



South Essex Partnership University



NHS Foundation Trust

*'Providing services that are in tune with you'*

# Annual Report and Accounts

2010-11



**South Essex Partnership University NHS Foundation Trust**

**Annual Report and Accounts 2010/11**

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



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# 1.0 Introduction

SEPT (South Essex Partnership University NHS Foundation Trust) is one of the largest and highest performing NHS providers in the country of health and social care services for people with mental health problems and people with learning disabilities.

We are a responsive, innovative and dynamic Foundation Trust delivering leading edge mental health and learning disability services in a constantly changing environment. We provide these services across Bedfordshire, Essex and Luton and have a budget of approximately £200 million, employ approximately 3,500 people and serve a population of 1.5 million.

We work with a wide range of partner organisations to deliver care and support to people in their own homes and from a range of hospital and community based premises. We have developed a range of modern community based resource centres and community facilities to provide local services to local people where possible.

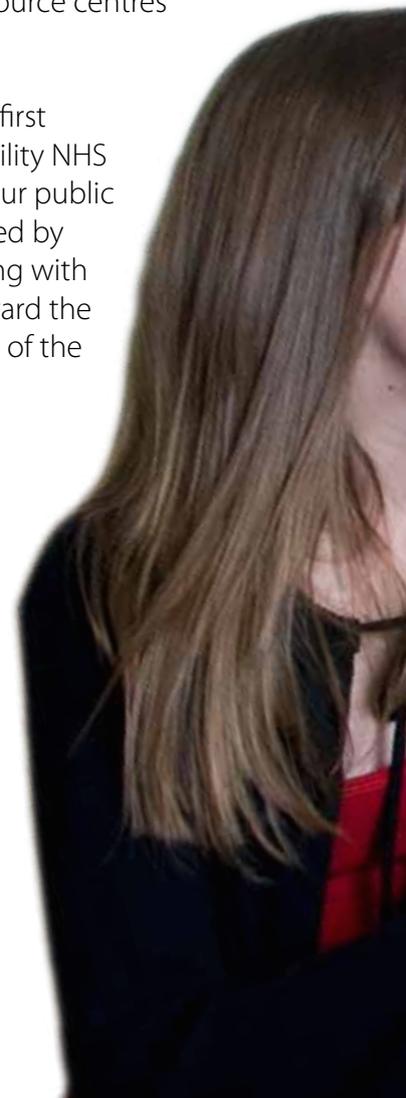
Unlike acute hospital services, mental health and learning disability services are mainly provided in community settings with defined geographical localities. As a result we operate from about 100 locations across Bedfordshire, Essex and Luton.

SEPT provides a comprehensive range of services including:

- ▶ mental health services for adults and older people;
- ▶ Essex wide forensic services;
- ▶ low and medium secure services;
- ▶ specialist children's services;
- ▶ inpatient adolescent mental health services;
- ▶ learning disability services;
- ▶ drug and alcohol services;
- ▶ other specialist services.

Mental health and learning disability community services are delivered by teams of highly skilled and qualified health and social care staff to people in their own homes, in residential and nursing homes, and from our resource centres and clinics.

We became one of the country's first mental health and learning disability NHS Foundation Trusts in May 2006. Our public and staff members are represented by our Board of Governors who, along with our Board of Directors, takes forward the strategic and operational aspects of the Trust.



SEPT is the first mental health and learning disability trust in the country to achieve University Trust status. Traditionally, community-based Trusts were prevented from gaining University Trust status, as the Government's criteria largely depended on the numbers of doctors being trained by a Trust. SEPT's success has kick-started national reform of this old-fashioned model, by shifting the emphasis onto the academic achievements of the whole staff team.

In 2010 another landmark was reached by bringing together under a single Board of Directors and Board of Governors the mental health and learning disability services for the people of Bedfordshire, Essex and Luton. This means that our service users and carers continue to receive excellent services but with a reduction in management costs.

As the Trust continues to expand at a time of rapid change within the NHS, SEPT has been selected as the preferred bidder for the transfer of community health services from NHS South East Essex, NHS West Essex and NHS Bedfordshire aligning them with the mental health services the Trust already provides.

The transfer will form an important part of the government's plans to deliver 'world class' services for patients, carers and the community. It is an exciting opportunity for SEPT to become even more effective in the services it provides and more efficient in the way they are delivered and become a stronger more innovative organisation in the newly competitive NHS market.



**Stronger Together...**  
a message from the Chair  
and Chief Executive



# 2.0 Chair And Chief Executive's Statement

On 1 April 2010 the former Bedfordshire and Luton Mental Health and Social Care Partnership NHS Trust (BLPT) joined South Essex Partnership University NHS Foundation Trust. This landmark alliance brought together NHS services spanning two counties to make SEPT one of the largest and strongest mental health and learning disability trusts in the country.

This year's unprecedented changes and economic expectations have challenged all NHS organisations. However, we continued to maximise our resources ensuring that we maintained our excellent reputation for providing high quality services to the people we serve in Bedfordshire, Essex and Luton.

We are so pleased to once again confirm that we have maintained our excellent operational performance in all areas – clinical, financial and management. We met our income and expenditure financial targets and our regulator, Monitor, gave us an excellent financial risk rating of 4 and awarded us Green Ratings for Governance and Mandatory Services – these being the highest Trusts can achieve.

The one consistent factor at the core of our success is our staff. During a period of massive change and integration of services across two counties they continued to perform above and beyond all expectations. Our inpatient survey results were better than most Trusts in England, our compliments continue to increase and the feedback we receive from our Mystery Shoppers and point of use surveys is predominately positive.

Two important achievements identify that even with the changes our staff continue to be more than satisfied with working at SEPT. The HSJ and Nursing Times' Healthcare 100 results in 2010 placed SEPT as the Top NHS Healthcare Employer and the Best Mental Health Trust to work – these among seven overall awards. SEPT's 2011 CQC's National Staff Survey results also topped the charts in the majority of indicators evidencing immense satisfaction by our staff.

At the helm our Directors and Governors continue to work together to provide excellent leadership. Our membership has swelled to over 17,000 and our community events are attracting new members and support in our campaign to raise awareness and reduce the stigma that surrounds mental health and the people it affects.

We would like to take this opportunity to say thank you to our Board of Directors and our Board of Governors for their continued commitment and collaboration ensuring the forward direction of the Trust. Our success would not be possible without the partnership work between SEPT and our service users, carers, partners, stakeholders and members and we thank them for their generous contribution.

Finally, it gives us great pleasure to say a special thank you to everyone working in the Trust in Bedfordshire, Essex and Luton whose dedication consistently guarantees that our vision 'providing services that are in tune with you' is translated into reality ensuring a positive experience for all who come in contact with SEPT.



**Lorraine Cabel**  
Chair



**Dr Patrick Geoghegan, OBE**  
Chief Executive and Executive Nurse  
Professor of Mental Health and Social Care

# 3.0 Directors' Report

Welcome to the Directors' report where we provide an analysis of the development and performance of our organisation's business during the financial year which ended 31 March 2011. The following pages include an operating and financial review of the Trust's activities for 2010/11.

The Directors of South Essex Partnership University NHS Foundation Trust present their report for the period 1 April 2010 to 31 March 2011. Details of the Trust's Directors are contained within the Governance review section of this document (page 34).

On 1 April 2010, the Trust acquired the former BLPT. The comparator information for the 2009/10 financial year, has been restated to include the BLPT.

In preparing this report the Directors confirm that they have provided the external auditors with a Letter of Representation. This letter has been duly considered by the Trust's Audit Committee and Board of Directors and confirms that all relevant audit information, of which the Directors are aware, has been passed onto the external auditors. The Trust's Directors have also taken all reasonable steps to ensure that the Trust's external auditors are aware of all material facts known to the Trust in relation to the Trust's annual report and accounts for 2010/11.

The Foundation Trust is a legal entity in the form of a Public Benefit Corporation and was licensed on 1 May 2006 under the Health and Social Care (Community Health and Standards) Act 2003, now superseded by the NHS Act of 2006 (Chapter 5).

## Operating Review

### Taking forward our strategic priorities

Following comprehensive and inclusive local planning, four key priorities were identified for 2010/11 in our Annual Plan. Priorities were underpinned by a wide range of objectives that, thanks to the regular monitoring put in place by the Board of Directors, have been taken forward with much success. The delivery of these priorities ensures the Trust remains responsive to the expectations of local commissioners, partners, service users and Trust staff. Additionally they underpin the delivery of our vision of *"providing services that are in tune with you"*. In this section we have provided a summary of the progress made by the Trust to continually improve the quality of local services and highlighted just some of our many achievements.

### Priority 1 - Delivering High Quality and Safe Services

This priority reflected our continued commitment to respond to the national and local focus on quality, safety and patient experience. The Trust is, therefore, delighted to report that all targets set by MONITOR, relevant to providers of mental health and learning disability services, were met as at 31 March 2011. Additionally, the Trust has remained compliant with the Care Quality Commission (CQC) registration standards. The Trust has been able to confirm its continued compliance with all the 'Eliminating Mixed Sex Accommodation' standards as at 31 March 2011 and can report that no breaches occurred during 2010/11. CQUIN (Commissioning for Quality and Innovation) stretch targets were set with local commissioners and additional quality standards were also agreed with local stakeholders to form the Trust's Quality Account. The targets focused on a number of areas including; improved access times, enhanced patient experience, recovery

planning in Forensic Services and support / training for carers. Confirmation from local commissioners is awaited, however, the Trust is confident that all CQUIN standards have been achieved during 2010/11 and significant steps have been taken to improve the quality and safety of services. The Associate Director of Safeguarding has been appointed and closer scrutiny of safeguarding processes has been introduced with regular file audits and performance reports directly to the Directors.

### **Priority 2 – Transforming Services**

This priority focused on the delivery of an ambitious programme of service transformation set out for Bedfordshire and Luton and also the development of new services in response to local needs, meeting the expectations of commissioners and service users across the Trust.

All six Local Authorities have agreed to an overall vision of transforming social care in mental health via Personalisation. A regional Personalisation network has been established, with SEPT having a lead presence. During 2010/11 the Trust has continued its programme of service transformation, including the relocation of community based teams in Bedfordshire and Luton and the establishment of an Alcohol Detoxification Service in south Essex.

Quality improvements, agreed with our commissioners have been achieved across the range of services provided. These include greater involvement and empowerment of clients in our Medium and Low Secure Services, reductions in the time waiting between referral and treatment, in line with the Department of Health's guidance and increasing the number of carers being assessed and receiving services. Reviews of models of service have been conducted with commissioners in Learning Disabilities

and Children's Services and been successfully concluded with the aim of improving the patient experience and increasing efficiency and productivity.

### **Priority 3 – Creating an Efficient and Effective Organisation**

With substantial efficiency and productivity savings required and the potential for additional funding impacts as a result of the economic downturn it was clear that a drive for a more efficient and effective organisation was essential. The acquisition of Bedfordshire and Luton services provided an opportunity to review management and back office functions. Therefore, during 2010/11 consultations were completed and new structures implemented throughout back office services focused on ensuring efficiency and effective use of resources. In addition, the roll out of 'WorkSmart' across the organisation has continued which provides greater flexibility for staff and utilises technology to support enhanced productivity.

Administrative support for front-line services has been rationalised as part of the reviews of management structures. To maximise efficiency and productivity, administrative hubs were established at Rochford Hospital, Basildon, Thurrock and Luton. The locations of clinical teams have also been reviewed with a view of improving working conditions and reducing expenditure on the Trust's estate. Staff that have their bases in the community have been re-located from Bedford Heights, Calnwood Court and Aston Court into more suitable accommodation and plans are well advanced to move from the Taylor Centre in Southend, thereby further reducing costs.

#### **Priority 4 - Ensuring a sustainable future**

The Trust acknowledged that in order to be the “provider of choice of world class specialist health care service” there was a need to ensure sustainability. A sustainability strategy was agreed with a focus on growth through transactions, however, it was acknowledged that if growth was not an option, contraction, or a combination of growth and contraction, was an alternative solution. During 2010/11 the Trust pursued a number of opportunities through both competitive tendering and acquisition and was successfully identified as the preferred bidder for Community Health Services in West Essex, South East Essex and Bedfordshire. In addition, to support sustainability the Trust reviewed management structures with a new Executive Team and supporting structure implemented during 2010/11. This provides the Trust with greater accountability and ensures the organisation is fit for purpose.

