

PAINTING A PICTURE

Annual Report and Accounts

1 April 2011 - 31 March 2012



Outstanding care, transforming lives

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The accounts are prepared in accordance with paragraphs 24 and 25 of Schedule 7 to the 2006 Act





Foreword

QUALITY



Foreword

We want to paint a picture about this Trust - it's a portrait of people in a landscape of care. We provide high quality treatment and care to people in Essex and beyond and we want people to choose us when they need help.

Here at North Essex Partnership, we treat and support people with all types of mental health conditions such as dementia, bipolar, schizophrenia, depression, eating disorders and many more and for all ages.

Annual Reports have to report many facts and figures. However valuable this is, we'd also like to tell you about the kind of organisation we are, the issues we face, the treatment and care we deliver. This is an extremely positive place with many remarkable things happening, so we're going to tell you all about them. So in addition to the statutory Financial Statements, compliance reports and Quality Accounts, we have highlighted some of our achievements.

Even in these financially challenged times, we continue to deliver high standards of care for more than 23,000 people. We are proud of our achievements, some of which are highlighted in this report; but we cannot be complacent - there is still a lot to do.

Mental illness is more common than people think, with one in four people experiencing some form of mental illness in their life. It is the single biggest cause of illness in England and many people suffer in silence because of the stigma associated with it.

Our work to reduce stigma continues - we tirelessly campaign to end stigma with our regular community engagement activities, which includes going into schools and talking to students about mental health. As in previous years, we have organised events for World Mental Health Day which continues to win support from local businesses and attract large enthusiastic crowds.

People's attitude makes a big difference. With 2012 being a leap year, we are calling for a leap in attitude towards mental illness. By raising awareness of mental illness, we are already changing people's attitude about the condition but we still have a lot more to do. There's also an incomplete understanding about treatments, which are very effective but are wrongly perceived - our message is to seek help - treatment works!

More than at any other time we want people to be involved. You can become a member - free of charge. It is extremely valuable to have local people keeping their eye on how the NHS and associated social care in this area is performing.

We have more than 6,000 public members and 2,000 staff members who hold us to account.

Our staff make us who we are - we thank everyone of them for their dedication, skills and care. We have some of the best staff anywhere in the NHS and social care and all our success comes from their work. They have worked very hard over the years and we thank them for their commitment.

Thank you also to our Governors - all volunteers - who provide the link to our membership and the wider community helping to shape the services we provide.

We ask you to look through these pages and see a success story but with plenty more to do! There is no health without mental health.



Mary St Aubyn - Chairman

Mary says, "This is my last year as Chairman of the Trust. It's been a remarkable ten years with this dynamic organisation, witnessing enormous changes and seeing how mental health services

are developing. I am really proud of all we have achieved. It's been an absolute pleasure too - I have had the opportunity to meet and work with some amazing and dedicated people. I would just like to thank staff, patients and our partners for their support over the years."

A salute to Mary

Andrew Geldard says, "Mary our Chairman leaves the Trust in November 2012. It sounds a bit rude to say she's been around forever but she has, and it has been absolutely necessary! At every turn, especially the times of great changes and biggest challenges, her leadership has stood out and carried the organisation through, including the 'revolution' of reaching Foundation Trust status, giving us more control of our own destiny. She has kept an eagle

eye on the performance of the Trust; always doing so from the point of view of patient care. That said, she is a great supporter of the staff and has said that services are only as good as the staff who



Andrew Geldard - Chief Executive

run them. She is a very friendly woman, with quite a sense of humour. She has also been an invaluable adviser and friend to me personally, as Chief Executive, too. She will say she is dedicated to public service but we will say that we couldn't have done it without Mary."

Letter from the Lead Governor - Dan Kessler

The NHS has high ideals; it guarantees every citizen the help they need, when they need it, free at the point of delivery. But there must be a strong local element too - what does the local community want to see and experience locally? A Foundation Trust - with local members and Governors elected by those members - brings the community's views into mental health services. I believe in the model because it's working. Governors, all volunteers, dedicate their time to make the NHS the best it can be; the Governors are listened to and they have made a great contribution to the direction this Trust takes. I want to thank the Directors (and we appoint the Non Executive Directors) for making our partnership, of principles and people, work. Mary, our chairman, is another symbol of the great things achieved and I want to pay my own tribute to her as she leaves the bridge; it will truly be a great challenge - almost impossible - to find someone to replace her judgement, energy and dedication to mental health services. I must also say a personal thank you for all her help and counsel that made my job easier. This is all a great argument for people to get involved and not to stand on the sidelines! Looking back it has been a good year, and I want to thank all the Governors for the work they've done. It is everyone's NHS in general but right here, right now, local people in Essex make it work better - come and join us!



Dan Kessler - Lead Governor

Who we are

We provide specialist mental health and substance misuse services across Essex and to parts of Hertfordshire and Suffolk.

We are a large organisation (covering most of Essex, from the Central Line in west Essex, up from Epping Forest into Harlow through to Uttlesford and Stansted airport and across Essex from Chelmsford and Braintree to Colchester, Clacton and Harwich and south to Maldon and South Woodham Ferrers). We're formally a 'partnership' because mental health and social care staff are seconded to us from Essex County Council, but working in broader partnerships is also our nature.

We provide

- Consultant Psychiatrist clinics (including in some GP surgeries)
- Psychology
- Hospital care for all ages - including a Mother and Baby Unit and intensive care units, day care and partial hospitalisation and rehabilitation services
- Crisis and Home Treatment
- Early Intervention in Psychosis
- Community Mental Health Teams
- Memory Assessment Services
- Child and Adolescent Services
- Specialist Eating Disorders Services
- Community Drug and Alcohol Services
- Prison and Criminal Justice teams
- Mother and Baby Unit

At the time of writing we had provided:

- 60,659 day care attendances
- 127,807 occupied bed days in our hospitals
- 77,605 outpatient appointments
- 84,990 face to face meetings with patients in the community
- 70,595 telephone calls to patients about their care
- 94,048 face to face contact with specialist teams in Trust premises

We managed NHS community services (like district nursing, health visitors and minor injury unit) in Suffolk.

We support the Green Light for Mental Health which means that people with a learning disability can be treated alongside anyone else who uses our services.

In August 2011, 248 people with a learning disability were receiving mental health treatment. We conducted face to face interviews with a random selection of people about their care. The questions asked were very similar to the National Patient Survey. Comments made by those interviewed included:

'(Staff are) very kind to me'

'They come to me and see if I'm ok and staff have spent time with me.'

'Happy with service from the community team'

'Staff are very caring and pleasant'

'Support workers help me organise my homework (therapeutic work)...I am always able to tell them my worries'

From a carer - 'has a care co-ordinator who understands. Is confidential, contactable, and empathetic and listens.'

'Care co-ordinator is good.'

'Feeling supported and listened to.'

'Supported to visit my house.... (continued to visit community home whilst an inpatient). Supported to go to a work placement'. (work in area near home even though it was the opposite end of county to placement.)

'regular support from CMHT...'

'I was given a proper explanation about treatment, care plans.'

There was one comment which was not so positive.

'Not happy with stay in an inpatient ward - did not expand on this.'

56% reported that staff had asked about the best way to communicate with them.

89% reported that they felt staff understood their needs. However, one person reported they were not supported with their hearing impairment at

the day centre they attended which had a major impact on them and they felt very isolated.

74% reported staff had involved their carers in care planning (with their consent).

85% reported they had been involved in deciding their care plan.

44% reported their carer had been involved.

3% reported they were involved in their care and treatment with 80% reporting their treatment was discussed with them. 78% reported their diagnosis was discussed with them.

Most people reported involvement in their medication decisions and having their medications explained (77%). 75% reported that they were informed of the side effects. Only two people were confident that they had been offered accessible easy read medication leaflets. A number said they were happy with their medication and overall, these comments demonstrate a theme of good quality approaches by staff to spend time, show interest and value to the individuals.

We support patient choice and want the best experience for patients; we want patients and carers and their families to have clinically effective treatments; and we want people to be safe with us. We campaign in the community against discrimination and for a greater awareness of mental health.

We have regular feedback from patients. How we do something is as important as what we do; and we want to continue to improve. We want to be the natural choice in North Essex - for people to choose us when they need help and to work here when they want a fulfilling and rewarding job.

Our Vision

Our vision is to provide care that is outstanding in its quality, transforming the lives of individuals and families every day. Our communities will have total confidence in our services, our staff feel a strong sense of belonging and satisfaction, and our partners be proud to work purposefully with us.

Our commitments

To individuals and families (including carers):

- we will work together, building on strengths, to improve mental health and wellbeing,

To our staff:

- we will value everyone individually, promote wellbeing, support involvement and encourage personal development and leadership
- we will support teams in their delivery of best value, innovation and excellence

To our commissioners and key partners:

- we will listen, work with you, create ideas, demonstrate our effectiveness and flexibility, and earn recognition as provider of choice

Our Values

Our values underpin everything we do:

- promoting dignity, respect and compassion
- demonstrating openness, honesty and integrity
- building on individual strengths
- tackling stigma, promoting inclusion and valuing diversity
- listening, learning, and continuously improving to deliver quality and value

No health without mental health

The Government produced its Mental Health Strategy - No health without mental health - on 2 February 2011.

At least one in four people experience a mental health problem at some point in their life and mental ill-health represents 23% of the total burden of ill health in the UK - the largest single cause of illness (compared to around 16% each for heart disease and cancer). Half of those with mental health problems first experience symptoms before the age of 14 and three-quarters before their mid-twenties. Depression is also the most common mental health problem in people aged over 65, with 13 -16 per cent having sufficiently severe depression to require treatment.

Our Strategic Objectives

The Government's six main objectives are that by 2014:

- More people will have good mental health
- More people with mental health problems will recover
- More people with mental health problems will have good physical health
- More people will have a positive experience of care and support access to timely, evidence-based interventions and approaches that give people the greatest choice and control over their own lives, in the least restrictive environment and human rights protected;
- Fewer people will suffer avoidable harm
- People should have confidence that the services they use are the highest quality and at least as safe as any other public service;
- Fewer people will experience stigma and discrimination.

Our annual plan sets out how we will achieve our five key strategic objectives;

Objective 1

Providing high quality care that is effective, safe and as positive an experience as possible

Objective 2

Being a model employer

Objective 3

Achieving good governance, inclusive involvement and excellent partnerships

Objective 4

Providing value for money

Objective 5

Expanding our business

We've met these objectives for the past year - for more detail, please see the Quality Report, but here are some highlights.



Highlights





Trust-wide Highlights

Practice Development Unit in Epping

The mental health unit at St Margaret's Hospital in Epping was accredited as a Practice Development Unit (PDU) by Bournemouth University.

Compassion

In the last year, we have introduced a new programme for staff which means that patients are being treated more compassionately than ever. The training is called Everyone Matters and is provided by Frameworks4change.

The Trust believes it is essential to keep caring at the heart of everyone's work, and to provide supportive environments where compassionate care can thrive.

Facebook

The Trust now has its own facebook page which has proved to be very popular. We have been able to use facebook to publicise many of our events during the last year and it's a useful medium for interacting with the public.

Admiral Nurses

In February this year, the Trust began a one year pilot, employing Admiral Nurses to improve the care and treatment of people affected by dementia. Admiral Nurses are mental health nurses specialising in dementia care. They work with health and social care professionals and voluntary organisations to support carers, families and people affected by dementia.

One of the key objectives of the National Dementia Strategy is to improve end of life care for people with dementia. Admiral Nurses are trained to help achieve this objective and will work to reduce the pressure on carers. They will signpost carers and families appropriately and help deal with sensitive issues such as advance directives, power of attorney and end of life care.

This pilot programme is a Trust-wide service which is funded by the NHS commissioners.

Low Secure Unit

The Trust is building a Low Secure Unit at the Linden Centre in Chelmsford. A Turf Cutting ceremony was

attended by Rt Hon Simon Burns, Minister of State for Health on 22 September 2011 to mark the start of the building of the mental health unit.

The low secure unit is funded by North Essex Partnership and is not a Private Finance Initiative (PFI) scheme. The total cost of the project is £5.5million and building work is expected to take 56 weeks.

It will have 20 beds and will replace the low secure unit at Severalls in Colchester. Some of the features include:

- En suite bathrooms
- Dedicated visiting rooms for families
- Gymnasium
- Three separate themed gardens

People aged 17 - 65 with severe and enduring mental health conditions who require a period of recovery and rehabilitation will be cared for in the new building in Chelmsford.

Life line scheme

An investigation into the death of a service user highlighted the regular difficulties that the Trust had contacting this person. It is common in the substance misuse field for service users to change their mobile phone numbers regularly.

This is such a frequent occurrence that Substance Misuse Workers have to confirm mobile phone details at every appointment. There is also the problem of the service user making contact with services, particularly in an emergency.

If the service user does not have a functioning mobile phone their only option may be to get to the Treatment Service or the local A&E. Due to their condition or circumstances this may not be possible.

The Life line scheme addresses this. We are providing specially adapted mobile phones to service users during particular periods of crisis or difficulty. The phone is not a replacement for a personal mobile phone and because of the adaptations made cannot be used as one. Six contact numbers are pre-programmed into the mobile, including Emergency Services, West Essex Community Drug and Alcohol Team, The Samaritans and the North Essex Resource and Information Line for mental health.

To encourage the care and return of the phone and charger the service user will be given £5 cash

or a voucher. The phone has a feature to record appointment details and could possibly reduce missed appointments.

Alcohol intervention

In 2010 our drug and alcohol service, NEEDAS in Colchester, started an Extended Brief Intervention for alcohol misuse; it was shortlisted for a Positive Practice Award in the Trust's Celebration of Achievements Awards. We have now established this service in mid Essex, to replicate the success in the north east area. The service is called Compass and is delivered from non-clinical settings (to de-stigmatise alcohol issues).

Compass is offered for up to six weeks, with 30-minute one-to-one sessions based on motivational interviewing and motivational techniques like drink diaries and so on - called 'extended brief interventions' (EBI). People who complete the course are followed up three months after the sessions are finished to see how they're doing. Patients have to be referred to this service by their GP.

Annual Public Meeting

More than 300 people attended the Trust's Annual Public Meeting on 14 September 2011 at the Central Baptist Church, Chelmsford. Our special guest was Bruce Calderwood, Director of Mental Health and Disability at the Department of Health. A drama competition was held and three local schools, (St Clere's School, Clacton Coastal Academy and Boswells School) performed their plays about mental health. The winner was St Clere's School - the students were presented with a trophy by Mary St Aubyn, Chairman of the Trust. Boswells School was the runner up and Clacton Coastal Academy was highly commended. The winner was interviewed on BBC Radio Essex.

Celebration of Achievements

On 16 November 2011, the Trust held its annual Celebration of Achievements Awards. 240 staff, including governors attended the event at the Marconi Club, Chelmsford. The event was organised to thank staff for improving the experience of patients, carers and other users of mental health and substance misuse services.

26 teams, projects and individuals were shortlisted for Positive Practice, Clinical Positive Practice, Non - clinical, Innovation, High Performing Team, Environment, Research, Community Services, and Governors Awards, the Dave Monk Award, Leadership Award and the Chairman's Award.

The winners were: Admission Reduction Project - Epping Community Mental Health Team, Older Adults (Positive Practice Clinical Award), Reduction of print costs - Admin Team at Kings Wood Centre (Positive Practice Non Clinical), Saffron Walden Community Mental Health Team (High Performing Team Award), Eaglehurst Ward for the best ward in the Environment Award, Tower Ward for the most consistent ward in the Environment Award, Ipswich Day and Treatment Team, Suffolk Community Healthcare for the Community Services Award, Greenwood Day Services at St Margaret's Hospital for the Governors' Award, Anita Wightwick, Facilities Supervisor for the Dave Monk Award for an unsung hero, Fae Green, Manager for the Leadership Award and Christine Ayers-Sach and Anita Bradley from the Bipolar team in Maldon for the Chairman's Award. A Research Award of £20,000 from a legacy project was awarded to Dr Tom Dannhauser and Dr Julia Handysides for neurofeedback training for Attention Deficit Hyperactivity Disorder.

Friends of the Landermere Centre

The Friends of the Landermere Centre was launched on 1 December 2011 at Clacton Hospital. A cheque for £4,488.38 from the Landermere Daisy Chain Appeal was presented to the new group and the money was used to buy new memory aid equipment for patients.

Hopping Mad

In June 2011, the Trust went "Hopping Mad" against stigma and discrimination. We launched a campaign to end mental health discrimination. More than 50 people got involved in the event in Central Park, Chelmsford.

Dave Monk, presenter at BBC Essex and Andrew Geldard, Chief Executive raced against staff, service users and governors on space hoppers as part of the Hopping Mad campaign.

World Mental Health day

Over 200 people took part in the Extra Mile walk on World Mental Health Day, 10 October 2011 in Central Park, Chelmsford. The event was organised by the Trust and supported by Virgin Active, Dorset Cereals, Britvic and Time to Change.

The purple plaster, No Health without Mental Health (the Trust's campaign logo) was worn by service users, staff and members of the public to raise awareness and stop mental health discrimination.

Thank you from patients

Some of our patients wrote back to say how much they value the treatment that we gave them. Here are some of their comments:

"I just wanted to send you a note to thank you for all the time and effort you have put into helping me write my advance directive. I know how much work you have done researching and typing it up on my behalf. It feels such a relief to know that whatever my parents or others may say, at last I have a voice, however small. Thank you once again."

"To Ardleigh staff, you have been fab! I have learned something positive from all of you and I'm very grateful for your support and patience."

"I want to say thank you for all the work you have done with me. I feel like a completely different person now. I don't quite know how to put it into words how I feel now; I suppose, relaxed, in control and capable. That is such a good feeling! The help that I received has made me see that life is as easy or as difficult as you make it! Alcohol and drugs just made me feel better at the time, not that I saw that then. So, really I am just very grateful to the CMHT team, I feel like I've just started my life thanks to you lot!"

"Thank you very, very much for all your help. I have come so far and cannot thank you enough. I never thought I would be where I am now. To overcome one of my biggest fears is such an accomplishment for me. Hope you like the chocolates. Thanks again for all your help."

"A big thank you to everybody on the Galleywood Ward who cared for my daughter when she was poorly. We appreciate everything you've done for her. Many, many thanks."

"To Maggie, thank you for your patience, support and perseverance and your kindness is appreciated."

"Just to say how much I appreciate all of your support, help and understanding - I was in a very dark place and the Crisis Team were like lights shining through. I will keep on working hard with the CBT and everything I have learnt."



The St. Aubyn Centre

A new centre for Children and Adolescent Mental Health Services has been built in Colchester. The building is on the old Severalls site and is named after the Trust's chairman of ten years, Mary St. Aubyn. The St. Aubyn Centre has 25 bedrooms which includes a ward and an intensive treatment unit for people aged 11 to 18 years. The Centre includes an Eating Disorders service for young people.

Combat Stress

In July 2011, the Trust in partnership with Combat Stress, the UK's leading charity for veterans with mental health problems held an open day in Colchester. It was an opportunity for veterans to find out what help is available to them through the charity which works with North Essex Partnership.

Short-listed for Nursing Times Award

The Older Adults Community Mental Health Team was short-listed for a Nursing Times Award for their work in treating older adults in the community and in residential homes and reducing hospital admissions. It highlighted some positive outcomes which are good for patients.

88 percent avoided hospital admission during the first year of the pilot.

Stars in their sight

The Trust was short-listed in the NHS East of England "We are making a difference, 2011 Star Awards. We were one of four contenders in the "Whole Health Economy Engagement" category for the team that have collaborated most in the region. North Essex Partnership was short-listed for its "Working towards synergy" - a joint initiative between the Trust and Colchester University Hospital NHS Foundation Trust.

The project led to a significant reduction of admissions to the acute trust from the previous year and has allowed patients to receive treatment in a more familiar environment.

Veterans Mental Health Network

North Essex Partnership, Colchester Garrison's Department of Community Mental Health (DCMH), and Combat Stress, together have formed the North Essex Veterans Mental Health Network, the first of its kind in the country. A conference to launch the network was held in October 2011 in Colchester. The partnership works under the slogan "A United Approach". The North Essex

Veterans Mental Health Network is supported by Enable East.

Missing Person Protocol

North Essex Partnership, together with the Southend, Essex, and Thurrock Safeguarding Adults Boards and Essex Police, launched the Missing Person Protocol in November 2011.

The protocol is a risk-based system which should mean fewer cases of people with Mental Health conditions or Learning Disability who go missing or Absent without Leave needing police involvement.

Eating Disorders Service for Adults

In January 2012, North Essex Partnership opened a new service in Colchester for adults with eating disorders.

Eating disorders are wrongly perceived as only a young persons' illness. The service is based at the Northgate Centre, North Station Road and provides treatment for up to ten people at a time.

The new psychology based service provides intensive support locally for people with severe eating disorders. It is community based and will reduce the use of out of area treatments - service-users will return home at the end of each day, which is better for their recovery and less stigmatising.

Leap against Stigma

Patients, staff and governors took part in the Leap against stigma event on 29 February 2012 at the Ramada Hotel in Colchester. The event was a great success and it marked the beginning of a series of events by North Essex Partnership in the run up to World Mental Health day (Wednesday 10 October 2012).

Nurses of the Year

Several nursing staff were shortlisted for the Trust's Celebration of Nurses Award - they were nominated by colleagues and managers.

Tracey Robinson was the winner in the Associate Practitioner category and Russell Boccock was in second place.

In the Registered Nurse category, Mel Arthey was the winner. Wendy Crouch was in second place. Joint third places went to Lorna Shaw and Sharon Rogers.

In the Unregistered Nurse category, Donna Lewis was the winner. In second place was Ben Reeder and Angie Cockle came third.

Patient Care Area Highlights

Highlight by area

Child and Adolescent Mental Health Services (CAMHS)

Toni Scales
Area Director



CAMHS fast facts:

- 3,000 referrals received annually.
- 13 Inpatient beds will increase to 15 beds and 10 Intensive Care beds from June 2012.
- 350 A & E Assessments undertaken annually by the crisis team.

CAMHS incorporates the Children's Learning Disability Service (CLDS) and The Early Intervention in Psychosis Service (EIP).

Our clinical capacity in the West has increased following investment from NHS West Essex. We are planning to bring the CAMHS Community Teams in Mid Essex together into one team.

Our Crisis Outreach Team, which is now based on the Severalls site currently has 12.8 whole time equivalent staff with a caseload of 85 -105 patients.

All admissions to Longview, our adolescent ward are managed through an assessment which includes the referrer, Longview, the Crisis Team and any other professionals involved. This ensures that families are not subjected to multiple assessments and that all treatment options are considered. Longview admits young people aged up to 17 years unless adult services are more appropriate.

A very positive achievement in 2011 was the development of a CAMHS Specialist Eating Disorders Team after a successful 18 month pilot study in the East. The treatment is an evidence based model called Multi-Family Therapy and is already showing improved outcomes for young people affected by Anorexia Nervosa. This service won first prize in the clinical section of the Trust's Positive Practice Awards in 2011.

The business case for new inpatient developments was approved by the Board and building work started in March 2011. The building, which has

been named The St. Aubyn Centre, is expected to be completed in June 2012.

Our Section 75 Agreement with Essex County Council (where their staff are seconded to us) has been reviewed and extended to March 2013 but we saw a reduction of 50% of social care staff during the year as a result of the Comprehensive Spending Review within Essex County Council.

North East Area

Peter Flack
Area Director



North East fast facts

- Adult Acute Service - 36 beds
- 80 beds for Older Adults
- Martello Acute Recovery Team - 17 staff

In the North East, we have continued to build on the planning and development work of previous years. Over the last 12 months, we have developed new Dementia Services at the King's Wood Centre in Colchester.

We have secured funding for the enhancement of the Memory Services and the Older Adult Liaison Service. The Memory Assessment Monitoring and Support Service (MAMSS) is now operational.

The management and administration of a new care pathway for Adult Services has been reviewed. This pathway was introduced in February 2012 and provides 2 functions: Acute / Inpatient function, and Community / Outpatient function. This moves away from a traditional geographical model in which Consultant Psychiatrists had responsibilities across inpatient and community services and were aligned to GP surgeries. The broad benefits to patients will be more co-ordinated, focused care and treatment planning from services that are accessible and responsive to patient needs.

One of our priorities was to embed the Assertive Outreach service (for those people who have difficulty engaging with the service) within the Community Mental Health Team; this we have done successfully and is now working across the whole area.

Our partnership work with Essex County Council has helped to implement personalised budgets and self directed support. A review of the Older Adult day service provision has been completed and will lead to the introduction of a single team for the North East Area specialising in the treatment of illnesses, admission avoidance, early discharge and service provision.

East and West Tendring CMHTs merged into a single operational team to create South Tendring CMHT.

We now employ Admiral Nurses and Residential Care Liaison Nurses.

West Area
Harriet Carr-West
Area Director
West and EIP



West fast facts

- 32 Adult Beds
- 10 PICU Beds
- 10 Rehab Beds
- 6 Multi Disciplinary CMHTs
- 388 Staff (West and EIP)

The west area, incorporating Epping, Harlow and Uttlesford, has a slightly higher proportion of older people and fewer 15-34 year olds than average in other parts of England.

As in previous years, there has been a continuous emphasis on engaging with a wide range of stakeholders to ascertain their views about our services and how these should develop.

Our aspiration is to build on our successes to date, set out a strategy for continuing to develop the services we provide across west Essex and to identify opportunities to expand our business.

We provide mental health services to a wide range of individuals and families across a large and diverse geographical area. This could not be achieved without a skilled and enthusiastic workforce, committed to delivering high quality services at a time of huge change and constant uncertainties. The plan describes our commitment to engage and support our staff to ensure that they have the capacity to meet the changing and

increasing demands on our services. Our aim is to be the 'provider of choice' within west Essex. Some of our key achievements during the last year are:

- Planning permission was obtained for the Derwent Centre Refurbishment programme.
- Phase one of the project commenced with construction of the Garden Link, creation of additional car parking spaces and the start of refurbishment work to develop the lower ground floor therapy area.
- Appointment of a Chaplain to the Derwent Centre and Brian Roycroft Unit.
- Achievement of Practice Development Unit accreditation for our elderly care services at St Margaret's Hospital.
- The Admission Avoidance Project initiated by the Older Adult CMHT in Epping has resulted in a successful bid from transformation monies for the appointment of liaison nurses to residential and nursing homes across the Trust. The project was short-listed for the finals of the Nursing Times Awards and was the winner in the Clinical Care category at the Trust's Positive Practice Awards.
- The Day Services Review was completed and the new model will be implemented from June 2012.
- Chelmer and Stort wards commenced the Releasing Time to Care programme.
- Engagement has continued with quarterly meetings for Governors and a number of member engagement events including a range of 'Tea Time Talks' and locality meetings in Uttlesford and Harlow.
- All teams and units have actively participated in ensuring we maintain compliance with the CQC essential standards of quality and safety. We have had unannounced CQC inspections at the Derwent Centre and the Brian Roycroft Unit - both of which found our services to be compliant with some suggestions for improving them further.
- 'Coffee and Cake' meetings with the Area Director have been introduced.
- The West Essex Patient Experience Board has enabled us to develop local action plans to respond to outcomes of national surveys.
- Development of West Essex Learning Disability / Mental Health steering group to support the "Green Light" toolkit.

Mid Essex

Lorraine Bush

Area Director

*Mid Essex
and Secure Services*



MID Essex Fast Facts

- 325 Staff
- A dedicated in-patient Perinatal Specialist Service
- We are the first regional Practice Development Unit accredited older adult services.

The Memory Assessment and Support Service continues to deliver excellence in care and the demand on the service continues to rise. We have been included in the NHS Institute for innovation and Improvements newly commissioned website. This is to further promote our participation in the Good Practice Compendium to a wider audience including the public and professionals from Health and social care.

The Mid Essex services include inpatient facilities, Day Hospital Services, Community Support and Home Treatment teams and a range of specialist services, such as eating disorders, outreach and perinatal services. The area has had some considerable success over the last 12 months. We have redesigned the Crisis Resolution Home Treatment and Assertive Outreach teams so that care can be provided in the least restrictive environment.

One of our initiatives for 2012/13 is to optimise and modernise our facilities to ensure efficiency and improved patient experience and outcomes. We are making better use of our facilities across Braintree and Witham by integrating services which means that our resources are being used more effectively.

A Specialist Clinical Occupational Therapist has been appointed to work across Braintree and Witham community services and improve our recovery and rehabilitation services.

We have established Mid Matters which is a regular tea/coffee morning with the Area Director and staff.

Some of our highlights include:

Our commitment to improve services delivered within the Linden Centre has been captured

through various work streams under the "Linden Centre Improvement Programme". This initiative started in September 2011 and it is about improving and enhancing service delivery across our in-patient services. It also include improving the environment, patient experience and service redesign to maximise outcomes.

The Low Secure Unit at the Linden Centre is underway and should be completed by the end of 2012. The Cedar Unit in Colchester will be closed and patients will be moved to the new purpose built Low Secure Unit in Chelmsford.

A gym will be built at the Low Secure Unit for patients to use, in both the Low Secure Unit and the Linden Centre.

Psychological Services

David Olive

*Area Director for
Psychological and
Psychotherapy Services*



The Applied Psychology and Psychotherapy (APP) Directorate had a very eventful year - a year of rapid, change and development. Some of our achievements include the establishment of the service as an Area Directorate and the appointment of an Area Director.

Some of the highlights are:

- Establishment of Trust-wide Psychology: Acute and Specialist Teams (PAST), encompassing Early Intervention in Psychosis, inpatient services, secure services and rehabilitation.
- Development of the Older Adult and Neuropsychology provision in Mid area (in partnership with the Crystal Centre and the Mid area service manager)
- The development of a single gate Applied Psychology and Specialist Psychotherapies service in Mid Essex with the establishment of a referral management process, introduced over the past two years and ensuring a fully integrated model of approach with patients and referrers.
- Opening of the new Intensive Day Service for Eating Disorders in Colchester in January 2012: part of the new locality based specialist services for adult Eating Disorders in North Essex.

- Starting a new service to provide Psychological Support for Stroke patients in Mid Essex.
- Leading the QIPP programmes in the North East for the Intermediary Mental Health Service. The Intermediary Mental Health Service was set up with funding from NHS North East Essex to manage the interface between the local Improving Access to Psychological Therapy (IAPT) service (Health in Mind) and Trust secondary care services.
- Agreeing a new contract with our lead Commissioners for the assessment of Aspergers in patients who also have serious mental health problems.
- Development in the West area of a multi-disciplinary group to study sources of iatrogenic dependency on services and to make recommendations around enhancing patient autonomy. Iatrogenic dependency is the result of a complexity of attitudes and behaviours - particularly strong in the medical model - that the expert professional and/or the service hold the key to peoples' wellbeing. Risk aversive systems are also likely to encourage dependency. So the client comes to believe they are not safe unless they are involved with and 'held' by our services and so become very reluctant to be discharged or have services reduced.
- Leading a CQUIN programme for the enhancement of Personality Disorder awareness and improved patient experiences for this client group.
- Establishment of a multi-disciplinary Trust-wide Personality Disorder Strategy Group.
- Co-hosting a Regional Conference on Contemporary Clinical Practice in Personality Disorders.



Quality Report





Quality Report 2011/12

Part 1 Statement on Quality from The Chief Executive of The NHS Foundation Trust

Welcome to our Quality Report for 2011/12, where we give you information about the quality of our services. I remain very proud of the achievements of our Trust and the quality of care we are delivering to everyone who uses or comes into contact with our services.

We have maintained our compliance with the Essential Standards of Quality and Safety required for continuous registration with the Care Quality Commission (CQC). These standards set out what our service users and their families should expect from us. The judgement of the CQC will rightly make headlines when they have something critical to say. I am pleased to report we have received two visits from compliance inspectors, both with positive outcomes and confirmation that service users feel safe on our wards. We continue to have the highest governance rating from Monitor, our Foundation Trust regulator, this is partly based on these outcomes.

Our Quality Report outlines the priority improvements that we made during the year and sets out how we will continue to make improvements in 2012/13. These included suggestions from our Council of Governors, which continues to be actively involved in planning for the future. Not only do these priority improvements focus on what we do for our service users, but also what we do to support our staff.

There are many ways to look at quality of services - what our independent regulators tell us, what patients and carers tell us, what staff tell us, what our Governors tell us, and what our reviews, audits and action plans tell us. We report on all of them

here as well as how we are improving our estate through our five-year strategic capital programme.

