

Annual Report *and Accounts*

1 April 2012 - 31 March 2013



compassion quality care

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North Essex Partnership University NHS Foundation Trust

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

Compassion – Quality - Care

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

From the Chairman and Chief Executive Outstanding Care, Transforming Lives

We are very pleased to present our report to the people of Essex and Suffolk, together with a big thank you to all our staff – over 2100 of them. Monitor has approved our new Constitution and this means we are now *North Essex Partnership University NHS Foundation Trust*. We applied for this change to recognise the importance we give to academic excellence, research and clinical effectiveness.

We provide mental health services and are very proud to do so. We also have won new contracts to provide services to marginalised and vulnerable people (like the homeless, travellers, migrants) in Suffolk, whose health is too easy to overlook. We are also pleased that we have started to run three GP practices in Thurrock – Acorns, Dilip Sabnis and St Clements. We believe our approach to working in the community makes us very suitable to run these new services – our way of doing things! We want our new Commissioners – the GPs in the Clinical Commissioning Groups who provide the money – to know us most for doing what we say we will, doing it well, on time and always with compassion.

This year will probably be remembered as the year of the *Francis Report* into the scandal at Mid Staffordshire Hospital.

People everywhere were appalled by what they saw and heard and inevitably, everyone – patients, families and staff – thought long and hard about this and wondered how it could happen and whether it could also happen in other parts of the NHS?

One purpose of this report is to tell you what our experience has been, drawing from all the things we do – hundreds of thousands of things - how we measure success, what the statistics tell us and what people tell us in the feedback we collect from patients and from staff. This kind of discussion is the best way of keeping up standards *and* keeping everyone vigilant. Openness and honesty is the best way and it is our way.

That said, we know that this Annual Report is unlikely to be read from cover to cover but we want it to be a reference point for people who are interested in helping us to develop the quality of what we do and making sure we do it in a way that local people want.

We are a Foundation Trust with around 9,000 members. These members (staff and the public) elect Governors. 27 are elected by public members, 9

elected by staff and 9 appointed by partners like the Universities, Mind and HMP Chelmsford. These Governors also represent the public in all our deliberations. Governors, who are *not* paid to do the job, now have extra powers too, conferred on them by the Health and Social Care Act 2012.

Patients and their families expect the best and that's exactly how it should be. But if things go wrong, or they are not as good as you would want, you can help us to make it right and to improve. We need people to get involved!

We want people to tell us when things do not go well – despite the negative connotations we do want to encourage people to complain so that we can put things right where needed. We also need your help to guide our choices. Having patients or carers on staff interview panels (as we do here) really does help – we are very good at checking qualifications and experience but we also need people's views about the kind of staff we are recruiting. You can help us with staff training (patients and carers speak to all new staff starting here with advice on being better doctors, nurses, therapists, administrators and so on).

You can also join the Trust, becoming a member and get involved in planning and setting our priorities. You can also help us campaign in the community – workplaces and schools - for greater understanding about mental health services and the treatment, the very effective treatments, available.

We report here on what we think is a brilliant performance – something we will continue to deliver. We will continue to be inspected by regulators and commissioners and that's good too. However we are offering a partnership to the people of Essex and Suffolk whether you are a patient, a carer or not.

The cause of the NHS and keeping it true to its ideals depends on the professionalism, skills and compassion of our staff. It also needs your involvement.

So we hope you will look at this Annual Report. You may look at things you are most interested in or perhaps things you are not too sure of but you then use it; use it to inform your opinions of what really goes on here, use it to be involved.

The very best of the NHS will be found in these pages because it is about what happens here, at hospitals and in the community, every day.

Chris Paveley
Chair

Andrew Geldard
Chief Executive

From David Pickles, Lead Governor

In October last year I was elected by my peers as their Lead Governor for the forthcoming twelve months.

I was stepping into the shoes vacated by Dan Kessler who had been the Lead Governor since 2007 when the Trust first attained Foundation Trust status. Last year he led the Governors through the process of selecting a new Chair and I believe that he has left the Trust in good hands, but he will be missed.

Governors are elected by our members, but we represent the interests of the community at large. During this period of change in how care is commissioned within the NHS we need to ensure that we reflect your views.

During this year we will be making an increased effort to engage both with our members and the communities we serve by holding local meetings where you can express your views. The Governors bring expertise and enthusiasm and make sure that your experiences influence the Trust's priorities and its strategic direction.

I would like to take the opportunity of thanking Brian Spinks the Deputy Lead Governor who has been supportive in my first few months in office, plus of course the Council of Governors who have been most interactive and engaging during this period of change.

Secondly I also want to thank the staff for everything they do; they are the backbone of the Trust. The support and engagement they have extended to us the Governors makes our task so much easier.

Most importantly of all I think this report demonstrates that the Directors and the Governors work extremely well together, in a partnership that challenges us to even further improve mental health and community services.

Change is no matter of chance. It is a matter of choice. It is not a thing to be waited for, it is a thing to be achieved, and that is the objective of the Board, Staff and Council of Governors of our Trust.

David Pickles
Lead Governor

Who we are

- We provide specialist mental health and substance misuse services across Essex
- Marginalised and Vulnerable Adults (MVA)
- GP Practices

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 Resolution and Home Treatment
- Assertive Outreach
- 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

At the time of writing we had provided:

- 47,161 day care attendances
- 115,867 occupied bed days in our hospitals
- 71,204 outpatient appointments attendances
- 89,996 face to face meetings with patients in the community

- 61,332 telephone calls to patients about their care
- 88,426 face to face contact with specialist teams in Trust premises
- 18,579 drug and alcohol appointments attendances

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.

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 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 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 Strategic Objectives

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.

Trust-wide Highlights

Panicaid shortlisted for award

Panicaid, a new iPhone app produced by North Essex Partnership to help people cope with anxiety and panic attacks was shortlisted for the Health Enterprise East 2012 Innovation Award.

Dr Joost Drost, Consultant Psychologist at North Essex Partnership researched the content and worked with developers, High Barn to produce the app.

Patient Survey Records Steady Progress

The annual satisfaction survey of people who use community mental health services shows steady improvements at the Trust.

The overall comparative results show the Trust has improved, according to these customers, in 15 areas and that last year's category where we were below most other Trusts - day to day living - has improved in numbers and has caught up with most Trusts.

We're amongst the best in the country for patients understanding their care plans, and having a printed copy. We are the best in the country for providing out of hours contacts.

When patients were asked to give us an overall rating we scored 7.3 (out of 10) and the best in the country is 7.8.

Staff Survey

The annual national staff survey results reveal that staff at North Essex Partnership would recommend the Trust as a good place for their friends and family to be treated.

- 63% of our staff would recommend North Essex Partnership to patients (up from 60%)
- 65% recommend it as a place to work (up from 62%)
- 84% are satisfied with the quality of care they deliver
- 79% say "they are personally pleased with the standard they work to"
- 86% say "the organisation encourages staff to report errors and incidents"
- 86% say "my organisation does not blame or punish people who are involved in errors, near misses or incidents."
- 66% said they had equality and diversity training

Overall staff engagement is 3.77 out of 5 (up from 3.75 and better than the national average of 3.70). **Further details of the staff survey can be found on page 73.**

Journeys

The Trust launched the Journeys programme which is about re-designing services so that patients will have quicker access to treatment and better outcomes. It is driven by clinicians who will be able to spend more time treating patients. The Journeys Programme is about removing barriers to patient care and ensuring that patients access the right care and treatment at

the right time in the right place. The Trust recognises that there is no “one-size-fits-all” and the Journeys Programme will address this. The Trust is driving forward the idea that Form must Follow Function when it comes to putting together treatment packages and service models.

Remedy

REMEDY, the Trust’s new clinical information system which replaces CareBase was purchased during the year. This new system allows clinical staff to access information from any location. This is a much more robust system for storing patient information.

Anti-stigma Conference

The Trust still has a challenge to stop stigma and discrimination against people with mental illness. Hollywood’s portrayal of mental illness was the subject at a conference to tackle mental health discrimination. 100 people attended the conference which was held at the Central Baptist Church in Chelmsford on 14 May 2012.

Olympic Champion Opened St Aubyn Centre

Rebecca Adlington, double Olympic Champion officially opened the St Aubyn Centre on 16 October 2012.

The St Aubyn Centre is a state-of-the-art building which is specifically designed for treating children and young people aged 11 – 18 years old with complex and/or severe mental health problems. The building replaces Longview Child and Adolescent Mental Health Unit which was previously at Turner Road. The building is named after Mary St Aubyn, former Trust Chairman.

Top of the class

A graduation ceremony for Healthcare Assistants and Occupational Therapy Assistants at the Trust was held on 25 July 2012 at Pontlands Park Hotel. 15 staff received their Foundation Degrees in Health Sciences from the University of Essex.

We made the higher grade

North Essex Partnership’s Crystal Centre in Chelmsford was re-accredited as a Practice Development Unit by Bournemouth University.

The re-accreditation is without conditions for further three years which resulted from a full and thorough assessment of Older Adults Services at the Crystal Centre.

Trust MaPPs the way

The Trust introduced a new way for patients to understand their medications.

Medicines a Patient Profile summary, MaPPs is a system that produces information about *all* the medications a patient may be taking. This means that someone undergoing treatment can know how they work and how they interact with other medications they are taking for physical as well as mental health.

Trustline serves up success

77% of 12,288 people using *Trustline* rated it 'good'; less than 5% rated it 'poor'. *Trustline* is an out-of-hours telephone service for people in mental health crisis.

Additionally, the line was awarded the Customer Contact/Mental Health Helplines Partnership Accreditation.

Youth Conference

140 students and staff from 20 schools in Essex and Suffolk attended a Youth Conference about Mental Health and Wellbeing on 29 November 2012 at the Central Baptist Church, Chelmsford.

The conference was organised by the Trust and supported by LINKs (Local Involvement Network) to raise awareness of mental illness and de-mystify treatment.

Veterans Conference

A conference for veterans was held at the Weston Homes Community Stadium on 19 September 2012. North Essex Partnership, Combat Stress and Colchester Garrison's Department of Community Mental Health (DCMH) came together in 2011 to form the North Essex Veterans Mental Health Network (NEVMHN). NEVMHN works under the slogan A United Approach and aims to support and promote access to mental health services for former service personnel. In its first year, NEVMHN has improved links between organisations working in the field locally and supported the creation of NHS North Essex Partnership's Veterans First service.

The Extra Mile

More than 250 people took part in the Extra Mile Walk on World Mental Health Day, on 10 October 2012 in Central Park Chelmsford. The event was attended by the Mayor and Mayoress of Chelmsford City, Christopher and Marian Kingsley. More than 70 students from Chelmsford College took part in the walk.

Patient Care Highlights by Area

Children & Young People's Services

Child and Adolescent Mental health Services (CAMHS)

Early Intervention in Psychosis (EIP)

Children's Learning Disability Service (CLDS)

Toni Scales

Area Director

CAMHS fast facts:

1,300 people were referred to us. We run a Single Point of access – the CAMHS Gateway. This means that referrals are more appropriate and accurate so referrals are down 50% but we are busier than ever. Generic CAMHS beds have increased from 13 to 15 this year with the addition of a further 10 Psychiatric Intensive Care Unit (PICU) beds (all located within our new Tier 4 service at The St Aubyn Centre). During the first 6 months of operation we have admitted over 70 young people to this facility.

235 A & E Assessments undertaken annually by the CAMHS crisis team who have recently re-located to The St Aubyn Centre (minimum caseload of 85 young people).

97 Referrals received by the CAMHS Eating Disorders Team who have recently re-located to Maplehurst on the Severalls site (caseload of 76 young people).

Early Intervention in Psychosis (EIP) fast facts:

200 new referrals received

34 cases receiving a service for more than 3 years

49 cases were young people aged under 18 years

Current caseload 285

Children's Learning Disability Service (CLDS) fast facts:

96 referrals received

Current caseload 64

This year has seen the successful completion of the CAMHS Gateway Pilot in partnership with Tier 2 CAMHS in ECC. The current Gateway model will continue into 2013/14 as a CQUIN scheme. The Gateway ensures that all referrals to Tiers 2 and 3 are screened jointly and either signposted to other providers or assessed by the most appropriate CAMHS service.

In June 2012 our adolescent unit was re-located from Turner Road in Colchester to a new purpose-built facility on the Severalls site. This new unit provides 15 generic beds and 10 new PICU beds (all en-suite) with improved facilities for education, therapy and recreation.

All admissions to The St Aubyn Centre are managed through an assessment which includes the referrer, inpatient staff, 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. The St Aubyn Centre admits young people aged up to 17 years (18 birthday) unless adult services are deemed to be more appropriate. New intensive care pathways have been developed to reduce the length of stay for young people in hospital and to improve their clinical outcomes.

A very positive achievement in 2011 was the development of a Pilot CAMHS Specialist Eating Disorders Team. The treatment provided is an evidence-based model called Multi-Family Therapy and is already showing improved outcomes for young people affected by Anorexia Nervosa. Rising demand and the continued success of this service has secured recurrent income from our commissioners to provide this service from 2013/14.

The Tier 3 CAMHS Teams in Mid re-located to the C&E Centre in Chelmsford in April 2013 (satellite clinics will operate in Maldon and Halstead).

As a result of the Comprehensive Spending Review within Essex County Council we have been given formal notice that our Section 75 Agreement with Essex County Council (where their staff are seconded to us) will not be extended beyond March 2013. This has resulted in the loss of 12.5 whole time equivalent staff over the last two years equivalent to a 600k reduction in investment into specialist CAMHS by the Council.

Early Intervention in Psychosis has been raising their profile with a Public Awareness Campaign in schools, colleges and town centres in West Essex. This resulted in the Conservative MP for Harlow, Robert Halfon making a visit to the service to gain a greater understanding of their work.

We have re-modelled our service delivery and now offer an extended period of treatment (5 years from 3 years) with an increased awareness of “watch and wait” cases that are now reported to commissioners.

As part of a Young Person’s Directorate we have developed the opportunity for staff to gain experience/take up secondments in other services within our management sphere.

Children's Learning Disability Service has extended their remit across all three CCG cluster areas and are an integral part of the Accommodation Review in Mid Essex.

All clinical teams have participated in the Journeys Programme mapping exercise and we have made significant progress with our Care Pathways.

North East Area
Peter Flack
Area Director

North East fast facts:

North East Veterans

36 Adult Acute inpatient beds

60 Older Adult inpatient beds

11 Rehab beds

21 Continuing Care beds

8 Multi-Disciplinary Community Mental Health Teams

Dedicated, age-inclusive, Dementia Service

Specialist Older Adult Home Treatment service

521 staff

The North East Essex area provides mental health services to a local population of approximately 355,000 people across the Colchester, Tendring and Halstead locality - services that aim to deliver a holistic approach to recovery and social inclusion.

Our staff are our largest and most valued resource. We intend to build on the work we had already begun by ensuring that staff feel listened to, empowered, involved in service planning, are appropriately trained and have development opportunities and future career development plans.

Our commitment to a collaborative approach with service users and carers is well established with North East area having led the development of the recently adopted Service User and Carer Engagement and Involvement Strategy.

Engagement with a wide range of partners will also continue to be a priority and we will ensure that our already successful approach with our governors continues as will our engagement with GPs, commissioners, the whole health economy as well as a broad range of third sector and other agencies. We have continued to build on the planning and development work of previous years and some of the highlights of the last 12 months are outlined below:

- Introduction and development of the, age-inclusive, Dementia Service at the Emerald Centre (King's Wood) in Colchester.
- Dementia Memory Monitoring clinics became part of the Dementia Service - part of our specialised services approach aimed at improving quality and effectiveness.
- Implementation of the new Acute Treatment and Recovery Service (ATRS) for Older Adults in North East. A service specialising in the treatment of functional illnesses offering admission avoidance, early discharge and service provision over seven days.
- Provision of Home Treatment for Older Adults.
- Full implementation of the adult care pathway for Colchester and Halstead (the 'functional model').
- Development of a Veterans Mental Health Service – Veteran's First - aimed at supporting ex-military personnel, their carers and families.
- Project Hope. Working in partnership with commissioners to review and develop our Rehabilitation and Recovery services.
- Introduction of a seven day therapeutic programme for service users admitted to our acute adult wards in Colchester and Tendring.
- Introduction of the Recovery College and Care Farm
- Introduction of Care Home Liaison Nurses for Older Adult services.

In the year ahead we plan to:

Complete the optimisation of our local estate to ensure that our buildings better meet the needs of our service users, staff and services.

Develop an area-wide, age-inclusive, recovery service.

Achieve Practice Development Unit (PDU) accreditation for our older adult services

Harriet Carr-West
Area Director
West and Substance Misuse

West fast facts

32 Acute Adult Beds

4 Rehab beds supported by intensive community rehabilitation support

6 Multi-Disciplinary Community Mental Health Teams plus Crisis Resolution Home Team and Community Drug and Alcohol Team

440 Staff (West and Substance Misuse)

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 get their views about our services and how these should develop.

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.

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

- Phase 1 of the Derwent Centre Refurbishment Project has been completed with construction of the Garden Link, creation of additional car parking spaces and refurbishment work to develop the Lower Ground Floor Therapy area.
- Enabling works for Phases 2 - 5 of the Derwent Centre Project are complete with a planned start date of April 2013.
- The West Assertive Outreach Team was successfully integrated into local CMHTs, ensuring that the specialist service continues to be provided to the relevant number of service users for each area.
- The West-wide Day Services model was implemented in June 2012 with subsequent extension of day service activities to North and South Uttlesford.
- Teams have continued to work closely with colleagues from Employability who have developed an innovative computer skills programme based at Rectory Lane.
- The West locality has been selected as the pilot site for the Single Point of Access project.

- We have had active involvement in the Journeys Programme supporting plans to redesign services for both adults and older adults in line with HoNOS clusters.
- Staff have supported and engaged with the REMEDY programme at a number of levels.
- Dispensing by the Trust In-house Pharmacy has significantly reduced medication costs and has had positive feedback from service users and carers.
- The Young Onset Dementia pathway has been rolled out across west Essex.
- Full implementation of Admission Avoidance Project for Older Adults with appointment of three care home liaison nurses.
- Redesign of gardens at St Margaret's Hospital to provide therapeutic space for older adults with both functional and organic disorders.
- Development of Dependency Group to provide support with management of long term, complex cases.
- Introduction of a successful Survival Group on acute inpatient wards.
- Review of estate in west Essex has been completed, with a plan to present a west Essex Estate Optimisation Business Plan.
- Development of new community focused service model for rehabilitation.
- New model of care planned for Chelmer and Stort Wards to be piloted during the decant phase of the Derwent Centre refurbishment project.
- Active research programme involving a range of clinicians which includes some international trials.
- Active engagement has continued with quarterly meetings for Governors and a number of member engagement events.
- All teams and units have actively participated in ensuring we maintain compliance with the CQC essential standards of quality and safety.
- Development of a local Succession Planning Programme for managers in west Essex and Substance Misuse has been completed.
- The west Essex Patient Experience Board has enabled us to develop local action plans to respond to outcomes of national surveys and to support implementation of the Trust Service user and Carer Involvement Strategy.
- Continued development of outcomes measures including HoNOS and the Recovery Star.
- Good compliance with performance targets including CQUIN measures.

Joanne Paul
Area Director
Mother and Baby Unit, Mid Essex and Secure Services

Mid Essex Fast Facts

325 Staff and 90 Secure Services

A dedicated 5-bedded In-Patient Mother and Baby Service

47 Adult Beds

13 PICU Beds

20 Low Secure Beds

6 Multi-Disciplinary Community Mental Health Teams

Trustwide Criminal Justice Mental Health Team (CJMHT)

In Reach Team HMP and YOI Chelmsford

North Essex Partnership University NHS Foundation Trust's Low Secure Unit service (LSU) will open in July 2013 as Edward House at the Broomfield Hospital site in Chelmsford. The facility will provide care and treatment for men and women in a purpose built facility which in addition to meeting the service specification will provide:

- 20 en suite bedrooms
- Courtyard gardens
- Activities for daily living
- ADL training kitchen and facilities
- Therapy/meeting rooms
- Art Therapy room / facilities
- Women's only facilities
- Gymnasium
- Extra Care and seclusion facilities
- Staff rest room
- Co-location alongside other mental health in patient facilities offers resilience to service delivery
- An experience multi-disciplinary staff team with appropriate skills and competencies to deliver a high class service
- All care delivered under CPA framework linked to My Shared Care Pathway outcomes
- Access to independent Advocacy and IMHA arrangements
- Membership of the Quality Network for Forensic Mental Health Services
- Successful pilot project implemented providing mental health practitioners to police custody areas. This initiative is being rolled out Trustwide for 2013/14
- Partnering with Essex Probation to embed Psychologists within the service to support safe management and work with high risk offenders

- Continuing to provide Psychiatric Interim Care Unit (PICU) beds to Suffolk PCT and neighbouring NHS Trusts
- Christopher Unit PICU maintains its Accreditation as a centre of excellence with the Royal College of Psychiatry
- Cedar Unit (LSU) has delivered 6 regional CQUIN's improving the experience of the service user and enhancing the efficiency and effectiveness of the service.

Older Adult Services in Mid Essex continue to offer a high standard of care across the locality. To ensure we optimise the services, Maldon & Braintree Older Adult Community Mental Health Teams have become one, based in Witham at Old Ivy Chimneys currently and soon to relocate to New Ivy Chimneys as part of the mid Essex Estates Optimisation Programme.

There are several initiatives that continue to be worked on and are detailed further in the local area annual plan. We continue to ensure that the services are service user led and are fit for purpose, as well as building on national priorities ensuring that our core values and patient experience are embedded within our services. The MASS service continues to grow in demand and is supported by the commissioners of the service with further funding last year.

Crisis Resolution and Home Treatment and Assertive Outreach Team have now been successfully relocated as an integrated service into accommodation at the Linden Centre as part of the Mid Essex Estates Optimisation programme, to support the implementation of improved care pathways with the acute admission wards.

TRUSTLine has been introduced as a Trust wide service to offer support and advice to service users, family and friends through a partnership between NEPFT and Mid Essex Mind. So far, since the service began operating in April, more than 18,000 calls have been received.

Psychological Services

David Olive

Area Director for Psychological and Psychotherapy Services (APP)

The Directorate has 79 whole time equivalent (wte) staff in secondary care mental health services (66 clinical staff and 13 admin and support staff), 3.4 (wte) in Stroke Support, 17.5 wte seconded to Health in Mind (part of IAPT) and we host the 30 trainee clinical psychologists attached to the University of Essex.

In secondary care, approximately 82% of clinical hours are delivered in Adult Services and 18% in Older Adult services. Of the 82% in Adult services, 23%

are in Acute and Specialist teams, 17% in CMHTs and 41% in Complex Case services (including Eating Disorders). Less than 4% of the qualified establishment is dedicated management time.

At any one time there may be 15 to 20 trainee psychologists and/or honorary/trainee psychotherapists on part time placements with our teams. As well as the University of Essex we provide placements to trainee psychologists from the University of Hertfordshire and for various accredited psychotherapy training institutions in London.

We provide assessment, formulation, and treatment interventions to individuals, families and groups and provide training, supervision and consultancy to other staff and organisations. We have clinicians skilled in each of the main schools of therapy (CBT, Psychodynamic and Systemic) and strive to provide high quality, evidenced-based interventions.

It was a year of consolidation with both successes and disappointments in the APP Directorate.

- The interim Area Director was made substantive in September 2012 - allowing continuity in leadership and strategy
- Our Clinical Board has wide representation including a service user and public governor.
- Further development of the Older Adult and Neuropsychology provision in Mid area (in partnership with the Crystal Centre and the Mid area service manager) increasing the establishment from 1.5wte to 3wte applied psychology posts and 1wte assistant's post.
- Developing a new post and service structure for the Emerald Centre – the new dementia unit in North East Essex.
- Successful operation of the new Intensive Day Service for Eating Disorders (EDICT), which, together with the enhanced community services for adult Eating Disorders, resulted in maximum performance on the risk/share agreement with our local commissioners.
- Consolidation of the new service to provide Psychological Support for Stroke patients in Mid Essex.
- Extending the life of the Quality Innovation Prevention Performance (QIPP) programme in the North East, for the Intermediary Mental Health Service – a model which has shown good outcomes and value for money.
- Extending the Commissioning for Quality Innovation (CQUIN) programme for the enhancement of Personality Disorder awareness and working with complexity across Trust services.
- Chosen as the preferred partner to support the Probation Service in Essex with its work with serious offenders with a personality disorder.

- Chosen as the preferred provider for developing Interpersonal Therapy training for Improving Access to Psychological Therapies (IAPT) services in the Eastern region.
- Establishing an “outcomes” based culture and the introduction of CORE-NET (a system for scoring and reporting outcome data) - to further improve progress monitoring and reporting.
- Full engagement with both the REMEDY and Journeys programmes.

Unfortunately we were not successful with our partnership bid (with Rethink and Suffolk Mind) to run IAPT/Wellbeing services in Suffolk. Also, the highly successful risk/share agreement around Adult Eating Disorders is being dismantled because of contractual changes – an unforeseen negative consequence of the current changes to NHS commissioning.

The APP Directorate is committed to continuous improvements in quality and governance. We do this through a number of processes and schemes, some of which are Directorate specific and some of which are part of Trust-wide initiatives.

- We lead on a Commissioning for Quality and Innovation (CQUIN) scheme for increasing understanding of and capacity to work with complex personality disorder presentations across the Trust. Throughout 2011/12 and 2012/13 we have been providing KUF (Knowledge and Understanding Framework) for Personality Disorder training workshops.
- We have been developing a series of Key Performance Indicators (KPI) with commissioners (including bespoke outcome measures) that are relevant to secondary care complexity and are meaningful for the broad range of presentations that we assess and treat and the use of CORE-OM in community services has been subject to a CQUIN scheme in 2012/13.
- We have implemented routine service user and carer feedback systems across all our community teams.
- We have engaged with the Trust-wide Service User and Carer Involvement strategy and established representation on our Clinical Board.

Community Care

Vince McCabe, Director of Community Services

Suffolk Marginalised and Vulnerable Adults Outreach Service (MVAOS)

This service was won in open tender and was transferred to North Essex Partnership NHS Foundation Trust in August 2012. The aims of the service are to:

- Improve the health and wellbeing of the Marginalised and Vulnerable Adults across the deprived areas of Suffolk
- Support and assist Marginalised and Vulnerable Adults to integrate into mainstream services where there are particular challenges or barriers to access
- Improve access to primary healthcare through increased GP registration and facilitating access to mental health, substance misuse and social care services and networks.

The service provides an integrated NHS Suffolk wide primary care support service through:

- A main static base located in Ipswich
- “Spokes” model service in the 20 per cent most deprived areas in Suffolk and other locations identified
- Provision of specialist support to all GP practices

This support covers Marginalised and Vulnerable Adults across six communities:

- Homeless
- Refugee and asylum seekers
- Gypsy and travellers
- Migrant workers
- Other Black and Ethnic Minority people
- Ex-offenders

The current active caseload of the team is over 200 however there is a potential client base in excess of 2000, and therefore a very flexible set of services is required to prioritise areas of most need. Investment in mobile IT and vehicles to provide outreach clinical services is being put in place.

Essex-wide Reablement Service

This service was won in open tender in partnership between Essex Cares Ltd, NEPFT and Age UK. NEPFT is providing the nursing component of the service.

The objective of reablement is to support people to establish or re-establish their ability to live in the community in a sustainable way including:

- Preventing inappropriate hospital admission/readmission
- Allowing timely discharge from hospital
- Reducing the risk of accident
- Reducing ill health and disability
- Reducing the need for on-going care input

An Independent Living Strategy (covering house and home/daily living /self-care / connecting with others) is built with each individual for them to use at the end of their (average 6 weeks) reablement.

The service is run within 5 teams across Essex with an expected volume of activity of 5,100 reablement in year 1.

Primary Care Trust Medical Service (PCTMS)

The provision of PMS services to around 9000 patients in Thurrock was won in open tender and began on 1 March 2013. These services cover core GP as well as other enhanced services across 3 specific practice populations.

Quality Report and Quality Account 2012/13

Part 1 Statement on Quality from the Chief Executive

We have published the North Essex Partnership University NHS Foundation Trust (the Trust) Quality Report¹ and Quality Account² for a number of years and it provides an opportunity for us to present an overview of the quality of our services for the year past. In addition we present a number of priority improvements for 2013/14; a group of our Governors has been involved in the process as in previous years.