Also contained within this priority is a focus on environmental sustainability, which was to be delivered through the ongoing implementation the Trust’s Carbon Reduction Strategy. The Trust has instigated several projects to manage down energy consumption and thereby reduce the carbon footprint of the organisation. Improved insulation has been installed on the Ashingdon ward and at Knightswick Clinic, which is also benefitting from a new energy-efficient boiler. Further steps to reduce consumption include a voltage optimiser at Rochford Hospital which greatly reduces the amount of electricity wasted by, and minimises the wear on, equipment on site. Improved monitoring of energy consumption has also been facilitated by the installation of smart metering at Rochford Hospital to allow real-time reporting of energy use rather than reliance on retrospective reporting.

#### **Performance Against Contracts**

The Trust has legally binding contracts in place with local primary care trusts to deliver mental health services across south Essex and Bedfordshire and Luton. The contracts cover care services provided to patients in hospital wards, those cared for in the community and patients receiving day hospital services. The commissioners monitor the Trust to ensure that agreed activity is delivered through monthly monitoring reports and contract monitoring meetings. Contract activity during 2010/11 was based on the provision of a specified volume of occupied bed days on hospital wards and contacts in the community and day hospital attendances. Additionally, the Crisis Resolution and Home Treatment Service is monitored on the number of Home Treatment Episodes delivered and the Assertive Outreach Service on the caseload it is actively managing.

The Trust also has a contract with the East of England Specialist Commissioning Group for the delivery of Low and Medium Secure Inpatient Services. Contract activity for 2010/11 was based on available beds – 110 in total.

**Figure 1 – Bedfordshire & Luton Community Activity by Speciality**

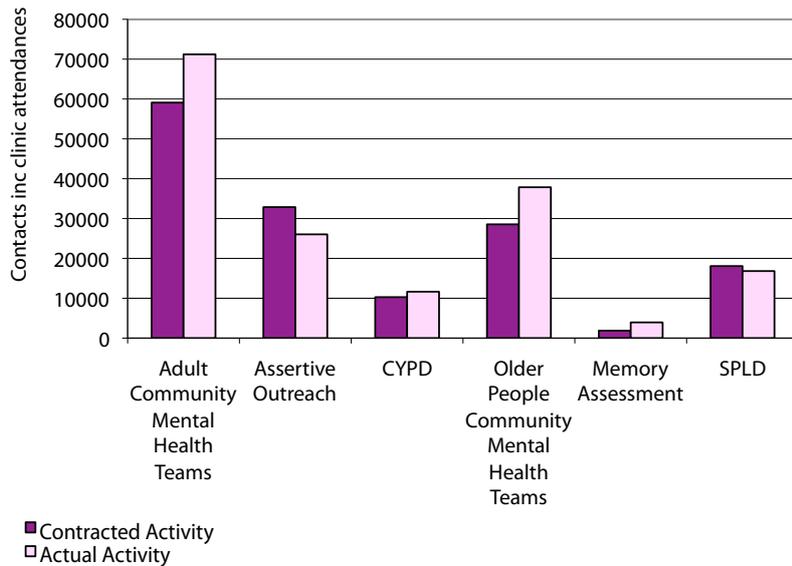


Figure 1 confirms that in Bedfordshire & Luton, as at the end of March 2011, the Trust has exceeded the contracted activity for the Child & Adolescent Mental Health Services (CAMHS), Adult & Older People Community Mental Health Teams (CMHT) and Memory Assessment services and slightly under-performed against the Assertive Outreach and Learning Disabilities teams. Actions to address under performance have been taken forward with commissioners for 2011/12.

**Figure 2 – South Essex Community Activity by Speciality**

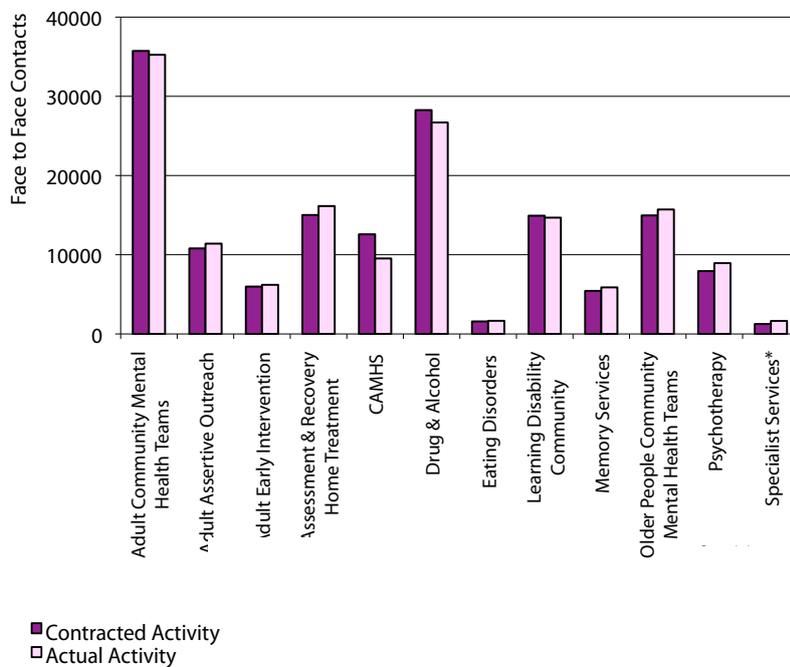
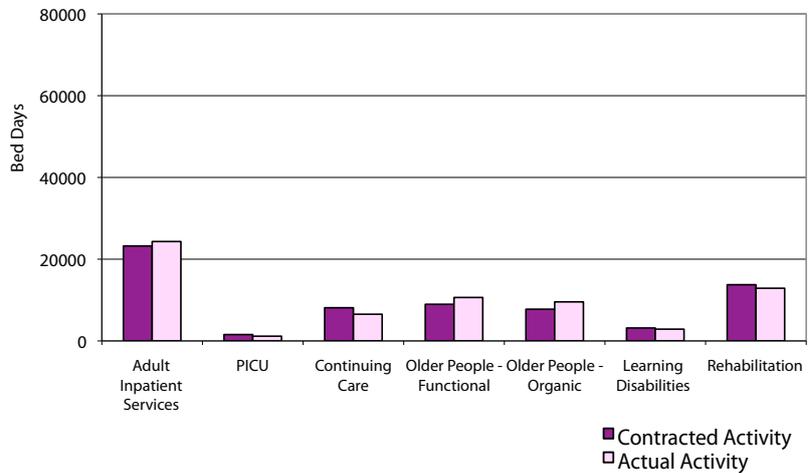


Figure 2 confirms that in south Essex, as at the end of March 2011, the Trust has exceeded the contracted activity for the Assertive Outreach, Early Intervention, Home Treatment, Eating Disorders, Older People Community Mental Health Teams (CMHT), Memory Services, Psychotherapy and Specialist Services. Child & Adolescent Mental Health Services (CAMHS), Adult Community Mental Health Teams (CMHT) and Drug & Alcohol Service under-performed on contracted activity. Work has been undertaken between providers and commissioners to review the model of care and the recruitment to vacancies is complete. In addition there has been an increase in non direct work including supervision and advice to staff.

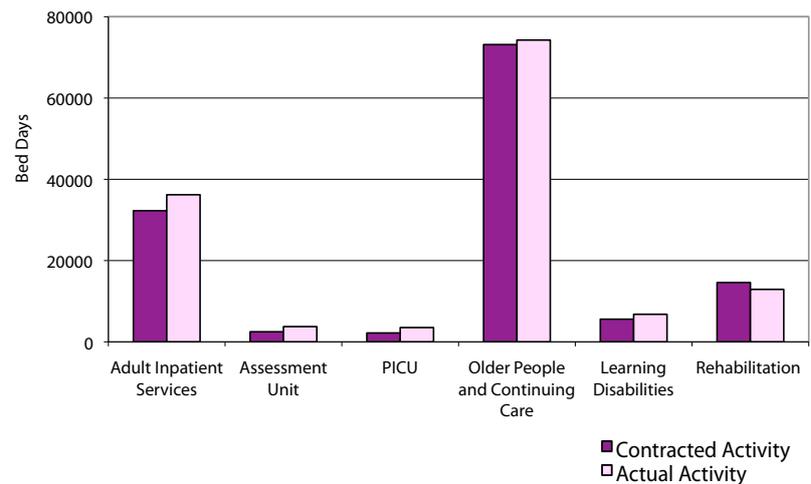
### Figure 3 – Bedfordshire & Luton Hospital Activity by Specialty

Figure 3 confirms that in Bedfordshire and Luton, the Trust exceeded contractual requirements for Adult and Older People Inpatient Services. Psychiatric Intensive Care (PICU), Continuing Care, Rehabilitation and Learning Disabilities Inpatient Services all demonstrated under performance. The underperformance in Learning Disabilities was linked to the closure of the Willows unit during 2010.



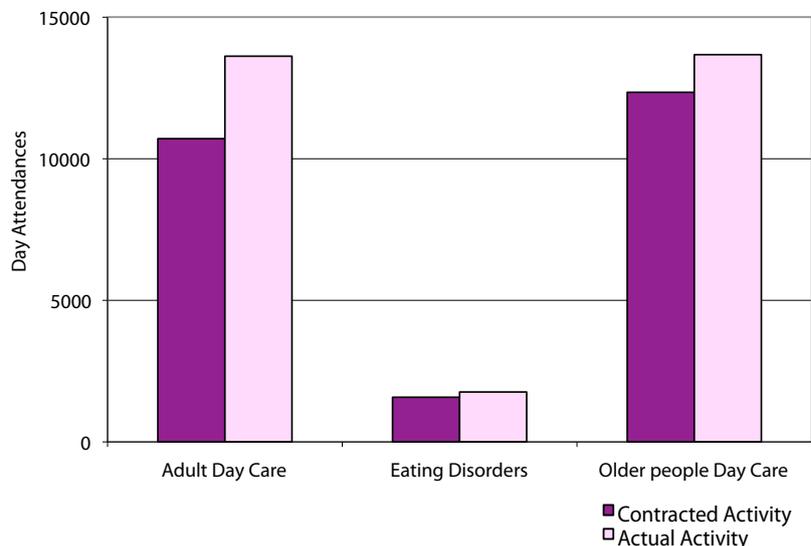
### Figure 4 – South Essex Hospital Activity by Specialty

Figure 4 confirms that in south Essex the Trust exceeded the contractual requirements for Adult, Psychiatric Intensive Care (PICU), Older People & Continuing Care and Learning Disability Inpatient Services. Hospital activity in Rehabilitation wards was below contracted activity however this was anticipated as a result of implementation of agreed cost improvement plans.



### Figure 5 – South Essex Day Hospital Activity by Specialty

Figure 5 shows that in south Essex the Trust over performed on its delivery of Adult and Older Peoples Day Hospitals and also Eating Disorders.