General quality measures are good but we also need to acknowledge the work the teams do - the real nuts and bolts of quality. In November 2011 we held our annual Celebration of Achievements where the theme was 'The Trust with Soul'. Once again the calibre of entries was extraordinarily high. Principal winners were the Admission Reduction Project by the Community Mental Health Team for Older Adults in Epping Forest; Reduction of print costs by the administration team at Kings Wood in Colchester; the High Performing Team was Saffron Walden CMHT; the two environment awards went to Eaglehurst and Tower Ward in Clacton; the Research Award went to Drs Handysides and Dannhauser's project on neurofeedback training for Attention Deficit Hyperactivity Disorder.

The Community Services award went to Ipswich Day and Treatment Team (Suffolk Community Healthcare); the Governors award went to Greenwood Day Services at St. Margaret's Hospital Epping; the Dave Monk Award for an unsung hero went to Anita Wightwick from the Facilities team; the Leadership award went to Fae Green of the Christopher Unit; and last but not least the Chairman's award for a special team or person went to Christine Ayres-Sach and Anita Bradley, the Bipolar Team in Maldon. These awards demonstrate the high quality services provided by our equally high quality staff.

In addition teams have been successful in external awards, with the Quality and Audit Team being shortlisted for the coveted HFMA (Healthcare Financial Management Association) governance awards and our Research and Development Team winning awards from the CLRN (Comprehensive Local Research Network) for showing outstanding initiative to benefit patients and for outstanding contribution to the life sciences.

I hope that you will agree with me, when you read this report, that we are a high quality Trust. I confirm that, to the best of my knowledge, I am assured of the accuracy of this report and I am always happy to receive your feedback.



Andrew Geldard - Chief Executive

Statement of Purpose

'Outstanding care, transforming lives'

Who we are and how we work

Our vision is to provide care that is outstanding in its quality, transforming the lives of individuals and families every day. Our communities will have total confidence in our services, our staff feel a strong sense of belonging and satisfaction, and our partners be proud to work purposefully with us.

Our values underpin everything we do:

- Promoting dignity, respect and compassion
- Demonstrating openness, honesty and integrity
- Building on individual strengths
- Tackling stigma, promoting inclusion and valuing diversity
- Listening, learning, and continuously improving to deliver quality and value

Our commitments:

To individuals and families:

- to work together, building on strengths, to improve mental health and wellbeing

To our staff:

- We will value everyone individually, promote wellbeing, support involvement and encourage personal development and leadership
- We will support teams in their delivery of best value, innovation and excellence

To our Commissioners and key partners:

- We will listen, work with you, create ideas, demonstrate our effectiveness and flexibility, and earn recognition as provider of choice

Our strategic objectives are:

- To provide high quality care that is effective, safe and as positive an experience as possible
- To be a model employer
- To achieve good governance, inclusive involvement and excellent partnerships
- To provide value for money (economy, efficiency and effectiveness)
- To expand the business

With a workforce of over 2,000 staff we currently provide mental health and substance misuse services to a population of one million people in north Essex, serving around 23,600 people each year. We also

provide some services to people living in Suffolk, East Hertfordshire and South Essex - this includes specialist inpatient care. Our services are delivered in community, outpatient and inpatient settings.

Our vision and values drive our approach and focus, building on individual strengths whilst delivering outstanding care and support that is

empowering and promotes inclusion. We recognise that we can only achieve our vision through the strength of our partnerships with others in health and social care whether in primary or secondary care settings and whether in statutory, private or third sector services, and through ensuring an engaged and informed workforce.

Strategic Objectives	Key Priorities
1. To provide high quality care that is effective, safe and as positive an experience as possible	Effective
	1. Improving access to, and accessibility of, services
	Safe
	2. Improving patient safety and general wellbeing, ensuring all care and other environments are appropriate, safe and therapeutic
	Positive experience
	3. Continuing to improve the experience of service users, families and carers, ensuring embedded systems for receiving and acting on feedback
2. To be a model employer	4. Creating positive experiences for staff within an efficient and effective workforce
3. To achieve good governance, inclusive involvement and excellent partnerships	5. Engaging widely with local communities and key stakeholders, developing productive partnerships with partner organisations and helping promote positive mental health
4. To provide value for money (economy, efficiency, effectiveness)	6. Ensuring an ongoing programme to ensure services are clinically and cost effective, use of estate is maximised and carbon footprint is reduced
	7. Realising development of, and benefits from, the Trust's information systems
5. To expand the business	8. Exploiting opportunities for growth and broader business development

Terms of Authorisation with Monitor (Foundation Trust Regulator)

As a Foundation Trust we work within our terms of authorisation laid down by Monitor. Our schedule of goods and services can be found together with further information about our terms of authorisation through the following updated link: <http://www.monitor-nhsft.gov.uk/home/about-nhs-foundation-trusts/nhs-foundation-trust-directory/north-essex-partnership-nhs-foundati>

Registered Regulated Activities with the Care Quality Commission

Our regulated activities are:

- Treatment of disease, disorder or injury
- Assessment of medical treatment for persons detained under the 1983 (Mental Health) Act
- Diagnostic and screening

Services and Locations

Our Directory of Services can be found as part of our Statement of Purpose on our Trust website www.nepft.nhs.uk. This outlines details of our locations and the services provided.



Part 2 Priorities for Improvement and Statements of Assurance from The Board

Review of Priorities for improvement 2011/12

What we said we would do in 2011/12	What we achieved in 2011/12
<p>1 Developing systems and processes around Quality Accounts</p> <ul style="list-style-type: none"> • Develop further our patient safety measures and implement these in our community, outpatient and corporate areas • Incorporate patient experience and clinical effectiveness measures alongside the patient safety measures to develop a Quality Dashboard. Local areas are also keen to develop their own measures • Formalise outcome measures currently being used across the Trust, assess others for use, and develop new ones. We will also continue the implementation of HoNOS care clusters • Take forward any recommendations from the evaluation of the PROMs' and CROMs' pilot and feedback to service users and carers • Roll out the use of the database for incident reporting and pilot its use for serious incidents and complaints recording as well as compliance with the Essential Standards of Quality and Safety (ESQS) • Continue to involve, feed back and keep staff informed of developments in quality and audit, including three-year strategies for Quality and Clinical/Corporate Audit • Provide assurance to the Trust Board on Quality and Audit through our Risk and Governance Executive <p>PROMs - patient reported outcome measures CROMs - care reported outcome measures HoNOS - health of the nation outcome scales</p>	<p>1 Developing systems and processes around Quality Accounts</p> <ul style="list-style-type: none"> • Use of the 'hotspots' report has been refined throughout the year and is now called 'ward quality barometer'. It is monitored on a regular basis by the Executive Management Team (EMT) performance meeting and the Trust Board. Indicators (measures) for community services have been identified and are currently under development. Their implementation will be overseen by the Risk and Governance Executive (RGE) • Local patient experience surveys are being used by in-patient services. Work has continued to refine the data collection and analysis in a format suitable for reporting back into RGE and the Patient Experience Board (PEB) on a quarterly basis. Work on the clinical effectiveness indicators is more complex and closely allied to work on care pathways • Information has been collated on the outcome measures being used in the Trust and the Applied Psychology and Psychological Therapies Team has produced an A-Z of outcome measures currently in use • Evaluation of the PROMs and CROMs pilot established that whilst the information gathered was valuable this was outweighed by the complexity and time required. CROMs served a useful purpose in refining carer surveys in conjunction with our Commissioners. The PROMs and CROMs tools have been made available for local wards/teams to use if they so wish • The rollout of Datix for incident reporting is making good progress with 22 wards across the Trust. An upgrade has enabled us to load the ESQS standards module and a pilot is underway for West to use the system to populate evidence against one of the ESQS standards. Extra resources are being put into the rollout. Reporting levels are being monitored throughout the rollout. Standard reports are being produced. In house training continues in parallel with the rollout • A Trust wide review of the clinical audit process has been undertaken. The aim is to increase local engagement and ownership whilst ensuring that national and Trust requirements for audit are being met. This will lead to further development of the policy and strategy for the coming year. A three year Quality Strategy is still under development and will be consulted on shortly • RGE met monthly throughout the year and has provided regular assurance to the Trust Board on all matters relating to risk, quality and governance <p>DATIX - server and web based database</p>

What we said we would do in 2011/12	What we achieved in 2011/12
<p>2 The promotion of mental health</p> <ul style="list-style-type: none"> • Continue with a robust campaign of community, staff and membership engagement through various media and forums. The Council of Governors agreed a new membership strategy for 2011/12 and set modest increases for the coming years. They also set individual Governor recruitment targets. Allowing for an attrition rate of about 5% we will need to recruit 593 people in the coming year. The Membership, Marketing and Public Relations Work-stream will monitor this • Acknowledge quality services through our annual Celebration of Achievements and encouraging teams to submit projects for external awards • Continue our development of 'Friends of' groups • Reach out to young people through the schools campaign, youth groups and the youth involvement project • Engage with employers to work with us on mental health awareness and changing attitudes • Hold public events that increase public awareness about mental illness and how it can affect anyone • Hold constituency meetings on a regular basis • Maintain a membership that is representative of the local population • Continue to focus on the physical healthcare of people who use our services • The development and monitoring of an implementation plan in relation to the Service User and Carer Involvement Strategy 	<p>2 The promotion of mental health</p> <ul style="list-style-type: none"> • Current membership is 6,161 • Annual Celebration of Achievements held in November and well attended and supported by staff including Suffolk Community Healthcare. Awards were presented for clinical and non-clinical positive practice, unsung hero, leadership, environment, research and development and much more • 'Friends of' groups have continued to develop • We have engaged with Chelmsford College for their health week • Several Essex schools are involved in the Soap Sense 2012 competition and another in an involvement project for GCSE psychology students • Community group briefings have continued throughout the year • A schizophrenia campaign has been launched including a concert raising money for MIND and awareness of mental health • Regular members meetings have been held throughout the year with a variety of topics attracting good attendance • The Trust's Facebook page continues to promote Trust activity and encourage comments for a blog of service user comments. Included is a 10 minute DVD about dementia • Relaunch of members' news as 'Because There is no health without mental health' with a growing readership • Service user involvement has included Governors speaking at training events • Plans are in hand for a 100 year celebration of Severalls and memorabilia has been found dating back to 1963 • Time to Change is an ongoing campaign fighting stigma in mental health and the 29 February 'leap' day was used to positive advantage with a 'leap in attitudes' event and photo shoot • Physical health and medical devices steering group continues to meet regularly with a focus on the physical health of people using our services continually reviewing policy and taking account of NICE guidance. Physical healthcare checks are also an element of the 'ward barometer'

What we said we would do in 2011/12	What we achieved in 2011/12
	<ul style="list-style-type: none"> • Enable East* has worked with the Trust to ensure that the Service User and Carer Involvement Strategy is ready for launch in April. This has included the development of a database and all the associated templates for creating involvement opportunities and information on service users and carers who wish to be involved and what they would like to be involved in; also a handbook has been developed with several workshops/training events being held across the Trust <p>*Enable East - an NHS team aimed at supporting local NHS and other public sector organisations to actually make improvements happen http://www.enableeast.org.uk/</p>
<p>3 Improving medicines management</p> <ul style="list-style-type: none"> • Build on the infrastructure in place for our in-house pharmacy through further recruitment and bringing the service up to full strength • Maintain or improve on our targets for reporting drug errors and pharmacy interventions • Develop competency frameworks and training for nurses on medicines management and for medical staff on prescribing • Develop a timetable of competency programmes for medicines safety awareness, secondary dispensing and prescribing of controlled drugs <p>WTE - whole time equivalent</p> <p>*Pharmacy intervention - any contact made by a pharmacist during the dispensing process with a prescriber or a service user</p>	<p>3 Improving medicines management</p> <ul style="list-style-type: none"> • Staffing levels had risen to 7.1 WTE Pharmacists, 9.4 WTE Pharmacy Technicians, 2 WTE Pharmacy Assistants and 0.8 WTE administration • A pharmacy intervention* report is presented quarterly to the Risk and Governance Executive. Interventions by the pharmacy team have a positive impact by reducing drug errors. The main reasons for interventions are medicines reconciliation issues and poor handwriting. High risk interventions are reported through the patient safety dashboard. Comparatively, pharmacy interventions have doubled in the same period 2010/11 <p>Since opening the new pharmacy the following services have been provided to wards and units:</p> <ul style="list-style-type: none"> • One-stop dispensing on all wards to facilitate self-medication and discharge • Increased use of patient's own drugs and efficient use of medicines • Provide 'blister' packs for patients unable to use conventional packaging • Provide smaller quantities when required • Increased patient and carer groups for medicines advice • Increased training for medicines management and for information about medicines to other healthcare professionals. Some e-learning modules are written and will be on-line in due course • Implemented competency framework in conjunction with nurse consultant for clinical risk management • Increased pharmacist involvement to improve patient care and reduce risk • Talk face to face with prescribers and nurses to resolve problems • Written information about medicines for patients and staff

What we said we would do in 2011/12	What we achieved in 2011/12
	<ul style="list-style-type: none"> • Increased availability of advice by mobile phone or email • A business plan is in place to 2013 and further plans will be implemented including more input for community units. Links with acute trusts and GP consortia will be maintained to improve the integration of services
<p>4 Quality services through quality relationships</p> <p>We have emphasised to our Governors, through presentations and planning workshops, the importance of GP engagement in providing high quality services for our existing 'core' business and any future commissioned services through GPs or others. Our Governors, at these workshops, supported the importance of being prepared for the new and evolving commissioning market for high quality services. Action plans have recently been updated in discussion with local areas and GP engagement will continue to be a high priority for us in 2011/12. Engagement will extend to any potential commissioner bodies. Quality of our services is especially important in terms of the 'any willing provider' or more recently terms 'any qualified provider' policy. This is still in development and details are awaited for mental health services but will entail commissioners developing a register of providers accredited to deliver a range of specified services within a community setting, and through a qualification process meeting conditions of their licence with the Care Quality Commission. This means meeting the Essential Standards of Quality and Safety as well as Monitor's compliance framework, providing safe, quality services to the contractual standards set by the NHS Commissioning Board.</p> <p>GP and other potential commissioner engagement for quality includes:</p> <ul style="list-style-type: none"> • Good working relationships as partners in delivering quality healthcare • Raising awareness about the high quality services provided by this Trust • Maintaining staff commitment, motivation and morale to deliver high quality services and continuous quality improvements. 	<p>4 Quality services through quality relationships</p> <p>Work-streams aimed at enhancing GP and commissioner engagement in 2011/12 have included:</p> <ul style="list-style-type: none"> • Local GP engagement activities co-ordinated by Area Directors including programmes of practice visits by senior clinicians and managers, taking part in GP training events and organising training to include GPs and other community colleagues • Trust level GP engagement including collaboration with Janssen-Cilag on a new programme and the revamped GP newsletter aimed at informing GPs and practice staff of developments in Trust services and educating them about our values, approach and ability to respond to their requirements • Ongoing discussions with NHS North Essex commissioners over CQUIN and QIPP initiatives (as well as over contract monitoring) which as a useful by-product cement mutual respect and understanding by creating a shared language of quality improvement • Fostering of relationships with NHS Suffolk commissioners through the effective management of Suffolk Community Healthcare and regular contract meetings. <p>Work-streams aimed at marketing services to GPs and other commissioners, centred in the Commercial & Service Development department, have included:</p> <ul style="list-style-type: none"> • Preparation for 'Any Qualified Provider', which locally in mental health will probably involve IAPT* services, developing a strong case for the quality and efficiency of our services • Analysis of the NHS North Essex contestability** plan for mental health services, to provide early warning to Directors and Area Directors both of Trust services likely to be opened to competition and of forthcoming business opportunities <p>**contestability plan - competition for providing services</p> <p>*IAPT - improving access to psychological therapies</p> <p>CQUIN - commissioning for quality and innovation</p> <p>QIPP - quality, innovation, productivity and prevention</p>



What we said we would do in 2011/12	What we achieved in 2011/12
<p>5 Improving engagement and support of staff</p> <p>Quality relationships extend to staff. High quality services require high quality, motivated and engaged, staff to deliver them. Recruiting, developing and retaining the right people is critical to our services. Developing and maintaining staff commitment, motivation and morale are vital during change, the current financial climate, and the changing pattern of commissioning. We want our staff to be part of the journey through this change, alongside those who govern, manage, develop and commission our services.</p> <p>The annual national staff survey is a key marker of the way staff feel about our Trust and the services provided. A proportion of our staff is randomly selected to participate in the survey and generally our response rate is in line with national trends. We strive to be a model employer stating our commitments to staff and team as part of our vision and values. Our Governors rightly feel that responding appropriately to the staff survey is important.</p> <p>The CQC essential standards of quality and safety including the following key outcomes:</p> <ul style="list-style-type: none"> • Outcome 12 (regulation 21) Requirements relating to workers - people who use our services are safe and their health and welfare needs are met by staff who are fit, appropriately qualified and are physically and mentally able to do their job. • Outcome 13 (regulation 22) Staffing - people who use our services are safe and their health and welfare needs are met by sufficient numbers of appropriate staff • Outcome 14 (regulation 23) Supporting workers - people who use our services are safe and their health and welfare needs are met by competent staff. 	<p>5 Improving engagement and support of staff</p> <p>Excellent progress has been made against a joint action plan covering the 2010/11 staff survey and Investors in People and the key outcomes have been:</p> <ul style="list-style-type: none"> • Improved staff engagement and visibility of senior management at ward and team level • The Leadership Qualities Framework (LQF) is being used for some senior appointments and is related to leadership competencies. Training programmes also include LQF and trust values • The change management programme has been developed and training dates have been identified • A series of 'hot topic cafes' have been held trust wide and highlighted in core brief and Andrew's update. Some of the outcome targets include: <ul style="list-style-type: none"> • How the current shift pattern has a negative impact on staff and service users • Use of video conferencing to bring down travel costs and loss of time to the trust and staff • Email communication and multiple trust communication publications • Professional/resource issue surrounding redeployment/ management of professionals and/or qualified staff that seem to be failing and the subsequent effect and impact of this on teams/team dynamics and service users • Allocation and equity of student nurse placements • Staff blog called 'on the level' • Open forums for staff to discuss and debate the issues that impact on their ability to provide outstanding care • Long service awards now underway • North East have a 'recognition' award bi-monthly • E-cards on intranet, managers encouraged to use them and staff encouraged to keep them as part of their appraisal • Flexible working focus groups in place • Occupational Health and Wellbeing planning a series of health promotion workshops with support from local managers • Leadership development • Events involving staff in service developments - visionary events, newsletters, project groups, administration and team away days, estates reviews, new technologies for flexible working practices

What we said we would do in 2011/12	What we achieved in 2011/12
	<ul style="list-style-type: none"> • Reducing email traffic by more face-to-face and telephone contact • Improvement in casual and long-term sickness rates in 2011 • Directors and managers having more presence in business meetings/handovers • Occupational Therapy strategy launched • Apprenticeships in Estates • Estates supervisor visits to sites to ensure quality of estates maintenance works • Set up a staff health and wellbeing group and train health and wellbeing link staff • Engaged staff in the productive ward series, creating capable teams, releasing time to care, as well as accreditation and practice development unit schemes • Hold clinical conferences and big issue conversations • Staff engagement with the Remedy clinical information systems programme development



Priority for improvement	PS PE CE	How we will measure	Responsibility
<ul style="list-style-type: none"> The development and monitoring of an implementation plan in relation to the Service User and Carer Involvement Strategy 		<ul style="list-style-type: none"> Agree a trajectory to increase physical healthchecks in the community (information team) Focus on patients with severe and enduring mental illness where anti-psychotic prescribing is evident (baseline from pharmacy recording) Launch strategy at Patient Experience Board and then a launch event Maintain a database of involvement opportunities and requirements Maintain a database of service users and carers who wish to be involved and their areas of expertise Report on the numbers of people getting involved (matches of involvement opportunities with service users/carers) 	Medical Director
<p>3. Improving medicines management</p> <p>Continue with implementing the Pharmacy Business Plan</p>	PS PE CE	<ul style="list-style-type: none"> Expansion of pharmacy into community services Appointment of 0.5 WTE for medicines information and research and development Appointment of 2.0 WTE rotational band 6 pharmacists with West Essex and CHUFT Improve training programme and service to community services Improve information technology system for medicines management Improve transport for pharmacy services 	Medical Director Associate Director of Pharmacy
<p>4. Quality services through quality relationships</p> <p>We continue to emphasise to our Governors, through presentations and planning workshops, the importance of GP engagement in providing high quality services for our existing 'core' business and any future commissioned services through GPs or others. Our Governors, at these workshops, supported the</p>		<ul style="list-style-type: none"> Local GP engagement activity co-ordinated by Area Directors including programmes of practice visits by senior clinicians and managers, taking part in GP training events and organising training to include GPs and other community colleagues Trust level of GP engagement including appropriate collaborations that inform GPs 	Director of Commercial and Service Development Area Directors

Priority for improvement	PS PE CE	How we will measure	Responsibility
<p>importance of being prepared for the new and evolving commissioning market for high quality services. GP engagement will continue to be a high priority for us in 2012/13. Engagement will extend to any potential commissioner bodies. Quality of our services is especially important in terms of the 'any qualified provider' policy. This entails commissioners developing a register of providers accredited to deliver a range of specified services within a community setting, and through a qualification process meeting conditions of their licence with the Care Quality Commission. This means meeting the Essential Standards of Quality and Safety as well as Monitor's compliance framework, providing safe, quality services to the contractual standards set by the NHS Commissioning Board.</p> <p>GP and other potential commissioner engagement for quality includes:</p> <ul style="list-style-type: none"> • Good working relationships as partners in delivering quality healthcare • Raising awareness about the high quality services provided by this Trust <p>Maintaining staff commitment, motivation and morale to deliver high quality services and continuous quality improvements.</p>	PS PE CE	<p>and practice staff of developments in Trust services and educating them about our values, approach and ability to respond to their requirements</p> <ul style="list-style-type: none"> • Outcome of discussions with NHS North Essex commissioners over CQUIN and QIPP initiatives (as well as over contract monitoring) that promote mutual respect and understanding by creating a shared language of quality improvement • Outcomes from 'Any Qualified Provider' • Analysis of the NHS North Essex contestability plan for mental health services, to provide early warning to Directors and Area Directors both of Trust services likely to be opened to competition and of forthcoming business opportunities 	
<p>5. Improving engagement and support of staff</p> <p>Continue to meet CQC Essential Standards of Quality and Safety Outcomes 12, 13, and 14 all relating to staff (see previous section for more detail)</p> <p>Continue to act on staff survey results, hot topic cafes, and Investors In People</p> <p>Continue to engage with staff at all levels of the organisation</p>	PS PE CE	<ul style="list-style-type: none"> • Hold a Hot Topics Café: Staff Survey Special - six new topics based on the results of this year's staff survey • Review existing joint action plan (staff survey/investors in people) and carry forward any outstanding actions (health and wellbeing group) • Develop and implement a new action plan from the 2011 staff survey • Engagement with the Remedy* clinical information systems project • Attendance and participation in clinical conferences 	Executive Management Team

Priority for improvement	PS PE CE	How we will measure	Responsibility
*Remedy - the project name for the replacement of our clinical information system	PS PE CE	<ul style="list-style-type: none"> • Development of a conference for administration staff • Training of staff health and wellbeing link persons • Continued participation in the productive ward series, releasing time to care, creating capable teams, accreditation and practice development unit schemes 	
Indicator for measurement by auditors - existing indicator Inpatient re-admissions within 28 days of previous discharge			

Review of services

During 2011/12 North Essex Partnership NHS Foundation Trust provided 28 NHS services across its three geographical areas. The entire breakdown of our services by geographical area can be found in our directory of services at the link in part 1, statement of purpose.

NEPFT has reviewed all the data available to it on the quality of care in all 28 services covered by our three main block contracts that are subject to monthly quality assurance and contract monitoring processes. The income generated by the NHS services reviewed in 2011/12 represents 84% (£86m) of the total income generated from the provision of NHS services by NEPFT for 2011/12.

All data from the reviews is analysed and action plans in place and monitored throughout implementation and signed-off as appropriate by RGE or EMT. We take account of both national and local patient and carer survey information when reviewing our services. In addition we take full account of staff survey results, feedback from hot topic cafes and 'big issue' conversations held throughout the Trust.

The Board and RGE carried out detailed reviews on a number of services.

- The Linden Centre review looked at the whole service to improve patient care in line with the three quality domains of patient safety, clinical effectiveness and patient experience. We are modernising the model of care delivery to meet increased demographic demand as well as aligning it with the care pathways work. The focus is on long term quality improvement. A comprehensive staged action/implementation plan is in place.

- We have embarked on an 18 month 'Journeys' programme that aims to develop the care pathways delivered across the organisation. In stage one we mapped the services delivered by teams across the Trust, understanding the issues and barriers that need to be addressed to improve the patient journey. Stage two is tackling some of the small issues that can be delivered through local service improvements whilst also considering some bigger ideas on redesigning the way we work to deliver high quality care for all. In stage three we will redesign where appropriate and produce a set of service and condition specific care pathways that will provide the basis to agree new service specifications with mental health commissioners.
- We have reviewed day services in West Essex for adults of working age and work has started on the transition process to the new service model that ensures equity across the west of the Trust with a focus on recovery and social inclusion, contributing to the health and wellbeing of service users.
- A ward in the north east has been developed as a specialist dementia service using a new model of care.
- Since the autumn a team of professionals has been working with commissioners on Project Hope (health, opportunity and purpose for everyone) which is a redesign of recovery and rehabilitation services across North Essex. The project team has undertaken a review of best practice in recovery as well as a North Essex wide visioning event held in November 2011, visits, research, interviews with Consultant Psychiatrists and other senior managers, and third sector

providers to produce a paper for discussion and for public consultation on what a recovery and rehabilitation service might look like in this locality. Following on from the visioning event a series of four focus groups of patients, carers and clinicians were run, on the subjects of housing, education, employment and therapies that are four key areas for a patient in recovery.

- A project team has been working on the transition of low secure services from north east into a new-build project currently ongoing in Broomfield and similarly a project team has been working on the transition of adolescent inpatient services from Longview to the new CAMHS unit due to be opened early summer 2012.
- Transformation bids have enabled the review and development of Admiral Nurses who work with family and carers of all those people with any form of dementia; a crisis resolution triage pilot; and a care home intervention project.
- Following a review of dementia services, the Emerald Centre was opened in March at Kings Wood in Colchester. This is one of many new initiatives to improve dementia care in north Essex. This is a 24-hour-age-inclusive service, staffed by specialists in dementia care. People in Colchester, Halstead and Tendring who are affected by dementia will be able to use this service.

The Trust Board approved a new performance management framework, covering all key performance indicators (KPIs) for the Trust including inpatient and community services. These are included in the table in part three of this report.

Each month the Trust, through RGE, takes a critical view of an internal Quality and Risk Profile (QRP) prepared by the Care Quality Commission encompassing information about all of our services. All areas identified as less than 'green' in the traffic lighted QRP are extracted into a rolling action plan and evidence is gathered to turn the action plan 'green'. Sometimes this will consist of more up-to-date information than is included in the QRP. We will also use evidence that is collected as part of our ongoing compliance with the Essential Standards of Quality and Safety.

The RGE receives regular reports on a range of governance issues including the assurance framework, risk register, complaints, serious incidents, claims, infection control, quality and audit. In addition it receives dashboards relating to patient safety and early warnings around patient

safety measures at ward level. We involve clinicians and encourage challenge and peer review on a number of counts, in particular the measures relating to patient safety and mandatory/statutory training and supervision. This group is assured on compliance with the Essential Standards of Quality and Safety across the Trust. We use the same judgement framework of the CQC to self-assess against the standards and we have prepared for planned reviews. Certain auditable standards are also reviewed as part of the Internal Audit Plan and reported to the Audit Committee.

The Trust has a schedule of 26 inpatient areas and four other areas participating in the productive ward series (Releasing Time To Care), the Creating Capable Team Approach, Practice Development Unit Accreditation, AIMS accreditation, and/or the Sustainability Approach. In addition there are five areas/teams within Suffolk Community Healthcare that have participated in the Creating Capable Team Approach. This schedule runs from 2009 through to the end of 2012.

Participation in clinical audits

The programme of national and local clinical and corporate audit is managed by the Quality and Audit Team and reviewed/monitored through a Quality and Audit group. Exception reporting on limited assurance audits is made to the Risk and Governance Executive on a quarterly basis.

During 2011/12, 8 national clinical audits (including Prescribing Observatory for Mental Health, POMH) and 1 national confidential enquiry covered NHS services that NEPFT provides. During 2011/12 NEPFT participated in 75% national clinical audits (including POMH) and 100% national confidential enquiries of the national clinical audits and national confidential enquiries which it was eligible to participate in.

The following table outlines the national audits and national confidential enquiry for which North Essex Partnership NHS Foundation Trust was eligible for during 2011/12, those that it participated in, whether the data collection was completed during the period, and the number of cases submitted to the audit, if applicable.



Eligible national audits for NEPFT	NEPFT participated in 75%	Data collection completed 2011/12	No. of cases submitted to audit as % no. of registered cases required by the terms of the audit
National Audit of Schizophrenia	Yes	Yes	Part 1 - 79 out of 100 (79%) Part 2 - 29 out of 200 (14.5%) Part 3 - 24 out of 200 (12%)
National Audit of Psychological Therapies (Anxiety and Depression)	Yes	Yes	24 cases submitted
National audit of falls and bone health	Yes	Yes	Process audit
National audit of back pain and depression 11/12	No	Participated in 2010/11	
National audit of back pain management by NHS occupational health services in England (round 2 incorporating a new record keeping audit section)	Registered	Yes	9 out of 40 who met the inclusion criteria (less than 25%)
Prescribing Observatory in Mental Health (POMH)			
Topic 11a prescribing of antipsychotics for people with dementia	Yes	Yes	317 cases submitted (no set number defined by POMH audits)
Topic 10b use of antipsychotic medicine in CAMHS (CYPS)	Yes	Yes / Report received	3 teams submitted a total of 35 patients
Topic 1f prescribing high dose and combined antipsychotics on adult acute and psychiatric intensive care wards	Yes	Yes	10 teams submitted a total of 123 patients
Topic 9b Use of antipsychotic medicine in people with learning disabilities	No		Undertaken by Herts Trust (LD contract)
Eligible National Confidential Enquiries for NEPFT			
National Confidential Inquiry into Suicide and Homicide by People with Mental Illness (and its various constituent studies into sudden unexplained deaths and victims of homicide)	Yes	Yes	

Learning/actions from national and local clinical audits

The reports of two national audits and 24 local clinical audits were reviewed by the Trust in 2011/12 through its Quality and Audit Group (QAAG), which reports to the Risk and Governance Executive. A total of 24 reports and action plans were received,

reviewed and given a level of assurance at the QAAG. Each audit report has an action plan whose implementation is monitored by audit group and/or the most appropriate group working to the RGE. Some of the learning and actions from these audits are iterated in the table below.

Title/Subject	Learning/actions
Local Audits	
HSE Stress audit (applied psychology and psychological therapies)	<ul style="list-style-type: none"> • Greater awareness of stress caused by perceived bullying and/or lack of respect from other professional colleagues. Awareness of this in clinical and management supervision and supporting constructive exploration of the issues. Feed into review of Trusts' Supervision policy. • Directorate Business plan clearly states the core roles and value of the psychological perspective in all aspects of the Trust's work and validates directorate staff as an essential component of comprehensive and effective mental health services. • Active involvement with REMEDY to ensure the range of activity is fully accounted for and valued in the new system. • Feedback given to other Directors when required on visibility and respect issues e.g. when considering changes to the estate and office arrangements • Increased engagement with executive directors - CEO shadowing directorate staff
Learning Disabilities (LD)	<ul style="list-style-type: none"> • Promote awareness of the criteria and purpose of recording LD and ensure that the LD training emphasises the recording process, and ensure the new patient information system prompts staff with criterion when recording LD. • Increase awareness of the Joint Protocol and recording of joint working. • Increase awareness of staff on accessible care plans and incorporate this into care planning and risk assessment training. • Launch of locality LD Green Light groups • Positive outcome to the LD CQUIN 2011/12
CAMHS Service user satisfaction survey	<p>This survey was a CQUIN target and it was the first time a satisfaction survey had been rolled out to all young people receiving treatment from NEPFT.</p> <p>The learning from this survey included a methodological improvement to this year's survey; an external audit company has been employed to analyse the data. This will allow more surveys to be analysed and assist with capacity issues.</p> <ul style="list-style-type: none"> • The survey highlighted a need for all services within CAMHS to explain the CPA process to all service users and share the care plan with them • The survey also highlighted that most service users were not aware who their care coordinator was. <p>Both of these concerns have been addressed and strategies devised to improve this, which have now been implemented.</p> <p>Satisfaction from the responses was positive and showed that CAMHS service users are satisfied with the service they are provided.</p>

Title/Subject	Learning/actions
Longview Serious Incident (SI) Action Plan	<ul style="list-style-type: none"> • A steering group was established to address the recommendations of the SI; an action plan was generated. The implementation of the audit action plan resulted in changes to the daily systems: • Multidisciplinary handover occurs daily as well as the standard nursing change over • There is new system where a “clinician of the day” is appointed to every shift; their responsibilities are dealing with all admissions and discharges. • Training sessions of CPA (Care Programme Approach), CareBase (Clinical Information System) recording and safeguarding were organised for all staff. • A safeguarding clinic was established once a week with a nurse specialist present to address any concerns or comments.
BME (Black Minority Ethnic) Equality Audit	<ul style="list-style-type: none"> • The BME audit has been sent to Clinical Boards • Service users specifically are asked about their BME need by clinicians. It was at times difficult to see on CareBase via assessment that BME needs were asked for even though service user was from BME background. • Recording needs to be improved in respects of recording “no needs”. Again on CareBase the “no needs” section was not always completed. • All BME needs should be care planned. • Feed into a review of the translation & interpreting policy • Article for Connections (staff magazine) to raise awareness.
Retrospective audit of non-attendance at outpatient clinics in 2 settings	<ul style="list-style-type: none"> • Advise patients at the end of the appointment to cancel their appointments in advance if they cannot attend, to reduce the number of appointments cancelled on the day • Negotiate the date and time of the next appointment as much as possible with the patient before they leave the consultation room; • Administrator calls all the patients the day before the appointment to remind them of the appointment • A significant decrease in the number of DNAs and cancellations has resulted and this improvement will be confirmed by re-audit • Design a poster to be put in the waiting area at Old Ivy Chimneys in Witham and review the standard letter sent out after a DNA. Success of this poster will be evaluated with a view to rolling it out in the Trust.

