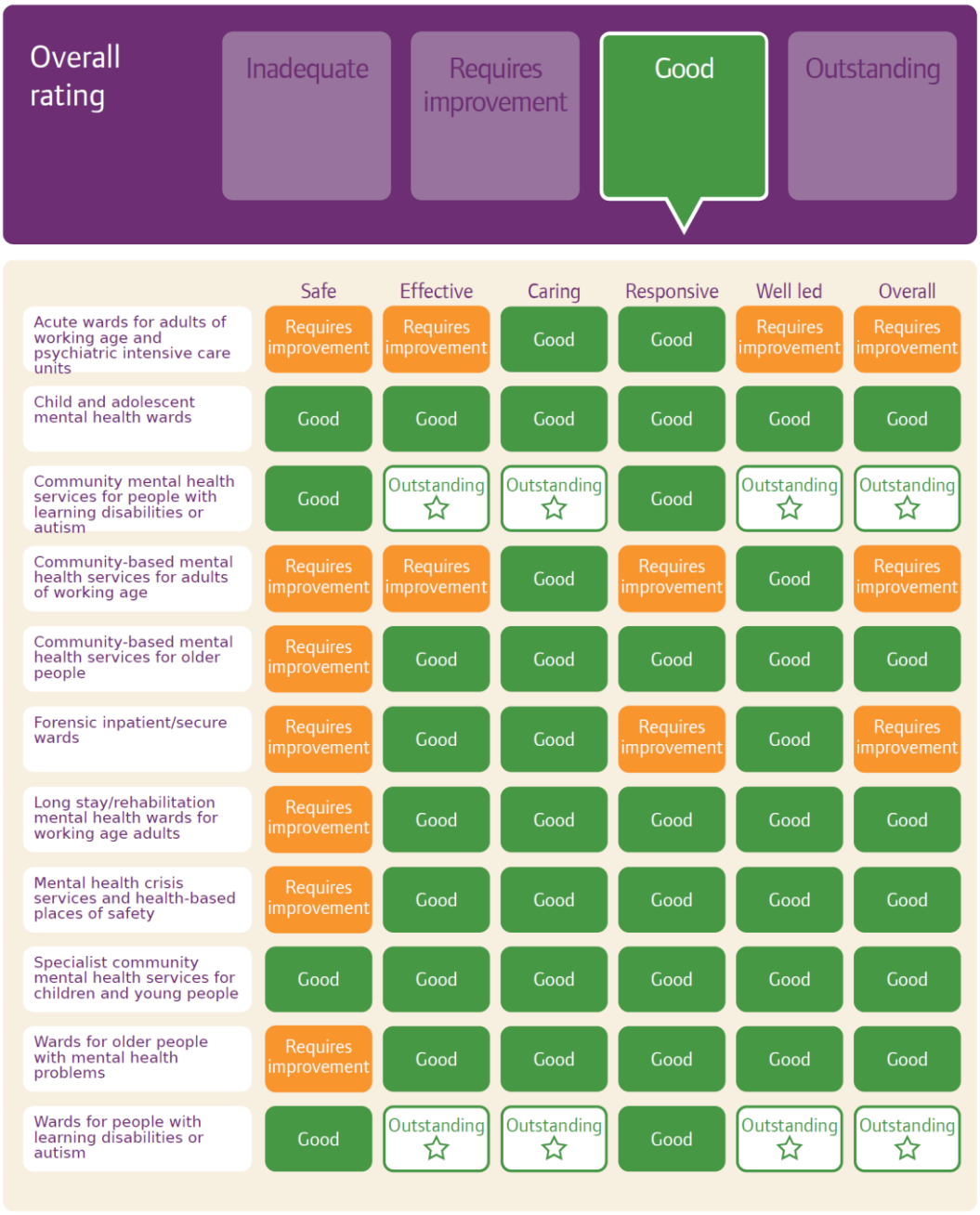
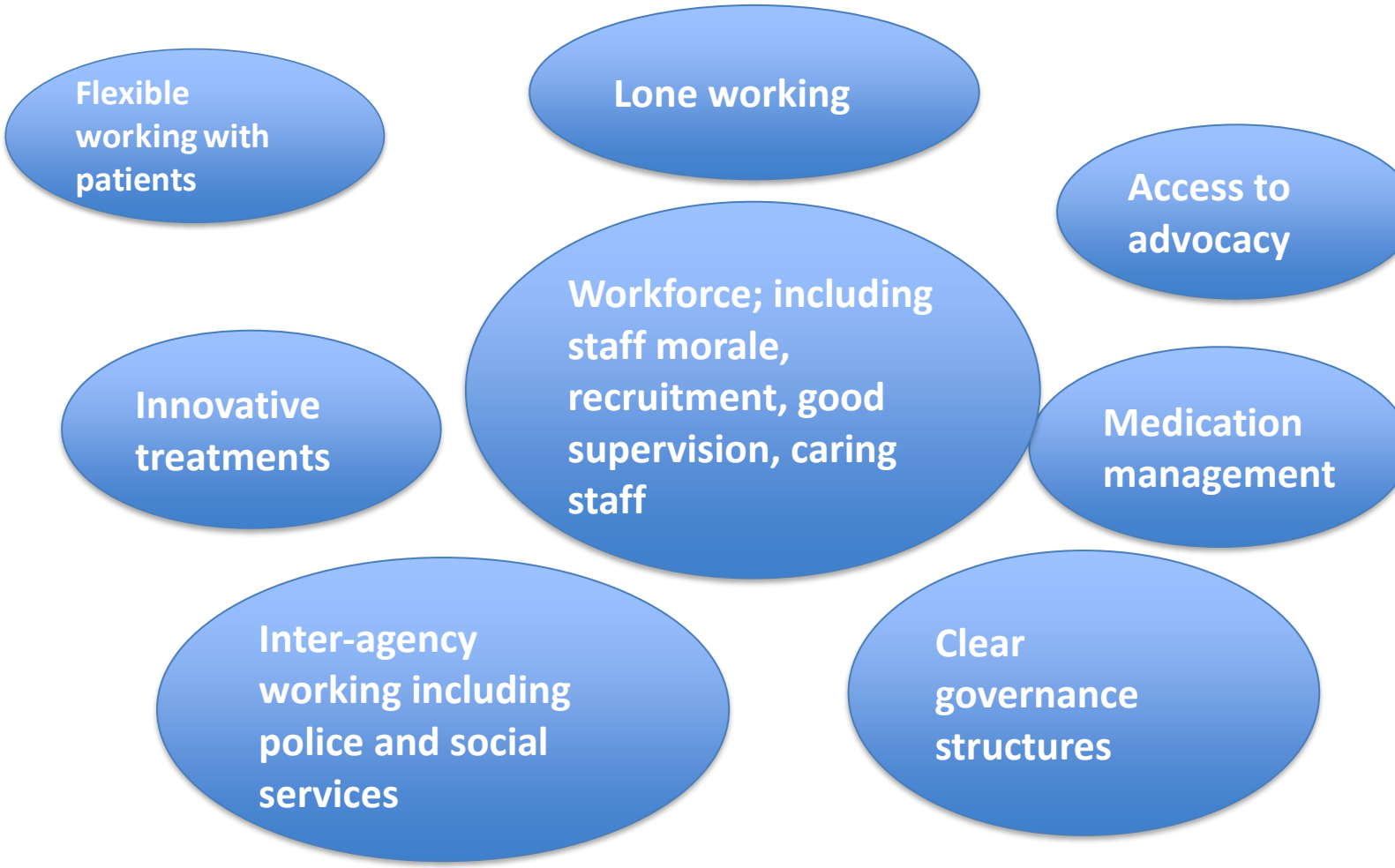


Table eight: Care Quality Commission Inspection Results

Key improvements and good practice identified since 2015 – Community



The table below outlines some of the quality improvement work currently being undertaken as a result of the CQC live action plans from both 2015 and 2017 inspections.

Area of Improvement	Actions undertaken
Risk assessments	New Risk assessment audit tool disseminated across the teams with guidance. To be used as a learning tool within supervision with staff.
Care plans	Development of a new community care plan using QI methodology. Pilot of the new tool currently under way.
MHA assessments	A MHA escalation protocol and staff guidance has been developed and circulated to staff. Regular Police liaison meetings and AMHP service.

Croydon assessment and liaison targets	Review and clarification of referral criteria Increase in staffing levels Development of a Croydon Assessment and Liaison Duty system screening tool. Quality Improvement programme currently under way with aim of reducing waiting times for assessment.
Training	Training completion is being regularly monitored and rates are improving. Scrutiny at operational management meetings will ensure consistent accurate completion.

Table nine: CQC actions

Managing clinical risk

Managing clinical risk is central to all the work that we do, to manage risk all clinical staff receive clinical risk management training commensurate with their grade and experience.

Audit

Participation in national quality improvement programmes

National quality accreditation schemes, and national clinical audit programmes are important for a number of reasons. They provide a way of comparing our services and practice with other Trusts across the country, they provide assurances that our services are meeting the highest standards set by the professional bodies, and they also provide a framework for quality improvement for participating services.

The National Clinical Audits and National Confidential Inquires that SLaM participated in, and for which data collection was completed during 2017/2018, are listed below. During that period SLaM participated in 100% of national clinical audits 7/7 and 100 per cent of National Confidential Inquiries 1/1 which it was eligible to participate in.

The National Clinical Audits and National Confidential Inquiries that SLaM participated in, and was eligible to participate in during 2016/17 are listed below:

- The five national, Prescribing Observatory for Mental Health - POMH-UK audits:
  - Use of sodium valproate
  - Prescribing for substance misuse: alcohol detoxification
  - Prescribing antipsychotic medication for people with dementia
  - Monitoring of patients prescribed lithium
  - Rapid tranquilisation
- The Commissioning for Quality and Innovation (CQUIN) 2017/18 Indicator 4a: Improving Physical Healthcare to Reduce Premature Mortality in People with Severe Mental Illness (SMI)
- The National Confidential Inquiry into suicide and homicide by people with mental illness
- National Clinical Audit of Psychosis

The reports of five national clinical audits were reviewed by the provider in 2017/2018 and SLaM intends to take the following actions to improve the quality of healthcare provided

National Clinical Audit of Psychosis and CQUIN Indicator 4a: Improving Physical Healthcare to Reduce Premature Mortality in People with Severe Mental Illness (SMI) 2017/18

The Trust participated in data collection and entry onto the NHSE online Webform Portal. In 2017/18 data collected for the National Clinical Audit of Psychosis informed the results for the Trust's CQUIN Target.

The full results from the National Clinical Audit of Psychosis are pending.

CQUIN Results received in 2017/18

National CQUIN Indicator 4a: Improving Physical Healthcare to Reduce Premature Mortality in People with Severe Mental Illness (SMI) 2017/18

During September to November 2017, the Trust collected and entered (onto the NHSE online Webform Portal) data for the National CQUIN audit. The Trust was assessed against the following parameters:

1. Smoking status
2. Lifestyle (including exercise, diet, alcohol and drugs)
3. Body Mass Index
4. Blood pressure
5. Glucose regulation (HbA1c or fasting glucose or random glucose as appropriate)
6. Blood lipids

Performance against the CQUIN is presented as a single percentage figure for each provider, calculated on the basis of the following:

a) The denominator will be the total number of inpatients in the sample.

b) The numerator will be the total number of patients in the sample for whom there was documented evidence that:

- they were screened for all six measures listed in the CQUIN guidance during their inpatient stay; and

  where clinically indicated, they were directly provided with, or referred onwards to other services for interventions for each identified problem (with thresholds for intervention being as set out in NICE guidelines).

The data submitted to NHSE is outlined below:

Standard/ indicator	CQUIN SLAM I/P Target = 90%	
	15/16	16/17
Monitoring of physical health risk		
Monitoring of smoking	100%	100%
Monitoring of BMI	100%	89%
Monitoring of glucose control	75%	78%
Monitoring of lipids	75%	78%
Monitoring of blood pressure	100%	89%
Assessment of substance misuse	100%	67%
Monitoring of alcohol consumption	100%	78%
Intervention offered for identified physical health risks		
Intervention for smoking	100%	78%
Intervention for BMI >/= 25kg/m2	100%	75%
Intervention for abnormal glucose control	67%	86%
Intervention for elevated blood pressure	100%	88%
Intervention for substance misuse	100%	100%
Intervention for alcohol misuse	100%	100%

Table Ten: CQUIN Indicator 4a results

POMH-UK audits

Participation in the five Prescribing Observatory Audits (POMH-UK) managed by the Royal College of Psychiatrist's Centre for Quality Improvement

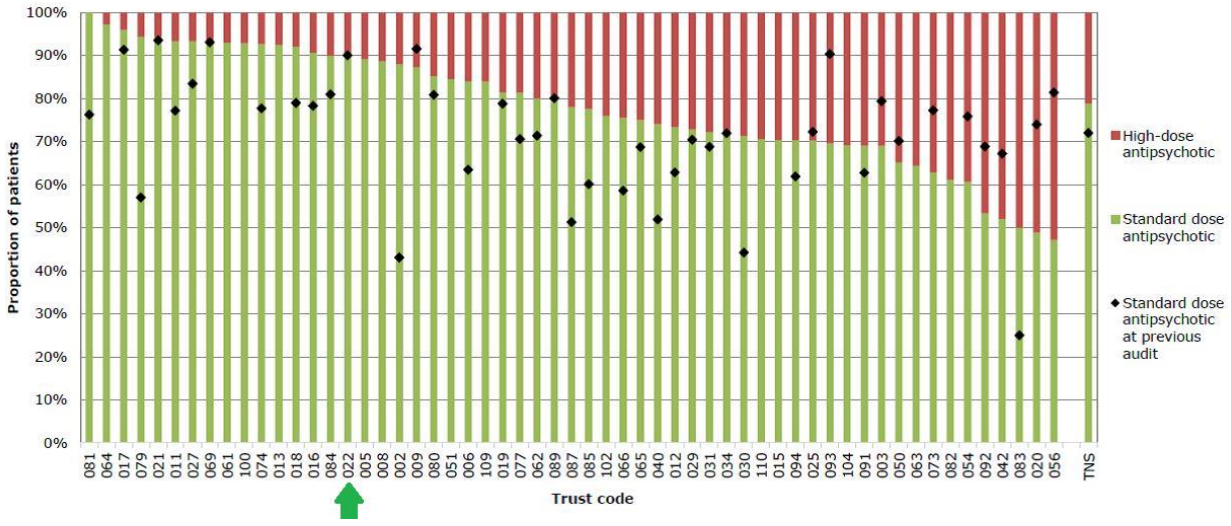
SLaM pharmacy submitted data for the 2017 POMH-UK audits, as required. Below is a summary of the findings from those audits.

Below is a summary of the findings from those audits:

i) Antipsychotic high dose and polypharmacy on in-patient units

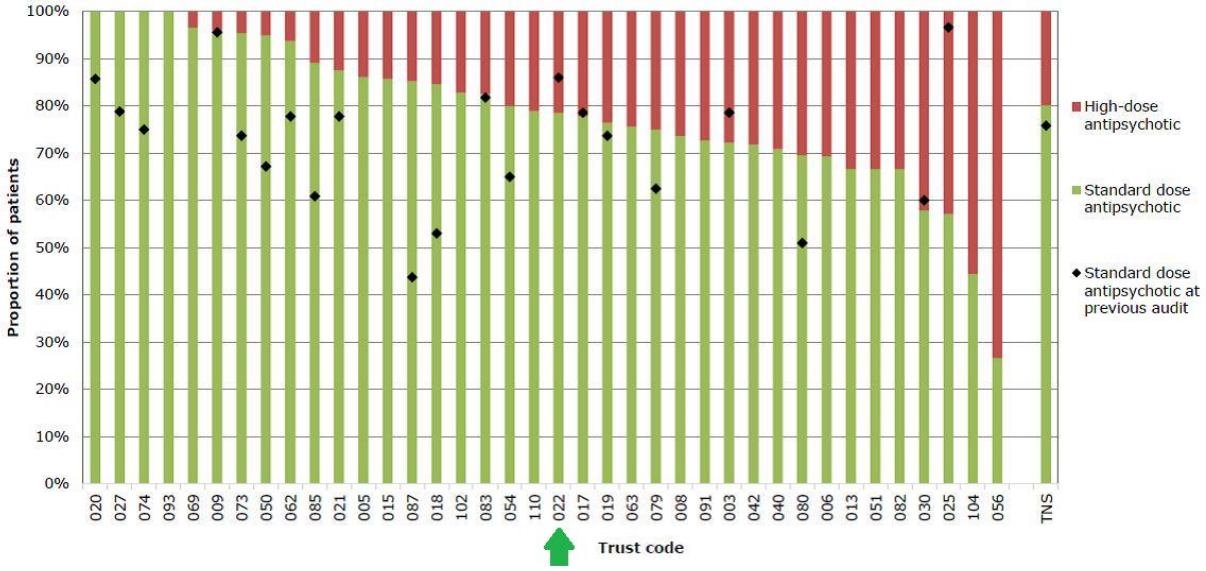
Results of this audit showed that rates of prescribing of high doses and combinations of antipsychotics in SLaM were broadly similar to those reported in the 2012 national audit and lower than in the average national sample.

The graph below shows the proportion of patients in acute and PICU services in SLaM and the national sample who were prescribed a standard and high dose antipsychotic. SLaM is trust T022 and TNS is the average national sample.



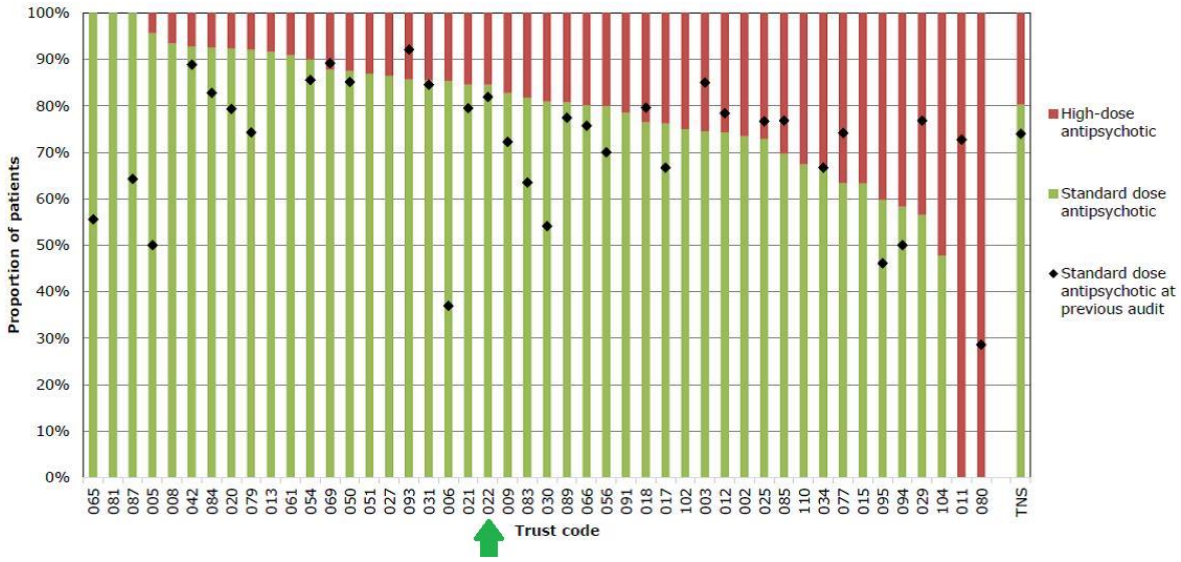
Graph four: Antipsychotic dose on in-patient units

The graph below shows the proportion of patients in rehabilitation and complex care services in SLaM and the national sample who were prescribed a standard and high dose antipsychotic. SLaM is trust T022 and TNS is the average national sample.