**Figure 6 – Crisis Resolution & Home Treatment Team Episodes**

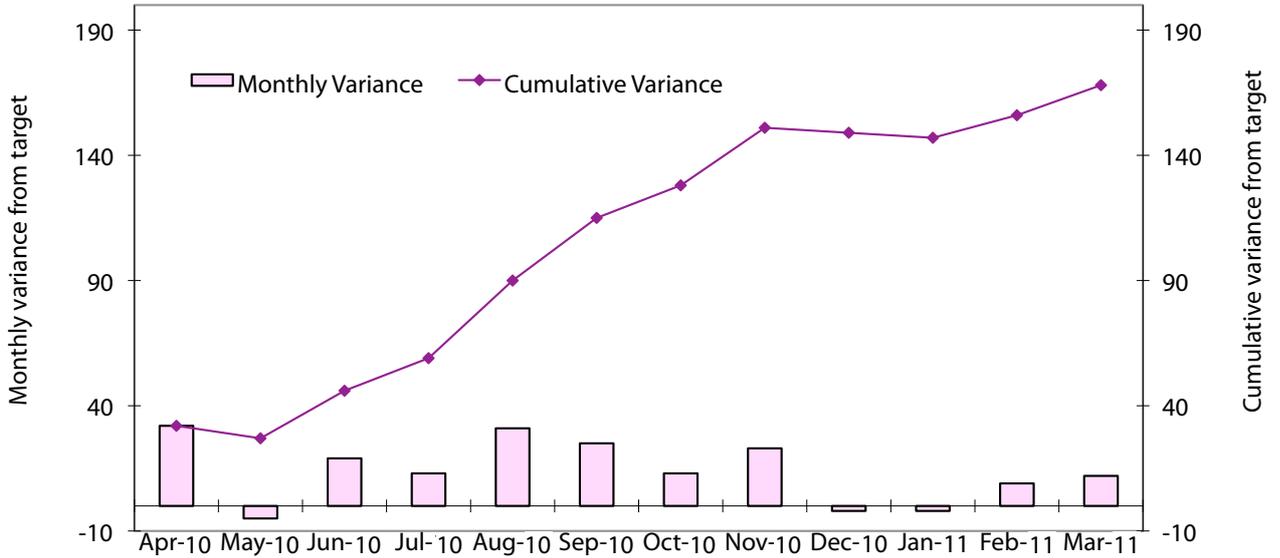


Figure 6 shows that in both south Essex and Bedfordshire and Luton the Crisis Resolution and Home Treatment teams have exceeded targets on the delivery of home treatment episodes. The target for 2010/11 was 2271.

**Figure 7 – Assertive Outreach Caseloads**

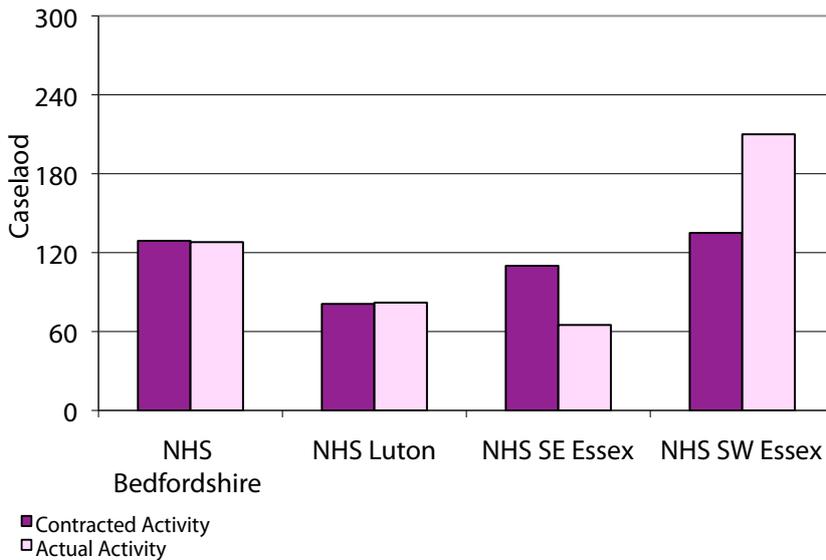
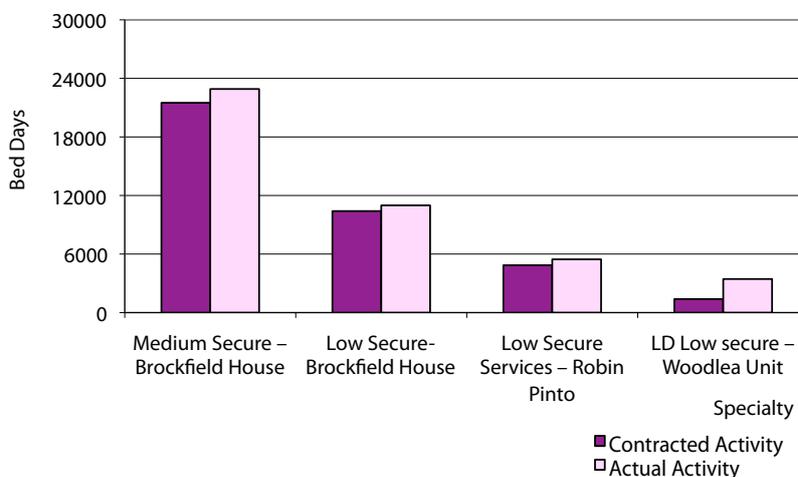


Figure 7 shows that whilst the Assertive Outreach caseload across the Trust exceeds the plan, the breakdown by area demonstrates over performance has been achieved in Luton and South West Essex whilst Bedfordshire and South East are below plan. . Actions to address underperformance in South Essex have been identified and will be taken forward with commissioners in 2011/12

### Figure 8 – Low & Medium Secure Hospital Activity

Figure 8 shows that the actual hospital activity for medium and low secure wards has exceeded the activity expected on the basis of the contracted beds available.



### Monitor Key Targets

Monitor – the independent regulator of Foundation Trusts, assesses the Trust’s clinical and quality performance, on a quarterly basis. The compliance framework and subsequent risk rating, assesses achievement of the Trust’s performance against a key set of indicators as follows:

Indicator	Target	2010-11 Outturn
Follow up of patients following discharge from Hospital within 7 days	95%	96%
Admissions to hospital that were assessed first by the Crisis and Home Treatment Team	90%	98%
Delayed transfers of care (Mental Health and Learning Disability)	<7.5%	1.2%
Percentage of people on CPA having a formal review in 12 months	95%	97%
Early Intervention Service – new cases of psychosis	148	188
Data completeness: patient outcomes (recording of outcome, employment and accommodation status)	50%	81%
Data completeness: patient identifiers	99%	99%
Self certification against compliance with requirements regarding access to healthcare for people with a learning disability	Six key requirements all rated at level 4	Fully Compliant

## Risk Management

### Risk Management Framework

The Trust strongly believes Risk Management is key to delivering high quality, safe and effective services.

We define risk as uncertain future events that could influence the achievement of the Trust's strategic, clinical, financial and organisational objectives.

The Trust has in place a comprehensive Risk Management Framework that sets out the Trust's approach to the management of risk and implementation of a system, which enables informed management decisions in the identification, assessment, treatment and monitoring of risk. The framework details how the organisation meets the demands of effective risk management and how it will be developed further. Throughout 2010/11 regular reports were provided to the Audit Committee, Integrated Governance Committee, the Executive Operational Committee and the Board of Directors to ensure that progress with developing risk management and assurance systems remained productive and fit for purpose. The Risk Management Framework was revised in both April and September 2010 to ensure continued compliance with the NHSLA Risk Management Standards, recommendations from internal and external audits and national reviews.

### Board Assurance Framework

At the start of the year the organisation identified 18 key objectives for 2010/11 and assessed the risks that had the potential to prevent their achievement. The Trust's Directors considered each risk in terms of its potential impact taking into account; financial, safety, and reputational risk and the likelihood of occurrence during the financial year.

These risks provided the foundation of the Board

Assurance Framework and significant risks were monitored in line with the Trust's approved Risk Management Framework and governance systems.

The Board Assurance Framework is a live and dynamic document and risks were continually monitored and updated throughout the year. A total of 31 potential significant risks and uncertainties were escalated to the Board Assurance Framework during the period 2010/11.

This has included:

- ▶ financial risks as detailed in the financial plan and additionally the reduction of funding as an outcome from the South West Essex PCT turnaround plan;
- ▶ delays to the Trust's Bedfordshire and Luton transition plan as a result of the consultation process;
- ▶ reputational risk as a result of legacy serious incidents and media interest following the acquisition of mental health services in Bedfordshire and Luton;
- ▶ development and implementation of key governance policies and systems including Safeguarding, Safety Alerts, Medical Devices, Medical and Staff records;
- ▶ review of CPA handbook;
- ▶ meeting key CQC KPI targets;
- ▶ implementing outcomes from patient survey.

Gaps in controls and assurances were actively reviewed and monitored throughout the year. Through careful management these did not ultimately pose a problem for the Trust.

The Trust commissioned Parkhill Internal Auditors to conduct independent and focused assessments of the arrangements in place to control risks and these reviews provided the Board of Directors with substantial assurance that each risk had been mitigated.

## Head of Internal Audit Opinion (HIAO)

The Head of Internal Audit Opinion for 2010/11 was issued 23 May 2011. The overall opinion that it contains is:

“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.”

## NHSLA Risk Management Standards

As a result of the acquisition of services in Bedfordshire and Luton the Trust has reverted to a level 1 rating of the NHSLA Risk Management Accreditation Scheme. Throughout 2010/11 a robust action plan has been implemented to ensure the integration of key high risk policies and procedures.

## Environmental Matters

The Trust continues to ensure that services are delivered and buildings utilised in such a way as to minimise the impact on the environment. Further information is provided in the section entitled Sustainability/Climate Change on page 104.

## Future Developments

The Trust produces a detailed three year plan for submission to Monitor, the Independent Regulator for Foundation Trusts, covering our future plans for the period 2011/12 to 2013/14.

**To receive your free copy of our Annual Plan, please contact our Communications Department on 01268 407742 or email [communications@sept.nhs.uk](mailto:communications@sept.nhs.uk). The plan is also available electronically via the Monitor website and the Trust’s own website.**

## Financial Review

This part of the Directors’ report provides a commentary on the Trust’s financial performance leading to an underlying net surplus of £1.7 million. The underlying surplus of £1.7 million increases to a technical surplus of £4.2 million when the revaluation of investment properties and gain on the Local Government Pension Scheme for the 2010/11 financial year is included. It provides an overview of the accounting process together with an analysis of financial performance. This includes information in relation to the Trust’s capital plans, non healthcare activities, efficiency and income generation initiatives. Where appropriate, financial trends relating to last year’s performance are also considered and provide an indication of future financial performance and activities for the Trust.

## Financial Statements

The Trust’s annual report and accounts cover the 12 month period from the 1 April 2010 to 31 March 2011. The full set of accounts is included within this document.

The Trust’s accounts have been prepared in accordance with directions given by Monitor, the Independent Regulator of Foundation Trusts. They are also prepared to comply with International Financial Reporting Standards (IFRS) and are designed to present a true and fair view of the Trust’s financial activities.

## Going Concern

The Trust’s accounts have been prepared on the basis that the Trust is a ‘going concern’. This means that the Trust’s assets and liabilities reflect the ongoing nature of the Trust’s activities. The Trust’s Directors have considered and declared that:

“After making enquires, the Directors have a reasonable expectation that the NHS Foundation Trust has adequate resources to continue in

operational existence for the foreseeable future. For this reason, they continue to adopt the 'going concern' basis in preparing the accounts."

### **External Audit**

The Trust's external auditors are the Trust's Practice Section of the Audit Commission. The Trust's Engagement Lead is Rob Murray and Emma Patchett is the Trust's External Audit Manager.

During 2010/11, the Trust's external auditors have primarily focused on the audit work covered by the Code of Audit Practice for Foundation Trusts.

The Trust's Annual Audit Letter for the 2010/11 financial year was presented to the Board of Directors in June 2010. Reports issued relating to the 2010/11 financial year were as follows:

- ▶ Audit Plan for 2010/11;
- ▶ Annual Audit Letter;
- ▶ ISA 260 Report for those charged with governance;
- ▶ Review of Financial Statements 2010/11;
- ▶ Limited Assurance Report on the Quality Account;
- ▶ Assurance Report to the Board of Governors on the Quality Report.

The total fee for external audit for 2010/11 was £84,000 in respect of the completion of the statutory audit work.

### **Counter Fraud Activities**

The Trust receives a dedicated local counter fraud specialist advice service from the Parkhill Audit Agency and has developed a comprehensive counter fraud work plan in accordance with guidance received from the NHS Counter Fraud and Security Management Service. The Trust also has a counter fraud policy and response plan approved by the Board of Directors.

Anyone suspecting fraudulent activities within the Trust's services should report their suspicions to the Executive Chief Finance Officer or telephone the confidential hotline on 0800 028 4060.

### **Charitable Funds**

The Foundation Trust also administers the South Essex Partnership University NHS Foundation Trust General Charitable Fund (Charity No: 1053793), and the Bedfordshire and Luton Mental Health and Social Care Partnership NHS Trust Charitable Fund (Charity No: 1051474). The Trust is looking to merge these two umbrella funds into the South Essex Partnership charity, with effect from 2011/12. These charitable funds have resulted from fund raising activities and donations received over many years by the respective organisations, and are used to purchase equipment and other services in accordance with the purpose for which the funds were either raised or donated. The charity also has a General Purpose Fund which is used more widely to the benefit of patients and staff.