Research and Development (R&D)

The number of patients receiving NHS services provided by NEPFT in 2011/12 that were recruited during that period to participate in research approved by a research ethics committee was 557. Total recruitment into NIHR (National Institute for Health Research) portfolio studies was 9 times higher than in 2010/11 (from 54 to 514). This reflects the impact of changes brought in this year - the appointment of an R&D Manager and Clinical Studies Officer and a renewed focus on R&D within NEPFT.

R&D is now on a stronger footing and has made progress on key aims detailed in last year's Quality Account.

- The R&D policy has been published
- In 2012/13 we will publish on our new R&D section of the Trust's website
- A Research and Development Operational Capability Statement,
- A set of R&D office Standard Operating Guidelines
- A set of Clinical Trials Standard Operating Procedures.

An R&D Legacy Funding Panel was set up this year and the first award for £20,000 was presented at the Celebration of Achievements Awards to a pilot project for a novel intervention for children with ADHD. This funding opportunity will be repeated in 2012/13.

The Essex and Hertfordshire Comprehensive Local Research Network (CLRN) awarded members of the R&D office an award for showing outstanding initiative in bringing research to service users, while a consultant psychiatrist for older adults was rewarded for her exceptional contribution to the life sciences in the field of dementia research.

Of the R&D department's awards for showing outstanding initiative to benefit patients, Kieran Wing, R&D manager, said: "I'm happy to accept this award, which highlights the progress North Essex Partnership has made in setting up and conducting high quality, ethically approved research studies. Last year more than 300 people participated in research at the Trust, looking at areas including dementia, depressive disorders, self harm and psychosis. Research is a core part of the NHS and I'm proud to say North Essex Partnership is playing its part. Thanks to researchers and particularly, research participants in North Essex, the NHS will have better data to improve services and improve the health of the people it serves."

Relationships continue with research partners in developing an agenda and portfolio of mental health and learning disability research in the region. Partners include the Essex and Hertfordshire Comprehensive Local Research Network (CLRN), the North London and East Anglia Mental Health Research Networks (MHRN), the North London Dementias and Neurodegenerative Diseases Network (DeNDRoN), Universities and other local Mental Health Trusts. The Trust has an R&D lead who is an executive team member on the Essex and Herts CLRN Board. A Consultant Clinical Psychologist in CAMHS is the Chair of the Children's Health Local Speciality Group (LSG) for Essex and Hertfordshire.

The Trust continues to develop its research profile and presence. Trust based researchers are leading in the set-up and execution of a number of national studies of neurodegenerative diseases. They are also involved with studies in a number of other areas of mental health such as people with psychosis, child and adolescent mental health and older adult mental health. In summary, the Trust remains a key player in the local R&D economy with a number of prominent researchers conducting and publishing regionally and nationally significant research.

Use of CQUIN (Commissioning for Quality and Innovation) Payment Framework

A proportion of NEPFT income in 2011/12 was conditional on achieving quality improvement and innovation goals agreed between NEPFT and any person or body they entered into a contract, agreement or arrangement with, for the provision of NHS services, through the Commissioning for Quality and Innovation payment framework.

Further details of the agreed goals for 2011/12 and for the following 12-month period are available online at the PCT portal for publishing CQUIN goals: http://www.institute.nhs.uk/world_class_commissioning/pct_portal/cquin.html

CQUIN main block conditional and received payment	£1,125,388
CYPS (Children and Young Persons Services) conditional and received payment	£132,255
Low Secure Unit	£29,500
Total	£1,287,143

An innovative CQUIN for offender healthcare was successfully delivered in 2011/12 ensuring a 14-day referral to admission target was met for both NEPFT and out of area inmates at HM Prison Chelmsford. We are not aware of any other establishments that have attempted to meet this challenging Department of Health recommendation. This is now embedded in practice and forms part of the ongoing contract monitoring.

Following successful transformation bids a pilot scheme to place mental health practitioners in police custody suites commenced April 2012, this project is designed to intervene where there are mental health, substance misuse and LD issues alongside any offending presentation and to divert at the earliest point in the custody chain. Early feedback and monitoring of this project is demonstrating high level of engagement from both officers and offenders and we are already seeing tangible results with individuals being diverted to health disposals rather than criminal proceedings.

In addition there has been an expansion of the Intensive Drug Treatment Service (IDTS) across HM Prison Chelmsford and HM Prison Bullwood Hall.

In 2012/13 the following CQUIN goals have been agreed with the local PCTs with a total financial value of £1,818,616.

- National NHS Safety Thermometer
- Regional Patient Experience - patient revolution
- Local continued from 11/12 Psychological awareness and support for clinical staff managing complex cases including personality disorders
- Local continued from 11/12 further development of physical health management
- Local new - payment by results, technical
- Local new - improving outcome measures

Statements from the Care Quality Commission

The Trust is required to register with the Care Quality Commission and its current registration status is compliant without conditions. During the year the Trust was not subject to any special reviews or investigations but received one planned review unannounced visit to Chelmer and Stort Wards in Harlow (November 2011) and one responsive review unannounced visit to Bryan Roycroft Unit in Harlow (January 2012). The reports received were very positive and reflected the

quality of the care provided and the commitment of the staff.

The overall judgement at Chelmer and Stort Wards was they were meeting all the essential standards of quality and safety but, to maintain this, the CQC asked that some improvements be made. The inspector spoke with six people receiving assessment and treatment. They reported staff had involved them wherever possible in the care and treatment they were receiving and listened to them. People confirmed they were generally satisfied with the support and treatment provided by staff. Some people said the system for accessing Section 17 leave under the 1983 Mental Health Act was quite good. People also felt able to approach staff if they had any concerns and were confident these would be addressed wherever possible. People confirmed they felt safe on their respective ward. They also stated if they felt concerned about anything they could approach staff who were happy to help as much as possible.

The care and welfare needs of people receiving assessment and treatment in these wards are detailed in an individual plan of care and people are suitably supported and their personal preferences are being met by the service. However, in order to maintain this the CQC asked that improvements are made to ensure ongoing psychology reports are included on the main care records, that weekly recording of emergency equipment checks is completed, and steps are taken to ensure there is no smell of smoke in the review room. A response and action plan was sent to the CQC and they will be informed when implemented.

The overall judgement at Bryan Roycroft Unit was it was meeting all the essential standards of quality and safety but, to maintain this, has asked that some improvements are made. All of the people who use this service have difficulty understanding and responding to verbal communication. During the visit the inspector was able to hold a verbal conversation with one person. They said they were being well looked after and that the staff were kind and helpful. They also reported they enjoyed the meals provided for them. Visitors were happy with the kindness and attention shown by staff and spoke highly of the commitment of the unit manager and modern matron. They confirmed if they had any concerns they felt able to approach staff and were confident these would be addressed appropriately. They also stated they were satisfied

with meals provided in the unit and had observed staff assisting people who may need help with eating and drinking.

The care and welfare needs of people receiving assessment and treatment in Bryan Roycroft Unit are detailed in an individual plan of care and people are suitably supported and their personal preferences are being met by the service. However in order to maintain this the CQC asked that improvements are made. This is because there were no bell cords in any of the en suite facilities and no unit wide alert system for people or staff to summon assistance if required. The checklist form for the weekly recording of emergency equipment checks was also incomplete. People using the service are protected from abuse because staff have access to guidance about safeguarding people. However in order to maintain this it was suggested that improvements are made. This is because not all staff have received current safeguarding adults training. A response and action plan was sent to the CQC and they will be informed when this has been implemented.

Data Quality

Statement on relevance of Data Quality and actions to improve Data Quality

We have taken or will be taking the following actions to improve data quality:

- The Director of Resources is Executive Director with strategic responsibility for data quality
- A Data Quality Policy has been approved and implemented; communicated widely via e-mail, induction and IT training workshops, and staff news briefings
- There is a framework of monthly performance monitoring and challenge by the Executive Management Team, which sets aside one morning each month to review in-depth the performance of the Trust, including data quality. This is reinforced with bi-monthly meetings in each of the five clinical areas, with the Director of Operations and Nursing, the Director of Resources and the Trust's Information Manager drilling down into team level data. This same data is aggregated and reported to the Board of Directors monthly.
- The Risk and Governance Executive monitors and manages significant data within the quality and safety arena.

- The Information Team routinely searches for data anomalies and inconsistent patterns to investigate and rectify. Reports are checked and validated before issue
- Actions identified in the external audit on data quality of the Quality Account/Report have been completed.

NHS Number Validity and General Medical Practice Code

NEPFT submitted records during 2011/12 to the Secondary Uses Service for inclusion in the Hospital Episode Statistics, which are included in the latest published data. The % records in the published data which included the patient's valid NHS no. and General Medical Practice Code was (correct as at 29/02/12):

admitted patient care

99.3% NHS No. 97.4% GP Code

outpatient care

100% NHS No. 100% GP Code

Information Governance Toolkit Attainment Levels

Information Governance is the way organisations handle personal information about patients and staff, and corporate information relating to finance and accounts. It provides a way for staff to deal consistently with many rules and regulations, e.g. Data Protection Act 1998 and Confidentiality NHS Code of Practice. The Toolkit is a performance tool produced by the Department of Health that sets all rules and regulations into one framework allowing self-assessment of compliance with the law and central guidance.

The NEPFT Information Governance Assessment Report score overall score for 2011/12 is 78% and is graded green. All 45 requirements have been answered and we achieved 29 significant compliance at level 2, 15 full compliance at level 3 and 1 not relevant to this Trust.

Clinical Coding Error Rate

NEPFT was not subject to the Payment by Results clinical coding audit during 2011/12 by the Audit Commission.



Part 3: Other Information and Review of Quality Performance Indicators

Introduction

Part 3 of our Quality Report reviews our quality performance indicators. This is divided up into three sections:

- Patient safety measures (identified by the Risk and Governance Executive on behalf of the Trust Board). The rationale for these measures is the importance of patient safety; people need to feel safe while using our services and if they do not then this has the potential to impact on serious incidents and complaints.
- Clinical effectiveness measures - these measures include the key national priorities identified by the Department of Health Operating Framework; in addition there are a number of locally agreed performance measures agreed by the Executive Management Team and the Trust Board. The rationale for these measures is not only the need to comply with national targets but to monitor our performance against a whole range of measures that impact on the quality of care we offer to our service users.
- Patient experience measures - Executive Directors, on behalf of the Trust Board, agreed elements of the national patient survey results together with complaints and compliments. The rationale for including these measures is that complaints are a gauge to how well we are doing and identifies potential areas for improvement. We also balance these with compliments received about the service and teams/individuals that provide them.

We regularly involve stakeholders in planning workshops, which help to identify areas of concern that it may be appropriate to measure and monitor on a regular basis. Our Council of Governors represent a wide range of stakeholders from constituencies across the geographical area, service users and service user groups, carers and members of staff .

The Trust participates in the Audit Commission benchmarking survey of some 75% of mental health trusts in England. The 2011/12 survey, based on Quarter 2, demonstrates that the Trust

performs well against a range of productivity measures. For example:

- We have just “below/at median” number of available beds for adults and older adults
- Adult bed occupancy and admissions per 100,000 is at upper percentile performance
- Adult occupied bed days per 100,000 - is at the median
- Average length of stay is at the median
- Adult DNA rate below the median
- Older adult admissions per 100,000 is between median and upper percentile
- Adult total DNAs (did not attend) for new and first attendances is third lowest of all mental health Trusts

Performance of Trust against selected metrics (measures)

We have chosen to measure our performance against the following metrics in each of the domains of quality - patient safety, clinical effectiveness and patient experience:

Quality Dashboard - Patient Safety measures

The charts that follow are an extract from our Patient Safety Dashboard as at March 2012. We have been able to benchmark the figures over a four year period. We have developed clear targets for the reports within the dashboard. We also use National Patient Safety Agency national reports for benchmarking.

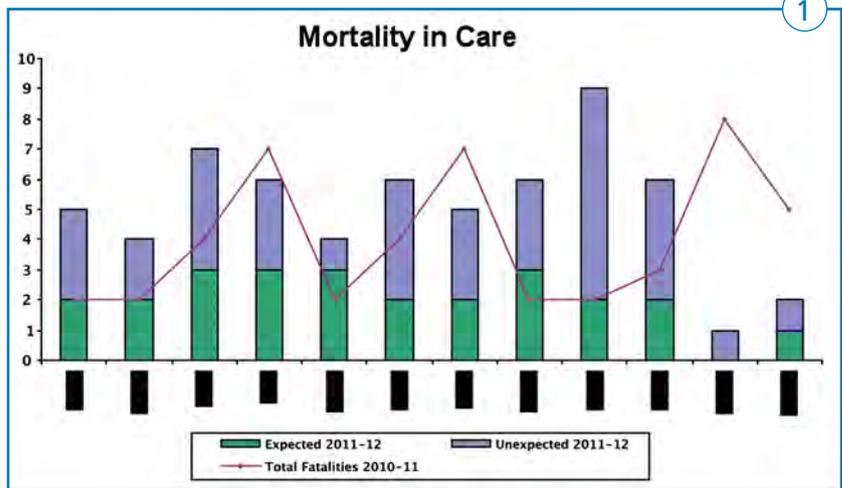
The Patient Safety Dashboard is part of the patient safety element of our Quality Dashboard, which will in due course encompass all three quality headings of patient safety, patient experience and clinical effectiveness.

The data sources are our local incident reports and the indicators are in line with National Patient Safety Agency (NPSA) requirements. There are some discrepancies to the 2010/11 figures for reported serious incidents and drug errors due to the fact that additional information was inputted into the database following the data source used at the time. This has been rectified for 2011/12 onwards.

1. Mortality in Care

This indicator measures mortality in care due to physical illness and self-harm or accidents. For this indicator, we count people in our direct care including those in the community.

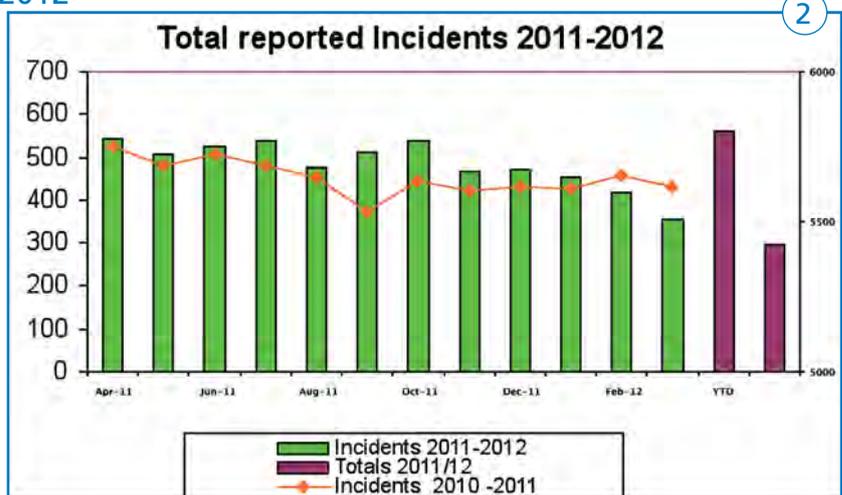
Unexpected deaths are those where a non-life-threatening physical illness has been identified. People admitted with a serious, life-threatening, physical illness who, despite treatment for that physical illness, die whilst in our care are categorised as expected deaths. The number of unexpected deaths remains constant however the number of expected deaths are increasing as physical health factors are becoming more prevalent in the people in our care and therefore the promotion of physical health is a clear priority for the Trust.



2. Total Reported Incidents 2011-2012

An incident in the Trust is any adverse event that has the potential to cause harm to an individual. There is proactive reporting of incidents in the Trust. It is imperative that incidents are reported if we are to continue to learn from events. (High level of reporting is actively encouraged nationally).

The total number of incidents for the year is 5803 and this represents an increase on the previous year of 7%. NPSA benchmarking puts the Trust as average in the level of incident reporting.

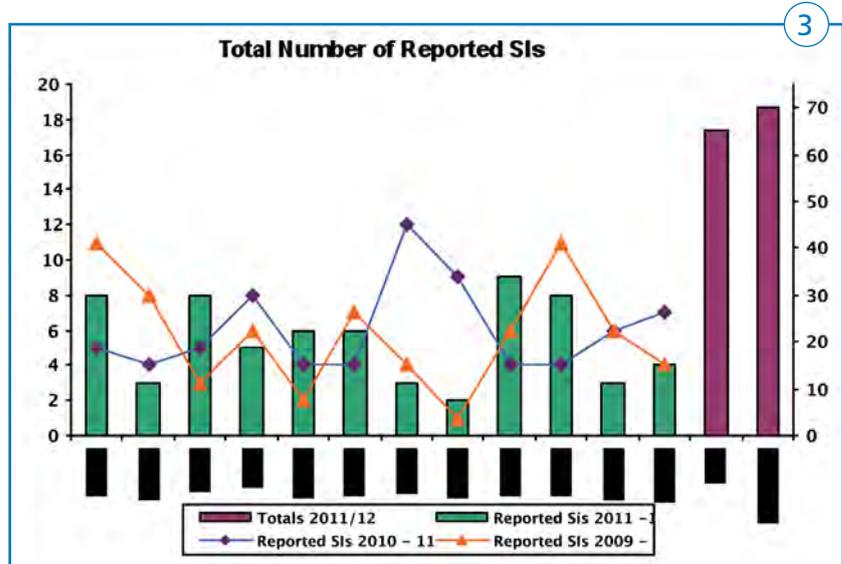


3. Total number of reported serious incidents (SIs)

The full definition of a serious incident (SI) requiring investigation can be found in the East of England Serious Incidents Requiring Investigation Policy at the following link:

www.eoe.nhs.uk/downloadFile.php?doc_url=1285232270_NWVM_serious_incidents_policy.pdf

There has been a 10% decrease in reported serious incidents from the previous year. The Trust continues to implement its suicide prevention strategy including measures covering inpatient and community care.



4. Patient Falls

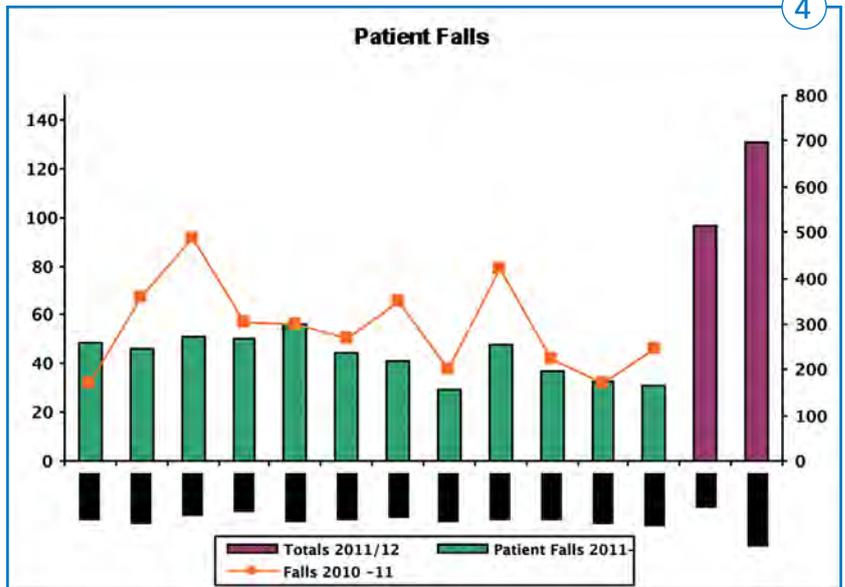
Once again we are reporting on falls instead of all patient personal accidents, most of which are falls. This is both observed and unobserved falls reported by staff.

Patient falls for the year have reduced significantly by again by 21%. This reduction has continued over the last three years and is detailed below:

2009/10 - 876 (16% reduction)

2010/11 - 674 (23% reduction)

2011/12 - 515 (21% reduction)



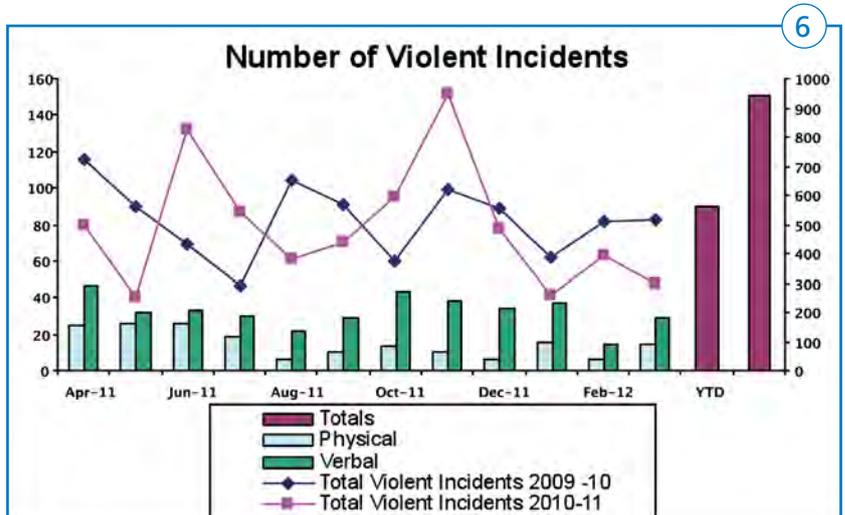
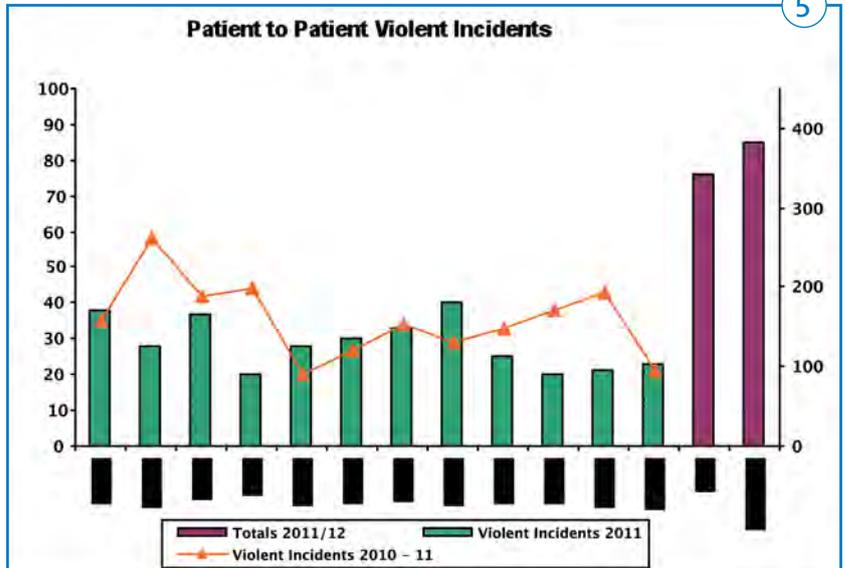
5. Patient to Patient violent incidents and 6. Total number of violent incidents

Patient to Patient violence incorporates aggression, harassment, actual assault and inappropriate behaviour towards another patient is tracked in Chart 5 whilst violence towards property is closely tracked in chart 6.

It must be stressed that in chart 6 there is a high level of verbal aggression towards staff reported rather than physical damage to property.

Patient to patient violent incidents has reduced by 81 incidents on last year, a reduction of 19%. Violent incidents have reduced by 59% on last year's total.

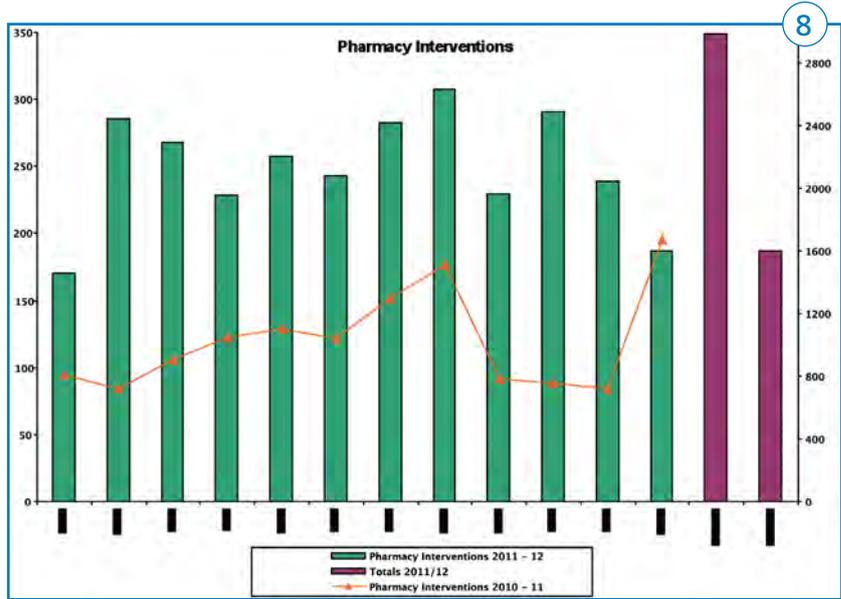
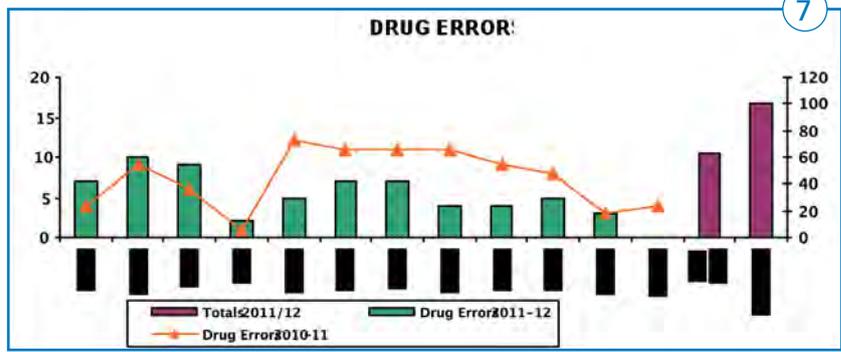
The number of physical assaults on staff has increased slightly by 4% on last year's total and the number of staff RIDDOR reportable incidents has also increased.



**7. Drug errors and
8. Pharmacy interventions**

Drug error reporting is actively encouraged to promote safety, however, the number of incidents has reduced by 29% on last year's total

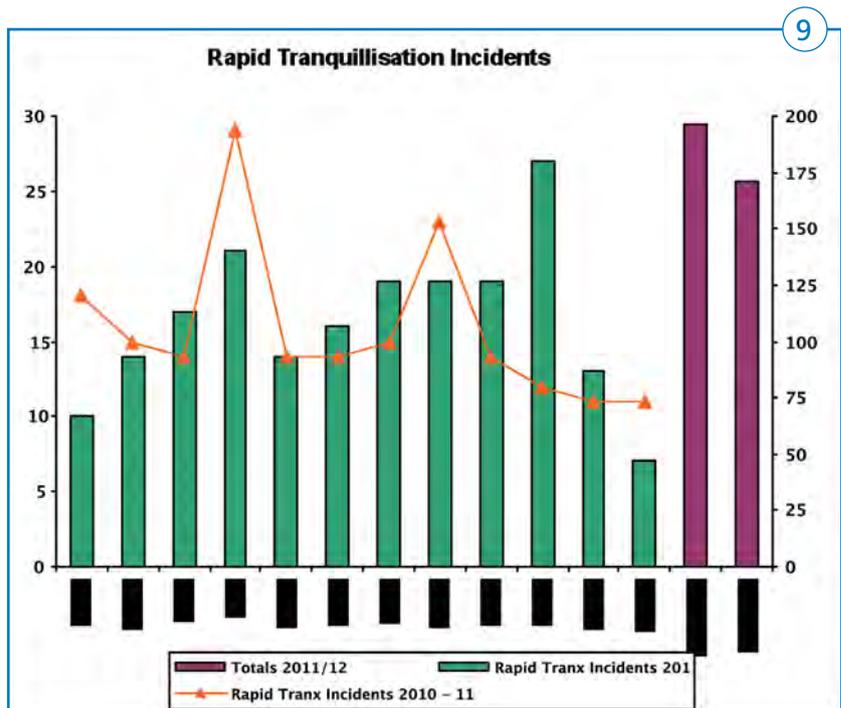
Pharmacy interventions have increased as expected with the recruitment of qualified pharmacy staff. These interventions are monitored to ensure that correct prescribing practices are being followed and a high level in this area should be viewed as proactive medicines management. All interventions are risk assessed and only a small number are high risk.



9. Rapid Tranquillisation incidents

Rapid tranquillisation incidents are where medication in line with the protocol has been administered to control behaviour usually precipitated by violence/impulsivity. This chart looks at the number of rapid tranquillisations that have taken place. This level is low in the wider context of the number of violent incidents that have been reported in the Trust in the last year.

All of the above indicators are used by the Trust to support its drive for quality and achieve Outstanding Care, Transforming Lives.



Clinical Effectiveness and other outcome measures

National targets, key priorities, regulatory requirements and primary indicators

The following indicators are collected from the data sources below and referenced in brackets in the table. This includes key national priorities from

the DH operating framework that are relevant to mental health service.

We produce a newsletter for staff called 'Perform', providing a performance and finance update for staff.