Graph five: Antipsychotic dose in rehabilitation and complex care services

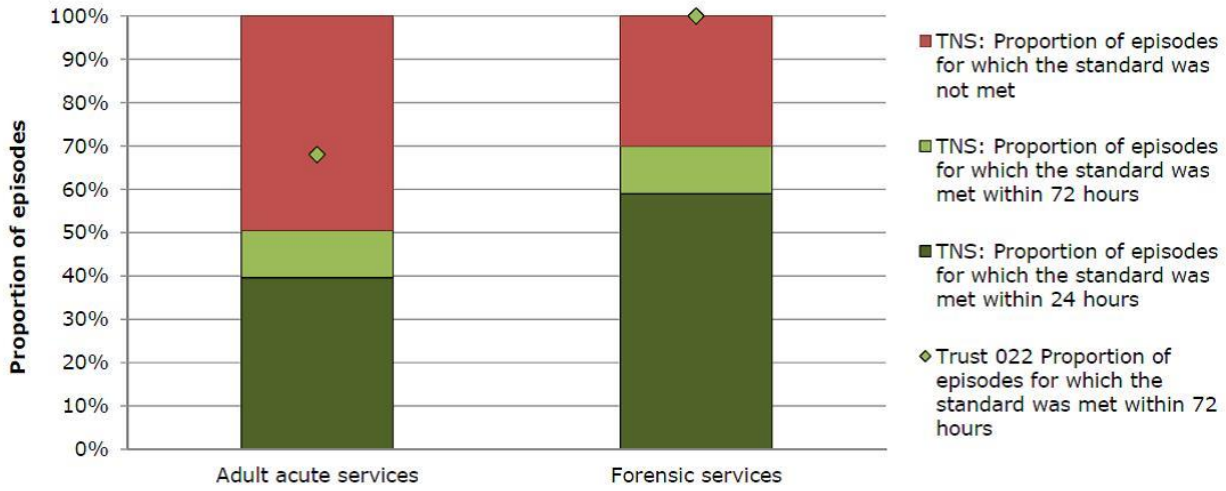
The graph below shows the proportion of patients in forensic services in SLaM and the national sample who were prescribed a standard and high dose antipsychotic. SLaM is trust T022 and TNS is the average national sample.



Graph six: Antipsychotic dose in forensic services

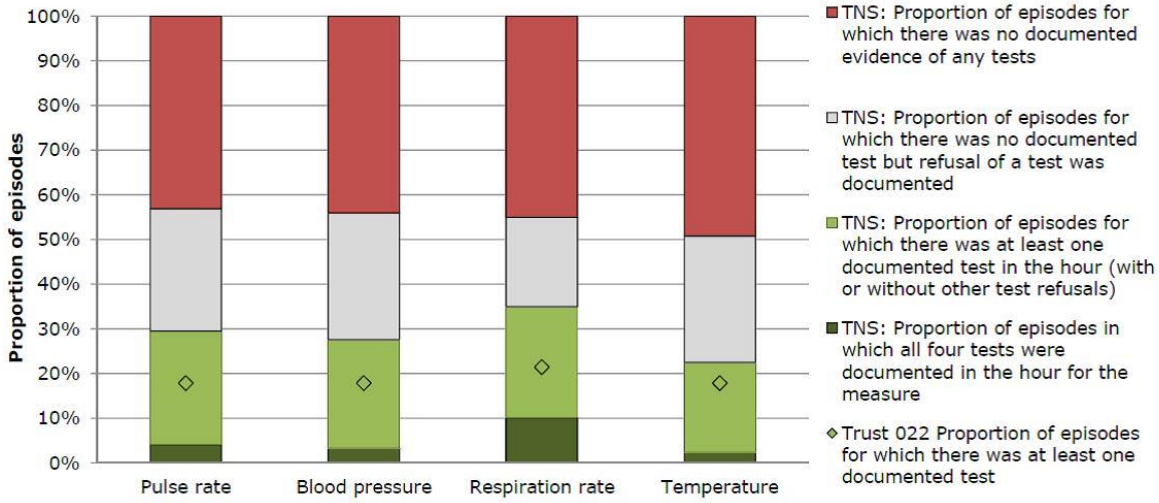
ii) Rapid tranquilisation - pharmacological management of acutely-disturbed behaviour

Results of this national survey showed that a higher proportion of patients in SLaM than in the average national sample received a prompt debrief following parenteral administration of medication, as shown below.



Graph seven: Proportion of patients receiving prompt debrief against standard

However it is noted that improvements need around the evidence available in ePJS of physical health monitoring in the hour immediately after parenteral medication administration, as shown below.



Graph eight: Proportion of patients receiving physical health tests against standard

Actions: The recommendations for physical health monitoring following RT (including documentation) were included in the medicines bulletin. A link to the trust physical health monitoring guidance was included in the bulletin. The physical health monitoring audit is due to repeated on wards using eOBS.

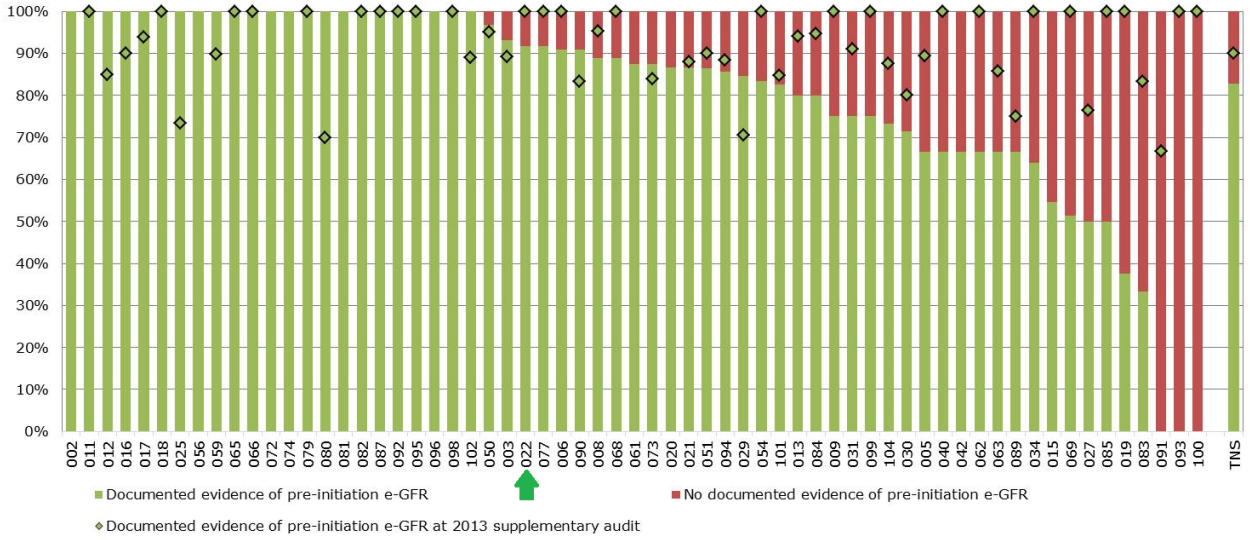
iii) Monitoring of patients prescribed lithium

NICE recommends that patients should have their renal and thyroid function assessed before starting lithium. Patients on maintenance treatment should have their plasma lithium level checked every three months and their renal and thyroid function tested at least every 6 months.

Results of the 2017 national audit of physical health and plasma level monitoring for patients prescribed lithium showed that renal and thyroid function tests were completed before lithium initiation for more

patients in SLaM than in the national average, as shown below. SLAM is trust T022 and TNS is the average national sample.

Proportion of patients in SLaM and national sample with evidence of renal function testing before initiating lithium.



Graph nine: Proportion of patients with evidence of renal function testing before initiating lithium

Proportion of patients in SLaM and national sample with evidence of renal function testing before initiating lithium

Graph 10: Proportion of patients with evidence of thyroid function testing before initiating lithium

However, physical health and plasma level monitoring were less evident for patients maintained on lithium in SLAM than in the national average. Lithium plasma level monitoring in SLAM (trust 22) and the national sample (TNS) is shown below.

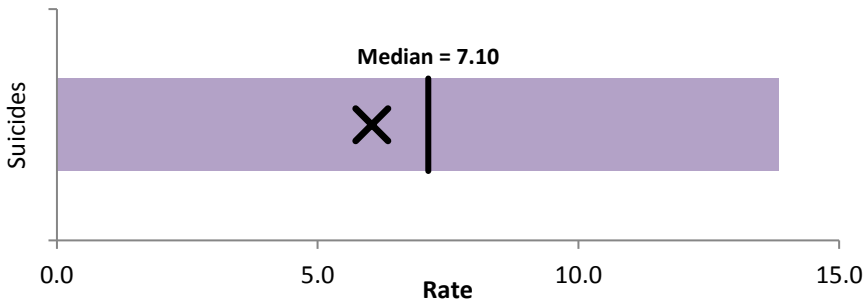
This re-audit included both in-patients and community patients. The previous audit in 2013 included only in-patients. Physical health monitoring for community patients is undertaken either by their GP or the CMHT. One explanation for poor monitoring in this re-audit may be that results of tests completed by GPs were not readily available on ePJS.

Actions: The results and guidance for patient monitoring have been included in the medicines bulletin. For patients who receive lithium from SLaM pharmacy ePJS is checked to determine whether the physical health tests and plasma level monitoring has been completed. Prescribers are reminded of patients with outstanding tests.

National Confidential Inquiry into Suicide and Homicide by People with Mental Illness (NCISH)

The Trust participated in the NCISH which reviews data relating to people who have died by suicide or were convicted of homicide over a 10 year period (2005 – 2015).

The figures below give the range of results for mental health providers across England, based on the most recent available figures for suicides (2013-2015). 'X' marks the position of the Trust. Rates have been rounded to the nearest 1 decimal place and percentages to whole percentage numbers.



The suicide rate in SLaM was 6.04 (per 10,000 people under mental health care) between 2013-15.

Graph 11: Suicide Rate (2013-2015)

Trust Clinical Audit Programme

Safeguarding adults

The audit assessed compliance with the Trust policy, Safeguarding Adults, regarding good safeguarding practices and the extent of recording within Datix and our clinical record systems. A separate audit was completed to assess staff understanding of their safeguarding responsibilities. There was evidence of good documentation compliance and high compliance with staff completion of the Safeguarding Adults training. However, some evidence was not always documented and safeguarding alerts were not always added to the front page of EPJS when there was a current concern. Not all staff members who took part in the survey knew who their CAG safeguarding lead was. Very few also reported that adults at risk had been involved in

the safeguarding process when a concern was raised. The audit was presented and discussed at the Trust Safeguarding Adults Committee where recommendations were agreed to address the gaps highlighted.

Section 132 – Information for patients detained under the Mental Health Act

The audit assessed whether patients detained under the Mental Health Act (MHA) or subject to a Community Treatment Order (S17A/CTO) are informed of their statutory rights via the S132/132A and whether rights are repeated as required by policy. There was evidence of good compliance. Most service users were aware of their sections and rights, although many had used services and been sectioned previously. The knowledge and distribution of the Department of Health 'Rights Leaflet' was very low. The audit was presented at the Mental Health Act and Law committee. It was agreed the MH Law management team would conduct random monthly audits of S132 compliance and a Quality Improvement project will also be developed to improve MHA compliance at ward level.

Service user involvement

A service evaluation reviewed the service user and carer involvement governance structures at SLaM (Service level and Operational levels). Many staff members and service users reported clarity around why people had been involved in activities and that service users were actively supported to participate and feedback. However the majority of service users felt there could be improvements made to future activities, co-production, and ensuring their views contributed to change. The report was discussed at the Patient and Public Involvement Leads meeting and Service User Involvement Committee where recommendations were agreed to improve service user involvement in future activities.

Mental Capacity Act – documentation and staff awareness

Two audits were carried out to assess the Trust's compliance with the Mental Capacity Act Policy, to review documentation and to assess staff awareness of MCA. Just over two thirds of the sample had capacity assessments completed on admission, with the majority completed for medication and treatment. There was little documented evidence of Best Interest meetings and how service users were helped to make decisions as independently as possible. Staff knowledge of the MCA and DoLS and how to record/assess capacity requires improvement, as does staff training. Following discussions at the Mental Health Act and Law Committee, it was agreed that the revised ward round template should be implemented and used routinely in 2018, as well as the development of an MCA recording form on EPJS.

Patients participating in research

The number of patients receiving NHS services provided or sub-contracted by SLaM for the reporting period, 1 April 2017 – 31 March 2018, that were recruited during that period to participate in research approved by a research ethics committee was 2632.
SLaM has been involved in several Making a Difference stories with the Institute of Psychiatry including:

- Talking therapy for psychosis
- Supervised methadone treatment saves lives
- Psychological support for people living with diabetes
- Training for carers of people with anorexia

- Family intervention for psychosis

More information can be found here: https://www.kcl.ac.uk/ioppn/research/agenda.aspx

Commissioning for Quality and Innovation (CQUIN)

As last year, 2.5% of SLaM income in 2017/2018 is conditional on achieving quality improvement and innovation goals agreed between SLaM and any person they entered into an agreement with for the provision of relevant health services, through the Commissioning for Quality and Innovation payment framework. The value of these payments for 2017/18 was £3.8m and at the time of writing the Trust is collating quarter four reports for submission to our commissioners.

Hospital Episode Statistics Data – HES

SLaM submitted records during 2017/18 to the Secondary Uses services (SUS) for inclusion in the Hospital Episode Statistics which are included in the latest published data.

The percentage of records in the published data:

	In-Patients – SUS data Apr 2017/ Feb 2018	Out-patients and Community – Mental Health Monthly Data Sets (MHMDS) Apr 2017/ Feb 2018 (provisional)
NHS No	98.2%	99.2%
GP Practice code	99.5%	97.5%

Table Eleven: The percentage of records relating to patient care which included the patient's NHS No and GP practice code.

Information Governance

Our submission for the annual NHS Digital Information Governance Toolkit for 2016-17 demonstrated 91% compliance with national health and social care information governance standards (all Level 2 or above), which is satisfactory compliance. SLaM's annual submission was independently assessed by internal audit with a substantial assurance outcome.

The Trust Digital Services are continuing to lead the digital transformation programme. The Information Governance Operating Model has been implemented to further improvements around information governance compliance with national standards and key legislation. The General Data Protection Regulations (GDPR) preparedness action plan overseen by the Information Security Committee is well under way for completion before the data protection legislation changes in May 2018. The Information Security Committee is also overseeing the Cyber Security Programme with close engagement and independent reviews by NHS Digital's careCERT and careCERT Assure Programmes. The information governance team updated privacy impact assessment and clearance house processes to improve risk management.

SLaM completed NHS Digital's SCCI1596 Secure Email Standard conformance successfully and @slam.nhs.uk was accredited as a secure email system on 30 September 2017.

Following-on from the CoBIT governance framework training for the Digital Services (IT) staff, the department has gone on to review IT processes in line with this framework.

Following the launch of the Local Care Record (LCR) in Southwark and Lambeth in partnership with SLaM, it has expanded to cover Bromley health and care providers. The LCR provides timely and secure sharing of relevant patient information between care professionals to support direct provision of care between primary, secondary and community care services.

The Trust continues to provide clear, concise and up-to-date notification material to service users to ensure they are sufficiently informed about the way their personal data is utilised with opportunities to opt-out of any scheme if they wish to do so.

Assurance around Information Governance (IG) is regularly presented to relevant IG Committees chaired by the Caldicott Guardian, the CCIO and the Chief Information Officer. The Board receives annual updates on levels of assurance.

Payment by Results Clinical Coding

SLaM was not subject to a Payment by Results Clinical Coding audit by the National Audit Office during the 2017/2018 financial year. Our clinical information system has built in alerts to remind clinicians that a mental health cluster has expired. This supports our recording of clustering data. The National position for Mental Health payment by results is still under discussion, and in 2018/2019 payments for IAPT services will begin to include a specific outcomes component.

Improving Data Quality

We will be taking the following actions to improve data quality:
A new programme was launched which aims to connect the many information systems we use across the Trust. The programme, called Operation SOS: Solving our Systems and thereby a project team has been set up which will be dedicated to resolving issues such:

- Multiple log-ins and access to business and vital clinical information
- Systems joined- up and linked to enable effective and streamlined working practices.
- Improving access to the right information

We intend to use data to improve the lives of our service users, be a community leader organisation, empower our clinical leaders, service users and management to make informed decisions. Our latest Public Sector Equalities Duty Report can be found here: http://www.slam.nhs.uk/about-us/equality/public-sector-equality-duty

National indicators 2017/2018

SLaM is required to report performance against the following indicators:

- Care Programme Approach (CPA) 7 day follow-up
- Access to Crisis Resolution Home Treatment (Home Treatment Team Gatekeeping)
- Re-admission to hospital within 28 days of discharge

Care Programme Approach (CPA) seven day follow-up

Follow up within seven days of discharge from hospital has been demonstrated to be an effective way of reducing the overall rate of death by suicide in the UK. Patients on the care programme approach (CPA) who are discharged from a spell of inpatient care should be seen within seven days.

National Target	SLaM 2015/16	SLaM 2016/17	SLaM 2017/18	National Average 2017/18	Highest Trust % or Score 2017/18	Lowest Trust % Score 2017/18

Not specified (formerly 95%)	96.99%	**97.1%**	**97.5%**	95.4% (Q3)	100%	69.2%

Table 12: CPA, seven day follow up

The lowest/highest and National Average scores (for a Trust) are based on the Q1-3 scores in 2017/18 published at the time of writing the quality account available at www.england.nhs.uk/statistics

SLaM considers that this data is as described for the following reasons: There continues to be a strong operational and performance focus on this indicator within the Trust.

The Trust performance continues to be comparable with previous years.

Access to Crisis Resolution Home Treatment (Home Treatment Team)

Home Treatment Teams provide intensive support for people in mental health crisis, in their own home. Home Treatment is designed to prevent hospital admissions and give support to families and carers.

The indicator here is the percentage of admissions to the Trust's acute wards that were assessed by the crisis resolution home treatment teams prior to admission.

	National Target	SLaM 2015/16	SLaM 2016/17	SLaM 2017/18	National Average 2017/18	Highest Trust % or Score 2017/18	Lowest Trust % Score 2017/18
Number of admissions to acute wards that were gate kept by the CRHT teams	95%	95.9%	**96.5%**	99.9%	98.5 (Q3)	100%	84.3%

Table 13: Access to crisis resolution

The lowest/highest and National Average scores (for a Trust) are based on the Q1-3 scores in 2016/17 published at the time of writing the quality account available at www.england.nhs.uk/statistics

Note: that Psychiatric Liaison Nurse assessments of patients in Emergency Departments are included in the gatekeeping performance figures for previous years. Following the creation of the Assessment and Referral Centre (ARC) in 2016 with embedded Home Treatment the ARC now acts as the single point of access for the adult care pathway. PLN's now refer to ARC who do the HTT assessment as part of the admission/diversion process.

SLaM considers that this data is as described for the following reasons: The Acute Referral Centre (ARC) is fully operational and all patients are triaged through this system.

Readmissions to hospital within 28 days of discharge for patients 0 – 15 years and 16+ years

	SLaM 2017/18
Patients readmitted to hospital within 28 days of being discharged (0 – 15 years)	4.29%
Patients readmitted to hospital within 28 days of being discharged (16 years or over)	6.85%

Table 14: Readmissions to hospital for within 28 days by age group

SLaM considers that this data is as described for the following reasons: The routine monitoring indicator for readmissions for mental health contracts and Clinical Commissioning Groups (CCG) is readmissions within 30 days. The Benchmarking Network for Adult Mental Health report 2016/17 reports that the Trust had a 4% emergency readmission rate in comparison to a national mean of 9% for emergency readmissions within 30 days.