Within these pages you will find areas where we present statistics and indicators, where processes are audited and where regulators, especially the Care Quality Commission, inspect our services. I put equal importance on what patients, their families, and staff tell us, whether this is through the patient survey, individual complaints, notes of concern, questions asked and, of course, whistleblowing (we have recently reviewed our organisational openness policy and renamed it 'whistleblowing'). There are a great many ways in which anyone may raise any concern easily, if necessary anonymously, and with confidence that it is taken seriously and acted upon.

This Quality Report/Account tells the story of our journey through 2012/13. We opened our flagship bespoke building, called the St Aubyn Centre, providing services for adolescents in North Essex and other areas through 'spot-purchasing' of beds. Our old facility at Longview transferred across and we opened an additional ward of 10 beds providing a regional specialist unit for CAMHS intensive care, including a Section 136 suite³. Our new build low secure unit on the Broomfield Hospital site, close to our other in-patient facilities, is well underway and will open in the summer.

Quality is a key focus of our governance process, managed through our Risk and Governance Executive, providing assurance to the Trust Board of Directors. We assess ourselves annually against Monitor's Quality Governance Framework⁴ and last year the Board set itself some improvements for the year that have been completed and reviewed by the Board. In addition quality is a key focus of our area Clinical Board agenda and features in their annual Business Plans. Business plans have been extended to corporate functions that play a key role in supporting frontline staff to provide high quality services.

We have maintained our compliance with the Care Quality Commission Essential Standards of Quality and Safety and have taken seriously any

¹ Quality report required as part of Monitor's annual reporting process and is published in our Annual Report

² Quality account required by Secretary of State, is laid before Parliament and published on NHS Choices

³ Section 136 suite for adolescents detained under the Mental Health Act legislation

⁴ Monitor is the Foundation Trust regulator and Trust Boards must be able to answer the questions asked in the Quality Governance Framework

minor concerns we have received throughout the year. Topaz Ward at the Crystal Centre in Chelmsford received a very positive compliance report in respect of the dignity and nutrition themed inspection. The St Aubyn Centre was the subject of its first intensive compliance inspection since opening and a very positive report was received both from the compliance inspector and the Mental Health Act Commissioner who was one of the inspection team.

We have also achieved NHS Litigation Authority Level 1⁵ through re-assessment of their risk management standards. Our policies and procedures are of a high quality and provide the framework for delivering high quality care.

Nationally we have seen the Robert Francis Report published in the light of the Mid-Staffordshire inquiry and we will give this close consideration as we move forward. I declare that this Quality Report/Account is a fair and accurate reflection of quality in this Trust and as always your comments are welcomed.



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:

⁵ NHS Litigation Authority – risk management standards – 0 lowest, through 1 to 3 highest

- 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, 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

Strategic Objectives	Key Priorities
	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 Licence with Monitor (Foundation Trust Regulator)

As a Foundation Trust we work within our conditions of the new provider licence laid down by the 2012 Health and Social Care Act. 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/about-your-local-nhs-foundation-trust/nhs-foundation-trust-directory-and-register-licence-holders/no-4>

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

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 2012/13

In our 2011/12 Quality Account/Report we set ourselves a number of priorities for improvement for 2012/13. We have done this each year we have published a Quality Account/Report and several of the main headings have remained consistent for that period of time, with new priorities added each year. We involve our Council of Governors in this process and this follows on from the annual planning events that take place each autumn; this includes our staff governors. We also take account of national patient and staff surveys when setting these priorities. Most of the measures are softer but have included some hard measures such as CQUIN⁶ activity. This section looks back at what we said we would measure and what we actually achieved during the year.

1. Social inclusion and recovery model

What we said we would do in 2012/13	How we said we would measure	What we achieved in 2012/13	Responsibility
Develop a framework of approaches, interventions and structured activities that are both socially inclusive and recovery-orientated for all acute in-patient wards.	CQUIN 2012/13 structured activity on wards – <ul style="list-style-type: none"> • conduct baseline of current activity • roll out improvement plan to four acute mental health units to Peter Bruff, Linden Centre, Derwent Centre & The Lakes • base activity on secure services recommended levels but reduced from 25 hours to a minimum of 18 hours per person • audit tool developed and used in year identifying and implementing any remedial action 	Completed actions as at January 2013: <ul style="list-style-type: none"> • All data is collected within an agreed framework and evidences that all patients are offered a minimum of 18 hours planned activity per week • Therapeutic programmes and activities reflect recovery focussed interventions Actions completed as at the end of March 2013: <ul style="list-style-type: none"> • We have a clear definition for structured activity and data collected is specific to which activities are measurable and count towards the target of 18 hours minimum offered per week for each individual • All data presented in new format • Quality of provision exists across the Trust and all staff work to agreed minimum standards • Services are evaluated 	Director of Nursing and Operations Associate Director for Occupational Therapy and Allied Health Professionals

⁶ Commissioning for Quality and Innovation

What we said we would do in 2012/13	How we said we would measure	What we achieved in 2012/13	Responsibility
	<ul style="list-style-type: none"> Implement action plan Staged implementation of The Linden Centre improvement plan Piloting recovery resource centre Mid Project Hope – development and implementation of trust wide strategy 	<ul style="list-style-type: none"> Therapeutic day programmes for planned activity have been devised with engagement of service users All resources are allocated effectively A new skill mix has been agreed, which will sustain the levels of planned activity Individualised patient programmes evidence that a minimum of 18 hours have been offered <p>A new Mid Area Director commenced work in January 2013 and is in the process of signing off the current version of The Linden Centre improvement plan and will be producing a new concise action plan mapped to the CQC⁷ essential standards of quality and safety domains. This will be carried forward.</p> <p>Some work has progressed throughout the year including a steering group in Mid and North East; however, the projects are on hold pending transformation bids. Part of this will be carried forward to 2013/14 (see page 13)</p>	

2 The promotion of mental health

What we said we would do in 2012/13	How we said we would measure	What we achieved in 2012/13	Responsibility
Continue with a robust campaign of community, staff and membership engagement through various media and forums.	The Membership, Marketing and Public Relations Group will monitor this	<p>Membership and Engagement</p> <ul style="list-style-type: none"> As at 7 February this stood at 6,336, a net increase of 51 since September There has been a larger round of Governor Elections with additional governors in Suffolk and South Essex, and an increase to 9 staff governors. <p>Newsletter</p> <ul style="list-style-type: none"> Our public magazine has been useful as an introduction to the Trust but does not reach all 	Associate Director of Communication

⁷ Care Quality Commission – regulator of healthcare services

What we said we would do in 2012/13	How we said we would measure	What we achieved in 2012/13	Responsibility
<p>The emphasis in the coming year will be on recruitment rather than membership, however, our aim is to recruit 300 members.</p> <p>Maintain a membership that is representative of the local population</p>		<p>members and the focus will change for 2013/14</p> <ul style="list-style-type: none"> A Derwent Centre newsletter was sent to Governors and stakeholders in January 2013, also highlighted by the Harlow Star and North East Essex CCG⁸ <p>Staff members</p> <ul style="list-style-type: none"> We have been selected by the Department of Health to work with CleverTogether⁹ on Patient and Family Echo, an engagement tool for gathering ideas and promoting staff involvement. It is funded by the NHS Institute for Innovation and Improvement and it has to have some impact on patient experience. It is a secure chat room for staff to comment and vote on proposals generated and was launched on 26th February 2013 and the first campaign is on compassion, entitled “Based on your knowledge and experience what elements of your work or service would you change to become more compassionate?” Ideas are posted anonymously with a ‘heat map’ showing locations; Facebook style, people comment on ideas posted and like/dislike them over the 3 week period of the campaign. The information will be used as a learning exercise. <p>Campaigning</p> <ul style="list-style-type: none"> A number of schools across Essex have signed up to the drama competition for 2013. Five schools performed at the Trust AGM in 2012 and this is proving very successful. World Mental Health Day was celebrated in Central Park in October and planning is already in place for October 2013 with a theme of older adult services. A ‘stigma’ conference was held in May 2012 with 100 people in attendance Trust participated in TACMEP¹⁰ event in October 2012 Lunch and learn sessions launched with employers – 45 staff members at Tendring Council Schools participated in the opening of St Aubyn Centre on 18th October – students interview Rebecca Adlington who had also met patients in private. Many said this Q&A session was the best part of the event and has led to the school inviting the Trust in <p>Maldon Mid Essex MIND</p> <ul style="list-style-type: none"> An audience of 136 filled Maldon Town Hall to hear “Midnight Oil” Jazz Band and our own Katie Marsh, and £1285 was raised. <p>Tendring and Suffolk Coastal Councils</p> <ul style="list-style-type: none"> Four sessions have been run for Tendring Council who have decided to include mental health awareness in staff inductions and will periodically invite us along. Vocational services are also providing some sessions to Stansted Duty Free stores. <p>The Psychosis play with Terry Bird</p>	<p>Associate Director of Communication</p>

⁸ Clinical commissioning group

⁹ <http://clevertogether.com/public/>

¹⁰ Tendring and Colchester Minority Ethnic Partnership

What we said we would do in 2012/13	How we said we would measure	What we achieved in 2012/13	Responsibility
<p>Continue our development of 'Friends of' groups aiming for two new ones per year</p> <p>Reach out to young people through the schools campaign, youth groups and the youth involvement project, including the drama competition with finals at the APM</p> <p>Engage with employers to work with us on mental health awareness and changing attitudes</p> <p>Hold constituency meetings on a regular basis</p> <p>Acknowledge quality services through our annual</p>	<p>Successful development of 'Friends of' groups</p> <p>Successful engagement resulting in involvement by young people in a number of different ways and demonstrated through participation in the drama competition</p> <p>Vocational services quarterly and annual report</p> <p>Hold at least 15 constituency meetings in year</p> <p>Successful Celebration of Achievements and high quality of entries.</p>	<ul style="list-style-type: none"> We commissioned a play to be written and performed with a theme around psychosis, presenting the issues through drama with some humour. It will be 40 minutes long and will be ready May/June 2013. <p>Friends of ...</p> <ul style="list-style-type: none"> These meetings have not been successful, except for Friends of Landermere Centre and Friends of the Crystal Centre that meet regularly and raise money. Friends of the Rainbow Unit and the Linden Centre has raised some funds but not been sustained as a group. The groups that are already running will continue but no further efforts will be made to set up new ones. <p>Youth Matters Conference</p> <ul style="list-style-type: none"> 140 students and staff from 20 schools in Essex and Suffolk attended this conference on 19th November 2012. Keypad voting during the event showed that attitudes towards mental illness are changing. 81% of those who attended said that "people with mental illness have for too long been the subject of ridicule" 84% said that people with mental illness should be given some responsibilities 69% said that people with mental illness are far less of a danger than most people suppose One speaker imparted her experience of postnatal depression and the help she received. The students took part in workshops about Psychosis, Eating Disorders, Self-Harm, Occupational Therapy, Mental Health First Aid and careers in mental health Soap Sense, a drama competition about mental illness was launched for secondary schools with the final to be held in September at the Annual Public Meeting. This event held in 2012/13 was very successful <p>There are Supported Employment Managers in each Trust area. At the end of Q3 the number of service users registered with the vocational services team was 156 in West, 79 in North East and 131 in Mid. The number of service users with a vocational action plan in place was 115 in West, 73 in North East and 111 in Mid. The number of service users on a work placement or employment was – paid (unpaid) 33 (5) in West, 10 (0) in North East and 22 (0) in Mid. A quarterly monitoring report is produced.</p> <p>Members meetings</p> <ul style="list-style-type: none"> 25 people including at least 10 service users attended the Harlow members' meeting on 31st January 2013 21 people attended the Uttlesford members meeting on 24th January 30 people attended Colchester members meeting on 18th October 2012 	<p>Associate Director of Communication</p>

What we said we would do in 2012/13	How we said we would measure	What we achieved in 2012/13	Responsibility
<p>Celebration of Achievements and encouraging teams to submit projects for external awards</p> <p>Continue to focus on the physical healthcare management of service users (inpatients and community)</p>	<p>Continued success in external awards.</p> <p>CQUIN Physical health care management</p> <ul style="list-style-type: none"> • 100% of in-patients will be offered a physical healthcheck (CareBase) • Distribution of healthcare booklets to all new clinical staff (induction) • Physical healthcare training to new and existing staff (staff attendance) • Green exercise – pilot in one clinical area and evaluation • Agree a baseline for community service users (CareBase) • 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 	<p>Celebration of achievements This event is now held annually and has a high profile in the organisation. The focus is an event for staff acknowledging achievements and high quality care across the whole trust</p> <p>Physical healthcare</p> <ul style="list-style-type: none"> • Physical health checks in the community are now included in the community quality barometer. Having scoped community teams, it can be reported that all community teams that work with adults of working age offer physical health checks. Training and support to do this is offered and includes ECG recording and venepuncture. All clinics are now offering checks and it is possible to offer to 'appropriate' patients – those who have severe and enduring mental health and probably on anti-psychotic medication prescribed by the Trust. The Schizophrenia Commission Annual Report confirms the Trust is carrying out most of the recommendations contained within it. • The physical healthcare training programme is on-going, with physical healthcare booklets being distributed to new staff. Evaluation of the training shows the training to be relevant and well received. • We are increasing 'green' exercise in our units and using outdoor space in a more therapeutic manner. A Trust strategy has been developed, which is evidence based, to support staff to encourage use of outside space in all areas of the Trust. • Community teams have developed physical health clinics. • We have improved recording on CareBase around physical healthcare checks. • Information team produces a report on number of patients who have had physical healthchecks undertaken, as a % of service user population, and this is being used to aid analysis. • A nutritional flowchart was revised and made available to staff as tool to improve service user's diets. 	<p>Director of Nursing and Operations Nurse Consultant Physical Health</p>

What we said we would do in 2012/13	How we said we would measure	What we achieved in 2012/13	Responsibility
<p>The development and monitoring of an implementation plan in relation to the Service User and Carer Involvement Strategy</p>	<p>evident (baseline from pharmacy recording)</p> <ul style="list-style-type: none"> • 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) 	<p>Service user involvement</p> <p>There are a growing number of patient stories on our website. The Mental Way is a running blog of an individual's treatment. Service users speak at the monthly staff corporate inductions and these have been very successful. An example of the session held on 7th January showed 17 out of 21 feedback forms rating the session as 'excellent' and 4 'good'. This was the highest rating of the day. There were many really good comments, such as "I enjoyed the guest speakers part of the day. It was nice to hear the service users' experiences and to see their improvements by being able to share their stories; taking on board what a service user said, I will be aware that building relationships is important to build trust so that they feel comfortable to talk about their problems".</p> <ul style="list-style-type: none"> • Other opportunities include the patient led environmental inspections that are replacing PEAT¹¹, nursing training at The University of Essex, Patient Narrative (for the Journeys Programme), joining clinical boards, patient experience board, journeys programme and psychiatrists training. • Up to end March 2013 a Central Involvement Co-ordinator project managed the service user and carer involvement strategy. Up to end March 2013 a Trust Central Database set up and running. Local co-ordinators in place across the Trust to champion the importance of and process for involvement • Key reporting mechanisms developed. Handbook and publicity materials produced and workshops held. 21 people are on the database as at January 2013 with a target of 50 by 31st March. 40 involvement activities identified or conducted between August 2012 and January 2013 with a target of 50 by 31st March. • A service user/carers meeting was held with 10 people to discuss values based recruitment of staff. Service users/carers now speak at staff corporate induction since October 2012 and the feedback so far is excellent. 	<p>Associate Director of Communication</p> <p>Medical Director</p>

¹¹ Patient Environment Action Team

3. Improving medicines management

What we said we would do in 2012/13	How we said we would measure	What we achieved in 2012/13	Responsibility
Continue with implementing the Pharmacy Business Plan	<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 	<ul style="list-style-type: none"> Pharmacy staff are now visiting community teams, undertaking training and supplying outpatient prescriptions to all memory clinics. Research and development projects have started in West Essex under the leadership of Dr Walker. The appointment of the 0.5 WTE for medicines information and research and development has recently been made. A rotational post is now in place in West Essex but Colchester Hospitals University Foundation Trust pulled out in February 2013. An appointment has been made to a Band 6 post but this is not rotational. There are now 6 liaison nurses (2 in each area) for care homes. Improving information technology systems for medicines management has proven difficult. The new clinical information system will not help in phase 1. It has a medicines history page and pharmacy will try to improve on this in order for reconciliation to take place and be seen. The medication profile is required on the patient information system and this will be improved in the next phases. A new BT Powergate line is required. Pharmacy is unable to put Ascribe into wards and it is an on-going problem, with facsimile being used. The new MAPS patient medication information system is now in place and working successfully for all discharges. Access to System One in GP practices by pharmacy staff relies on information being put in it but will allow reconciliation for community patients. Transport remains an issue as the timetable does not match up with the workings of the pharmacy. This is subject to on-going discussion. 	<p>Medical Director</p> <p>Associate Director of Pharmacy</p>

4. Quality services through quality relationships

What we said we would do in 2012/13	How we said we would measure	What we achieved in 2012/13	Responsibility
<ul style="list-style-type: none"> 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 	<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 	<ul style="list-style-type: none"> Local GP engagement with Area Directors/teams continued At senior level, Directors are engaging directly with emerging GP leaders GP engagement through communications directorate 	<p>Director of Commercial and Service Development</p> <p>Area Directors</p>

What we said we would do in 2012/13	How we said we would measure	What we achieved in 2012/13	Responsibility
<p>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> <ul style="list-style-type: none"> • GP and other potential commissioner engagement for quality includes: <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>that inform GPs 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 QIPP¹² 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 	<ul style="list-style-type: none"> • Director representation at CCG events and contact with CCG leads in contract negotiations • CCG currently concentrating on authorisation, senior positions still in flux making engagement difficult, but beginning to settle • Short term 6 month temporary post to create Trust 'any qualified provider' model • Dr Caroline Dollery, local GP and member of the CCG, was the keynote speaker at the Trust clinical conference held in October • Negotiations continue with ECC regarding extension of partnership agreement • Contestability plans are no longer current 	

5 Improving engagement and support of staff

What we said we would do in 2012/13	How we said we would measure	What we achieved in 2012/13	Responsibility
<ul style="list-style-type: none"> • 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) 	<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 	<ul style="list-style-type: none"> • Early results from the 2012 staff survey indicate that 60% of respondents feel the Trust supports their health and wellbeing. This compares to 49% in comparator Trusts. • Strengthening Resilience – 11 members of staff have attended a 2-day train the trainer programme and training of the wider workforce commences in March. • The flu vaccine campaign has been a significant increase in uptake this year in comparison to last. 	Executive Management Team

¹² Quality, innovation, productivity and prevention

What we said we would do in 2012/13	How we said we would measure	What we achieved in 2012/13	Responsibility
<ul style="list-style-type: none"> Continue to act on staff survey results, hot topic cafes, and investors in people Continue to engage with staff at all levels of the organisation 	<ul style="list-style-type: none"> 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 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 	<ul style="list-style-type: none"> Training and Development Guide (an addition to the supporting staff at work series) was issued to all staff with pay slips in January 2013. Career surgeries continue and have proved extremely successful with over 80 staff attending a 1:1 session to discuss their career aspirations and seek support/development. Level 4 apprenticeships secured in business administration and HR Management have commenced. Board approval secured for our approach to talent management (to be rolled out as a pilot in the first instance). 3 additional Respect and Dignity Advisors appointed and trained bringing the total to 9. Staff forums with the Chief Executive. Keeping it Real sessions held with staff to discuss topical issues. Supporting staff at work month took place in May 2012, promoting health and well-being, EAP¹³, personal safety, interview pod casts, whistleblowing policy, mandatory training, respect surgeries, value based recruiting, and survey – feeling safe at work. Improving health and well-being – local champions, lifestyle sessions, approaching retirement, flu vaccination programme and plan Improving work life balance – short guide to flexible working went in September payslips, audit of flexible working arrangements completed. 	

Priorities for improvement 2013/14

As described in the introduction to the previous section our priorities for improvement for the coming year have been set with the help of our Council of Governors. For this year we have added an additional main heading entitled 'Improving the Patient Experience' encompassing the implementation of our service user and care strategy and improving patient survey results. We will monitor our progress on a quarterly basis and report in through our Risk and Governance Executive, Trust Board and Council of Governors. In the second column we state whether the priority is related to patient safety, patient experience or clinical effectiveness, or any combination of the three.

¹³ Employee assistance programme

1. Social inclusion and recovery model

Priority for improvement	PS PE CE	How we will measure	Responsibility
Continue to develop a framework of approaches, interventions and structured activities that are both socially inclusive and recovery-orientated for all acute in-patient wards.	PE PS CE	<ol style="list-style-type: none"> 1. Linden Centre improvement plan – produce and implement revised Linden Centre improvement plan aligned to the domains of the Care Quality Commission Essential Standards of Quality and Safety. 2. Develop recovery hub offering a range of services to patients and carers 3. Develop recovery college in the Trust offering study and training facilities providing a range of courses & resources for service users, carers and staff 4. Embed and monitor the structured activity levels of 18 hours minimum per patient 	Director of Nursing and Operations

2. The promotion of mental health

Priority for improvement	PS PE CE	How we will measure	Responsibility
Community engagement	PE	<ol style="list-style-type: none"> 1. Hold 20 members meetings across the new constituencies demonstrating effective engagement with members and governors 2. Develop staff representative meetings following elections for staff governors to demonstrate effective engagement with 3. Develop the “Patient and Family Echo” with cleverttogether – designed to hear staff views on such things as compassionate care to improve patient experience – run 5 in 2013/14 4. Run successful drama competition demonstrating effective engagement with Essex schools 5. Celebrate World Mental Health Day with activities aligned to older adult services 6. Continue to implement the service user and carer involvement strategy 	Associate Director of Communication
Physical healthcare	PS PE CE	<ol style="list-style-type: none"> 1. Embed physical healthcare checks into the community (and outpatients) to ensure they are being offered to ‘appropriate’ patients – those who have severe and enduring mental health and probably on anti-psychotic medication prescribed by the Trust 2. Monitor the recording of physical healthcare checks through the community quality barometer 	Director of Nursing & Ops Nurse Consultant Physical health

3. Improving medicines management

Priority for improvement	PS PE CE	How we will measure	Responsibility
Continue to implement the pharmacy 5-	PE PS CE	<ol style="list-style-type: none"> 1. Develop the Quality Prescribing Group with clear terms of reference and a focus on NICE guidance and POMH UK audit results 2. Achieve a more consistent pattern of pharmacy interventions across all Trust areas and use the 	Medical Director Associate Director of

Priority for improvement	PS PE CE	How we will measure	Responsibility
year business plan		<p>information in an enhanced way e.g. analysis and learning</p> <ol style="list-style-type: none"> 3. Roll out the MAPS system for all discharges 4. Achieve access to System One and ensure phases 2 and 3 of the Remedy project enhance the medicines management template on the patient information system 	Pharmacy

5. Customer and stakeholder relationship management

Priority for improvement	PS PE CE	How we will measure	Responsibility
Continue to ensure the Trust is marketing itself in a positive manner and is in a position to bid/win new business	PE PS CE	<ol style="list-style-type: none"> 1. Identify new key customers with influences and communicate with them 2. Undertake a full customer analysis around the whole regional system 3. Manage intelligence and activity 4. Refresh our branding and story/vision to be communicated to customers through a unique selling point e.g. to be the best learning organisation (encompassing Darzi's 3 definitions of quality) 5. Communicate well internally to establish ownership 	Director of Strategy Director for Commercial and Service Development

6. Improving engagement and support of staff

Priority for improvement	PS PE CE	How we will measure	Responsibility
<p>Continue to meet CQC Essential Standards of Quality and Safety Outcomes 12, 13 and 14 all relating to staff.</p> <p>Continue to act on staff survey results.</p> <p>Continue to engage with staff at all levels of the organisation</p>	PE PS CE	<ol style="list-style-type: none"> 1. Strengthening resilience programme rolled out 2. Level 4 apprenticeships in business administration and HR management 3. Administration conference 15th November 2013 4. Local improvements around issues arising from the 2012 staff survey 5. Evidence of greater recognition by the Trust of the "little things that make a difference" 6. Clinical Conferences in October 2013 and March 2014 7. Trust wide discussion forums for Essex County Council seconded staff 8. Improvements in training management and mandatory training delivery and uptake through centralisation of administration and recording and progress against key action plan 	Director of Workforce and Development

7. Improving the patient experience

Priority for improvement	PS PE CE	How we will measure	Responsibility
<p>Continue to implement the service user and carer involvement strategy</p> <p>Improve service user survey results</p>	PE	<ol style="list-style-type: none"> 1. Establish how on-going central involvement co-ordination will take place for 2013/14 2. Establish how the central database will be managed for 2013/14 3. Reinforce key reporting mechanisms through local co-ordinators 4. Ensure on-going communication with staff to embed the strategy into day-to-day working 5. Achieve on-going printing and distribution of publicity and training <ol style="list-style-type: none"> 1. Focus locally on the areas of day-to-day living highlighted in the patient survey, in particular support with accommodation and help with benefits in line with the strategic direction provided by the Patient Experience Board – what we are able to offer, how we are able to signpost and the advice that we can give 2. Take account of weaker areas of the patient survey as part of the Journeys/Big Issues programme 3. Analyse and learn from the qualitative data gleaned from the local in-patient and community patient questionnaires 4. Embed the family and friends test in a reliable manner to address variability in type of wards and numbers of discharges 5. Develop a business plan for the use of technology to achieve real-time patient feedback 	Medical Director

Column 2: PS patient safety PE patient experience

CE clinical effectiveness

Review of services

During 2012/13 North Essex Partnership University 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.

The Trust 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 2012/13 represents 94% (£91m) of the total income generated from the provision of NHS services by the Trust for 2012/13.

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 and these are detailed below:

- The Linden Centre review

A considerable amount of work has been carried out in respect of this large scale review at The Linden Centre. In January a new Area Director was appointed to the Mid area and has spent time reviewing the very large and unwieldy improvement plan, the things that have been achieved and what is still left to achieve. A new clinical manager and two new ward managers are now in place at The Linden Centre and a new functional model has been implemented with a Consultant Psychiatrist responsible for each ward. The Linden Centre action plan will be signed off by the Trust and will be replaced with an area wide action plan to be presented to the Risk and Governance Executive in July.

- Journeys' programme

The Trust is undergoing a huge transformation project designed to align the provision of a high quality, safe, innovative and efficient service delivery model synonymous with the requirements of the HoNOS¹⁴ care clusters. We

¹⁴ Health of the National Outcome Scales <http://www.rcpsych.ac.uk/crtu/healthofthenation.aspx>

are in the process of populating these clusters with the best practice evidence to ensure that our service users receive the very best care and treatment we are able to provide aligned to their particular presentations and holistic needs. We are currently working through the demographic data of our service user population with a view to ensuring that our staff resources and skills are best utilised to meet the demands of the presenting service user need.

Our mantra is Form must follow Function. We intend to design the service delivery model to meet the needs of our presenting service user populations clinical and social care needs, rather than create structures and squeeze our service users into it. We are working with Bournemouth University to accredit our organisation as a Practice Development Trust. This project will be the first of its kind in the country to have all its pathways accredited against their stringent quality standards. We are also working with Professor John Clarkson from Cambridge University (E0E Patient Safety Consultant) to properly assess the safety of our pathways and service delivery models.

- Day services in West Essex for adults of working age

Three teams merged to form one team whose remit is to implement the service across the west including the inpatient wards at The Derwent Centre in Harlow. The team is made up on qualified occupational therapists, nurses, technical instructors, outreach worker, and administrative staff. The mental health recovery hub in Harlow is the central administrative point of contact for the service. The whole geographical area is now covered, including South Uttlesford. The service is now being developed in Saffron Walden.

Recovery model and social inclusion underpins clinical practice and all service users actively participate in formulating their care plan using the Recovery Star¹⁵ which provides a holistic approach. This is achieved through structured group interventions to enhance skills and empower people to manage their mental health and function in the community.

Social inclusion is achieved at the point of treatment, including facilitating from a community base, for example Dunmow library. Service users now have a choice of where they attend for treatment. An outreach worker liaises with various community resources such as Restore, MIND employability, Sure start, local colleges, gyms and voluntary work to facilitate a smooth transition into the community post discharge.