In the following key to data sources, the bracketed information refers to any nationally defined standards:

Key to table

(1) CareBase - patient database (nationally defined by Department of Health / Care Quality Commission / Monitor)	(3) Electronic staff records (nationally defined as above)	(6) Poppie database (in line with Drug Action Team requirements)
(2) Acute Trusts (nationally defined as above)	(4) Infection control incident forms (nationally defined as above)	(7) Electronic staff records (locally defined indicators)
	(5) Local evidence (against Care Quality Commission standards)	

Performance of Trust against selected metrics

(data source - see legend above)	2011/12	2010/11	2009/10	Comment
No of people who received an Assertive Outreach service (1)	292	284	287	Increase
Early Intervention in Psychosis (new cases) (1)	315	312	166	Increase
Carer assessments (completed and declined) (1)	2402	1724	(Completed only) 1439	Significant increase
Crisis Resolution Home Treatment (gatekeeping) (1)	100%	100%	1822 episodes of treatment	No difference
4 hour wait for Accident & Emergency (Acute Trust target)(2)	N/A	N/A	2165 - 11	No longer reported
Staff turnover (12 month average) (3)	8.0%	8.3% (March 11)	12.23% (Feb 2010)	Slight decrease
Sickness absence (in months) (3)	5.2%	4.5%	5.09% (Feb 2010)	Slight increase
Inpatient data quality ethnic grp(1)	99.9%	99.96%	100%	No significant difference
Clients 18+ receiving a review (1)	96.7%	96%	4199 - 67%	No significant difference
Care Programme Approach 7 day follow up (1)	99.2%	98.9%	99.2% CQC, 98.8% Monitor	2009/10 two sets of data were collected

Performance of Trust against selected metrics				
(data source - see legend above)	2011/12	2010/11	2009/10	Comment
Delayed transfers of care (1)	0.8% Monitor	0.7% Monitor 0.07% CQC	0.30%	No significant difference
Admissions to inpatient services with access to CRHT (1)	N/A	N/A	99%	No longer reported
18 week referral to treatment (Consultant led services) (1)	99.9%	99.9%	100.00%	No significant difference
Methicillin-resistant Staphylococcus aureus (MRSA) & Infections (4)	N/A	N/A	38	No longer reported
Core Standards (5)	N/A	N/A	100%	No longer relevant
Essential Standards of Quality and Safety (5)	Compliant	Compliant	N/A	Registered with CQC with no conditions
MHMDS data completeness (1)	99.5%	99.52%	N/A	No significant difference
Under 16 admissions (1)	0	0	N/A	No significant difference
Detained patients AWOL (1)	0.04	0.06	N/A	No significant difference
Monitor data completeness (1)	95.1%	89.2%	N/A	Increase
Inpatient discharges with a diagnosis recorded (1)	90.4%	91.2%	N/A	Decrease
Problematic drug users in effective treatment (6)	89.2%	91.4%	N/A	Decrease
5 week wait for 1st appointment (Consultant led services) (1)	94.3%	82.4%	N/A	Increase
18 week referral to treatment (non-Consultant led services) (1)	95.1%	97.6%	N/A	Decrease
Under 18 admissions to an adult ward (1)	7	5	N/A	Clinically appropriate admissions

Performance of Trust against selected metrics				
(data source - see legend above)	2011/12	2010/11	2009/10	Comment
Inpatient re-admissions within 28 days of previous discharge* (1)	10.7%	9.2%	N/A	Governor chosen indicator for audit and includes emergency and non-emergency
Long term Sickness absence (7)	3.8%	2.9%	N/A	To end February '12
Turnover excluding retirement (7)	6.0%	6.2%	N/A	To end February '12
Leavers (7)	131.41	172.85	N/A	To end February '12
Leavers excluding retirement (7)	92.52	130.98	N/A	To end February '12

Patient experience measures

We have measured ourselves on the following patient experience measures. The data source for complaints and compliments is our local Respond database. The complaints data is nationally defined whilst the compliments is locally defined. The patient survey indicators are taken from the

national community survey and are nationally defined questions. How we compared with other Trusts in this survey can be found on the Care Quality Commission website at <http://www.cqc.org.uk/public/reports-surveys-and-reviews/surveys/community-mental-health-survey-2011>

	2011/12	2010/11	2009/10
Complaints (including PALS)	593	666	400
Compliments	352	273	173
Patient Survey Q12 Were the purposes of the medications explained to you?* (yes definitely & yes to some extent)	84%	88%	97%
Patient Survey Q24 Do you understand what is in your care plan?* (yes definitely & yes to some extent)	75%	77%	87%
Patient Survey Q47 Overall, how would you rate the care you have received from Mental Health Services in the last 12 months?* (Excellent, Very Good, Good)	71%	73%	82%

* Community Mental Health Service Users Survey results

There is some discrepancy of 2010/11 figures in relation to complaints and what was included in last year's Quality Report. This relates to additional complaints (including PALS) being added to the database after the figures from the data source available at the time. This issue has been rectified to ensure that data sources are retained for 2011/12 onwards.

In the patient survey questions although these appear to be deteriorating on previous years it is important to look at the national benchmarking. For Q12 and Q47 we are about the same as other Mental Health Trusts, and for Q24 we are doing better than other Mental Health Trusts.

We welcome feedback - comments, compliments and complaints. We are a very large organisation with thousands of episodes of care delivered. We want to provide the best but there will be occasions where people are not satisfied or are unhappy so we want to hear about it. We have many ways people can pass these on to team managers, reception staff, direct to the Chief Executive, or through the Patient Advice and Liaison Service. People do not generally like to complain but other people can benefit from complaints where shortcomings in the service are highlighted.

Annexe 1 Statements from Primary Care Trusts, Health Overview and Scrutiny Committee and Local Involvement Networks

North Essex Partnership NHS Foundation Trust has requested third party commentaries from NHS North Essex (PCT host commissioner), the Essex Health and Overview Scrutiny Committee and the Essex and Southend Local Involvement Network.

The Essex HOSC has confirmed its third party commentary below.

The PCT confirmed its third party commentary on 24 May 2012.

The LINK submitted one member's personal comments.

Essex Health and Overview Scrutiny Committee

"The Essex HOSC welcomes the work undertaken by the two Partnership NHS Trusts in the county. It is aware that both are well regarded nationally, as has been shown by their scores in CQC surveys and the fact that health bodies outside the county have bought in services from them.

The Trust was involved in an away day event with the HOSC, the South Essex Partnership Trust and the five local Hospital Trusts in 2011, which provided an opportunity to discuss the Trust's plans in an informal and constructive setting. The HOSC was therefore aware of the priorities for 2011/12 at an early stage and supported the general thrust of the approach the Trust intended to take. There is nothing in the Accounts that therefore comes as a surprise. In particular, the HOSC welcomes the enhancing of relationships with GPs and commissioners and would stress the ongoing importance of this in the light of the recent approval of the Health and Social Care Act.

As far as priorities for 2012/13 are concerned, the HOSC supports the positioning of the Social Inclusion and Recovery Model as the top priority. It has received a detailed briefing on Project HOPE and the challenges it is seeking to address, and will be receiving a progress report in late 2012.

On a specific project, the Trust made an important contribution to a major study the HOSC carried out on dementia services in Essex, including appointing a Board member to serve on the task and finish group which carried out all the detailed work."

NHS North Essex response to North Essex Partnership Foundation Trust Quality report for 2011 to 2012

This is the third and final year that Quality Accounts are being commented on by the Primary Care Trusts in north Essex. Yet again North Essex Partnership Foundation Trust is demonstrating in your account that you work hard to deliver your strategic objective "to provide high quality care that is effective, safe and as positive an experience as possible". The internal processes you describe give assurance of your robust approach although on occasion we have had to query the presentation of some of the reports coming to the commissioner led Quality Assurance Group (QAG). The QAG is a key forum for celebrating your quality achievements, monitoring your considerable progress and as necessary working through any issue that might arise in relation to delivering quality services.

You have, as planned, developed better systems and processes to support our mutual understanding of your performance in relation to quality. The 'patient safety barometer' is a key example amongst other types of reporting and is valued as a tool by the PCT. It is accepted that the time and complexity involved acted against



the Trust wide implementation of the Patient and Carer reported outcome measure pilots. However the attempt to introduce this approach is another excellent example of how the Trust is introducing better systems and processes to demonstrate a focused approach to delivering quality services. It is clear that what you said you would do in 2011 to 2012 has in large part been achieved. You are still developing your 3 year Quality Strategy and we look forward to being involved in the consultation.

Your priorities for improvement in 2012 - 2013 have been supported by the north Essex PCT cluster through the agreement of CQUIN schemes which provide financial incentives to improve quality. We thank you for acknowledging the financial input from the north Essex PCT cluster from transformation funds which is also driving up quality. Commissioners have also independently raised funds to support the priority for improvement in relation to social inclusion and the recovery model. The recovery resource centre in Mid Essex which is a pilot scheme supports the objective and will be evaluated prior to commissioning decisions on a new model of service being made. Overall project HOPE is demonstrating an excellent partnership between commissioners and the Trust to take forward the development of a modernised rehabilitation service that more effectively supports recovery. Commissioners also worked in partnership with you on the delivery of a new dementia service in North East Essex which required the decommissioning of a previous continuing care ward. Your other priorities for improvement are strongly supported. Your priority to develop 'quality services through quality relationships' is becoming more important as the commissioning context continues to change through to the formal creation of clinical commissioning groups in March 2013.

Your review of services section gives a high level view of some of the issues that you have been addressing internally or we have been addressing together which readers of the report should find interesting.

As in previous years you give a good description of your participation in and learning from clinical audit. Your research and development function continues to grow and we hope that the legacy fund will stimulate staff to become involved. You are congratulated for achieving an award for showing outstanding initiative in bringing research to service users. You are also congratulated for having positive reports from the Care Quality

Commission particularly as there were some unplanned visits made by the Commission.

Part three of your report is a valuable review of quality performance Indicators which are overall painting a positive picture. The north Essex PCT cluster appreciates the fact that you are a member of the national mental health benchmarking club as this provides a useful basis on which to judge performance as well as looking at internal trends through time. However your Trust covers a large geographical area and potential therefore exists for your quality report to also comment on variances within your organisation. This would give a richer picture of where improvements can still be made. However the north Essex PCT cluster is assured that on the key metrics that you have included in your report performance is of a high standard and that management attention is paid to ensuring high quality.

The conclusion of the north Essex PCT cluster is that the Trust's quality accounts for 2011 to 2012 provide an accurate and balanced picture of key performance indicators for the reporting period.

April 20 2012
North Essex cluster

Essex & Southend LINK (hosted by Parkwood Healthcare Ltd)

A member from the North East Locality has the following comments to make about the NEPFT Quality Account for 2011-2012.

"I can find no fault with the Aims and Achievements. I hope that they work closely with the Alzheimer's Society because they work very hard in supporting clients, carers and their families. I have had feedback from two persons re outpatient visits that they need more privacy when discussing their cases!"

Barry Gilheany
North East Area Co-ordinator
Essex & Southend LINK (Hosted by Parkwood Healthcare Ltd)

Annexe 2 Statement of Directors' Responsibilities in Respect of the Quality Report

In preparing the Quality Report the Directors are satisfied that:

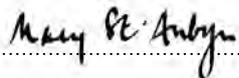
- the content of the Quality Report meets the requirements set out in the NHS Foundation Trust Annual Reporting Manual 2011/12

- 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 2011 to June 2012
- Papers relating to quality reported to the Board over the period April 2011 to June 2012
- Feedback from the commissioners dated 20 April 2012
- Feedback from Governors in minutes dated 15 March 2012
- Feedback from LINKs member dated 9 May 2012
- The Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009 dated 11 April 2012
- The latest national patient survey 2011
- The latest national staff survey 2011/12
- The Head of Internal Audit's annual opinion over the Trust's control environment dated May 2012
- CQC quality and risk profiles 2011/12
- 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, is subject to appropriate scrutiny and review; and the Quality Report has been prepared in accordance with Monitor's annual reporting guidance (which incorporates the Quality Accounts regulations) (published at www.monitor-nhsft.gov.uk/annualreportingmanual) as well as the standards to support data quality for the preparation of the Quality Report (available at www.monitor-nhsft.gov.uk/annualreportingmanual)).

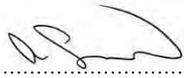
The Directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the Quality Report.

By order of the Board

Date 23 May 2012

Chairman (Mary St Aubyn)..... 

Date 23 May 2012

Chief Executive (Andrew Geldard)..... 

How to Provide Feedback on the Quality Report

We would welcome feedback on our Quality Report and you may telephone, write, email, or contact us through our website or our facebook page, all details below:

Freephone 0800 169 1625

Andrew Geldard
Chief Executive
North Essex Partnership NHS FT
Freepost
RLXX-ZXRZ-ESZG

Trust Headquarters, Stapleford House
Stapleford Close, Chelmsford
CM2 0QX

Email enquiries@nepft.nhs.uk

Website www.nepft.nhs.uk

Facebook: [facebook.com/NorthEssexPartnership](https://www.facebook.com/NorthEssexPartnership)



Staff Survey





Staff Survey

Commentary

The Trust takes staff engagement very seriously as we believe that a happy workforce is a productive workforce. Staff are encouraged to give regular feedback through a variety of channels, some of which include the “Pass it on” card for anonymous comments to the Chief Executive, email and the staff survey. We engage with staff through our regular Chief Executive briefings, Hot Topic Café, a weekly Core brief, Connections staff magazine, award ceremonies, staff-side and social events such as Quiz Night and It’s a Knockout.

The response rate to our 2011/12 staff survey by the Care Quality Commission is better than the national average and also better than in the previous year.

This year we offered all staff a survey and almost 900 were returned. The survey gives us a very comprehensive picture. Overall we have improved in 96 questions and gone down on 46.

The results show that the majority of our staff believes we have improved in some important areas:

- The Trust being a good place to work

- It’s a place you would recommend friends and relations to be treated in
- Communication has improved
- More staff recognition
- More staff involvement

There are areas that we still have to improve on and the survey showed that in some areas, staff felt under pressure

- More people are working more unpaid hours
- Not enough time to do all the work
- Work pressure is up
- People putting themselves under pressure to come to work when they may be unwell

72% of our staff say that their managers are supportive of flexible working.

There has been an increase in seeing errors and near misses but very high levels of reporting with more people believing the Trust treats those involved fairly.

Our four best scores include **staff motivation at work**, higher than the national average of Trusts.



	2010/11		2011/12		Trust Improvement/ Deterioration
	Trust	National Average	Trust	National Average	
Response rate	53%	54%	61%	54%	Increase of 8%

Key findings where the Trust is better than average

	2010/11		2011/12		Trust Improvement/ Deterioration
	Trust	National Average	Trust	National Average	
Top 4 Ranking Scores					
KF35. Staff motivation at work	3.83	3.82	3.91	3.81	Increase in 0.08 points
KF30. Percentage of staff reporting good communication between senior management and staff	31%	31%	35%	29%	Increase of 4%
KF27. Perceptions of effective action from employer towards violence and harassment	3.52	3.58	3.66	3.56	Increase in 0.14 points
KF34. Staff recommendation of the trust as a place to work or receive treatment	3.48	3.49	3.59	3.42	Increase in 0.11 points

Key findings where the Trust is in the worst 20% of Trusts (areas for improvement)

	2010/11		2011/12		Trust Improvement/ Deterioration
	Trust	National Average	Trust	National Average	
Bottom 4 Ranking Scores					
KF8. Percentage of staff working extra hours	65%	65%	71%	65%	Increase in 6%
KF26. Percentage of staff experiencing harassment, bullying or abuse from staff in last 12 months	14%	14%	16%	13%	Increase in 2%
KF9. Percentage of staff using flexible working options	62%	67%	61%	67%	Decrease in 1%
KF38. Percentage of staff experiencing discrimination at work in last 12 months	14%	14%	18%	14%	Increase in 4%

Andrew Geldard, Chief Executive said: "The staff survey showed what we already know: everyone is working hard to make sure the job of caring for patients is done, working more hours, staying later to finish up and even coming to work when you're not feeling well. This is real dedication - thank you - but we also know this situation can bring problems - feeling more stress at times, perhaps seeing more incidents or near misses and worrying about them, sometimes facing abuse from upset patients and unfortunately on occasions, from other staff too and feeling bullied or harassed. This is never acceptable but we can all do something about it."

Future priorities and targets

Statement of key priority areas

Our 2010/2011 priorities around the staff survey were improving staff engagement; improving the compliance for equality and diversity training; and improving the communication between managers and staff, including senior management.

Performance against priority areas (against targets set)

Improvement in staff being able to count on their manager to help with difficult tasks has improved, 3% drop in staff thinking about leaving this Trust, senior managers involve staff in important decisions has risen by 6% since 2010. Equality and Diversity training has improved 11% since last year. Communication between senior management and staff has risen 2%.

Monitoring arrangements

The Staff Survey Action Plan is monitored by the Staff Health and Wellbeing Strategy Group.

Future priorities and how they will be measured

Our priorities for 2012/2013 will include raising awareness of the importance of having a work life balance (particularly reducing the number of unpaid hours being worked); supporting staff who are indicating that they are feeling stressed and pressured; and reinforcing our zero tolerance policy to harassment, bullying, violence and discrimination to our staff, and supporting staff and acting on situations where any staff experience these. These will be measured by staff surveys and feedback.



Governance



OPENNESS



Regulatory Ratings

Foundation Trusts receive a risk rating each quarter from Monitor, the regulator.

Foundation Trusts were rated for 2 areas:

1) Finance

Rated from 1 (highest risk) to 5 (lowest risk)

2) Governance

(Achieving key measurable targets)

Rated red, amber-red, amber-green, or green.

The key targets include:

- a) Care Programme Approach - patients receiving follow-up contact within 7 days of discharge from hospital
- b) Care Programme Approach - patients having a formal review within 12 months
- c) Minimising delayed transfers of care

- d) Admissions to inpatient services having access to crisis resolution and home treatment teams
- e) Maintaining commitment to serve new psychosis cases by early intervention teams

At the time of publication the position for the Trust is as follows:



Other disclosures in the public interest

In the year 2011/12, 352 compliments were received by the Making Experiences Count Team compared with 273 in the previous year.

There have been a total of 504 low risk complaints, and 89 moderate risk complaints made throughout 2011/12.

The Trust has been compliant on achieving acknowledgement of complaints within 3 days as per the regulations.

The total number of complaints has fallen in 2011/12 compared to 2010/11. "Communication" is now the highest number of complaints with a rise in "Clinical Issues" and "Staff Attitude" compared with last year's figures.

These complaints comprise of some of the following examples:

Communication

- Concern raised that there was a lack of communication with the family whilst the service user was an inpatient
- Diagnosis not communicated to the service user
- Concern was raised by a family that Bank staff were not listening or compassionate to inpatients
- Format of ward reviews is daunting for service users and their families.

Clinical Issues

- Medications not explained on the purpose and side effects
- Inappropriate admission to a ward
- Diagnosis not communicated to the service user
- Difficulty in understanding the consultant due to different language and culture

Access to Service

- Waiting list too long for Memory Service
- Diagnosis not communicated to the service user
- That the Crisis lines are always engaged and cannot get through

Staff Attitude

- Concern was raised by a family that Bank staff were not listening or compassionate to inpatients

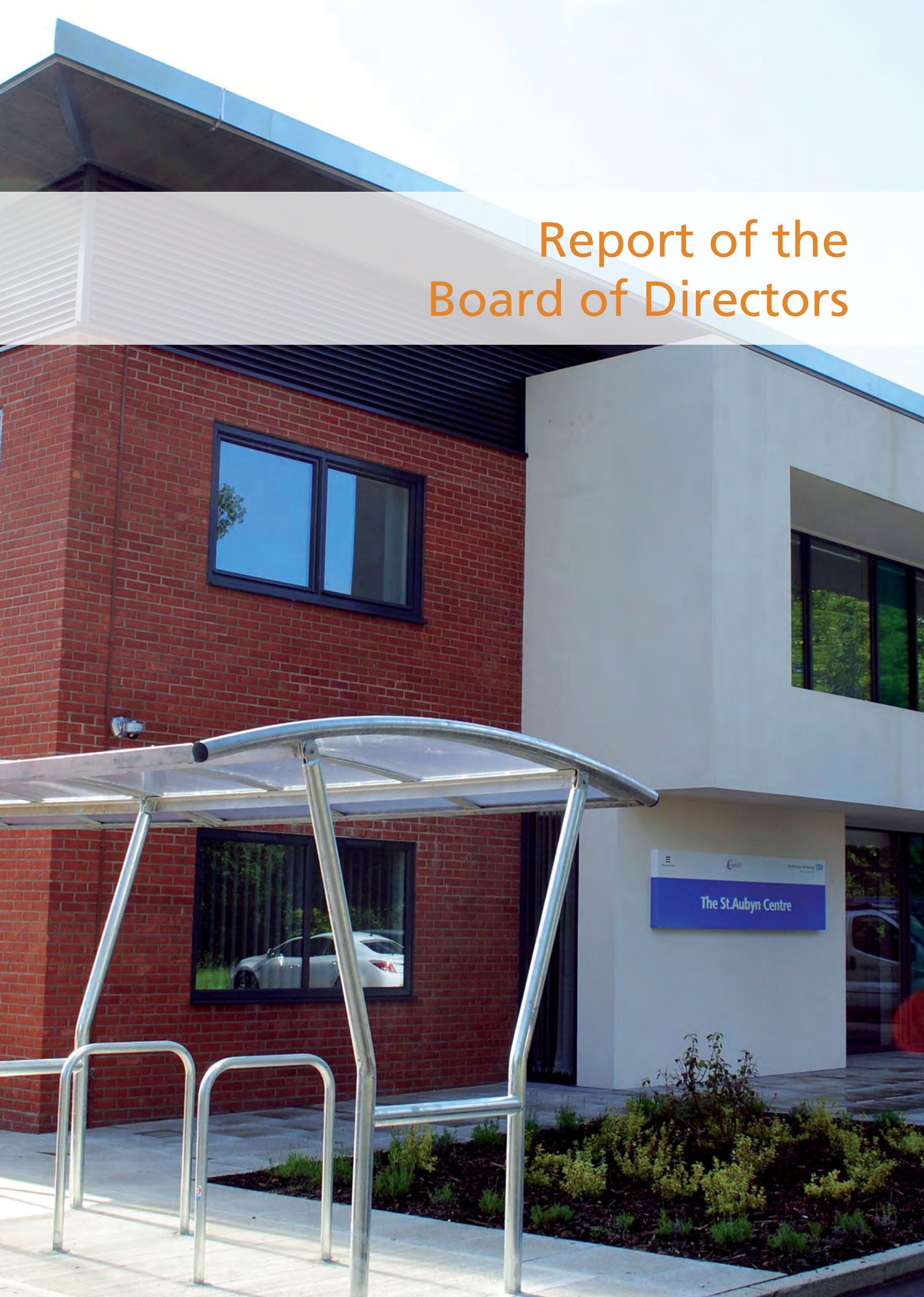
- Feels there is a lack of compassion and empathy amongst some staff

Patient Advice & Liaison Service (PALS)

504 low level enquiries were received by the Patient Advice & Liaison Service (PALS) compared to 492 in the previous year.

PALS Categories	
Information	193
Care and Treatment	79
Access to Services	23
Staff attitude	18
Communication	18
Facilities	14
Change of staff request	14
Medication	13
Data Breach	11
Loss of possessions	8
Waiting time for appointment	8
Mental Health Act	6
Privacy & Dignity	3
Other	96
Total	504





Report of the Board of Directors

The St. Aubyn Centre

INTEGRITY



The Annual Governance Statement

The NHS Foundation Trust Code of Governance was published by Monitor on 29 September 2006, and updated on 10 March 2010. The purpose of the Code is to assist NHS Foundation Trusts in improving their governance practices. It is issued as best practice advice, but imposes some disclosure requirements. This Annual Report includes all the disclosures required by the Code.

The Board of Directors of the Trust support and agree with the principles set out in the NHS Foundation Trust Code of Governance, and to the best of their knowledge, information, and belief the Trust has complied with the Code throughout the year to the 31 March 2012 save in the following respects:

“There is no formal process in place for the resolution of any dispute between the Board of Directors and the Council of Governors. The Chairman of the Board and the Chief Executive

meet with the Lead Governor and the Deputy Lead Governor every month to discuss matters which are within the role and responsibilities of the governors, and to resolve any issues which there may be between them.”

The Council of Governors has appointed a Non Executive Director for a period longer than six years (two three year terms following authorisation as an NHS Foundation Trust. Details are contained in the Nominations Committee Report).

Operation of the Board and Council of Governors

The Chief Executive, Andrew Geldard has responsibility for overseeing the day-to-day operations of the Trust. He exercises this responsibility through the Executive Management Team (EMT). Mary St Aubyn, Chairman of the Board and Governors is responsible for communicating the views of the Board. EMT and the Board of Directors receive monthly reports detailing financial and other key performance indicators. The Board approves the quarterly compliance reports required by Monitor.

The governance documents of the Trust, which have been approved by the Board of Directors, include Powers Reserved to the Board, identifying the decisions that are required to be taken by the Board, and a Scheme of Delegation has been drawn up by the Chief Executive and which identifies those decisions delegated to members of the Trust's management. The role and responsibilities of the Council of Governors are set out in the Code of Conduct for Governors which

has been agreed by the Board and the Council of Governors.

The Board of Directors offers the Council of Governors the opportunity to meet with them (Executive and Non Executive Directors) before each meeting of the Council of Governors. Directors, Executive and Non Executive Directors attend the Council of Governors meetings. Governors also have the opportunity to ask questions of the Board of Directors at meetings of the Board of Directors held in public. There are joint Board of Directors and Council of Governors meetings for an exchange of views and opinions and to discuss the Annual Plan.

Any queries or concerns can be raised as appropriate with the Lead Governor (Dan Kessler), the Deputy Lead Governor (Brian Spinks), the Trust Secretary (Dermot McCarthy), the Chief Executive (Andrew Geldard), the Senior Independent Director (Sarah Phillips) or the Chairman (Mary St Aubyn).

Profile of Board Members

Mary St Aubyn DL
Chairman

Reappointed June 2010 - 30 November 2012

Responsibilities

- Chairman of Board of Directors and Council of Governors
- Nominations Committee
- Remuneration Committee
- Liaison with Governors
- Estates, financial controls, budget & environmental development
- Assurance Framework

Experience and Expertise

- Appointed Deputy Lieutenant of the County in 2004
- 1999-2001 Vice Chairman, Mid-Essex Hospitals NHS Trust
- 1996-1999 Vice Chairman, North Essex Health Authority
- 1993-1996 Non Executive Director, North Essex Health Authority
- 1992-2005 Magistrate in Chelmsford and Witham
- Member of the Parole Board at Her Majesty's Prison Highpoint



Andrew Geldard
Chief Executive
Appointed July 2009



Responsibilities

- Trust Accounting Officer
- Leading strategic development, corporate and clinical governance
- Internal Control Systems
- Assurance Framework Implementation

Experience and Expertise

- 2002 - 2008 Director of Resources, North Essex Mental Health Partnership NHS Trust (from October 2007, North Essex Partnership NHS Foundation Trust)
- 2000 - 2002 Director of Finance and Performance, Southend Primary Care Trust
- 1996 - 2000 Deputy Director of Finance, Surrey and Sussex Healthcare NHS Trust
- 1992 - 1996 Deputy Finance Manager, Brixton Healthcare NHS Trust
- 1986 - 1992 South East Thames Regional Health Authority
- BSc Hons (Geography and American Studies), MA (Geography)
- Member of Chartered Institute of Public Finance and Accountancy

Dr Malte Flechtner
Medical Director
Appointed October 2007



Responsibilities

- Medical leadership
- Caldicott Guardian
- Research and Development
- Pharmacy
- Medical Education
- Risk Management
- Clinical Governance
- Complaints & Serious Incidents

Experience and Expertise

- 2002 Elected as member of the Royal College of Psychiatrists
- 2002 Associate Medical Director for the mid Essex area, North Essex Mental Health Partnership NHS Trust
- 2001 Consultant Psychiatrist, North Essex Mental Health Partnership NHS Trust
- 1993 - 2001 Deputy Head of the Department for Social Psychiatry, Free University of Berlin
- MD, MRCPsych (Psychiatry and Neurology)
- Specialist training in Psychodynamic Psychotherapy

Paul Keedwell
Director of Operations and Nursing
Appointed October 2007



Responsibilities

- Operational Services - Adults of Working Age, Older Peoples' Services, Child and Adolescent Mental Health Services, Specialist Services, Psychology, Occupational Therapy,
- Operation of the Mental Health Act, Mental Capacity Act, Deprivation of Liberty Safeguards and Nursing Leadership

Experience and Expertise

- 2003 - 2005 Area Director for central area, North Essex Mental Health Partnership NHS Trust
- 2001 - 2003 Service Manager, North Essex Mental Health Partnership NHS Trust
- Experience in psychiatric intensive care, rehabilitation, aggression management, criminal justice and prison in-reach, day services and community care
- RMN
- BSc (Hons) Health Studies

Geoff Scott
Director of Strategy
Appointed October 2007



Responsibilities

- Strategic service planning and organisational development
- Social work and social care leadership
- Communications
- Patient and public involvement
- Strategic lead for services for older adults

Experience and Expertise

- 1999 - 2001 Lead for Essex County Council on the project team and project board for the creation of the North Essex Mental Health Partnership NHS Trust
- 1996 - 2001 County Manager, mental health and substance misuse, Essex County Council, responsible for both commissioning and provision of relevant social care services
- 1980 - 1995 Various posts, Essex County Council, Social Services
- Four years management experience in the paints/coatings industry
- BSc (Hons) Polymer Science
- Certificate of Qualification in Social Work (CQSW)
- Diploma in Management Studies (DMS)

Rick Tazzini
Director of Resources
Appointed November 2009



Responsibilities

- Finance
- Estates & Facilities
- IT, Information
- Performance Management
- Procurement

Experience and Expertise

- 2004 - 2009 Director of Finance & Admin, Essex Police
- 2002 - 2004 Assistant Director of Finance, Essex SHA
- 1998 - 2002 Head of Finance, Essex Police
- 1994 - 1998 Deputy Director of Finance, BHB Community Healthcare NHS Trust
- Prior to this, various posts with Essex County Council and Colchester Borough Council
- Chartered Institute of Public Finance & Accountancy
- Masters in Business Administration
- UK Police Strategic Command Course
- Institute of Directors - Certificate in Company Direction

Lisa Anastasiou
Director of Workforce & Development
(non-voting Board member)
Appointed March 2010



Responsibilities

- Human Resources
- Workforce Development
- Staff engagement
- Occupational Health
- Equality & Diversity

Experience and Expertise

- 2005 - 2010 Head of Employment, Newham University Hospital NHS Trust
- 2001 - 2005 Human Resources Manager, Barking, Havering and Redbridge Hospitals NHS Trust
- Improvement Facilitator, NHS Modernisation Agency
- 1999 - 2001 Human Resources Adviser, Newham Community Health Services NHS Trust
- 1996 - 1999 Human Resources Officer, Redbridge Healthcare NHS Trust
- Diploma in Personnel Management
- Member of the Chartered Institute of Personnel Development

Mike Chapman
Director of Commercial and Service Development
(non-voting Board member)
Appointed August 2010



Responsibilities

- Commercial Development
- Marketing
- Commissioner Relationships
- Service Development
- Product Development
- Promoting Innovation
- Responding to Tender Opportunities

Experience and Expertise

- 2006 - 2009 Area Director for Tendring Operational Services and Trust-wide substance misuse
- 2003 - 2006 Essex Strategic Health Authority, Policy Lead for Mental Health, Substance Misuse, Children's Learning Disabilities and Prison Healthcare.
- Experience as a local authority and PCT Commissioner, Social Services Mental Health lead and practised as a social worker in mental health, Older Adult and Children's Services
- Masters Degree in Business Administration
- Approved Social Work, CQSW

Vince McCabe
Director of Community Services
(non-voting Board member)
Appointed June 2011



Responsibilities

- Delivery of Community Health Services
- Leadership of Suffolk Community Healthcare Interim Management Agreement
- Identify and bid for new opportunities for Community Service Provision

Experience and Expertise

- PCT Chief Executive in Hertfordshire,
- Managing Director of West Essex Community Health Services
- Certificate and Diploma in Health Service Management,
- Accounting Technician, MBA (Cranfield/OU)

Independent Non Executive Directors

Charles Abel Smith

Reappointed October 2010 - 05 October 2013

Responsibilities:

- Estates, financial controls, budgets and investment development
- Audit Committee
- Remuneration Committee
- Liaison with Governors
- Assurance Framework implementation
- Sustainability

Experience and Expertise:

- Head of PPP Advisory with the consulting firm Arup. Clients included the National Audit Office which appointed Arup as one of the eight strategic partners to assist in the preparation of Value for Money reports
- 1998 - 2005 Head of Public Private Finance with BNP Paribas with responsibility for arranging the funding for a wide range of PFI projects including major hospitals
- 1981 - 1998 Kleinwort Benson Ltd. Wide range of banking responsibilities including role as a director in the PFI Advisory Team.
- MA Geography, Cambridge University
- Certificate of Securities and Financial Derivatives



Ray Cox

Reappointed December 2009 - 30 September 2014

Responsibilities:

- Deputy Chairman
- Chairman of the Audit Committee
- Takes an overview for Older Adults' services
- Nominations Committee
- Liaison with Governors
- Assurance Framework Implementation

Experience and Expertise:

- 1998 - 2001 Chairman of the Audit Committee, North East Essex Mental Health Partnership NHS Trust
- 1986 - 1997 Director of Finance, Tendring District Council
- Prior to this, Deputy Borough Treasurer, Colchester Borough Council
- Chartered Member, Chartered Institute of Public Finance and Accountancy



Sarah Phillips OBE, DL

Reappointed December 2009 - 30 September 2013

Responsibilities:

- Senior Independent Director
- Chairs the Remuneration Committee
- Service User & Carer Experience
- Nominations Committee
- Takes an overview of CAMHS and specialist services
- Liaison with Governors

Experience and Expertise:

- Chairman, Multiple Sclerosis International Federation
- Chairman, Victim Support
- Awarded OBE in 2005 for services to disabled people
- Appointed Deputy Lieutenant of the County in 2005
- Commissioner of the Royal Hospital, Chelsea
- Chairs the Registration and Conduct Committees of the General Social Care Council
- 1998-2005 Chairman of the Multiple Sclerosis Society



John Gilbert

Appointed June 2008

Reappointed March 2011 - 31 May 2014

Responsibilities:

- Audit Committee
- Nominations Committee
- Chairs Risk and Governance Executive
- Liaison with Governors
- Overview of clinical services
- Special interests in investment bids and partnerships
- Assurance Framework implementation

Experience and Expertise:

- Director of Westbeck Associates Limited
- Career includes director level posts with Essex County Council and various management and senior executive posts with Barclays Bank plc
- Member, Finance and Sustainability Committee, Scope
- Fellow of Royal Society for Encouragement of Arts, Manufactures and Commerce (FRSA)
- Fellow of Chartered Institute of Bankers



Mark Simpson

Appointed December 2009

Resigned August 2011



Responsibilities:

- Nominations Committee
- Charitable Fund Forum
- Liaison with Governors
- Special interest in marketing
- Assurance Framework Implementation

Experience and Expertise:

- 2008 Marketing Director Ford Motor Company Limited
- 2004 - 2008 Marketing Communications Director Ford of Europe
- 2003 - 2004 Interactive Communications Manager Ford of Europe
- 2002 - 2003 Vehicle and Derivative Programming Manager, Ford of Europe
- 2000 - 2002 Regional Manager Lincoln Mercury
- 1998 - 2000 Global Commercial Vehicle Produce Marketing Manager Ford Motor Company
- BA in Marketing (Engineering)
- Masters Diploma in Marketing Management

Brian Johnson

Appointed March 2012 - 12 March 2015



Responsibilities:

- Remuneration Committee
- Nomination Committee
- Liaison with Governors
- Marketing Commercial Communications
- Overview of Clinical Services (West Area)
- Assurance Framework Implementation

Experience and Expertise:

- 2008 - present, Chief Executive Moat Homes Limited
- Chief Executive City Homes
- Executive Director of Remploy
- Business Engineering Manager, Tate and Lyle
- Manufacturing Improvement Project Manager, ICI
- Process Research / Development Manager, ICI
- Venture Manager, ICI
- Commissioning Manager, ICI
- Senior Process Manager, ICI

Dermot McCarthy
Trust Secretary

Responsibilities:

- Support to Board of Directors
- Support to Council of Governors
- Governance
- Liaison with Monitor
- Legal Services
- Commercial Insurance

Experience and Expertise:

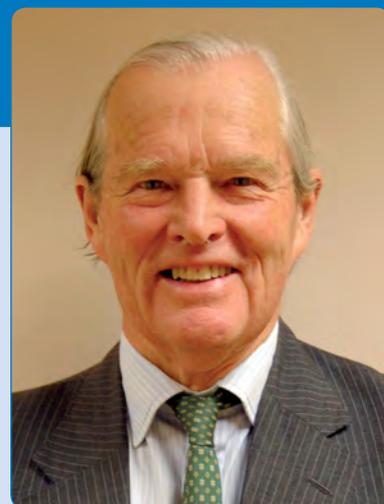
- Chartered Secretary (ICSA)
- Master of Arts (International Governance)
- Master of Business Administration
- BA (Hons) Modern English Studies



James Purves
Legal Adviser to the Board

Responsibilities:

- Legal Advice to Board
- Support to Board of Directors, Council of Governors and Trust Secretary



Evaluation of the Board

The Board of Directors has regularly taken forward Monitor's requirement for the Board to evaluate its own effectiveness, specifically through an annual self-evaluation questionnaire since 2008/09. The Board undertook a number of development opportunities in 2011/12 in response to issues raised in 2010/11 self-evaluation. The self-evaluation method has been chosen for 2011/12

following its success in identifying development needs in previous years and in order to provide information regarding performance of the Board over a period of time by comparing the results for 2011/12 with previous years. The Board intends to carry out an externally facilitated 360 degree evaluation in 2012/13 following the appointment of a new Chairman.