SLaM intends to take the following actions to improve this indicator score, and so the quality of its services, by ongoing monitoring of the Adult mental health pathways, a redesign of our community provision and the implementation of QI initiatives.

Service Users Experience of Health and Social Care Staff

	SLaM 2016/2017	SLaM 2017/2018	Highest Trust % or Score 16/17	Lowest Trust % or Score 16/17
Service users experience of Health and Social Care Staff *Scores out of 10*	7.5	7.6	8.1	6.4

Table 15; Ser CPA, 7 day follow up Table ten: Service Users Experience of Health and Social care Staff

SLaM considers that this data is described for the following reasons:

The patient survey responses to the question of how users of services found the health and social care staff of the Trust show that in 2017, overall SLaM scores for this section were about the same as other mental health Trusts. The average Health and Social Care Worker section score for SLaM patients was 7.6 with other Trusts performing in a range of 6.4 to 8.1. Two out of three questions had an increase in their scores since 2016 (Q4 and Q5), whilst for Q6 there was a slight decrease from 7.1 to 7.0.

		SLaM 2017 score	Lowest score trust	Highest score trust	SLaM (n)	SLaM 2016	SLaM 2015	SLaM 2014
	Health and social care workers							
S1	Section score	7.6	6.4	8.1				
Q4	Did the person or people you saw listen carefully to you?	8.2	7.3	8.6	198	7.9	7.9	8.5
Q5	Were you given enough time to discuss your needs and treatment?	7.5	6.8	8.2	199	7.3	7.6	8.0
Q6	Did the person or people you saw understand how your mental health needs affect other areas of your life?	7.0	6.2	7.8	190	7.1	7.1	7.8

Table 16: Survey of people who use community mental health services 2017

Following a Board Development Session on how the Trust can be an exemplar in terms of service user and carer involvement, it has been agreed that one of the first priorities will be a focus on involvement in own care and this will sit with this work stream. This will be taken forward as part of a review on the Trust's Care Plan Approach (CPA).

Core indicators

The following indicators form part of appendices 1 and 3 of the Single Oversight Framework (SOF) published by NHS Improvement.

Indicator	SLaM 2017/18	National Target	National Target Met
1. Early intervention in psychosis (EIP): people experiencing a first episode of psychosis treated with a NICE-approved care package within two weeks of referral	66%	50%	✓
2. Improving access to psychological therapies (IAPT): proportion of people completing treatment who move to recovery	48%*	50%	✗
3. Improving access to psychological therapies (IAPT): patients seen within 6 weeks of referral	88%	75%	✓
4. Improving access to psychological therapies (IAPT): patients seen within 18 weeks of referral	99%	95%	✓
5. Care programme approach (CPA) follow-up: proportion of discharges from hospital followed up within seven days	97.5%	Not specified (formerly 95%)	✓
6. Admissions to adult facilities of patients under 16 years old	0	Not specified	✓
7. Inappropriate out-of-area placements for adult mental health services *(This is a new requirement for 2017/2018 and reporting begins in Q4/18 which is broken monthly in the data presented.)*	Jan – 155 OBDs Feb – 332 OBDs Mar – 88 ODBs	Not specified	✓

Table 17: Core indicators

*The yearly average for indicator 2 for 2017/18 was 48per cent although by the end of the financial year the Trust had achieved a recovery rate of 52per cent

Indicators two, three and four are based on collated monthly internal Trust reporting, NHS Digital will publish full year performance later in 2018/19.

Performance for indicator two has been improving following the implementation of an internal action plan including recommendations from our internal audit team. The Trust performance for March 2018 was 52per cent

The indicator percentage of CPA patients with a review in 12 months is not specified within the Single Oversight Framework. The Trust continues to monitor this internally through performance reviews.

Patient safety incidents resulting in severe harm or death

The Trust records all reported incidents on a database, in order to support the management of, monitoring and learning from all types of untoward incident. In addition patient safety incidents are uploaded to the National Reporting and Learning Service (NRLS) for further monitoring and inter-trust comparisons. The NRLS system enables patient safety incident reports to be submitted to a national database which is designed to promote understanding and learning.

The process of reporting trust data to the NRLS and NRLS publication of national data is retrospective by nature. For the latest benchmarked data, SLaM reported:

NRLS Data Q3-Q4 16/17	SLAM 16/17	Average for Mental Health Trusts	Highest Trust % or Score 16/17	Lowest Trust % or Score 16/17
Reported Incidents per 1000 bed days	19.69	46.04%	88.21	11.17
Percentage of incidents resulting in severe harm	0.5%	0.4%	1.8%	0.0%
Percentage of incidents reported as deaths	0.2%	1.0%	3.8%	0.0%

NRLS Data Q1-Q2 17/18	SLAM 17/18	Average for Mental Health Trusts	Highest Trust % or Score 17/18	Lowest Trust % or Score 17/18
Reported Incidents per 1000 bed days		51.5	126.47	16

Percentage of incidents resulting in severe harm	0.5%	0.3%	2.0%	0.0%
Percentage of incidents reported as deaths	0.2%	0.9%	3.4%	0.0%

Table 18: NRLS (National Reporting and Learning Service) Data

Learning from Deaths

During 2017/18 565 of SLaM patients died. This comprised the following number of deaths which occurred in each quarter of that reporting period: 149 in the first quarter; 100 in the second quarter; 140 in the third quarter; 176 in the fourth quarter.

354 case record reviews and 60 investigations have been carried out in relation to 565 of the deaths.

In 37 cases a death was subjected to both a case record review and an investigation. The number of deaths in each quarter for which a case record review or an investigation was carried out was:

Number of deaths where case record review or investigation was carried out	Q1 2017/18	Q2 2017/18	Q3 2017/18	Q4 2017/18
	113	84	102	78

Table 19: Number of deaths where case record review or investigation was carried out

Number of deaths reported in 2016/17 where case record review or investigations were carried out in 2017/18	Total
	CRR 60 SIRI 18

Table 20: Number of deaths reported in 2016/17 where the case record review or investigation was carried out in 2017/18

18 representing 3.19per cent of the patient deaths during the reporting period were judged to be more likely than not to have been due to problems in the care provided to the patient.

In relation to each quarter, this consisted of:

Q1 2017/18	Q2 2017/18	Q3 2017/18	Q4 2017/18
5 representing 3.36%	7 representing 7%	2 representing 1.42%	4 representing 2.27%

Table 21: per cent of patient deaths more than likely not to have been due to problems in care

These numbers have been estimated using adapted versions, used with permission, of two frameworks; the Mazars framework with an adapted version of the grading system for case reviewers from the National Confidential Enquiry into Patient Outcome and Death (NCEPOD). Reviewers assess and grade the care provided to a patient using the two systems to assess and identify learning or a requirement for further review. The deaths considered in this section are those assessed using the NCEPOD Classification as Several aspects of clinical and/or organisational care that were well below satisfactory requires reporting as Serious Incident or SI.

We have identified a number of learning points from case record reviews and investigations conducted in relation to the deaths identified above.

The quality of risk assessments and care plans in some cases has been variable with limited details on the physical health needs. Where care plans and risk management plans were completed these were not always individualised or specific enough.

The Trust identified communication with GPs as a key learning point including the communication of physical health care plans and coordinated care between services.

Several reviews identified that the service users did not engage well with services for both their physical and psychiatric care.

It was highlighted that a number of the reviews demonstrated the provision of good quality care with compassionate and caring staff.

Actions taken

The Trust has taken the following actions during 2017/18. Inpatient services have physical health care plans are part of the core care plan for patients. Services have been reminded of the support available to them in compiling these including clinical nurse specialists, modern matrons and the Trust's nurse consultant for physical health and wellbeing.

The Trust completed a mortality audit in 2017/18 and will be repeating this in 2018/19. This identified improvements in the interface between mortality and the physical health strategy.

The Trust's physical health strategy has been driven by the mortality audit with the purpose of reducing the mortality gap for patients with mental health problems. Learning from mortality reviews is shared through the Trust's Medical Director.

The Trust continues to assess the impact of the actions highlighted above.

Duty of Candour 2016/2017

In October 2017, the Trust's Clinical Audit and Effectiveness team undertook a Duty of Candour audit identifying several learning points. The audit was taken to the Trust's Quality Committee and presented to the four borough clinical quality review group to share learning and identify any further recommendations. The following key learning points were identified in the audit updates to Trust SI report template, QI project to be undertaken with CAGs to strengthen understanding, revision of the Duty of Candour policy including – guidance for staff, template letters and external website reference, a communication campaign, training and updates to the incident reporting system to capture Duty of Candour more consistently. The Director of Nursing commenced the Serious Incident Review Group which has increased the scrutiny and oversight of Duty of Candour for serious incident investigations.

Governance and Assurance

The Trust has robust operational and quality governance systems and processes in place to monitor the quality of care provided.

The Trust Board receives assurance from the Quality Sub Committee (QSC) chaired by a Non-Executive Director. The purpose is to:

- Provide assurance to the Board of Directors on the delivery of the Trust's Quality Strategy.
- Examine where there have been failures in service or clinical quality and monitor progress against action plans to address them.
- Ensure that there are processes in place to monitor quality effectively.
  - Identify risks related to service and clinical quality and provide assurance to the Board that the principal risks threatening quality are being managed appropriately at all levels within the Trust.
  - Consider issues escalated by the committees accountable to the Quality Sub-Committee.

Annex 1

NHS Croydon CCG, NHS Lambeth CCG, NHS Lewisham CCG and NHS Southwark CCG Joint Statement on South London and Maudsley NHS Foundation Trust's Quality Account 2017/18
May 2018

The Clinical Commissioning Groups contracting with the South London and Maudsley NHS Foundation Trust have welcomed the opportunity to review your Quality Account for 2017–2018. We are able to confirm that it complies with the requirements as set out by NHS England. The Quality Account provides an open and transparent declaration of the status of the quality of the services the Trust provides which is well written and generally easy to navigate. It appears to be at a fairly final draft stage at the point of review.

We have been grateful to the Trust for the way that colleagues have worked openly with us – supporting our assurance processes – taking our concerns seriously and responding to questions helpfully and in a timely way. We are grateful and supportive of the move taken by the Trust during 2017/18 to involve us more fully in its internal serious incident processes in order to improve the sharing of learning in this regard.

Commissioners recognise that the Trust is committed to providing the very best quality care to patients.

We have seen the potential for the 4 Steps to Safety strategy to make a significant impact toward reducing the numbers of incidents of violence and aggression across inpatient settings and support the Trust's plans for a more consistent implementation of this strategy across all wards.

The Trust has our support for its rigorous approach to quality improvement and we congratulate the Trust for training approximately 350 staff in QI methods – this demonstrates a clear commitment to develop and embed robust evidence-based practice within its staff.

We support the Trust's quality priorities for 2018/19 and beyond, noting that that there are fewer priorities than previous years and that some of these priorities are planned for up to three years rather than just one. This makes the achievement of the ambitious targets the Trust has set itself more likely, as a consequence of the clearer prioritisation and the ability to plan over longer timeframes this approach will afford.

We share the Trust's disappointment that it has only fully achieved one of its quality priorities for 2017/2018 but recognise that the level of ambition set was and remains high, and that progress is being made in most areas.

We are concerned that only 61% of staff confirmed that they would be happy with the standard of care provided by the Trust if a friend or relative needed treatment, and encourage that the Trust should ensure that it understands staff concerns to ensure that their QI projects and quality priorities are always aligned.

We also have concerns about the proportion of staff (34% BME, 33% White) experiencing abuse, harassment or bullying from other staff in the last 12 months, but acknowledge that senior management and leadership with the Trust recognise the need to act on employee feedback and are working hard to act on these findings.

We were disappointed with the results of the CQC Inspection of Community Adult Mental Health services and have been closely monitoring the resultant action plan with you. We expect that the actions taken will translate into improved quality standards and outcomes– especially in relation to risk assessments and associated care planning – and that this change can be shared Trust-wide.

The CCGs are looking forward to continuing to work collaboratively with the Trust over the coming year to support the on-going health quality improvement programmes for the benefit of service users in Croydon, Lambeth, Lewisham and Southwark.

Council of Governors' reply to Quality Accounts 2017/18

The Governors have considered the Quality Accounts and welcome the opportunity to present our comments. We participated in the setting of Quality Priorities for the Trust for both 2017-18 and 2018-19 and discussed the Quality Accounts at the Governors' Quality Working Group meeting held in April 2018. The Quality Working Group meets throughout the year, sends an observer to the Trust Quality Committee and has regular contact with the Non-Executive Director who chairs the Quality Committee.

Governors recognise that the context of providing care this year, particularly with additional winter pressures, has been demanding on managers and staff. However, there have been many positive developments, some still in implementation phase and some already achieved. These include, but are not limited to:

- The launch of the "Changing Lives" strategy;
- Launch of the five-year Physical Health Strategy;
- Increase in uptake of staff 'flu vaccinations;
- Re-organisation of the CAG/borough structure to better serve communities.

Review of Quality Performance 2017/2018

Patient safety

Governors recognise that there has been some improvement against these ambitious quality indicators, but echo comments made in our reply to the Quality Accounts 2016/2017 showing concern about physical restraint which are known to be disproportionately carried out on men, service users from BME backgrounds and those detained under the Mental Health Act.

We repeat the concerns expressed last year about under-staffing on inpatient wards and the (national) lack of a measure of safe staffing in community teams.

Clinical effectiveness

We are pleased to see that staff uptake of Physical Health Awareness training has exceeded the target set and that positive progress has been made against the other two indicators. We remain aware of the serious

reduction in life expectancy for people affected by mental ill health and will seek assurances over the next year that effective progress is being made by the Trust to improve the physical health of service users. Physical Healthcare is not one of the Quality Priorities for 2018-19, but the implementation of the five-year Physical Healthcare Strategy will ensure that performance is monitored and reported.

The Governors understand that the IT company providing the EObs platform were unable to meet the Trust's requirements and therefore the plan did not work as expected. This is disappointing, but we are pleased that an alternative company has been appointed.

Patient experience

Governors note that the target of offering a Carers' Engagement and Support Plan has been missed and welcome the prioritisation of service user and carer involvement in 2018-19's Quality Priorities. We will continue to seek assurances as to whether the Trust is capturing carer information, and how those carers are supported.

We acknowledge that some progress was made on reducing overall admissions and lengths of stay and we will continue to seek assurances that these changes do not cause an increase in re-admissions, or put an additional strain on service users, carers and community teams.

Staff experience

Governors recognise that whilst these targets have not been met, some progress was made in the percentage of staff recommending the Trust as a place to work and there has been a reduction in the percentage of staff suffering work-related stress. We welcome the focus on staff experience in next year's Priorities and particularly the focus on tackling inequality through various initiatives, including provision of training on Inclusive Leadership and the appointment of a Workplace Equalities Manager. The Governors also welcome the creation of the Equalities and Workforce Committee.

Quality Priorities 2018/2019

The Governors were engaged in the development of these aims. They largely reflect the Governors' key priorities, which are:

- Reduction in violence and aggression
- Patient and carer involvement in planning care (inpatient and community)
- Children's access to mental health services
- Timely access to community services
- Physical healthcare (Mind & Body)

We support the Quality Priorities for 2018-19 and welcome the continuation of focus on important areas of development. We are pleased that the plan recognises the need for a longer-term objectives, set over three years, with annual milestones to achieve.

Currently the measurements against which progress will be tracked remain under development and we look forward to being informed about them in due course.

Care Quality Commission (CQC) rating and improvements

The Governors will continue to monitor progress on the areas that the CQC have said must be improved, including: risk assessments, care planning, MHA assessments, Croydon Assessment and Liaison targets, and mandatory training compliance.

South London and Maudsley NHS Foundation Trust (SLaM) Quality Accounts 2017/18
Response from Healthwatch Lewisham

Healthwatch Lewisham welcomes the opportunity to comment on this Annual Quality Account. We recognise that this document is a useful tool in ensuring that SLaM is accountable to patients and the public for the quality of services they provide. We fully support the report as a means for SLaM to review their services in an open and transparent manner, acknowledging where services are working well and where there is room for improvement.

As a patient's champion, we share the aspiration of making the NHS more patient-focussed and placing the patient's experience at the heart of health and social care. An essential part of this is ensuring that Lewisham residents voices, especially those who are seldom heard, are recognised and taken into account when decisions are being made about the quality of care and changes to service delivery and provision.

We recognise the Trust's work and achievement in improving the quality of services for local residents. We are particularly impressed that 96% of patients felt the staff to be kind and caring. This is one of the reoccurring themes that is identified by us through our general engagement and therefore we are happy to see that the patients are feeling well looked after and cared for by friendly staff.

We look forward to continuing to work alongside the Trust to ensure that the patient's feedback and experience is heard and used to shape and improve services.

May 2018

Response from Healthwatch Southwark

Overall we are pleased with the tone of the report in terms of a more ambitious commitment to quality. However it is concerning to see that only one of the targets for last year was achieved. Very little progress was made in some areas and active decline in one.

We would appreciate more detail from the Trust on what actions were taken to progress the Priorities and why they have faced challenges. We would particularly value insights into what can be done to reduce violence and restraint in future.

In general, more alignment between the data in the report and the Priorities would be helpful. We are always keen to see how patient engagement in particular has informed goals. Whilst the stakeholders' event on 21 February 2018 did include one Healthwatch representative, only a limited number of patients attended.

Priorities retained or broadened from last year:

- **Reducing restraint and prone restraint.** We support these goals. Restraint is an issue often reported by patients to cause distress and was highlighted by the CQC. We support the ambitious (though reduced) target, but are concerned that it will not be met given only slight improvement in 2016/17.

New priorities introduced:

- **Reducing in use of rapid tranquilisation.** We would like more information about why this has been selected as a priority.
- **Reducing waiting time to first assessment and waiting times for beds.** We support these goals. Long waiting times are a common element of many negative patient experiences, and potentially impact on outcomes.
- **Reducing readmissions.** Last year we were concerned that the priorities around quality all focused on physical health; this priority could be a good metric for the quality of mental healthcare. However, there is a risk of increasing thresholds for (re)admission.
- **Increasing hours of user and carer involvement.** This reflects feedback from patients noted in the report and as a champion of patient voice we wholeheartedly support this theme. However, we suggest consideration of alternative measures of the *quality* of engagement, such as patient-reported feelings of involvement and that the Trust acts on patient's views.
- **Increasing meaningful care plans.** This priority could support improved, person-centred care and a sense of empowerment if plans are compiled in partnership with patients. We would like more detail on how the plans will be assessed and how this will be measured.
- **Reducing staff turnover and reducing violence towards staff.** Staff wellbeing and adequate staffing is crucial to good care.

Priorities ended this year:

- **Reducing violence and aggression.** As this goal was significantly under-achieved last year we query why it has been discontinued.
- **Safer staffing: reducing breaches.** Again, this goal was not achieved last year (though there was progress). We recognise that reducing staff turnover might contribute to this.
- **Digital health: eObs rollout.** This was delayed by technical issues so we hope it can be achieved without being kept as a formal priority. We have not received information indicating that this needs to be emphasised further.
- **Physical health awareness.** We commend the Trust on achieving its goal.
- **Physical health screening and intervention.** We are glad that some of the new goals in place of this priority reflect quality of mental healthcare. However, we do question discontinuation of this goal given that the target was not achieved for inpatients and there was an actual decline for Early Intervention patients. Audits mentioned in the Quality Account also note issues with physical monitoring.