- Project Hope (health, opportunity and purpose for everyone)

¹⁵ Recovery star is used as an outcome measure and a reflective visual tool for service users to map their recovery

Project Hope is a joint initiative with the former host PCT and now involving local Clinical Commissioning Groups and the Commissioning Support Unit. Whilst there is now a level of uncertainty regarding the investment/re-investment in recovery services quite a lot of work has gone on since 2011 in order to move this forward:

- Closure of Eaglehurst rehabilitation unit in Clacton in 2011
- Recovering visioning events
- A number of work streams are in place –
 - West transformation including Cam Ward development project reducing 9 beds to 4 with a transfer of 5 beds into supported housing
 - Mid recovery hub including looking for appropriate accommodation and agreeing a model of delivery
 - North East:
 - re-provision of Severalls House, including activity centre; current occupancy reduced from 21-15, move on plans identified for 10 patients, 5 patients identified for intensive recovery unit, clinical review meetings continuing, and social worker appointed to progress. There remain issues with funding of placements, the formal notice of closure of Severalls House, and lack of clarity around future re-investment in North East
 - new 8 bedded inpatient intensive recovery unit – operational policy drafted, paper to CSU/CCGs, further work to agree financial envelope
 - new recovery hub – intention is to integrate them within service redesign in North East
 - recovery college pilot – draft prospectus produced, key posts advertised, potential partnerships with other agencies, and sustainability of project beyond pilot stage
 - successful care farm pilot (September 2012 – July 2013)

The project team remains active, committed and determined to embed evidence based recovery focussed practice and principles across the Trust and the service redesign/transformation is sensitive to the Journeys programme and multi-disciplinary pathways currently out to consultation via the Clinical Effectiveness Group.

- Transition of low secure services from north east into a new build

The new low secure unit is under construction in Chelmsford, adjacent to The Linden Centre, and will replace the existing service currently at Cedar Unit on the Severalls site in Colchester. Edward House is named in the memory of a service user, Edward Jackson, who very sadly died in our service in 2008. He is remembered as part of the development and many of the improvements we see in this facility arose out of our understanding of this sad situation.

Edward's parents chose the name for the building and they will officially open the unit and participate in the staff induction.

Edward House is of contemporary design meeting high standards set out for secure services. During the planning of the unit a number of consultation events were held which were attended by staff, service users and carers who have commented on and influenced the design. The unit will be completed on 3rd June and we expect to move in during July. There will be 20 en-suite bedrooms, visitors' rooms, gymnasium, beverage bays in the day spaces, ADL kitchen, relaxation room, art therapy room, three courtyard gardens, extra care area and a staff room.

Each quarter the Trust, through R&GE¹⁶, takes a critical view of a Quality and Risk Profile (QRP) prepared by the Care Quality Commission encompassing information about all of our services. We have maintained a consistently good standard throughout the year.

We are developing our own Quality and Risk Profile with combined rolling compliance report submitted to R&GE on a monthly basis. The aim of this is to triangulate information within the organisation that provides a more real-time snapshot of how the Trust is performing and how we are managing our learning. With this document we are also able to horizon plan for changes in the CQC compliance report and be dealing with issues on a proactive rather than reactive manner. We have also set up a Quality and Risk Learning Circle to bring our learning together and assist the triangulation of information both within the Quality, Risk and Patient Safety Department and other corporate functions in the Trust.

The R&GE 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 successfully completed a schedule of 24 inpatient areas and 5 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.

¹⁶ Risk and Governance Executive

Participation in clinical audits

The programme of national and corporate audit is managed through the Quality Improvement Group with local clinical audit activity managed through local audit groups. This is overseen by the Quality and Audit Team and reviewed/monitored through the Quality Improvement Group and clinical boards. Exception reporting on limited assurance audits is made to the Risk and Governance Executive on a quarterly basis.

During 2012/13 there were six national clinical audits (including POMH¹⁷) and one national confidential enquiry covering NHS services that the Trust provides. During 2012/13 the Trust participated in 66.67% of the total 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 2012/13, 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 Trust 100%	Trust participated in 66.67%	Data collection completed 2012/13	No. of cases submitted to audit as % no. of registered cases required by the terms of the audit
National Audit of psychological Therapies (Anxiety and Depression)	No	No	– agreed with NAPT leaders a case for non-inclusion on the basis of diminishing returns (insufficient numbers meeting criteria)
National Audit of Schizophrenia	Re audit 2013	N/A	
Prescribing Observatory in Mental Health (POMH)			
Topic 12(a) – Prescribing for people with a personality disorder	Yes	Yes	4 Teams 13 Patients
Topic 2(f) Screening for metabolic side effects of anti-psychotic drugs	Yes	Yes	16 Teams 237 Patients
Topic 11(b) Prescribing of antipsychotic for people with dementia	Yes	Yes	2 Teams 22 Patients
Topic 13A Prescribing for ADHD	Yes	Yes	TBC
Eligible National Confidential Enquiries for Trust			
National Confidential Inquiry into Suicide and Homicide by People with Mental Illness (and its various constituent studies into sudden unexplained deaths and victims of	Yes	Yes	

¹⁷ Prescribing Observatory for Mental Health

Eligible national audits for Trust 100%	Trust participated in 66.67%	Data collection completed 2012/13	No. of cases submitted to audit as % no. of registered cases required by the terms of the audit
homicide)			

Learning/actions from national and local clinical audits

The reports of 2 national audits and 15 local clinical audits were reviewed by the Trust in 2012/13 through its Quality Improvement Group (QIG) or through one of the local audit groups, reporting to the clinical boards and 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 QIG. Each audit report has an action plan whose implementation is monitored by the 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	
Pre & Post Medication Tabard	Medication tabards have now been rolled out to the Derwent and Linden Centres, with the Linden centre only just starting to use them The rationale for the introduction showed there was a slight reduction in the number of drug errors despite a weakness in the design of the audit. To re audit in the 2013/14 period
Manual Handling Re-Audit	Managers can now view their staff's training records through OLM Training figures are reported through the Patient safety dashboard to RGE Training figures do not include bank staff or those attending staff induction as these are reported separately now Manual handling training reviewed with provision of one course for both the full and refresher courses Non patient handlers now undertake e-learning only. This is logged on OLM MH ergonomic risk assessments are completed for all inpatient areas. These are sent through to the MH coordinator with issues addressed. These are checked through the H&S audits and the walk through on the units Managers now able to self-service OLM to check their staff training records - local checks on how up to date their staff are. In addition checks made during the H&S audits Refresher programme revised with new dates now available on the iconnect for staff to book on Two areas were identified to purchase small MH aids for their facilities. This action will be picked up on their next Health & Safety audits
BME Equality & Diversity Group Audit	All teams are now aware of the importance of recording of BME status on Carebase, and that it is relevant to need and not assumption All clinical boards received the completed audit for discussion Focus group held in Central on the 10th October 2012 for central staff with Area Director for Workforce Development
Audit of Physical Health Skills Training Requirements for Nurses	Programme of physical health days developed for nursing staff - delivered Trust wide
Documentation	An action plan has been devised and together with the report this has been

Title/Subject	Learning/actions
of Benefits/ Risks & Advice to Women of Childbearing Age Starting Semisodium Valproate	<p>circulated widely to the consultant groups, pharmacy, the medicines management group and clinical boards for taking actions forward</p> <p>A re audit will be undertaken in 6-9 months. this will be added to the Trust's 2013/14 audit plan</p> <p>Trust wide audit aimed to identify the Trust's current documentation of indications, risks, benefits and contraceptive /family planning advice given to women of childbearing age on Semisodium Valproate preparations</p> <p>The audit highlighted a high number of cases where risks were not documented as discussed with the patient and/or family and contraception discussions were also poorly documented. The audit was successful in detailing improvements, which will be followed up in a Trust wide re audit</p>
Assessment of Driving needs	<p>Documentation to be improved to capture patient's driving habits following admission to services</p> <p>To provide DVLA guidelines in the induction pack for doctors</p>
National Audit of schizophrenia	<p>This national audit allowed the Trust to be benchmarked against other Trusts in the UK and the national average, allowing an insight into how the trust adhered to national standards</p> <p>The trust is expected to improve on recording of physical health checks and improve GP engagement to assist with the documentation issue</p> <p>Poly pharmacy recording also needs to improve along with medical staff referring appropriate service users to psychological services</p> <p>The Trust learned that performance in relation to prescribing of Clozapine was in the top group of Trusts at 100%</p> <p>The Trust performed above average in relation to service user report of satisfaction</p>

Research and Development (R&D)

The number of patients receiving NHS services provided by the Trust in 2012/13 that were recruited during that period to participate in research approved by a research ethics committee was 613. This compares with 557 recruited during 2011/12. This year's total includes 512 recruited into NIHR (National Institute for Health Research) portfolio studies, well above our annual target of 300.

Research at the Trust is focused on areas of clinical importance to service users. 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 total 104 Trust staff contributed to 55 research studies this year.

Performance on recruitment has been above target. The Trust was recognised as the highest recruiting Trust in the UK for the bipolar arm of the DNA Polymorphisms in Mental Illness (DPIM) study, a study aiming to increase understanding of genetic factors in mental illness.

Increased CLRN funding has been secured, funding two Clinical Studies Officers and three Research Assistant posts to support clinical research and clinical time for research active medical staff. Five fully funded commercial studies are currently in set up or recruitment phases.

The R&D Legacy Awards continued for the second year, with Sarah Philips as Chair. An award for £20,000 was presented at the Celebration of Achievements Awards to Dr Mary Kennedy for her study “How person centred care can enhance care delivery within an age-inclusive dementia care service”. This funding opportunity will be repeated in 2013/14.

Relationships continue with research partners in developing an agenda and portfolio of mental health and neurodegenerative 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. 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 Trust income in 2012/13 was conditional on achieving quality improvement and innovation goals agreed between the Trust and any person or body they entered into a contract, agreement or arrangement with the provision of NHS services, through the Commissioning for Quality and Innovation payment framework. The following table outlines the income received from CQUIN for 2012/13 and the proposed income for 2013/14 and the headline goals attached to them.

	2012/13	2013/14		
	£	£	Goals	
CQUIN main block	1,807,106	1,744,588	1	Compassion
			2	Dementia
			3	Safety Thermometer
			4	Lithium Audit
CYPS	170,674	174,624	1	Single Gateway
Specialist Commissioning Group	136,731	166,084	1	Dashboard
			2	Optimising Pathways (Low Secure)
			3	Optimising Pathways (Tier 4 CAMHS)

			4	Physical Healthcare (Low Secure)
			5	Physical Healthcare (Perinatal)
			6	Care Programme Approach (Low Secure)
	2,114,511	2,085,296		

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. This section details the three compliance inspections received by us in 2012/13. The CQC has not taken enforcement action against the Trust in 2012/13.

During the year the Trust was subject to one themed review at the Crystal Centre relating to dignity and nutrition; this was very positive and there were no recommendations or actions required. The following is extracted from the report:

“We carried out this review as part of our routine schedule of planned reviews.

We reviewed all the information we hold about this provider, carried out a visit on 29 August 2012, checked the provider's records, observed how people were being cared for, looked at records of people who use services, talked to staff and talked to people who use services.

Patients told us what it was like to be on the ward we visited at the Crystal Centre. They described how they were treated by staff and their involvement in making choices about their care. They also told us about the quality and choice of food and drink available. This was because this inspection was part of a themed inspection programme to assess whether older people in hospitals were treated with dignity and respect and whether their nutritional needs were met.

The inspection team was led by a Care Quality Commission (CQC) inspector joined by a second inspector, practising professional and an Expert by Experience, who has personal experience of using or caring for someone who uses this type of service.

We used a number of different methods to help us understand the experiences of patients using the service, because the patients using the service had complex needs which meant they were not able to tell us their experiences. For example we used the Short Observational Framework for Inspection (SOFI). SOFI is a specific way of observing care to help us understand the experience of patients who could not talk with us. Where patients were unable to provide a response or tell us their experiences, for

example as a result of their limited verbal communication or poor cognitive ability, we noted their non-verbal cues and these indicated that patients were generally relaxed and comfortable and found their experience on the ward at the Crystal Centre to be positive.

Aside from some of the uncertainties caused by their illness, patients on the ward appeared relaxed and confident. Interactions with staff were warm and friendly, with an open, positive atmosphere very much in evidence. When there were occasions when some patients on the ward presented with behaviours that may challenge, staff defused the situations gently and skilfully, diverting other people's attentions and engaging them in constructive activities or conversation and on one occasion re-engaging them with their meal. Staff throughout spoke calmly, quietly, and without any confrontational or directive tones in their voice.

We were able to speak with a total of five patients who were using this service. Patients reported that they felt safe in the service and that the staff were kind and attentive. For example, one patient told us, "I feel very safe here, staff are very kind to me", they told us that they had "No concerns about ill treatment, staff always have time for me". Another patient told us, "I have no concerns but if I had I would speak to staff and I am confident they will help me".

We spoke with five patients using this service about whether staff maintained their dignity and their comments included: "They are kind to me and listen to me." and "They come quickly when needed." One patient told us: "I have cheerful and nice conversations; people are always there for me."

We spoke with one visitor who told us: "They really look after my relative." and "You can address anything with the staff they let my relative make the decisions generally." We saw staff treating patients with respect and warmth on the wards, offering choices throughout, and giving gentle encouragement and support when needed. Support did not impinge on patient's dignity. We saw lots of examples of positive and considerate interactions between staff and the patients using this service. Staff frequently checked on patient's well-being, and ensured, for example they were not cold, or wanted a drink, with choices offered.

We saw patients enjoying calm and settled lunchtimes, with support and prompting available for those who required it. Well designed and coloured dishes assisted people in eating. There was plenty of choice offered; where individual patients decided that a particular meal was not for them, alternatives were quickly offered. Staff showed a good awareness of patient's likes and dislikes and of their eating patterns and preferences. Choices were

offered at or just prior to meals, as staff were aware that patients may only have short term recall.

We spoke with patients and asked them about the meals they received they told us: "The food is OK.", "I am easy to feed I eat anything.", and "We have lots of food. We have tea and biscuits in the morning and afternoon." We observed lunch being served, and found the meal to be nutritious, hot enough and well presented. We saw that people were able to have a drink whenever they wanted and we saw staff offered drinks at regular intervals throughout the day. We spoke with a visitor who told us: "Staff will give another choice of meal or a sandwich if my relative does not like the food available so my relative never goes hungry" and "my relative is fed well".

We spoke with two visitors of patients on the ward who told us: "They have a very stable and well trained staff team which I think that is a good thing. I'm happy with the level of care." and "I have had no occasion to raise any concerns I am quite happy with the care for my relative here."

Staff told us they felt there were enough staff to meet patient's needs but sometimes events may change this, such as busy mealtimes or visitors on the ward where noise levels may affect patients more.

Visitors spoken with reported that there were always plenty of staff around and that they were supportive towards the patients using this service."

The full report may be found at

http://www.cqc.org.uk/sites/default/files/media/reports/RRD_North_Essex_Partnership_NHS_Foundation_Trust_RRDY3_The_Linden_Centre_The_Christopher_Unit_and_The_Crystal_Centre_Mental_Health_Wards_DN_20130117.pdf

A responsive review at The Linden Centre on 1 May resulted in non-compliance on outcome 4 for which a comprehensive action plan was produced and completed. The following is extracted from the report:

"We carried out this review because concerns were identified in relation to:

- Outcome 01 - Respecting and involving people who use services
- Outcome 02 - Consent to care and treatment
- Outcome 04 - Care and welfare of people who use services
- Outcome 06 - Cooperating with other providers
- Outcome 07 - Safeguarding people who use services from abuse
- Outcome 16 - Assessing and monitoring the quality of service provision

We reviewed all the information we hold about this provider, carried out a visit on 1st May 2012, observed how people were being cared for, talked to staff and talked to people who use services.

We spoke with a total of nine people who were receiving assessment and treatment in both wards at this location. They reported that staff were generally approachable and that they had spent time with their key worker to discuss their needs and treatment. They were seen every week by their consultant psychiatrist and other members of the multi-disciplinary team such as psychologists and social workers. Some people said that they had met with an advocate.

Those people who were detained under the 1983 Mental Health Act reported that they understood why they were in hospital. Some of these people confirmed that they had been informed of their rights under the 1983 Mental Health Act whilst others couldn't remember. Those informal (voluntary) patients spoken with told us that they understood about their rights as an informal patient and that staff were supportive. People confirmed that they were encouraged to attend their weekly multi-disciplinary meeting and that they were asked for their views during these meetings.

People confirmed that they were generally satisfied with the support and treatment provided by staff. However two people expressed some concerns about how they perceived their own care and treatment and these individual concerns were brought to the attention of senior managers who confirmed that these concerns would be reviewed on an individual basis with the person and their key worker. Some people said that the system for accessing Section 17 leave under the 1983 Mental Health Act was "Quite good". All of the people spoken with stated that they felt able to approach staff if they had any concerns and were confident that these would be addressed wherever possible.

Outcome 01:

People should be treated with respect, involved in discussions about their care and treatment and able to influence how the service is run

The provider is compliant with this standard. People's privacy, dignity and independence were respected. People's views and experiences were taken into account in the way that this service was provided in relation to their care.

Outcome 02:

Before people are given any examination, care, treatment or support, they should be asked if they agree to it

The provider is compliant with this standard. Before people received any care or treatment they were asked for their consent and the provider acted in accordance with their wishes.

Outcome 04:

People should get safe and appropriate care that meets their needs and supports their rights

The provider is not compliant with this standard. We judged that this had a minor impact on people using the service.

Outcome 06:

People should get safe and coordinated care when they move between different services

The provider is compliant with this standard. People's health, safety and welfare was protected when more than one provider was involved in their care and treatment, or when they moved between different services. This was because the provider worked in co-operation with others.

Outcome 07:

People should be protected from abuse and staff should respect their human rights

The provider is compliant with this standard. People who use the service were protected from the risk of abuse, because the provider has taken reasonable steps to identify the possibility of abuse and prevent abuse from happening.

Outcome 16: The service should have quality checking systems to manage risks and assure the health, welfare and safety of people who receive care

The provider is compliant with this standard. The provider had an effective system to regularly assess and monitor the quality of service that people receive.

Actions we have asked the service to take: We have asked the provider to send us a report within 28 days of them receiving this report, setting out the action they will take. We will check to make sure that this action has been taken.

Where we have concerns we have a range of enforcement powers we can use to protect the safety and welfare of people who use this service. When we propose to take enforcement action, our decision is open to challenge by a registered person through a variety of internal and external appeal processes. We will publish a further report on any action we have taken.”

The action plan in relation this planned review was completed and sent to the Care Quality Commission. They will visit again in due course. The full report can be found at: <http://www.cqc.org.uk/directory/rrdy3>

The CQC visited our new St Aubyn Centre in January 2013 together with a Mental Health Act Commissioner and a positive report was received. This was an in depth inspection covering 8 of the 16 core outcomes. This inspection was two-fold, firstly as a new building and service, and secondly as

a result of concerns raised about the centre. The following is extracted from the report:

“This was a routine inspection to check that essential standards of quality and safety were being met. We sometimes describe this as a scheduled inspection. This was an unannounced inspection.

We looked at the personal care or treatment records of people who use the service, carried out a visit on 25 January 2013, observed how people were being cared for and talked with people who use the service. We talked with staff and reviewed information we asked the provider to send to us. We were accompanied by a Mental Health Act commissioner who met with patients who are detained or receiving supervised community treatment under the Mental Health Act 1983.

Our inspection on 25 January 2013 was in response to concerns raised about the Centre.

The St Aubyn Centre provided care and treatment to young people on an informal (voluntary) basis as well as those detained under the Mental Health Act 1983. The Centre was found to be warm, bright, spacious and welcoming. Young people were involved in their care and treatment and most had agreed to their care pathway. They were given choices and supported to make decisions. Care plans, risk assessments, daily notes, observations, safeguarding and restraint records were comprehensive and clear which provided all staff and the young people with an understanding of their treatment and care pathway.

Staff had the necessary skills and training to provide care and treatment to the young people. They were provided with appropriate clinical supervision and support in order to carry out their duties effectively.

The young people told us they felt supported by the staff. They listened and gave them advice when they needed it. One young person said, "I am really supported here and it's the best place I have been." Another young person said, "Eventually I was listened to and my views were acknowledged."

There were effective systems in place to assess and monitor the quality of the service.”

The full report can be found at <http://www.cqc.org.uk/directory/rrdy1>

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.
- Data quality reports sent out monthly to each of the 5 areas with details of all data quality issues for all data framework performance reports.
- 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.
- In July 2012, the Trust received notification of its "Data Validity" performance from the NHS Information Centre. The Trust exceeded the Mental Health average in 9 out of the 10 "identifier completeness" datasets also and in 6 out of the 9 "other attributes" including ICD10 and HoNOS. This is a positive indication of the completeness of the information supplied to the Board and clinicians to manage patient care.

NHS Number Validity and General Medical Practice Code

The Trust submitted records during 2012/13 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 25/03/13):

admitted patient care	99.8% NHS No.	100% GP Code
outpatient care	99.9% NHS No.	100% GP Code

Information Governance Toolkit Attainment Levels

Information governance is the way organisations handle personal information relating to 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 Trust Information Governance Assessment Report score overall score on version 10 at level 2 or above for 2012/13 is 78% with a breakdown as follows:

Information governance management satisfactory	Score: 86%	Grade:
Confidentiality and data protection assurance satisfactory	Score: 79%	Grade:
Information security assurance satisfactory	Score: 66%	Grade:
Clinical information assurance satisfactory	Score: 100%	Grade:
Secondary use assurance satisfactory	Score: 79%	Grade:
Corporate information assurance satisfactory	Score: 77%	Grade:
<u>Overall assessment Version 10</u>	Score: 78%	Grade:
<u>satisfactory</u>		

Clinical Coding Error Rate

The Trust was not subject to the Payment by Results clinical coding audit during 2012/13 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. Each complaint (or expression of concern) is taken seriously and acted on in each case but they also alert us to potential areas for improvement. We also record compliments a service receives, as there is potentially learning there too and they are a general indicator about good customer care.

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 starts from a historic “value for money” base of a reference cost index (RCI) of 93, but nonetheless seeks to drive efficiencies where they can be safely delivered.

According to recent NHS benchmarking data, based upon returns from 43 providers in Quarter 2 2012/13, the Trust performs well on a range of mental health productivity measures, with

- below-average available acute adult beds per 100,000 population
- close to the median admissions for acute adult patients per 100,000 population
- below-average acute adult readmission rates
- above the upper quartile occupancy rates
- mean average length of stay
- below-average DNA rates.

The comparative spending on mental health by two of former local PCTs is nationally in the lowest spending quintile (source DH Programme Budgeting).

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 the end of March 2013. 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 encompasses all three quality headings of patient safety, patient experience and clinical effectiveness. All of the indicators are used by the Trust to support its drive for quality and achieve outstanding care, transforming lives. The data sources are our local incident reports and the indicators are in line with National Learning and Reporting Service (NLRs) requirements.

Chart 1 – Mortality in care

This indicator measures mortality in care due to physical illness and self-harm or accidents. For this indicator, we record and analyse deaths in our direct care, including those in the community. All deaths where no physical illness is evident are fully investigated. We are not subject to the Standard Hospital Mortality Indicator used by acute hospitals.

Deaths where there is no life threatening physical illness evident remains stable. People admitted who may also have a serious, life threatening, physical illness and, despite treatment for that physical illness, die whilst in our care, are categorised separately.

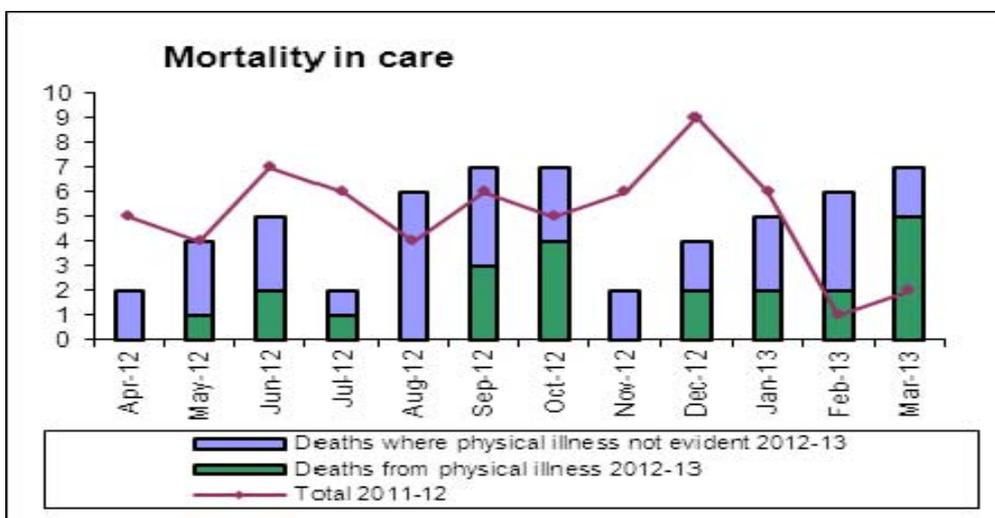
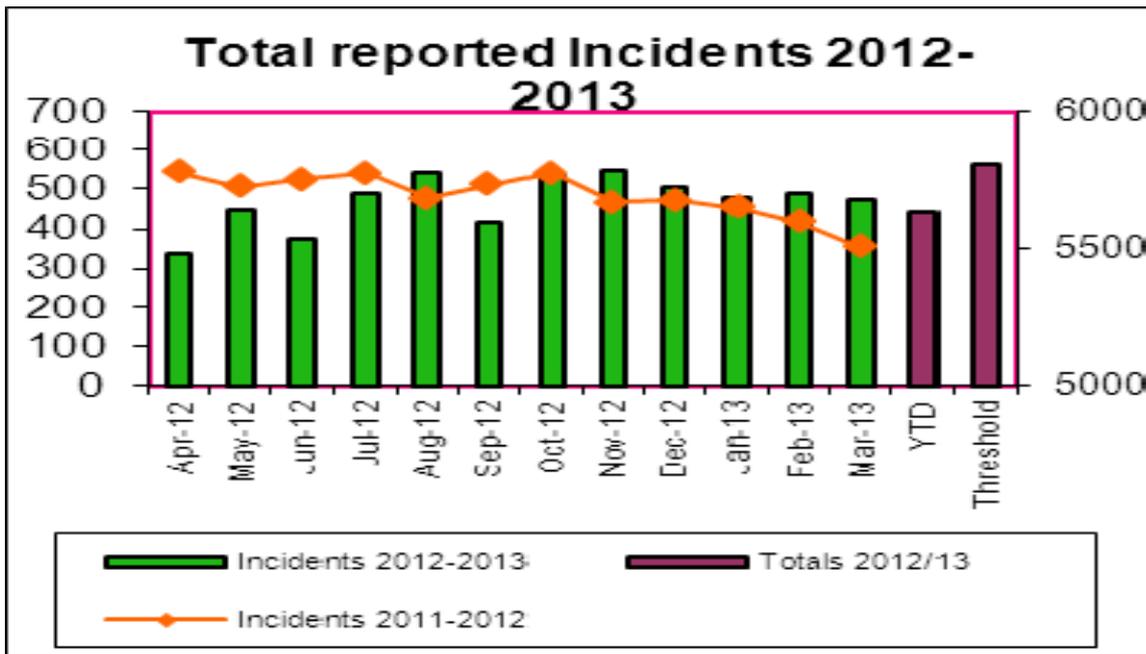


Chart 2 – Total number of incidents



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. A high level of reporting is actively encouraged nationally.

The total number of incidents for the year is 5629 and this represents a decrease on the previous year of 3%. NRLS benchmarking puts the Trust as slightly below average in the level of incident reporting.