Attendance at Board meetings

			27/04/2011	25/05/2011	29/06/2011	20/07/2011	31/08/2011	28/09/2011	02/11/2011	30/11/2011	21/12/2011	25/01/2012	29/02/2012	28/03/2012	No of Meetings Attended	Out of
Chairman	Mary	St. Aubyn	1	1	1	1	1	1	1	1	1	1	1	1	12	12
Non Executive Directors	Charles	Abel Smith	1	1	1	1	1	1	1	1	1	1	1	1	12	12
	Ray	Cox	1	0	1	1	1	1	1	1	1	1	1	1	11	12
	John	Gilbert	1	1	1	1	0	1	1	1	1	1	1	1	11	12
	Brian	Johnson	n/a	1	1	1										
	Sarah	Phillips	1	1	1	1	1	1	1	1	1	1	1	1	12	12
	Mark	Simpson	1	1	0	1	n/a	3	4							
Chief Executive	Andrew	Geldard	1	1	1	1	1	1	1	1	1	1	1	1	12	12
Executive Directors	Dr Malte	Flechtner	1	0	1	0	0	1	1	1	1	1	1	0	8	12
	Paul	Keedwell	1	1	1	1	1	0	1	1	0	1	1	1	10	12
	Geoff	Scott	1	1	0	1	1	1	1	1	1	1	1	1	11	12
	Rick	Tazzini	1	1	1	1	1	1	1	1	0	1	1	1	11	12
Other Directors	Lisa	Anastasiou	1	1	1	0	1	1	1	1	1	1	1	0	10	12
	Mike	Chapman	1	1	1	1	1	1	1	1	1	1	1	1	12	12
	Vince	McCabe	n/a	n/a	n/a	1	1	1	1	1	1	1	0	1	8	9

Attendance at Meetings of the Council of Governors			14/06/2011	AGM 14/09/2011	12/10/2011	13/12/2011	25/01/2012	13/03/2012	No of Meetings Attended	Out of
Chairman	Mary	St. Aubyn	1	1	1	1	1	1	6	6
Non Executive Directors	Charles	Abel Smith	0	1	0	0	0	0	1	6
	Ray	Cox	0	1	1	1	1	1	5	6
	John	Gilbert	1	1	1	1	1	1	6	6
	Brian	Johnson	n/a	n/a	n/a	n/a	n/a	n/a	0	0
	Sarah	Phillips	1	1	1	1	1	0	5	6
	Mark	Simpson	1	n/a	n/a	n/a	n/a	n/a	1	1

Attendance at Meetings of the Council of Governors			14/06/2011	AGM 14/09/2011	12/10/2011	13/12/2011	25/01/2012	13/03/2012	No of Meetings Attended	Out of
Chief Executive	Andrew	Geldard	1	1	1	1	1	1	6	6
Executive Directors	Dr Malte	Flechtner	1	1	1	1	1	1	6	6
	Paul	Keedwell	1	1	0	1	0	1	4	6
	Geoff	Scott	1	1	1	1	1	1	6	6
	Rick	Tazzini	1	1	1	1	1	1	6	6
Other Directors	Lisa	Anastasiou	1	1	1	1	1	1	6	6
	Mike	Chapman	1	1	1	1	1	1	6	6
	Vince	McCabe	1	1	1	1	1	1	6	6

The Council of Governors

The Council of Governors must act in the best interests of the Trust and should adhere to its values and code of conduct. The Council is responsible for representing the interests of Trust members and partner organisations and for communicating information about the Trust, its vision and values and its performance to the members of the Trust or stakeholder organisations which elected or appointed them. The minutes of meetings of the Council are considered at the following Board meeting in public. The Council is consulted on the development of forward plans for the Trust and approves the Trust's membership strategy.

The Council of Governors appoints and, if appropriate, removes the Chairman and other Non Executive Directors. The Council also decides the remuneration, allowances and other terms and conditions of office, of the Chairman and the other Non Executive Directors. The Council approves the appointment of the Chief Executive, appoints and, if appropriate removes, the Trust's auditor. In addition, the Council receives the Trust's annual accounts, any report of the auditor on them and the Annual Report.

The Council has four regular meetings in public every year. Meetings are publicised in local newspapers and on the Trust website.

There are 11 public constituencies: Braintree, Colchester, Chelmsford, Epping Forest, Harlow, Maldon, Tendring and Uttlesford (all in north Essex), plus south Essex, Suffolk and east Hertfordshire. There are five elected Staff Governors and 21 appointed Governors representing partner organisations.

Trust Governors have opportunities to interact with their constituents and the public at events organised by the Trust throughout the year. Any Trust member age 16 or over can apply to become a Governor when a vacancy becomes available.

Members are encouraged to communicate with Governors through the Trust membership office by telephone - 01245 546400, by email: foundationtrust@nepft.nhs.uk or in writing to the Trust Secretary at the address below.

Trust Secretary
North Essex Partnership NHS Foundation Trust
Stapleford House
103 Stapleford Close
Chelmsford
Essex CM2 0QX

Council of Governors Attendance Record

		Meeting	AGM	Meeting	Meeting	Meeting	Meeting	No of Meetings Attended	Out of
First name	Surname	14/06/11	14/09/11	12/10/11	13/12/11	25/01/12	13/03/12		
Mary	St Aubyn	1	1	1	1	1	1	6	6
Sourangshu	Acharyya	0	1	1	1	1	1	5	6
Moshud	Ali	0	0	0	0	0	0	0	6
Qadir	Bakhsh	1	1	1	0	1	1	5	6
David	Bamber	1	1	1	0	1	1	5	6
Angela	Barnes	1	1	1	1	1	1	6	6
David	Barron	0	0	1	n/a	n/a	n/a	1	3
Annette	Bright	1	1	1	1	1	1	6	6
Nick Ntiako	Brown	1	0	0	0	0	0	1	6
Peter	Cheng MBE	n/a	1	1	1	0	1	4	5
Robert	Davis	1	0	0	1	0	0	2	6
Zach	deBeer	0	1	1	1	0	0	3	6
Pippa	Ecclestone	1	0	1	1	1	1	5	6
David	Fairweather	1	1	1	1	1	1	6	6
Mike	Garnett	n/a	n/a	n/a	n/a	n/a	1	1	1
Patrick	Hamilton	1	1	1	1	1	1	6	6
Terrie	Harris	1	0	0	0	0	0	1	6
Mikey	Henderson	0	0	1	0	1	0	2	6
Sheila	Jackman MBE	1	1	1	1	1	1	6	6
Christian	Jenner	1	0	0	1	0	0	2	6
Dan	Kessler	1	1	1	1	1	1	6	6
Jayne	Marshall	n/a	n/a	n/a	n/a	n/a	n/a	0	0
James	McQuiggan	0	1	1	0	0	0	2	6
Matt	Mills	1	1	1	1	0	1	5	6
David	Monk	1	1	1	0	0	1	4	6
Linda	Pearson	1	1	1	1	1	1	6	6
David	Pickles	1	0	1	1	1	1	5	6
Damian	Pocknell	1	1	n/a	n/a	n/a	n/a	2	2
Mary	Power	0	1	1	0	0	1	3	6
Steven	Pruner	0	1	0	0	0	n/a	1	5
Hazel	Ruane	0	0	0	1	0	1	2	6
Valerie	Sach	0	1	1	0	1	0	3	6

		Meeting	AGM	Meeting	Meeting	Meeting	Meeting	No of Meetings Attended	Out of
First name	Surname	14/06/11	14/09/11	12/10/11	13/12/11	25/01/12	13/03/12		
Allen	Senivassen	1	1	1	1	1	1	6	6
Nazir	Shivji	0	1	1	0	0	1	3	6
Russell	Simmons	0	n/a	n/a	n/a	n/a	n/a	0	1
Mick	Skeels	0	0	0	0	n/a	n/a	0	4
Andrew	Smith	1	1	1	1	1	1	6	6
Brian	Spinks	1	1	1	1	1	1	6	6
Claire	Stockwell-Lance	0	0	0	0	0	1	1	6
Lucy	Taylor	n/a	1	1	1	1	1	5	5
Hugh	Thompson	1	0	1	1	1	1	5	6
Cathy	Trevaldwyn	0	1	1	0	0	1	3	6
Michael	Waller	1	1	1	1	1	1	6	6
Clive	White	1	1	1	1	1	1	6	6
Jo	White	1	1	1	0	0	1	4	6
David	Williams	1	0	1	0	1	1	4	6
Brian	Winder	1	0	1	0	0	1	3	6
Harry	Young	0	0	0	n/a	n/a	n/a	0	3
Tim	Young	1	1	0	0	0	1	3	6

Tribute

One of the Trust Governors, Harry Young died in 2011.

Andrew Geldard, Chief Executive, said, "Harry was a Governor here from April 2009 but was involved for many years before that. He was particularly interested in improving public understanding about mental health and I paid tribute to him at our Trust awards last November. He was a patient but also a great friend of this Trust. You could rely on Harry to raise his points - the good things and the not so good - which he did in his own style! At our Annual meeting last September, he spoke from the floor and praised what we were doing but wanted more of it! It took courage but he brought his lived experience to bear and he was never someone

on the sidelines. Many staff knew him and many attended his funeral. He was a great character. Over powered by his long standing illness, we were all saddened by his death but will remember him at a microphone, speaking up for the cause, once again. He is missed."

Maggie Shackle, a former Governor of the Trust and an Associate Mental Health Act Manager, also died in July 2011. Mary St.Aubyn, Trust Chairman, said, "Maggie is sadly missed and I want to pay her my tribute for the great contribution to mental health she made."



Audit Committee Report



COMPASSION



Audit Committee Report 2011/12

1. Introduction

The Audit Committee is established by the Board with approved terms of reference that are set out in the appendix. The Committee consists of three

independent Non Executive Directors and it has met on 6 occasions during the year. The membership of the Committee and the number of meetings attended by each member are set out below.

Name	Role	Meetings attended
Ray Cox	Chairman	5/6
Charles Abel Smith	Non Executive Director	6/6
John Gilbert	Non Executive Director	5/6

This Annual Report which is in respect of the work of the Committee in 2011/12, follows guidance contained in the NHS Audit Committee Handbook, and is divided into six sections reflecting the key duties of the Committee.

2. Governance, risk management and internal control.

- The Committee reviewed and scrutinised various disclosure statements, including the Annual Governance Statement (AGS), the Head of Internal Audit Opinion, external audit opinion on the financial statements, and other

appropriate assurances, including going concern, and considers the AGS is consistent with these. Accordingly the Committee recommended Board approval of the AGS.

- The Committee and internal audit have reviewed the Board Assurance Framework, and consider it to be fit for purpose.
- The Committee reviewed the risk management system and the extent it is embedded in the organisation. Using evidence and assurance from the Risk and Governance Executive, the Committee is satisfied that adequate systems for



risk management are in place and is confident that the ongoing work and focus of the executive on embedding it throughout the Trust will maintain and strengthen internal control.

- The Standing Financial Instructions were reviewed at the October 2011 meeting of the committee and the revisions approved by the Board of Directors at their meeting held on 2 November 2011. The Committee is planning a review of the Standing Orders and the Scheme of Delegation in 2012/13, in conjunction with a broader review of the Constitution. The Committee is satisfied that appropriate controls and regulation for the conduct of business are in place.
- The Committee always includes a standing item on its meeting agenda to consider issues of a legal or regulatory nature.
- At each Board of Directors meeting held in public, a written report is presented by the Chairman of the Audit Committee which summarises the work carried out and recommendations made.

3. Internal Audit

Throughout the year the Committee has worked effectively with Internal Audit to assess and strengthen internal control processes and levels of assurance. In particular the Committee has:

- Reviewed and considered the internal audit strategy, plans and programme of work. The Committee is satisfied internal audit plans and work, are based on effective risk assessment and consultation with management, and has supported their approval.
- Considered all reports from internal audit and monitored the implementation of recommendations made. The Committee is assured that management action is appropriately monitored and managed.
- Received from the Internal Auditor regular performance indicators and is satisfied that the work of internal audit is efficiently and effectively carried out.
- The Committee is satisfied that based on advice from internal and external audit and management, the base number of days of internal audit work at 158 per year is adequate. At the request of the Chief Executive, an additional audit was carried out during 2011/12, which required a further 7 days of internal audit work making a total for 2011/12 of 165 days.

- The Chair of the Committee and the Director of Resources met with the Managing Director of the internal audit provider in early April, as part of Deloitte's regular relationship management process. There was good discussion on the effectiveness of the audit and Local Counter Fraud Service and overall satisfaction with the service.

4. External Audit

Throughout the year the Committee has worked effectively with External Audit. This is the final year of the appointment of the Audit Commission which has been very successful and there are no significant issues arising. In 2011/12 the Committee worked closely with the Council of Governors to appoint a new firm of external Auditors as the Audit Commission had advised that their audit practice would be outsourced. Following a rigorous selection process the Council of Governors accepted the recommendation of the Audit Committee that Grant Thornton should be appointed as the Trust's External Auditors from 2012/13 at an Extraordinary Meeting held on 25 January 2012.

The External Auditor has direct access to the Chairman of the Trust, Chief Executive, and Director of Finance. The Audit Committee acts as their formal lines of communication. The Committee has:

- Received regular updates and reports from external audit.
- Received the draft audit letter for 2010/11, and has been assured that appropriate action has been taken by management.
- Considered and reviewed the plans for auditing the 2011/12 accounts, and discussed topical auditing and accounting standards issues that have arisen.

5. Counter Fraud

The activities of the Local Counter Fraud Specialist services (LCFS) are provided by Deloitte. They report regularly to the Committee, on progress in the completion of the agreed annual plan for counter fraud work. Annually the Trust completes a qualitative assessment declaration, and this is used by the NHS Counter Fraud Service to assess the Trust's counter fraud arrangements. For the last year of review, (2010/11) the assessment, which ranges from level 1 to 4, resulted in a level 2 being awarded. This means the Trust achieved adequate performance. The Committee was satisfied the assessment properly reflected the Trust's arrangements.

Fraud - it's a crime

In early December 2011 the Trust was subject to a major fraud. A large payment to a building contractor - around £900,000 - was diverted to a bogus account by deception. It is believed to have been committed by organised criminals, who have carried out a number of similar frauds across the public sector. The fraud was spotted very quickly. The money has been recovered in a variety of ways and we want to thank NHS Protect and our own staff who helped us recover the money. It underlines the constant vigilance we need knowing that criminals are organising to steal money from the NHS. The criminal investigation continues. The fraud is reported in the annual accounts.

6. Management

The Committee receives continuous commitment and assistance from management. In particular the Director of Resources and his secretary, the Trust Secretary, and other members of staff who attend committee meetings, have all played a vital role in the work of the Committee.

An important part of the Committee's role is to challenge the assurance process when appropriate, and this is made more effective by the cooperation and participation of staff.

The Committee plays an important role in reviewing and scrutinising the annual financial statements prepared by the Director of Resources before submission to the board for adoption. The production of the accounts and the timing of the approval process are extremely challenging, requiring the highest levels of professionalism and commitment by the staff involved. Special meetings of the Committee are arranged as required to meet deadlines, and it is necessary for members of the Committee to have a ready understanding of the accounting standards and other technical issues involved so that an assured recommendation is submitted to the board.

The Committee also keeps a watchful eye on the Charitable Funds Accounts.

The Committee was satisfied the Whistle Blowing Policy has been implemented and is operating. Arrangements are in place to enable the Committee to receive periodic reports so that its effectiveness can be assessed.

7. Effectiveness of the Committee

Each year the Committee undertakes a self assessment of its effectiveness and uses the check

lists contained in the NHS Audit Committee Handbook and the Audit Commission publication 'Taking it on Trust'. This ensures the Committee maintains its compliance with good practice. Members of the Committee attend relevant seminars and other training opportunities, and the Chairman attends various regional audit Chair meetings to establish links and discuss issues and exchange ideas and practice.

8. Conclusion

The Committee is of the opinion that this Annual Report is consistent with the draft AGS, the Head of Internal Audit Opinion, and the declarations and opinion of the External Auditor. The Committee considers there are no matters that have not been disclosed appropriately.

*Ray Cox, Chairman Audit Committee
12 April 2012*



Nominations Committee Report





CAMPAIGNING

Nominations Committee Report

Membership

Name	Role	Meetings Attended	Notes
Mary St Aubyn	Chairman	4/5	Did not attend 1 meeting where there was discussion of the vacancy which would arise on her ceasing to hold office.
Charles Abel Smith	Non Executive Director	3/5	Joined the committee in year.
Ray Cox	Non Executive Director	4/5	Did not attend 1 meeting when the Committee discussed the position he holds.
John Gilbert	Non Executive Director	3/5	Did not attend 2 meetings where there was discussion of an office for which he might be a candidate were it to become vacant.
Sarah Phillips	Non Executive Director	4/5	Did not attend 1 meeting when the Committee discussed the position she holds.
Mark Simpson	Non Executive Director	0/5	Resigned as a Non Executive Director and ceased to be a member on 31 August 2011.

Committee Duties and Business

The Nominations Committee consists of the above named Non Executive Directors (with the exception of Mark Simpson who resigned as a Non Executive Director in 2011). The duties of the Nominations Committee centres on keeping the size, structure, and composition of the Board of Directors under regular review and making recommendations to the Chairman of the Trust regarding the Executive Directors, and to the Council of Governors regarding the Non Executive Directors, for any change which the Committee may consider to be desirable. During the year 1 April 2011 to 31 March 2012 the Nominations Committee of the Board of Directors met on five occasions.

Meetings

On 9 August 2011 the Committee considered a paper regarding Board Succession Planning which set out the outcome of the discussions at the Board Away Time (11 May 2011) and at a meeting of the Board of Directors on the 29 June 2011.

The Committee discussed a number of issues to take forward to the Remuneration and Appointments Committee of the Council of Governors (RAC) including:

- The 'essential' and 'desirable' skills and experience for a Non Executive Director and a future Chairman
- The job description and Terms and Conditions for a Non Executive Director
- The recruitment and selection process for a Non Executive Director and the associated timescales.

The Committee met on 13 October 2011 when it received an update on the process to recruit a Non Executive Director noting that formal interviews would take place on 7 November 2011.

The Nominations Committee unanimously agreed to make a recommendation to the RAC at its next meeting (28 November 2011) that an external agency be used to assist in the search of a new Chairman in 2012. This was considered in the context of Monitor's publication 'Your Statutory Duties - A Reference Guide for NHS Foundation Trust Governors'.

As, subsequent to this meeting, no appointment was made to the Non Executive Director (NED) vacancy the recommendation to use external recruitment advisers was extended to the NED post. This recommendation was accepted by the RAC on 28 November and a selection process for external advisers was completed in December 2011.

At its meeting held on 21 December 2011 the Committee agreed the Job Description for a Non Executive Director, subject to approval by the RAC at its meeting to be held on 4 January 2012. (This was approved).

The Committee noted the revised timetable for the recruitment of a Non Executive Director, which culminated in a recommendation being taken to the meeting of the Council of Governors which was held on 13 March 2012. (Brian Johnson was appointed as a Non Executive Director by the Council of Governors on 13 March 2012).

At its meeting held on 25 January 2012 the key item of business for the Committee was to agree a recommendation to the RAC regarding the reappointment of two Non Executive Directors of the Trust (Ray Cox and Sarah Phillips) whose terms were due to end on 30 November 2012.

The context included the consideration of Monitor's Code of Governance and input from the Trust's Legal Advisor.

The Committee noted that Sarah Phillips and Ray Cox had both written to the Chairman expressing their enthusiasm to continue.

The general principles of the process which had been approved by the Council of Governors, were:

- An evaluation of Board skills by the Committee and of each Non Executive Director by the Chairman. She confirmed that Ray Cox and Sarah Phillips continued to be effective and committed to the role.
- Consideration by the Remuneration and Appointments Committee of the Council of Governors, of the Committee's findings, and the Chairman's report in order to decide whether to recommend to the Council of Governors whether Ray Cox and Sarah Phillips should be reappointed without a competitive process.

The Committee then considered the extension of the term of office of Sarah Phillips. Following a discussion the Committee unanimously agreed that a recommendation be made to the RAC (16 February 2012) that the term of office of Sarah Phillips as a NED be extended to 30 September 2013. (This recommendation was unanimously supported by the RAC on 13 March 2012 and unanimously approved by the Council of Governors at its meeting held on 13 March 2012).

The Committee then considered the extension of the term of office of Ray Cox beyond 6 years from authorisation. The Committee took into account Monitor's Code of Governance (C.2): 'The Board of Directors should ensure planned and progressive refreshing of the Board' and that 'Non Executive Directors may in exceptional circumstances serve longer than 6 years e.g. two three year terms following authorisation of the NHS foundation trust'. The Committee also considered the need for the Board to 'ensure it retains the necessary skills within its Board of Directors, and puts in place appropriate succession planning' (C.3).

Particular issues considered included:

- Ray Cox's key contribution as Chairman of the Audit Committee
- The appropriate staggering of the terms of NEDs - If Ray Cox's term were extended to 30 September 2013 this would clash both with the expiry of the terms of office of both Sarah Phillips (30 September 2013) (if agreed) and that of Charles Abel Smith, the second of the three members of the Audit Committee (05 October 2013)
- For any extension beyond 6 years from authorisation the need to have regard to Monitor's Code of Governance by making particular provision in respect of ensuring continued independence and performance. This should be reflected in any subsequent resolution passed by the RAC and the Council of Governors.

The Nominations Committee unanimously agreed that a recommendation, as drafted by the Trust's Legal Adviser, be made to the Remuneration

and Appointments Committee of the Council of Governors (16 February 2012) that the Term of Office of Ray Cox as a NED be extended for a period of nine months expiring on the 30 September 2013, and thereafter for a further period of twelve months expiring on the 30 September 2014 subject in the latter case to the following:

- That prior to the 30 June 2013 the Board of Directors shall have resolved that Ray Cox continues to be an independent director; and
- That following a rigorous review of his performance the Council shall prior to the 30 June 2013 have resolved that his reappointment shall continue for a further twelve months expiring on the 30 September 2014.

(This recommendation was unanimously supported by the RAC on 13 March 2012 and unanimously approved by the Council of Governors at its meeting held on 13 March 2012).

At its meeting held on 07 March 2012 the Committee agreed a recommendation to the Remuneration & Appointments Committee of the Council of Governors regarding the job description and terms and conditions of employment, including remuneration, for a new Chairman of the Trust. The Committee considered in particular the recent review of the job description led by the Senior Independent Director (2010) and examples of good practice from other Foundation Trusts.

The RAC unanimously approved these arrangements at its meeting held on 13 March 2012.

Chairman and Non Executive Appointments

Name	Role	End date of appointment
Mary St Aubyn	Chairman	30 November 2012
Charles Abel Smith	Non Executive Director	04 October 2013
Ray Cox	Non Executive Director and Deputy Chairman	30 September 2014
John Gilbert	Non Executive Director	31 May 2014
Sarah Phillips	Non Executive Director and Senior Independent Director	30 September 2013
Mark Simpson	Non Executive Director	Resigned August 2011
Brian Johnson	Non Executive Director	30 March 2015

Remuneration Committee Report



DIVERSITY



Remuneration Committee Report 2011/12

1. Membership

Name	Role	Meetings attended
Sarah Phillips	Non Executive Director Committee, Chairman	2/2
Mary St Aubyn,	Trust Chairman	2/2
Charles Abel Smith	Non Executive Director;	2/2
Ray Cox	Non Executive Director;	2/2
John Gilbert	Non Executive Director	2/2
Brian Johnson	Non Executive Director	0/0 (joined March 2012)

Details of senior employees' remuneration, including pension entitlements, is disclosed in the annual accounts in Note 9.

2. Report Detail

The Remuneration Committee met on 25 May 2011 and 29 February 2012 respectively. The work of the Committee receives professional support from the Director of Workforce and Development or her deputy.

At its meeting on 25 May 2011 the committee considered and agreed the remuneration for the

new post of Director of Community Services. It also considered the remuneration of all Trust Executive Directors both in the context of a zero cost of living pay increase for other staff groups and the fact that salaries are broadly aligned with current market rates. The committee unanimously decided against a pay award for the period 2011/12.

The second meeting of the financial year was held on 29 February 2012. Again the committee

acknowledged the fact that a national pay freeze remains in place for other staff groups and Executive Director salaries remain in keeping with other Trusts of a similar size and nature. The committee therefore concluded that there should be no pay award for the period 2012/13.

Other matters for discussion at the meeting included a review of remuneration for the post of Director of Operations and Nursing in light of the disestablishment of the post of Director of Operations in February 2010.

Name			
Lisa Anastasiou	Director of Workforce & Development	29/03/2010	3 Months
Mike Chapman	Director of Commercial & Service Development	06/02/2010	3 Months
Dr. Malte Flechtner	Medical Director	01/02/2005	3 Months
Andrew Geldard	Chief Executive	30/07/2009	6 months
Paul Keedwell	Director of Operations & Nursing	12/03/2010	3 Months
Geoff Scott	Director of Strategy	01/04/2001	4 Months
Rick Tazzini	Director of Resources	23/11/2009	3 Months
Vince McCabe	Director of Community Services		

Andrew Geldard
Chief Executive



Membership Report





Membership Report

Membership is free and open to anyone aged over 14 who lives in Essex, Suffolk or East Hertfordshire.

Elections during 2011/12

In August 2011 a successful governor election took place, in accordance with the election rules, in Colchester with a turnout rate of 12.2%. In March 2012, similarly in accordance with the rules, elections took place in Colchester, Epping Forest and Tendring with turnout rates of 11.0, 26.6 and 15.1% respectively. In summary four governors were successfully appointed.

Membership size and movement by constituency

The Trust has two constituencies - public and staff, with no separate patient constituency. We have 6195 public members and 2190 staff members, giving us a membership of 8385.

The public membership is in the following areas:

Braintree	663
Chelmsford	1,358
Colchester	1,137
East Herts	29
Epping	523
Harlow	379
Maldon	365
S Essex	412
Suffolk	226
Tendring	829
Uttlesford	274
Total	6,195

It is proposed that service user and carer involvement will also become a membership issue so we expect more patients will join the Trust through this activity.

Public constituency

Membership is down 341 this year with 265 recruits and 606 leavers. We are 605 below where we had hoped to be by this time. The rate of recruitment has slowed in line with the Council of Governors' approach of trying to link recruitment to Governors' Community activity. A new feature is increased leaver rates from increasing contact about events (a reflection of our increasing involvement activity); some use the opportunity of contact to pull out of membership. This means that we must expect some turnover - possibly around 400 this year - so will need to set a recruitment trajectory of about 650 new members to reach our 4% membership growth.

Staff constituency

The membership template reports the staff constituency at 2190. This reflects growth in staff membership. As staff members leave the Trust's employment, if eligible, they automatically become public members subject to their option to opt out. This constituency will be affected by any business acquisitions we make during the year.

Commentary / analysis of public constituency

The Council of Governors approved a new three year membership strategy in March 2011 (subsequently approved by the Board). The emphasis was on quality of engagement and activity, with individual recruitment profiles for each Governor to achieve both numerical and representative membership improvements.

The Council of Governors reviewed this further at their meeting on 13 March 2012, where it was agreed:

"The Membership Strategy requires a net increase of 3% in the year 2012-2013. To compensate for this year's anticipated shortfall, the Trust has proposed that the target should be raised to 4% or a net increase of 250 members, whichever is the greater.

There has been a considerable amount of public activity - members meetings, schools engagement, Alzheimer's campaign, schizophrenia campaign, mental health drama, conferences, world mental health day, Friends of groups and much more.

Gender

Membership is broadly proportionate but males are under-represented by about 246, with 2,766 male constituents. A greater number of this year's leavers appear to be males.

Age

The under 16 category is under-represented (eligible membership is only 14-15 year olds in this category but we do not know the proportion of the 0 - 16 age band that is aged 14-15). However, we would expect the current membership to be higher than it is, around 100, instead of the 7 reported. We have experienced some opposition from parents and schools about recruiting amongst this age group. The age range 17-21 is at 5.9% of membership (which is lower than the 7% of eligible members in this age range) and this will be addressed through the recruitment strategy. This is also reflected by the concomitant over-representation amongst the age groups 22 and above, at 94% rather than the 89% of the population. There is also a statistics anomaly here with 1403 members not giving a date of birth and this appears to be the area we have most difficulty overcoming.

Ethnicity

Essex's ethnicity profile is 97% 'white' with other ethnic groups less than 1% each of the population. Our membership is representative for all groups (95% 'white') except 'mixed' (at 0.6% rather than 1%). The numbers are small and keep us within tolerance. The Trust recognises the need to maintain activity to engage effectively with minority groups in the population.

Socio-economic status

This is the area needing the most attention. 72% of members come from ABC1 (and is a 19% over representation). C2s are 22% of the membership, over-represented by around 6%. Groups D (semi skilled workers) has fallen to 0.7% and should be 15% and this appears to be the layer that has most drifted out of membership. Es have fallen to 5% from 9.7%.

In line with the implementation of the Trust's Service User and Carer Involvement Strategy (agreed by the Board in 2011), service user/carer involvement will be offered to all members (with our magazine, Because ... there is no health without mental health, changed to accommodate this). We anticipate an increase in the number of patients and their families joining the membership

of the Trust. Patients tend to be drawn disproportionately from the C2, D and E socio-economic categories.