- **Family and Carer Engagement: Engagement and Support Plans**. We are pleased that patient engagement is being prioritised in this year's goals. However, we would like information about why this goal has not yet been achieved (we believe this is connected to a new format) and the Trust's future plans.
- **Reducing inpatient admissions and reducing length of stay**. Whilst these were not fully achieved, we were unsure whether they were the best goals for measuring improved experience and quality. We are interested in whether there have been measurable improvements in community/at-home treatment.
- **Staff health and wellbeing, management of workplace stress and staff recommending the Trust as a workplace.** We hope that action on these areas will be incorporated in plans to meet the new priority of reducing staff turnover.

We note the recent CQC report on the Adult Community Pathway and the areas of concern here. Recent feedback to Healthwatch Southwark indicates that some patients do not feel fully supported by CMHTs and we will be monitoring this. Page 6 of the Quality Account states that issues raised by the CQC around this Pathway have been incorporated into the Priorities; this is not clear to us, although we know that a separate action plan is in place.

Missing data

We are commenting on the draft document - some data is not yet available. This includes areas which, if below expectations, might need to be reflected in the priorities (national inquiry into suicide and homicide, safety incidents in 2017/18, inappropriate out-of-area placements.)

Detail on the national patient surveys and CQC findings focuses on average and higher-performance/improving areas. We would prefer to see full data from these.

Given that the report says the priorities were informed by data on complaints, serious incidents and feedback, we would like to see a breakdown.

The report refers to the Trust's local survey programme (PEDIC) as having a better response rate than national surveys – it would be helpful to see data from this.

We note that results from only 4 of the Trust's 11 clinical audits seem to be presented in the report. Some data on POMH-UK audits also seems to be missing.

Data queries

The figure on page 11 of 60% of staff recommending the Trust as a place to work conflicts with the figure on page 8 of 63% and would indicate a decline in performance against this target.

Page 3 says there were over 100 quality improvement projects, and more than 400 staff trained in this; page 18 mentions 224 projects and 350 staff trained.

Annex 2

Statement of Directors' Responsibilities In Respect of the Quality Report

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 to prepare Quality Accounts for each financial year.
NHS Improvement has issued guidance to NHS foundation trust boards on the form and content of annual Quality Reports (which incorporate the above legal requirements) and on the arrangements that foundation trust boards should put in place to support the data quality for the preparation of the Quality Report.

In preparing the Quality Report, directors are required to take steps to satisfy themselves that:

- The content of the Quality Report meets the requirements set out in the NHS Foundation Trust Annual Reporting Manual 2017/18 and supporting guidance;
- The content of the Quality Report is not inconsistent with internal and external sources of information including:
  - Board minutes and papers for the period April 2017 to 24 May 2018, including
  - Papers relating to Quality reported to the Board over the period April 2017 to 24 May 2018;
  - Feedback from commissioners dated 11 May 2018
  - Feedback from Governors 11 May 2018
  - Feedback from local Healthwatch organisations 11 May 2018
  - The Trusts complaints reports published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, Quarters 1, 2, 3 and 4 2017/2018
  - 2017 national patient survey results dated 15 November 2017
  - 2017 national staff survey results dated 15 November 2017
  - The head of internal audit's annual audit opinion over the Trust's control environment dated 16 May 2018
  - CQC quality and risk profiles published throughout the year

- The Quality Report presents a balanced picture of the NHS foundation trust's performance over the period covered;
- The performance information reported in the Quality Report is reliable and accurate;
- there are proper internal controls over the collection and reporting of the measures of performance included in the Quality Report, and these controls are subject to review to confirm that they are working effectively in practice;
- the data underpinning the measures of performance reported in the Quality Report is robust and reliable, conforms to specified data quality standards and prescribed definitions, and is subject to appropriate scrutiny and review; and,
- The Quality Report has been prepared in accordance with NHS Improvement's annual reporting guidance (which incorporates the Quality Accounts regulations) as well as the standards to support data quality for the preparation of the Quality Report.

The directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the Quality Report.

By order of the Board

Roger Paffard
Chair
South London and Maudsley NHS Foundation Trust

Dr Matthew Patrick
Chief Executive
South London and Maudsley NHS Foundation Trust

Date: 24 May 2018

Independent auditor's report to the Council of Governors of South London and Maudsley NHS Foundation Trust

Independent Practitioner's Limited Assurance Report to the Council of Governors of South London and Maudsley NHS Foundation Trust on the Quality Report

We have been engaged by the Council of Governors of South London and Maudsley NHS Foundation Trust to perform an independent limited assurance engagement in respect of South London and Maudsley NHS Foundation Trust's Quality Report for the year ended 31 March 2018 (the "Quality Report") and certain performance indicators contained therein against the criteria set out in the 'NHS foundation trust annual reporting manual 2017/18' and additional supporting guidance in the 'Detailed requirements for quality reports 2017/18' (the 'Criteria').

Scope and subject matter

The indicators for the year ended 31 March 2018 subject to the limited assurance engagement consist of the national priority indicators as mandated by NHS Improvement:

- Early intervention in psychosis (EIP): people experiencing a first episode of psychosis treated with a National Institute for Health and Care Excellence (NICE)-approved care package within two weeks of referral
- Inappropriate out-of-area placements for adult mental health services

We refer to these national priority indicators collectively as the 'Indicators'.

Respective responsibilities of the directors and Practitioner

The directors are responsible for the content and the preparation of the Quality Report in accordance with the criteria set out in the 'NHS foundation trust annual reporting manual 2017/18' and supporting guidance issued by NHS Improvement.

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

- the Quality Report is not prepared in all material respects in line with the Criteria set out in the 'NHS foundation trust annual reporting manual 2017/18' and supporting guidance;
- the Quality Report is not consistent in all material respects with the sources specified in NHS Improvement's 'Detailed requirements for external assurance for quality reports 2017/18'; and
- the indicators in the Quality Report identified as having been the subject of limited assurance in the Quality Report are not reasonably stated in all material respects in accordance with the 'NHS foundation trust annual reporting manual 2017/18' and supporting guidance and the six dimensions of data quality set out in the ''Detailed requirements for external assurance for quality reports 2017/18'.

We read the Quality Report and consider whether it addresses the content requirements of the 'NHS foundation trust annual reporting manual 2017/18' and supporting guidance, and consider the implications for our report if we become aware of any material omissions.

We read the other information contained in the Quality Report and consider whether it is materially inconsistent with:

- Board minutes for the period 1 April 2017 to 24 May 2018;
- papers relating to quality reported to the Board over the period 1 April 2017 to 24 May 2018;
- feedback from commissioners dated 11 May 2018;
- feedback from governors dated 11 May 2018;
- feedback from local Healthwatch organisations dated 11 May 2018;
- feedback from the Overview and Scrutiny Committee dated 11 May 2018;
- the Trust's complaints report published under regulation 18 of the Local Authority Social Services and National Health Service Complaints (England) Regulations 2009, Quarters 1, 2, 3 and 4;
- the national patient survey dated 15 November 2017;
- the national staff survey dated 15 November 2017;
- the Head of Internal Audit's annual opinion over the Trust's control environment dated 16 May 2018; and
- CQC quality and risk profiles published throughout the year.

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

The firm applies International Standard on Quality Control 1 (Revised) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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

This report, including the conclusion, has been prepared solely for the Council of Governors of South London and Maudsley NHS Foundation Trust as a body, to assist the Council of Governors in reporting South London and Maudsley NHS Foundation Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2018, to enable the Council of Governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicators. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors as a body, and South London and Maudsley NHS Foundation Trust for our work or this report, except where terms are expressly agreed and with our prior consent in writing.

Assurance work performed

We conducted this limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements other than Audits or Reviews

of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('ISAE 3000'). Our limited assurance procedures included:

- evaluating the design and implementation of the key processes and controls for managing and reporting the indicators
- making enquiries of management
- limited testing, on a selective basis, of the data used to calculate the indicators tested against supporting documentation
- comparing the content requirements of the 'NHS foundation trust annual reporting manual 2017/18' and supporting guidance to the categories reported in the Quality Report; and
- reading the documents.

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

Limitations

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

The absence of a significant body of established practice on which to draw allows for the selection of different, but acceptable, measurement techniques that can result in materially different measurements and can affect comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision of these criteria, may change over time. It is important to read the Quality Report in the context of the criteria set out in the 'NHS foundation trust annual reporting manual 2017/18' and supporting guidance.

The scope of our limited assurance work has not included governance over quality or non-mandated indicators, which have been determined locally by South London and Maudsley NHS Foundation Trust.

Our audit work on the financial statements of South London and Maudsley NHS Foundation Trust is carried out in accordance with our statutory obligations. This engagement will not be treated as having any effect on our separate duties and responsibilities as South London and Maudsley NHS Foundation Trust's external auditors. Our audit reports on the financial statements are made solely to South London and Maudsley NHS Foundation Trust's members, as a body, in accordance with paragraph 24(5) of Schedule 7 of the National Health Service Act 2006. Our audit work is undertaken so that we might state to South London and Maudsley NHS Foundation Trust's members those matters we are required to state to them in an auditor's report and for no other purpose. Our audits of South London and Maudsley NHS Foundation Trust's financial statements are not planned or conducted to address or reflect matters in which anyone other than such members as a body may be interested for such purpose. In these circumstances, to the fullest extent permitted by law, we do not accept or assume any responsibility to anyone other than South London and Maudsley NHS Foundation Trust and South London and Maudsley NHS Foundation Trust's members as a body, for our audit work, for our audit reports, or for the opinions we have formed in respect of those audits.

Conclusion

Based on the results of our procedures, as described in this report, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2018:

- the Quality Report is not prepared in all material respects in line with the Criteria set out in the ‘NHS foundation trust annual reporting manual 2017/18’ and supporting guidance;
- the Quality Report is not consistent in all material respects with the sources specified in NHS Improvement’s 'Detailed requirements for external assurance for quality reports 2017/18’; and
- the indicators in the Quality Report identified as having been subject to limited assurance have not been reasonably stated in all material respects in accordance with the 'NHS foundation trust annual reporting manual 2017/18' and supporting guidance.

Grant Thornton UK LLP

Grant Thornton UK LLP
Chartered Accountants
30 Finsbury Square
London
EC2P 2YU

25 May 2018

Risk 2 - **Valuation of property** The Trust revalues its property on an 5 yearly basis with interim desktop valuations between to ensure that carrying value is not materially different from fair value. This represents a significant estimate by management in the financial statements. We therefore identified valuation of property as a significant risk, which was one of the most significant assessed risks of material misstatement.	Our audit work included, but was not restricted to: • evaluating management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work; • evaluating the competence, capabilities and objectivity of the valuation expert; • challenging the information and assumptions used by the valuation expert to assess completeness and consistency with our understanding; The group's accounting policy on the valuation of property, plant and equipment is shown in note 1 to the financial statements and related disclosures are included in note 11. **Key observations** We obtained sufficient, appropriate audit evidence to conclude that: - the basis of the valuation was appropriate and the assumptions and processes used by management in determining the estimate were reasonable; and - the valuation of property disclosed in the financial statements is reasonable.

Glossary

Approved Mental Health Professionals (AMHP)	AMHPs are mental health professionals who have been approved by a local social services authority to carry out certain duties under the Mental Health Act. They are responsible for coordinating assessment and admission to hospitals.
Care Programme Approach (CPA)	The Care Programme Approach (CPA) is a type of support that a person might receive or be offered if they have mental health problems or complex needs. The Care Programme Approach is inclusive of: an assessment of needs, a care plan, regular review of your needs and the care plan and a Care Co-ordinator.
Care Quality Commission (CQC)	The Care Quality Commission (CQC) is a health and adult social care regulator in England. The CQC inspects services based on five Key Lines of Enquiry, these are: safety, effectiveness, caring, responsiveness and well-led.
Chief Clinical Information Officer (CCIO)	Deputy Medical Director for Information
Clinical Academic Group (CAG)	SlaM is divided into "Clinical Academic Groups". Services fall into particular CAGs depending on who they treat and what treatment they provide. The Trust's CAGs are as follows: **Acute Care:** provides treatment and care to people who are experiencing a mental health crisis and need to be home treated or on occasion admitted to hospital. Acute Care services include 17 inpatient wards, 4 home treatment teams, 4 intensive care inpatient units, a 24 hour crisis line and centralised bed management services and a central place of safety service**.** **Addictions:** provides community services to adults with drug and alcohol disorders. **Behavioural and Developmental Psychiatry (BPAD):** Provides Forensic and neurodevelopmental services to adults. **Child and Adolescent Mental Health Services (CAMHS):** Provides a range of mental health services for children and young people. **Mental Health for Older Adults (MHOA):** Provides services to those either: over the age of 65 with dementia (see Dementia entry) or severe and complex mental health needs or under the age of 65 who develop dementia **Psychological Medicine and Integrated Care:** provides clinical care clinical care across mental and physical health through the General Hospital Liaison services with four acute hospitals. PMIC also provides services for people from around the country who need specialist care for eating disorders, perinatal problems, chronic fatigue syndrome, Neuropsychiatry, memory disorders, psychosexual conditions and HIV mental health. **Psychosis:** The largest CAG within SlaM provides services to adults experiencing Psychosis.
Clinical Commissioning Groups (CCG)/Commissioner	A Clinical Commissioning Groups (CCG) (also known as Commissioners) "are clinically-led statutory NHS bodies responsible for the planning and commissioning of health care services for their local area." (*About CCGs, NHS Clinical Commissioners*). SlaM is commissioned by Croydon, Lambeth, Lewisham and Southwark CCG.
Control Objectives for Information and Related Technologies (CoBIT)	IT governance and management framework which covers risk management, assurance and audit, data security, governance and governance
Commissioning for Quality and Innovation (CQUIN)	Commissioning for Quality and Innovation (CQUIN) is a payment framework whereby quality improvement goals are linked to financial reward.
Datix	Datix is the incident reporting system which SLaM uses for the recording of incidents and complaints.
Electronic Observation Solution (eOBs)	Electronic Observations Solution is the digitalisation of patient observations (vital signs) also known as early warning signs (MEWS) as opposed to the use of paper MEWS Charts.
Electronic Patient Journey System (ePJS)	ePJS is the electronic system that SlaM uses to document patient notes.
Health Service Journal (HSJ)	The Health Service Journal (HSJ) is a website and serial publication which covers topics relating to the National Health Service and Healthcare.

Hospital Episode Statistics (HES)	Hospital Episode Statistics is a data repository held by the Health and Social Care Information Centre (see Health and Social Care Information Centre entry) which stores information on hospital episodes i.e. admissions for all NHS trusts in England.
Local Care Record (LCR)	An secure integrated portal between SLaM, GSTT, KCH and 90+ GP practices in Southwark and Lambeth electronic health records, which provides instant real-time access to health records to care professionals during direct care.
Mental Health Minimum Data Set (MHMDS)	Mental Health Minimum Data Set (MHMDS) is a regular return of data from providers of NHS funded adult secondary mental health services, produced during in the course of delivering services to patients.
National Confidential Inquiry into Suicide and Homicide by People with Mental Illness (NCISH)	NCISH is a National Confidential Inquiry into Suicide and Homicide by People with Mental Illness which collected suicide data in the UK from 2003-2013 (The National Confidential Inquiry into Suicide and Homicide by People with Mental Illness Annual Report 2015: England, Northern Ireland, Scotland and Wales July 2015. University of Manchester). It is commissioned by the Healthcare Quality Improvement Partnership (see Healthcare Quality Improvement Partnership entry).
National Health Service England (NHSE)	National Health Service England (NHSE) is a body of the Department of Health (see Department of Health entry) which leads and commissions NHS services in England.
National Reporting and Learning Service (NRLS)	The National Reporting and Learning Service (NRLS) is a system which enables patient safety incident reports to be submitted to a national database which is designed to promote understanding and learning.
Prescribing Observatory for Mental Health -UK (POMH-UK Audits)	The Prescribing Observatory for Mental Health UK audits are National Clinical Audits (see National Clinical Audit entry) which assess the practice of prescribing medications within mental health services in the United Kingdom.

Financial statements for the year ended 31 March 2018

Foreword to the accounts

These accounts, for the year ending 31 March 2018, have been prepared in accordance with paragraphs 24 and 25 of Schedule 7 to the National Health Service Act 2006 and are presented to Parliament pursuant to Schedule 7, paragraph 25 (4) (a) of the National Health Service Act 2006.

Signed
Dr. Matthew Patrick
Chief Executive
South London and Maudsley NHS Foundation Trust
Date: 24 May 2018

INDEPENDENT AUDITOR'S STATEMENT TO THE DIRECTORS OF SOUTH LONDON AND MAUDSLEY NHS FOUNDATION TRUST ON THE NHS FOUNDATION TRUST CONSOLIDATION SCHEDULES

We have examined the consolidation schedules designated TAC02 to TAC29 for tables outlined in red, excluding TAC05A and TAC23 of South London and Maudsley NHS Foundation Trust for the year ended 31 March 2018, which have been prepared by the Director of Finance and acknowledged by the Chief Executive.

This statement is made solely to the Board of Directors of South London and Maudsley NHS Foundation Trust in accordance with paragraph 24(5) of Schedule 7 of the National Health Service Act 2006 (the Act) and paragraph 4.2 of the Code of Audit Practice. Our work has been undertaken so that we might state to the Accountable Officer those matters we are required to state to them in a consistency statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Accountable Officer as a body, for our audit work, for this statement, or for the opinions we have formed.

For the purpose of this statement, reviewing the consistency of figures between the audited financial statements and the consolidation schedules extends only to those figures within the consolidation schedules which are also included in the audited financial statements. Auditors are required to report on any differences over £300,000 between the audited financial statements and the consolidation schedules.

1. Unqualified audit opinion on the audited financial statements; no differences identified:

The figures reported in the consolidation schedules are consistent with the audited financial statements, on which we have issued an unqualified opinion.