The Charitable Funds are administered by the Trust's Finance Department on behalf of the Partnership Trust, the two Primary Care Trusts across south Essex and the Primary Care Trusts in Bedfordshire and Luton. The Board of Directors of the Foundation Trust acts as Corporate Trustee and meets regularly in the form of a Trustee Board to oversee the management of the Charitable Fund. The Board of Directors also operate an Charitable Funds Committee which has the responsibility of advising the Trustee Board on matters of investment policy.

The financial activities of the two separate charities for the 2010/11 financial year are contained within the respective Annual Report and Accounts for the Funds Held on Trust. A copy of these documents will be available from January 2012, free of charge, from the Executive Chief Finance Officer.

### **Political and Charitable Donations**

The Trust did not make any political or charitable donations from its exchequer or charitable funds during 2010/11.

### **Financial Performance**

Despite the current financial difficulties facing the NHS and economy as a whole, the Trust has ultimately performed well during 2010/11. As in previous financial years, the Trust continued to try to assist the local economy by ensuring payments, particularly to small suppliers, were paid as promptly as possible.

The Trust's financial settlement for the 2010/11 financial year, did not include any funding for inflationary pressures, and was required to fund these internally via cost improvement measures. In addition, the south Essex commissioners requested an additional 1% efficiency requirement to be achieved during 2010/11 totalling around £0.8 million.

The acquisition of the former BLPT allowed the Trust to make financial benefits not otherwise possible from the integration and rationalisation of corporate and back office functions. As such, the Trust continues to explore new business opportunities and is due to acquire community services from South East Essex, West Essex and Bedford PCT's during 2011/12 which will afford similar financial benefits.

The Trust has continued to benefit from the stability and freedoms associated with Foundation Trust status. This has enabled the Trust to carry forward and retain surpluses from previous years and undertake a substantial range of environmental and new capital developments throughout the year. In addition, the Trust has invested non recurrent revenue funding into enhancing the estate across Bedfordshire and Luton as promised as part of the tender process.

The Trust also implemented a range of new efficiency measures during 2010/11. All these factors, together with careful ongoing management enabled the Trust to generate a net underlying surplus of £1.7 million, with all targets and major development programmes achieved. The Trust also received a Monitor financial risk rating of 4 representing a low risk. The Trust's performance increases to a technical surplus of £4.2 million once the increase in value arising from the revaluation of the Trust's investment properties and gain on the Local Government Pension Scheme is included for the year.

### **Financial Risk Management**

As part of the preparation of the Trust's annual plan which is submitted to Monitor each year, the Trust completes a detailed five year financial plan incorporating revenue, capital, cash and cost improvement / income generation plans. The assumptions behind this plan are risk assessed, and all high rated risks successfully mitigated against as part of the planning process. The Trust subsequently monitors the possibility of these risks occurring during the year, in addition to any new risks which may have been identified during the year.

### **Analysis of Financial Performance**

#### **Comparative Information**

The Trust's Annual Report and Accounts provides comparative information in relation to the 2009/10 financial year. The financial information in relation to SEPT for 2009/10, has been restated to include the financial performance of the former BLPT following its acquisition by the Trust in April 2010.

#### **Impaired Value of Land and Property**

For 2010/11 the Trust's accounts include a total impairment (reduction) on non current assets of £0.6 million in respect of the revaluation of the Mayfield Ward at Thurrock Hospital following its completion during 2010/11. Such impairments

are not uncommon within the NHS and reflect the basis on which the District Valuer calculates replacement value of the development upon completion, whereby the replacement value is often lower than the original cost of development.

Where permissible, the impairment is charged against the Trust's revaluation reserve for the particular property until such time as the reserve is fully utilised. This reserve is held within the Statement of Financial Position. Once fully utilised, the impairment is charged direct to the Statement of Comprehensive Income.

The impact of the impairment is to reduce the value of the asset within the Statement of Financial Position, with no impact on the Trust's cash, financial viability or risk rating.

Of the total impairment £69,000 has been set against the Trust's revaluation reserve in the statement of financial position, with the remaining £562,000 being included within operating expenditure on the Statement of Comprehensive Income.

### **Revaluation of Investment Property**

In accordance with accounting guidelines, the Trust has opted to undertake a revaluation of all investment properties on an annual basis. The revaluation obtained from the District Valuer showed an increase in value from March 2010 of just over £1.5 million. The Trust is required to report this increase on the face of its Statement of Comprehensive Income which has resulted in an increase to the Trust's underlying surplus.

### **Gains on Local Government Pension Scheme (LGPS)**

The Trust is required to obtain an actuarial valuation on the Local Government Pension Scheme (LPGS) on an annual basis, which relates to Bedford and Luton social workers who are employed by the Trust under the Section 75

agreements. This is based on figures provided by the actuary at Bedford Council, with the figures subsequently being verified by the Trust's External Auditors.

The actuarial valuation for the 2010/11 financial year, has resulted in a technical increase to the Trust's surplus of £0.9 million which has been reflected in the Trust's Statement of Comprehensive Income.

### **Income Generation**

The Trust has continued to market its clinical expertise over the past year which has resulted in a contribution of £1.1 million being made to the Trust's financial position. Although this income is less than previous financial years, it was sufficient to allow the Trust to meet its financial targets for the year.

### **Key Metrics**

The key metrics from the financial statements demonstrate that the Trust achieved:

- ▶ an EBITDA margin of 7.3%;
- ▶ an income and expenditure surplus margin of 1.9%;
- ▶ a return on assets of 5.7%;
- ▶ a Liquidity ratio of 39.3 days.

The Trust's earnings before interest, taxation, depreciation and amortisation (EBITDA) margin and income and expenditure surplus margin represent a strong financial performance by the Trust. This is further reflected by a return on assets of 5.7%. The Trust also ended the financial year with a strong cash position reflecting the receipt of all major income streams from local commissioners but also minor delays within the Trust's main capital programme.

**Table 1 – Key Points from the Accounts**

	<b>2010/11 £000</b>	<b>2009/10 £000</b>
Total Income	202,159	193,581
Income from Mandatory Clinical Services	182,707	179,014
Surplus from Continuing operations (before 2009/10 impairment and 2010/11 technical adjustments)	1,698	2,584
Surplus from Continuing operations (after 2009/10 impairment and 2010/11 technical adjustments)	4,157	(7,534)
Capital Expenditure	6,314	10,249
Capital Charges (Depreciation and Dividends)	8,908	11,424
Closing Cash Balance	17,421	16,509

**Key Points from the Accounts**

Key information from the Trust’s accounts is shown in the table above.

**Operating Expenditure**

The total operating expenditure excluding impairments for the 12 month period ended 31 March 2011 was £191.4 million. Figure 9 (page 23) shows the Trust’s expenditure analysed over the type of patient care provided. The single largest area of expenditure relates to adult inpatient services followed by older people’s inpatient services, medical staffing and forensic services. Figure 10 (page 23) provides an analysis of expenditure over the different staff groups.

**Working Capital and Liquidity**

The Trust has robust cash management and forecasting arrangements. These are supported by a Cash Management Committee which is chaired by the Executive Chief Finance Officer. The membership of the Committee also includes the Director of Operations and a Non Executive

Director.

The Trust has continued to invest surplus cash on a day to day basis throughout 2010/11. However, in light of the reduced interest rates available, has generated only modest interest from cash management activities of £0.1 million. As in previous financial years, this additional income has been used for the benefit of local patient care. The Trust was able to maintain a healthy cash position throughout the year and a strong cash working capital position at the end of the financial year of plus £5.1 million.

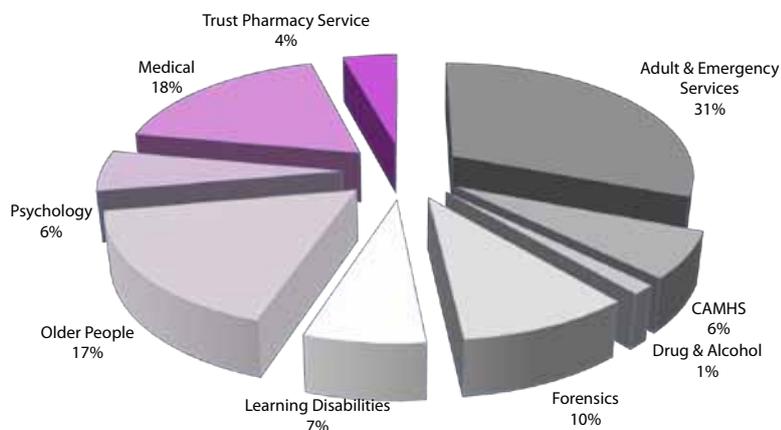
**Events after the reporting period**

There are no events to report after the reporting period.

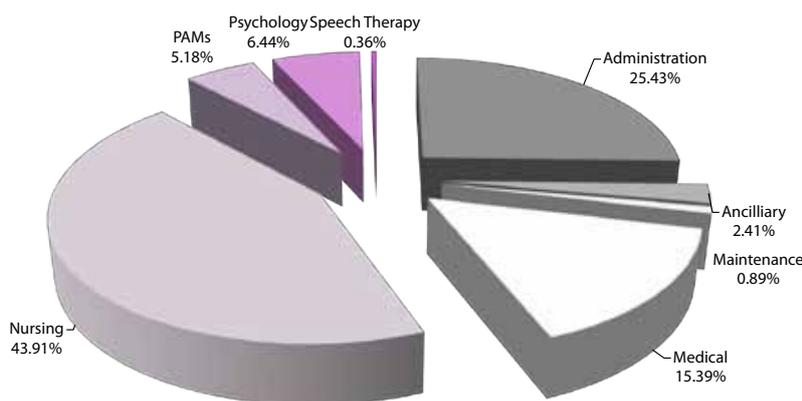
**Capital Structure, Expenditure and Investments**

Capital finance has historically been provided by the Treasury in the form of Public Dividend Capital and as a result the Trust is required to pay

**Figure 9 – Total Expenditure by Service**



**Figure 10 – Pay Expenditure**



the Treasury dividends relating to this capital in September and March each year. The dividends payable are essentially agreed with the Treasury before the start of the financial year with the calculations updated based on the closing Statement of Position at the end of the year. As such, a creditor and debtor arrangement may exist at year end between the Treasury and the Foundation Trust.

The Trust also has reserves relating to income and expenditure surpluses and asset revaluation resulting from the impact of valuations of the Trust’s estate. The Trust also has a small reserve in relation to donated assets. The total of the Trust’s Public Dividend Capital and reserves is equivalent to the taxpayers’ equity in the Trust.

The Department of Health has returned to the public financing of most capital schemes in the form of interest bearing debt. For Foundation Trusts this is managed through the Foundation Trust financing facility. Foundation Trusts are also able to borrow externally, subject to a prudential borrowing limit set by Monitor, the independent regulator for Foundation Trusts. In 2010/11, the Trust is deemed to have a long term borrowing of £33.5 million as a result of recording the PFI assets onto the Statement of Financial Position in accordance with IFRS requirements.

**Prudential Borrowing Limit**

Section 12 of the Health and Social Care (Community Health and Standards Act 2003) requires Monitor, the independent regulator of Foundation Trusts, to prepare a code (prudential borrowing code) to determine a limit on the total amount of borrowing that an NHS Foundation Trust is able to undertake. Section 41 of the National Health Service Act 2006 allows Monitor to revise that code. The code is designed to ensure that a Foundation Trust is able to operate with a degree of independence while at the same time not compromising the provision of required services.

Foundation Trusts continue to benefit from public financing in certain circumstances but in addition are able to borrow from commercial sources. This commercial borrowing is not backed by any form of government guarantee and

therefore in these circumstances the Foundation Trust has to prove its credit worthiness in a normal commercial sense. To assist this process, Monitor sets a prudential borrowing limit, based on the code, which forms part of a Foundation Trust terms of authorisation.

The prudential borrowing limit for SEPT is:

1. maximum cumulative long term borrowing: £47.2 million; and
2. approved working capital facility: Not to exceed £15.3 million.