Monitor requires the Trust to report on two indicators relating to patient safety incidents:

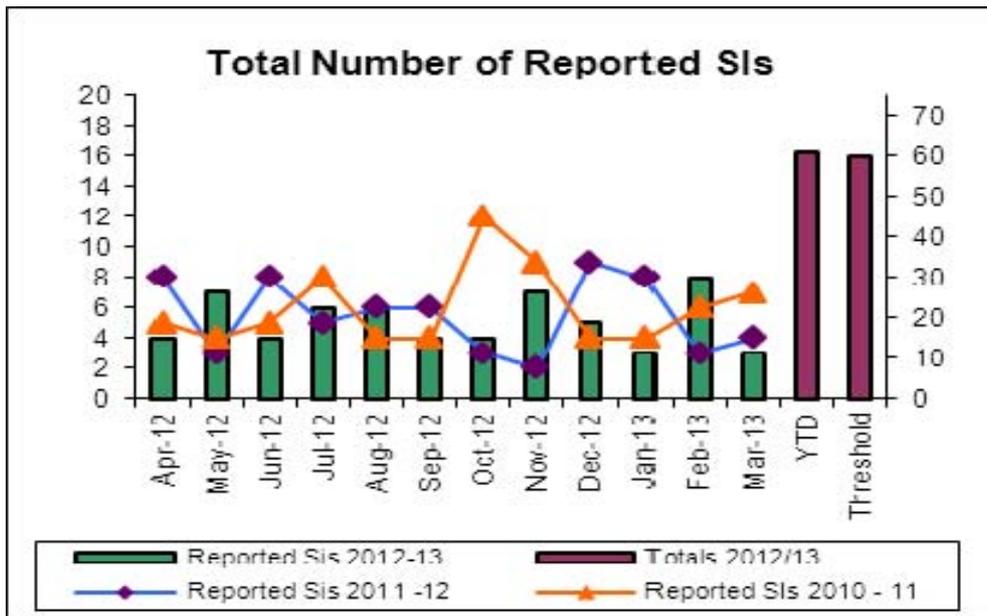
Indicator 1: Patient safety incidents reported to the NRLS (A PSI is defined as any unintended or unexpected incident that could or did lead to harm for one or more persons receiving NHS funded healthcare)

The number of patient safety incidents reported to the NRLS in 2012/13 is 2501

Indicator 2: Patient safety incidents reported to the NRLS where degree of harm is recorded as severe harm or death as a percentage of all patient safety incidents reported (severe – the patient has been permanently harmed as a result of the PSI, and death – the PSI has resulted in the death of the patient)

A total of 0.2% of the total number of PSIs reported to the NRLS resulted in severe harm or death in 2012/13.

Chart 3 – Total number of reported serious incidents (SIs)

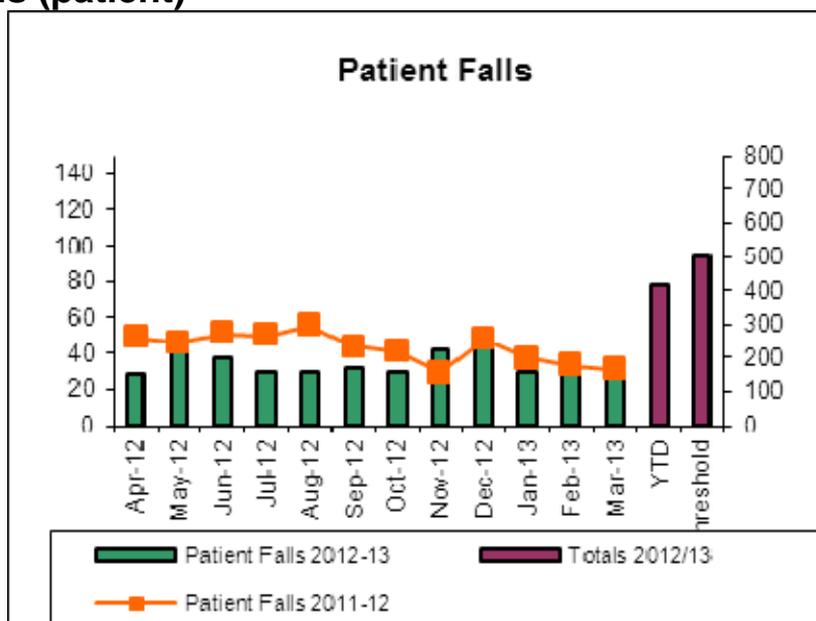


The full definition of a serious incident requiring investigation (SI) can be found in the East of England Serious Incidents Requiring Investigation Policy at the following link:

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

There were 61 reported (through STEIS¹⁸) serious incidents during 2012/13 and this is a 10% decrease in from the previous year, however, the Trust continues to implement its suicide prevention strategy including measures covering inpatient and community care.

Chart 4 – Falls (patient)



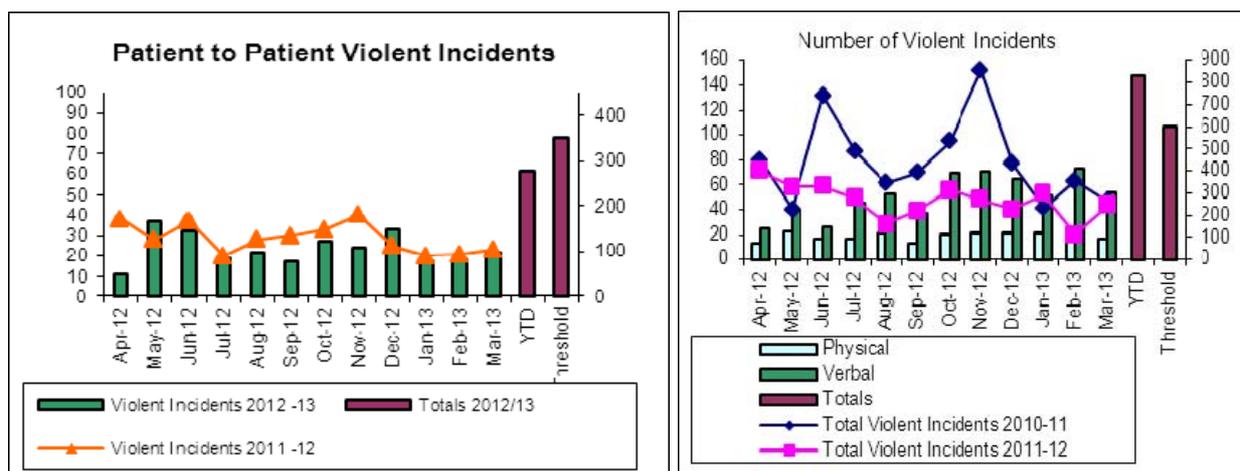
¹⁸ Strategic Executive Information System (reporting system direct to Strategic Health Authority)

We have implemented a falls prevention strategy which has resulted in the year on year reductions below as well as a reduced number of fractures resulting from falls.

2012/13	419 (19% reduction)
2011/12	515 (21% reduction)
2010/11	674 (23% reduction)
2009/10	876 (16% reduction)

Chart 5 – patient to patient violent incidents and Chart 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 64 incidents on last year; this represents a reduction of 19%. Violent incidents have increased by 47% on last year's total. It should be noted that with the opening of Larkwood ward at the new St Aubyn Centre, this has resulted in an increase in challenging behaviour being recorded in the Trust.

Chart 7 and 8 – drug errors and pharmacy interventions

Drug (medication) errors are patient safety incidents involving medicines in which there has been an error in the process of prescribing, dispensing, preparing, administering, monitoring or providing medicine advice, regardless of whether any harm occurred. This is a broad definition and the majority of medication errors do not result in harm.

http://www.npc.nhs.uk/improving_safety/improving_safety/resources/Medication_Error/Reducing_5mg.pdf

Drug error reporting is actively encouraged in order to promote safety and the number of incidents reported has increased by 111. This includes the addition of 'near miss' reporting. No incidents in this Trust resulted in serious harm to any patient.

Pharmacy 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. Pharmacy interventions have increased as expected with the recruitment of qualified pharmacy staff. All interventions are risk assessed and only a small number are high risk.

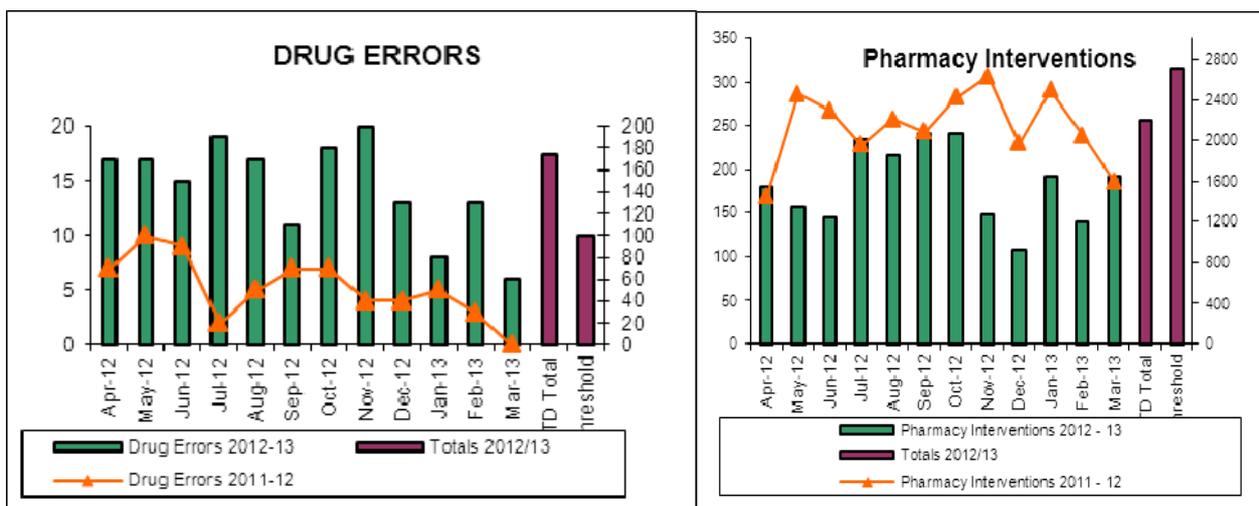
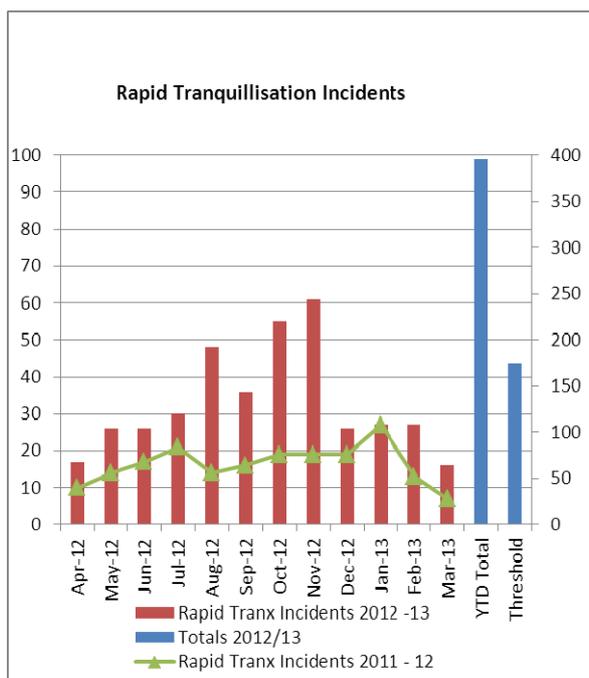


Chart 9 – rapid tranquillisation incidents



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.

The addition of Larkwood ward (St Aubyn Centre) as mentioned previously has resulted in an increase in rapid tranquillisation incidents.

Every incident is audited and in the case of Larkwood Ward the CQC compliance inspection covered this aspect of care, with a positive outcome.

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' aimed at providing a performance and finance update for staff.

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

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

Performance of Trust against selected metrics (As at 31/03/13)				
(data source – see legend above)	2012/13	2011/12	2010/11	Comment
No of people who received an assertive outreach service (1)	294	292	284	No significant difference
Early intervention in psychosis (new cases) (1)	298	315	312	Decrease
Carer assessments (completed and declined) (1)	1612	2402	1724	Significant decrease
Crisis Resolution Home Treatment (gatekeeping) (1)	100%	100%	100%	No difference
4 hour wait for Accident & Emergency (Acute Trust target)(2)	N/A	N/A	N/A	No longer reported
Staff turnover (12month average) (3)	7.6%	8.0%	8.3% (March 11)	To end February '13
Sickness absence (in months) (3)	4.4%	5.2%	4.5%	To end February '13
Inpatient data quality ethnic grp(1)	N/A	99.9%	99.96%	No longer reported
Clients 18+ receiving a review (1)	97.7%	96.7%	96%	No change
Care Programme Approach 7 day follow up (1)	98.8%	99.2%	98.9%	Slight decrease

Performance of Trust against selected metrics (As at 31/03/13)				
(data source – see legend above)	2012/13	2011/12	2010/11	Comment
Delayed transfers of care (in total % occupied bed days delayed) (1)	2.4%	0.8% Monitor	0.7% Monitor	Significant increase.
18 week referral to treatment (Consultant led services) (1)	99.7%	99.9%	99.9%	No significant difference
Essential Standards of Quality and Safety (5)	Compliant	Compliant	Compliant	Registered with CQC with no conditions
MHMDS data completeness (1)	99.8%	99.5%	99.52%	No significant difference
Under 16 admissions (1)	0	0	0	No change
Detained patients AWOL (1)	0.02	0.04	0.06	Decrease
Monitor data completeness (1)	97.6%	95.1%	89.2%	Increase
Inpatient discharges with a diagnosis recorded (1)	94.5%	90.4%	91.2%	Significant increase
Problematic drug users in effective treatment (6)	89.7%	89.2%	91.4%	No significant difference
5 week wait for 1 st appointment (Consultant led services) (1)	75.0%	94.3%	82.4%	Decrease
18 week referral to treatment (non-Consultant led services) (1)	96.8%	95.1%	97.6%	No significant difference
Under 18 admissions to an adult ward (1)	4	7	5	Clinically appropriate admissions
Inpatient re-admissions within 28 days of previous discharge* (1)	2.53% #	10.7%	9.2%	Significant decrease
Long term Sickness absence (7)	4.4%	3.8%	2.9%	To end February '13
Turnover excluding retirement (7)	5.1%	6.0%	6.2%	To end February '13
Leavers (7)	163.64	131.41	172.85	To end February '13
Leavers excluding retirement (7)	138.26	92.52	130.98	To end February '13

#this indicator uses the amended criteria from Monitor issued in April 2013

Patient experience measures

We have measured ourselves on the following patient experience measures. The data source for formal complaints, and compliments is our local Respond database and the data source for PALS low level complaints is from an Excel spread sheet with extracted information from Customisable Analysis Management Software (CAMS) database on 2 April 2013 (extracted to ensure no duplicated issues from single enquiries). 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-2012>

	2012/13	2011/12	2010/11	2009/10
Complaints (including PALS)	531	593	666	400
Compliments	399	352	273	173
Patient Survey Q12 Were the purposes of the medications explained to you?* (yes definitely & yes to some extent)	79%	84%	88%	97%
Patient Survey Q22 (previously Q24) Do you understand what is in your care plan?* (yes definitely & yes to some extent)	75%	75%	77%	87%
Patient Survey Q45 (previously Q47) Overall, how would you rate the care you have received from Mental Health Services in the last 12 months?* (Excellent, Very Good, Good)	73%	71%	73%	82%

* Community Mental Health Service Users Survey results

The patient survey results put the Trust's performance at around the same level as other Trusts participating in the survey. More specifically the Trust performed better than most other Trusts in patients 'understanding their care plan', 'given their care plan' and 'out of hours contact' and we performed worse than most other Trusts on 'support with accommodation' and 'help with benefits'. These latter items associated with daily living are not within our expertise but we have put objectives in place in order to provide the right amount of guidance and signposting as we possibly can.

We welcome feedback in the form of 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 Clinical Commissioning Groups, Health Overview And Scrutiny Committee and Healthwatch

North Essex Partnership University NHS Foundation Trust has requested third party commentaries from local Clinical Commissioning Groups, local Healthwatch and the Health Overview and Scrutiny Committee.

Health Overview and Scrutiny Committee

No third party commentary has been received from the Health Overview and Scrutiny Committee

Statement from Healthwatch Essex for Quality Account report 2012-2013

“We recognise that Quality Account reports are a useful tool in ensuring that NHS healthcare providers are accountable to patients and the public about the quality of service they provide. We fully support these reports as a means for providers to review their services in an open and honest manner, acknowledging where services are working well and where there is room for improvement.

We welcome the opportunity to provide a patient and public perspective on the Quality Accounts. As a newly-established organisation (we took on statutory responsibility on 1 April 2013), we are not in a position to comment retrospectively on the findings of the past year. We will, however, cooperate fully in the future production of these reports. We are an organisation which intends to provide comment rooted in evidence – be it ‘soft’ intelligence or more extensive, quantitative data. Following the Francis Report, we believe there is a significant challenge and opportunity for the whole health and social care system to look at how evidence relating to patient experience can be set on an equal footing with standard NHS data about performance and quality.

We share the aspiration of making the NHS more patient-focussed and placing the patient’s experience at the heart of health and social care. An essential part of this is making sure the collective voice of the people of Essex is heard and given due regard, particularly when decisions are being made about quality of care and changes to service delivery and provision.

Our wish is therefore that Healthwatch Essex works with its partners in the health and social care sector to engage patients and service users effectively and to ensure that their views are listened to and acted upon.

We look forward to working together in the production of Quality Accounts in the coming year and making sure that the voice and experience of patients and the public form an integral part of these documents. At a time when the NHS is facing great change and financial challenge, patient experience and quality of care are more important than ever, and we welcome the opportunity to help shape the NHS of the 21st century.”

Dr. Tom Nutt
Chief Executive Officer
Healthwatch Essex



North East Essex
Clinical Commissioning Group

North East Essex CCG response to North Essex Partnership University NHS Foundation Trust Quality report for 2012 to 2013

“This is the first year that the Quality Account is being commented upon by North East Essex Clinical Commissioning Group as Lead Commissioner for the CCGs of North Essex (i.e. including Mid Essex CCG and West Essex CCG).

Your Quality Account has been widely circulated across the three North Essex CCG’s and comments have been received from a variety of quarters. Time has also been spent verifying the performance information within the account. This response which is required to be inserted in your quality account aims to reflect both the positive and less positive views on the content. We welcome this opportunity to feed back our views to you.

The North Essex Partnership University Foundation Trust account clearly demonstrates its commitment to achieve its vision of *“providing care that is outstanding in its quality, transforming the lives of individuals and families every day.”*

Key achievements this year have included the movement of adolescent services into a bespoke building known as the St Aubyn Centre which also houses the newly opened regional specialist unit for Children and Adolescent Mental Health Services.

The review of your set priorities for improvements in 2012-13 show that much progress has been made against the identified target areas:

- Social inclusion and recovery model
- Promotion of mental health
- Improving Medicines Management
- Quality services through quality relationships
- Improving engagement and support of staff

Progress is also apparent in the delivery of the service user and carer involvement strategy – an area which is key to further understanding the service user experience. We note your aim to develop “Friends of Groups”

affiliated to different units, has not always been as successful as you would have liked.

The past year has seen continued expansion of the productive ward series-releasing time to care as well as the pursuit of accreditation/reaccreditation of units for Practice Development Unit status. There is also an active clinical audit programme which includes both local and national audits.

Your commitment to the support of research and development has continued with more patients recruited into studies this year than in the previous. Additional funding from the Comprehensive Local Research Network has made the appointment of more staff in support of this function possible.

In your review of services you describe how you have developed a Quality and Risk Learning Circle alongside some other new processes to ensure a more 'real-time' snapshot of how the Trust is performing and how you are managing your learning. Over the past year the Quality Assurance Group (QAG) led by the now defunct North Essex PCT has provided an opportunity to review some of your reports concerning a variety of measures used to either develop or assure the quality of the services you provide. We are interested to hear more about your new approaches at the Quality Assurance Group (QAG) and will continue to work with you to ensure the highest possible quality of service.

An area where members of the QAG have had concerns in 2012/2013 has been the consistent problems you have had complying with regulations on reporting frameworks for serious incidents. There is no reference to these issues and the impact on learning which resulted in a contract query being issued. We would have expected reference to this in your account particularly as we understand the specialist commissioning group also issued queries. You did however respond effectively to the query and reviewed your internal processes to manage compliance more efficiently.

Similarly it is the CCG's view that the serious incident at the mother and baby unit in Chelmsford which resulted in a substantial action plan should have been referenced in the Safeguarding Children section.

One of three visits made to the Trust by the Care Quality commission revealed noncompliance with only one outcome (4-Care and welfare of people who use services) - which would have had a minor impact on people using this service. A comprehensive action plan was produced and completed. The remaining two visits were positive and revealed compliance with the reviewed outcomes.

The final section of your report provides additional information and a review of quality performance indicators. The Trust compares favourably with other providers of mental health services. The impact of additional services has had an adverse impact on the numbers of reported violent incidents. Similarly there has been a rise in the number of rapid tranquilisation incidents which you also directly attribute to the opening of a new service. It is gratifying to note that the Trust performed better than most other Trusts in 'patients understanding their care plan'

The CCGs would like to have a better understanding of the different challenges facing them in their own centres of population and it would have been useful to identify any significant variances between the areas covered by North East, Mid and West Essex CCGs. This would allow better definition of where improvements need to be made and make decisions concerning prioritisation more transparent.

The report does give overall assurance that the Trust is performing to a good standard and that quality, safety and patient experience are of paramount concern.

The Lead commissioner for the CCGs of North Essex is assured that the Trust's quality accounts for 2012 to 2013 provide an accurate and balanced picture of key performance indicators for the reporting period."

Lisa Llewelyn
Director of Nursing and Quality
North East Essex CCG
Lead Commissioner for the North Essex CCGs

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 2012/13
- 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 2012 to June 2013
 - Papers relating to quality reported to the Board over the period April 2012 to June 2013
 - Feedback from the commissioners dated 17 May 2013
 - Feedback from governors in minutes over the period April 2012 to March 2013
 - Feedback from Healthwatch (Essex) dated 17 May 2013

- The Trust's annual complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009
- The latest national patient survey 2012/13
- The latest national staff survey 2012/13
- The Head of Internal Audit's annual opinion over the Trust's control environment dated 15th May 2013
- CQC quality and risk profiles 2012/13
- 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.

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 Chairman

.....Date Chief Executive

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: <http://www.nepft.nhs.uk/>

Facebook: facebook.com/NorthEssexPartnership

Independent Auditor's Report to the Board of Governors of North Essex Partnership University NHS Foundation Trust on the Quality Report

We have been engaged by the Board of Governors of North Essex Partnership University NHS Foundation Trust to perform an independent assurance engagement in respect of North Essex Partnership University NHS Foundation Trust's Quality Report for the year ended 31 March 2013 (the "Quality Report") and certain performance indicators contained therein.

Scope and subject matter

The indicators for the year ended 31 March 2013 subject to limited assurance consist of the national priority indicators as mandated by Monitor:

- 100 per cent enhance care programme approach (CPA) patients receiving follow-up contact within seven days of discharge from hospital: selected from the subset of mandated indicators after discussions with the Trust over the information reported; and
- Minimising delayed transfers of care: selected from the subset of mandated indicators because of the risk attached to the collection of the data used to report the outturn.

We refer to these national priority indicators collectively as the "indicators".

Respective responsibilities of the Directors and auditors

The Directors are responsible for the content and the preparation of the Quality Report in accordance with the criteria set out in the *NHS Foundation Trust Annual Reporting Manual* issued by Monitor.

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that:

- the Quality Report is not prepared in all material respects in line with the criteria set out in the *NHS Foundation Trust Annual Reporting Manual*;
- the Quality Report is not consistent in all material respects with the sources specified in Board minutes, board papers relating to quality reports, feedback from commissioners, governors and Healthwatch; and
- the indicators in the Quality Report identified as having been the subject of limited assurance in the Quality Report are not reasonably stated in all material respects in accordance with the *NHS Foundation Trust Annual Reporting Manual* and the six dimensions of data quality set out in the *Detailed Guidance for External Assurance on Quality Reports*.

We read the Quality Report and consider whether it addresses the content requirements of the *NHS Foundation Trust Annual Reporting Manual*, and consider the implications for our report if we become aware of any material omissions.

We read the other information contained in the Quality Report and consider whether it is materially inconsistent with:

- board minutes for the period April 2012 to 22 May 2013;
- papers relating to Quality reported to the Board over the period April 2012 to 22 May 2013;
- feedback from the Commissioners dated 20 May 2013;
- feedback from local Healthwatch organisations dated 20 May 2013
- the national patient survey dated 2012/13;
- the national staff survey dated 2012/13;
- Care Quality Commission quality and risk profiles dated 2012/13; and
- The Head of Internal Audit's annual opinion over the Trust's control environment dated 15 May 2013.

We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with those documents (collectively, the "documents"). Our responsibilities do not extend to any other information.

We are in compliance with the applicable independence and competency requirements of the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics. Our team comprised assurance practitioners and relevant subject matter experts.

This report, including the conclusion, has been prepared solely for the Council of Governors of North Essex Partnership University NHS Foundation Trust as a body, to assist the Council of Governors in reporting North Essex Partnership University NHS Foundation Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2013, to enable the Council of Governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicators. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors as a body and North Essex Partnership University NHS Foundation Trust for our work or this report save where terms are expressly agreed and with our prior consent in writing.

Assurance work performed

We conducted this limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) – 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('ISAE 3000'). Our limited assurance procedures included:

- evaluating the design and implementation of the key processes and controls for managing and reporting the indicators;
- making enquiries of management;
- testing key management controls;

- limited testing, on a selective basis, of the data used to calculate the indicator back to supporting documentation;
- comparing the content requirements of the *NHS Foundation Trust Annual Reporting Manual* to the categories reported in the Quality Report; and
- reading the documents.

A limited assurance engagement is smaller in scope than a reasonable assurance engagement. The nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

Limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can impact comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time. It is important to read the Quality Report in the context of the criteria set out in the *NHS Foundation Trust Annual Reporting Manual*. The scope of our assurance work has not included governance over quality or non-mandated indicators which have been determined locally by North Essex Partnership University NHS Foundation Trust.

Conclusion

Based on the results of our procedures, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2013:

- the Quality Report is not prepared in all material respects in line with the criteria set out in the *NHS Foundation Trust Annual Reporting Manual*;
- the Quality Report is not consistent in all material respects with the sources specified in Board minutes, board papers relating to quality reports, feedback from commissioners, governors and Healthwatch; and
- the indicators in the Quality Report subject to limited assurance have not been reasonably stated in all material respects in accordance with the *NHS Foundation Trust Annual Reporting Manual*.



Grant Thornton UK LLP
 Grant Thornton House
 Melton Street
 Euston Square
 London
 NW1 2EP
 22 May 2013

**NEPFT Demographic breakdown of Service Users on CPA as at
31/12/12**

Summary			Service Users on CPA as at 31/12/12
Ethnicity			
White	A	British	15,555
	B	Irish	115
	C	Any other White background	302
Mixed	D	White and Black Caribbean	48
	E	White and Black African	31
	F	White and Asian	28
	G	Any other mixed background	71
Asian or Asian British	H	Indian	46
	J	Pakistani	28
	K	Bangladeshi	11
	L	Any other Asian background	68
Black or Black British	M	Caribbean	26
	N	African	43
	P	Any other Black background	18
Other Ethnic Groups	R	Chinese	25
	S	Any other ethnic group	43
	Z	Not stated	12
		Not Recorded	4

Summary	Service Users on CPA as at 31/12/12	Percentage
Age Group		
Under 18	1,757	10.7%
18 yrs to 25 yrs	1,005	6.1%
25 yrs to 50 yrs	4,786	29.1%
50 yrs to 65 yrs	2,484	15.1%
65yrs or Over	6,442	39.1%
Not Recorded	0	-
Sex		
Male	7,253	44.0%
Female	9,218	56.0%

Other	0	-
Not Recorded	3	0.0%
Employment		
Unemployed	3,608	21.9%
Employed	1,969	12.0%
Other	10,868	66.0%
Not Recorded	29	0.2%
Accommodation		
Settled	15,758	95.7%
Not Settled	543	3.3%
Not Recorded	173	1.1%

Staff Sickness Absence

Staff Sickness Absence	2012/13	2011/12
Average FTE staff in 2012/13:	1,791	1,735
FTE days available:	402,923	390,375
FT days lost to sickness absence:	17,216	16,961
Average sick days per FTE:	9.6	9.8

Staff Survey

Commentary

The Trust takes staff engagement very seriously as we believe that a happy workforce directly links to better patient care. 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 Cafés, a weekly Core brief, Connections staff magazine, award ceremonies, staff-side and social events such as a Quiz Night and It's a Knockout.