Grant Thornton UK LLP

Grant Thornton UK LLP

30 Finsbury Square
London
EC2A 1AG

25 May 2018

South London and Maudsley NHS Foundation Trust

Group and Trust Consolidated Statement of Comprehensive income

For the year ended 31 March 2018

Notes		Group 2018 £ 000's	Group 2017 £ 000's	Trust 2018 £ 000's	Trust 2017 £ 000's
3	**Operating income**	**378,598**	385,672	**381,066**	386,996
4	**Operating expenses**	**(370,144)**	(383,163)	**(368,612)**	(380,631)
	Operating surplus	**8,454**	2,509	**12,454**	6,365
8	Gain on disposal of assets	**3,936**	3,209	**3,936**	3,209
7	Finance costs	**(3)**	(9)	**(3)**	(9)
7	Finance income	**3,688**	3,365	**253**	88
9	Public Dividend Capital dividend	**(6,248)**	(6,030)	**(6,248)**	(6,030)
12	Movement in fair value of investments	**938**	10,282	**111**	159
	Surplus for the year	**10,765**	13,326	**10,503**	3,782
	Other comprehensive income				
	Will not be reclassified to income and expenditure				
	Revaluation loss on plant, property and equipment	**(1,779)**	(10,717)	**(2,248)**	(10,717)
	Revaluation gains on plant, property and equipment	**18,544**	6,510	**18,544**	6,510
	Other movements	**(368)**	(215)	**-**	-
	Total comprehensive income (expense) for the financial year	**27,162**	8,904	**26,799**	(425)

South London and Maudsley NHS Foundation Trust

Group and Trust Statement of Financial Position

For the year ended 31 March 2018

Notes		Group 31 Mar 2018 £ 000's	Group 31 Mar 2017 £ 000's	Trust 31 Mar 2018 £ 000's	Trust 31 Mar 2017 £ 000's
	Non-current assets				
10	Intangible assets	**242**	280	**181**	280
11	Property, plant and equipment	**239,963**	226,026	**234,426**	224,401
12	Investments	**131,393**	140,710	**2,247**	5,497
13	Financial assets	**95**	100	**-**	-
	Other assets	**236**	237	**236**	237
		371,929	367,353	**237,090**	230,415
	Current Assets				
14	Inventories	**351**	363	**351**	363
15	Trade and other receivables	**19,368**	21,051	**18,513**	21,176
20.3	Cash and cash equivalents	**73,012**	57,290	**70,174**	55,095
		92,731	78,704	**89,038**	76,634
16	Asset classified as held for sale	**10,100**	-	**10,100**	-
	Total assets	**474,760**	446,057	**336,228**	307,049
	Current Liabilities				
17	Trade and other payables	**47,482**	50,337	**46,565**	48,761
	Borrowings	**207**	147	**207**	147
19	Provisions for liabilities and charges	**1,556**	3,232	**1,556**	3,232
18	Other liabilities	**9,520**	5,650	**9,069**	5,019
		58,765	59,366	**57,397**	57,159
	Total Assets less Current Liabilities	**415,995**	386,691	**278,831**	249,890
	Non-Current Liabilities				
	Borrowings	**-**	147	**-**	147
19	Provisions for liabilities and charges	**6,160**	6,778	**6,160**	6,778
	Total assets employed	**409,835**	379,766	**272,671**	242,965
	Equity				
	Public dividend capital	**185,948**	183,041	**185,948**	183,041
	Revaluation reserve	**99,099**	83,917	**99,099**	83,917
	Retained (deficit)	**(12,376)**	(23,993)	**(12,376)**	(23,993)
	Total taxpayers' equity	**272,671**	242,965	**272,671**	242,965
26	Charitable funds	**137,164**	136,801	**-**	-
	Total taxpayers' equity and charitable funds	**409,835**	379,766	**272,671**	242,965

The financial statements were approved by the Board on 24th May 2018 and are signed and authorised for issue by

Signed
Dr. Matthew Patrick
Chief Executive
South London and Maudsley NHS Foundation Trust
Date: 24 May 2018

South London and Maudsley NHS Foundation Trust

Group and Trust Statement of changes in equity

For the year ended 31 March 2018

	Public dividend capital	Revaluation reserve	Income & expenditure reserve	Charitable Funds	Total
	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's
Group					
At 1 April 2016	**182,780**	**88,378**	**(28,029)**	**127,472**	**370,601**
Total comprehensive income for the year:					
Surplus for the year	-	-	3,782	9,544	**13,326**
Revaluation losses	-	(10,717)	-	-	**(10,717)**
Revaluation gains	-	6,510	-	-	**6,510**
Realised gains	-	(254)	254	-	-
Other movements	-	-	-	(215)	**(215)**
PDC received during year	261	-	-	-	**261**
At 31 March 2017	**183,041**	**83,917**	**(23,993)**	**136,801**	**379,766**
Group					
At 1 April 2017	**183,041**	**83,917**	**(23,993)**	**136,801**	**379,766**
Total comprehensive income for the year:					
Surplus for the year	-	-	**10,503**	**262**	**10,765**
Revaluation losses	-	**(2,248)**	-	-	**(2,248)**
Revaluation gains	-	**18,544**	-	**469**	**19,013**
Realised gains	-	**(1,114)**	**1,114**	-	-
Other movements	-	-	-	**(368)**	**(368)**
PDC received during year	**2,907**	-	-	-	**2,907**
At 31 March 2018	**185,948**	**99,099**	**(12,376)**	**137,164**	**409,835**
Trust					
At 1 April 2016	**182,780**	**88,378**	**(28,029)**	-	**243,129**
Total comprehensive income for the year:					
Surplus for the year	-	-	**3,782**	-	**3,782**
Revaluation losses	-	**(10,717)**	-	-	**(10,717)**
Revaluation gains	-	**6,510**	-	-	**6,510**
Realised gains	-	**(254)**	**254**	-	-
PDC received during year	**261**	-	-	-	**261**
At 31 March 2017	**183,041**	**83,917**	**(23,993)**	-	**242,965**
Trust					
At 1 April 2017	**183,041**	**83,917**	**(23,993)**	-	**242,965**
Total comprehensive income for the year:					
Surplus for the year	-	-	**10,503**	-	**10,503**
Revaluation losses	-	**(2,248)**	-	-	**(2,248)**
Revaluation gains	-	**18,544**	-	-	**18,544**
Realised gains	-	**(1,114)**	**1,114**	-	-
PDC received during year	**2,907**	-	-	-	**2,907**
At 31 March 2018	**185,948**	**99,099**	**(12,376)**	-	**272,671**

South London and Maudsley NHS Foundation Trust

Group and Trust Consolidated Statement of Cash Flows

For the year ended 31 March 2018

Notes		**Group** 2018 £000's	Group 2017 £000's	**Trust** 2018 £000's	Trust 2017 £000's
20	**Net cash generated from operating activities**	**10,451**	10,258	**16,493**	13,117
	Cash flows from investing activities				
	Interest received	**3,688**	3,365	**253**	88
	Purchases of intangible fixed assets	**(58)**	(111)	**-**	(111)
	Purchases of property, plant and equipment	**(5,630)**	(14,745)	**(5,626)**	(14,741)
	Proceeds from disposals of property, plant and equipment	**6,879**	4,564	**6,879**	4,564
	Disposal of investment property	**1,500**	-	**-**	-
	Purchase of financial assets	**(18,329)**	(9,349)	**-**	-
	Sale of financial assets	**20,141**	10,002	**-**	-
	Net cash generated from (used in) investing activities	**8,191**	(6,274)	**1,506**	(10,200)
	Cash flows from financing activities				
	Public Dividend Capital received	**2,907**	261	**2,907**	261
	Loans received	**-**	441	**-**	441
	Loans repaid	**(87)**	(147)	**(87)**	(147)
9	Public Dividend Capital dividend paid	**(5,740)**	(5,029)	**(5,740)**	(5,029)
	Net cash used in financing activities	**(2,920)**	(4,474)	**(2,920)**	(4,474)
	Increase (decrease) in cash and cash equivalents	**15,722**	(490)	**15,079**	(1,557)
	Cash and cash equivalents at 1 April	**57,290**	57,780	**55,095**	56,652
20	**Cash and cash equivalents at 31 March**	**73,012**	57,290	**70,174**	55,095

South London and Maudsley NHS Foundation Trust

Notes to the accounts

1 Accounting policies

Accounting policies and other information

NHS Improvement, in exercising the statutory functions conferred on Monitor, has directed that the financial statements of the trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2017/18 issued by the Department of Health. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to accounts.

1.1 Going concern

The directors, having made enquiries, have a reasonable expectation that the Trust has adequate resources to continue its operations for the foreseeable future. As a result the accounts continue to be prepared on a going concern basis.

1.2 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and financial liabilities.

1.3 Consolidation

Subsidiaries

Subsidiary entities are those over which the trust is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The income, expenses, assets, liabilities, equity and reserves of subsidiaries are consolidated in full into the appropriate financial statement lines. The capital and reserves attributable to non-controlling interests are included as a separate item in the Statement of Financial Position.

All subsidiaries are incorporated in England and Wales

Maudsley Charity

The Trust is the corporate Trustee to Maudsley Charity, an NHS Charitable Fund registered in the UK with the Charity Commission (registration no. 1055440). The Trust has assessed its relationship to the charitable fund and determined it to be a subsidiary because the Trust is exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with the charitable fund and has the ability to affect those returns and other benefits through its power over the fund.

The Maudsley Charity has two subsidiaries:

Maudsley Learning CIC (registration no. 08122704) - consolidated Bethlem Gallery Projects Ltd (registration no. 08194872) - not consolidated

The Charity's statutory accounts are prepared to 31 March in accordance with the UK Charities Statement of Recommended Practice (SORP) which is based on UK Financial Reporting Standard (FRS) 102. On consolidation, necessary adjustments are made to the Charity's assets, liabilities and transactions to recognise and measure them in accordance with the Trust's accounting policies and eliminate intra-group transactions, balances, gains and losses.

The Trust has no other subsidiaries, associates, joint ventures or joint operations

1.4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Foundation Trust's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

1.5 Critical judgements in applying accounting policies

There are no critical judgements apart from those involving estimations (see below) that management has made in the process of applying the Trust's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

.

1.6 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period not already included in the note above, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Property valuations

As described in Note 1.10, the Trust's properties are valued at either market value for existing use or depreciated replacement cost. Properties have been subject to a full independent valuation at 31 March 2018 by the District Valuer on the basis set out in Note 1.10.

The useful economic life of each category of fixed asset is assessed when acquired by the Trust and for property reassessed on revaluation by the District Valuer. A degree of estimation is used in assessing the useful economic lives of assets.

The Trust has considered provisions in the Modern Equivalent Asset (MEA) valuation approach for whether the existing buildings and sites are optimal in terms of number, size, configuration and location. Where appropriate a modern equivalent asset has been valued at a notional alternative location.

The Trust is required to review property, plant and equipment for impairment. In between formal valuations by qualified surveyors, management make judgments about the condition of assets and review their estimated lives.

Investment property valuations

As described in Note 1.12, investment properties are stated at fair value at the balance sheet date. Properties were valued at 31 March 2018 by Savills and the District Valuer.

1.7 Income

Income in respect of services provided is recognised when, and to the extent that, performance occurs and is measured at the fair value of the consideration receivable. The main source of income for the Trust is contracts with commissioners in respect of healthcare services.

Where income is received for a specific activity which is to be delivered in the following financial year, that income is deferred.

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.

1.8 Expenditure on Employee Benefits

Short-term Employee Benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following period.

Pension costs

Past and present employees are covered by the provisions of the NHS Pension Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of Secretary of State, in England and Wales. The scheme are not designed in a way that would enable employers to identify their share of the underlying scheme assets and liabilities. There, the schemes are accounted for as though they are defined contribution schemes.

Employers pension cost contributions are charged to operating expenses as and when they become due.

Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the operating expenses at the time the trust commits itself to the retirement, regardless of the method of payment.

1.9 Expenditure on other goods and services

Expenditure on goods and services is recognised when, and to the extent that they have been received, and is measured at the fair value of those goods and services. Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment.

1.10 Property, Plant and Equipment

Recognition

Property, Plant and Equipment is capitalised where:

it is held for use in delivering services or for administrative purposes;

it is probable that future economic benefits will flow to, or service potential be provided to, the Trust; it

is expected to be used for more than one financial year; and

the cost of the item can be measured reliably. the

item has a cost of at least £5,000; or

collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control.

items forming part of the initial equipping and set-up cost of a new building, or refurbishment, and have a combined cost of at least £5,000

Valuation

All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. All assets are measured subsequently at valuation. An item of property, plant and equipment which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 of IFRS 5.
Land and buildings used for the Trust's services or for administrative purposes are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period. Current values are determined as follows:
Land and non-specialised buildings – market value for existing use
Specialised buildings – depreciated replacement cost
From 1 April 2010 the HM Treasury adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets (MEA) and, where it would meet the location requirements of the service being provided, an alternative site can be valued. The Trust revalued property assets as at 31st March 2018 and specialised buildings were valued using the MEA method where appropriate.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees but not borrowing costs, which are recognised as expenses immediately, as allowed by IAS 23 for assets held at fair value. Assets are revalued and depreciation commences when they are brought into use.
The carrying value of fixtures and equipment is written off over their remaining useful lives and new fixtures and equipment are carried at depreciated historic cost as this is not considered to be materially different from fair value.

Subsequent expenditure

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably. Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income in the period in which it is incurred.

Depreciation

Items of Property, Plant and Equipment are depreciated straight-line over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits. Equipment is depreciated over a useful economic life of 5 - 10 years. The remaining useful economic lives of freehold and long leasehold buildings are reassessed during revaluation and range from 2 to 45 years. Capitalised improvements to other leasehold and rental properties are depreciated over the shorter of the primary lease term, or the useful economic life.
Freehold land is considered to have an infinite life and is not depreciated.
Property, Plant and Equipment which has been reclassified as 'Held for Sale' ceases to be depreciated upon the reclassification.
Assets in the course of construction are not depreciated until the asset is brought into use or reverts to the Trust, respectively.

Revaluation gains and losses

Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating income.
Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses.
Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

Impairments

In accordance with the GAM, impairments that arise from a clear consumption of economic benefits or of service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.
An impairment that arises from a clear consumption of economic benefit or of service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating expenditure to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.
Other impairments are treated as revaluation losses. Reversals of other impairments are treated as revaluation gains.

De-recognition

Assets intended for disposal are reclassified as 'Held for Sale' once all of the following criteria are met:
the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
the sale must be highly probable i.e. ;

- management are committed to a plan to sell the asset;
- an active programme has begun to find a buyer and complete the sale;
- the asset is being actively marketed at a reasonable price;
- the sale is expected to be completed within 12 months of the date of classification as 'Held for Sale'; and
- the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged. Assets are de-recognised when all material sale contract conditions have been met. Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as 'held for sale' and instead is retained as an operational asset and the asset's economic life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

Donated and grant funded assets

Donated and grant funded property, plant and equipment assets are capitalised at their fair value on receipt. The donation/grant is credited to income at the same time, unless the donor has imposed a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the donor, in which case, the donation/grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met. The donated and grant funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

1.11 Intangible assets

Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the trust's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the trust and where the cost of the asset can be measured reliably.

Internally generated intangible assets

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets.

Expenditure on research is not capitalised.

Expenditure on development is capitalised only where all of the following can be demonstrated:

- the project is technically feasible to the point of completion and will result in an intangible asset for sale or use;
- the Trust intends to complete the asset and sell or use it;
- the Trust has the ability to sell or use the asset;
- how the intangible asset will generate probable future economic or service delivery benefits, e.g., the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset;
- adequate financial, technical and other resources are available to the Trust to complete the development and sell or use the asset; and
- the Trust can measure reliably the expenses attributable to the asset during development.

Software

Software which is integral to the operation of hardware, e.g., an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware, e.g., application software, is capitalised as an intangible asset.

Measurement

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.
Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 of IFRS 5.

Intangible assets held for sale are measured at the lower of their carrying amount or "fair value less costs to sell".

Amortisation

Intangible assets are amortised over their expected useful economic lives in a manner consistent with the consumption of economic or service delivery benefits. For software assets this is 5 years.

1.12 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation (including property under construction for such purposes), is stated at its fair value at the balance sheet date. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

1.13 Revenue - government and other grants

Government grants are grants from Government bodies other NHS bodies for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure once all conditions have been met.

1.14 Inventories

Inventories are valued at the lower of cost and net realisable value using FIFO as the basis for the measurement.

1.15 Financial instruments and financial liabilities

Recognition

Financial assets and financial liabilities which arise from contracts for the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the trust's normal purchase, sale or usage requirements, are recognised when, and to the extent which, performance occurs, i.e., when receipt or delivery of the goods or services is

De-recognition

All financial assets are de-recognised when the rights to receive cashflows from the assets have expired or the Trust has transferred substantially all of the risks and rewards of ownership. Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

Classification and Measurement

Financial assets are categorised as loans and receivables and financial liabilities are classified as other financial liabilities.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments with are not quoted in an active market. They are included in current assets.

The Trust's loans and receivables comprise: cash at bank and in hand, NHS debtors, accrued income and other debtors. Loans and receivables are recognised initially at fair value, net of transactions costs, and are measured subsequently at amortised cost, using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period, to the net carrying amount of the financial asset. Interest on loans and receivables is calculated using the effective interest method and credited to the Statement of Comprehensive Income.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets which are either designated in this category or not classified in any of the other categories. They are included in long-term assets unless the Trust intends to dispose of them within 12 months of the Statement of Financial Position date.

Available-for-sale financial assets are recognised initially at fair value, including transaction costs, and measured subsequently at fair value, with gains or losses recognised in reserves and reported in the Statement of Comprehensive Income as an item of "other comprehensive income". When items classified as "available-for-sale" are sold or impaired, the accumulated fair value adjustments recognised are transferred from reserves and recognised in "Finance Costs" in the Statement of Comprehensive Income.

Other financial liabilities

All financial liabilities are recognised initially at fair value, net of transaction costs incurred, and measured subsequently at amortised cost using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash payments through the expected life of the financial liability or, when appropriate, a shorter period, to the net carrying amount of the financial liability.

They are included in current liabilities except for amounts payable more than 12 months after the statement of financial position date, which are classified as long-term liabilities.

Interest on financial liabilities carried at amortised cost is calculated using the effective interest method and charged to finance costs. Interest on financial liabilities taken out to finance property, plant and equipment or intangible assets is not capitalised as part of the cost of those assets.

Determination of fair value

For financial assets and financial liabilities carried at fair value the carrying amounts are determined from quoted market prices, independent appraisals or discounted cash flow analysis discounted cash flow analysis.

Impairment of financial assets

At the Statement of Financial Position date, the trust assesses whether any financial assets, other than those held at "fair value through income and expenditure" are impaired. Financial assets are impaired and impairment losses are recognised if, and only if, there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in the income and expenditure account and the carrying amount of the asset is reduced through the use of an allowance account/bad debt provision.

1.16 Leases

Finance leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the Trust, the asset is recorded as property, plant and equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease.

The asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for an item of property plant and equipment.

The annual rental is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to Finance Costs in the Statement of Comprehensive Income. The lease liability, is de-recognised when the liability is discharged, cancelled or expires.

Operating leases

Other leases are regarded as operating leases and the rentals are charged to operating expenses on a straight-line basis over the term of the lease. Operating lease incentives received are added to the lease rentals and charged to operating expenses over the life of the lease.

Leases of land and buildings

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately. Leased land is treated as an operating lease.

1.17 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the discount rates published and mandated by HM Treasury.

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the trust is disclosed at note 19.6 but is not recognised in the trust's accounts.

Non-clinical risk pooling

The Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the trust pays an annual contribution to NHS Resolution and in return receives assistance with the costs of claims arising. The annual membership contributions, and any "excesses" payable in respect of particular claims are charged to operating expenses when the liability arises.

1.18 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 19 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 19, unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

- possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

1.19 Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

At any time, the Secretary of State can issue new PDC to, and require repayments of PDC from, the Trust. PDC is recorded at the value received.

A charge, reflecting the cost of capital utilised by the Trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the actual average relevant net assets of the Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for donated assets, average daily cash held with the Government Banking Services and National Loan Fund deposits, any PDC dividend balance receivable or payable and the receivable due for STF incentives and bonus.

In accordance with the requirements laid down by the Department of Health and Social Care (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

1.20 Value Added Tax

Most of the activities of the Trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.21 Corporation Tax

The Trust has reviewed its operating activities and determined that it has no liability for corporation tax.

1.22 Foreign exchange

The functional and presentational currencies of the Trust are sterling.

A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

Where the Trust has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:

- monetary items (other than financial instruments measured at 'fair value through income and expenditure') are translated at the spot exchange rate on 31 March;
- non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction; and
- non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the Statement of Financial Position date) are recognised in income or expense in the period in which they arise.

Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

1.23 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Trust has no beneficial interest in them.

1.24 Losses and special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled.

Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis including losses which would have been made good through insurance cover had the Trust not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure). However the losses and special payments note 25 is compiled directly from the losses and compensations register which reports on an accrual basis with the exception of provisions for future losses.

1.25 Gifts

Gifts are items that are voluntarily donated, with no preconditions and without the expectation of any return. Gifts include all transactions economically equivalent to free and unremunerated transfers, such as the loan of an asset for its expected useful life, and the sale or lease of assets at below market value.

1.26 Accounting Standards that have been issued but have not yet been adopted

The DH GAM does not require the following Standards and Interpretations to be applied in 2017/18. These standards are still subject to HM Treasury FReM adoption.