The Trust has a long term borrowing of £33.5 million in respect of the PFI Funded Scheme. The Trust's capital investment plans over the next five years can also be met from the Trust's internally generated resources including a programme of sale of unprotected assets. At this stage, therefore, the Trust has no plans to borrow commercially.

### Capital Expenditure

Table 2 below summarises the Trust's capital resources and expenditure for 2010/11.

During the 2010/11 financial year, the Trust invested a total of £6.3 million in capital developments as detailed below. The Trust has invested a total of £2.1 million in upgrading two wards on the Thurrock Hospital site at Essex, with works to Meadowview due to complete in early 2011/12.

In addition, the Trust has invested approximately £1.1 million in the establishment of administration hubs across Essex, which in turn release recurrent savings of around £0.5 million per annum. A further £0.4 million has been invested in a staff alarm system at the Basildon Hospital Mental Health Unit.

The Trust has also invested £1.6 million in the Adobe Information System which will modernise the management of corporate and clinical information, which in turn will enhance care

**Table 2 – Capital Expenditure**

	<b>2010/11 £000</b>
Adobe Information System	1,614
Mayfield Ward Upgrade at Thurrock Hospital	1,304
Meadowview Ward Upgrade at Thurrock Hospital	818
Administration Hubs at Rochford and Basildon Hospitals	1,089
Pinpoint Staff Alarm System at Basildon Hospital	374
Bedford and Luton Service Transformation IT Costs	540
Carbon Reduction Initiatives	102
Other IT Schemes	265
Other Minor Building / Upgrade Schemes	208
<b>Total Capital Expenditure</b>	<b>6,314</b>

and improve SEPT's overall efficiency and safety record. Other benefits include the ability to provide Clinicians with clinical records, both textual and scanned images, on demand so that clinical decisions can be made from real time data.

As part of the acquisition of Bedford and Luton Mental Health and Learning Disability Services, the Trust pledged to undertake significant service transformation and estate improvement works. During 2010/11, the Trust has invested around £1.6 million of revenue funding in enhancing facilities across Bedford and Luton, and has invested a further £0.5 million of capital funding in improving the IT facilities.

The Trust has invested around £0.1 million in schemes to reduce the Trust's carbon emissions, as well around £0.5 million on more minor IT and building schemes.

### **Financial Investments**

Foundation Trusts are able to make financial investments through a variety of means including joint ventures and subsidiary companies. The Trust has established an Investment Committee comprising the Chief Executive, the Executive Chief Finance Officer and three Non Executive Directors. This Committee will oversee any future investment proposals including acquisition and mergers. For the future, the Trust's Investment Committee may also consider the most efficient corporate structure to support the Trust's activities.

### **Non Health Care Activities**

The Trust provides a range of non health care activities in the form of shared support services to the two primary care organisations across south Essex. These services include the provision of Treasury Management, Procurement and Paymaster Services and the management of related computerised financial ledgers and purchasing systems for all organisations.

In addition, the Trust provides Estates and Facilities Management Services and a Car Leasing Service to the local south Essex PCTs and also provides a car leasing service to the Basildon and Thurrock University Hospitals NHS Foundation Trust and several local Housing Associations. The value of these combined services is £2 million. As of 1 May 2011, the provision of shared services to the provider arm of NHS South West Essex will transfer to their new host.

Since acquiring the former BLPT from April 2011, the Trust has also provided a range of shared support services to NHS Bedford and NHS Luton. This includes the provision of a procurement service to NHS Luton, and an estates and IT service to both NHS Bedford and NHS Luton. The value of these services is £1.6 million.

### **Accounting Policies**

The Trust has detailed accounting policies which comply with both the NHS Foundation Trust Annual Reporting Manual and Capital Accounting Manual for Foundation Trusts and have been thoroughly reviewed by the Trust and agreed with External Auditors. Details of the policies are shown on pages 147 to 161 of the 2010/11 accounts.

### **NHS Pensions and Directors Remuneration**

The accounting policy in relation to employee pension and retirement benefits is set out on page 147 of the annual accounts for 2010/11. Details of the Directors remuneration is contained within the Remuneration Report section of this document (page 32).

### **Private Finance Initiative**

The Trust currently provides services from three locations developed via the Private Finance Initiative. These properties are located in Westcliff (Clifton Lodge), Rawreth (Rawreth Court) and Wickford (Brockfield House). Rawreth and Clifton each provide 35 in-patient beds for older people with mental illness. The units were opened in

2004 and provide very high quality environments for the provision of local care.

In addition, the Trust provides services in Wickford (Brockfield House) which became operational in September 2009. This development completed the final phase of the Modernisation Programme relating to the replacement of ageing facilities on the former Runwell Hospital site, which closed in December 2009.

### Policy and Payment of Creditors

The Non NHS Trade Creditor Payment Policy of the NHS is to comply with both the CBI Prompt Payment Code and Government Accounting Rules. The Government Accounting Rules state: "The timing of payment should normally be stated in the contract. Where there is no contractual provision, departments should pay within 30 days of receipt of goods and services or on the presentation of a valid invoice, whichever is the later".

As a result of this policy, the Trust ensures that:

- ▶ a clear consistent policy of paying bills in accordance with contracts exists and that finance and purchasing divisions are aware of this policy;
- ▶ payment terms are agreed at the outset of a contract and are adhered to;
- ▶ payment terms are not altered without prior agreement of the supplier;
- ▶ suppliers are given clear guidance on payment terms;
- ▶ a system exists for dealing quickly with disputes and complaints;
- ▶ bills are paid within 30 days unless covered by other agreed payment terms.

During the 2010/11 financial year, the Trust achieved an average of 85% of all trade invoices paid within 30 days.

The Trust continues to follow the Government's initiative to pay small and medium sized companies within 10 days working days, which was introduced in October 2008. The Trust is currently averaging a 15 working day payment cycle for this trade sector.

### Private Patient Income

Foundation Trusts are set a private patient cap which limits the amount of private patient income that maybe generated within a particular accounting year. The Trust has a private patient cap of zero and therefore does not generate any private patient income.

### Efficiency and Income Generation Initiatives

The Trust generated efficiency savings and contributions from new initiatives of just under £10.3 million during 2010/11. The savings were required to cover a shortfall on inflation funding in relation to national cost pressures around pay awards and drugs inflation together with local cost pressures across the Trust.

A summary of the Trust's main savings and income generation initiatives delivered during 2010/11 is shown in Table 3 on page 27

During 2010/11, the Trust delivered a total efficiency requirement of just under £10.3 million by a mix of recurrent and non recurrent measures. Of these measures, £9.8 million have been delivered on a recurrent basis from April 2011, with only £0.4 million ultimately proving to not be achievable. This shortfall against the 2010/11 plan has been factored into and addressed recurrently as part of the plan for the 2011/12 financial year.

As in previous financial years, the Trust ensured that, wherever possible, the impact on front line services was minimised and therefore generated savings from back office, clinical administration and operational management of around £2 million during 2010/11. This increases further during 2011/12.



**Table 3 – Efficiency and Income Generation Initiatives**

	<b>2010/11 Non Recurrent £000</b>	<b>2010/11 Recurrent £000</b>
Sale of Clinical Services – Essex	800	1,500
Training Income Generation	50	50
<b>Total Income Generation Contribution</b>	<b>850</b>	<b>1,550</b>
Corporate / Back Office / Operational Management	1,750	1,750
Administration Hubs	0	300
Improved Financial Controls / Reduction in Central Budgets for cyclical and backlog maintenance, minor buildings works and IT / other equipment	2,660	2,660
Service Transformation – Bedford and Luton	590	940
Service Transformation – Essex	1,310	1,310
Review of High Cost Services - Essex	710	710
Other (including carbon reduction / joint contract renegotiations)	400	600
Non Recurrent Measures	1,997	0
<b>Total Efficiency Savings</b>	<b>9,417</b>	<b>8,270</b>
<b>Total Efficiency and Income Generation Initiatives</b>	<b>10,267</b>	<b>9,820</b>

The Trust also generated savings by applying more robust financial controls to the Bedford and Luton services, and undertook a review of centrally held maintenance and equipment replacement budgets for the combined organisation.

In light of the scale of shortfall facing the Trust, the savings measures implemented for the 2010/11 financial year unfortunately impacted on front line services with a number of service reviews and transformations undertaken in order to release efficiencies. In addition, the Trust managed to generate savings from the pledged service transformation agreed as part of the acquisition of the Bedford and Luton services.

### **Cost Allocation and Charging Requirements**

The Trust has complied with the cost allocation and charging requirements set out in HM Treasury and Office of Public Sector Information guidance.

### **Future Financial Performance**

The Trust's Directors have set out a detailed financial plan for the mental health and learning disability Trust covering the five year period from 2011/12 to 2015/16. This plan was approved by the Board of Directors at a meeting held on 30 March 2011 in respect of existing SEPT services, and demonstrated that the Trust intends to achieve a surplus of £1.5 million in each year of the five year plan. This is likely to achieve a minimum predicted financial risk rating of 3 from Monitor.

At an extraordinary meeting of the Board of Directors in April 2011, the Trust also approved the Outline Acquisition Strategy and accompanying financial plan, incorporating the acquisition of community services from South East Essex, West Essex and Bedford. This demonstrated a combined surplus of £2.7 million per annum, which should again achieve a minimum risk rating of 3. The acquisition of community services is subject to the review and ultimate risk rating

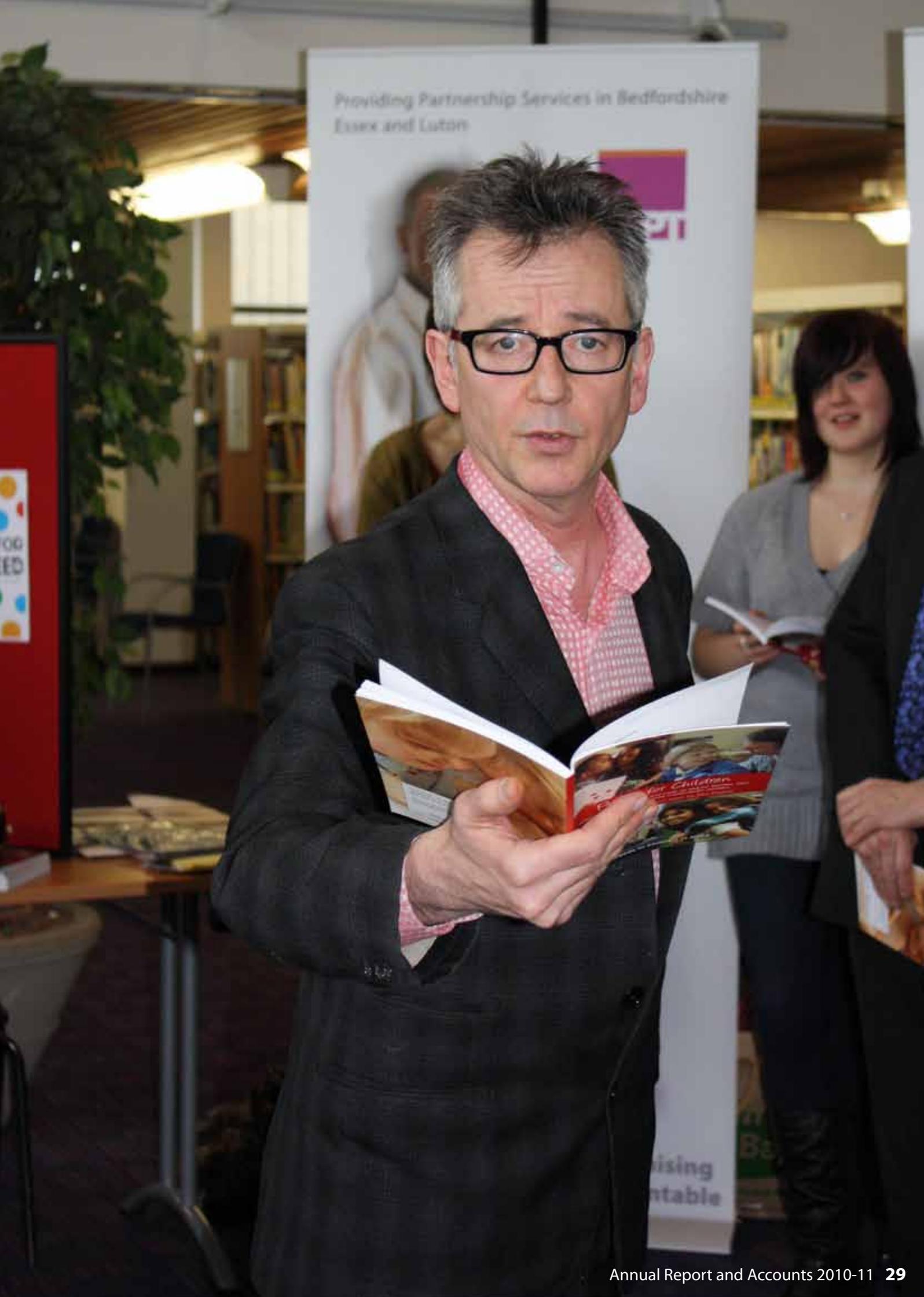
of the transaction by Monitor, the Independent Regulator of Foundation Trusts, and is anticipated to occur during July to October 2011.