The response rate to our 2012/13 staff survey conducted by The Picker Institute on behalf of the Department of Health was 53% and is average when compared nationally.

Once again we offered all staff a survey (including our seconded staff from Essex County Council). The results give us a very

comprehensive picture of what it is like to work in this Trust and how our staff are feeling.

The results show that our staff believe we are doing well in some important areas:

- The Trust is a place that you would recommend friends and relations to be treated in
- Care of patients is the organisations top priority
- We know who the senior managers are
- Good support from our managers
- Managers help staff to access training, learning and development
- Communication and staff involvement has improved and is even better than last year
- Our staff recommend us a place to work (89% of staff say they look forward to coming to work).

There are areas that we still have to improve on and the survey showed that these are:

- Despite an increase in training in managing violence or aggression, harassment, bullying and violence has risen (this has increased nationally as well)
- Nationally work related stress has also increased, and again we have also seen an increase in this.
- People putting themselves under pressure to come to work when they may be unwell

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

The overall response rate to the survey is shown in the table below:

	2011/12		2012/13		Trust Improvement/ Deterioration
Response rate	Trust	National Average	Trust	National Average	
	61%	54%	53.4%	52%	Decrease of 7.6%

Key findings where the Trust is better than average

	2011/12		2012/13		Trust Improvement/ Deterioration
	Trust	National Average	Trust	National Average	
Top 4 Ranking Scores					
KF20 percentage of staff feeling pressure in the last 3 months to attend work when feeling unwell	22%	20%	18%	22%	+ve 4%
KF22 percentage of staff able to contribute towards improvements at work	67%	66%	76%	71%	+ve 9%
KF21 percentage of staff reporting good communication between senior management and staff	35%	29%	35%	30%	No change
KF24 staff recommendation of the trust as a place to work or receive treatment	3.59	3.42	3.69	3.54	+ve 0.1

Key findings of bottom ranking scores

	2011/12		2012/13		Trust Improvement/ Deterioration
	Trust	National Average	Trust	National Average	
Bottom 4 Ranking Scores					
KF16 percentage of staff experiencing physical violence from patients,			27%	20%	Changes to the question means that responses cannot be directly compared with

relatives or the public in the last 12 months					2011 results
KF18 percentage of staff experiencing harassment, bullying abuse from patients, relatives or the public in the last 12 months			40%	30%	Changes to the question means that responses cannot be directly compared with 2011 results
KF6 percentage of staff receiving job-relevant training, learning or development in the last 12 months			78%	82%	Changes to the question means that responses cannot be directly compared with 2011 results
KF19 percentage of staff experiencing harassment, bullying or abuse from staff in the last 12 months			23%	21%	Changes to the question means that responses cannot be directly compared with 2011 results

Future priorities and targets

The staff survey indicated some areas that we have to focus on to improve our staff experience at work. The wellbeing of our staff is important to us in helping us deliver outstanding care for our patients.

Our 2012/13 priorities around the staff survey were raising awareness of the importance of having a work life balance, supporting staff who are indicating that they are feeling stressed and pressured; and reinforcing our zero tolerance policy to harassment, bullying, violence and discrimination.

Performance against priority areas (against targets set)

2011/12 saw an increased focus on the promotion of health and well-being and the importance of ensuring a good work life balance. Our work around “**Respect**” continued with greater numbers of advisers appointed and a renewed emphasis placed on the benefits of mediation in resolving differences.

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 2013/14 are:

- A continuing focus on increasing appraisal rates and the quality of the appraisal experience.
- Supporting staff who indicate that they are feeling under pressure with a targeted project around stress prevention – our ‘strengthening resilience’ programme is underway.
- Reinforcing, through our Respect agenda, our zero tolerance approach to harassment, bullying, violence and discrimination; supporting staff to report their experiences.

Sustainability Report

The Trust continues to make good progress in line with the Trust Board’s approved Carbon Management Plan (CMP) of December 2009 where a three year carbon reduction plan was agreed and an objective to aim for an overall 30% reduction in carbon emissions for the Trust, a number of low carbon initiatives were set out to achieve the target by use of various technologies, applications and policies. The 2009 CMP will be re-written during 2013 into a new Sustainability Development Management Plan (SDMP) to encompass a wider agenda of Sustainability issues including adoption of the new version of the Corporate Citizenship Model.

The Trust is already using less energy and generating less carbon emissions since the baseline year of 2007 but maintaining this momentum will be increasingly challenging.

The purpose of implementing a carbon management programme is to achieve the latest targets set within the NHS Sustainability Strategy and statutory legislation linked to the Climate Change Act 2008. Using 2007/08 as the baseline year the Trust is on target to reduce carbon emissions in its use of buildings by 30% before March 2015 and had already achieved the 10% overall reduction by the end of 2010.

Carbon emissions come from the three sources which are procurement, travel and buildings, procurement accounting for 60%, travel 18%, and buildings 22% of the NHS total respectively.

The baseline study found that the 30% reduction in carbon emissions can be best achieved through an approach entirely consistent with the Trust's vision and values. Carbon management will most effectively optimise emissions in buildings, transport, and procurement if it is centred on service users, promotes staff participation and includes genuine consultation with stakeholders.

A number of advances have been made since 2007/08, which has already reduced carbon emissions overall. Examples of these works include the installation of voltage optimisation units, upgrading of boiler systems and in the major capital schemes investment into Ground Source heat pumps in the newly completed St Aubyn Centre in Colchester.

The Carbon Management Plan shows how the Trust can build on its strength's, overcome threats and take opportunities to achieve the strategic goal of a 30% reduction in carbon emissions by implementing work-streams described under the headings Governance, Stakeholder engagement, Monitoring, Invest to save, Review and feedback. The Trust is on course to meet its targets. The Trust has undertaken the Good Corporate Citizenship Assessment tool in April 2010, December 2010, January 2012 and February 2013 to monitor its progress against the criteria set by the Sustainable Development Commission (SDU).

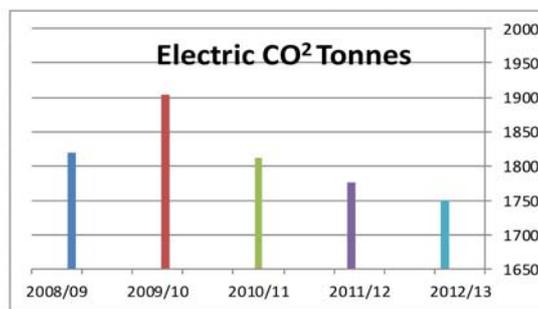
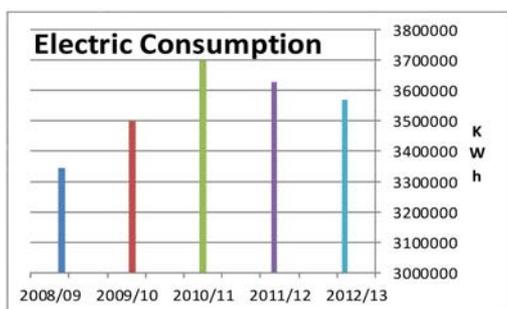
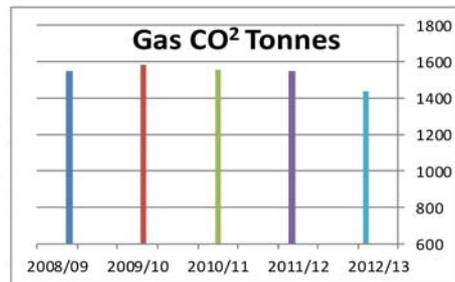
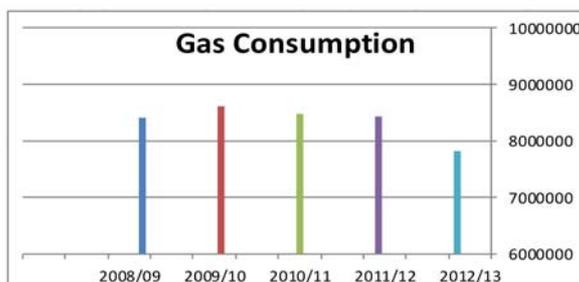
The SDU has developed a mark III version of the GCC (Autumn 2012). The first two versions were created by the Sustainable Development Commission, the Department of Health and the NHS Sustainable Development Unit.

The SDU has now taken over the running and hosting of the GCC following the closure of the Sustainable Development Commission and changes in the Department of Health. Taking part in the GCC is one of the four requirements of the NHS Carbon Reduction Strategy, published by the SDU.

Energy Costs / Comparisons

To reduce energy costs and give further reductions in carbon emissions the Trust, following recommendations by the Estates and Facilities team, have continued to invest in infrastructure systems offering increased building management control of building temperatures, remotely in some cases, to give 24/7 efficiency and comfort for patients and staff whilst reducing costs.

Green House Gas Emissions		2008 - 09	2009 - 10	2010 - 11	2011 - 12	2012 - 13
Non – Financial Indicators (1,000 tCO2e)	Gas Consumption (kwh)	841110	861224	846971	8433023	7827786
	C02 tonnes	1547.64	1584.65	1558.44	1551.68	1437.18
Related Energy Consumption (million Kwh)	Electric Consumption	3345000	3497944	3698346	3629294	3535814 (reduction for green energy applied)
	C02 tonnes	1819.68	1902.88	1810.71	1776.91	1750.95
Financial Indicators (£)	Gas			319,169	320,169	236,838
	Electric			360,242	350,356	328,327



Examples of the Trust's energy saving investments during 2012/13 are:

Cherry Tree's Boiler and Plate Heat Exchanger

A new energy efficient boiler has been installed in Cherry Trees to minimise fuel consumption and heat the building more efficiently. The calorifier has been replaced with a new plate heat exchanger to minimise the amount of stored water in the building without compromising availability for the users. The Building Management System (BMS) Trend controls have been upgraded in line with the modifications to enable on-site and remote monitoring alteration to the new system to maximise efficiency.

Stapleford CCTV Upgrade

The CCTV system at the Trust Headquarters used 9 x 500w Infra-Red lamps to enable night recording which are on from dusk till dawn 365 days per year. The system has been upgraded to modern cameras which don't require IR lamps to reduce the electricity consumption at this building.

The Lakes – Sub Metering of Distribution Boards

This is an extension of the smart metering installation on Trust electricity meters which is on-going and is being trialled at the Lakes. This will enable Estates to remotely monitor and view historical data for current load on all individual distribution boards at the Lakes. Using this information we can monitor for 'out of balance' phases, (which amongst other things, will lead to increase energy costs), abnormalities in electrical consumption, (plant / equipment left on or over-running when not required, lighting left on out of hours in admin areas etc).

Peter Bruff LED Lighting

A number of existing luminaires are being upgraded in the seclusion corridor following complaints from staff and service users over lighting levels. New anti-ligature and anti-vandal LED luminaires are being installed which support dimming to enable staff to lower lighting levels at night to prevent disturbing service users in adjacent bedrooms whilst maintaining a reduced level of lighting to enable staff to carry out their necessary monitoring and observations. The LED luminaires will reduce energy consumption on the site and when dimmed, this will decrease up to a further 90%.

King's Wood Uplighter Removal

The staff in King's Wood reported that the existing lighting uplighters were no longer required but in many rooms, were still being switched on along with the overhead lights. Following confirmation that the overhead lights provided sufficient lighting in the bedrooms, these were removed on both in-patient wards to prevent unnecessary use and unnecessary energy consumption at this site.

Plate Heat Exchanger

The calorifier was replaced with a plate heat exchanger at King's Wood and also at the Landermere Centre which improved efficiency by minimising the amount of stored hot water at these sites without prejudice to the availability and delivery of domestic hot water.

Various Sites – Passive Infra Reds in WCs, Store and Cleaners Cupboards

The trust is in the process of altering lighting throughout WC's, cupboards and on some sites, bathrooms and kitchens. This prevents lights being left on unnecessarily which in turn, reduces energy costs. This year, this work has been completed in certain parts of Herrick House, C&E Centre, Cherry Tree's, Linden Centre, New Ivy Chimneys, The Derwent Centre and The Lakes.

Valve Iso-Covers

Installation of valve covers on all service / isolation valves at Clough Rd, Linden Centre, Christopher Unit and Crystal Centre. In conjunction with the insulation of pipework, this ensures that heat loss through the pipework is reduced to enable heating equipment to run efficiently.

Trust Headquarters Main Entrance

Upgrade of main entrance at Stapleford to include entrance lobby. This has enabled the heating in the reception entrance to remain constant and negate the requirement for supplementary electrical heating in this area reducing energy consumption.

Governance

Regulatory Ratings

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

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

The total number of complaints has risen in 2012/13 compared to 2011/12. "Access to Service" 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:

Issue: A complaint was made by a husband of a service user who was admitted following a breakdown in her mental health. He had a number of issues regarding her care whilst on the ward.

After investigation it was agreed the following outcomes were to be actioned;

- Improved communication between staff and relatives, explaining the care plan including the management of challenging behaviours.
- Improved staff awareness of health and safety on the ward, e.g. the management of sharps such as razors and maintenance equipment.
- Raise awareness regarding the safeguarding of vulnerable adults, including safeguarding patients from other patients. Increased staff attendance at Safeguarding Training.
- Raise staff awareness regarding communicating sensitively with people with dementia and ensuring they are treated with dignity and respect.
- Raise staff awareness regarding the provision of fresh bed linen as required.

Issue: Waiting times to access Occupational Therapy and Psychotherapy. Inadequate communication with care coordinator. *(Complaint partly upheld)*

Actions/Learning:

Care Plan to address service users needs. Meeting with service user and his parents to address concerns regarding service provision.

Issue: Changing from one CAMHS area to another to access counselling service and also issue re medication. *(Complaint partly upheld)*

Actions/Learning:

Meeting arranged with professionals to discuss options until transfer can be facilitated. It was agreed that the service user could be seen in an area of choice by clinician from current area while awaiting transfer.

Issue: Complaint regarding visitors to inpatient ward having access problems, particularly at weekends. Problems experienced by family/visitors identifying staff, particularly bank staff. *(Complaint partly upheld)*

Actions/Learning:

New entry system and protocol initiated to minimise delay caused to visitors wishing to enter ward especially at weekends.

Staff to wear Trust ID badges at all times while on Trust premises.

Patient Advice & Liaison Service (PALS)

PALS offers support, advice and information to service users, carers, family and friends, and members of the public about trust services.

A total of **618** enquiries were received during the period April 2012 - March 2013.

North East: 96 – Mid: 153 – West: 91 – CYPS: 32 – Psychology: 4 – Corporate: 4 – Business Infrastructure: 1 – Community Services: 1 – Non-specific: 236.

248 were calls for various information requests, e.g. access to other PALS, clearer understanding of mental health services, to discuss in confidence a concern, how to make a complaint, liaison with Trust staff, to raise trust aware about situations.

In total **370** Key Issues were received by the Trust Directorates as listed above.

20 enquiries were referred to MEC team to respond to.

Key issues:	Referred to MEC:
• Care and treatment	15
• Communication	1
• Access to services	
• Change of staff request	1
• Staff attitude	3
• Reimbursement/compensation	
• To raise staff awareness	
• Information	

Learning outcomes

- Improved communication between staff, service users and family
- Identified staff training issues
- Managing bed shortages
- Improving access and communication to CRHT services

PALS low risk Categories April 2012 – March 2012:

PALS Categories	
Information	249
Care and Treatment	138
Communication	53
Access to Services	53
Change of staff request	24
Staff attitude	20
Appointment	18
Medication	12
Reimbursement/compensation	10
Confidentiality	10
Facilities	5
Privacy & Dignity	5
Diagnosis	6
Funding/Commissioning	5
MHA	4
Trustline	4
Freedom of Information	3
Total	618

Low risk concerns

Triaged low concern as enquirer requires a speedy and less formal approach. 83% of low concerns are resolved within five working days. Those that take longer are with the agreement of the enquirer.

Outcome: Upheld: 10 – Partial Upheld: 11 – Not Upheld 16

Examples of low concerns:

Mid Adult Out-patient appointments

The waiting list for outpatient appointments is getting longer. PALS and consultant's secretaries are getting calls from patients complaining about the length of the wait. It appears that there are not enough appointments available to meet the demand. Service users are placed on a "cancellation" list although not many appointments are cancelled.

Outcome: Area Medical Director aware – provision made for extra clinics

TRUSTLine

Distressed service user contacted PALS stating that they had been told by CRHT staff that staff are not able to speak with clients (if using a mobile number) for longer than 10 minutes due to the cost. PALS investigated and was informed that this is the recommended position.

Outcome: PALS contacted the TRUSTLine Steering Group about this situation. Staff have been told by the TRUSTLine Steering Group that they need to make their own judgement about the need to extend the call beyond the suggested 10 minutes.

Adult In-patient – Respect and Dignity

A patient was not happy that a staff member had entered their room at night and the door was left open allowing another patient to enter the room.

Outcome: Clinical Manager spoke to staff team to ensure they follow the correct procedure and ensure that this does not happen again.

Older Adult in-patient - Communication

Family raised concerns regarding information, care and treatment of their mother whilst on the ward.

Outcome: Clinical Manager and Ward Manager met with the family. Apology given and family assured that the team have learnt from their experience and improved admission procedures.

Adult In-patient – Facilities

Patient raised concerns and offered advice regarding their experience.

Outcome: Operational Service Manager met with patient to discuss suggestions with a view to improving patient experience.

Key learning outcomes and issues raised with PALS

- Improved communication between staff, service users and family
 - Double booking of a clinical appointment: Actioned locally by Manager – *to ensure improved staff communication with service users, family and carers to prevent reoccurrence*
 - Attitude – *resolved locally through meetings/correspondence with service users*

- Identified staff training issues - *to improve interpersonal and communication skills (through use of PALS case studies)*
 - Actioned locally by Managers
 - PALS In-sight Workshop
 - Student nurse training
 - PALS training
 - MEC/PALS training

Comments received from people using PALS:

- PALS provided valuable information
- I achieved the outcome I was seeking
- Helped to resolve an issue after my attempts had been unsuccessful
- My issue was dealt with in a professional manner
- Very efficient, they said they would ring back and did so within five minutes
- PALS helped me to make contact with staff
- It was reassuring to be helped by a professional
- Excellent

Safeguarding

North Essex Partnership University Foundation Trust is committed to safeguarding all its service users across the range of services provided by the organisation.

North Essex Partnership University Foundation Trust continues to promote and develop the Safeguarding agenda within its Corporate Plan, Strategic Plans and in clinical practice. The Trust continues to play an active role in the Essex Safeguarding Adults Board, the Essex Safeguarding Children Board and many of their sub-committees.

A number of initiatives have been developed over the past year including improved performance monitoring (with 445 Safeguarding Adults investigations led by CPA coordinators from NEPFT during this financial year and 140 referrals of children to Social Care). Key performance measures have been agreed and are reported through the NEPFT Safeguarding Group to the Trust Risk and Governance Executive Board, including the MCA and DoLS.

NEPFT was commissioned to provide a DoLS service for the North Essex PCT's in their capacity as a Supervisory Body during 2012 - 2013. This included provision of training & consultation to staff on the MCA and DoLS and a DoLS assessment process. The Trust managed 330 DoLS applications during the financial year - a positive reflection on the collaborative work completed during this year across health trusts in Essex and providing assurance that no service user is unlawfully detained.

All clinical staff working within North Essex Partnership University Foundation Trust are required to complete a level3 trainings in both Safeguarding Adults and Safeguarding Children. They are supported in their work by access to consultation and supervision, comprehensive policies and procedures underpinned by the SET Safeguarding Procedures (both children and adult).

Directors Report

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 2013 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.

There was no formal self-evaluation by the Board of Directors in 2012/13; further details are provided in the section 'Evaluation of the Board.

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). Chris Paveley, 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 which are required to be taken by the Board, and a Scheme of Delegation which 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 (David Pickles), 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 (Chris Paveley)

Chairman and Non Executive Appointments

Name	Role	End date of appointment
Mary St Aubyn	Chairman	30 November 2012
Chris Paveley	Chairman	01 January 2016
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

The Chairman and each of the Non-Executive Directors is an independent director. Ray Cox and Sarah Philips were nominated as Deputy Chairman and Senior Independent Director respectively by the Board in February 2010 for indefinite terms, and Ray Cox was appointed Deputy Chairman by the Council of Governors in March 2010. The appointments of the Chairman and each of the Non-Executive Directors may be terminated in accordance with the Trust's Constitution. The balance of the membership of the Board is regularly considered by the Nominations Committee whose report appears below.

Executive Directors

Name	Position	Contract Date	Contract Status	Notice Period
Lisa Anastasiou	Director of Workforce & Development	29/03/2010	Permanent	3 Months
Mike Chapman	Director of Commercial & Service Development	06/02/2010	Permanent	3 Months
Dr. Malte Flechtner	Medical Director	01/02/2005	Permanent	3 Months
Andrew Geldard	Chief Executive	30/07/2009	Permanent	6 months
Paul Keedwell	Director of Operations & Nursing	12/03/2010	Permanent	3 Months
Geoff Scott	Director of Strategy	01/04/2001	Permanent	4 Months
Rick Tazzini	Director of Resources	23/11/2009	Permanent	3 Months
Vince McCabe	Director of Community Services	04/06/2011	Permanent	3 Months

All Executive Directors are employed on permanent contracts with a notice period of three months except for the Chief Executive where the notice period is six months. There are no provisions for early termination within the contracts nor do they contain other details sufficient to ascertain the Trust's liability in the event of early termination. The register of Directors interests can be inspected on appointment with the Trust Secretary.

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

Chris Paveley, Chairman

Appointed January 2013



Responsibilities:

- Independent Director
- 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, Expertise and Other Interests

Chris brings over 40 years of private and public sector experience to the Trust. He is also Chair of Montal Computer Systems and Firstsite (Visual Arts Organisation, Colchester). He is also employed by Anglia Ruskin University. Chris was previously the Chair of North Essex PCT. He did his formative business education in Japan. Chris returned to the UK in the mid 1980s' and set up his own business and has been on the boards of multiple organisations.

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, Expertise and Other Interests:

- 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, Brighton 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 Officer

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, Expertise and Other Interests:

- 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, Expertise and Other Interests

- 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, Expertise and Other Interests:

- 2001 – 2007 Director of development and Social Care, North Essex Partnership
- 1999-2001 Lead for Essex County Council on the creation of the North Essex Mental Health Partnership NHS Trust
- 1996-2001 County Manager, mental health and substance misuse, Essex County Council
- 1980 - 1995 Various posts, Essex Social Services
- Four years management experience in the paints/coatings industry
- BSc (Hons) Polymer Science
- Social Work Certificate (CQSW)
- Diploma in Management Studies (DMS)

Rick Tazzini, Director of Resources
Appointed November 2009



Responsibilities:

- Finance
- Estates & Facilities
- IT and Clinical Systems
- Contracting and Performance
- Procurement

Experience, Expertise and Other Interests:

- 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 Officer
- 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, Expertise and Other Interests:

- 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, Expertise and Other Interests:

- 2006 - 2009 Area Director for Tending 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, Expertise and Other Interests:

- 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 -
5 October 2013



Responsibilities:

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

Experience, Expertise and Other Interests:

- Director, UK Green Investment Bank, with responsibility for Public Sector non-domestic energy Efficiency Investments
- 2005-2011 Health 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:

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

Experience, Expertise and Other Interests:

- 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, Expertise and Other Interests:

- Chairman Demelza Hospice Care for Children
- Awarded OBE in 2005 for services to disabled people
- Appointed Deputy Lieutenant of the County in 2005
- Commissioner of the Royal Hospital Chelsea 2006-2012
- Chairman of Victim Support 2005-2011
- Chairman of the Multiple Sclerosis International Federation 2004-2011
- Chairman of the Multiple Sclerosis Society 1998-2005
- Committee Chair of the General Social Care Council 2003-2012

John Gilbert
Appointed June 2008
Reappointed March 2011 –
31 May 2014



Responsibilities:

- Independent Director
- 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, Expertise and Other Interests:

- 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
- Charities/Voluntary – Scope (Advisory Member of the Resources Committee)

Brian Johnson
Appointed March 2012 –
12 March 2015



Responsibilities:

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

Experience, Expertise and Other Interests:

- 2012 – present, Chief Executive – Metropolitan (Metropolitan Housing Trust Limited, and Clapham Park Homes)
- 2008 – 2012, Chief Executive Moat Homes Limited
- Chief Executive City West 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

Dermot McCarthy, Trust Secretary



Responsibilities:

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

Experience, Expertise and Other Interests:

- 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 guidance in respect of the Board evaluating its own effectiveness, specifically through an annual self-evaluation questionnaire (from 2008/09 to 2011/12). The Board of Directors received a report on its evaluation for 2011/12 on 28 March 2012 which included a range of action and information points carried forward into 2012/13.

The recruitment timetable for a new Chairman ran during the summer/autumn 2012 with the new postholder taking up office from 01 January 2013. In this context the overarching Board self-evaluation process was put on hold until 2013/14. A meeting is being held in May 2013 to determine approach to Board evaluation for 2013/14.

The balance of skills, knowledge and experience of the Non Executive members of the Board was considered by both the Nominations Committee of the Board of Directors and the Remuneration and Appointments Committee Council of Governors in 2012/13 in the context of the recruitment and selection process for two new Non Executive Directors, which is scheduled to conclude in June 2013. In addition both Executive and Non Executive Board members were subject to a formal appraisal process during the year.

Attendance at Board meetings

			25/04/2012	23/05/2012	27/06/2012	25/07/2012	29/08/2012	26/09/2012	24/10/2012	28/11/2012	19/12/2012	30/01/2013	27/02/2013	27/03/2013	Meetings Attended	Out of
Chairman (to 30/11/12)	Mary	St. Aubyn	1	1	1	1	1	1	1	1					8	8
Chairman (from 01/01/13)	Chris	Paveley	-	-	-	-	-	-	-	-	-	1	1	1	3	3
Non Executive Directors	Charles	Abel Smith	1	1	1	1	1	1	1	0	1	1	1	0	10	12
	Ray	Cox	1	1	1	1	1	1	1	1	1	1	1	0	11	12
	John	Gilbert	1	1	1	1	1	1	0	1	1	1	1	1	11	12
	Brian	Johnson	1	1	1	1	1	0	1	1	1	1	1	1	11	12
	Sarah	Phillips	1	1	1	1	1	0	1	1	1	1	1	1	11	12
Chief Executive	Andrew	Geldard	1	1	1	1	1	1	1	1	1	1	1	1	12	12
Executive Directors	Dr Malte	Flechner	1	1	1	0	0	1	1	1	1	1	0	1	9	12
	Paul	Keedwell	1	1	1	1	1	1	1	1	1	1	1	1	12	12
	Geoff	Scott	1	1	1	1	0	1	1	1	1	1	1	1	11	12
	Rick	Tazzini	1	1	1	1	1	1	1	0	1	1	1	1	11	12
Other Directors	Lisa	Anastasiou	1	1	1	1	1	1	1	1	1	1	1	1	12	12
	Mike	Chapman	1	1	1	1	1	1	1	1	1	1	1	1	12	12
	Vince	McCabe	1	0	1	1	1	1	1	1	1	1	1	1	11	12

Attendance at Meetings of the Council of Governors

			12/06/2012	AGM (12/09/12)	09/10/2012	11/12/2012	12/03/2013	Meetings Attended	Out of	
Chairman (to 30/11/12)	Mary	St Aubyn	1	1	1	-	-	3	3	
Chairman (from 01/01/13)	Chris	Paveley	-	-	-	-	1	1	1	
Non Executive Directors	Charles	Abel Smith	0	1	0	1	0	2	5	
	Ray	Cox	1	1	0	1	1	4	5	
	John	Gilbert	1	1	1	0	1	4	5	
	Brian	Johnson	0	1	0	1	1	3	5	
	Sarah	Phillips	1	1	1	1	1	5	5	
Chief Executive	Andrew	Geldard	1	1	0	1	1	4	5	
Executive Directors	Dr Malte	Flechtner	1	1	1	1	1	5	5	
	Paul	Keedwell	1	1	1	1	0	4	5	
	Geoff	Scott	1	1	1	1	1	5	5	
	Rick	Tazzini	1	0	1	1	1	4	5	
Other Directors	Lisa	Anastasiou	1	1	1	0	1	4	5	
	Mike	Chapman	1	1	1	0	1	4	5	
	Vince	McCabe	0	0	1	1	0	2	5	

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 10 public constituencies: Braintree, Colchester, Chelmsford, Epping Forest, Harlow, Maldon, Tendring and Uttlesford (all in north Essex), plus south Essex and Suffolk. There are 9 elected Staff Governors and 9 appointed Governors representing partner organisations.