IFRS 9 Financial Instruments - Application required for accounting periods beginning on or after 1 January 2018, but not yet adopted by the FReM: early adoption is not therefore permitted

IFRS 14 Regulatory Deferral Accounts - Not yet EU-endorsed. Applies to first time adopters of IFRS after 1 January 2016. Therefore not applicable to DH group bodies.

IFRS 15 Revenue from Contracts with Customers - Application required for accounting periods beginning on or after 1 January 2018, but not yet adopted by the FReM: early adoption is not therefore permitted

IFRS 16 Leases - Application required for accounting periods beginning on or after 1 January 2019, but not yet adopted by the FReM: early adoption is not therefore permitted.

IFRS 17 Insurance Contracts - Application required for accounting periods beginning on or after 1 January 2021, but not yet adopted by the FReM: early adoption is not therefore permitted.

IFRIC 22 Foreign Currency Transactions and Advance Consideration - Application required for accounting periods beginning on or after 1 January 2018.

IFRIC 23 Uncertainty over Income Tax Treatments - Application required for accounting periods beginning on or after 1 January 2019.

1.27 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2017/18.

1.28 Segmental analysis

The Foundation Trust does not consider that it has reportable segments as defined by IFRS 8 : Operating Segments.

3 Operating Income	Group 2018 £ 000's	Group 2017 £ 000's	Trust 2018 £ 000's	Trust 2017 £ 000's
3.1 Income from healthcare activities				
Cost and Volume Contract income	**66,480**	66,873	**66,480**	66,873
Block Contract income	**217,147**	220,842	**217,147**	220,842
Clinical Partnerships (including S31 agreements)	**1,253**	1,473	**1,253**	1,473
Other clinical income	**33,911**	31,424	**33,911**	31,424
	318,791	320,612	**318,791**	320,612
3.2 Non-mandatory clinical income				
Private patients	**217**	336	**217**	336
Income from healthcare activities	**319,008**	320,948	**319,008**	320,948

Income from commissioner requested services is included within income from healthcare activities. Contracts with commissioners do not specify a financial value for those services and so cannot be separately disclosed.

3.3 Other operating income				
Research and development	**22,728**	23,449	**22,728**	23,449
Education and training	**19,463**	17,833	**19,463**	17,833
Charitable and other contributions to expenditure	**1,662**	2,586	**4,089**	4,419
Non-patient care services to other bodies	**796**	938	**796**	938
Sustainability and Transformation fund	**5,042**	9,247	**5,042**	9,247
Other income	**9,899**	10,671	**9,940**	10,162
	59,590	64,724	**62,058**	66,048
Total income	**378,598**	385,672	**381,066**	386,996

From 1 April 2016, NHS Improvement (NHSI), an arms length body of DH, has awarded Sustainability and Transformation Fund (STF) income to Trusts which have:

- achieved their assigned financial targets ('control totals') and specified clinical performance trajectories ('core' STF);
- exceeded their assigned 'control totals' through a £ for £ reward scheme ('incentive' STF); and
- to the extent that funds are available to NHSI, additional STF to Trusts meeting and/ or exceeding their assigned 'control totals' ('bonus' STF).

The Trust was awarded the following STF:

Core	**2,262**	2,280	**2,262**	2,280
Incentive	**838**	5,701	**838**	5,701
Bonus	**1,523**	1,266	**1,523**	1,266
Post Accounts reconciliation bonus	**419**	-	**419**	-
	5,042	9,247	**5,042**	9,247

4 Operating expenses

Notes			Group 2018 £ 000's	Group 2017 £ 000's	Trust 2018 £ 000's	Trust 2017 £ 000's
	Operating expenses comprised:					
	Non-executive directors' costs		**164**	164	**164**	164
	Supplies & contracts:	healthcare from non-NHS bodies	**22,416**	26,768	**22,416**	26,768
		services from NHS bodies	**3,963**	1,905	**3,963**	1,905
		drugs	**8,008**	7,597	**8,008**	7,597
		other clinical	**2,047**	2,002	**2,047**	2,002
		general	**12,541**	12,072	**12,541**	12,072
		establishment	**3,212**	3,462	**3,212**	3,462
		research and development	**15,078**	14,731	**15,078**	14,731
		transport	**1,181**	1,126	**1,181**	1,126
		premises	**18,782**	17,169	**18,782**	17,169
5	Staff costs:	employed staff and directors	**221,657**	215,102	**221,657**	214,780
		NHS bank, agency, contract and seconded staff	**50,904**	55,233	**50,904**	55,233
11	Depreciation		**8,812**	9,342	**8,676**	9,162
10	Amortisation		**104**	108	**100**	108
11	Fixed asset impairments:		**4,105**	4,620	**4,105**	4,620
	Reversal of fixed asset impairments		**(9,942)**	(605)	**(9,942)**	(605)
	Auditor's remuneration:	statutory audit	**74**	101	**74**	101
		other remuneration	**8**	15	**8**	15
	Subsidiary Auditor's remuneration		**20**	32	**-**	-
	Charitable activities and grant expenditure		**168**	887	**-**	-
	Other		**6,842**	11,332	**5,638**	10,221
			370,144	383,163	**368,612**	380,631

Other audit remuneration	2018 £ 000's	2017 £ 000's	2018 £ 000's	2017 £ 000's
Audit related assurance services	**8**	15	**8**	15
Other non-audit property services provided to the Charity	**-**	-	**-**	-
	8	15	**8**	15

Auditor's remuneration includes irrecoverable VAT

	2018 £ 000's	2017 £ 000's	2018 £ 000's	2017 £ 000's
Limitations on auditor's liability	**2,000**	-	**2,000**	-

	Group			Group	Trust	Trust
5	**Employees costs and pensions**		**2018**	2017	**2018**	2017
			£ 000's	£ 000's	**£ 000's**	£ 000's
	Emoluments of employees comprised:					
	Executive directors		**776**	714	**776**	714
	Other salaries and wages	**178,473**		173,059	**178,473**	172,737
	Social security costs		**19,279**	18,702	**19,279**	18,702
	Employer contributions to NHS Pensions Agency		**23,129**	22,627	**23,129**	22,627
		221,657		215,102	**221,657**	214,780
	Agency and contract staff		**17,196**	22,618	**17,196**	22,618
	NHS Bank staff		**25,069**	22,772	**25,069**	22,772
	Seconded-in staff		**8,639**	9,843	**8,639**	9,843
272,561				270,335	**272,561**	270,013

Average full-time equivalent staff numbers - Trust

	Directors	**Permanent employees**	**Other**	**2018 Total**	2017 Total
	No.	No.	No.	**No.**	No.
Medical staff	1	428	23	**452**	434
Nursing and health visiting staff	1	1,282	340	**1,623**	1,603
Healthcare assistants and other support and ancillary staff	-	587	373	**960**	959
Scientific, therapeutic and technical staff	-	953	99	**1,052**	1,058
Administration staff	3	999	90	**1,092**	1,119
Social care staff	-	-	58	**58**	75
	5	4,249	983	**5,237**	5,248
Additional staff employed by Maudsley Charity and its subsidiaries				**0**	13

Ill-health retirement costs borne by the NHS Pension Scheme

	2018	2017
Number of cases	**-**	4
Estimate of additional pensions liabilities (£ 000's)	**-**	302

Staff exit packages

Number of staff exit packages by cost band	**£ 000's**	**Compulsory redundancy** No.	**Other** No.	**2018 Total** **No.**	2017 Total No.
	0-10	3	-	**3**	17
	10-25	4	-	**4**	29
	25-50	5	-	**5**	16
	50-100	6	-	**6**	6
	100-150	2	-	**2**	2
150-200		2	-	**2**	1
		22	-	**22**	71

	£ 000's	£ 000's	**£ 000's**	£ 000's
Cost of staff exit packages	1,318	-	**1,318**	1,913

5.1 Employees costs and pensions

Pensions

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period. It is expected that the Trust will contribute circa £23m to the pension fund during the next annual reporting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2018, is based on valuation data as 31 March 2017, updated to 31 March 2018 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012. The Scheme Regulations allow for the level of contribution rates to be changed by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and employee and employer representatives as deemed appropriate.

The next actuarial valuation is to be carried out as at 31 March 2016 and is currently being prepared. The direction assumptions are published by HM Treasury which are used to complete the valuation calculations, from which the final valuation report can be signed off by the scheme actuary. This will set the employer contribution rate payable from April 2019 and will consider the cost of the Scheme relative to the employer cost cap. There are provisions in the Public Service Pension Act 2013 to adjust member benefits or contribution rates if the cost of the Scheme changes by more than 2% of pay. Subject to this 'employer cost cap' assessment, any required revisions to member benefits or contribution rates will be determined by the Secretary of State for Health after consultation with the relevant stakeholders.

6 Salary and pension entitlements of senior employees

£ 000's	£ 000's	£ 000's	£ 000's				Salary	Other fees	Pension related benefits	Total	Compensation for loss of office	Real increase in pension at age 60	Lump sum at age 60 related to real increase in pension	Total accrued pension at age 60	Lump sum at age 60 related to accrued pension	Cash equivalent transfer value	Real increase in cash equivalent transfer value	Expenses
Roger Paffard				**Chair**	**2018**		**55-60**	**-**	**-**	**58**								**-**
2017							55-60	-	-	58								1
Lesley Calladine				Non-Executive Director to 31st May 2016	2017		0-5	-	-	2								-
Robert Coomber				Non-Executive Director to 30th June 2016	2017		0-5	-	-	4								-
Alan Downey				**Non-Executive Director**	**2018**		**10-15**	**-**	**-**	**14**								**-**
2017							10-15	-	-	14								-
Ian Everall				**Non-Executive Director from 1st October**	**2018**		**0-5**	**-**	**-**	**-**								
Mike Franklin				**Non-Executive Director**	**2018**		**10-15**	**-**	**-**	**14**								**-**
from 23rd May 2016					2017		10-15	-	-	12								-
Duncan Hames				**Non-Executive Director and Chair of the Audit Committee**	**2018**		**15-20**	**-**	**-**	**17**								**-**
from 12th May 2016					2017		10-15	-	-	15								-
Julie Hollyman				**Non-Executive Director to 31st Dec 2017**	**2018**		**10-15**	**-**	**-**	**10**								**-**
2017							10-15	-	-	14								-
Matthew Hoptof				**Non-Executive Director to 30th Sept 2017**	**2018**		**5-10**	**-**	**-**	**7**								**-**
from 1st Oct 2016					2017		5-10	-	-	7								-
Shitij Kapur				Non-Executive Director to 30th Sept 2016	2017		5-10	-	-	7								-
June Mulroy				**Non-Executive Director**	**2018**		**10-15**	**-**	**-**	**14**								**-**
Chair of the Audit Committee to 27th Sept 2016					2017		15-20	-	-	16								-
Geraldine Strathdee				**Non-Executive Director from 1st Jan 2018**	**2018**		**0-5**	**-**	**-**	**3**								**-**
Anna Walker				**Non-Executive Director**	**2018**		**10-15**	**-**	**-**	**14**								**-**
from 1st July 2016					2017		10-15	-	-	10								-
Matthew Patrick				**Chief Executive**	**2018**		**135-140**	**-**	**-**	**140**		**-**	**-**	**-**	**-**	**-**	**-**	**-**
2017	135-140							-	-	140		-	-	-	-	-	-	1
Gus Heafield				**Chief Financial Officer**	**2018**		**145-150**	**-**	**12**	**159**		**1**	**4**	**42**	**125**	**850**	**74**	**-**
2017	145-150							-	30	177		2	7	40	120	768	62	-
Martin Baggaley				Medical Director to 5th Sept 2016	2017		90-95	-	-	95		-	-	-	-	-	-	-
Neil Brimblecombe				**Director of Nursing to 2nd April 2017**	**2018**		**0-5**	**-**	**-**	**1**		**-**	**-**	**-**	**-**	**-**	**-**	**-**
2017	115-120							-	10	129		1	3	66	197	-	-	-
Kristin Dominy				**Chief Operating Officer**	**2018**		**140-145**	**-**	**(9)**	**133**		**-**	**-**	**62**	**186**	**1,256**	**67**	**-**
2017	135-140							-	120	256		6	18	61	184	1,177	115	-
Michael Holland				**Medical Director**	**2018**		**160-165**	**-**	**82**	**246**		**5**	**7**	**41**	**101**	**637**	**100**	**-**
from 6th Sept 2016					2017		75-80	-	26	103		2	1	35	93	531	15	-
Altaf Kara				**Director of Strategy and Commercial from 28th Nov 2017**	**2018**		**50-55**	**-**	**-**	**53**		**-**	**-**	**-**	**-**	**-**	**-**	**-**
Beverly Murphy				**Director of Nursing from 3rd April 2017**	**2018**		**125-130**	**-**	**141**	**270**		**7**	**21**	**61**	**182**	**1,079**	**130**	**-**

	2018	2017
	£ 000's	£ 000's
Total directors remuneration	**926**	872
Total employers pension contributions	**-**	60
Number of directors to whom benefits are accruing under defined benefit schemes	**4**	4
Michael Holland is the highest paid director (2017 Gus Heafield)		
Remuneration rate as highest paid director	**£164,262**	£146,450
Median staff remuneration	**£36,537**	£36,025
Ratio of highest paid director to median staff remuneration	**4.50**	4.07

There were no benefits-in-kind received by senior employees.

There were no performance related bonuses and there are no long-term performances related bonuses.

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 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.

Six Governors of the Members Council claimed expenses during the year totalling £1,228 (2017 five totalling £8,831).

7 Net finance income

	Group 2018 £ 000's	Group 2017 £ 000's	Trust 2018 £ 000's	Trust 2017 £ 000's
Finance costs				
Unwinding of discount on provisions for liabilities and charges	**3**	9	**3**	9
Payments made under The Late Payment of Commercial Debts (Interest) Act 1998	**-**	-	**-**	-
	3	9	**3**	9
Finance income				
Interest receivable: Government Banking Service	**(127)**	(88)	**(127)**	(88)
National Loans fund	**(8)**	-	**(8)**	-
Bank deposits	**(2)**	-	**-**	-
Other	**(124)**	-	**(118)**	-
Interest and dividend income on financial assets	**(3,427)**	(3,277)	**-**	-
	(3,688)	(3,365)	**(253)**	(88)
Net finance income	**(3,685)**	(3,356)	**(250)**	(79)

8 Gains (losses) on disposal of fixed assets	Property £000's	Equipment £000's	**Group 2018 £ 000's**	Group 2017 £ 000's	**Trust 2018 £ 000's**	Trust 2017 £ 000's
Net book value of assets disposed	2,943	-	**2,943**	1,354	**2,943**	1,354
Net proceeds from sale	(6,879)	-	**(6,879)**	(4,563)	**(6,879)**	(4,563)
	(3,936)	-	**(3,936)**	(3,209)	**(3,936)**	(3,209)
Gains on disposal	4,043	-	**4,043**	3,219	**4,043**	3,219
Losses on disposal	(106)	(1)	**(107)**	(10)	**(107)**	(10)
	3,937	(1)	**3,936**	3,209	**3,936**	3,209

Public Dividend Capital dividend	**Group 2018**	Group 2017	**Trust 2018**	Trust 2017 **9**
	£ 000's	£ 000's	**£ 000's**	£ 000's
Accrued dividend receivable at start of year	**(242)**	(1,243)	**(242)**	(1,243)
Dividend provided in year	**6,248**	6,030	**6,248**	6,030
Accrued dividend payable (receivable) at end of year	**(266)**	242	**(266)**	242
Dividend paid	**5,740**	5,029	**5,740**	5,029

Intangible assets	Software 2018 £ 000's	**Group 2018 £ 000's**	Software 2017 £ 000's	Group 2017 £ 000's	Software 2018 £ 000's	**Trust 2018 £ 000's**	Software 2017 £ 000's	Trust 2017 £ 000's
Cost or valuation								
At 1st April	539	**539**	428	428	539	**539**	428	428
Additions	-	**58**	111	111	-	**-**	111	111
Transfers	-	**7**	-	-	-	**-**	-	-
At 31st March	539	**604**	539	539	539	**539**	539	539
Amortisation								
At 1st April	(259)	**(259)**	(152)	(152)	(259)	**(259)**	(152)	(152)
Charged during the year	(99)	**(103)**	(107)	(107)	(99)	**(99)**	(107)	(107)
At 31st March	(358)	**(362)**	(259)	(259)	(358)	**(358)**	(259)	(259)
Net book value at 31st March 2017	280	**280**	276	276	280	**280**	276	276
Net book value at 31st March 2018	181	**242**	280	280	181	**181**	280	280

10

11 Property, plant and equipment - Group

	Land	Buildings	Plant and equipment	Assets under construction	Total
	£ 000's	£ 000's	£ 000's	£ 000's	**£ 000's**
Cost or valuation					
At 1st April 2016	24,936	199,607	18,063	1,279	**243,885**
Revaluation	260	(4,105)	243	-	**(3,602)**
Additions	-	6,248	1,538	4,794	**12,580**
Reclassifications	(311)	(638)	-	-	**(949)**
Impairments	(1,250)	(2,133)	-	(1,237)	**(4,620)**
Cumulative depreciation transferred after revaluation	-	(7,057)	-	-	**(7,057)**
Disposals	-	-	(6)	-	**(6)**
At 31st March 2017	**23,635**	**191,922**	**19,838**	4,836	**240,231**
Revaluation	1,244	25,408	55	-	**26,707**
Additions	-	2,953	2,503	798	**6,254**
Reclassifications	(8,830)	2,751	-	-	**(6,079)**
Transfers from assets in the course of construction	1,417	3,567	147	(5,131)	**-**
Impairments	(14)	(4,091)	-	-	**(4,105)**
Cumulative depreciation transferred after revaluation	-	(6,407)	-	-	**(6,407)**
Disposals	-	-	(214)	-	**(214)**
At 31st March 2018	**17,452**	**216,103**	**22,329**	503	**256,387**
Depreciation					
At 1st April 2016	-	(1,083)	(10,837)	-	**(11,920)**
Depreciation for the period	-	(7,237)	(2,105)	-	**(9,342)**
Disposals	-	-	-	-	**-**
Netted off cost/value following revaluation	-	7,057	-	-	**7,057**
At 31st March 2017	**-**	**(1,263)**	**(12,942)**	-	**(14,205)**
Depreciation for the period	-	(6,543)	(2,269)	-	**(8,812)**
Disposals	-	-	186	-	**186**
Netted off cost/value following revaluation	-	6,407	-	-	**6,407**
At 31st March 2018	**-**	**(1,399)**	**(15,025)**	-	**(16,424)**
Net book value at 31st March 2017	23,635	190,659	6,896	4,836	226,026
Net book value at 31st March 2018	**17,452**	**214,704**	**7,304**	**503**	**239,963**

	Land	Buildings	Plant and equipment	Assets under construction	Total
Donated assets from outside Group	£ 000's	£ 000's	£ 000's	£ 000's	**£ 000's**
Net book value of donated assets at 31st March 2017	**-**	2,577	957	-	**3,534**
Net book value of donated assets at 31st March 2018	**-**	3,453	1,012	-	**4,465**

Land and buildings	Existing use Modern equivalent asset vale	Existing use Existing use value	Existing use Existing use Cost	Alternate use Open market value	Total
Analysis of net book value at 31st March 2017	£ 000's	£ 000's	£ 000's	£ 000's	**£ 000's**
Freehold	92,356	31,855	-	-	**124,211**
Long leasehold	80,433	2,845	-	-	**83,278**
Short leasehold	-	-	6,805	-	**6,805**
172,789		34,700	6,805	-	**214,294**
Analysis of net book value at 31st March 2018	£ 000's	£ 000's	£ 000's	£ 000's	**£ 000's**
Freehold	101,500	26,185	-	-	**127,685**
Long leasehold	89,668	4,421	-	-	**94,089**
Short leasehold	-	-	4,845	-	**4,845**
191,168		30,606	4,845	-	**226,619**

Capital commitments	**£ 000's**
Contracted for but not provided in the accounts at 31 March 2017	678
Contracted for but not provided in the accounts at 31 March 2018	**866**

11 Property, plant and equipment - Trust

	Land	Buildings	Plant and equipment	Assets under construction	Total
	£ 000's	£ 000's	£ 000's	£ 000's	**£ 000's**
Cost or valuation					
At 1st April 2016	24,936	196,723	18,063	1,279	**241,001**
Revaluation	260	(4,105)	243	-	**(3,602)**
Additions	-	6,244	1,538	4,794	**12,576**
Reclassifications	(311)	(638)	-	-	**(949)**
Impairments	(1,250)	(2,133)	-	(1,237)	**(4,620)**
Cumulative depreciation transferred after revaluation	-	(7,057)	-	-	**(7,057)**
Disposals	-	-	(6)	-	**(6)**
At 31st March 2017	**23,635**	**189,034**	**19,838**	**4,836**	**237,343**
Revaluation	1,244	24,939	55	-	**26,238**
Additions	-	2,949	2,503	798	**6,250**
Reclassifications	(8,830)	(824)	-	-	**(9,654)**
Transfers from assets in the course of construction	1,417	3,567	147	(5,131)	**-**
Impairments	(14)	(4,091)	-	-	**(4,105)**
Cumulative depreciation transferred after revaluation	-	(6,407)	-	-	**(6,407)**
Disposals	-	-	(214)	-	**(214)**
At 31st March 2018	**17,452**	**209,167**	**22,329**	**503**	**249,451**
Depreciation					
At 1st April 2016	-	-	(10,837)	-	**(10,837)**
Depreciation for the period	-	(7,057)	(2,105)	-	**(9,162)**
Disposals	-	-	-	-	**-**
Netted off cost/value following revaluation	-	7,057	-	-	**7,057**
At 31st March 2017	**-**	**-**	**(12,942)**	-	**(12,942)**
Depreciation for the period	-	(6,407)	(2,269)	-	**(8,676)**
Disposals	-	-	186	-	**186**
Netted off cost/value following revaluation	-	6,407	-	-	**6,407**
At 31st March 2018	**-**	**-**	**(15,025)**	-	**(15,025)**
Net book value at 31st March 2017	23,635			189,034	6,896	4,836
Net book value at 31st March 2018	**17,452**			**209,167**	**7,304**	**503**

Valuations

Property assets with a net book value of £221m were revalued as at March 2018 by the District Valuer using modern equivalent asset (MEA) depreciation replacement cost for specialised buildings and existing use market value for land and non-specialised buildings. Improvements to leasehold buildings are held at depreciated cost and not revalued.