The Trust's five year financial plan has assumed that the efficiency requirement in each of the five years, including 2011/12, remains at 4% as per the Operating Framework for 2011/12. This includes a real reduction in income of 1.5%, and pay and price pressures of around 2.5%. In addition, the plans include an additional income reduction of £3.5 million in 2011/12 in respect of South Essex mental health and learning disability services.

The Trust's Directors have developed a comprehensive plan which focuses on the sustainability of the Trust in the medium term. It also includes a major efficiency programme which will be supplemented by the need to explore other potential options of expansion including the possibility of further acquisitions and mergers throughout the planning period. This may also need to be supplemented by service contraction in order to ensure the Trust is able to continue to deliver high quality services that are effective and efficiently provided.

Trust Directors remain proud of the Trust's excellent track record in delivering excellent clinical services, alongside excellent financial performance, and remain confident that this will be extended over the next five year planning period.

### **The Board of Directors June 2011**



Providing Partnership Services in Bedfordshire  
Essex and Luton



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# 4.0 Remuneration Report

This section covers the remuneration of the Trust's most senior management in relation to those persons in senior positions who have authority or responsibility for directing or controlling major activities of the Foundation Trust. In practical terms this relates to the Trust's Board of Directors including both Executive and Non Executive Directors.

Over the next few pages information is provided in relation to the Board of Directors Remuneration Committee and Board of Governors Remuneration Committee. The overall policy on remuneration is also outlined below and more detailed information in relation to the remuneration of all Board Executive and Non Executive Directors is shown in Table 4. Comparative information is shown covering the 2009/10 financial year including the information relating to the directors of the former BLPT.

## **Board of Directors Remuneration Committee**

The Trust has established a Remuneration and Terms of Service Committee which is a key sub group committee of the Board of Directors. The Committee has delegated responsibility to review and set the remuneration and terms of service of the Executive Directors. The Committee which comprises Non Executive Directors met on six occasions during the year. Membership of the committee and the number of times each member met during this period is included in Table 6.

The Remuneration Committee made no changes to Directors' remuneration during 2010/11 other than to agree the starting salaries of new directors appointed. The committee also made no award for a cost of living increase in 2010/11. However, in preparation for the merger of SEPT with BLPT, the committee approved in February 2010 the introduction of a new remuneration framework and directors' salary scale where movement both up and down the scale is subject to an annual performance assessment process. Directors were appointed or transferred to the new scale on 1 February 2010 with consultation based on previous remuneration levels. Directors' translation to the new pay scale was also reflective of the increased organisational size and complexity following the acquisition of BLPT, and revised responsibilities and workload of each Director role. In addition, the



Director salary scale has been benchmarked against external organisations. Following the merger of the two Trusts, total Board level remuneration has reduced.

All Directors are employed on substantive contracts with a minimum notice period of six months. The Director of Specialist Services and Partnerships who left the Trust in March 2011 was on secondment from Essex County Council and as a result, the gross cost (including employer's superannuation and national insurance contribution) paid by the Trust to the County Council was £181,000.

The Trust does not make termination payments to Executive Directors which are in excess of contractual obligations. There have been no such payments during the 2010/11 financial year.

### **Board of Governors Remuneration Committee**

The Board of Governors has established a Remuneration Committee which has delegated responsibility for assessing and making recommendations to the Board of Governors in relation to the remuneration of the Trust's Non Executive Directors.

The Committee met on two occasions during 2010/11. The Committee members and the number of times each member attended Committee meetings during this period is included in Table 7.

**Dr Patrick Geoghegan, OBE**  
**Chief Executive and Executive Nurse**  
**Professor of Mental Health and Social Care**

**Table 4 – Directors Salaries and Allowances**

Professor Patrick Geoghegan	Chief Executive and Executive Nurse
Dr Pauline Roberts	Executive Medical Director
Dr Hameen Markar	Executive Medical Director (until 31 Mar 2011)
Ray Jennings	Executive Chief Finance & Resources Officer and Deputy Chief Executive
Sally Morris	Executive Director of Operational Services
Philip Howe	Executive Director of Social Care and Partnership Strategy Delivery (until 31 March 2011)
Peter Wadum-Buhl	Executive Director of Strategy and Business Development (from 18 June 10)
Amanda Reynolds	Executive Director of Social Care and Partnership Strategy Delivery (from 4 Jan 2011)
Andy Brogan	Interim Director of Integrated Governance
Nikki Richardson	Executive Director of Corporate Affairs
Lorraine Cabel	Chair
Janet Wood	Non Executive Director and Vice Chair (from 1 Oct 2010)
George Sutherland	Non Executive Director
Leslie Cuthbert	Non Executive Director and Vice Chair (until 30 Sept 2010)
Steve Currell	Non Executive Director
Dawn Hillier	Non Executive Director
Gary Scott	Non Executive Director (until 30 Sept 2010)
Randolph Charles	Non Executive Director (from 1 Oct 2010)
Steve Cotter	Non Executive Director (from 1 Oct 2010)

**Table 5 – Directors Pension Benefits**

Professor Patrick Geoghegan	Chief Executive & Executive Nurse
Dr Pauline Roberts	Executive Medical Director
Dr Hameen Markar	Executive Medical Director (until 31 Mar 2011)
Ray Jennings	Executive Chief Finance & Resources Officer and Deputy Chief Executive
Sally Morris	Executive Director of Operational Services
Philip Howe	Executive Director of Social Care and Partnership Strategy Delivery
Nikki Richardson	Executive Director of Corporate Affairs
Peter Wadum-Buhl	Executive Director of Strategy and Business Development (from 18 June 10)
Amanda Reynolds	Executive Director of Social Care and Partnership Strategy Delivery (from 4 Jan 2011)
Andy Brogan	Interim Director of Integrated Governance

**Notes**

The information in table 4 & 5 above is subject to audit

Salary 2010/11 (bands of £5,000)	Other Remuneration 2010/11 (bands of £5,000)	Benefits in Kind 2010/11 (to the nearest £00)	Salary 2009/10 (bands of £5,000)	Other Remuneration 2009/10 (bands of £5,000)	Benefits in Kind 2009/10 (to the nearest £00)
225 - 230	0	0	175 -180	20 - 25	0
190 - 195	45 - 50	0	0- 5	0	0
170 - 175	40 - 45	0	0	0	0
155 - 160	0	0	130 - 135	15 - 20	0
145 - 150	0	0	120 - 125	10 - 15	0
135 - 140	0	0	95 - 100	0	0
115 - 120	0	0	0	0	0
30 - 35	0	0	0	0	0
95 - 100	0	0	10-15	0	0
130 - 135	0	0	120 - 125	5 - 10	0
50 - 55	0	0	45 -50	0	0
15 - 20	0	0	15 - 20	0	0
15 - 20	0	0	15 - 20	0	0
5 - 10	0	0	15 - 20	0	0
15 - 20	0	0	15 - 20	0	0
15 - 20	0	0	15 - 20	0	0
5 - 10	0	0	15 - 20	0	0
5 - 10					
5 - 10					

Real Increase/ (Decrease) in pension & related lump sum at age 60 £000	Total Accrued pension & related lump sum at age 60 at 31 March 11 £000	Cash Equivalent Value at March 2010 £000	Real Increase in cash equivalent transfer value £000	Cash Equivalent Value at March 2011 £000
80 - 82.5	392.5 - 395	1,733.05	273	2005.84
15 - 17.5	105 - 107.5	n/a	67	605.28
87.5 - 90	267.5 - 270	n/a	(1,120)	n/a
45 - 47.5	260 - 262.5	1,193.54	129	1322.64
10 - 12.5	97.5 - 100	370.02	(3)	367.41
67.5 - 70	222.5 - 225	1025.89	396	1422.29
20 - 22.5	205 - 207.5	952.05	16	967.60
(7.5) - (10)	210 - 212.5	n/a	(157)	897.17
20 - 22.5	87.5 - 90	n/a	70	294.33
n/a	n/a	n/a	n/a	n/a

# 5.0 Governance Review

## Accountability

The Board of Directors is accountable to the Board of Governors (see Page 34) for further details), the majority of who are elected by the Public and Staff Members, for the performance of the Foundation Trust and to ensure that the Foundation Trust does not breach its Terms of Authorisation.

This accountability is discharged by the Chief Executive; in the form of a performance report to the Board of Governors every quarter and together with other relevant information.

The Board of Directors will present to the Board of Governors at a general meeting scheduled for the 7 September 2011 the following information:

- ▶ the annual accounts;
- ▶ any report of the auditor on them;
- ▶ the annual report; and,
- ▶ forward planning information for the next financial year.

At the meeting on 7 September 2011 the Board of Governors will present to the members:

- ▶ a report on steps taken to secure that (taken as a whole) the actual membership of its public constituencies and of the classes of the staff constituency is representative of those eligible for such membership;
- ▶ the progress of the membership strategy;
- ▶ any proposed changes to the policy for the composition of the Board of Governors and of the Non Executive Directors report of any other external auditor of the Foundation Trust's affairs;
- ▶ forward planning information for the next financial year; and,

- ▶ the results of the election and appointment of Governors and the appointment of Non Executive Directors will be announced.

The Foundation Trust has also put in place mechanisms and processes to understand the governors, members and the wider communities views that influence the strategic direction of the Foundation Trust. Throughout the year Constituency Meetings are held where members of the Foundation Trust and the public are invited to attend. Presentations are given by the Foundation Trust and members of the Foundation Trust and public are encouraged to share their views. These Constituency Meetings are chaired by the members of the Board of Governors with the Chair and the Chief Executive in attendance. Other Directors and Senior Managers of the Foundation Trust also attend these meetings.

## Accounting Officer Status

The NHS Act 2006 (Chapter 5) designates the Chief Executive of the NHS Foundation Trust as the Accounting Officer. In this capacity the Chief Executive reports to the Board of Directors how the expected outcome and goals are intended to be delivered through the Foundation Trust's Annual Plan, identifying key risks and mitigation strategies. During the year the Chief Executive, as Accounting Officer, provides the Board of Directors with updates on progress towards these outcomes and goals through actual and forecast results. In addition, the Chief Executive in discharging his function as Accounting Officer discusses with the Board of Directors all strategic projects and developments and all other matters of material interest which are current or will retrospectively affect the performance of the Foundation Trust. Specific areas for discussion are under or poor performance.

(See Pages 132 for the Accounting Officer's responsibilities in the preparation of the accounts)

## Board of Directors

Biographical details of the Board of Directors are set out on pages 35 to 40.

In accordance with the Constitution as at the date of this report indemnities are in place under which South Essex Partnership University NHS Foundation Trust has agreed to indemnify its Directors and Governors who act honestly and in good faith will not have to meet out of their personal resources any personal civil liability which is incurred in the execution or purported execution of their functions, save where they have acted recklessly. Any costs arising in this way will be met by the South Essex Partnership University NHS Foundation Trust.

## External Auditors

In accordance with NHS Act 2006 (Chapter 5) Schedule 1 it is for the Board of Governors to appoint or remove the external auditor at a general meeting of the Board. The Foundation Trust's external auditors, the Audit Commission, offers itself for re-appointment at the annual general meeting as external auditors of South Essex Partnership University NHS Foundation Trust. This re-appointment is recommended to the Board of Governors by the Foundation Trust's Audit Committee.