Achievements against the previous Membership Strategy over the last year and our plans for 2012/13 include:

- Schools - we are now in contact with over 20 schools and colleges, participating in our drama competitions, three of which performed at our APM in September 2011 (which had over 300 people present). We are proposing to work on a new youth structure that will address the deficit amongst young people with the work around mindfulness and stigma being its focus.
- Stakeholder groups - we have conducted, and continue to do so, mental health awareness work with large numbers of community organisations like HomeStart, LINks, Age UK, Headway, the Red Cross, Victim Support, CABs and community associations. This will continue to build reputation and opportunities to recruit.
- The Extra Mile for Mental Health (10 October 2011) was a big success with 200 participants and a similar event is in planning for 2012; the objective is to recruit more young people, especially men.
- A dementia campaign with schools, community and service-level activities.
- Governors continue with local surgeries and engagement events to increase dialogue with constituency members and to aid further recruitment. Governors also use their individual existing community networks and connections to carry out recruitment activity.
- Governors appointed by partnership organisations to organise a recruitment event once a year
- Some centralised recruiting campaigns will be launched starting in late April 2012 with a week's activity at a local further education college from which we hope to recruit new members.
- To address the issues around socio-economic status we are commencing a postal recruitment campaign that targets patients from particular areas.
- The overall objective is to increase recruitment and address the areas of under representation.

If you wish to contact the Governors or Directors you can write to:

The Trust Secretary
North Essex Partnership NHS Foundation Trust
103 Stapleford Close
Chelmsford
Essex CM2 0QX

or email foundationtrust@nepft.nhs.uk or call **0800 169 1635**.

For any issues about individual care please contact **PALS on 01245 546 433**.



Business Review



HONESTY



Business Review, Management Commentary, Operational & Financial Review and Statement as to a Going Concern

Suffolk Community Services

In February 2011, North Essex Partnership NHS Foundation Trust was appointed as the interim host for Suffolk Community Healthcare (SCH), the community services arm of NHS Suffolk.

NEPFT was selected as the preferred partner and to be the interim provider of universal adult, specialist

children's and certain specialist adult community services for the period 1 April 2011 to 31 March 2012. This includes services such as district nursing, speech and language therapy and podiatry services.

Seven trusts were invited to express their interest in providing an interim hosting arrangement and three bids were received.

Financial Review of the Year

Statement of the Chief Executive's Responsibilities as the Accounting Officer

The National Health Service 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 Accounting Officers' Memorandum issued by the Independent Regulator of NHS Foundation Trusts ('Monitor').

Under the National Health Service Act 2006, Monitor has directed the North Essex Partnership NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The financial statements are prepared on an accruals basis and must give a true and fair view of the state of affairs of the North Essex Partnership NHS Foundation Trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

In preparing the financial statements, the Accounting Officer is required to comply with the

requirements of the NHS Foundation Trust Financial Reporting Manual, and in particular to:

- observe the Accounts Direction issued by Monitor, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgments and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the NHS Foundation Trust Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on a going concern basis.

Financial Statements

This section provides a commentary on the Trust's financial performance. For the full financial statements please see Section 10.

The period 1 April 2011 to 31 March 2012 was the Trust's fourth full year as an NHS Foundation Trust. Our financial position continued to strengthen, producing a surplus for the year, before impairments and restructuring costs, of £1.163 million, which was £237,000 below plan. The surplus was reinvested in the capital programme to enhance patient experience, quality and safety. After account is taken of the "technical" asset impairments of £0.281 million, the recorded revenue position is a surplus for the year of £0.833 million.

Based on our revenue performance and liquidity, we have retained a financial risk rating (FRR) level 4 and warranting 'significant assurance' in the Trust's internal audit. The Trust has achieved the financial targets set by the Board and performance requirements set by Monitor and the Care Quality Commission. The Board has agreed the Trust's financial plan for 2012/13.

Income

Total income for the year was £105.757m. Income of £88.864m was received from block contracts with the three north Essex Primary Care Trusts and Specialist Commissioners. Clinical partnership income of £6.294m included the Essex County Council section 75 agreement (£4.574m). Other Operating Revenue includes £1.754 million of income from Enable East.

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 to ensure that the financial statements 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 Monitor's NHS Foundation Trust Accounting Officer Memorandum.

Spend

Operating spend, excluding PDC dividends totalled £102.813m. The sum comprised pay (£78.056m), non pay (£22.559m), impairment charges (£0.281m) and depreciation (£2.198m). Finance spend of £2.111m included PDC dividends of £1.743m.

Financial Result

The financial result is that the Trust recorded a surplus of £0.833 million. However, after account is taken of the £0.330 million of impairments in property asset values and restructuring costs, the underlying Income & Expenditure surplus is £1.163 million compared to a plan of £1.400 million.

External Auditors

The Audit Commission is the Trust's appointed external auditor for the year, 2011/12 accounts. The Trust incurred audit fees during the year of £82,000. Grant Thornton have been appointed as external auditor for 2012/13.

Internal Auditors

Internal audit is overseen by the Audit Committee and by independent auditors, Deloitte LLP. The current consortium contract has been extended by one-year to 31 March 2013

Capital Developments

During the year £10.810 million was spent on capital developments, with £8.539 million invested in strategic schemes and £2.271 million on operational.

Strategic schemes included the construction of the new Children and young person's inpatient

and outpatient St Aubyn Centre, Colchester. This state of the art, 25-bed unit will open in June 2012. Further strategic schemes include the Derwent Centre garden link, the dementia centre of excellence at the Emerald Centre in Colchester as well as commencement of the new 20-bed Low Secure Unit in Chelmsford, due to open in Spring 2013. The first phase of the IT programme (REMEDY) to replace existing clinical information system also began.

Operational schemes include the replacement, refurbishment and infrastructure of the Trust. Around £2.177 million was spent on building refurbishments, improving the patient environment, privacy & dignity, energy conservation, security, energy efficiency and health and safety.

The refurbishments included patient kitchens, patient gyms, and general improvements to St Margaret's, Epping and Severalls House.

New NHS contracts

For 2011/12, new service contracts were with commissioning partners for £1.551 million investment to expand services including eating disorders for adults and children and young people; psychological support to stroke patients; older adult liaison services; memory assessment services and deprivation of liberty services.

Financial reporting

The Trust has continued to improve reporting to the board to include service-line activity, performance, quality and financial issues. Reference costing data was submitted to the Department of Health, improving the Trust's reference cost index on the sixth consecutive year to 93.

Work continued to implement the Health of the Nation Outcome Scales (HoNOS) and care clusters for service users. The development of a costing system based upon care cluster is being developed so that the 2012/13 block contract can be monitored in "shadow form". This work links, in due course to the future "payment by results" framework required by the Department of Health.

Creditor payment

The Trust follows the Better Payment Practice Code.

Better Payment Practice Code - Measure of Compliance

Year Ended 31 March 2012	
	Number
Total Non-NHS Trade Invoices paid in the year	18,379
Total Non-NHS Invoices paid within target	15,571
Percentage of Non-NHS Trade Invoices paid within target	85%

Year Ended 31 March 2011	
	Number
Total Non-NHS Trade Invoices Paid in the Year	18,788
Total Non-NHS Invoices Paid Within Target	16,968
Percentage of Non-NHS Trade Invoices Paid Within Target	90%

The Better Payment Practice Code requires the NHS Foundation Trust to aim to pay all undisputed invoices by the later of:

- the due date;
- 30 days from the receipt of the goods or service;
- 30 days from the receipt of a valid invoice.

The above payment times are recorded using invoice receipt date to payment date, and include those invoices which have been disputed. The figures provided therefore show a lower percentage of invoices paid in accordance with the Better Payment Practice Code than would be the case if the disputed invoices were excluded. At present, there is no way of recording within the finance system those invoices which are disputed.

The Late Payment of Commercial Debts (Interest) Act 1998

There are no amounts included within interest payable arising from claims under the above legislation. No amounts of compensation were paid for debt recovery costs under the above legislation.

Counter fraud arrangements

The Trust is committed to providing and maintaining the highest standards of honesty and integrity in dealing with assets and uses best practice as recommended by the NHS Counter Fraud and Security Management Services, CFSMS. The policies and related materials are available on



the Trust's intranet and counter-fraud information is prominently displayed on the Trust's premises.

Counter fraud specialist services are provided by Deloitte LLP. The Trust's Local Counter Fraud Specialist (LCFS) reports to the Director of Resources and performs a programme of work designed to provide assurance to the Board in regard to fraud and corruption. The LCFS attends Audit Committee meetings at which she presents the programme and the results of her work. The LCFS gives regular fraud awareness sessions for the Trust's staff. She investigates concerns reported by staff and, if they are substantiated, the Trust takes appropriate criminal, civil or disciplinary measures.

The Trust maintained its level "2" (evidence of a range of outputs) for the annual qualitative assessment for 2010/11. The Trust expects to maintain this score for 2011/12, once the results of the qualitative assurance are known. Plans are in place to improve the score to "3" (performing well) for the financial year 2012/13.

Balance sheet and cash flow

The Trust's net worth increased by £0.796million during the year, with total net assets standing at £70.639million at 31 March 2012. The Trust's cash balances increased by £5.814million during the period and had a £23.196million cash balance at year-end. The Trust drew down £12 million of two new loans for the St Aubyn Centre and Derwent Centre schemes. The Trust was not required to call upon its £8.0 million working capital facility during the year.

Outlook for 2012/13

Revenue

The NHS Operating Framework guidance for 2012/13 directs PCTs to pay providers, 2.2% for pay and price pressures including inflation, but to reclaim 4% for "efficiency". This means that for 2011/12 our tariff price with the PCTs will be reduced by 1.8% - a cash reduction in income of £1.5 million next year. All block contracts for 2012/13 have been signed.

Capital

The £18.5m capital programme includes three elements: operational capital (£2.1m), loan repayment (£2.2m) and strategic capital (£14.2m). The major strategic schemes had commenced in 2011/12; Low Secure Unit, Derwent Centre and the Remedy IT programme.

Accounting policies

The Financial Statements are prepared in accordance with Monitor guidance and International Financial Reporting Standards. The Board of Directors has 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 Financial Statements. Accounting policies for pensions and retirement benefits are in Note 1 of the Financial Statements.

Charitable Funds

Registered Charity 1053509 is a charitable fund for the benefits of patients, research, training and staff welfare. The fund is administered by North Essex Partnership NHS Foundation Trust as the sole trustee. Full details can be obtained from the Director of Resources by writing to Trust headquarters.

The Trust's Charitable Funds Forum has taken a proactive role in 2010/11

The Forum then met 6 times during the year to assess the 38 bids received.

Bids totalling £22,000 were approved all of which focused on improving the patient experience, including, flat screen televisions with Wii games, garden improvements, and a specialist piece of equipment for service users with dementia.

Management Cost

	Year Ended 31 March 2012 £000s	Year Ended 31 March 2011 £000s
Management costs	7,841	7,118
Income	105,757	107,350
Management costs as a percentage of income	7.4%	6.6%

Management costs are defined as those on the Department of Health website at www.dh.gov.uk

Statement as to going concern

The Board of Directors confirms there are no material uncertainties that may cast significant doubt about the Trust's ability to continue as a going concern for at least 12 months beyond the date of the 2011/12 statement of accounts.

Statement of the Chief Executive's Responsibilities as the Accounting Officer of North Essex Partnership NHS Foundation Trust

The National Health Service Act 2006 states that the Chief Executive is the Accounting Officer of the NHS Foundation Trust. The relevant responsibilities of 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 Officers' Memorandum* issued by the Independent Regulator of NHS Foundation Trusts ("Monitor").

Under the National Health Service Act 2006, Monitor has directed North Essex Partnership NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The financial statements are prepared on an accruals basis and must give a true and fair view of the state of affairs of North Essex Partnership NHS Foundation Trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

In preparing the financial statements, the Accounting Officer is required to comply with the requirements of the *NHS Foundation Trust Annual Reporting Manual*, and in particular to:

- observe the Accounts Direction issued by Monitor, 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 *NHS Foundation Trust Annual Reporting Manual* have been followed, and disclose and explain any material departures in the financial statements; 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 to ensure that the financial statements 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 Monitor's *NHS Foundation Trust Accounting Officer Memorandum*.



Date: **23 May 2012**

Andrew Geldard
Chief Executive

Statement of Directors' Responsibilities in Respect of the Accounts

The Directors are required under the National Health Service Act 2006 to prepare financial statements for each financial year. The Secretary of State, with the approval of the Treasury, directs that these financial statements give a true and fair view of the state of affairs of the NHS Foundation Trust and of the income and expenditure of the NHS Foundation Trust for that period. In preparing those financial statements, the Directors are required to:

- apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of Treasury;
- make judgements and estimates which are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Directors are 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 them to ensure that the financial statements comply with requirements outlined in the above mentioned direction of the Secretary of State. They are 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.

The Directors confirm to the best of their knowledge and belief that they have complied with the above requirements in preparing the financial statements.

Each Director is not aware of any relevant audit information that has not been made available to the Auditors and has taken all steps that he or she 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 are aware of that information.

By Order of the Board



Andrew Geldard
Chief Executive

Date: **23 May 2012**



Rick Tazzini
Director of Resources

Date: **23 May 2012**

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 North Essex Partnership 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 North Essex Partnership NHS Foundation Trust for the year ended 31 March 2012 and up to the date of approval of the annual report and accounts.

Capacity to Handle Risk

North Essex Partnership NHS Foundation Trust ("the Trust") has established a risk management framework in order to effectively manage risks within all areas of the Trust's operations.

The responsibility for overseeing the management of organisational hazards is defined within the Risk Management Strategy 2010-2014, as approved by the Board of Directors on 30 March 2011. The Board of Directors retains strategic responsibility for the risk management agenda with operational responsibility being delegated to the Risk and Governance Executive. The risk register, which defines actions and sources of assurance, has been established and approved by the Board of Directors. Within this Trust wide approach, arrangements have been embedded to manage appropriate risks at a local level. The risk register is regularly reviewed, revised and submitted for approval to the Board of Directors.

The Board of Directors has adopted an Assurance Framework.

All staff within the Trust are included within the risk management process including the identification of risks and hazards at all levels of the Trust and participate in the risk assessment training programmes. Local risk registers have been developed as a result of this, with actions identified to mitigate those risks. Appropriate local risk management structures are being identified to ensure capacity exists to undertake assessments, identify hazards and to create and maintain local risk registers. As part of the Trust's training programme for managers and team leaders, training is provided to identify, prioritise and ultimately control operational hazards and reduce levels of risk to which staff, service users and visitors are exposed. The Risk & Governance Executive regularly reviews the Assurance Framework and this is submitted to the Board of Directors for approval.

The Risk and Control Framework

The Risk Management Strategy sets out the Trust's approach to risk, including the ways in which risk is identified, evaluated and controlled.

The Board of Directors oversees the risk management agenda within the Trust receiving periodic updates from the Risk and Governance Executive. The Risk and Governance Executive, has adopted an integrated approach to risk management.

The Trust has in place policies and procedures for the identification of hazards and the subsequent assessment and prioritisation of risks. Risk assessments are supported by risk treatment plans in order to create a planned approach in the reduction or elimination of all risks.

Departments and services are undertaking hazard identification and risk assessments of operational hazards identified through working groups or by undertaking safety inspections of the workplace or task.

Risk Registers are subject to annual and systematic review. This is assisting in embedding the risk management culture and activity throughout the Trust. The Risk Register details the sources of independent assurance. This document is subject to continuous review and is considered a live, dynamic management tool. The Trust actively uses the sources of independent assurance contained within this framework to underpin this Annual Governance Statement.

The Risk and Governance Executive is responsible for the monitoring of the framework. Where possible we update our stakeholders on our management of risk, paying particular attention to our Council of Governors which is constituted to represent the public in the constituencies we serve, as well as to reflect the views of our key stakeholders.

Information Security is fundamental to the operation of all NHS bodies including the North Essex Partnership NHS Foundation Trust due to the sensitive and confidential patient data it captures and the reliance on information systems to process, and transition of, any patient information.

The Trust has established an Information Governance & Security Steering Group to co-ordinate the review of the NHS Foundation Trust's information governance management and monitor the NHS Foundation Trust's information governance data security. This steering group reports directly to the Risk and Governance Executive. All staff are required to complete and successfully pass the relevant Information Governance training module supplied by the NHS Information Centre.

The Information Governance & Security arrangements take into account statutory arrangements and good practice. Information Governance provides a framework for managing information about patients and employees, with a particular emphasis on personal and sensitive information.

The Trust has reviewed its compliance with the CQC Essential Standards of Quality and Safety (ESQS), Clinical Negligence Scheme for Trusts (CNST) and NHS Litigation Authority Risk Management Standards.

The Trust has been assessed at Level 1 of the NHSLA Risk Management Standards for Mental Health Trusts.

The North Essex Partnership NHS Foundation Trust is meeting all the essential standards of quality and safety as reviewed by the Care Quality Commission in April 2011. The Trust is therefore fully compliant with the requirements of registration with the CQC.

As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are complied with. This includes ensuring that deductions from salary, employer's contributions and payments into the Scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.

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

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 Resource

The Executive Team has responsibility for overseeing the day-to-day operations of the Trust and for ensuring that resources are being used economically, efficiently and effectively. To inform

them in these matters the Team receives regular monthly finance and performance reports, which highlight any areas of concern.

Additionally, the Board of Directors receives monthly finance and performance reports and approves the quarterly compliance reports, which are required by the independent regulator, Monitor.

Internal Audit conducts a review of the Trust's systems of internal control processes as part of an annually agreed audit plan. This review encompasses the committee structure, the flow of information pertaining to risk and associated assurances throughout the organisation. The focus of the work is to ensure that systems are appropriate, are in place and can be evidenced by a range of documents available within the organisation. Audits performed by internal audit have reviewed the governance arrangements within the organisation over a range of financial functions and activities to ensure that there is an appropriate and robust approach to the use of resources.

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. 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*.

Production of the Trust's Quality Report is governed and led by the Risk & Governance Executive (R&GE), which reports into the Board of Directors. The Trust employs a comprehensive range of systems, reporting processes, training, data validity checks, as well as internal audit and limited assurance external audit. The Trust has a team of Quality Accountants who manage the process for the Quality Account and report directly to the R&GE. This approach provides the Board with the assurance that the Quality Report presents a balanced view and that there are appropriate controls in place to ensure the accuracy of the data.

The Trust Quality Account/Report follows the Department of Health Toolkit and the Monitor compliance framework incorporating all mandatory statements including quality information with additional narrative where required. Governors have identified priorities for improvement and will be actively involved in monitoring during the coming year. It is anticipated that service users and carers will become more involved through the service user and carer involvement strategy. Members of the R&GE provide input to the Quality Account/Report which is the responsibility of the Quality and Compliance Manager to produce. A project plan is in place and updated on a regular basis to ensure that the correct people are asked to submit information and that this can be validated through the data sources. The Trust's internal audit programme includes an annual internal audit of the Quality Account/Report and in addition external audit assurance is obtained.

The Medical Director responsibility that includes production of the Quality Account and the draft versions are seen and discussed by the R&GE. The host commissioners are also involved in the process and are kept apprised of progress on the priority improvements as well as the draft Quality Account. Performance data is included for the appropriate year and is benchmarked with previous years. Data source information is also included. The Quality Account includes a number of soft measures that take account of staff survey information and Governor planning events and dialogue. This is balanced with the hard measured data incorporating Trust chosen metrics (Board, R&GE and Executive Management Team) as well as national targets and key indicators. Information is also included about our performance against CQUIN targets. Full information is included regarding any planned or responsive review visits by the Care Quality Commission together with their findings.

The Trust Board approves the priority improvements to be included for the following year and also has the opportunity to comment on the draft Quality Account and then approve the final version as part of the Annual Report. The Trust publishes the same document as its Quality Report and Quality Account.

The metrics included in the Quality Account are monitored throughout the year by the Executive Management Team performance meetings and R&GE meetings. R&GE minutes, quarterly and annual reports are presented to the Board by the Medical Director. R&GE is chaired by a non-

Executive Director who also serves on the Audit Committee. A joint R&GE and Audit Committee meeting is held once a year. Presentation of data to these Executive Teams is in the form of performance reports, patient safety dashboard, ward quality barometer, serious incident and complaints reports among others. The R&GE manages a number of groups that make up the Trust's assurance reporting process.

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 the Risk and Governance Executive, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

During the year Internal Audit issued 15 "final" audit reports and two "draft" reports. Six of the final audits resulted in "limited assurance" opinion, defined as "weaknesses in the system of controls are such as to put the system's objectives at risk". These were reported to the Executive Management Team for review and detailed action plans have been implemented to address these weaknesses. Plans have also been put in place to address other, less significant, weaknesses and ensure continual improvement in systems of internal control.

In December 2011, a bank payment fraud was perpetrated against the Trust. The fraud was one of a number targeted against the NHS, as confirmed by NHS Protect. The external fraud was the result of system control and authorisation weaknesses in the Trust's shared service provider. Steps were taken to strengthen controls in accordance with NHS Protect guidance and to provide a supplementary level of checking. The Trust suffered no net financial loss as a result of recovery action taken.

The Assurance Framework itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed, and evidence from Deloitte LLP as Internal Auditors and Local Counter Fraud Service provider, the Audit Commission as External Auditors, the NHS Litigation Authority and the Care Quality Commission also inform my view of the Trust. This evidence is supplemented by views from our stakeholders through Staff and Service User Opinion Surveys and through views from our Council of Governors.

The Head of Internal Audit provides me with an opinion on the overall arrangements for gaining assurance through the Assurance Framework and on the controls reviewed as part of the internal audit work. The Head of Internal Audit Opinion for the year ended 31 March 2012 is as follows:

"Significant assurance can be given that there is a generally sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently. However, some weakness in the design and/or inconsistent application of controls put the achievement of particular objectives at risk."

The Internal Audit Plan in 2011/12 challenged a number of areas, and controls were further enhanced by management action.

The following information summarises some of the key activities that allow the Board to review the effectiveness of the system of control:

i) The Board of Directors

The Board of Directors receives performance, safety, quality and financial reports at each of its meetings and receives reports of its Sub Committees to which it has delegated powers and responsibilities. The Board has reviewed the Assurance Framework and receives regular information from the Audit Committee and the Risk and Governance Executive. In 2011/12, the Board reviewed a number of significant policies and strategies during the period including

Investment Policy, Capitalisation policy, single equality scheme, policy and procedure writing policy, Nursing strategy, Estates strategy and interim quality strategy.

Executive Directors have clear responsibilities for risk management within their area of control. Executive Directors also have corporate responsibility as Board members.

ii) Area and Assistant Directors

The second tier of management also has responsibility for risk management and the effective management and deployment of their staff and other resources to maximise the efficiency of their Directorates and service lines.

iii) The Audit Committee

A Non-Executive Director chairs the Audit Committee, which comprises three Non-Executive Directors and which representatives of the internal and external auditors attend. The Annual Internal Audit Plan is a core means by which the Board of Directors are assured that key internal financial controls and other matters relating to risk are regularly reviewed. It has reviewed internal and external audit reports, and reviewed progress on the implementation of recommendations. The Audit Committee regularly reports progress to the Board of Directors as well as an annual report. The Committee also assesses its effectiveness.

iv) The Risk and Governance Executive

A Non-Executive Director, who is also a member of the Audit Committee, chairs the Risk and Governance Executive. Operational management of the risk management agenda sits with the Risk and Governance Executive, which has responsibility for implementing the Risk Management Strategy. The group is also responsible for developing the Trust's Clinical/Practice Governance Strategy.

v) Internal Audit

Deloitte LLP was appointed 1 August 2004 to provide Internal Audit services, and re-appointed for a further three years in March 2009. A one-year extension has been agreed for internal audit and local counter fraud services until 31 March 2013.

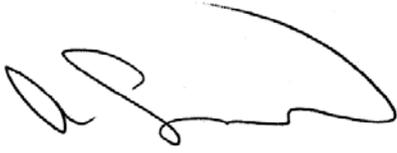
vi) Care Quality Commission (CQC)

In 2011/12, the CQC reported the results of its review of compliance of North Essex Partnership NHS Foundation Trust that took place in November 2011. The CQC found that the Trust was meeting all the essential standards of quality and safety reviewed. The CQC suggested two minor areas for improvement under the "People should get safe and appropriate care that meets their needs and supports their rights" standard.

The Trust has a "without conditions" registration from CQC dated 1 April 2010, demonstrating that the Trust meets the CQC's essential standards of quality and safety across the full range of services provided.

Conclusion

Based upon available guidance and requirements from the regulator Monitor, the CQC, the Trust's internal auditors and external auditors' views, the Board of Directors has not identified any significant internal control issues at this time, save for the item identified in the Review of Effectiveness above.

A handwritten signature in black ink, appearing to read 'Andrew Geldard', with a large, sweeping flourish at the end.

Andrew Geldard
Chief Executive

Date: **23 May 2012**

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF GOVERNORS OF NORTH ESSEX PARTNERSHIP NHS FOUNDATION TRUST

I have audited the financial statements of North Essex Partnership NHS Foundation Trust for the year ended 31 March 2012 under the National Health Service Act 2006. The financial statements comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Taxpayers' Equity, the Statement of Cash Flows and the related notes. These financial statements have been prepared under the accounting policies set out in the Statement of Accounting Policies.

I have also audited the information in the Remuneration Report that is described as having been audited.

This report is made solely to the Council of Governors of North Essex Partnership NHS Foundation Trust in accordance with paragraph 24(5) of Schedule 7 of the National Health Service Act 2006. My audit work has been undertaken so that I might state to the Council of Governors those matters I am required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Foundation Trust as a body, for my audit work, for this report or for the opinions I have formed.

Respective responsibilities of the Accounting Officer and auditor

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

My responsibility is to audit the financial statements in accordance with applicable law, the Audit Code for NHS Foundation Trusts and International Standards on Auditing (UK and Ireland). Those standards require me to comply with the Auditing Practice's Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.

This includes an assessment of: whether the accounting policies are appropriate to the Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trust; and the overall presentation of the financial statements. In addition, I read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

Opinion on financial statements

In my opinion the financial statements:

- give a true and fair view of the state of affairs of North Essex Partnership NHS Foundation Trust's affairs as at 31 March 2012 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the accounting policies directed by Monitor as being relevant to NHS Foundation Trusts.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the accounting policies directed by Monitor as being relevant to NHS Foundation Trusts; and
- the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

I report to you if, in my opinion the Annual Governance Statement does not reflect compliance with Monitor's requirements. I have nothing to report in this respect.

Certificate

I certify that I have completed the audit of the accounts of North Essex Partnership NHS Foundation Trust in accordance with the requirements of the National Health Service Act 2006 and the Audit Code for NHS Foundation Trusts issued by Monitor.

Mark Hodgson

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Date: 25 May 2012

Mark Hodgson
Officer of the Audit Commission

Audit Commission, 3rd Floor, Eastbrook, Shaftesbury Road, Cambridge, CB2 8BF.

Foreword to the Financial Statements

These financial statements for the year ended 31 March 2012 are prepared in accordance with paragraphs 24 and 25 of Schedule 7 to the National Health Service Act 2006.

A handwritten signature in black ink, appearing to read 'Andrew Geldard', with a large, sweeping flourish at the end.

Andrew Geldard
Chief Executive

Date: **23 May 2012**

North Essex Partnership NHS Foundation Trust
Statement Of Comprehensive Income
For The Year Ended 31 March 2012

	Note	2011/12		2010/11 As restated *	
		£'000	£'000	£'000	£'000
Operating Income	3, 4		105,757		107,331
Operating Expenses	5		<u>(102,813)</u>		<u>(108,689)</u>
Operating Surplus/(Deficit)			2,944		(1,358)
Finance Costs					
Finance Income	10	98		69	
Finance Expense – Financial Liabilities	12	(378)		(196)	
Finance Expense – Unwinding of Discount on Provisions	23	(88)		(44)	
PDC Dividends Payable		<u>(1,743)</u>		<u>(2,144)</u>	
Net Finance Costs			<u>(2,111)</u>		<u>(2,315)</u>
Surplus/(Deficit) From Continuing Operations			833		(3,673)
SURPLUS/(DEFICIT) FOR THE YEAR			833		(3,673)
Other Comprehensive Income:					
Revaluation Gains/(Losses) and Impairments On Property, Plant And Equipment			<u>(37)</u>		<u>(15,390)</u>
TOTAL COMPREHENSIVE INCOME AND EXPENSE FOR THE YEAR			796		(19,063)

* Restatement relates to a Prior Period Adjustment (see Note 31) which impacts Operating Income, Operating Expenditure, Operating Surplus/(Deficit), Operating Surplus/(Deficit) from Continuing Operations, Surplus/(Deficit) for the Year and Total Comprehensive Income and Expense for the Year figures stated above .

The notes on pages 111 to 152 form part of these Financial Statements.

North Essex Partnership NHS Foundation Trust
Statement Of Financial Position
As At 31 March 2012

	Note	31 March 2012		Restated * 31 March 2011		Restated * 31 March 2010	
		£'000	£'000	£'000	£'000	£'000	£'000
NON-CURRENT ASSETS							
Intangible Assets	13		573		390		234
Property, Plant and Equipment	14		76,919		69,402		84,659
Trade and Other Receivables	18		360		485		610
Total Non-Current Assets			77,852		70,277		85,503
CURRENT ASSETS							
Inventories	17	78		84		-	
Trade and Other Receivables	18	2,724		2,237		2,256	
Cash and Cash Equivalents	19	23,196		17,382		18,289	
Total Current Assets			25,998		19,703		20,545
CURRENT LIABILITIES							
Trade and Other Payables	20	(7,178)		(6,646)		(7,496)	
Borrowings	21	(2,215)		(978)		(445)	
Provisions	23	(1,871)		(734)		(302)	
Tax Payable		(1,545)		(1,504)		(1,468)	
Other Liabilities	22	(1,790)		(2,128)		(1,595)	
Total Current Liabilities			(14,599)		(11,990)		(11,306)
TOTAL ASSETS LESS CURRENT LIABILITIES			89,251		77,990		94,742
NON-CURRENT LIABILITIES							
Borrowings	21	(16,140)		(6,355)		(3,333)	
Provisions	23	(2,472)		(1,792)		(1,997)	
Other Liabilities	22	-		-		(506)	
Total Non-Current Liabilities			(18,612)		(8,147)		(5,836)
TOTAL ASSETS EMPLOYED			70,639		69,843		88,906

**North Essex Partnership NHS Foundation Trust
Statement Of Financial Position
As At 31 March 2012**

TAXPAYERS' EQUITY			
Public Dividend Capital	29,087	29,087	29,087
Revaluation Reserve	16,097	16,471	32,096
Income and Expenditure Reserve	<u>25,455</u>	<u>24,285</u>	<u>27,723</u>
TOTAL TAXPAYERS' EQUITY	<u>70,639</u>	<u>69,843</u>	<u>88,906</u>

* Restatement relates to a Prior Period Adjustment (see Note 31) which impacts Trade and Other Payables, Other Liabilities, Total Current Liabilities, Total Assets Employed, Taxpayers' Equity – Income and Expenditure Reserve and Total Taxpayers' Equity in 2009/10 and all of the above mentioned lines and Trade and Other Receivables and Total Current Assets in 2010/11

The Financial Statements on pages 106 to 152 were approved by the Board on **23 May 2012**
and signed on its behalf by



Andrew Geldard
Chief Executive

North Essex Partnership NHS Foundation Trust Statement of Changes in Taxpayers' Equity

	Public Dividend Capital £'000	Revaluation Reserve £'000	Income And Expenditure Reserve £'000	Total £'000
Taxpayers' Equity At 1 April 2010	29,087	32,096	27,551	88,734
Prior Period Adjustment (see Note 31)	-	-	172	172
Taxpayers' Equity At 1 April 2010 Restated *	29,087	32,096	27,723	88,906
Surplus/(Deficit) For The Year	-	-	(3,673)	(3,673)
Revaluation Gains/(Losses) And Impairment losses on Property, Plant and Equipment	-	(15,390)	-	(15,390)
Other Recognised Gains and Losses: Other Transfers Between Reserves	-	(235)	235	-
Taxpayers' Equity At 31 March 2011 Restated *	29,087	16,471	24,285	69,843
Taxpayers' Equity At 1 April 2011 Restated *	29,087	16,471	24,285	69,843
Surplus/(Deficit) For The Year	-	-	833	833
Revaluation Gains/(Losses) And Impairment losses on Property, Plant and Equipment	-	(313)	276	(37)
Other Recognised Gains and Losses: Other Transfers Between Reserves (see Note 14)	-	(61)	61	-
Taxpayers' Equity At 31 March 2012	29,087	16,097	25,455	70,639

* Restatement relates to a Prior Period Adjustment (see Note 31) which impacts on Taxpayers' Equity at 1 April 2010, Surplus/(Deficit) for the Year and Taxpayers' Equity at 31 March 2011 stated above.