Asset lives

Building asset lives are reassessed by the District Valuer during revaluation. Leasehold improvements valued at cost are written down over the shorter of the useful life of the improvement and the remaining leasehold term Equipment assets are depreciated at between 5 and 10 years. Heritage assets are included within Equipment assets and are not depreciated.

	Land and buildings	Plant and equipment	Assets under construction	Total
Donated assets	£ 000's	£ 000's	£ 000's	**£ 000's**
Net book value of donated assets at 31st March 2017	15,679	957	-	**16,636**
Net book value of donated assets at 31st March 2018	16,555	1,012	-	**17,567**

Land and buildings	Existing use Modern equivalent asset vale	Existing use Existing use value	Existing use Existing use Cost	Alternate use Open market value	Total
Analysis of net book value at 31st March 2017	£ 000's	£ 000's	£ 000's	£ 000's	**£ 000's**
Freehold	92,356	30,230	-	-	**122,586**
Long leasehold	80,433	2,845	-	-	**83,278**
Short leasehold	-	-	6,805	-	**6,805**
172,789		33,075	6,805	-	**212,669**
Analysis of net book value at 31st March 2018	£ 000's	£ 000's	£ 000's	£ 000's	**£ 000's**
Freehold	101,500	26,185	-	-	**127,685**
Long leasehold	89,668	4,421	-	-	**94,089**
Short leasehold	-	-	4,845	-	**4,845**
191,168		30,606	4,845	-	**226,619**

Capital commitments	**£ 000's**
Contracted for but not provided in the accounts at 31 March 2017	678
Contracted for but not provided in the accounts at 31 March 2018	**866**

12 Investments	Group 31 Mar 2018 £ 000's	Group 31 Mar 2017 £ 000's	Trust 31 Mar 2018 £ 000's	Trust 31 Mar 2017 £ 000's
Investment property				
Investment property at 1st April	**73,376**	72,904	**5,497**	5,338
Revaluation gains	**1,327**	502	**111**	189
Revaluation losses	**-**	(30)	**-**	(30)
Disposal	**(1,500)**	-	**-**	-
Reclassified	**(6,943)**	-	**(3,361)**	-
Investment property at 31st March	**66,260**	73,376	**2,247**	5,497

The fair value of the group's investment property at 31 March 2018 has been arrived at on the basis of valuations carried out at that date by the District Valuer Service (in respect of the Trust's properties and the Maudsley Charity's properties at the Maudsley) and Savills (UK) Limited (in respect of the Maudsley Charity's other properties).

The valuations accord with the requirements of International Financial Reporting Standards (IFRS) and the RICS Valuation – Professional Standards (incorporating the International Valuation Standards) ("the RICS Red Book").

Savills valuations have been prepared on the basis of Market Value, the definition of which is set out in Valuation Practice Statement 4 1.2 of the Red Book, as follows:

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

The valuations have been arrived at predominantly by reference to market evidence for comparable property (Level 3 of the Fair Value Hierarchy).

The DVS valuations have been prepared using the market approach, which is described at paras B5 to B7 of IFRS 13; it uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets.

The inputs to this technique constitute Level 2 inputs in each instance. Level 2 inputs are inputs that are observable for the asset, either directly or indirectly. The inputs used took the form of analysed and weighted market evidence such as sales, rentals and yields in respect of comparable properties in the same or similar locations at or around the valuation date.

Other investments				
At 1st April	**67,334**	58,177	**-**	-
Additions	**18,329**	9,349	**-**	-
Revaluation gains	**-**	9,810	**-**	-
Revaluation losses	**(389)**	-	**-**	-
Disposal	**(20,141)**	(10,002)	**-**	-
At 31st March	**65,133**	67,334	**-**	-
Total investments	**131,393**	140,710	**2,247**	5,497

13 Financial assets	Group 31 Mar 2018 £ 000's	Group 31 Mar 2017 £ 000's	Trust 31 Mar 2018 £ 000's	Trust 31 Mar 2017 £ 000's
Non-current financial assets				
Loan and receivables	**95**	100	**-**	-
Total financial assets	**95**	100	**-**	-

14 Inventories	Group 31 Mar 2018 £ 000's	Group 31 Mar 2017 £ 000's	Trust 31 Mar 2018 £ 000's	Trust 31 Mar 2017 £ 000's
Drugs	351	363	351	363
	351	363	351	363

15 Trade and other receivables	Group 31 Mar 2018 £ 000's	Group 31 Mar 2017 £ 000's	Trust 31 Mar 2018 £ 000's	Trust 31 Mar 2017 £ 000's
Amounts receivable within one year:				
NHS receivables	**10,058**	10,087	**10,058**	10,087
Other receivables	**4,600**	4,634	**4,296**	4,580
Provision for impaired receivables	**(1,341)**	(2,045)	**(1,299)**	(2,045)
Prepayments	**1,099**	1,119	**1,099**	1,113
Accrued income	**4,952**	7,256	**4,265**	6,928
Intra-group receivables	**-**	-	**94**	513
	19,368	21,051	**18,513**	21,176

Provision for impairment of individual receivables	Group 2018 £ 000's	Group 2017 £ 000's	Trust 2018 £ 000's	Trust 2017 £ 000's
At 1st April	**2,045**	2,239	**2,045**	2,239
Provision for debtors impairment	**993**	1,740	**951**	1,740
Debtors written off as uncollectible	**(3)**	(1)	**(3)**	(1)
Debtors cancelled as incorrect	**(57)**	(237)	**(57)**	(237)
Unused amounts released	**(1,637)**	(1,696)	**(1,637)**	(1,696)
At 31st March	**1,341**	2,045	**1,299**	2,045

Aged analysis of impaired receivables	Group 31 Mar 2018 £ 000's	Group 31 Mar 2017 £ 000's	Trust 31 Mar 2018 £ 000's	Trust 31 Mar 2017 £ 000's
Less than three months	**476**	759	**476**	759
Three to six months	**48**	290	**48**	290
Over six months	**817**	996	**775**	996
	1,341	2,045	**1,299**	2,045

Aged analysis of overdue unimpaired receivables	Group 31 Mar 2018 £ 000's	Group 31 Mar 2017 £ 000's	Trust 31 Mar 2018 £ 000's	Trust 31 Mar 2017 £ 000's
Less than three months	**2,794**	2,225	**2,532**	2,171
Three to six months	**866**	464	**866**	464
Over six months	**777**	68	**777**	68
	4,437	2,757	**4,175**	2,703

16 Assets classified as held for sale	Group 31 Mar 2018 £ 000's	Group 31 Mar 2017 £ 000's	Trust 31 Mar 2018 £ 000's	Trust 31 Mar 2017 £ 000's
Assets held for sale at 1st April	-	400	-	400
Disposal	(2,915)	(1,349)	(2,915)	(1,349)
Reclassified	13,015	949	13,015	949
Assets held for sale at 31st March	10,100	-	10,100	-

17 Trade and other payables	Group 31 Mar 2018 £ 000's	Group 31 Mar 2017 £ 000's	Trust 31 Mar 2018 £ 000's	Trust 31 Mar 2017 £ 000's
Amounts falling due within one year:				
Payments received on account	**392**	137	**392**	137
Non-NHS trade creditors	**11,344**	14,961	**11,344**	14,961
Tax and social security costs	**5,091**	4,075	**5,053**	4,075
Pensions relating to staff and directors	**3,374**	3,402	**3,374**	3,402
Dividend payable	**266**	-	**266**	-
Other payables	**845**	1,224	**688**	703
NHS payables	**4,980**	2,689	**4,980**	2,689
Accruals	**21,190**	23,849	**20,443**	22,495
Intra-group payables	**-**	-	**25**	299
Total payables	**47,482**	50,337	**46,565**	48,761

18 **Other liabilities**	**Group**	Group	**Trust**	Trust
	31 Mar 2018	31 Mar 2017	**31 Mar 2018**	31 Mar 2017
Other liabilities due within one year	**£ 000's**	£ 000's	**£ 000's**	£ 000's
Deferred income	**9,520**	5,650	**9,069**	5,019
	9,520	5,650	**9,069**	5,019

Group and Trust

19 Provision for liabilities and charges

	21.1 Early retirements	21.2 Injury benefits	21.3 Pay and claims restructuring	21.4 Legal	21.5 Property	**Total**
	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	**£ 000's**
At 1st April 2016	2,392	1,483	1,852	1,181	2,679	**9,587**
Change in the discount rate	122	196	-	-	-	**318**
Expenditure during the period	(250)	(83)	(1,880)	(569)	(168)	**(2,950)**
Arising during the period	34	19	1,879	1,072	443	**3,447**
Released unused	(59)	-	(72)	(223)	(47)	**(401)**
Unwinding of discount	5	4	-	-	-	**9**
At 31st March 2017	**2,244**	**1,619**	**1,779**	**1,461**	**2,907**	**10,010**
At 1st April 2017	2,244	1,619	1,779	1,461	2,907	**10,010**
Change in the discount rate	60	27	-	-	-	**87**
Expenditure during the period	(595)	(84)	(1,225)	(746)	(170)	**(2,820)**
Arising during the period	86	42	379	674	786	**1,967**
Released unused	(13)	-	(585)	(418)	(515)	**(1,531)**
Unwinding of discount	2	1	-	-	-	**3**
At 31st March 2018	**1,784**	**1,605**	**348**	**971**	**3,008**	**7,716**
Expected timing of cash flows:						
Within one year	248	84	1,779	731	390	**3,232**
Within two - five years	992	336	-	730	1,064	**3,122**
Over five years	1,004	1,199	-	-	1,453	**3,656**
At 31st March 2017	2,244	1,619	1,779	1,461	2,907	**10,010**
Within one year	248	84	348	486	390	**1,556**
Within two - five years	992	336	-	485	1,114	**2,927**
Over five years	544	1,185	-	-	1,504	**3,233**
At 31st March 2018	1,784	1,605	348	971	3,008	**7,716**

19.1 Early retirements

Provisions are made for the estimated additional pension costs arising from early retirements. These costs are directly incurred by the NHS Pensions Agency, as pension payments are made, and the Agency seeks reimbursement from the Trust each quarter. There are no provisions for early retirements for former directors.

19.2 Injury benefits

Provision has been made for the expected value of the costs of NHS Injury Benefits claims. Claims are assessed and paid directly by the NHS Pensions Agency and reimbursement is sought from the Trust each quarter.

19.3 Pay and restructuring

Provision has been made for the estimate of cost for restructuring services associated with cost improvements and disinvestment plans.

19.4 Legal claims

The Foundation Trust provides for the estimated excess payments due to the NHS Resolution under the Liability for Third Parties insurance scheme resulting from non-clinical third party claims. The full costs of such claims is accounted for by the NHS Resolution. The Trust provides against other legal claims and inquests.

19.5 Property

Provision is made for the estimate of outstanding repairing and reinstatement obligations arising from leasehold and rental property agreements. Provision is also made for the Carbon reduction Commitment Energy efficiency Scheme.

19.6 Clinical negligence

The Foundation Trust belongs to the Clinical Negligence Scheme for Trusts (CNST) and pays an annual insurance premium to the NHS Resolution. Under the term of this agreement, since 1 April 2002, financial responsibility for clinical negligence claims transferred to the NHSLA and the liability for claims is provided in their Accounts. At the 31st March 2017 the NHS Resolution were providing £5.8m on behalf of the Foundation Trust (£6.1m 2016/17).

There are no contingent assets or liabilities.

Group				Group		Trust
20 Cash flow statement		**2018**		2017	**2018**	2017
£ 000's				£ 000's	**£ 000's**	£ 000's
20.1 Net cash inflow from operating activities						
Operating surplus	**8,454**	2,509	**12,454**		6,365 Non-cash items:	
depreciation and amortisation		**8,912**	9,450		**8,776**	9,270
impairment of tangible fixed assets		**4,109**	4,620		**4,105**	4,620
impairment reversal of tangible fixed assets		**(9,942)**	(605)		**(9,942)**	(605)
Changes in operating working capital:						
decrease (increase) in inventories		**12**	(41)		**12**	(41)
decrease (increase) in receivables		**1,441**	(7,793)		**2,421**	(8,137)
decrease (increase) in other assets		**5**	(100)		**-**	-
decrease (increase) in payables		**(3,745)**	2,059		**(3,086)**	1,565
increase (decrease) in other liabilities		**3,502**	(255)		**4,050**	(334)
decrease (increase) in provisions for liabilities and charges		**(2,297)**	414		**(2,297)**	414
Net cash inflow from operating activities	**10,451**	10,258	**16,493**		13,117	

20.2 Reconciliation of net cash flow to movement in net funds		**2018**		2017	**2018**	2017
£ 000's				£ 000's	**£ 000's**	£ 000's
Increase (decrease) in cash during the period	**15,722**	(490)	15,079		(1,557)	
Government bank services	**15,077**	(1,556)	**15,077**		(1,556)	
Commercial banks		**643**	1,066		**-**	(1)
Movement in net funds in the period	**15,722**	(490)	**15,079**		(1,557)	**Net funds**
at 1st April		**57,290**	57,780		**55,095**	56,652
Net funds at 31st March	**73,012**	57,290	**70,174**		55,095	

31 Mar 2018			31 Mar 2017	**31 Mar 2018**	31 Mar 2017
20.3 Analysis of net funds		**£ 000's**	£ 000's	**£ 000's**	£ 000's
Cash at bank held with Government Banking Services	**70,106**	55,029	**70,106**	55,029	Cash at bank
held within commercial banks	**2,838**	2,195	**-**	-	Cash in hand
		68	66	**68**	66
73,012			57,290	**70,174**	55,095

Group and Trust

21 Lease commitments

Operating leases as lessee - Group and Trust	**Mar 2018**	Mar 2017
Payments recognised as expenses	**£ 000's**	£ 000's
Property	**2,841**	2,716
Plant and equipment	**100**	91

Minimum annual lease payment commitments under operating leases were as follows:

	Property		Plant and equipment		**Total**	Total
	Mar 2018	Mar 2017	**Mar 2018**	Mar 2017	**Mar 2018**	Mar 2017
	£ 000's	£ 000's	**£ 000's**	£ 000's	**£ 000's**	£ 000's
Within one year	**3,089**	2,949	**100**	91	**3,189**	3,040
Between one and five years	**6,485**	7,667	**95**	67	**6,580**	7,734
After five years	**6,560**	8,292	**-**	-	**6,560**	8,292
	16,134	18,908	**195**	158	**16,329**	19,066

Operating leases as lessor - Group	**Mar 2018**	Mar 2017
Receipts recognised as income	**£ 000's**	£ 000's
Property	**2,779**	2,811

Investment properties are rented on leases which expire between 13 and 140 years Minimum

annual lease commitments under operating leases were as follows:

Property			**Total**	Total
	Mar 2018	Mar 2017	**Mar 2018**	Mar 2017
	£ 000's	£ 000's	**£ 000's**	£ 000's
Within one year	**2,788**	2,691	**2,788**	2,691
Between one and five years	**6,822**	6,892	**6,822**	6,892
After five years	**56,370**	57,728	**56,370**	57,728
	65,980	67,311	**65,980**	67,311

Operating leases as lessor - Trust	**Mar 2018**	Mar 2017
Receipts recognised as income	**£ 000's**	£ 000's
Property	**920**	851

Minimum annual lease receivables under operating leases were as follows:

	Property		**Total**	Total
	Mar 2018	Mar 2017	**Mar 2018**	Mar 2017
	£ 000's	£ 000's	**£ 000's**	£ 000's
Within one year	**995**	835	**995**	835
Between one and five years	**816**	886	**816**	886
After five years	**57**	205	**57**	205
	1,868	1,926	**1,868**	1,926

Group and Trust

22 Financial instruments

IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the continuing service provider relationship that the Trust has with NHS commissioning organisations and the way those NHS organisations are financed, the Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which these standards mainly apply. The Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

The Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the Trust's Standing Financial

Currency risk

The Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. The Trust has negligible overseas operations and therefore has low exposure to currency rate fluctuations.

Liquidity risk

The Trust's net operating costs are incurred under contracts with NHS commissioning organisations and other public sector bodies, which are financed from resources voted annually by Parliament. The Trust finances its capital expenditure from funds internally generated but has the ability borrow. The Trust is not, therefore, exposed to significant liquidity risks.

The Maudsley Charity subsidiary has charitable funds valued at £137m of which £0.3m are restricted. The Charity reserve policy is to finance grants and operating

Interest-rate risk

The Trust financial assets and liabilities carry nil or fixed rates of interest and the Trust has no borrowings. The Trust is not, therefore, exposed to significant interest-rate risk. All financial assets and liabilities are held in sterling.

Credit risk

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk.