By order of the Board

**Clare Steward**  
**Interim Trust Secretary**  
**Date: 31 March 2011**

## Chair And Non Executive Director's Profiles



### Lorraine Cabel, Chair:

With more than 30 years experience of the NHS in a wealth of roles, Lorraine Cabel is very well qualified for her job as chair of both SEPT's Board of Directors and Board of

Governors.

Originally from Lancashire, Lorraine has worked in the NHS in Essex for the last 18 years. She began her career as nurse, specialising in burns and plastic surgery. Following a span of 15 years in various nursing roles, Lorraine took a break and did a degree in Social Policy and Administration, before moving to public health where she worked in health promotion. Lorraine then moved into commissioning of healthcare, later becoming Executive Director for Commissioning for South Essex Health Authority. From there she moved to the Essex Strategic Health Authority where she was Director of Modernisation. Two years into this post she then took on a broader role as Executive Director of Primary Care and Partnerships. She has a proven track record of effective partnership working across local authority, health and third sector boundaries. Just prior to joining SEPT she was Interim Chief Executive at South East Essex Primary Care Trust.



### Leslie Cuthbert, Senior Independent Non Executive Director and Vice Chair (until 30 September 2010):

Leslie has a wide and varied background, primarily as a Higher Courts Solicitor-Advocate before criminal courts as well as having been a Principal (Partner) in the well-respected criminal defence firm - McCormacks Solicitors LLP. Leslie has been with McCormacks for over 10 years and during this time has represented a number of people suffering from different forms of mental illness and accordingly has dealt with a number of other professionals in trying to assist those suffering from such conditions.



**Janet Wood, Vice Chair (from 1 October 2010), Independent Non- Executive Director:**

Janet has a degree in Business Studies and Accountancy from Edinburgh University and is a member of the Institute of Chartered Accountants of Scotland, having trained with Deloitte. She joined the NHS in 1992, working for Redbridge Healthcare and then South Essex Health Authority, initially as chief accountant. Janet had a very successful career as an NHS accountant and therefore fully conversant with all NHS finance issues. She was involved in getting the Essex PCTs up and running and putting in place finance and early governance structures. She was appointed a NED for the Trust in November 2005 and brings her wealth of experience and knowledge to the NHS and contributes towards making SEPT one of the best Foundation Trusts in the country.



**George Sutherland, Independent Non Executive Director:**

George lives in Hockley and has a substantial depth of experience at Chairman and Executive Director level in the logistics and business services sectors. He has a Masters in Business Administration (Dist) and a Diploma in Management Studies. He is a Fellow of the Institute of Directors, a Member of the Chartered Institute of Logistics and Transport and a Member of the Chartered Institute of Marketing. This was achieved over a 30 year period in the private sector for large and medium-sized companies involved in the business services and logistics sectors. As well as being a NED at SEPT, he is also a Non Executive Director of a local housing management business and a packaging company. George’s motivation is using and transferring his considerable business experience and knowledge for the benefit of the local community in developing and improving mental health services.



**Steve Currell, Independent Non Executive Director:**

Steve served for 34 years in the police service in many roles both in uniform and CID. He retired in 2006 at the rank of superintendent. Steve has served SEPT as a partnership governor and since June 2007 as a Non Executive Director. He is the Children’s Champion for the Trust and a member of the Integrated Governance Committee and the nominated NED with responsibility for Security and Risk Management. Steve is also an advisor for local churches and a national charity on child protection.



**Dawn Hillier, PhD, Independent Non Executive Director:**

Dawn is well known in her field and has a successful international track record as an academic entrepreneur, manager, teacher, and researcher and an exemplary record in higher education and the NHS. Apart from being the managing director of Accomplishing Wellness, Dawn also has several other companies. Dawn is an author and also a Fellow of the Royal Society of Medicine, The Royal Society of Arts and the Higher Education Academy. Currently Dawn is focusing her attention on wellbeing and the cultural dynamics of wellness at work in addition to maintaining her involvement with higher education through teaching, research, publication and supervision of doctoral students. She comes to SEPT from her post as a Non-Executive Director and Vice Chair of South East Essex Primary Care Trust where she took an interest in health inequalities, lifestyle management and public health.



**Gary Scott; Independent Non Executive Director (Until 30 September 2010):**

Gary has over 20 years experience of the NHS. He qualified as a State Registered Podiatrist in the mid 80's. He then moved into NHS general management in the mid 1990's after being selected to participate in a regional accelerated management development programme. Following on from this he held a number of senior management positions across the NHS in both Health Authority's and PCTs, In 2007 he set up his own interim management/management consultancy company and now has clients in the public, private and third sectors. He is also the Chair of Governors of his local Primary School.



**Randolph Charles, Non-Executive Director (Appointed 1 October 2010):**

For over 20 years Randolph has worked as a full time teacher of literacy, numeracy and recently functional skills in a Further Education College and has developed expertise in working with people with mental health and learning disabilities.

Randolph's other role revolves around the local community giving advice, support and representing one of the ten most disadvantaged wards in the country as an elected councillor. He has served on various bodies as school governor and chair, Police Authority, Probation Board, Independent Monitoring Board of the local prison and has acquired over a number of years a vast amount of experience as the chair and leader of various charitable organisations.



**Steve Cotter, Non-Executive Director (Appointed 1 October 2010):**

Steve has spent over 35 years in the retail and related sectors with a high level of expertise in operations, procurement and business reorganisation. He has served on the boards of both private and public companies as chairman, CEO, executive director and NED. In addition to the UK, Steve has extensive international experience where he was the managing director of Laura Ashley companies in various territories. In the recent past Steve was appointed executive chairman of a large retailer which required refinancing and restructuring. Steve has served on the fund raising board of the RNLI and is currently chairman of a housing complex. He has his own retail consultancy which offers services at senior management level to the retail sector.

**Executive Directors**



**Dr Patrick Geoghegan OBE, Chief Executive and Executive Nurse, Professor of Mental Health and Social Care:**

Patrick has more than 35 years NHS clinical and leadership experience. He is renowned nationally and internationally as a leading champion for transforming mental health services. He was voted NHS Leader of the Year in 2010 in the national NHS Leadership Awards. In 2011 he was included in the HSJ's list of the 100 most influential people in the NHS.

He has been hugely successful in acquiring new services to add to the SEPT portfolio and continues to bid and win new business to sustain and build on SEPT's success as an NHS Foundation Trust. Patrick leads by example and his determination and his ability to galvanise the efforts of partners and stakeholders has resulted in a truly shared vision and true community ownership and involvement in SEPT.

Patrick has developed international research and development links for SEPT including America, Italy, Ghana and Malaysia. These include a long-term programme of ongoing mental health research and academic links with the University of Pavia in Italy. As a Fellow of Yale Global Health, he supports local doctors introducing modern mental health practices in developing countries in Africa.



**Dr Pauline Roberts, Executive Medical Director**

Dr Pauline Roberts trained and worked in London and came as a Psychiatrist to South Essex in 1993. She was appointed as a Consultant in 1999 to the Thurrock Sector and transferred to Southend in 2004. She has been involved in medical management for 10 years as Clinical Director, Associate Medical Director, Deputy Medical Director and Medical Director from March 2010. Her clinical practice in South Essex has been broad based and has worked over the last 15 years as a General Adult Psychiatrist with special interests in liaison psychiatry, intensive care crisis home treatment and early intervention. She is the Trust lead for New Ways of Working and piloted this initially in the Southend Crisis Home Treatment. She has also had interests in academic psychiatry and her research mostly relating to drug trials and liaison psychiatry. She is a Fellow of the Royal College of Psychiatry and has held numerous senior positions within the College.



**Dr Hameen Markar, Executive Medical Director (Until 31 March 2011):**

Hameen has been a Consultant Psychiatrist for nearly 20 years and has worked in Medical Management since 1992. He holds Fellowships of the Royal College of Physicians (Edinburgh) and the Royal College of Psychiatrists and a Masters degree from the University of Edinburgh. Hameen is an Examiner of the Royal College

of Psychiatrists, a second opinion appointed doctor, which is chosen by the Mental Health Commission, a Medical Member of the Mental Health Review Tribunals and an Associate in the Fitness to Practice Panel of the General Medical Council. He has given several lectures on Medical Management and other related topics at national and international conferences.



**Ray Jennings, Executive Chief Finance Officer and Deputy Chief Executive:**

Ray has a business degree and is a qualified Chartered Management Accountant. He has worked for the NHS for 30 years during which time he has covered a variety of managerial positions across general hospitals, community and mental health services. For the past 15 years Ray has worked at Director of Finance level. Throughout this period Ray has led the development of financial management and governance which contributed to the Trust's 'excellent use of resources' rating from the Care Quality Commission and achieving one of the highest scores under the Auditors Local Evaluation process in the country. Ray is also Financial Trustee of the Trust's charitable funds which covers the Trust and local primary care organisations. Ray's portfolio includes finance, purchasing, estates, facilities, information technology, information governance and clinical administration support.



**Philip Howe, Executive Director of Social Care and Partnership Strategy & Delivery (Until 31 March 2011):**

Philip is a qualified social worker with over 30 years experience. Along with his operational responsibility for community drug and alcohol services and specialist substance misuse services, Philip's remit also includes equality and diversity, social inclusion, links with community forums and faith communities,

vocational services, carers and developing an integrated approach to health and social care across the Trust.



**Amanda Reynolds, Executive Director of Social Care and Partnerships (Appointed 1 January 2011):**

Amanda brings a wealth of experience to the role having 21 years experience across the NHS and local government management. This includes work with social services, health authorities, commissioning and provision in PCT. She has also worked nationally the Department of Health and regionally with the East of England Strategic Health Authority. Her specific expertise includes experience in developing social care, NHS community, mental health and learning disability services and secured beacon status for work in implementing the 'Valuing People' initiative.

Amanda's qualifications include Fellowship of Royal Society of Arts (FRSA), MBA, Strategic Health Services Management and early in her career qualified as a Registered Mental Health Nurse. Amanda's operational responsibility includes community drug and alcohol services and specialist substance misuse services. Her remit also includes equality and diversity, social inclusion, links with community forums and faith communities, vocational services, carers and developing an integrated approach to health and social care across the Trust.



**Nikki Richardson, Executive Director of Corporate Affairs:**

Nikki has worked for this organisation for over 30 years in a number of roles; speech and language therapist, senior manager responsible for therapy services, deputy unit general manager at South Ockendon and as a director whose portfolio has included older people's mental health, learning disabilities, specialist

nursing and therapy services. Nikki remains a registered speech and language therapist and has represented the profession at national level. Nikki's portfolio includes Human Resources, Workforce Training and Development, Caldicott Guardian, PPI, Complaints, Trust Secretary, Litigation and Customer Service Standards across the organisation.



**Sally Morris, Executive Director of Operational Services:**

Sally has been involved with mental health and learning disability services for a number of years, ranging from consultancy work when in the private sector to director of mental health commissioning at South Essex Health Authority and lead for mental health at the Essex Strategic Health Authority. She has a history of partnership working and was Chairman of the South Essex Mental Health Local Implementation Team and established the Bullwood Hall Prison Health Partnership Steering group. She is a chartered accountant and has held senior posts in acute, community and most recently primary care organisations. Sally's portfolio includes operational services including inpatient, community and specialist services, commissioning & contracting, psychological therapies & psychology, Mental Health Act and health & wellbeing including physical healthcare.



**Andy Brogan: Interim Executive Director Clinical Governance and Quality:**

Andy Brogan is a registered nurse who was Director of Nursing for the former BLPT. He joined SEPT's Board of Directors in November 2009 and now works across Bedfordshire, Essex and Luton. Andy has a wealth of experience within the NHS and the private sector. He has held a variety of nursing director and governance posts – mainly in the North West – as well as spending time at CSIP (Care Services Improvement Programme) and the

Department of Health. Andy's role also comprises working with, deputising for and supporting the Executive Nurse. His portfolio includes managing the clinical governance programme and patient safety, pharmacy & NICE guidance lead, infection control, clinical risk management, emergency planning and organisational resilience, serious incidents, representing the Trust at Coroners Court & other inquests, the research programme, clinical audit, safeguarding, security management and clinical quality.