North Essex Partnership NHS Foundation Trust Cash Flow Statement For The Year Ended 31 March 2012

	Note	2011/12 £'000	2010/11 As restated * £'000
Cash Flows From Operating Activities			
Operating Surplus/(Deficit) From Continuing Operations		2,944	(1,358)
Operating Surplus/(Deficit)			
Depreciation and Amortisation		2,198	2,188
Impairments		281	5,177
(Increase)/Decrease in Inventories		6	(84)
(Increase)/Decrease in Trade and Other Receivables		(476)	339
Increase/(Decrease) in Trade and Other Payables		(382)	(586)
Increase/(Decrease) in Other Liabilities		(338)	64
Increase/(Decrease) in Provisions		1,817	227
Increase/(Decrease) in Tax Payable		-	36
Other Movements in Operating Cash Flows – Profit on Disposal of Assets		(43)	-
Other Movements in Operating Cash Flows		(88)	(44)
NET CASH GENERATED FROM/(USED IN) OPERATIONS		5,919	5,959
Cash Flows From Investing Activities			
Interest Received		95	69
Purchase of Intangible Assets		(282)	-
Purchase of Property, Plant and Equipment		(9,573)	(7,955)
Disposals Of Property, Plant and Equipment		637	-
Net Cash Generated From/(Used In) Investing Activities		(9,123)	(7,886)
Cash Flows From Financing Activities			
Public Dividend Capital Received			-
Loans Received		12,000	4,000
Loans Repaid		(978)	(445)
Interest Paid		(378)	(196)
PDC Dividends Paid		(1,626)	(2,339)
Net Cash Generated From/(Used In) Financing Activities		9,018	1,020
Increase/(Decrease) In Cash And Cash Equivalents		5,814	(907)
Cash And Cash Equivalents At 1 April 2011	19	17,382	18,289
Cash And Cash Equivalents At 31 March 2012	19	23,196	17,382

* Restatement relates to a Prior Period Adjustment (see note 31) which impacts the Operating Surplus/(Deficit) from Continuing Operations, Trade and Other Payables and Other Liabilities figures stated above in the Cash Flow.

1. Accounting policies and other information

Monitor has directed that the Financial Statements of NHS Foundation Trusts shall meet the accounting requirements of the *NHS Foundation Trust Annual Reporting Manual* which shall be agreed with HM Treasury. Consequently, the following Financial Statements have been prepared in accordance with the *NHS Foundation Trust Annual Reporting Manual 2011/12* issued by Monitor. The accounting policies contained in that manual follow International Financial Reporting Standards (IFRS) and HM Treasury's *Financial Reporting Manual* to the extent that they are meaningful and appropriate to NHS Foundation Trusts. The accounting policies have been applied consistently in dealing with items considered material in relation to the Financial Statements.

Accounting Convention

These accounts have been prepared under the historical cost convention, modified to account for the revaluation or Property, Plant and Equipment, intangible assets, inventories and certain financial assets and financial liabilities.

1.1 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 NHS Foundation 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.

1.2 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

NHS Pension Scheme

Past and present employees are covered by the provisions of the NHS Pensions Scheme. Details of the benefits payable under these provisions can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions

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 is 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, the Scheme is accounted for as a defined contribution scheme: the cost to the NHS Body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period. Employers pension costs 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 additional costs is charged to the Operating Expenses at the time the NHS Foundation Trust commits itself to the retirement, regardless of the method of payment.

The NHS Pension Scheme is subject to a valuation every four years by the Government Actuary. The latest such valuation was undertaken as at 31 March 2004 and was published in December 2007. This valuation identified the national deficit of the scheme to be £3.3billion as at 31 March 2004, but that the Scheme continues to operate on a sound financial basis. The surplus/deficit of the fund as a whole has no impact on the NHS Foundation Trust Financial Statements. A valuation of the Scheme liability is carried out annually by the Scheme Actuary as at the end of the reporting period by updating the results of the full actuarial valuation.

With effect from 1 April 2008, employers pay contributions at 14% of pensionable pay and employees contributions are on a tiered scale from 5% up to 8.5% of pensionable pay depending on total earnings.

1.3 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.

1.4 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 NHS Foundation Trust;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- the assets:
 - individually have a cost of at least £5,000; or
 - form a group of assets which individually have a cost of more than £250 and collectively have a cost of at least £5,000, are functionally interdependent with broadly simultaneous purchase dates and are under single managerial control with anticipated simultaneous disposal dates; or
 - are furniture and equipment which forms part of the initial setting-up cost of a new building or refurbishment of a ward or unit, irrespective of their individual or collective cost.

Where a large asset, for example a building, includes a number of components with significantly different asset lives e.g. Plant and Equipment, then these components are treated as separate assets and depreciated over their own useful economic lives.

Measurement

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 fair value. Fair value is the lower of replacement cost and recoverable amount. The carrying value is reviewed for impairment in the period if events or changes in circumstances indicate the carrying value may not be recoverable.

Valuations are carried out by professionally qualified valuers in accordance with the Royal Institution of Chartered Surveyors (RICS) *Appraisal and Valuation Manual*. Valuations are carried out primarily on the basis of modern equivalent asset cost for specialised operational and non-specialised operational property. For non-operational properties, including surplus land, the valuations are carried out at open market value.

A full valuation was carried out and accounted for on 31 March 2011. The valuation was carried out by Montagu Evans, an independent organisation of Chartered Surveyors.

Assets in the course of construction are initially valued at cost. Where there is an indication that the initial cost is significantly different to the fair value of the asset when it is first brought into use, it is valued by professional valuers. Otherwise, the asset is valued as part of the next five or three-yearly valuation.

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.

Where subsequent expenditure is simply restoring the asset to the specification assumed by its economic useful life and no additional future economic benefit or service potential is probable, the expenditure is charged to Operating Expenses in the period on which it is incurred.

Depreciation

Items of Property, Plant and Equipment are depreciated over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

Freehold land is considered to have an infinite life and is not depreciated.

Buildings, installations and fittings are depreciated on their current value over the estimated remaining life of the asset as assessed by the NHS Foundation Trust's professional valuers.

Leaseholds are depreciated over the primary lease term.

Equipment is depreciated on current value evenly over the estimated remaining life as follows:

Medical equipment and engineering plant and equipment	5 – 15 years
Furniture	10 years
Mainframe information and technology equipment	8 years
Soft furnishings	7 years
Office and information technology equipment	5 years
Set up costs in new buildings	10 years
Vehicles	7 years

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.

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 Foundation Trust Annual Reporting Manual, impairments that are due to a loss of economic benefits or 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 arising from a loss of economic benefit or 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 Income 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 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 and the assets are not revalued, except where the 'fair value less costs to sell' falls below the carrying amount. 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, Government Grant and Other 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.

1.5 Intangible assets

Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the NHS Foundation 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 NHS Foundation Trust and where the cost of the asset can be measured reliably. Where internally generated assets are held for service potential, this involves a direct contribution to the delivery of services to the public.

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 fair value. Revaluation gains and losses and impairments are treated in the same manner as for Property, Plant and Equipment.

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.

1.6 Government and other grants

Government grants are grants from Government bodies other than income from Primary Care Trusts or NHS Trusts for the provision of services. Grants from the Department of Health are accounted for as Government grants, as are grants from the Big Lottery Fund. Revenue Government Grants are recognised as income on a systematic basis over the period in which the expenditure the Government Grant applies to is recognised.

1.7 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the weighted average cost method.

1.8 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 NHS Foundation 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 made.

All other financial assets and financial liabilities are recognised when the NHS Foundation Trust becomes a party to the contractual provisions of the instrument.

De-recognition

All financial assets are de-recognised when the rights to receive cashflows from the assets have expired or the NHS Foundation 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.

Financial liabilities are classified as 'Other Financial liabilities'.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. They are included within current and non-current assets. The NHS Foundation Trust's loans and receivables comprise: cash and cash equivalents, NHS receivables, accrued income and 'other receivables.

Loans and receivables are recognised initially at fair value, net of transactions costs, and are measured subsequently at amortised cost.

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 receipts through the expected life of the financial liability or, where 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 Position date, which are classified as non-current liabilities.

Determination of Fair Value

For financial assets and financial liabilities carried at fair value, fair value is the amount at which the asset or liability can be exchanged or settled.

Impairment of financial assets

At the Statement of Financial Position date, the NHS Foundation Trust assesses whether any financial assets 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 cashflows 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 discounted future cash flows. The loss is recognised in the Statement of Comprehensive Income and the carrying amount of the assets is reduced through the use of a bad debt provision.

Financial assets which are significantly past their due date are impaired through the bad debt provision. When it is no longer considered possible that the asset is viable, the amount is written off against the carrying amount of the financial asset.

The loss is recognised in the Statement of Comprehensive Income and the carrying amount of the asset is reduced directly.

1.9 Leases

Operating leases

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, where this is possible.

1.10 Provisions

The NHS Foundation Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount, for which it is probably that there will be a future outflow of cash or other resource; 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 expenditure 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 HM Treasury's discount rate of 2.2% in real terms, except for early retirement provisions and injury benefit provisions which both use the HM Treasury's pension discount rate of 2.9% in real terms.

Clinical negligence costs

The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the NHS Foundation Trust pays an annual contribution to the NHSLA, which, in return, settles all clinical negligence claims. Although the NHSLA is administratively responsible for all clinical negligence cases, the legal liability remains with the NHS Foundation Trust. The total value of clinical negligence provisions carried by the NHSLA on behalf of the NHS Foundation Trust is disclosed at note 23 but is not recognised in the NHS Foundation Trust's Financial Statements.

Non-clinical risk pooling

The NHS Foundation Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the NHS Foundation Trust pays an annual contribution to the NHS Litigation Authority 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.

1.11 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 24 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 24, 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.

1.12 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 Trust. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

A charge, reflecting the forecast cost of capital utilised by the NHS Foundation Trust, is paid over as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the NHS Foundation Trust.

Average relevant net assets are calculated as a simple mean of opening and closing relevant net assets.

Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for (i) donated assets; (ii) net cash held with the Government Banking Services (GBS), excluding cash balances held in GBS accounts that relate to a short-term working capital facility; and (iii) any PDC dividend balance receivable or payable. In accordance with the requirements laid down by the Department of Health (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 of the audit of the annual accounts.

1.13 Value Added Tax

Most of the activities of the NHS Foundation 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 tax is recoverable, the amounts are stated net of VAT.

1.14 Corporation Tax

The NHS Foundation Trust does not consider that it has any corporation tax liability as it has not undertaken any activities which are chargeable to corporation tax in nature.

1.15 Foreign Exchange

The functional and presentational currencies of the NHS Foundation 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.

1.14 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the financial statements since the NHS Foundation Trust has no beneficial interest in them.

However, they are disclosed in a separate note to the accounts in accordance with the requirements of HM Treasury's *Financial Reporting Manual*.

1.15 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 NHS trusts not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).

The losses and special payments note is compiled directly from the losses and compensations register which reports on an accruals basis with the exception of provisions for future losses.

1.16 Key Judgements and Estimates

The NHS Foundation Trust consider the only key judgements and estimates within the financial statements are the calculation of provisions and accruals at year end. Details of the provisions can be found in Note 23.

2. Operating Segments

The operating segments disclosed here are those significant segments reported upon internally to the NHS Foundation Trust Board of Directors. The NHS Foundation Trust does not allocate income to each healthcare segment.

	Year Ended 31 March 2012				
	Income £'000	Operating Expenditure £'000	Operating Surplus/ (Deficit) £'000	Net Surplus/ (Deficit) £'000	Total Assets Employed £'000
Healthcare Activity	104,003	(101,177)	2,826	715	70,619
Enable East Activity	1,754	(1,636)	118	118	20
Total	105,757	(102,813)	2,944	833	70,639

Net Surplus/(Deficit) includes £281,000 relating to impairments in Healthcare Activity. There are no impairments in Enable East Activity. All impairments of £37,000 disclosed in the Statement of Comprehensive Income relate to Healthcare Activity. There are no reversals of impairment losses recognised during the year.

During the year 2011/12, income totalling £76,309,000 was received from Mid Essex PCT.

All accounting transactions between reported segments are removed on preparation of these financial statements.

	Year Ended 31 March 2011				
	Income £'000	Operating Expenditure £'000	Operating Surplus/ (Deficit) £'000	Net Surplus/ (Deficit) £'000	Total Assets Employed £'000
Healthcare Activity	101,265	(102,920)	(1,655)	(3,970)	69,843
Eastern Development Centre/ Enable East Activity	6,066	(5,769)	297	297	-
Total	107,331	(108,689)	(1,358)	(3,673)	69,843

Net Surplus/(Deficit) includes £5,177,000 relating to impairments in Healthcare Activity. There are no impairments in Enable East Activity. All impairments of £15,390,000 disclosed in the Statement of Comprehensive Income relate to Healthcare Activity. There are no reversals of impairments recognised during the year.

During the year 2010/11, income totalling £76,128,000 was received from Mid Essex PCT.

On 30 September 2010, Eastern Development Centre ceased to exist as a hosted arrangement. Enable East commenced on 1 October 2010 as a project and programme management service.

All accounting transactions between reported segments are removed on preparation of these financial statements.

3. Revenue from Patient Care Activities

Income from activities by income source:

	Year Ended 31 March 2012 £'000	Year Ended 31 March 2011 £'000
NHS Foundation Trusts	24	297
NHS Trusts	-	49
Strategic Health Authorities	-	485
Primary Care Trusts	91,014	88,804
Local Authorities	6,294	7,020
Department of Health	-	-
Non-NHS – Other	26	723
Total Income from Patient Care Activities	97,358	97,378

Income from activities by type of income:

	Year Ended 31 March 2012 £'000	Year Ended 31 March 2011 £'000
Block Contract Income	88,864	87,363
Clinical Partnerships Providing Mandatory Services (Including S75 Agreements)	6,294	7,020
Other Clinical Income from Mandatory Services	1,443	1,303
Other Non-Protected Clinical Income	757	1,692
Total Income from Patient Care Activities	97,358	97,378

£4,574,000 (2011: £4,919,000) of Income from Clinical Partnerships Providing Mandatory Services relates to Section 75 Agreements with Essex County Council.

£nil (2011: £40,000) of Income from Clinical Partnerships Providing Mandatory Services is income received by the Eastern Development Centre and Enable East.

£234,000 (2011: £309,000) of Block Contract Income is income received towards the cost of capital schemes.

Private Patient Income

In accordance with Section 44 of the NHS Act 2006, NHS Foundation Trusts must not exceed a pre-determined Private Patient Income (PPI) cap. The cap is based on the proportion of private patient income received in 2002/03 or 1.5% of patient related income, whichever is the greater.

North Essex Partnership NHS Foundation Trust PPI cap for the year ended 31 March 2012 is £1,460,000 (2011: £1,461,000). North Essex Partnership NHS Foundation Trust did not have any Private Patient Income during the year (2011: £nil).

4. Other Operating Revenue

	Year Ended 31 March 2012	Year Ended 31 March 2011 As restated
	£'000	£'000
Education and Training	4,200	3,880
Research and Development	60	-
Charitable and Other Contributions to Expenditure	9	944
Non-Patient Care Services to Other Bodies	1,205	680
Rental Revenue	131	-
Grant Income	115	3,244
Money returned due to Fraud (see Note 30)	897	-
Other Revenue	1,782	1,205
Total Other Operating Revenue	8,399	9,953

£776,000 (2010/11 £nil) of other revenue relates to staff costs for Rethink IAPT Contract.

£792,000 (2010/11 £440,000) of other revenue relates to staff costs recharged to other organisations.

5. Operating Expenses

	Year Ended 31 March 2012	Year Ended 31 March 2011 As restated
	£'000	£'000
Services from Other NHS Foundation Trusts	767	951
Services from NHS Trusts	1,064	1,716
Services from Other NHS Bodies	1,544	1,859
Purchase of Healthcare from Non-NHS Bodies	219	295
Executive Directors' Costs (see Note 7)	2,643	2,436
Non-Executive Directors' Costs	105	117
Staff Costs (see Note 7)	78,056	77,890
Drugs	1,863	1,772
Supplies and Services – Clinical (Excluding Drugs)	247	313
Supplies and Services – General	2,269	2,364
Establishment	2,376	2,690
Transport	707	845
Premises	3,774	3,955
Increase in Bad Debt Provision	3	62
Increase in Early Retirement and Injury Provisions	763	-
Depreciation and Amortisation	2,198	2,188
Fixed Asset Impairments and Reversals (see Note 13)	281	5,177
Profit on disposal of Property, Plant and Equipment (see Note 11)	(43)	-
Audit Services – Statutory Audit	82	76
Audit Services – Audit-Related Regulatory Reporting	-	13
Audit Services – Other Fees	6	-
Eastern Development Centre Closedown Costs	-	214
Legal and Professional Fees	1,190	875
Education and Training	288	429
Patient Travel and Activities	120	168
Grants	250	1,431
Insurance	343	288
Loss due to Fraud (see Note 30)	897	-
Other	801	565
	<hr/>	<hr/>
Total Operating Expenses	102,813	108,689

Operating expenditure includes £1,636,000 (2011: £5,769,000) relating to Enable East.

There is no specified limit on auditor liability.

6. Operating Leases

Payments recognised as an expense:

	Year Ended 31 March 2012 £'000	Year Ended 31 March 2011 £'000
Minimum Lease Payments	<u>1,241</u>	<u>1,236</u>

All leases relate to buildings which are used either for the provision of healthcare or as office space. There is no contingent rent included within these amounts.

Future minimum lease payments:

	Year Ended 31 March 2012 £'000	Year Ended 31 March 2011 £'000
On leases that expire:		
Not later than one year	493	478
Between one and five years	41	66
After five years	<u>18,066</u>	<u>19,440</u>
Total	<u>18,600</u>	<u>19,984</u>

7. Employee Costs and Numbers

Employee Costs

	Year Ended 31 March 2012			Year Ended 31 March 2011 Restated
	Permanently Employed £'000	Other £'000	Total £'000	Total £'000
Salaries and Wages	55,663	8,985	64,648	64,924
Social Security Costs	4,654	651	5,305	5,052
Termination Benefits	121	-	121	602
Employers' Contribution to NHS Pension Scheme	6,313	268	6,581	6,875
Other Pension Costs	-	659	659	692
Agency Costs	-	3,385	3,385	2,181
Total	66,751	13,948	80,699	80,326

Included within Salaries and Wages is £838,000 for Directors remuneration. Included within Employers' Contribution to NHS Pension Scheme is £111,501 (2011: £119,889) for contributions to Directors' pensions. Further details of Directors Remuneration are shown in Note 9.

Average Number of Persons Employed

	Year Ended 31 March 2012			Year Ended 31 March 2011
	Permanently Employed Number	Other Number	Total Number	Total Number
Medical and Dental Staff	125	-	125	125
Administration and Estates	449	93	542	489
Healthcare Assistants and Other Support Staff	402	476	878	756
Nursing, Midwifery and Health Visiting Staff	608	308	916	881
Scientific, Therapeutic and Technical Staff	103	6	109	86
Social Care Staff	-	91	91	120
Bank and Agency Staff	-	57	57	36
Total	1,687	1,031	2,718	2,493

The numbers included above are based on Whole Time Equivalent rather than headcount. Individuals on secondment from Essex County Council are included under the 'Other' column, as they are not permanently employed by the NHS Foundation Trust.

Exit Packages

Exit packages are payments for the early termination of employment contracts by the NHS Foundation Trust arising from either service reconfigurations or negotiated settlements.

During the year, a small number of exit packages have been agreed and paid within the nationally agreed arrangements.

Exit package cost band	31 March 2012		Total Number of Exit Packages by Cost Band
	Number of Compulsory Redundancies	Number of Other Agreed Departures	
£25,001-£50,000	1	-	1
£50,001-£100,000	1	-	1
Total	2	-	2

Exit package cost band	31 March 2011		Total Number of Exit Packages by Cost Band
	Number of Compulsory Redundancies	Number of Other Agreed Departures	
<£10,000	2	-	2
£10,001-£25,000	4	-	4
£25,001-£50,000	-	-	-
£50,001-£100,000	3	1	4
£100,001-£150,000	2	-	2
Total	11	1	12

The above information does not include exit packages in respect of Senior Managers, details of which are available in Note 9. Exit packages arising from ill-health retirements are not included above. Further details are available in Note 8.

8. Retirements Due To Ill Health

During the year ended 31 March 2012 there were three (2011: three) early retirements from North Essex Partnership NHS Foundation Trust on the grounds of ill health. The estimated additional liabilities of these ill health retirements are £402,000 (2011: £314,000). This information has been supplied by NHS Pensions. The cost of these ill health retirements will be borne by the NHS Business Services Authority – Pension Division.

9. Directors' Remuneration

Year Ended 31 March 2012

Name and Title	Salary (bands of £5,000)	Other Remuneration (bands of £5,000)	Benefits in Kind (to the nearest £100)	Annual real increase in pension at age of 60 (bands of £2,500)	Pension value at 31 March 2012 (bands of £5,000)	Annual real increase in related lump sum at 60 (bands of £2,500)	Lump sum value at 31 March 2012 (bands of £5,000)	Cash Equivalent Transfer Value at 31 March 2011 £'000s	Annual real increase in cash equivalent transfer value £'000s	Cash Equivalent Transfer Value at 31 March 2012 £'000s
M St Aubyn, Chairman	40,001-45,000	-	100	-	-	-	-	-	-	-
C Abel Smith, Non-Executive Director	10,001-15,000	-	500	-	-	-	-	-	-	-
R Cox, Non-Executive Director and Deputy Chairman	10,001-15,000	-	-	-	-	-	-	-	-	-
J Gilbert, Non-Executive Director	10,001-15,000	-	300	-	-	-	-	-	-	-
S Phillips, Non-Executive Director	10,001-15,000	-	-	-	-	-	-	-	-	-
M Simpson, Non-Executive Director ⁽¹⁾	10,001-15,000	-	-	-	-	-	-	-	-	-
A Geldard, Chief Executive	145,001-150,000	-	-	0-2,500	50,001-55,000	2,501-5,000	150,001-155,000	770	110	904
L Anastasiou, Director of Workforce and Development	95,001-100,000	-	-	0-2,500	10,001-15,000	2,501-5,000	35,001-40,000	142	43	189
M Chapman, Director of Commercial and Service Development	95,001-100,000	-	800	0-2,500	30,001-35,000	0-2,500	90,001-95,000	455	62	531
M Flechtner, Medical Director ⁽²⁾	190,001-195,000	-	300	2,501-5,000	25,001-30,000	7,501-10,000	75,001-80,000	390	98	500
P Keedwell, Director of Operations and Nursing	100,001-105,000	-	800	0-2,500	30,001-35,000	2,501-5,000	100,001-105,000	486	95	595
G Scott, Director of Strategy ⁽³⁾	95,001-100,000	-	2,600	-	-	-	-	-	-	-
R Tazzini, Director of Resources	110,001-115,000	-	900	0-2,500	55,001-60,000	-	-	449	134	597
V McCabe, Director of Community Services ⁽⁴⁾	80,001-85,000	-	900	(0-2,500)	35,001-40,000	(0-2,500)	110,001-115,000	-	54	663

All benefits in kind relate to usage of cars for business purposes, either in the form of a 'regular user' allowance, or a taxable element paid per mile.

(1) M Simpson left on 15 August 2011.

(2) M Flechtner receives a salary for his role as Medical Director and a salary as a Consultant. The information in this table reflects his total salary for both positions

(3) G Scott is a member of the Local Government Pension Scheme. This Scheme is fully funded with all liabilities resting with the pension fund and not the employer.

(4) V McCabe started with North Essex Partnership NHS Foundation Trust on 6 June 2011.

M Chapman and P Keedwell both held non-executive directorships in other organisations during the year. No remuneration was received for these.

The North Essex Partnership NHS Foundation Trust does not operate any Profit-Related Pay scheme.

No payments for compensation for loss of office have been made to any former Directors or Senior Managers during the year.

In the budget on 23 March 2011, HM Treasury confirmed its intention to review the basis for the calculation of cash equivalent transfer values (CETVs) payable from public service schemes, including the NHS Pension Scheme. The review was undertaken and revised guidance was issued on 26 October 2011. For the calculation of CETVs as at 31 March 2012, NHS Pensions has followed the revised guidance and have used the updated Government Actuary Department (GAD) factors in their calculations. The revised GAD factors are different to those used as at 31 March 2011 so direct comparison between financial periods is not possible. The new factors will have differing impacts on the CETVs of the individuals concerned depending on their age and normal retirement age.

Year Ended 31 March 2011

Name and Title	Salary (bands of £5,000)	Other Remuneration (bands of £5,000)	Benefits in Kind (to the nearest £100)	Annual real increase in pension at age of 60 (bands of £2,500)	Pension value at 31 March 2011 (bands of £5,000)	Annual real increase in related lump sum at 60 (bands of £2,500)	Lump sum value at 31 March 2010 (bands of £5,000)	Cash Equivalent Transfer Value at 31 March 2010 £'000s	Annual real increase in cash equivalent transfer value £'000s	Cash Equivalent Transfer Value at 31 March 2011 £'000s
M St Aubyn, Chairman	40,001-45,000	-	100	-	-	-	-	-	-	-
C Abel Smith, Non-Executive Director	10,001-15,000	-	-	-	-	-	-	-	-	-
R Cox, Non-Executive Director and Deputy Chairman	10,001-15,000	-	400	-	-	-	-	-	-	-
J Gilbert, Non-Executive Director	10,001-15,000	-	400	-	-	-	-	-	-	-
S Phillips, Non-Executive Director	10,001-15,000	-	100	-	-	-	-	-	-	-
M Simpson, Non-Executive Director	10,001-15,000	-	-	-	-	-	-	-	-	-
A Geldard, Chief Executive	145,001-150,000	-	900	2,501-3,000	45,001-50,000	7,501-10,000	140,001-145,000	820	(50)	770
L Anastasiou, Director of Workforce and Development ⁽⁴⁾	95,001-100,000	-	-	10,001-12,500	10,001-15,000	32,501-35,000	30,001-35,000	-	142	142
M Chapman, Director of Commercial and Service Development	95,001-100,000	-	1,000	2,501-5,000	25,001-30,000	12,501-15,000	85,001-90,000	440	15	455
M Flechtner, Medical Director ⁽¹⁾	190,001-195,000	-	400	2,501-5,000	20,001-25,000	7,501-10,000	65,001-70,000	378	12	390
P Keedwell, Director of Operations and Nursing	95,001-100,000	-	1,000	1-2,500	30,001-35,000	5,001-7,500	95,001-100,000	516	(30)	486
G Scott, Director of Strategy ⁽²⁾	95,001-100,000	-	3,500	-	-	-	-	-	-	-
R Tazzini, Director of Resources ⁽⁵⁾	110,001-115,000	-	600	55,001-60,000	55,001-60,000	-	-	7	442	449
A Mattin, Director of Operations ⁽³⁾	1-5,000	-	-	-	-	-	-	548	-	-

All benefits in kind relate to usage of cars for business purposes, either in the form of a 'regular user' allowance, or a taxable element paid per mile.

During the year ended 31 March 2011, the Cash Equivalent Transfer Values are calculated using Government Actuary Department factors based on indexation in line with the Consumer Price Index rather than the Retail Price Index, as was the basis for prior years. This has resulted in lower values than would have been reported under the previous indexation basis.

- (1) M Flechtner receives a salary for his role as Medical Director and a salary as a Consultant. The information in this table reflects his total salary for both positions
- (2) G Scott is a member of the Local Government Pension Scheme. This Scheme is fully funded with all liabilities resting with the pension fund and not the employer.
- (3) A Mattin left on 6 April 2010. Pension figures for the period 1 April 2010 to 6 April 2010 are not available.
- (4) L Anastasiou was previously a member of the NHS Pension Scheme. The increases in value during the year reflect the value transferred across from her previous membership.
- (5) R Tazzini transferred assets into the NHS Pension Scheme from a different pension scheme. The increase in value during the year reflects the value transferred from a different pension scheme.

M Chapman and P Keedwell both held non-executive directorships in other organisations during the year. No remuneration was received for these.

The North Essex Partnership NHS Foundation Trust does not operate any Profit-Related Pay scheme.

No payments for compensation for loss of office have been made to any former Directors or Senior Managers during the year.

	31 March 2012 £'000	31 March 2011 £'000
Band of Highest Paid Director's Total Remuneration	190-195	190-195
Median Total Remuneration	23,589	22,776
Ratio	8.2	8.5

The calculation of median remuneration is based on Whole Time Equivalent (WTE) staff of the North Essex Partnership NHS Foundation Trust, as at 31 March on an annualised basis. Further guidance is available on the HM Treasury's FReM website (document – 'Hutton Review of Fair Pay – Implementation Guidance' – which can be found at http://www.hm-treasury.gov.uk/d/hutton_review_fairpay_implementation_guidance.pdf)

10. Investment Revenue

	31 March 2012 £'000	31 March 2011 £'000
Interest Revenue: Bank Accounts	98	69
Total Investment Revenue	98	69

11. Other Gains and Losses

	31 March 2012 £'000	31 March 2011 £'000
Gain/(Loss) on Disposal of Property/Plant and Equipment	43	-
Total Other Gains and Losses	43	-

12. Finance Costs

	31 March 2012 £'000	31 March 2011 £'000
Interest on Loans	378	196
Total Finance Costs	378	196

13. Intangible Assets

	Software £'000	Assets Under Construction £'000	Total £'000
Cost			
At 1 April 2011	525	-	525
Correction *	3	-	3
At 1 April 2011 corrected	528	-	528
Additions Purchased	182	99	281
Disposals	(15)	-	(15)
At 31 March 2012	695	99	794
Amortisation			
At 1 April 2011	135	-	135
Correction *	4	-	4
At 1 April 2011 corrected	139	-	139
Charged During the Year	97	-	97
Disposals	(15)	-	(15)
At 31 March 2012	221	-	221
Net Book Value			
At 31 March 2012	474	99	573
At 31 March 2011	390	-	390

* A correction has been made to opening balances due to an administrative error occurring some time ago which resulted in a difference between the amounts stated in this note and the underlying Asset Register, for Cost and Amortisation. This error has had no impact on the value of assets reported in the Statement of Financial Position or any in year movements reported within the Statement of Comprehensive Income, only the opening and closing gross values of cost and amortisation reported within this note. Investigation of this matter has resulted in it being impractical to determine when the administrative error occurred. In accordance with IAS 8, no retrospective restatement of prior period is therefore required.

	Software £'000	Assets Under Construction £'000	Total £'000
Cost			
At 1 April 2010	304	-	304
Reclassification	64	-	64
Additions Purchased	157	-	157
At 31 March 2011	525	-	525
Amortisation			
At 1 April 2010	70	-	70
Charged During the Year	65	-	65
At 31 March 2011	135	-	135
Net Book Value			
At 31 March 2011	390	-	390
At 31 March 2010	234	-	234

	Software £'000	Assets Under Construction £'000	Total £'000
Cost			
At 1 April 2009	12	-	12
Additions Purchased	292	-	292
At 31 March 2010	<u>304</u>	<u>-</u>	<u>304</u>
Amortisation			
At 1 April 2009	11	-	11
Charged During the Year	59	-	59
At 31 March 2010	<u>70</u>	<u>-</u>	<u>70</u>
Net Book Value			
At 31 March 2010	<u>234</u>	<u>-</u>	<u>234</u>
At 31 March 2009	<u>1</u>	<u>-</u>	<u>1</u>

All intangible fixed assets are purchased.

14. Property, Plant and Equipment

	Year Ended 31 March 2012								
	Land £'000	Buildings, Excluding Dwellings £'000	Dwellings £'000	Assets Under Construction £'000	Plant and Machinery £'000	Transport Equipment £'000	Information Technology £'000	Furniture and Fittings £'000	Total £'000
Cost or Valuation									
At 1 April 2011	26,918	45,766	698	3,162	1,758	517	3,823	2,182	84,824
Correction *	(2,382)	4,249	93	-	(16)	(1)	2	(7)	1,938
At 1 April 2011 corrected	24,536	50,015	791	3,162	1,742	516	3,825	2,175	86,762
Additions	-	1,775	-	7,879	155	82	417	221	10,529
Impairments Charged to Revaluation Reserve	-	(37)	-	-	-	-	-	-	(37)
Reclassifications	-	330	-	(330)	-	-	-	-	-
Disposals	(163)	(660)	(149)	(198)	-	(304)	(110)	(7)	(1,591)
At 31 March 2012	24,373	51,423	642	10,513	1,897	294	4,132	2,389	95,663
Depreciation and Impairments									
At 1 April 2011	2,383	7,684	114	-	1,200	448	2,481	1,112	15,422
Correction *	(2,383)	4,252	93	-	(10)	-	-	(15)	1,937
At 1 April 2011 corrected	-	11,936	207	-	1,190	448	2,481	1,097	17,359
Charged During the Year	-	1,483	11	-	120	12	332	143	2,101
Impairments Charged to Operating Expenditure	-	281	-	-	-	-	-	-	281
Disposals	-	(545)	(35)	-	-	(301)	(110)	(6)	(997)
At 31 March 2012	-	13,155	183	-	1,310	159	2,703	1,234	18,744
Net Book Value									
At 31 March 2012	24,373	38,268	459	10,513	587	135	1,429	1,155	76,919
At 31 March 2011	24,535	38,082	584	3,162	558	69	1,342	1,070	69,402

* A correction has been made to opening balances due to an administrative error occurring some time ago which resulted in a difference between the amounts stated in this note and the underlying Asset Register, for Cost and Depreciation. This error has had no impact on the value of assets reported in the Statement of Financial Position or any in year movements reported within the Statement of Comprehensive Income, only the opening and closing gross values of cost and depreciation reported within this note. Investigation of this matter has resulted in it being impractical to determine when the administrative error occurred. In accordance with IAS 8, no retrospective restatement of prior period is therefore required.