Trust Governors have opportunities to meet 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	Meetings Attended	Out of
First name	Surname	12/06/2012	12/09/2012	09/10/2012	11/12/2012	12/03/2013		
Ron	Abbott	1	1	1	0	1	4	5
Sourangshu	Acharyya	0	0	1	0	0	1	5
Moshud	Ali	1	1	1	0	0	3	5
Qadir	Bakhsh	1	1	0	0	0	2	5
David	Bamber	1	1	0	1	1	4	5
Angela	Barnes	1	1	0	1	0	3	5
Annette	Bright	0	-	-	-	-	0	1
Nick Ntiako	Brown	0	0	1	1	0	2	5
Peter	Cheng MBE	1	1	1	1	1	5	5
Robert	Davis	0	-	-	-	-	1	1
Dr Zach	deBeer	0	0	0	-	-	0	3
Pippa	Ecclestone	1	1	1	1	1	5	5
David	Fairweather	1	0	0	1	1	3	5
Mike	Garnett	1	0	0	1	1	3	5
Patrick	Hamilton	1	1	1	1	1	5	5
Terrie	Harris	0	-	-	-	-	0	1
Sheila	Jackman MBE	1	1	1	0	1	4	5
Christian	Jenner	0	0	-	-	-	0	2
Dan	Kessler	1	1	1	-	-	3	3
James	McQuiggan	1	1	1	1	1	5	5
Matt	Mills	0	1	1	0	1	3	5
David	Monk	1	1	1	0	0	3	5
Linda	Pearson	1	1	1	1	1	5	5
David	Pickles	1	1	1	1	1	5	5
Mary	Power	1	1	1	1	0	4	5
Hazel	Ruane	1	1	1	0	1	4	5
Valerie	Sach	1	1	1	0	0	3	5
Allen	Senivassen	1	0	1	1	0	3	5
Nazir	Shivji	1	0	1	1	0	3	5
Andrew	Smith	0	1	1	1	1	4	5
Brian	Spinks	1	1	1	1	1	5	5
Claire	Stockwell- Lance	0	-	-	-	-	0	1
Lucy	Taylor	1	1	1	1	1	5	5
Hugh	Thompson	1	1	1	1	1	5	5
Cathy	Trevaldwyn	1	1	1	1	1	5	5
Michael	Waller	0	1	1	1	-	3	4
Clive	White	1	1	1	1	1	5	5

Jo	White	0	0	0	0	0	0	5
David	Williams	0	1	0	1	1	3	5
Brian	Winder	0	0	1	0	1	2	5
Tim	Young	1	0	0	0	0	1	5
0 Non Attendance								
1 Attendance								

Audit Committee Annual Report 2012/13

1. Introduction

This annual report which is in respect of the work of the Committee in 2012/13, follows guidance contained in the NHS Audit Committee Handbook, and is divided into six sections reflecting the key duties of the Committee.

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

2012/13 has been a successful, interesting and eventful year for the Committee. Through its activities it has made an effective contribution to the maintenance of the Trust's internal governance system by scrutinising and challenging, and also by encouraging and supporting the Executive in its task of ensuring the Trust operates efficiently and effectively. It is pleasing to note that in the opinion of its external regulators, the Trust has achieved high performance in both the quality and safety of its services and in the financial management of its affairs.

The Committee is independent of the Executive and therefore to be effective it must establish a working relationship with the Executive that is based on mutual respect and understanding. One of the major strengths of the Committee is the way in which the executive directors and staff support the work and activities the Committee carries out.

The Committee consists of three Non Executive Directors and it has met on five 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	Five
Charles Abel Smith	Non Executive Director	Three
John Gilbert	Non Executive Director	Five

2. Governance, risk management and internal control.

- The Committee reviewed and scrutinised various disclosure statements, including the Head of Internal Audit's opinion on internal control, the external auditor's opinion on the financial statements and Quality Accounts, and other appropriate assurances, including going concern. The Committee considered and reviewed the Chief Executive's Annual Governance Statement (AGS) and concluded that it is consistent with these disclosure statements and therefore the Committee recommended Board approval of the AGS.
- The Committee has reviewed the Board Assurance Framework, and consider it to be fit for purpose. The Committee also reviewed the risk management strategy and the extent it is embedded in the organisation. Using evidence and assurance from the Risk and Governance Executive and internal audit, 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 in embedding it throughout the Trust will for the future maintain and strengthen internal controls and governance standards.
- The Committee reviewed the Standing Orders of the Trust 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 of the Committee during the year.

3. Internal Audit

Internal audit services are provided by Deloitte & Touche Public Sector Internal Audit Ltd. Throughout the year the Committee has worked effectively with them to assess, scrutinise and strengthen internal control processes and levels of assurance. A summary of this work is set out below.

3.1 The Internal Audit Plan

The work of the Internal Auditor is based on an agreed strategic audit plan which is prioritised through an audit needs and risk assessment process aimed at identifying potential areas of highest risk. Each audit subject is reviewed and is assigned an assurance level by the Internal Auditor. Recommendations where appropriate are agreed with management, and these are assigned a priority rating as follows:

- Priority One Recommendations – Major issue for the attention of senior management and the Audit Committee.
- Priority Two Recommendations – Important issue to be addressed by management in their areas of responsibility.
- Priority Three Recommendations – Minor issue resolved on site for local management.

For each audit subject report, the Internal Auditor determines an assurance level based on his opinion using the following criteria:

- Good Assurance – There is a sound system of control designed to achieve the system objectives and the controls are being consistently applied.

- Adequate Assurance – While there is a basically sound system, there are weaknesses which put some of the system objectives at risk, and/or there is evidence that the level of non-compliance with some of the controls may put some of the system objectives at risk.
- Limited Assurance – Weaknesses in the system of controls are such as to put some of the system objectives at risk, and/or the level of non-compliance puts the system objectives at risk.
- No Assurance – Control is generally weak, leaving the system open to significant error or abuse, and/or significant non-compliance with basic controls leaves the system open to error or abuse.

Details of the internal audit report outcomes for the 2012/13 audit plan are summarised below.

Audit Subject
Assigned by Internal Audit

Assurance Level

Creditor Payments	Limited
Debtors and Debt Management	Limited
Income	Adequate
Treasury Management	Adequate
Financial Systems Key Controls	Adequate x 6
Assurance Framework and Risk Management	Adequate
ESQS Monitor Returns and Governance	Good
Quality Standards	Adequate
Corporate Strategy	Good
Recruitment and Retention	Adequate
Healthcare Strategy and Training	Adequate

Sickness Absence Management	Adequate
Workforce Health and Wellbeing	Adequate
Carers Strategy	Good
Contract Monitoring	No
Clinical Governance	Adequate
Safeguarding	Adequate
Hardware Asset Management	Limited

In conjunction with these reports the Committee has:

- Reviewed and considered the internal audit plan and recommended approval to the Board. The Committee is satisfied the internal audit plan and work is based on an effective strategy and risk assessment, and therefore are effectively focused reflecting the Trust's priorities. The internal audit plan is based on a total of 158 days work per year and covers a three year strategic audit plan period.
- Considered and scrutinised all reports from internal audit and monitored the implementation of recommendations made. The Committee is assured that management action is appropriately monitored and managed and that material interim risks during the implementation phase are managed by the executive directors.
- Noted a general and consistent improvement in the implementation of recommendations by the Executive. At the same time the Committee has been very strict in the attention it pays to these recommendations and in particular to priority one recommendations. It should be noted that due to focusing the internal audit plan on areas of risk, it is appropriate that weaknesses are exposed and recommendations are made, in order to improve controls, safety and quality of work.
- In respect of the Contract Monitoring report (which received a no assurance level from internal audit), the Committee were

assured by the responsible officers that urgent remedial action had been carried out and would be completed quickly. The Committee were also assured by the Internal Auditor that the report and recommendations did not refer to major contracts managed centrally. It was reported at the April meeting by the Internal Auditor that all recommendations had been verified as having been implemented prior to the end of the financial year.

3.2 Management of Internal Audit

- The Committee 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.
- The Committee received and reviewed the Internal Auditor's Annual Opinion on Internal Control which provided a significant level of assurance.

3.3 Internal Audit Service retendering

In 2013, the Committee established a small working group, comprising two Non-Executives, the Director of Resources, Trust Secretary and the Associate Director of Finance to retender the Trust's internal audit and counter fraud service. At the time of writing the working group had produced the service specification, invitation to quote and evaluation criteria. It is planned that the new contract of 2 years plus a maximum extension of 2 further years will be awarded by the end of October 2013 for the audit year commencing 1 April 2014.

4. External Audit

Throughout the year the Committee has worked effectively with External Audit. This is the first year of the appointment of Grant Thornton as the Trust's Auditors. Successful relationships and professional standards of work are already evident and there are no significant issues arising. The Committee is confident that

Grant Thornton will continue to provide an excellent audit service into the future.

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

- Received regular updates and reports from the External Auditor.
- Received the draft audit letter, and has been assured that appropriate action has been taken by management.
- Considered and reviewed the plans for auditing the 2012/13 accounts, and discussed topical auditing and accounting standards issues that have arisen.
- Reviewed in conjunction with the Director of Resources the draft accounts and annual report, the reports and comments of the External Auditor (unqualified audit opinion) and assisted in resolving all matters arising from the annual audit.

5. Counter Fraud

The activities of the local counter fraud specialist (LCFS) are provided by Deloitte & Touche Public Sector Internal Audit Ltd. They report regularly to the Committee, on progress in the completion of the agreed annual plan for counter fraud work and the Trust's performance in managing and minimising the risk of fraud.

During the year the Counter Fraud service provided valuable support and assistance to the Executive in investigating and recovering the loss initially caused as a result of a major fraud directed at the Trust in the year. The Committee is satisfied there continues to be satisfactory progress in the arrangements for avoiding, minimising and managing the risk of fraud, and also in

the arrangements for identifying and taking action on actual cases of fraud.

The counter fraud plan is based on 50.5 days planned work per year plus additional reactive days as required for investigations. For 2012/13 a further 48 days were provided for investigations.

6. Clinical Audit

The Risk and Governance Executive has the responsibility of agreeing and supervising the programme of clinical audit. As a key component of the assurance agenda the Audit Committee satisfies itself that clinical audit processes and outcomes meet recommended standards. The Committee receive an annual update summarising the methodology, programme and performance of clinical audit, and this is considered in detail. In addition at the annual joint meeting of the Audit Committee and the Risk and Governance Executive, the plans and priorities in clinical audit are discussed. Through these means the Committee is assured standards are met.

A brief summary of the year's work for 2012/13 is shown below:

No of clinical audits completed in year	22
No of limited level of assurance	5
No of adequate level of assurance	7
No of good level of assurance	5

7. 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 meetings of the Committee, have all played a vital role in the work of the Committee.

An important part of the Committee's role is to challenge and test the processes that underpin the Trust's Assurance Framework, 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 is satisfied the Whistle-blowing Policy operates effectively and that staff are confident regarding its use. Arrangements are in place to enable the Committee to receive periodic reports so that its effectiveness can be assessed.

The Committee receives regular reports to review treasury management including compliance with the Trust's policy.

8. 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 and national Audit Chair meetings to establish links and discuss issues and exchange ideas and practice.

The Director of Resources provides copies of relevant publications and discussion documents and constantly draws the attention of the Committee to future changes in auditing and governance practice.

9. Conclusion

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

Ray Cox, Chairman Audit Committee

Nominations Committee Report 2012/13

1. Membership

Name	Role	Meetings Attended
Chris Paveley	Chairman	1/1
Charles Abel Smith	Non Executive Director	1/1
Ray Cox	Non Executive Director	1/1
John Gilbert	Non Executive Director	1/1
Brian Johnson	Non Executive Director	1/1
Sarah Phillips	Non Executive Director	1/1

2. Committee Duties and Business

The Nominations Committee consists of the above named Non-Executive Directors. The duties of the Nominations Committee centre 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 2012 to 31 March 2013 the Nominations Committee of the Board of Directors met on one occasion as mentioned below, but in the course of the process which lead to the appointment of a new chairman in October 2012, members of the committee also liaised with members of the Remuneration and Appointments Committee of the Council of Governors to consider the composition of the Interview panel, the shortlisting of applicants and the selection of the successful candidate.

3. Meeting

The focus of the meeting, held on 30 January 2013, was to take forward the documentation and processes required to bring recommendations re appointment in respect of 2 Non Executive Directors to the Council of Governors on 11 June 2013.

The Committee noted its revised terms of reference as agreed at the meeting of the Board of Directors held earlier on 30 January 2013.

The Committee reviewed the Job Description for a Non Executive Director (January 2012) and proposed amendments for agreement with the Remuneration and Appointments Committee of the Council of Governors, and subsequent approval by the Council of Governors. This included the specific additions relating to an Audit Committee Chairman, for example recent and relevant financial experience.

The Committee then reviewed the current terms and conditions (January 2012) for a Non Executive Director (NED). The Committee expressed its support for the current level of Non Executive remuneration to remain unchanged, and noted the need for clarity for NED candidates in respect of the time commitment for the role, including one full day per month.

The proposed job description and terms and conditions were subsequently supported by the Remuneration and Appointments Committee of the Council of Governors (the RAC) held on 25 February 2013.

The Committee noted its agreement to use open advertising in order to recruit to the two Non Executive Director vacancies, with the process supported by the Director of Workforce and Development. Details of the process including shortlisting, stakeholder involvement and interview arrangements were subsequently agreed with the RAC and the Lead Governor.

At its meeting held on 12 March 2013 the Council of Governors approved

- the job description for a Non-Executive Director
- the Terms and Conditions of Service for a Non-Executive Director
- the recommendation of the RAC in respect of the salaries and Terms and Conditions for Non-Executive Directors, The Non-Executive Director who is also Chairman of the Audit Committee and the Chairman of the Trust.

Interviews for the two NED positions were arranged for the week commencing 20 May 2013, with a view to bringing recommendations regarding appointments to the meeting of the Council of Governors to be held on 11 June 2013.

Remuneration Report 2012/13

The membership of the Remuneration Committee during the year has been as follows:

Table 1:

Name	Role	Meetings attended
Sarah Phillips	Non Executive Director Committee, Chairman	0
Mary St Aubyn,	Trust Chairman	0 (left November 2012)
Chris Paveley	Trust Chairman	0 (joined January 2013)
Charles Abel Smith	Non Executive Director;	0
Ray Cox	Non Executive Director;	0
John Gilbert	Non Executive Director	0
Brian Johnson	Non Executive Director	0

Details of senior employees' remuneration, including pension entitlements and expenses can be seen in the annual accounts, see table below:

Table 2:

Year Ended 31 March 2013

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 60 (bands of £2,500)	Pension value at 31 March 2013 (bands of £5,000)	Annual real increase in related lump sum at age 60 (bands of £2,500)	Lump sum value at 31 March 2013 (bands of £5,000)	Cash equivalent transfer value at 31 March 2012 £'000	Annual real increase in cash equivalent transfer value £'000	Cash equivalent transfer values at 31 March 2013 £'000
M St Aubyn , Chairman ¹	25,001-30,000	-	0	-	-	-	-	-	-	-
C Paveley , Chairman ²	10,001-15,000	-	200	-	-	-	-	-	-	-
R Cox , Non-Executive Director and Deputy Chairman ³	15,001-20,000	-	200	-	-	-	-	-	-	-
C Abel Smith , Non-Executive Director	10,001-15,000	-	0	-	-	-	-	-	-	-
J Gilbert , Non-Executive Director	10,001-15,000	-	400	-	-	-	-	-	-	-
S Phillips , Non-Executive Director	10,001-15,000	-	0	-	-	-	-	-	-	-
B Johnson , Non-Executive Director ⁴	10,001-15,000	-	500	-	-	-	-	-	-	-
A Geldard , Chief Executive	145,001- 150,000	-	800	0-2,500	50,001- 55,000	0-2,500	155,001- 160,000	904	28	979
M Flechtner , Medical Director ⁵	190,001- 195,000	-	-	0-2,500	25,001- 30,000	5,001-7,500	85,001- 90,000	500	47	573
P Keedwell , Director of Operations	105,001-	-	3,200	2,501-5,000	40,001-	10,001-	120,001-	595	85	711

and Nursing	110,000				45,000	12,500	125,000			
G Scott , Director of Strategy ⁶	95,001-100,000	-	1,210							
R Tazzini , Director of Resources	110,001-115,000	-	3,900	(5,000)-(2,501)	55,001-60,000	-	-	597	(15)	613
L Anastasiou , Director of Workforce and Development	95,001-100,000	-	-	0-2,500	10,001-15,000	0-2,500	40,001-45,000	189	14	214
M Chapman , Director of Commercial and Service Development	95,001-100,000	-	800	(2,500)-0	30,001-35,000	(2,500)-0	90,001-95,000	531	11	570
V McCabe , Director of Community Services	95,001-100,000	-	4,600	(2,500)-0	35,001-40,000	(7,500)-(5,001)	110,001-115,000	663	(15)	683

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 60 (bands of £2,500)	Pension value at 31 March 2012 (bands of £5,000)	Annual real increase in related lump sum at age 60 (bands of £2,500)	Lump sum value at 31 March 2012 (bands of £5,000)	Cash equivalent transfer value at 31 March 2011 £'000	Annual real increase in cash equivalent transfer value £'000	Cash equivalent transfer values at 31 March 2012 £'000
M St Aubyn , Chairman ¹	40,001-45,000	-	100	-	-	-	-	-	-	-
R Cox , Non-Executive Director and Deputy Chairman	10,001-15,000	-	-	-	-	-	-	-	-	-
C Abel Smith , Non-Executive Director	10,001-15,000	-	500	-	-	-	-	-	-	-
J Gilbert , Non-Executive Director	10,001-15,000	-	300	-	-	-	-	-	-	-
S Phillips , Non-Executive Director	10,001-15,000	-	-	-	-	-	-	-	-	-
M Simpson , Non-Executive Director ⁷	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
M Flechtner , Medical Director ⁴	190,001-	-	300	2,501-5,000	25,001-	7,501-10,000	75,001-	390	98	500

	195,000				30,000		80,000			
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 ⁵	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
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
V McCabe , Director of Community Services ⁸	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 St Aubyn resigned as Chairman on 30 November 2012
- 2 C Paveley was appointed as Chairman on 1 January 2013
- 3 R Cox acted as Chairman from 1 December 2012 to 31 December 2012
- 4 B Johnson was appointed as a Non-Executive Director on 1 April 2012
- 5 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
- 6 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
- 7 M Simpson resigned on 15 August 2011
- 8 V McCabe was appointed on 6 June 2011

P Keedwell held Non-Executive Directorships in other organisations during the current year, and P Keedwell and M Chapman both held Non-Executive Directorships in other organisations during the preceding year. No remuneration was received for these positions.

North Essex Partnership University 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 Director or Senior Manager during the year.

All expenses are paid in line with entitlements set out in both national terms and conditions and local policy, see table below:

Table 3: Executive Directors

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

Table 4: Directors Expenses

Name	Expenses (to the nearest £100)
Mary St Aubyn	500
Chris Paveley	300
Ray Cox	1,400
Sarah Phillips	700
John Gilbert	1,800
Charles Abel Smith	0
Brian Johnson	700
Andrew Geldard	3,600
Rick Tazzini	3,100
Dr Malte Flechtner	1,500
Paul Keedwell	2,800
Lisa Anastasiou	100
Mike Chapman	2,600
Vince McCabe	900

The table below illustrates expenses paid to Governors during the period 2012/13

Table 5: Governors Expenses

Name	Expenses (to the nearest £100)
R Abbott	300
M Ali	0
Q Bakhsh	200
D Bamber	1,000
A Barnes	800
A Bright	0
P Cheng	700
P Ecclestone	1,100
D Fairweather	300
M Garnett	300
P Hamilton	1,100
T Harris	0
S Jackman	500
D Kessler	3,400
B Spinks	2,200
L Taylor	200
H Thompson	1,900
M Waller	600
C White	900
D Williams	200
B Winder	100
T Young	100

1. Report Detail

The Remuneration Committee had no cause to meet during 2012/13 following a decision by the Committee on 29 February 2012 to freeze the remuneration of the Directors salaries for the third consecutive year from 1 April 2012.

The work of the Committee receives professional support from the Director of Workforce and Development or her deputy. The Committees' terms of reference are reviewed annually.

The role of the Remuneration Committee is to ensure remuneration levels are appropriate. The Committee considers benchmarking information from different sources including the annual Foundation Trust Network executive director salary survey

and the remuneration of Directors in neighbouring NHS organisations. The Committee also considers the national picture in terms of any pay restraints in the public sector and their impact on pay increases or freezes that affect the whole workforce.

The median remuneration of the Trust's staff and the midpoint of the Chief Executives remuneration, as the highest paid Director is represented as a ratio of 2.6:1.

The Remuneration Committee has convened a meeting on 24 April 2013 to review remuneration for 2013/14.

Andrew Geldard
Chief Executive

Membership Report

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

The current membership (as at 7 February 2013) is 6,336; this is net increase of 51 since September– with 87 recruits and 36 leavers (mostly in Feb after election papers went out). This churn is in line with previous experiences.

Elections during 2012/13

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	Chelmsford	Colchester	East Herts	Epping	Harlow	Maldon	S Essex	Suffolk	Tendring	Uttlesford	Total
663	1,358	1,137	29	523	379	365	412	226	829	274	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, CM2 0QX.

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

For any issues about individual care please contact PALS

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 October 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 North Essex Partnership University NHS Foundation Trust (the 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 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 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.

The Accounting Officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the 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 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*.

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 2012 to 31 March 2013 was the Trust's fifth 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 £1.767million, which was £167,000 above plan. The surplus was reinvested into the capital programme to enhance patient experience, quality and safety. After account is taken of the "technical" asset impairments of £2.814million, the recorded revenue position is a deficit for the year of £1.047million.

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 Head of Internal Audit opinion. The Trust has achieved the financial targets set by the Board and compliance framework performance requirements set by Monitor.. The Board of Directors has approved the Trust's financial plan for 2013/14.

Income

Total income for the year was £108.782m. Income of £90.319m was received from block contracts with the three former north Essex Primary Care Trusts and East of England Specialised Commissioners. Clinical partnership income of £5.691m included the Essex County Council section 75 agreement (£4.235m). Other Operating Revenue includes £1.515million of income from the Trust's consultancy/trading arm, Enable East.

Spend

Operating spend, excluding PDC dividends totalled £107.476m. The sum comprised pay (£82.800m), non pay (£19.493m), impairment charges (£2.871m) and depreciation (£2.312m). Finance costs of £2.353m included PDC dividends of £1.836m.

Financial Result

The financial result is that the Trust recorded a deficit of £1.047m. However, after account is taken of the £2.814m of impairments in property asset values and restructuring costs, the underlying Income & Expenditure surplus is £1.767m compared to a plan of £1.600m.

External Auditors

Grant Thornton is the Trust's appointed external auditor for the year, 2012/13 accounts. The Trust incurred audit fees during the year of £55,000. Grant Thornton will continue as external auditor for 2013/14.

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 2014.

Capital Developments

During the year £10.813 million was spent on capital developments, with £9.258million invested in strategic schemes and £1.555million on operational.

Strategic schemes included completion of 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 opened in August 2012. The capital programme also included the construction of the new Low Secure Unit, "Edward House" in Chelmsford, which is due to open in the summer of 2013. The replacement of the Trust's clinical information system is almost completed, and the new Remedy System will go live during the first quarter of the new year..

Operational capital schemes include the replacement, refurbishment and infrastructure of the Trust. Around £1.555million was spent on building refurbishments, improving the patient environment, privacy & dignity, energy conservation, security, energy efficiency and health and safety.

The refurbishments included general improvements to Herrick House, Oyster Court, Bernard Ward, and garden improvements at St Margaret's, Epping and the Emerald Centre, Colchester

New NHS contracts

For 2012/13, new service contracts were established with commissioning partners for £1.150m to provide a multi disciplinary assessment care planning and urgent treatment for vulnerable and marginalised adults across Suffolk; and a range of reablement activities to support the maintenance of independent living across Essex.

Financial reporting

The Trust has continued to improve reporting to the board to include service-line activity, KPI performance, workforce, quality, SI and financial issues.

Work continued to further develop the Health of the Nation Outcome Scales (HoNOS) care clusters for service users. The development of a costing system based upon care clusters has been developed so that the 2013/14 block contract can be monitored in "shadow form", in accordance with a signed

Memorandum of Understanding with the Commissioners. This work links, in due course to the future “payment by results” framework for Mental Health required by the Department of Health. According to the Mental Health minimum Dataset (Final Quarter 2, Provisional Quarter 3 / 2012/13) the Trust has the highest number of service users clustered of any Mental Health Trust in England.

Creditor payment

The Trust follows the Better Payment Practice Code.

Better Payment Practice Code – Measure of Compliance

	Year Ended 31 March 2013
	Number
Total Non-NHS Trade Invoices paid in the year	20,998
Total Non-NHS Invoices paid within target	17,095
Percentage of Non-NHS Trade Invoices paid within target	81%

	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%

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 & Touche Public Sector Internal Audit Services Limited. 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.

Balance sheet and cash flow

The Trust's net worth decreased by £1.047million during the year, with total net assets standing at £69.592million at 31 March 2013. The Trust's cash balances decreased by £11.428million during the period and had an £11.768million cash balance at year-end in line with its plan. The Trust was not required to call upon its £8.0million 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 £1.5million 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.

Statement as to going concern

The Board of Directors confirms there are no material uncertainties that may cast significant doubt about Trust's ability to continue as a going concern for at least 12 months beyond the date of the 2012/13 statement of accounts.



AUDITED ACCOUNTS

VERSION 3, 22 MAY 2013

PREPARED BY: CLARE POVAH

REVIEWED BY: DAVID LAMBERT

REVIEWED BY: RICK TAZZINI

Statement of the Chief Executive's Responsibilities as the Accounting Officer of North Essex Partnership University 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 the Accounting Officer, including their responsibility for the propriety and regularity of public finances for which they are answerable, and for the keeping of proper accounts, are set out in the *NHS Foundation Trust Accounting Officer Memorandum* issued by the Independent Regulator of NHS Foundation Trusts ("Monitor").

Under the National Health Service Act 2006, Monitor has directed North Essex Partnership University 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 University 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*.

Andrew Geldard
Chief Executive

Date: 22 May 2013

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 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 is aware of that information.

By Order of the Board

Andrew Geldard
Chief Executive

Date: **22 May 2013**

Rick Tazzini
Director of Resources

Date: **22 May 2013**

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 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 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 on-going process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of the Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Trust for the year ended 31 March 2013 and up to the date of approval of the annual report and accounts.

Capacity to Handle Risk

The Trust has established a risk management framework in order to manage risks effectively within all areas of the Trust's operations.

The responsibility for overseeing the management of organisational hazards is defined within the Risk Management Strategy 2010-14, approved by the Board of Directors on 29 August 2012. The Board of Directors retains strategic responsibility for the risk management agenda with operational responsibility 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 contribute to the risk management process including the identification of risks and hazards and participate in risk assessment training programmes. All clinicians are involved in clinical risk assessment and attend training. Non clinical risk assessment training is mandatory for all managers. Specialist risk assessment training is provided to staff who have been delegated a risk assessor role. All teams have identified staff who undertake risk assessments and these are monitored by Health and Safety Group and the Risk and Governance Executive (R&GE). Clinical Boards hold a local risk register, which identifies mitigating actions; this is reviewed and submitted to the Risk and Governance Executive twice a year. Local risk management structures ensure that capacity exists

to undertake assessments, identify hazards and to create and maintain the local risk registers.

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 (R&GE). The R&GE, has adopted an integrated approach to risk management which takes into account a broad spectrum of risk categories covering strategic risks, operational risks, financial risks, and their associated control and mitigation strategies both from the perspective of impacts on quality of care and the continuing viability of the organisation.

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 to reducing or minimising risk.