Group 2018 **Financial assets**	**Fair Value through profit & loss**	**Group 2018 Loans & receivables**	Group 2017 Fair Value through profit & loss	Group 2017 Loans & receivables	**Trust 2018 Fair Value through profit & loss**	**Trust 2018 Loans & receivables**	Trust 2017 Fair Value through profit & loss	Trust 2017 Loans & receivables
£ 000's		**£ 000's**	£ 000's	£ 000's	**£ 000's**	**£ 000's**	£ 000's	£ 000's
NHS receivables	**-**	**10,058**	-	10,087	**-**	**10,058**	-	10,087
Other receivables	**-**	**4,600**	-	4,634	**-**	**4,296**	-	4,580
Provision for bad debts	**-**	**(1,341)**	-	(2,045)	**-**	**(1,299)**	-	(2,045)
Accrued income	**-**	**4,952**	-	7,256	**-**	**4,265**	-	6,928
Income provisions	**-**	**-**	-	-	**-**	**-**	-	-
Fixed interest securities	**-**	**-**	-	-	**-**	**-**	-	-
Equities	**19,240**	**-**	23,858	-	**-**	**-**	-	-
Pooled investments	**41,872**	**-**	39,503	-	**-**	**-**	-	-
Other investments	**979**	**-**	682	-	**-**	**-**	-	-
Other cash investments	**-**	**3,042**	-	3,291	**-**	**-**	-	-
Cash	**-**	**73,012**	-	57,290	**-**	**70,174**	-	55,095
Receivables due after more than one year	**-**	**95**	-	100	**-**	**-**	-	-
Total financial assets	**62,091**	**94,418**	64,043	80,613	**-**	**87,494**	-	74,645

Financial liabilities	**Fair Value through profit & loss**	**Other financial liabilities**	Fair Value through profit & loss	Other financial liabilities	**Fair Value through profit & loss**	**Other financial liabilities**	Fair Value through profit & loss	Other financial liabilities
	£ 000's	**£ 000's**	£ 000's	£ 000's	**£ 000's**	**£ 000's**	£ 000's	£ 000's
Borrowings	**-**	**207**	-	294	**-**	**207**	-	294
NHS payables and accruals	**-**	**4,980**	-	2,689	**-**	**4,980**	-	2,689
Other creditors	**-**	**15,601**	-	19,587	**-**	**15,406**	-	19,066
Accruals	**-**	**21,190**	-	23,849	**-**	**20,443**	-	22,495
Provisions under contract	**-**	**6,745**	-	8,549	**-**	**6,745**	-	8,549
Total financial liabilities	**-**	**48,723**	-	54,968	**-**	**47,781**	-	53,093

Provisions under contract fair value are not significantly different from book value since, in the calculation of book value, where applicable, the expected cash flows have been discounted by the Treasury discount rate for employee benefits of 0.24% in real terms (1.3%).

Net gains and losses on financial instruments 2018	**Fair Value through profit & loss**	**Group 2018 Loans & receivables**	Group 2017 Fair Value through profit & loss	Group 2017 Loans & receivables	**Trust 2018 Fair Value through profit & loss**	**Trust 2018 Loans & receivables**	Trust 2017 Fair Value through profit & loss	Trust 2017 Loans & receivables
£ 000's		**£ 000's**	£ 000's	£ 000's	**£ 000's**	**£ 000's**	£ 000's	£ 000's
Financial assets gains (losses)	**(389)**	**-**	9,810	-	**-**	**-**	-	-

Fair value of financial assets and financial liabilities

The carrying values of financial assets and liabilities are those shown in the tables above. The carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate to their fair values.

Fair value measurements

Financial instruments shown at fair value through profit & loss are valued at market value. The valuation of listed equities, fixed interest securities, and unit trusts is derived from quoted market prices (fair value Level 1).

Market risk

The Group is exposed to equity price risks arising from equity investments. The investment objective is to protect the value of the investment portfolio without taking excessive risk and to achieve gains in capital and income in the medium term. The investment strategy has recently been reviewed. Professional advice is taken in the

management of the risks relating to the investment portfolio. The sensitivity analysis below has been determined based on the exposure to equity price risks at the reporting date. If equity prices had been 10% higher/lower, the surplus for the year ended 31 March 2018 and the Charitable Fund reserve would increase/decrease by £6.2m (2017 increase/decrease by £6.4m)

23 Related party transactions

South London and Maudsley NHS Foundation Trust is a body corporate established by order of the Secretary of State for Health.

During the period none of the Board members, the Members Council or members of key management staff or parties related to them has undertaken any material transactions with the Trust. Remuneration of Board members is shown in the Senior Employee disclosures - note 6.

Roger Paffard, Chair, is Vice-Chair of the Kings Health Partners Academic Health Sciences Board.

Matthew Patrick, Chief Executive, is a stakeholder member of the Board of Governors of Guy's and St Thomas' Hospital NHS Foundation Trust and Director of KHP Ltd.

The Trust is a member of Kings Health Partners, a federated Academic Health Sciences Centre. Membership comprises the Trust; Guy's and St Thomas' NHS Foundation Trust; Kings College Hospital NHS Foundation Trust; and Kings College London. The Trust had the following income and expenditure with KHP members.

	2018 £ 000's Income	**2018 £ 000's Expenditure**	2017 £ 000's Income	2017 £ 000's Expenditure
Guy's and St Thomas' NHS Foundation Trust	**3,154**	**(1,809)**	2,919	(1,351)
Kings College Hospital NHS Foundation Trust	**1,569**	**(1,528)**	1,604	(1,857)
Kings College London	**2,418**	**(23,743)**	1,915	(20,198)

The Department of Health is regarded as a related party. During the period the Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent. The Trust received the following income for health care and other service from the main local commissioners:

	2018 £ 000's Income	**2018 £ 000's Expenditure**	2017 £ 000's Income	2017 £ 000's Expenditure
Lambeth CCG	**62,371**	**-**	61,284	(278)
Southwark CCG	**59,399**	**(81)**	59,191	(292)
Lewisham CCG	**65,465**	**(25)**	63,852	(115)
Croydon CCG	**43,489**	**(159)**	46,349	(276)
	230,724	**(265)**	230,676	(961)

The Trust has transacted with a number other CCGs, NHS Trusts, NHS Foundation Trusts as well as the NHS England and the Department of Health. Income received from:

	2018 £ 000's Income	**2018 £ 000's Expenditure**	2017 £ 000's Income	2017 £ 000's Expenditure
Department of Health	**19,667**	**(20)**	21,113	(63)
NHS England	**59,172**	**(65)**	59,602	(73)
Health Education England	**16,629**	**15**	16,455	(20)
St Georges University Hospital NHS Foundation Trust	**2,164**	**(880)**	2,060	(725)
Lewisham and Greenwich NHS Trust	**147**	**(3,180)**	154	(2,827)
Bromley CCG	**2,215**	**(32)**	2,047	-
Greenwich CCG	**1,152**	**(1)**	845	-
Wandsworth CCG	**1,227**	**-**	1,741	-
Other NHS bodies	**14,098**	**(4,728)**	13,380	(3,543)

The Trust contracted with NHS Professionals, which is a limited company wholly owned by the Department of Health, for the supply of temporary bank and agency staff:

	2018 £ 000's Income	**2018 £ 000's Expenditure**	2017 £ 000's Income	2017 £ 000's Expenditure
NHS Professionals	**44**	**(41,106)**	46	(43,973)

In addition the Trust has had a number of transaction with other government departments and central and local government bodies including:

	2018 £ 000's Income	**2018 £ 000's Expenditure**	2017 £ 000's Income	2017 £ 000's Expenditure
Lambeth London Borough Council	**5,027**	**(605)**	5,431	(837)
Lewisham London Borough Council	**2,080**	**(871)**	2,515	(882)
Southwark London Borough Council	**1,592**	**(1,278)**	1,805	(1,326)
Croydon London Borough Council	**1,811**	**(1,044)**	2,020	(700)
Wandsworth London Borough Council	**3,334**	**(9)**	3,598	(3)

The Trust has also received revenue payments from Guy's and St Thomas' Charitable Foundation of £1.2m (£1.9m 2016/17).

Group and Trust

24 Third Party Assets	**31 Mar 2018**	31 Mar 2017
	£ 000's	£ 000's
Cash at bank and in-hand held on behalf of patients excluded from cash reported in the accounts	**1,007**	1,043

Group and Trust

25 Losses and special payments

	2018		2017	
Losses	**£ 000's**	**Cases**	£ 000's	Cases
Cash losses	**-**	**1**	-	1
Bad debts and claims abandoned	**91**	**11**	7	4
Damage to property and stores losses	**26**	**100**	36	115
	117	**112**	43	120
Special payments				
Compensation under legal obligation	**72**	**5**	78	5
Ex-gratia payments	**94**	**52**	60	37
Special severance payments	**-**	**-**	-	-
	166	**57**	138	42
	283	**169**	181	162

There were no individual losses exceeding £250k

26 Summary of financial information for subsidiaries

Maudsley Charity Group	31 Mar 2018 £ 000's	31 Mar 2017 £ 000's
Operating income	**884**	2,167
Operating expenses	**(4,884)**	(6,023)
Operating deficit	**(4,000)**	(3,856)
Finance income	**3,435**	3,277
Movement in fair value of investments	**827**	10,123
Surplus for the year	**262**	9,544
Plant, property, equipment and intangible assets	**5,598**	1,625
Investments and other financial assets	**129,241**	135,313
Non-current assets	**134,839**	136,938
Receivables	**974**	687
Cash and cash equivalents	**2,838**	2,195
Payables and other liabilities	**(1,487)**	(3,019)
Net current assets	**2,325**	(137)
Net assets	**137,164**	136,801
Endowment Funds	**130,623**	135,957
Restricted Funds	**251**	258
Unrestricted funds	**6,290**	586
Total charitable funds	**137,164**	136,801

27 Events after the statement of financial position date

The Maudsley Charity, on behalf of the Board, commissioned an external review of its strategic direction and governance processes in 2015. Following this review, the Board made a decision to support the conversion of the Charity from a 'corporate trustee' model to that of an independent NHS charity to support its intention to grow in impact and in income. The Maudsley Charity became independent of the Trust on April 1 2018 and as from that date no longer classifies as a subsidiary. As a result the Group assets will reduce by £137m. Note 26 shows further financial information for the Maudsley Charity.

Independent auditor's report to the Board of Directors of South London and Maudsley NHS Foundation Trust

Report on the Audit of the Financial Statements

Opinion

Our opinion on the financial statements is unmodified

We have audited the financial statements of South London and Maudsley NHS Foundation Trust (the 'Trust') and its subsidiary (the 'group') for the year ended 31 March 2018 which comprise the Group and Trust Consolidated Statement of Comprehensive Income, the Group and Trust Statement of Financial Position, the Group and Trust Statement of changes in equity, the Group and Trust Consolidated Statement of Cash Flows and Notes to the Accounts, including Accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the NHS foundation trust annual reporting manual 2017/18.

In our opinion the financial statements:

- give a true and fair view of the financial position of the group and of the Trust as at 31 March 2018 and of the group's expenditure and income and the Trust's expenditure and income for the year then ended; and
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, as interpreted and adapted by the NHS foundation trust annual reporting manual 2017/2018; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Who we are reporting to

This report is made solely to the Board of Directors of the Trust, as a body, in accordance with Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Trust's Board of Directors s those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's Board of Directors, as a body, for our audit work, for this report, or for the opinions we have formed.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Accounting Officer's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Accounting Officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Overview of our audit approach

- Overall materiality: £7,000,000, which represents 1.89% of the group's gross revenue expenditure (consisting of operating expenses and finance expenses);
- Key audit matters were identified as:
    - Additional NHS contract income from healthcare activities.
    - Valuation of property
- This was our first year as auditor of the Trust. We performed a full scope audit of South London and Maudsley NHS Foundation Trust and targeted procedures on the non-significant group component.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those that had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter – Group and Trust	How the matter was addressed in the audit – Group and Trust
Risk 1 - Additional NHS contract income from healthcare activities Approximately 84% of the group's income is in relation to NHS contract income from healthcare activities. Healthcare activities provided that are additional to those incorporated in these contracts (contract variations) are	Our audit work included, but was not restricted to: • evaluating the group's accounting policy for recognition of income from healthcare activities for appropriateness and compliance with the GAM; • gaining an understanding of the group's system for accounting for income from healthcare activities and evaluating the design of the associated controls;

Key Audit Matter – Group and Trust	How the matter was addressed in the audit – Group and Trust
subject to verification and agreement by the commissioners. As such, there is the risk that income is recognised in the accounts for these additional services that is not subsequently agreed to by the commissioners. We therefore identified the occurrence and accuracy of additional NHS contract income from healthcare activities as a significant risk, which was one of the most significant assessed risks of material misstatement.	• agreeing significant contract variations to correspondence with commissioners and NHS England, • where significant we agree values with commissioners per notifications from said commissioners to corroborate balances; and • testing a sample of income from additional healthcare activity to signed contract variations, invoices, and other supporting documentation, such as correspondence from the Trust's commissioners confirming their agreement to pay for the additional activity and the agreed value. The group's accounting policy on income from healthcare activities is shown in note 1 to the financial statements and related disclosures are included in note 3. **Key observations** We obtained sufficient, appropriate audit evidence to conclude that: - the Trust's accounting policy for recognition of additional NHS contract income from healthcare activities complies with the GAM 2017/18 and has been properly applied; and - additional NHS contract income from healthcare activities is not materially misstated.
Risk 2 - **Valuation of property** The Trust revalues its property on an 5 yearly basis with interim desktop valuations between to ensure that carrying value is not materially different from fair value. This represents a significant estimate by management in the financial statements. We therefore identified valuation of property as a significant risk, which was one of the most significant assessed risks of material misstatement.	Our audit work included, but was not restricted to: • evaluating management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work; • evaluating the competence, capabilities and objectivity of the valuation expert; • challenging the information and assumptions used by the valuation expert to assess completeness and consistency with our understanding; The group's accounting policy on the valuation of property, plant and equipment is shown in note 1 to the financial statements and related disclosures are included in note 11.

Key Audit Matter – Group and Trust	How the matter was addressed in the audit – Group and Trust
	Key observations We obtained sufficient, appropriate audit evidence to conclude that: - the basis of the valuation was appropriate and the assumptions and processes used by management in determining the estimate were reasonable; and - the valuation of property disclosed in the financial statements is reasonable.

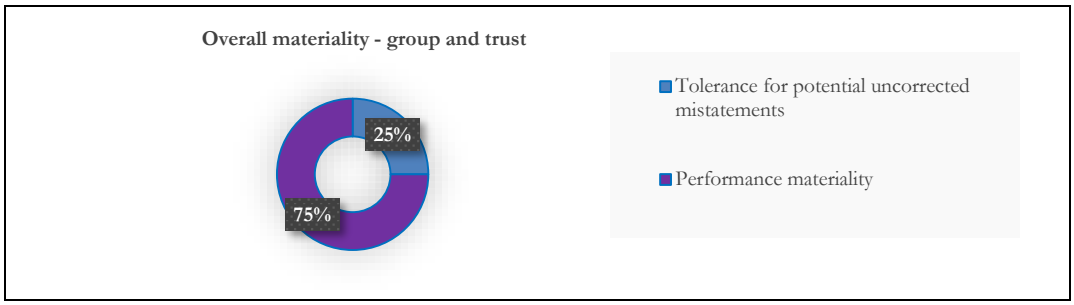
Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality in determining the nature, timing and extent of our audit work and in evaluating the results of that work.

Materiality was determined as follows:

Materiality Measure	Group and Trust
Financial statements as a whole	£7,000,000 which is 1.89% of the group's gross revenue expenditure. This benchmark is considered the most appropriate because we consider users of the financial statements to be most interested in how it has expended its revenue and other funding.
Performance materiality used to drive the extent of our testing	75% of financial statement materiality
The level below which items are considered clearly trivial	£300,000 in line with the NAO de minimus level

The graph below illustrates how performance materiality interacts with our overall materiality and the tolerance for potential uncorrected misstatements.



An overview of the scope of our audit

Our audit approach was a risk-based approach founded on a thorough understanding of the group's business, its environment and risk profile and in particular included:

- Evaluation of identified components to assess the significance of that component and to determine the planned audit response based on a measure of materiality and significance of the component as a percentage of the group's total gross expenditure. A full scope, targeted or analytical approach was taken for each component based on their relative materiality to the group and our assessment of audit risk;
- Full scope audit procedures on South London and Maudsley Foundation Trust. The Trust's transactions represent over 99% of the group's total income, over 99% of its total expenditure and 66% of its total net assets;
- Gaining an understanding of and evaluating the group's internal control environment including its financial and IT systems and controls; and
- Targeted audit procedures on the investments and cash of the Maudsley Charity, which together represent 34% of the group's total net assets.

Other information

The Accounting Officer is responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge of the group and Trust obtained in the course of our work including that gained through work in relation to the Trust's arrangements for securing value for money through economy, efficiency and effectiveness in the use of its resources or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

In this context, we also have nothing to report in regard to our responsibility to specifically address the following items in the other information and to report as uncorrected material misstatements of the other information where we conclude that those items meet the following conditions:

- Fair, balanced and understandable in accordance with provision C.1.1 of the NHS Foundation Trust Code of Governance – the statement given by the directors that they consider the Annual Report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for patients, regulators and other stakeholders to assess the group and Trust's performance, business model and strategy, is materially inconsistent with our knowledge of the Trust obtained in the audit

Other information we are required to report on by exception under the Code of Audit Practice

Under the Code of Audit Practice published by the National Audit Office on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not meet the disclosure requirements set out in the NHS foundation trust annual reporting manual 2017/18. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Our opinion on other matters required by the Code of Audit Practice is unmodified

In our opinion:

- the parts of the Remuneration Report and the Staff Report to be audited have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the NHS foundation trust annual reporting manual 2017/18 and the requirements of the National Health Service Act 2006; and
- based on the work undertaken in the course of the audit of the financial statements and our knowledge of the Trust gained through our work in relation to the Trust's arrangements for securing economy,

efficiency and effectiveness in its use of resources the other information published together with the financial statements in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Under the Code of Audit Practice we are required to report to you if:

- we have reported a matter in the public interest under Schedule 10 (3) of the National Health Service Act 2006 in the course of, or at the conclusion of the audit; or
- we have referred a matter to the regulator under Schedule 10 (6) of the National Health Service Act 2006 because we had reason to believe that the Trust, or a director or officer of the Trust, was about to make, or had made, a decision which involved or would involve the incurring of expenditure that was unlawful, or was about to take, or had taken a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency.

We have nothing to report in respect of the above matters.

Responsibilities of the Accounting Officer and Those Charged with Governance for the financial statements

As explained more fully in the Statement of Accounting Officer's responsibilities, the Chief Executive, as Accounting Officer, is responsible for the preparation of the financial statements in the form and on the basis set out in the Accounts Directions included in the NHS foundation trust annual reporting manual 2017/18, for being satisfied that they give a true and fair view, and for such internal control as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accounting Officer is responsible for assessing the group's and the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the group or the Trust lacks funding for its continued existence or when policy decisions have been made that affect the services provided by the group or the Trust.

The Audit Committee is Those Charged with Governance.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements – Conclusion on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception - Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice we are required to report to you if, in our opinion we have not been able to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2018.

We have nothing to report in respect of the above matter**.**

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in the use of the Trust's resources.

Auditor's responsibilities for the review of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required under paragraph 1 of Schedule 10 of the National Health Service Act 2006 to be satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources and to report where we have not been able to satisfy ourselves that it has done so. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in November 2017, as to whether in all significant respects, the Trust had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Trust put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2018, and to report by exception where we are not satisfied.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to be satisfied that the Trust has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Report on other legal and regulatory requirements - Certificate

We certify that we have completed the audit of the financial statements of South London and Maudsley NHS Foundation Trust in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice.

Sarah L Ironmonger
Associate Director
for and on behalf of Grant Thornton UK LLP
30 Finsbury Square
London
EC2A 1AG
25 May 2018