Year Ended 31 March 2011

	Land £'000	Buildings, Excluding Dwellings £'000	Dwellings £'000	Assets Under Construction £'000	Plant and Machinery £'000	Transport Equipment £'000	Information Technology £'000	Furniture and Fittings £'000	Total £'000
Cost or Valuation									
At 1 April 2010	35,518	46,340	959	2,968	1,623	488	2,894	1,991	92,781
Additions	1,099	4,363	14	1,207	135	29	478	172	7,497
Impairments Charged to Revaluation Reserve	(10,946)	(11,604)	(1,227)	-	-	-	-	-	(23,777)
Revaluations (through Revaluation Reserve)	1,247	7,052	88	-	-	-	-	-	8,387
Reclassifications	-	(385)	864	(1,013)	-	-	451	19	(64)
At 31 March 2011	26,918	45,766	698	3,162	1,758	517	3,823	2,182	84,824
Depreciation and Impairments									
At 1 April 2010	654	2,623	56	-	1,092	440	2,273	984	8,122
Charged During the Year	-	1,613	58	-	108	8	208	128	2,123
Impairments Charged to Operating Expenditure	1,729	3,448	-	-	-	-	-	-	5,177
Disposals	-	-	-	-	-	-	-	-	-
At 31 March 2011	2,383	7,684	114	-	1,200	448	2,481	1,112	15,422
Net Book Value									
At 31 March 2011	24,535	38,082	584	3,162	558	69	1,342	1,070	69,402
At 31 March 2010	34,864	43,717	903	2,968	531	48	621	1,007	84,659

A charge for historic cost depreciation of £61,000 (2011: £227,000) is made to the revaluation reserve. This reflects the historic cost element of the depreciation charged on revalued assets in the Statement of Comprehensive Income. The charge is an adjustment to reserves (see Statement of Taxpayers' Equity).

Year Ended 31 March 2010

	Land £'000	Buildings, Excluding Dwellings £'000	Dwellings £'000	Assets Under Construction £'000	Plant and Machinery £'000	Transport Equipment £'000	Information Technology £'000	Furniture and Fittings £'000	Total £'000
Cost or Valuation									
At 1 April 2009	35,634	37,279	918	7,837	1,240	449	2,870	1,477	87,704
Additions	858	1,242	41	7,275	383	39	24	525	10,387
Impairments Charged to Revaluation Reserve	(974)	(1,075)	-	-	-	-	-	-	(2,049)
Impairments Charged to Operating Expenditure	(654)	(117)	-	(3,060)	-	-	-	(11)	(3,842)
Reclassifications	-	9,084	-	(9,084)	-	-	-	-	-
Disposals	-	(190)	-	-	-	-	-	-	(190)
At 31 March 2010	34,864	46,223	959	2,968	1,623	488	2,894	1,991	92,010
Depreciation									
At 1 April 2009	-	968	-	-	1,017	437	2,004	895	5,321
Charged During the Year	-	1,638	56	-	75	3	269	89	2,130
Disposals	-	(100)	-	-	-	-	-	-	(100)
At 31 March 2010	-	2,506	56	-	1,092	440	2,273	984	7,351
Net Book Value									
At 31 March 2010	34,864	43,717	903	2,968	531	48	621	1,007	84,659
At 31 March 2009	35,634	36,311	918	7,837	223	12	866	582	82,383

A charge for historic cost depreciation of £61,000 (2011: £227,000; 2010: £1,048,000) is made to the revaluation reserve. This reflects the historic cost element of the depreciation charged on revalued assets in the Statement of Comprehensive Income. The charge is an adjustment to reserves (see Statement of Taxpayers' Equity).

All Property, Plant and Equipment are purchased and owned.

	Land £'000	Buildings, Excluding Dwellings £'000	Dwellings £'000	Assets Under Construction £'000	Plant and Machinery £'000	Transport Equipment £'000	Information Technology £'000	Furniture and Fittings £'000	Total £'000
Net Book Value									
Protected Assets	18,823	26,712	-	-	-	-	-	-	45,535
Unprotected Assets	5,550	11,556	459	10,513	587	135	1,429	1,155	31,384
Total at 31 March 2012	24,373	38,268	459	10,513	587	135	1,429	1,155	76,919

Net Book Value									
Protected Assets	18,822	26,299	-	-	-	-	-	-	45,121
Unprotected Assets	5,713	11,783	584	3,162	558	69	1,342	1,070	24,281
Total at 31 March 2011	24,535	38,082	584	3,162	558	69	1,342	1,070	69,402

Net Book Value									
Protected Assets	31,078	29,183	-	-	-	-	-	-	60,261
Unprotected Assets	3,786	14,534	903	2,968	531	48	621	1,007	24,398
Total at 31 March 2010	34,864	43,717	903	2,968	531	48	621	1,007	84,659

Protected Assets are those required for the mandatory provision of healthcare services.

None of the assets disposed of during the current and preceding year were protected assets.

The minimum and maximum useful expected lives are as follows:

	Buildings, Excluding Dwellings	Dwellings	Assets Under Construction	Plant and Machinery	Transport Equipment	Information Technology	Furniture and Fittings
Minimum Useful Expected Life	0	0	0	0	0	0	0
Maximum Useful Expected Life	60	55	0	10	7	8	10

15. Impairments

	31 March 2012 £'000	Tangible Assets 31 March 2011 £'000	31 March 2010 £'000
Changes in Market Price	-	5,177	-
Other	318	-	3,842
Total	318	5,177	3,842

The 'other' impairment in 2012 relates to an impairment due to an asset being valued when brought into use in the year ended 31 March 2010.

In 2011, a revaluation exercise was undertaken for all of the property owned by the NHS Foundation Trust. This resulted in:

- £5,177,000 of impairments being charged to the Statement of Comprehensive Income;
- £23,777,000 of impairments being charged to the Revaluation Reserve;
- an increase in value of certain assets totalling £8,387,000 being added to the Revaluation Reserve.

The total impact of the revaluations is therefore £20,567,000. The net movement to the Revaluation Reserve as a result of the revaluations carried out was £15,390,000.

In 2010, £3,060,000 of other impairments relate to the valuation of an asset which was brought into use during the year. The remainder relates to a piece of land purchased during the year, and some assets which are no longer used by the NHS Foundation Trust. There are additional impairments to assets contiguous with those impaired described above which were charged to the Revaluation Reserve during the year. The total charge to the Revaluation Reserve for reduction in the value of assets is £2,049,000.

16. Capital Commitments

Commitments under capital expenditure contracts at the Statement of Financial Position date were:

	31 March 2012 £'000	31 March 2011 £'000	31 March 2010 £'000
Property, Plant and Equipment	4,090	7,668	-

The above capital commitments relate to building work commenced on the new CAMHS building in Colchester, a new LSU building in Chelmsford, and improvement and refurbishment of the Derwent Centre in Harlow. The CAMHS project was approved by the Board, and the contract awarded, on 26 January 2011; the work began during March 2011. The LSU project was approved by the Board in July 2011, and the contract awarded on 27 July 2011; the work began during September 2011. The Derwent project was approved by the Board in September 2010, and the contract awarded on 13 January 2012; the work began during March 2012.

17. Inventories

	31 March 2012 £'000	31 March 2011 £'000	31 March 2010 £'000
Materials	<u>78</u>	<u>84</u>	<u>-</u>

No inventories were held at 31 March 2010. During the year ended 31 March 2011, North Essex Partnership NHS Foundation Trust set up its own Pharmacy facility, which holds inventories for use throughout the NHS Foundation Trust.

During the year, the value of stock issued by the Pharmacy was £1,156,000 (2011: £103,000).

18. Trade and Other Receivables

	31 March 2012 £'000	31 March 2011 Restated £'000	31 March 2010 £'000
Current Assets:			
NHS Receivables	1,647	1,603	691
Other Trade Receivables	897	476	1,155
Provision for the Impairment of Receivables	(379)	(388)	(484)
PDC Receivable	80	197	2
Prepayments	457	252	324
Accrued Income	22	97	568
Total Current Trade and Other Receivables	<u>2,724</u>	<u>2,237</u>	<u>2,256</u>
Non-Current Assets:			
NHS Receivables	349	463	585
Other Trade Receivables	11	22	25
Total Non-Current Trade and Other Receivables	<u>360</u>	<u>485</u>	<u>610</u>
Total Trade and Other Receivables	<u>3,084</u>	<u>2,722</u>	<u>2,866</u>

The majority of trade is with Primary Care Trusts, as commissioners for NHS patient care services. As Primary Care Trusts are funded by the Government to buy NHS patient care services, no credit scoring of them is considered necessary.

All amounts are considered to be shown at fair value other than those trade receivables which are considered impaired. Impaired receivables are provided for fully.

Provision for Impairment of Receivables

	31 March 2012 £'000	31 March 2011 £'000	31 March 2010 £'000
Balance at 1 April	388	484	451
Increase in Provision	308	323	345
Amounts Utilised	(8)	(74)	(18)
Unused Amounts Reversed	(309)	(345)	(294)
Total	379	388	484

Impaired receivables are those past their due date where no agreement has been reached for recovery of the amount receivable.

Receivables Past Their Due Date but Not Impaired

	31 March 2012 £'000	31 March 2011 £'000	31 March 2010 £'000
Up to three months	1,031	189	472
In three to six months	5	-	-
Over six months	-	24	36
Total	1,036	213	508

Receivables past their due date but not impaired includes £461,000 relating to Mid Essex PCT and £389,000 relating to Essex County Council which were both paid in early April 2012.

Impaired Receivables

	31 March 2012 £'000	31 March 2011 £'000	31 March 2010 £'000
Up to three months	110	138	145
In three to six months	87	127	90
Over six months	182	123	249
Total	379	388	484

19. Cash and Cash Equivalents

	31 March 2012 £'000	31 March 2011 £'000	31 March 2010 £'000
Balance at 1 April	17,382	18,289	13,655
Net Change in Year	5,814	(907)	4,634
Balance at 31 March	23,196	17,382	18,289
Made up of:			
Cash with Office of Paymaster General	-	-	18,264
Cash with Government Banking Service	23,168	17,357	-
Commercial Banks and Cash in Hand	28	25	25
Cash and Cash Equivalents	23,196	17,382	18,289
Bank overdraft	-	-	-
Cash and Cash Equivalents as in Cash Flow	23,196	17,382	18,289

20. Trade and Other Payables

	31 March 2012 £'000	31 March 2011 Restated £'000	31 March 2010 £'000
Current Liabilities:			
Interest Payable	-	-	-
NHS Payables - Revenue	1,491	2,102	2,592
NHS Payables – Capital	114	-	-
Non-NHS Payables – Revenue	2,490	2,321	2,563
Non-NHS Payables – Capital	1,481	640	941
Accruals	1,602	1,583	1,400
Total Trade and Other Payables	7,178	6,646	7,496

Non-NHS Payables – Revenue includes £895,000 (2011: £843,000; 2010: £835,000) outstanding pensions contributions at 31 March 2012.

21. Borrowings

	31 March 2012 £'000	31 March 2011 £'000	31 March 2010 £'000
Current Liabilities			
Bank Overdrafts	-	-	-
Loans from:			
Department of Health	2,215	978	445
Total Current Borrowings	2,215	978	445
Non-Current Liabilities			
Bank Overdrafts	-	-	-
Loans from:			
Department of Health	16,140	6,355	3,333
Total Non-Current Borrowings	16,140	6,355	3,333
Total Borrowings	18,355	7,333	3,778

Borrowings are made up of three single currency term loans from the Secretary of State for Health.

The interest rate on the first loan (amount outstanding at 31 March 2012 £6,355,000 (2011: £7,333,000; 2010: £3,778,000)) is 5.33% per annum, and the loan will be repaid in full by 31 March 2019.

The interest rate on the second loan (amount outstanding at 31 March 2012 £7,000,000 (2011: nil; 2010: £nil)) is 2.65% per annum, and the loan will be repaid in full by 31 March 2022.

The interest rate on the third loan (amount outstanding at 31 March 2012 £5,000,000 (2011: £nil; 2010: £nil)) is 1.42% per annum, and the loan will be repaid in full by 31 March 2022.

The NHS Foundation Trust is responsible for ensuring that the Prudential Borrowing Limit set by Monitor is not exceeded.

22. Other Liabilities

	31 March 2012 £'000	31 March 2011 Restated £'000	31 March 2010 Restated £'000
Deferred Income	1,790	2,128	1,595
Other	-	-	-
Total Current Other Liabilities	1,790	2,128	1,595
Deferred Income	-	-	506
Total Non-Current Other Liabilities	-	-	506
Total Other Liabilities	1,790	2,128	2,101

£275,000 (2011: £nil; 2010: £nil) of deferred income relates to capital schemes where the conditions of the grant have not yet been met.

23. Provisions

	31 March 2012 £'000	Current 31 March 2011 £'000	31 March 2010 £'000	31 March 2012 £'000	Non-Current 31 March 2011 £'000	31 March 2010 £'000
Pensions Relating to Former Directors	7	7	7	97	42	48
Pensions Relating to Other Former Staff	178	181	181	1,764	1,375	1,538
Legal Claims	48	49	69	-	-	-
Other	1,638	497	45	611	375	411
Total	1,871	734	302	2,472	1,792	1,997

Year Ended 31 March 2012

	Pensions Relating to Former Directors £'000	Pensions Relating to Other Former Staff £'000	Legal Claims £'000	Other £'000	Total £'000
At 1 April 2011	49	1,556	49	872	2,526
Arising During the Year	71	477	38	1,404	1,990
Utilised During the Year	(7)	(169)	(39)	(46)	(261)
Reversed Unused	-	-	-	-	-
Unwinding of Discount	(9)	78	-	19	88
At 31 March 2012	104	1,942	48	2,249	4,343

Expected Timing of Cashflows:

Within One Year	7	178	48	1,638	1,871
Between One and Five Years	27	662	-	168	857
Between Five and Ten Years	30	673	-	185	888
After Ten Years	40	429	-	258	727
Total	104	1,942	48	2,249	4,343

Year Ended 31 March 2011

	Pensions Relating to Former Directors £'000	Pensions Relating to Other Former Staff £'000	Legal Claims £'000	Other £'000	Total £'000
At 1 April 2010	55	1,719	69	456	2,299
Arising During the Year	-	-	31	452	483
Utilised During the Year	(7)	(197)	(17)	(45)	(266)
Reversed Unused	-	-	(34)	-	(34)
Unwinding of Discount	1	34	-	9	44
At 31 March 2011	49	1,556	49	872	2,526
Expected Timing of Cashflows:					
Within One Year	7	181	49	497	734
Between One and Five Years	29	686	-	179	894
Between Five and Ten Years	13	385	-	174	572
After Ten Years	-	304	-	22	326
Total	49	1,556	49	872	2,526

Year Ended 31 March 2010

	Pensions Relating to Former Directors £'000	Pensions Relating to Other Former Staff £'000	Legal Claims £'000	Other £'000	Total £'000
At 1 April 2009	57	1,863	43	491	2,454
Arising During the Year	-	-	65	-	65
Utilised During the Year	(3)	(181)	(30)	(45)	(259)
Reversed Unused	-	-	(9)	-	(9)
Unwinding of Discount	1	37	-	10	48
At 31 March 2010	55	1,719	69	456	2,299
Expected Timing of Cashflows:					
Within One Year	7	181	69	45	302
Between One and Five Years	29	717	-	180	926
Between Five and Ten Years	19	504	-	199	722
After Ten Years	-	317	-	32	349
Total	55	1,719	69	456	2,299

Pension costs are calculated in accordance with NHS Pension Scheme rules, based on age, salary and length of service of employees.

Other provisions relate to operational claims and provisions. Of the increase in Other Provisions during 2011/12 £258,000 relates to a re-calculation in year of the basis of some operational claims; the remainder relates to commercially sensitive items.

Expected reimbursement from Primary Care Trusts under back to back cover is £454,000 (2011: £564,000; 2010: £690,000). This amount is included as an asset to the North Essex Partnership NHS Foundation Trust under Trade and Other Receivables (see note 18).

£5,522,640 (2011: £5,823,661; 2010: £4,016,150) is included in the provisions of the NHS Litigation Authority at 31 March 2012 in respect of clinical negligence liabilities of the North Essex Partnership NHS Foundation Trust.

24. Contingencies

24.1 Contingent Liabilities

	31 March 2012 £'000	31 March 2011 £'000
Employment Claims	17	26
Public Liability Claims	1	-
Total Contingent Liabilities	18	26

Contingent liabilities relate to six (2011: eight) employment claims and one (2011: zero) public liability claim. The NHS Foundation Trust obtains guidance from the NHS Litigation Authority regarding the likelihood of legal actions crystallising and their value.

The NHS Foundation Trust is in the process of disposing of the non-operational land and buildings at the Severalls site in Colchester. This is a major site for future residential development and the NHS Foundation Trust has entered into agreements with regards the road and education infrastructure with third parties.

The Trust entered into the following agreements in relation to the Severalls Hospital site:

Tripartite Agreement dated 20 March 2006 – Terminated 4 January 2011

Bipartite Agreement dated 25 January 2007

S106 Agreement dated 21 March 2006.

NAR3 Agreement dated 4 January 2011

Education Funding Agreement dated 4 January 2011

Legal advice has been obtained on the agreements to the effect that the Trust has no liability at this point in time that needs to be recorded in the accounts.

24.2 Contingent Assets

There are no contingent assets as at 31 March 2012 or as at 31 March 2011.

25. Prudential Borrowing Limit

North Essex Partnership NHS Foundation Trust is required to comply with, and remain within, a prudential borrowing limit. This is made up of two elements:

- i) The maximum cumulative long term borrowing limit. This is set by reference to the four ratio tests set out in Monitor's *Prudential Borrowing Code*. The financial risk rating set up under Monitor's *Compliance Framework* determines one of the ratios and therefore can impact on the long term borrowing limit.
- ii) The amount of any working capital facility approved by Monitor.

Further information on the *NHS Foundation Trust Prudential Borrowing Code* and *Compliance Framework* can be found on the website of Monitor, the Independent Regulator of Foundation Trusts.

North Essex Partnership NHS Foundation Trust had a prudential borrowing limit of £26,500,000 in 2011/12 (2010/11: £28,200,000; 2009/10: £26,700).

	2011/12 £'000	2010/11 £'000	2009/10 £'000
Maximum Cumulative Long Term Borrowing Limit set by Monitor	18,500	20,200	19,200
Working Capital Facility	8,000	8,000	7,500
Prudential Borrowing Limit	26,500	28,200	26,700

The Long Term Borrowing Limit for 2011/12 is a Tier 2 limit; the Long Term Borrowing Limit for 2010/11 and 2009/10 is a Tier 1 limit.

North Essex Partnership NHS Foundation Trust utilised £7,000,000 and £5,000,000 of the long term borrowing limit during the year (2011: £4,000,000; 2010: £4,000,000) as a source of finance for capital schemes. The fixed interest rate is 2.65% per annum for £7,000,000 and 1.42% for £5,000,000 (5.33% per annum for amounts previously utilised).

Long Term Borrowing Limit

	2011/12 £'000	2010/11 £'000	2009/10 £'000
Maximum Cumulative Long Term Borrowing Limit set by Monitor	18,500	20,200	19,200
Long Term Borrowing as at 1 April	(7,333)	(3,778)	(4,000)
Long Term Borrowing – Amounts Drawn Down	(12,000)	(4,000)	-
Long Term Borrowing – Repayments Made	978	445	222
Long Term Borrowing Available	145	12,867	15,422

	2011/12		2010/11		2009/10	
	Actual PBL Ratios	Approved PBL Ratios	Actual PBL Ratios	Approved PBL Ratios	Actual PBL Ratios	Approved PBL Ratios
Minimum Dividend Cover	2.9	1	3.1	1	2.6	1
Minimum Interest Cover	9.5	2	18.0	3	34.0	3
Minimum Debt Service Cover	1.9	1.5	5.0	2	10.4	2
Maximum Debt Service to Revenue	2.6%	10%	1.3%	2.5%	0.6%	2.5%

Details of these calculations can be found at <http://www.monitor-nhsft.gov.uk/home/our-publications/browse-category/guidance-foundation-trusts/mandatory-guidance/prudential-borro>

26. Financial Instruments

26.1 Financial Assets

	Loans and Receivables £'000	Total £'000
NHS Receivables	1,693	1,693
Cash at Bank and in Hand	23,196	23,196
Other Financial Assets	733	733
Total at 31 March 2012	25,622	25,622
NHS Receivables	1,725	1,725
Cash at Bank and in Hand	17,382	17,382
Other Financial Assets	432	432
Total at 31 March 2011	19,539	19,539
NHS Receivables	1,035	1,035
Cash at Bank and in Hand	18,289	18,289
Other Financial Assets	565	565
Total at 31 March 2010	19,889	19,889

All financial assets are held at book value. Book value is considered to be fair value.

26.2 Financial Liabilities

	Other Financial Liabilities £'000	Total £'000
Borrowings	18,355	18,355
Other Financial Liabilities	8,819	8,819
Total at 31 March 2012	27,174	27,174
Borrowings	7,333	7,333
Other Financial Liabilities	7,147	7,147
Total at 31 March 2011	14,480	14,480
Borrowings	3,778	3,778
Other Financial Liabilities	7,496	7,496
Total at 31 March 2010	11,274	11,274

All financial liabilities are held at book value. Book value is considered to be fair value.

26.3 Financial Risk Management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the year in creating or changing the risks a body faces in undertaking its activities. Because of the continuing service/provider relationship that North Essex Partnership NHS Foundation Trust has with Primary Care Trusts and the way those Primary Care Trusts are financed, the NHS Foundation Trust is not exposed to the degree of financial risk faced by business entities. Also, financial instruments play a more limited role in creating or changing risk than would be typical of listed companies, to which these standards mainly apply. The NHS Foundation 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 NHS Foundation Trust in undertaking its activities.

North Essex Partnership NHS Foundation Trust has a treasury management policy which allows the NHS Foundation Trust to carry out its own treasury management operations. The NHS Foundation Trust's treasury activity is subject to review by the NHS Foundation Trust's internal auditors.

Currency Risk

The NHS Foundation Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and Sterling based. The NHS Foundation Trust has no overseas operations. North Essex Partnership NHS Foundation Trust therefore has low exposure to currency rate fluctuations.

Interest Rate Risk

All of the NHS Foundation Trust's assets and liabilities carry nil or fixed rates of interest. North Essex Partnership NHS Foundation Trust is not therefore exposed to significant interest rate risk.

Credit Risk

The majority of the NHS Foundation Trust's income is from legally binding contracts with other public sector bodies. North Essex Partnership NHS Foundation Trust therefore has low exposure to credit risk. The maximum exposure as at 31 March 2012 is in receivables from customers as disclosed in Note 18.

Liquidity Risk

The NHS Foundation Trust's net operating costs are incurred under contracts with Primary Care Trusts, which are financed from resources voted annually by Parliament. The NHS Foundation Trust largely funds its capital expenditure from funds made available from Government under an agreed Prudential Borrowing Limit. North Essex Partnership NHS Foundation Trust is therefore not exposed to significant liquidity risk.

26.4 Maturity of Financial Liabilities

	31 March 2012 £'000	31 March 2011 £'000	31 March 2010 £'000
In one year or less	11,033	8,125	7,941
In more than one year but not more than two years	2,215	978	445
In more than two years but not more than five years	6,644	2,935	1,335
In more than five years	7,282	2,442	1,553
Total	27,174	14,480	11,274

27. Post Balance Sheet Events

There are no Post Balance Sheet Events.

28. Related Party Transactions

North Essex Partnership NHS Foundation Trust is a body corporate established by order of the Secretary of State for Health. The Independent Regulator of NHS Foundation Trusts ("Monitor") and other NHS Foundation Trusts are considered related parties. The Department of Health is regarded as a parent organisation. North Essex Partnership NHS Foundation Trust considers all NHS organisations to be related parties.

In addition, North Essex Partnership NHS Foundation Trust has had a number of transactions with other Government Departments and other central and local Government bodies during the year. The NHS Foundation Trust receives revenue payments from North Essex Partnership NHS Foundation Trust Charitable Funds, of which North Essex Partnership NHS Foundation Trust is sole Corporate Trustee and is therefore considered a related party.

The related party transactions described above are summarised below.

	For the year ended 31 March 2012		As at 31 March 2012	
	Receipts from Related Party £'000	Payments to Related Party £'000	Amounts due from Related Party £'000	Amounts owed to Related Party £'000
Cambridgeshire and Peterborough NHS Foundation Trust	367	1,404	2	102
East of England Ambulance Service NHS Trust	-	437	-	50
Mid Essex Hospital Service NHS Trust	197	235	16	43
The Princess Alexandra Hospital NHS Trust	2	567	35	47
East of England Strategic Health Authority	3,670	-	149	330
Mid Essex PCT	76,309	71	1,316	1,160
North East Essex PCT	730	270	23	138
Redbridge PCT	335	-	-	-
South East Essex PCT	2,868	173	29	-
Suffolk PCT	1,321	2	27	16
West Essex PCT	10,025	1,588	144	899
NHS Business Services Authority (including NHS Supply Chain)	-	965	-	81
Essex County Council	7,021	4,743	554	478
Norfolk County Council	5	-	-	250
HM Revenue and Customs	-	5,012	120	1,561
NHS Pensions	-	10,565	-	952

	For the year ended 31 March 2011		As at 31 March 2011	
	Receipts from Related Party £'000	Payments to Related Party £'000	Amounts due from Related Party £'000	Amounts owed to Related Party £'000
Cambridgeshire and Peterborough NHS Foundation Trust	15	1,454	28	206
Colchester Hospital University NHS Foundation Trust	-	1,035	-	156
Mid Essex Hospital Service NHS Trust	206	745	11	33
The Princess Alexandra Hospital NHS Trust	32	1,188	35	26
East of England Strategic Health Authority	6,295	-	754	-
Mid Essex PCT	76,128	281	232	165
North East Essex PCT	257	1	246	143
Redbridge PCT	340	-	-	-
South East Essex PCT	1,592	-	-	-
Suffolk PCT	1,169	-	-	-
West Essex PCT	9,122	1,818	371	1,074
NHS Purchasing and Supply Agency	-	410	-	7
Essex County Council	7,508	-	-	-
Big Lottery Fund	944	-	-	37
HM Revenue and Customs	-	18,357	-	1,502
NHS Pensions	-	10,309	-	843

All transactions described in the above tables arise from normal operating activities. The amounts due from or payable to the related parties are payable in cash. No guarantees have been given or received and no securitisations exist.

During the year none of the Board Members, members of key management staff, Governors or parties related to them has undertaken any material transaction with North Essex Partnership NHS Foundation Trust, other than remuneration. Key management staff includes all those individuals or entities controlled by them that have been identified as Senior Managers in Note 9.

29. Third Party Assets

North Essex Partnership NHS Foundation Trust held £206,440 cash at bank and in hand at 31 March 2012 (2011: £283,257; 2010 £263,846) which relates to monies held by the NHS Foundation Trust on behalf of patients. This has been excluded from the cash at bank and in hand figure reported in the financial statements.

30. Losses and Special Payments

There were 53 cases of losses and special payments (2011: 44 cases), totalling £971,000 (2011: £142,000). These amounts are disclosed on an accruals basis, excluding provisions for future losses.

An external payment fraud was committed against North Essex Partnership NHS Foundation Trust during the year totalling £896,700. £536,966 was recovered from the fraud, and the remaining £359,734 was received as compensation from the shared service provider. Therefore, the net loss to North Essex Partnership NHS Foundation Trust was £nil.

There were no cases exceeding £250,000 during the preceding financial year.

	31 March 2012		31 March 2011	
	Number	£'000s	Number	£'000s
Losses				
Loss of Cash	18	905	14	3
Fruitless Payments	-	-	1	-
Bad Debts and Claims				
Abandoned	6	7	1	24
Damage to Buildings, Property, etc	-	-	7	4
	<hr/>	<hr/>	<hr/>	<hr/>
Special Payments				
Compensation Under Legal Obligation	15	56	14	109
Extra Contractual to Contractors	-	-	-	-
Ex Gratia Payments	14	3	7	2
Extra Statutory and Regulatory	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Recovered Losses				
Compensation payments received	1	897	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

31. Prior Period Adjustment

During the year, there was a change in accounting policy, in accordance with the *NHS Foundation Trust Annual Reporting Manual 2011/12* issued by Monitor. This related to the treatment on Government Grants, in accordance with IAS 20 – Accounting for Government Grants and Disclosure of Government Assistance. The impact of this Prior Period Adjustment is set out below.

During the year, a misstatement was identified relating to the 2010/11 financial statements. Whilst not material to the accounts of North Essex Partnership NHS Foundation Trust, the adjustment is material in nature to the operating segment of Enable East. For this reason, a restatement has been made, in accordance with IAS 8 – Accounting Policies, Change in Accounting Estimates and Errors, and is set out below.

Statement of Comprehensive Income

	31 March 2011 £'000	31 March 2010 £'000
Operating Income as previously stated	107,350	105,224
Adjustment re IAS 20	(19)	172
Operating Income Restated	107,331	105,396
Operating Expenditure as previously stated	(108,776)	(104,949)
Adjustment re IAS 8	87	-
Operating Expenditure Restated	(108,689)	(104,949)
Operating Surplus/Deficit as previously stated	(1,426)	275
Adjustments re above	68	172
Operating Surplus/Deficit Restated	(1,358)	447

The impact of the above adjustments flows through the Statement of Comprehensive income, with an adjustment of £68,000 (2010: £172,000) being made to the Surplus/(Deficit) from Continuing Operations; the Surplus/(Deficit) For The Year, and the Total Comprehensive Income and Expenditure for The Year.

Statement of Financial Position

	31 March 2011 £'000	31 March 2010 £'000
Trade and Other Receivables as previously stated	2,226	
Adjustment re IAS 8	11	
	2,237	
Trade and Other Receivables Restated	2,237	
Trade and Other Payables as previously stated	(6,722)	
Adjustment re IAS 8	76	
	(6,646)	
Trade and Other Payables Restated	(6,646)	
Other Liabilities as previously stated	(2,281)	(1,767)
Adjustment re IAS 20	153	172
	(2,128)	(1,595)
Other Liabilities Restated	(2,128)	(1,595)

The impact of the above adjustments flows through the Statement of Financial Position, with an adjustment of £240,000 (2010: £172,000) being made to Total Assets Less Current Liabilities; Total Assets Employed and Total Taxpayers' Equity.

Statement of Changes in Taxpayers' Equity

	31 March 2011 £'000	31 March 2010 £'000
Surplus/(Deficit) for the Year	(3,741)	(2,302)
Adjustment re IAS 20	(19)	172
Adjustment re IAS 8	87	-
	(3,673)	(2,130)
Surplus/(Deficit) for the Year Restated	(3,673)	(2,130)
Taxpayers' Equity at 31 March	69,603	88,734
Adjustment re IAS 20 2009/10	172	172
Adjustment re IAS 20 2010/11	(19)	-
Adjustment re IAS 8	87	-
	69,843	88,906
Taxpayers' Equity at 31 March Restated	69,843	88,906

Cash Flow Statement

	31 March 2011	31 March 2010
	£'000	£'000
Cash Flows From Operating Activities	(1,426)	275
Adjustment re IAS 20	(19)	172
Adjustment re IAS 8	87	-
	(1,358)	447
(Increase)/Decrease in Trade and Other Receivables	350	
Adjustment re IAS 8	(11)	
	339	
Increase/(Decrease) in Trade and Other Payables	(510)	
Adjustment re IAS 8	(76)	
	(586)	
Increase/(Decrease) in Other Liabilities	45	285
Adjustment re IAS 20	19	(172)
	64	113