Departments and services undertake 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. The Risk Register is reviewed by the executive directors and submitted to the Risk and Governance Executive (R&GE) for approval prior to submission to the Board on a quarterly basis. This assists in embedding the risk management culture and activity throughout the Trust. The Risk Register details the sources of independent assurance and is subject to continuous review as 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. We update our Council of Governors on our management of risk, as the forum representing the views of members and the public in the constituencies we serve, as well as those of our staff and partner organisations.

Information Security is fundamental to the operation of all NHS bodies including the Trust, due to the sensitive and confidential patient data it captures.

The Trust has established an Information Governance & Security Steering Group to co-ordinate the review of the Trust's information governance management and monitor our information governance data security. This steering group reports directly to the R&GE.

The Information Governance & Security arrangements take into account statutory arrangements and good practice. All staff are required to pass the relevant Information Governance training module supplied by the NHS Information Centre.

The Trust has reviewed its compliance with the Clinical Negligence Scheme for Trusts (CNST) and NHS Litigation Authority Risk Management Standards. The Trust has achieved Level 1 of the NHSLA Risk Management Standards for Mental Health Trusts (Level 0, low to level 3, High).

The Trust continuously reviews its compliance with the Essential Standards of Quality and Safety and considers itself to be compliant with the requirements of registration with the Care Quality Commission (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 Trust's obligations under equality, diversity and human rights legislation are complied with.

The Trust has undertaken risk assessments and Carbon Reduction Delivery Plans are in place in accordance with emergency preparedness and civil contingency requirements, to ensure that this organisation's obligations are met, including those under the Climate Change Act.

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. The Trust retained a Monitor financial risk rating of 4 (scale 5 lowest risk to 1 highest risk) and a traffic light governance (performance) rating of green (highest rating) throughout the year.

Internal Audit conducts a review of the Trust's systems of internal control 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 appropriate systems 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 Trust over a range of core functions and activities to ensure that there is an appropriate and robust approach to the use of resources.

Annual Quality Account/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/Account 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 external audit. The Trust has a Quality and Compliance Manager who manages the process for the Quality Account/Report and reports to the R&GE. This approach provides the Board with the assurance that the Quality Account/Report presents a balanced view and that there are appropriate controls in place to ensure the accuracy of the data.

The Trust's 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 monitor progress during the year. Members of the R&GE provide input to the Quality Account/Report. A project plan is in place and updated on a regular basis to ensure that the correct staff 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 to input from the external auditors.

The Medical Director's responsibilities include production of the Quality Account/Report and the drafts are reviewed by the Risk and Governance Executive. 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 benchmarked with previous years and data source information is included. The Quality Account includes a number of soft measures that take account of staff survey information and Governor planning events. 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 performance against our Commissioning for Quality and Innovation (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/Report 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/Report are monitored throughout the year by the Executive Management Team performance meetings and R&GE meetings. R&GE minutes, quarterly and 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 quality data 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 a key contribution to 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 Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the content of the Quality Account/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 audit findings 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 18 "final" audit reports and three "draft" reports. Three reports on 'Creditor Payments and Debtors', 'Debt Management' and 'Hardware Asset Management' resulted in "limited assurance" opinion, defined as "weaknesses in the system of controls are such as to put the system's objectives at risk". Detailed action plans have been implemented to address these weaknesses and further work has been commissioned to validate the implementation of the relevant corrective actions. One report re 'Contracts Management' received "nil assurance"; a focussed piece of work was undertaken and the internal auditors have subsequently reported that 'of the eight recommendations raised within the final report, all had been verified as having been completed prior to the end of the financial year'.

All reports with less than adequate assurance are taken to the Executive Management Team for review. Plans have also been put in place to address other, less significant, weaknesses and ensure continual improvement in systems of internal control.

The Assurance Framework 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, Grant Thornton 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 2013 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 2012/13 challenged a number of areas, and controls were further enhanced by management action. The Head of Internal Audit Opinion comments on the ‘significant improvement in the control environment’ highlighting ‘significant progress’ in reviewing, following up and completing outstanding audit recommendations.

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 from 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 2012/13, 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 Risk Management Strategy and Quality Strategy.

Executive Directors are responsible for risk management within their area of control and also have corporate responsibility as Board members.

ii) Area and Assistant Directors

The second tier of management 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 services.

iii) The Audit Committee

A Non-Executive Director chairs the Audit Committee, which comprises three independent Non-Executive Directors and which is attended by representatives of the internal and external auditors. The Annual Internal Audit Plan is a key means by which the Board of Directors is 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 making 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 Quality 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 further, final one-year extension has been agreed for internal audit and local counter fraud services until 31 March 2014. The Audit Committee is undertaking a procurement exercise during 2013 to award the contract for both Internal Audit and Local Counter Fraud Services with effect from 1 April 2014.

vi) Monitor

As reported above, the Trust has maintained very good performance throughout the year against the financial and governance framework set by Monitor.

vii) Care Quality Commission (CQC)

In 2012/13, the CQC reported the results of its reviews of compliance of the Trust that took place in May 2012, June 2012, and January 2013. The CQC found that the Trust was meeting all the essential standards of quality and safety reviewed, except for outcome 4. 'Care and Welfare of Service users' at the Linden Centre, where 'minor' concerns were found. A response to these together with an action plan was sent to the CQC, subsequently followed by the completed action plan. A return visit is awaited in order to confirm compliance.

The Trust has been registered with the Care Quality Commission since 1st April 2010 "without conditions".

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.

Andrew Geldard
Chief Executive

Date: **22 May 2013**

Independent auditor's report to the Council of Governors and Board of Directors of
NORTH ESSEX PARTNERSHIP UNIVERSITY NHS Foundation Trust

We have audited the financial statements of North Essex Partnership University NHS Foundation Trust ('the Trust') for the year ended 31 March 2013 which comprise the statement of comprehensive income, the statement of financial position, the statement of cash flow, the statement of changes in taxpayers' equity and the related notes. The financial reporting framework that has been applied in their preparation is the NHS Foundation Trust Annual Reporting Manual issued by Monitor, the Independent Regulator of NHS Foundation Trusts.

We have also audited the information in the Remuneration Report that is subject to audit, being:

the table of salaries and allowances of senior managers and related narrative notes

the table of pension benefits of senior managers and related narrative notes

the table of pay multiples and related narrative notes.

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

Respective responsibilities of accounting officer and auditor

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

The Accounting Officer is responsible for the maintenance and integrity of the corporate and financial information on the Trust's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law, the Audit Code for NHS Foundation Trusts issued by Monitor, and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB'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, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

give a true and fair view of the state of the financial position of North Essex Partnership University NHS Foundation as at 31 March 2013 and of its income and expenditure for the year then ended; and have been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual and the directions under paragraph 25(2) of Schedule 7 of the National Health Service Act 2006.

Opinion on other matters prescribed by the Audit Code for NHS Foundation Trusts

In our opinion:

the part of the Remuneration Report subject to audit has been properly prepared in accordance with paragraph 25 of Schedule 7 of the National Health Service Act 2006 and the NHS Foundation Trust Annual Reporting Manual 2012-13 issued by Monitor
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 we are required to report by exception

We have nothing to report in respect of the following matters where the Audit Code for NHS Foundation Trusts requires us to report to you if, in our opinion:

- the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual or is misleading or inconsistent with information of which we are aware from our audit
- we have not been able to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources
- the Trust's Quality Report has not been prepared in line with the requirements set out in the NHS Foundation Trust Annual Reporting Manual or is inconsistent with other sources of evidence.

Certificate

We certify that we have completed the audit of the financial statements of North Essex Partnership University NHS Foundation Trust in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Audit Code for NHS Foundation Trusts issued by Monitor.



Paul Hughes
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP

Grant Thornton House
Melton Street
Euston Square
London
NW1 2EP

22 May 2013

Foreword to the Financial Statements

These Financial Statements for the year ended 31 March 2013 are prepared in accordance with paragraphs 24 and 25 of Schedule 7 to the National Health Service Act 2006.

Andrew Geldard
Chief Executive

Date: **22 May 2013**

North Essex Partnership University NHS Foundation Trust
Statement of Comprehensive Income
For The Year Ended 31 March 2013

	Note	2012/13		2011/12	
		£'000	£'000	As Restated £'000	£'000
Operating Income	3, 4		108,782		105,800
Operating Expenses	5		<u>(107,476)</u>		<u>(102,856)</u>
Operating Surplus/(Deficit)			1,306		2,944
Finance Costs					
Finance Income	11	150		98	
Finance Expense – Financial Liabilities	13	(568)		(378)	
Finance Expense – Unwinding of Discount on Provisions	24	(99)		(88)	
PDC Dividends Payable		<u>(1,836)</u>		<u>(1,743)</u>	
Net Finance Costs			<u>(2,353)</u>		<u>(2,111)</u>
Surplus/(Deficit) From Continuing Operations			<u>(1,047)</u>		<u>833</u>
SURPLUS/(DEFICIT) FOR THE YEAR			<u>(1,047)</u>		<u>833</u>
Other Comprehensive Income:					
Revaluation Gains/(Losses) and Impairments on Property, Plant and Equipment			<u>-</u>		<u>(37)</u>
TOTAL COMPREHENSIVE INCOME AND EXPENSE FOR THE YEAR			<u>(1,047)</u>		<u>796</u>

The Notes on pages 154 to 203 form part of these Financial Statements.

North Essex Partnership University NHS Foundation Trust
Statement of Financial Position
As At 31 March 2013

	Note	31 March 2013		31 March 2012	
		£'000	£'000	£'000	£'000
NON-CURRENT ASSETS					
Intangible Assets	14		3,488		573
Property, Plant and Equipment	15		77,417		76,919
Trade and Other Receivables	19		284		360
Total Non-Current Assets			81,189		77,852
CURRENT ASSETS					
Inventories	18	55		78	
Trade and Other Receivables	19	5,156		2,724	
Non Current Assets Held for Sale	15	2,000		-	
Cash and Cash Equivalents	20		11,768		23,196
Total Current Assets			18,979		25,998
CURRENT LIABILITIES					
Trade and Other Payables	21	(6,280)		(7,178)	
Borrowings	22	(2,215)		(2,215)	
Provisions	24	(2,966)		(1,871)	
Tax Payable		(1,656)		(1,545)	
Other Liabilities	23		(901)		(1,790)
Total Current Liabilities			(14,018)		(14,599)
TOTAL ASSETS LESS CURRENT LIABILITIES					
			86,150		89,251
NON-CURRENT LIABILITIES					
Borrowings	22	(13,925)		(16,140)	
Provisions	24	(2,633)		(2,472)	
Total Non-Current Liabilities			(16,558)		(18,612)
TOTAL ASSETS EMPLOYED					
			69,592		70,639
TAXPAYERS' EQUITY					
Income and Expenditure Reserve			24,631		25,455
Revaluation Reserve			15,874		16,097
Public Dividend Capital			29,087		29,087
TOTAL TAXPAYERS' EQUITY			69,592		70,639

The Financial Statements on pages 150 to 203 were approved by the Board on **22**
May 2013 and signed on its behalf by

Andrew Geldard
Chief Executive

**North Essex Partnership University NHS Foundation Trust
Statement of Changes In Taxpayers' Equity**

	Note	Income and Expenditure Reserve £'000	Revaluation Reserve £'000	Public Dividend Capital £'000	Total £'000
Taxpayers' Equity at 1 April 2011		24,285	16,471	29,087	69,843
Surplus/(Deficit) For The Year		833	-	-	833
Revaluation Gains/(Losses) and Impairment Losses on Property, Plant and Equipment		276	(313)	-	(37)
Other Recognised Gains and Losses					
Other Transfers Between Reserves – Historic Cost Adjustment	15	61	(61)	-	-
Taxpayers' Equity at 31 March 2012		25,455	16,097	29,087	70,639
Taxpayers' Equity at 1 April 2012		25,455	16,097	29,087	70,639
Surplus/(Deficit) For The Year		(1,047)	-	-	(1,047)
Revaluation Gains/(Losses) and Impairment Losses on Property, Plant and Equipment		-	-	-	-
Other Recognised Gains and Losses					
Other Transfers Between Reserves – Historic Cost Adjustment	15	93	(93)	-	-
Other Transfers Between Reserves – Disposal of Assets	15	130	(130)	-	-
Taxpayers' Equity at 31 March 2013		24,631	15,874	29,087	69,592

North Essex Partnership University NHS Foundation Trust
Cash Flow Statement
For The Year Ended 31 March 2013

	Note	31 March 2013 £'000	31 March 2012 £'000
Cash Flows from Operating Activities			
Operating Surplus/(Deficit) from Operating Activities		1,306	2,944
Operating Surplus/(Deficit)			
Depreciation and Amortisation		2,312	2,198
Impairments		2,814	281
(Increase)/Decrease in Inventories		23	6
(Increase)/Decrease in Trade and Other Receivables		(2,356)	(476)
Increase/(Decrease) in Trade and Other Payables		(1,017)	(382)
Increase/(Decrease) in Other Liabilities		(889)	(338)
Increase/(Decrease) in Provisions		1,256	1,817
Increase/(Decrease) in Tax Payable		111	-
Other Movement in Operating Cash Flow – Profit on Disposal of Assets		(84)	(43)
Other Movements in Operating Cash Flows		(227)	(88)
NET CASH GENERATED FROM/(USED IN) OPERATIONS		3,249	5,919
Cash Flows from Investing Activities			
Interest Received		150	95
Purchase of Intangible Assets		(2,503)	(282)
Purchase of Property, Plant and Equipment		(8,191)	(9,573)
Disposal of Property, Plant and Equipment		368	637
Net Cash Generated From/(Used In) Investing Activities		(10,176)	(9,123)
Cash Flows from Financing Activities			
Loans Received		-	12,000
Loans Repaid		(2,215)	(978)
Interest Paid		(568)	(378)
PDC Dividend Paid		(1,718)	(1,626)
Net Cash Generated From/(Used In) Financing Activities		(4,501)	9,018
Increase/(Decrease) In Cash and Cash Equivalents		(11,428)	5,814
Cash and Cash Equivalents at 1 April 2012	20	23,196	17,382
Cash and Cash Equivalents at 31 March 2013	20	11,768	23,196

**Notes To The Financial Statements
For The Year Ended 31 March 2013**

1 Accounting Policies And Other Information

Monitor has directed that the Financial Statements of NHS Foundation Trusts shall meet the accounting requirements of the *FT ARM* which shall be agreed with HM Treasury. Consequently, the following Financial Statements have been prepared in accordance with the *FT ARM 2012/13* issued by Monitor. The Accounting Policies contained in that manual follow International Financial Reporting Standards (IFRS) and HM Treasury's *FReM* 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 of 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 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 Pension 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 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

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to the NHS Foundation Trust of participating in the Scheme is taken as equal to the contributions payable to the Scheme for the accounting period. Employers pension cost contributions are charged to Operating Expenses as and when they become due.

Additional pension liabilities arising from early retirements are not funded by the Scheme except where the retirement is due to ill-health. The full amount of the liability for 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.

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 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.

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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 the 31 March 2011. The valuation was carried out by Montagu Evans, an independent organisation of Chartered Surveyors.

Valuations were carried out during the 2012/13 financial year on two properties brought into use during the year. The valuations were carried out by Colliers International, 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.

Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income in the period in which it is incurred.

Depreciation

Items of Property, Plant and Equipment are depreciated 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.

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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	10 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 *FT ARM*, 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

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Revaluation Reserve to the Income and Expenditure Reserve, and amount is transferred back to the Revaluation Reserve when the impairment reversal is recognised. Impairments charged to the Statement of Comprehensive Income are reflected within the Depreciation for the relevant asset; Impairments charged to the Revaluation Reserve are reflected within the Cost for the relevant asset.

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 within twelve months of the date of classification as 'Held for Sale'; and
 - the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged. Assets are de-recognised when all material sale contract conditions have been met.

Property, Plant and Equipment which is to be scrapped or demolished does not qualify for recognition as 'Held for Sale' and instead is retained as an operational asset and the asset's economic life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

Donated, 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 that are capable of being sold separately from the rest of the NHS Foundation Trust's

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business 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.

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 NHS Foundation Trust intends to complete the asset and sell or use it;
- the NHS Foundation 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 available to the NHS Foundation Trust to complete the development and sell or use the asset; and
- the NHS Foundation 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.

Amortisation

Intangible Assets are amortised over their expected useful economic lives in a manner consistent with the consumption of economic or service delivery benefits, as follows:

Software Licences	5 years
Information Systems	15 years

1.6 Revenue Government Grants 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. Where a Grant is used to fund revenue expenditure, it is taken to the Statement of Comprehensive Income to match that expenditure.

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.

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 cash flows 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 transaction 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

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They are included in Current Liabilities except for amounts payable more than 12 months after the Statement of Financial Position date, which are classified as 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 cash flows of the asset.

For Financial Assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the discounted future cash flows. The loss is recognised in the Statement of Comprehensive Income and the carrying amount of the asset 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 probable 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 -1.8% for cash flows up to five years; -1.0% for cash flows over five but less than ten years; and 2.2% for

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cash flows over ten years, in real terms, except for early retirement provisions and injury benefit provisions which both use the HM Treasury's pension discount rate of 2.35% 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 24 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.

The Property Expenses Scheme covers building costs up to £1,000,000. The NHS Foundation Trust has separate cover for building costs over £1,000,000.

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 25 where an inflow of economic benefits is probable.

Contingent Liabilities are not recognised, but are disclosed in Note 25, 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

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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.

1.16 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.

1.17 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

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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.

1.18 Key Judgements And Estimates

The NHS Foundation Trust considers 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 24.

The valuation of Property, Plant and Equipment, and their useful economic lives are judgements and estimates. However, the NHS Foundation Trust seeks professional advice regarding these as they arise, which mitigates the associated risk.

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2 Operating Segments

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

Enable East provides a management consultancy service which assists other health and social care organisations to deliver effective projects and measurable improvements.

Year Ended 31 March 2013

	Income £'000	Operating Expenditure £'000	Operating Surplus/ (Deficit) £'000	Net Surplus/ (Deficit) £'000	Total Assets Employed £'000
Healthcare Activity	107,267	(106,052)	1,215	(1,138)	69,574
Enable East Activity	<u>1,515</u>	<u>(1,424)</u>	<u>91</u>	<u>91</u>	<u>18</u>
Total	<u>108,782</u>	<u>(107,476)</u>	<u>1,306</u>	<u>(1,047)</u>	<u>69,592</u>

Net Surplus/(Deficit) includes £2,814,000 relating to impairments in Healthcare Activity. There are no impairments in Enable East Activity. All impairments of £2,814,000 disclosed in the Statement of Comprehensive Income relate to Healthcare Activity.

All accounting transactions between reported segments are removed on preparation of these Financial Statements.

Year Ended 31 March 2012

	Income £'000	Operating Expenditure £'000	Operating Surplus/ (Deficit) £'000	Net Surplus/ (Deficit) £'000	Total Assets Employed £'000
Healthcare Activity	104,046	(101,220)	2,826	715	70,619
Enable East Activity	<u>1,754</u>	<u>(1,636)</u>	<u>118</u>	<u>118</u>	<u>20</u>
Total	<u>105,800</u>	<u>(102,856)</u>	<u>2,944</u>	<u>833</u>	<u>70,639</u>

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

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Activity. There are no reversals of impairment losses recognised during the year 2011/12.

All accounting transactions between reporting segments are removed on the preparation of the Financial Statements.

3 Revenue From Patient Care Activities

3.1 Income from activities by income source

	Year Ended 31 March 2013 £'000	Year Ended 31 March 2012 £'000
NHS Foundation Trusts	84	24
NHS Trusts	85	-
Strategic Health Authorities	-	-
Primary Care Trusts	94,491	91,014
Local Authorities	5,705	6,294
Department of Health	-	-
Non-NHS – Other	77	26
Total Income from Patient Care Activities	100,442	97,358

3.2 Income from activities by type of income

	Year Ended 31 March 2013 £'000	Year Ended 31 March 2012 £'000
Block Contract Income	90,319	88,864
Clinical Partnerships Providing Mandatory Services (including S75 Agreements)	5,691	6,294
Other Clinical Income from Mandatory Services	4,153	1,443
Other Non-Protected Clinical Income	279	757
Total Income from Patient Care Activities	100,442	97,358

£4,235,000 (2012: £4,574,000) of Income from Clinical Partnerships Providing Mandatory Services relates to Section 75 Agreements with Essex County Council.

£nil (2012: £nil) of Income from Clinical Partnerships Providing Mandatory Services is income received by Enable East.

£nil (2012: £234,000) of Block Contract Income is received towards the cost of capital schemes.

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4 Other Operating Revenue

	Year Ended 31 March 2013 £'000	Year Ended 31 March 2012 As Restated £'000
Education and Training	3,763	4,200
Research and Development	294	60
Charitable and Other Contributions to Expenditure	-	9
Non-Patient Care Services to Other Bodies	1,387	1,205
Rental Revenue	106	131
Profit on Disposal of Property, Plant and Equipment	84	43
Reversal of Impairments on Property, Plant and Equipment	57	-
Grant Income	-	115
Money Returned due to Fraud	-	897
Other Revenue	2,649	1,782
Total Other Operating Revenue	8,340	8,442

£1,019,000 (2012: £776,000) of Other Revenue relates to staff costs for the Rethink IAPT contract.

£750,000 (2012: £792,000) of Other Revenue relates to staff costs recharged to other organisations.

In 2011/12, Profit on Disposal of Property, Plant and Equipment was shown under Operating Expenditure. The figure has now been restated to include it as Other Operating Revenue.

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5 Operating Expenses

	Year Ended 31 March 2013 £'000	Year Ended 31 March 2012 As Restated £'000
Services from Other NHS Foundation Trusts	357	767
Services from NHS Trusts	1,213	1,064
Services from Other NHS Bodies	1,514	1,544
Purchase of Healthcare from Non-NHS Bodies	149	219
Executive Directors' Costs (see Note 10)	710	700
Non-Executive Directors' Costs	112	105
Staff Costs	82,090	79,999
Drugs	1,843	1,863
Supplies and Services – Clinical (Excluding Drugs)	244	247
Supplies and Services – General Establishment	2,252	2,269
Transport	2,570	2,376
Premises	740	707
Increase/(Decrease) in Provision for Impaired Receivables	4,768	3,774
Increase in Early Retirement and Injury Provisions	(93)	3
Depreciation and Amortisation	348	763
Property, Plant and Equipment Impairments and Reversals (see Note 15)	2,312	2,198
Audit Services – Statutory Audit	2,871	281
Audit Services – Audit-Related Regulatory Reporting	55	82
Audit Services – Other Fees	-	-
Legal and Professional Fees	-	6
Education and Training	1,772	1,190
Patient Travel and Activities	351	288
Grants	146	120
Insurance	-	250
Loss due to Fraud (see Note 31)	353	343
Other	-	897
	799	801
Total Operating Expenses	107,476	102,856

Operating Expenditure includes £1,424,000 (2012: £1,636,000) relating to Enable East.

There is no specified limit on auditor liability.

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In 2011/12, Profit on Disposal of Property, Plant and Equipment was shown under Operating Expenditure. The figure has now been restated to include it as Other Operating Revenue.

6 Operating Leases

6.1 Payments recognised as an expense

	Year Ended 31 March 2013 £'000	Year Ended 31 March 2012 £'000
Minimum Lease Payments	<u>1,358</u>	<u>1,241</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.

6.2 Future minimum lease payments

	Year Ended 31 March 2013	Year Ended 31 March 2012 As Restated
On leases that expire:		
Not later than one year	610	493
Between one and five years	978	41
After five years	<u>17,972</u>	<u>19,906</u>
Total	<u>19,560</u>	<u>20,440</u>

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7 Employee Costs And Numbers

7.1 Employee costs

	Year Ended 31 March 2013			Year Ended 31 March 2012
	Permanently Employed £'000	Other £'000	Total £'000	Total £'000
Salaries and Wages	57,517	8,081	65,598	64,648
Social Security Costs	4,876	653	5,529	5,305
Termination Benefits	-	-	-	121
Employers' Contribution to NHS Pension Scheme	7,155	255	7,410	6,581
Other Pension Costs	-	374	374	659
Agency Costs	-	3,889	3,889	3,385
Total	69,548	13,252	82,800	80,699

Included within Salaries and Wages is £712,000 (2012: £700,000) for Directors' remuneration. Included within Employers' Contribution to NHS Pension Scheme is £73,000 (2012: £73,000) for contributions to Directors' pensions. Further details of Directors' Remuneration are shown in Note 10.

7.2 Average number of persons employed

	Year Ended 31 March 2013			Year Ended 31 March 2012 As Restated
	Permanently Employed Number	Other Number	Total Number	Total Number
Medical and Dental Staff	130	-	130	125
Administration and Estates	466	26	492	472
Healthcare Assistants and Other Support Staff	418	158	576	513
Nursing, Midwifery and Health Visiting Staff	640	105	745	688
Scientific, Therapeutic and Technical Staff	104	3	107	104
Social Care Staff	-	95	95	91
Bank and Agency Staff	-	82	82	79
Total	1,758	469	2,227	2,072

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The numbers included above are based on Whole Time Equivalents 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.

7.3 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 2012/13, no exit packages have been agreed and paid. During the year 2011/12, two exit packages were agreed and paid within the nationally agreed arrangements.

	Year Ended 31 March 2013 Total Number of Exit Packages by Cost Band	Year Ended 31 March 2012 Total Number of Exit Packages by Cost Band
Exit package cost band		
£25,001-£50,000	-	1
£50,001-£100,000	-	1
Total	-	2

The above information does not include exit packages in respect of Senior Managers, details of which are available in Note 10.

Exit packages arising from ill-health retirements are not included above. Further details are available in Note 9.

8 Retirements Due To Ill Health

During the year 2012/13 there were three (2012: three) early retirements from North Essex Partnership University NHS Foundation Trust on the grounds of ill health. The estimated additional liabilities of these ill health retirements are £201,000 (2012: £402,000). This information has been provided by NHS Pensions. The cost of these ill health retirements will be borne by the NHS Business Services Authority – Pension Division.

9 Pensions

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.

The scheme is subject to a full actuarial valuation every four years (until 2004, every five years) and an accounting valuation every year. Employer contribution rates are reviewed every four years following the Scheme valuation, and based on advice from the Scheme Actuary. An outline of these follows:

a) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the scheme (taking into account its recent demographic experience), and to recommend the contribution rates to be paid by employers and scheme members. At the last such valuation, which determined current contribution rates was undertaken as at 31 March 2004 and covered the period from 1 April 1999 to 31 March 2004, the national deficit of the Scheme was £3.3 billion.

Employers pay contributions at 14% of pensionable pay. From 1 April 2008, employees paid contributions on a tiered scale from 5% up to 8.5% of their pensionable pay depending on total earnings. From 1 April 2012 the contribution scale was amended to 5% up to 10.9%. On advice from the Scheme Actuary, scheme contributions may be varied from time to time to reflect changes in the scheme's liabilities.

b) Accounting valuation

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.

Between the full actuarial valuations at a two-year midpoint, a full and detailed member data-set is provided to the Scheme Actuary. At this point the assumptions regarding the composition of the scheme membership are updated to allow the scheme liability to be valued.

The valuation of the scheme liability as at 31 March 2013 is based on detailed membership data as at 31 March 2008 (the latest midpoint) updated to 31 March 2013 with summary global member and accounting data.

The latest assessment of the liabilities of the scheme is contained in the Scheme Actuary Report, which forms part of the annual NHS Pension Scheme (England and

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Wales) Resource Account, published annually. These accounts can be viewed on the NHS Pensions website. Copies can also be obtained from The Stationery Office.

c) Scheme provisions

The NHS Pension Scheme provides defined benefits, which are summarised below. This list is an illustrative guide only, and is not intended to detail all the benefits provided by the Scheme or the specific conditions that must be met before these benefits can be obtained:

Annual Pensions

The Scheme is a “final salary” scheme. Annual pensions are normally based on 1/80th for the 1995 section and of the best of the last three years pensionable pay for each year of service, and 1/60th for the 2008 section of reckonable pay per year of membership. Members who are practitioners as defined by the Scheme Regulations have their annual pensions based upon total pensionable earnings over the relevant pensionable service.

With effect from 1 April 2008 members can choose to give up some of their annual pension for an additional tax free lump sum, up to a maximum amount permitted under HMRC rules. This new provision is known as “pension commutation”.

Pensions Indexation

Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in retail prices in the twelve months ending 30 September in the previous calendar year.

Lump Sum Allowance

For the 1995 section a lump sum is payable on retirement which is normally three times the annual pension payment.

Ill-Health Retirement

Early payment of a pension, with enhancement in certain circumstances, is available to members of the Scheme who are permanently incapable of fulfilling their duties or regular employment effectively through illness or infirmity.

Death Benefits

A death gratuity of twice their final year's pensionable pay for death in service, and five times their annual pension for death after retirement is payable.

Additional Voluntary Contributions (AVCs)

Members can purchase additional service in the NHS Scheme and contribute to money purchase AVC's run by the Scheme's approved providers or by other Free Standing Additional Voluntary Contributions (FSAVC) providers.

Transfer between Funds

Scheme members have the option to transfer their pension between the NHS Pension Scheme and another scheme when they move into or out of NHS employment.

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Preserved Benefits

Where a scheme member ceases NHS employment with more than two years service they can preserve their accrued NHS pension for payment when they reach retirement age.

Compensation for Early Retirement

Where a member of the Scheme is made redundant they may be entitled to early receipt of their pension plus enhancement, at the employer's cost.

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**10 Directors' Remuneration
Year Ended 31 March 2013**

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 60 (bands of £2,500)	Pension value at 31 March 2013 (bands of £5,000)	Annual real increase in related lump sum at age 60 (bands of £2,500)	Lump sum value at 31 March 2013 (bands of £5,000)	Cash equivalent transfer value at 31 March 2012 £'000	Annual real increase in cash equivalent transfer value £'000	Cash equivalent transfer values at 31 March 2013 £'000
M St Aubyn , Chairman ¹	25,001-30,000	-	0	-	-	-	-	-	-	-
C Paveley , Chairman ²	10,001-15,000	-	200	-	-	-	-	-	-	-
R Cox , Non-Executive Director and Deputy Chairman ³	15,001-20,000	-	200	-	-	-	-	-	-	-
C Abel Smith , Non-Executive Director	10,001-15,000	-	0	-	-	-	-	-	-	-
J Gilbert , Non-Executive Director	10,001-15,000	-	400	-	-	-	-	-	-	-
S Phillips , Non-Executive Director	10,001-15,000	-	0	-	-	-	-	-	-	-
B Johnson , Non-Executive Director ⁴	10,001-15,000	-	500	-	-	-	-	-	-	-
A Geldard , Chief Executive	145,001- 150,000	-	800	0-2,500	50,001- 55,000	0-2,500	155,001- 160,000	904	28	979
M Flechtner , Medical Director ⁵	190,001- 195,000	-	-	0-2,500	25,001- 30,000	5,001-7,500	85,001- 90,000	500	47	573
P Keedwell , Director of Operations and Nursing	105,001- 110,000	-	3,200	2,501-5,000	40,001- 45,000	10,001- 12,500	120,001- 125,000	595	85	711
G Scott , Director of Strategy ⁶	95,001-100,000	-	1,210							
R Tazzini , Director of Resources	110,001- 115,000	-	3,900	(5,000)- (2,501)	55,001- 60,000	-	-	597	(15)	613
L Anastasiou , Director of Workforce and Development	95,001-100,000	-	-	0-2,500	10,001- 15,000	0-2,500	40,001- 45,000	189	14	214
M Chapman , Director of Commercial and Service Development	95,001-100,000	-	800	(2,500)-0	30,001- 35,000	(2,500)-0	90,001- 95,000	531	11	570
V McCabe , Director of Community Services	95,001-100,000	-	4,600	(2,500)-0	35,001- 40,000	(7,500)- (5,001)	110,001- 115,000	663	(15)	683

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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 60 (bands of £2,500)	Pension value at 31 March 2012 (bands of £5,000)	Annual real increase in related lump sum at age 60 (bands of £2,500)	Lump sum value at 31 March 2012 (bands of £5,000)	Cash equivalent transfer value at 31 March 2011 £'000	Annual real increase in cash equivalent transfer value £'000	Cash equivalent transfer values at 31 March 2012 £'000
M St Aubyn , Chairman ¹	40,001-45,000	-	100	-	-	-	-	-	-	-
R Cox , Non-Executive Director and Deputy Chairman	10,001-15,000	-	-	-	-	-	-	-	-	-
C Abel Smith , Non-Executive Director	10,001-15,000	-	500	-	-	-	-	-	-	-
J Gilbert , Non-Executive Director	10,001-15,000	-	300	-	-	-	-	-	-	-
S Phillips , Non-Executive Director	10,001-15,000	-	-	-	-	-	-	-	-	-
M Simpson , Non-Executive Director ⁷	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
M Flechtner , Medical Director ⁴	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 ⁵	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
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
V McCabe , Director of Community Services ⁸	80,001-85,000	-	900	(0-2,500)	35,001- 40,000	(0-2,500)	110,001- 115,000	-	54	663

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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 St Aubyn resigned as Chairman on 30 November 2012
- 2 C Paveley was appointed as Chairman on 1 January 2013
- 3 R Cox acted as Chairman from 1 December 2012 to 31 December 2012
- 4 B Johnson was appointed as a Non-Executive Director on 1 April 2012
- 5 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
- 6 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
- 7 M Simpson resigned on 15 August 2011
- 8 V McCabe was appointed on 6 June 2011

P Keedwell held Non-Executive Directorships in other organisations during the current year, and P Keedwell and M Chapman both held Non-Executive Directorships in other organisations during the preceding year. No remuneration was received for these positions.

North Essex Partnership University 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 Director or Senior Manager during the year.

	31 March 2013 £'000	31 March 2012 £'000
Band of highest paid Director's total remuneration	190-195	190-195
Median total remuneration	23,580	23,589
Ratio	8.3	8.3

The calculation of median remuneration is based on Whole Time Equivalent (WTE) staff of North Essex Partnership University NHS Foundation Trust, as at 31 March on an annualised basis.

Further guidance is available on 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)

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11 Investment Revenue

	31 March 2013 £'000	31 March 2012 £'000
Interest Revenue:		
Bank Accounts	<u>150</u>	<u>98</u>
Total Investment Revenue	<u>150</u>	<u>98</u>

12 Other Gains And Losses

	31 March 2013 £'000	31 March 2012 £'000
Gain/(Loss) on Disposal Of Property, Plant And Equipment	<u>84</u>	<u>43</u>
Total Other Gains And Losses	<u>84</u>	<u>43</u>

13 Finance Costs

	31 March 2013 £'000	31 March 2012 £'000
Interest on Loans	<u>568</u>	<u>378</u>
Total Finance Costs	<u>568</u>	<u>378</u>

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14 Intangible Assets

	Software £'000	Assets Under Construction £'000	Total £'000
Cost			
At 1 April 2012	695	99	794
Additions Purchased	21	2,482	2,503
Reclassification	99	(99)	-
Reclassification from Property, Plant and Equipment	-	537	537
Disposals	-	-	-
At 31 March 2013	815	3,019	3,834
Amortisation			
At 1 April 2012	221	-	221
Charged During The Year	125	-	125
Disposals	-	-	-
At 31 March 2013	346	-	346
Net Book Value			
At 31 March 2013	469	3,019	3,488
At 31 March 2012	474	99	573

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	Software £'000	Assets Under Construction £'000	Total £'000
Cost			
At 1 April 2011	528	-	528
Additions Purchased	182	99	281
Disposals	(15)	-	(15)
At 31 March 2012	695	99	794
Amortisation			
At 1 April 2011	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

All Intangible Assets are purchased.

North Essex Partnership University NHS Foundation Trust is currently implementing a new Patient Information System. The majority of the Intangible Assets Under Construction relates to this. This will be brought into use during the 2013/14 financial year.

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15 Property, Plant And Equipment

15.1 Property, Plant And Equipment

	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	Assets Held For Sale £'000	Total £'000
Cost Or Valuation										
At 1 April 2012	26,696	58,058	642	10,513	1,897	294	4,132	2,389	-	104,621
Additions Purchased	-	1,949	1	5,750	19	43	177	371	-	8,310
Additions Donated	-	10	-	-	-	-	-	-	-	10
Reclassifications	-	8,071	-	(9,094)	-	-	44	442	-	(537)
Transfer To Assets Held For Sale	(1,178)	(1,578)	-	-	-	-	-	-	2,756	-
Disposals	(130)	(262)	-	-	(874)	(24)	(2,027)	(724)	-	(4,041)
At 31 March 2013	25,388	66,248	643	7,169	1,042	313	2,326	2,478	2,756	108,363
Depreciation And Impairments										
At 1 April 2012	2,323	19,790	183	-	1,310	159	2,703	1,234	-	27,702
Charged During The Year	-	1,449	9	-	130	21	389	189	-	2,187
Impairments Charged To Operating Expenditure	-	2,871	-	-	-	-	-	-	-	2,871
Reversal Of Impairments Charged To Operating Income	-	(57)	-	-	-	-	-	-	-	(57)
Transfer To Assets Held For Sale	-	(756)	-	-	-	-	-	-	756	-
Disposals	-	(107)	-	-	(874)	(25)	(2,027)	(724)	-	(3,757)
At 31 March 2013	2,323	23,190	192	-	566	155	1,065	699	756	28,946
Net Book Value										
At 31 March 2013	23,065	43,058	451	7,169	476	158	1,261	1,779	2,000	79,417
At 31 March 2012	24,373	38,268	459	10,513	587	135	1,429	1,155	-	76,919

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	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	Assets Held For Sale £'000	Total £'000
Cost Or Valuation										
At 1 April 2011	24,536	50,015	791	3,162	1,742	516	3,825	2,175	-	86,762
Correction *	2,323	6,635	-	-	-	-	-	-	-	8,958
At 1 April 2011 Restated	26,859	56,650	791	3,162	1,742	516	3,825	2,175	-	95,720
Additions Purchased	-	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 Restates	26,696	58,058	642	10,513	1,897	294	4,132	2,389	-	104,621
Depreciation And Impairments										
At 1 April 2011	-	11,936	207	-	1,190	448	2,481	1,097	-	17,359
Correction *	2,323	6,635	-	-	-	-	-	-	-	8,958
At 1 April 2011 Restated	2,323	18,571	207	-	1,190	448	2,481	1,097	-	26,317
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 Restated	2,323	19,790	183	-	1,310	159	2,703	1,234	-	27,702
Net Book Value										
At 31 March 2012 Restated	24,373	38,268	459	10,513	587	135	1,429	1,155	-	76,919
At 31 March 2011 Restated	24,536	38,079	584	3,162	552	68	1,344	1,078	-	69,403

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* A correction has been made to opening balances for the recording of impairments due to an administrative error occurring some time ago which resulted in a difference between the amounts 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.

A charge for historic cost depreciation of £93,000 (2012: £61,000) 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).

15.2 Property, Plant And Equipment Financing

	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	Assets Held For Sale £'000	Total £'000
Net Book Value As At 31 March 2013										
Owned	23,065	43,048	451	7,169	476	158	1,261	1,779	2,000	79,407
Donated	-	10	-	-	-	-	-	-	-	10
Total	23,065	43,058	451	7,169	476	158	1,261	1,779	2,000	79,417
Net Book Value As At 31 March 2012										
Owned	24,373	38,268	459	10,513	587	135	1,429	1,155	-	76,919
Donated	-	-	-	-	-	-	-	-	-	-
Total	24,373	38,268	459	10,513	587	135	1,429	1,155	-	76,919

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15.3 Analysis Of Property, Plant And Equipment

	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	Assets Held For Sale £'000	Total £'000
Net Book Value As At 31 March 2013										
Protected Assets	17,613	36,230	-	-	-	-	-	-	-	53,843
Unprotected Assets	5,452	6,828	451	7,169	476	158	1,261	1,779	2,000	25,574
Total	23,065	43,058	451	7,169	476	158	1,261	1,779	2,000	79,417
Net Book Value As At 31 March 2012										
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	24,373	38,268	459	10,513	587	135	1,429	1,155	-	76,919

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.

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Included within Protected Assets are the following buildings:

Chelmsford and Essex Centre, Chelmsford

Crystal Centre, Chelmsford

Linden Centre, Chelmsford

2 Pitfields, Chelmsford

The Rowans, Chelmsford

Landermere Centre, Clacton

Reunion House, Clacton

Thoroughgood Road, Clacton

16/17 Clough Road, Colchester

Herrick House, Colchester

1 Hospital Road, Colchester

439 Ipswich Road, Colchester

Kings Wood Centre, Colchester

The Lakes, Colchester

Northgate Centre, Colchester

Severalls House, Colchester

St Aubyn Centre, Colchester

Regent Road, Epping

Coach House, Halstead

Derwent Centre, Harlow

All Saints House, Harwich

Cherry Trees, Maldon

New Ivy Chimneys, Witham

Old Ivy Chimneys, Witham

Assets removed from the Protected register during the year:

Rannoch Lodge, Chelmsford

Longview, Colchester *

Eaglehurst, Colchester *

High Beech, Loughton *

* Commissioners have been informed that these properties have been removed from the Protected Asset Register, and have not raised any objections to the disposal of the properties in 2013/14.

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15.4 Economic Life Of Property, Plant And Equipment

The minimum and maximum useful expected lives are as follows:

	Land	Buildings, Excluding Dwellings	Dwellings	Plant And Machinery	Transport Equipment	Information Technology	Furniture And Fittings
Minimum Remaining Useful Expected Life	-	-	-	-	-	-	-
Maximum Remaining Useful Expected Life	-	60	53	9	7	7	10

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16 Impairments

	31 March 2013 £'000	31 March 2012 £'000
Other – Included within Operating Expenditure	2,871	318
Other – Included within Other Operating Income	(57)	-
	2,814	318
Total	2,814	318

The impairment in year of £2,871,000 relates to an asset brought into use during the year.

17 Capital Commitments

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

	31 March 2013 £'000	31 March 2012 £'000
Property, Plant and Equipment	1,220	4,090
	1,220	4,090
Total	1,220	4,090

The above capital commitments relate to building work on the new LSU building in Chelmsford and the new Remedy Clinical Information and Service Management System. In 2012, the capital commitments related to building work on the new LSU building in Chelmsford, the new CAMHS building in Colchester, and improvement and refurbishment of the Derwent Centre in Harlow.

The LSU project was approved by the Board in July 2011, and the contract was awarded on 27 July 2011; the work began during September 2011.

The Remedy project was approved by the Board in March 2012, and the contract was awarded on 19 April 2012; the work began during April 2012.

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18 Inventories

	31 March 2013 £'000	31 March 2012 £'000
Materials	55	78
Total	55	78

During the year, the value of stock issued by the Pharmacy was £1,069,000 (2012: £1,156,000).

19 Trade And Other Receivables

19.1 Trade And Other Receivables

	31 March 2013 £'000	31 March 2012 £'000
Current Assets:		
NHS Receivables	3,372	1,647
Other Trade Receivables	1,345	897
Provision For The Impairment Of Receivables	(230)	(379)
PDC Receivable	-	80
Prepayments	650	457
Accrued Income	19	22
Total Current Trade And Other Receivables	5,156	2,724
Non-Current Assets:		
NHS Receivables	259	349
Other Trade Receivables	25	11
Total Non-Current Trade And Other Receivables	284	360
Total Trade And Other Receivables	5,440	3,084

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. Primary Care Trusts ceased to exist from 1 April 2013 and this commissioning responsibility transferred to Clinical Commissioning Groups and the NHS Commissioning Board.

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

19.2 Provision For Impairment of Receivables

	31 March 2013	31 March 2012
	£'000	£'000
Balance at 1 April	379	388
Increase in Provision	206	308
Amounts Utilised	(56)	(8)
Unused Amounts Reversed	(299)	(309)
	230	379
Total Provision At 31 March	230	379

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

19.3 Receivables Past Their Due Date But Not Impaired

	31 March 2013	31 March 2012
	£'000	£'000
Up To Three Months	1,523	1,031
In Three To Six Months	-	5
Over Six Months	12	-
	1,535	1,036
Total	1,535	1,036

As at 31 March 2012, 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.

19.4 Impaired Receivables

	31 March 2013	31 March 2012
	£'000	£'000
Up To Three Months	4	110
In Three To Six Months	93	87
Over Six Months	133	182
	230	379
Total	230	379

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20 Cash And Cash Equivalents

	31 March 2013 £'000	31 March 2012 £'000
Balance At 1 April	23,196	17,382
Net Change In Year	(11,428)	5,814
Balance At 31 March	11,768	23,196
Made Up Of:		
Cash With Government Banking Service	11,743	23,168
Commercial Banks And Cash In Hand	25	28
Cash And Cash Equivalents	11,768	23,196
Bank Overdraft	-	-
Cash And Cash Equivalents As In Cash Flow	11,768	23,196

21 Trade And Other Payables

	31 March 2013 £'000	31 March 2012 £'000
Current Liabilities:		
NHS Payables – Revenue	768	1,491
NHS Payables – Capital	7	114
Non-NHS Payables – Revenue	2,239	2,490
Non-NHS Payables - Capital	1,469	1,481
PDC Payable	38	-
Accruals	1,759	1,602
Total Trade And Other Payables	6,280	7,178

Non-NHS Payables – Revenue includes £990,000 (2012: £895,000) of outstanding pensions contributions at 31 March 2013.

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22 Borrowings

	31 March 2013 £'000	31 March 2012 £'000
Current Liabilities		
Loans From:		
Department of Health	2,215	2,215
Total Current Borrowings	2,215	2,215
Non-Current Liabilities		
Loans From:		
Department of Health	13,925	16,140
Total Non-Current Borrowings	13,925	16,140
Total Borrowings	16,140	18,355

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 2013 £5,376,000 (2012: £6,355,000)) is 5.33% per annum, and the loan will be repaid in full by March 2019.

The interest rate on the second loan (amount outstanding at 31 March 2013 £6,264,000 (2012: £7,000,000)) 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 2013 £4,500,000 (2012: £5,000,000)) 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.

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23 Other Liabilities

	31 March 2013 £'000	31 March 2012 £'000
Deferred Income Other	901	1,790
Total Other Liabilities	901	1,790

£275,000 (2012: £275,000) of deferred income relates to capital schemes where the conditions of the grant have not yet been met.

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24 Provisions

	Current		Non-Current	
	31 March 2013 £'000	31 March 2012 £'000	31 March 2013 £'000	31 March 2012 £'000
Pensions Relating To Former Directors	7	7	98	97
Pensions Relating To Other Former Staff	181	178	1,929	1,764
Legal Claims	72	48	-	-
Other	2,706	1,638	606	611
Total	2,966	1,871	2,633	2,472

	31 March 2013				31 March 2012	
	Pensions Relating To Former Directors £'000	Pensions Relating To Other Former Staff £'000	Legal Claims £'000	Other £'000	Total £'000	Total £'000
At 1 April	104	1,942	48	2,249	4,343	2,526
Arising During The Year	1	302	32	1,627	1,962	1,990
Utilised During The Year	(6)	(186)	(8)	(163)	(363)	(261)
Reversed Unused	-	-	-	(442)	(442)	-
Unwinding Of Discount	6	52	-	41	99	88
At 31 March	105	2,110	72	3,312	5,599	4,343

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	31 March 2013				31 March 2012	
	Pensions Relating To Former Directors £'000	Pensions Relating To Other Former Staff £'000	Legal Claims £'000	Other £'000	Total £'000	Total £'000
Expected Timing Of Cashflows:						
Within One Year	7	181	72	2,668	2,928	1,871
Between One And Five Years	27	684	-	180	891	857
Between Five And Ten Years	30	723	-	203	956	888
After Ten Years	41	522	-	261	824	727
Total	105	2,110	72	3,312	5,599	4,343

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. The increase in Other Provisions during 2012/13 relates to commercially procured services.

Expected reimbursement from Primary Care Trusts under back to back cover is £334,000 (2012: £454,000). This amount is included as an asset to the North Essex Partnership University NHS Foundation Trust under Trade And Other Receivables (see Note 19). Primary Care Trusts ceased to exist from 1 April 2013 and this responsibility transferred to Clinical Commissioning Groups.

£5,525,400 (2012: £5,522,640) is included in the provisions of the NHS Litigation Authority at 31 March 2013 in respect of clinical negligence liabilities of the North Essex Partnership University NHS Foundation Trust.

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25 Contingencies

25.1 Contingent Liabilities

	31 March 2013 £'000	31 March 2012 £'000
Employment Claims	52	17
Public Liability Claims	-	1
Total Contingent Liabilities	52	18

Contingent Liabilities relate to ten (2012: six) employment claims and no (2012: one) public liability claims. 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 regarding the road and education infrastructure with third parties.

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

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 NHS Foundation Trust has no liability at this point in time that needs to be recorded in the Financial Statements.

25.2 Contingent Assets

There are no Contingent Assets as at 31 March 2013 or as at 31 March 2012.

26 Prudential Borrowing Limit

26.1 Prudential Borrowing Limit

North Essex Partnership University 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.

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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 University NHS Foundation Trust had a Prudential Borrowing Limit of £26,500,000 in 2012/13 (2011/12: £26,500,000)

	31 March 2013 £'000	31 March 2012 £'000
Maximum Cumulative Long Term Borrowing Limit, Set By Monitor	18,500	18,500
Working Capital Facility	8,000	8,000
Prudential Borrowing Limit	26,500	26,500

The Long Term Borrowing Limit for 2012/13 and for 2011/12 is a Tier 2 Limit.

North Essex Partnership University NHS Foundation Trust utilised £nil of the long term borrowing limit during the year (2012: £7,000,000 and £5,000,000) as a source of finance for capital schemes. The fixed interest rate is 5.33% per annum for the £8,000,000 utilised, 2.65% per annum for the £7,000,000 utilised, and 1.42% per annum for the £5,000,000 utilised.

The NHS Foundation Trust has an approved Working Capital Facility Limit of £8,000,000. As at 31 March 2013, the NHS Foundation Trust had a Working Capital Facility with Barclays Bank of £8,000,000 (2012: £8,000,000); of which £nil (2012: £nil) was drawn down.

26.2 Long Term Borrowing Limit

	31 March 2013 £'000	31 March 2012 £'000
Maximum Cumulative Long Term Borrowing Limit, Set By Monitor	18,500	18,500
Long Term Borrowing As At 1 April	(18,355)	(7,333)
Long Term Borrowing – Amounts Drawn Down	-	(12,000)
Long Term Borrowing – Repayments Made	2,215	978
Long Term Borrowing Available	2,360	145

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26.3 Prudential Borrowing Limit Ratios

	2012/13		2011/12	
	Actual PBL Ratios	Approved Tier 2 PBL Ratios	Actual PBL Ratios	Approved Tier 2 PBL Ratios
Minimum Dividend Cover	3.2	1	2.9	1
Minimum Interest Cover	12.9	2	9.5	2
Minimum Debt Service Cover	2.4	1.5	1.9	1.5
Maximum Debt Service To Revenue	2.5%	10%	2.6%	10%

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>

27 Financial Instruments

27.1 Financial Assets

	Loans And Receivables £'000	Total £'000
NHS Receivables	3,433	3,433
Cash At Bank And In Hand	11,768	11,768
Other Financial Assets	968	968
Total At 31 March 2013	16,169	16,169
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

All Financial Assets are held at book value. Book value is considered to be fair value.

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27.2 Financial Liabilities

	Other Financial Liabilities £'000	Total £'000
Borrowings	16,140	16,140
Other Financial Liabilities	8,972	8,972
Total At 31 March 2013	25,112	25,112
Borrowings	18,355	18,355
Other Financial Liabilities	8,819	8,819
Total At 31 March 2012	27,174	27,174

All Financial Liabilities are held at book value. Book value is considered to be fair value.

27.3 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 University 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. Primary Care Trusts ceased to exist from 1 April 2013 and this relationship transferred to Clinical Commissioning Groups and the NHS Commissioning Board. 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 University 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 majority of transactions, assets and liabilities being in the UK and Sterling based. The NHS Foundation Trust has no overseas operations. North Essex Partnership University NHS Foundation Trust therefore has low exposure to currency rate fluctuations.

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Interest Rate Risk

All of the NHS Foundation Trust's assets and liabilities carry nil or fixed rates of interest. North Essex Partnership University 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 University NHS Foundation Trust therefore has low exposure to credit risk. The maximum exposure as at 31 March 2013 is in receivables from customers as disclosed in Note 19.

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 University NHS Foundation Trust is therefore not exposed to significant liquidity risk.

27.4 Maturity Of Financial Liabilities

	31 March 2013 £'000	31 March 2012 £'000
In one year or less	11,186	11,033
In more than one year but not more than two years	2,215	2,215
In more than two years but not more than five years	6,644	6,644
In more than five years	5,067	7,282
Total	25,112	27,174

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28 Events After The Reporting Period

On 1 April 2013, Primary Care Trusts ceased to exist. The Department of Health mandated that any properties owned by a Primary Care Trust on 31 March 2013 but used exclusively by a Provider Trust should be transferred to that Provider Trust. As a result of this, on 1 April 2013 one property transferred to North Essex Partnership University NHS Foundation Trust from Primary Care Trusts. The details are as follows:

Property	Cost/Valuation Transferred £'000	Accumulated Depreciation Transferred £'000	Net Book Value Transferred £'000	Revaluation Reserve Transferred £'000
Maldon Clinic, Maldon	257	(27)	230	70
Total	257	(27)	230	70

North Essex Partnership University NHS Foundation Trust believes that St Margaret's, Epping also meets the criteria to be transferred. However, this property was not transferred to North Essex Partnership University NHS Foundation Trust on 1 April 2013. There is currently an appeal with the Department of Health, the outcome of which will be known later during the 2013/14 financial year.

Enable East has been awarded a two year grant of £2,700,000 for the 2013/14 and 2014/15 financial years to run an number of schemes.

29 Related Party Transactions

North Essex Partnership University 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 University NHS Foundation Trust considers all NHS organisations to be related parties.

In addition, North Essex Partnership University 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 University NHS Foundation Trust is sole Corporate Trustee and is therefore considered a related party.

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The related party transactions described above are summarised below.

	For The Year Ended		As At 31 March 2013	
	Receipts	Payments	Amounts	Amounts
	From	To	Due From	Due To
	Related	Related	Related	Related
	Parties	Parties	Parties	Parties
	£'000	£'000	£'000	£'000
Colchester Hospital University NHS Foundation Trust	6	295	-	42
East of England Ambulance Service NHS Trust	32	624	9	-
Mid Essex Hospital Services NHS Trust	144	270	30	191
Princess Alexandra Hospital NHS Trust	2	390	-	240
East of England SHA	3,082	4	272	21
Cambridgeshire PCT	284	-	55	-
Mid Essex PCT	77,174	116	1,393	373
North East Essex PCT	605	434	110	100
Redbridge PCT	333	-	-	-
South East Essex PCT	6,892	-	889	-
Suffolk PCT	1,690	119	164	30
Sutton and Merton PCT	341	-	233	-
West Essex PCT	8,212	1,303	203	185
NHS Litigation Authority	-	276	-	-
Essex County Council	6,537	-	588	391
HM Revenue and Customs			388	1656

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	For The Year Ended 31 March 2012		As At 31 March 2012	
	Receipts From Related Parties £'000	Payments To Related Parties £'000	Amounts Due From Related Parties £'000	Amounts Due To Related Parties £'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

All transactions described in the above tables arise from normal operating activities. The amounts due 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 University 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 10.

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30 Third Party Assets

North Essex Partnership University NHS Foundation Trust held £252,826 cash at bank and in hand at 31 March 2013 (2012: £206,440) 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.

31 Losses And Special Payments

There were 26 cases of Losses and Special Payments (2012: 53 cases), totalling £48,000 (2012: £971,000). These amounts are disclosed on an accruals basis, excluding provisions for future losses.

An external payment fraud was committed against North Essex Partnership University NHS Foundation Trust during the last financial 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 University NHS Foundation Trust was £nil.

There were no cases exceeding £250,000 during the current financial year.

	31 March 2013		31 March 2012	
	Number	£'000	Number	£'000
Losses				
Loss Of Cash	12	5	18	905
Fruitless Payments	-	-	-	-
Bad Debts And Claim Abandoned	1	34	6	7
Damage To Buildings, Property, etc.	-	-	-	-
Special Payments				
Compensation under Legal Obligation	6	8	15	56
Extra Contractual To Contractors	-	-	-	-
Ex Gratia Payments	7	1	14	3
Extra Statutory And Regulatory	-	-	-	-
Recovered Losses				
Compensation Payments Received	-	-	1	897