**Peter Wadum-Buhl - Executive Director of Strategy and Business Development (Appointed 18 June 2010):**

Peter has over 30 years NHS experience. He began his career working in mental health services as a qualified occupational therapist and district service manager. He holds a Diploma in Occupational Therapy, a Diploma in Management Studies and Masters Degree in Business Administration. Peter has held a variety of senior clinical and managerial positions, working at director level for the past 14 years. He also spent a year on secondment to the local Strategic Health Authority as director of service development. Peter is keen to ensure that the Trust's systems and processes ensure all stakeholders including staff and service users and partners are fully involved in the planning, development and monitoring of services. Peter's portfolio includes strategic planning & business development, service development and efficiency improvement programmes, non-clinical risk management, compliance & integrated audit & assurance (including clinical audit support), CQC & NHSLA, policies & procedures management, Board Assurance Framework & risk registers, performance management, organisational risk management including health and safety and communications.

## Code Of Governance

### Compliance With The Code Of Governance

The Independent Regulator for NHS Foundation Trusts (Monitor) published a Code of Governance in October 2006 by bringing together the best practice of public and private sector corporate governance. Foundation Trusts are expected to be fully compliant with all sections of the Code.

Monitor requires NHS Foundation Trusts to make a disclosure statement in two parts as required by the UK Listing Authority on listed companies on the application of the combined code. The two parts are:

- ▶ report on how it applies the main and supporting principles of the code; and
- ▶ either confirms that it complies with the provisions of the code or where it does not, to provide an explanation.

### Board of Directors' statement on main and supporting principles

The Boards of Governors and Directors unequivocally support the main and supporting principles of the Code of Governance published by the Independent Regulator of NHS Foundation Trusts. In the Directors' opinion South Essex Partnership NHS University Foundation Trust complied throughout the review period with the main and supporting principles of the Code of Governance:

A joint working group consisting of governors and directors has been set up to review compliance with the Code of Governance. The group is also tasked with ensuring any non-compliance does not affect the governance of the Foundation Trust.

## **The Board of Directors, Chair and Chief Executive, and Board Balance**

### **The Board of Directors**

The Board of Directors believes the Foundation Trust is led by an effective Board, as the Board is collectively responsible for the exercise and the performance of the NHS Foundation Trust.

The Board of Directors reviews the size, composition and succession of Directors in line with the Foundation Trust's business objectives and makes recommendations as appropriate to the Board of Governors. Currently under the recently revised Constitution the Board shall include up to ten Non Executive Directors (including the Chair) and up to ten Executive Directors (including the Chief Executive). In the event of an equality of votes the Chair has a second and casting vote.

The Chair, Chief Executive and Senior Independent Non Executive Director  
The Board of Directors has agreed on a clear division of responsibilities between the chairing of the Board of Directors and Governors, and, the executive responsibility for the running of the Foundation Trust's Business.

### **The Chair**

The Chair is responsible for providing leadership to the Boards of Directors and Governors ensuring governance principles and processes of the Boards are maintained whilst encouraging debate and discussion. The Chair is also responsible for ensuring the integrity and effectiveness of the Governors and Directors relationship. The Chair also leads the performance appraisals of both Boards as well as the Non Executive Directors' performance appraisals.

Mrs. Lorraine Cabel (appointed in March 2008 for a period of four years), the Chair of the Foundation Trust under the period of review has had no other significant commitments during the period of review.

### **Senior Independent Non Executive Director**

Mrs. Janet Wood (appointed in September 2010 as Senior Independent Director until the end of her term of office), the Senior Independent Non Executive Director and Vice Chair of the Foundation Trust

### **The Chief Executive**

The Chief Executive's principal responsibility is the effective running and operation of the Foundation Trust's business. The Chief Executive is also responsible for proposing and developing the Foundation Trust's strategy and business plan objectives which he does in close consultation with the Chair of the Board. The Chief Executive is also responsible for preparing forward planning information, which forms part of the annual plan, taking into consideration the views expressed by the Board of Governors. The Chief Executive is also responsible, with the executive team, for implementing the decisions of the Board and its Committees. Also refer to the Chief Executive's Responsibilities listed in the Accountable Officer Report.

### **Board Balance**

The Board of Directors believes that there is a balance of executive and Non Executive Directors and that no individual group or individuals dominate the board meeting.

The Board of Directors is satisfied that the Non Executive Directors who served on our Board of Directors for the year under review were independent.

### **Board of Director Appointments**

Non Executive Director appointments that predate Foundation Status were appointed by the NHS Appointments Commission for terms of four years. Any new Non Executive Director's (excluding the Chair) terms of office will be three years. The re-appointment of a Non Executive Director after their first term of office is subject to a satisfactory performance appraisal. Any term beyond six years (i.e. two terms) for a Non

Executive Director is subject to a particularly rigorous interview and satisfactory appraisal, and should take into account the need for progressive refreshing of the board. A vacancy arising as a result of a Non Executive Director serving more than six years is advertised externally. Non Executive Directors may serve longer than nine years (e.g. three three-year terms), only in exceptional circumstances and will be subject to annual re-appointment.

The Chair is appointed by the Board of Governors for two terms of office of four years, the second term of office being subject to satisfactory appraisal. Any term beyond this will be subject to external competition.

For the appointment of the Chair, the Nomination Committee of the Board of Directors prepares a job specification, including an assessment of the time commitment expected, recognising the need for availability in the event of crises. A Chair's other significant commitments will be disclosed to the Board of Directors and the Board of Governors before appointment and will be included in the annual report.

The Board requires all its directors to devote sufficient time to the work of the Board to discharge the office of Director and to use

their best endeavors to attend meetings. The attendance of meeting of the Board of Directors and those committees and individual attendance by Directors is set out in Table 6.

### **Statement of the Decisions Taken by the Board of Directors**

The business of the Foundation Trust is to be managed by the Board of Directors, who shall exercise all the powers of the Foundation Trust, subject to any contrary provisions of the NHS Act 2006 as given effect by the Foundation Trust's Constitution, which is set out above.

### **Registers of Directors' Interests**

The Foundation Trust maintains a formal Register of Directors' Interests. The register is available for inspection, on request, at the Foundation Trust Headquarters at The Lodge, Runwell Chase, Wickford, Essex SS11 7XX (Telephone 0845 606 6288).

Board members do not hold directorships in companies with whom the Foundation Trust has done business within this financial year.

### **Board of Directors' statement on Code Provisions:**

The Board of Directors is required to either confirm that it complies with the provisions of the code or where it does not, to provide an explanation.

The Boards of Governors and Directors unequivocally support the Code Provision of the Code of Governance published by the Independent Regulator of NHS Foundation Trusts. In the Directors' opinion South Essex Partnership NHS Foundation Trust complied throughout the review period with these provisions excepting the following:



Mrs Lorraine Cabel, Chair of the Foundation Trust, is part of the senior management team of a local Primary Care Trust where we have a material business relationship and is a member of the NHS Pensions Scheme (A.3.1)

At least half the Board of Directors (excluding the Chair) comprise of Non Executive Directors (A.3.2). The composition is currently nine (up to a maximum of ten) Non Executives including the Chair and nine (up to a maximum of ten) Executives with the Chair having a second and casting vote.

The Chair has been appointed for an initial term of four years subject to reappointment for a second term of four years following satisfactory performance review (C.2.2).

### **Governance of the Foundation Trust**

The Board of Directors focuses its attention as a Board on strategy issues. It delegates detailed consideration of operational issues to the appropriate sub-committee. These sub-committees are:

- ▶ Executive Operational Committee;
- ▶ Integrated Governance Committee;
- ▶ Associate Mental Health Act Managers Committee;
- ▶ Directors Remuneration Committee;
- ▶ Joint Code of Governance Committee;
- ▶ Directors Nominations Committee;
- ▶ Investment Committee;
- ▶ Audit Committee;
- ▶ Transformation and Finance Committee.

Reports from these Committees (excepting Remuneration and Nominations Committees) are publicly available. In common with the Board

of Directors, each committee has access to independent advice as required and supported, if required, by the Foundation Trust Secretary who is demonstrably independent of the executive management of the Foundation Trust.

### **The Board Of Governors**

The Board of Directors believes that the Board of Governors are representative, act in the best interest of the Foundation Trust, hold the Directors to account and regularly feed back to the constituencies and stakeholder organisation that elected or appointed them.

The Board of Governors consist of Public Governors, Staff Governors, PCT Governors, University Governors, Local Authority Governors and other Partnership Governors. Members of the Foundation Trust elect Governors from the public and staff constituencies and these elections are conducted under the auspices of the Electoral Reform Service in accordance with the requirements of the Foundation Trust Constitution. The Foundation Trust is pleased to state that our Governors are the first democratically elected representatives from our local community with ability to influence and guide the strategic direction of Mental Health and Learning Disability for the Trust.

The Board of Governors composition will be reviewed to accommodate the newly acquired community services. These changes are proposed take effect from September 2011. However, the composition of the Board of Governors during 2010/11 is shown below:

### **25 Public Governors from the following public constituencies**

- ▶ 12 governors from the Bedford and Luton Area
  - Central Bedfordshire constituency: 5
  - Luton constituency: 4
  - Bedford constituency: 3

- ▶ 12 governors from the Essex Area
  - South Essex constituency: 7
  - Southend constituency: 3
  - Thurrock constituency: 2
- ▶ One governor from the constituency of Rest of Essex

### **Five Staff Governors, one each from the following classes**

- ▶ Registered Medical Practitioners;
- ▶ Nursing;
- ▶ Other Clinical Specialities;
- ▶ Social Workers;
- ▶ Support Staff.

### **12 Appointed Governors:**

- ▶ two PCT Governors, one appointed jointly by NHS South West Essex and NHS South East Essex and one appointed jointly by NHS Bedfordshire and NHS Luton;
- ▶ six Local Authority Governors, one each appointed by Essex County Council, Thurrock Council, Southend on Sea Borough Council, Bedford Borough Council, Central Bedfordshire Council and Luton Borough Council;
- ▶ four Partnership Governors appointed by partnership organisations. The partnership organisations that may appoint a Partnership Governor are:
  - Essex University and Anglia Ruskin University jointly – one Partnership Governor;
  - University of Bedfordshire – one partnership Governor;
  - Service User Group (Essex)– one Partnership Governor;
  - Service User & Carer Forum (Beds & Luton) – one Partnership Governor.

Any vacancies as a result of terms of office coming to an end, resignations and removal of Governors for non-attendance at Board of Governors meetings did not manifest in vacancies due to the changes to the size and composition of the Board of Governors to include representation from Bedford and Luton. Therefore there was no annual September election in 2010.

### **Terms of Office for Governors**

**Elected Governors** hold office for a period of three years commencing immediately after the annual meeting at which their election is announced and are eligible for re-election at the end of that period and may not hold office for more than six consecutive years, and shall not be eligible for re-election if they have already held office for more than three consecutive years.

**Appointed Governors** hold office for a period of three years commencing immediately after the annual members meeting at which their appointment is announced, are eligible for re-appointment at the end of that period and may not hold office for longer than six consecutive years, and shall not be eligible for re-appointment if they have already held office for more than three consecutive years.

For the purposes of these provisions concerning terms of office for Governors, 'year' means a period commencing immediately after the conclusion of the annual meeting, and ending at the conclusion of the next annual meeting.

Table 7 shows the number of meetings of the Board of Governors and attendance by individuals.

### **Statement of the decisions taken by the Board of Governors**

The roles and responsibilities of the Board of Governors, which are to be carried out in accordance with the Foundation Trust's Constitution, Terms of Authorisation and Code of Governance, are:

at a General Meeting

- ▶ to appoint or remove the Chair and the other Non Executive Directors;
- ▶ to approve an appointment (by the Non Executive Directors) of the Chief Executive;
- ▶ to decide the remuneration and allowances, and the other terms and conditions of office, of the Non Executive Directors;
- ▶ to appoint or remove the Foundation Trust's financial auditor;
- ▶ to appoint or remove any other external auditor appointed to review and publish a report on any other aspect of the Foundation Trust's affairs;
- ▶ to be presented with the annual accounts, any report of the financial auditor on them and the annual report;
- ▶ to hold the Board of Directors to account for the performance of the Foundation Trust;

and as required

- ▶ to provide their views to the Board of Directors when the Board of Directors is preparing the document containing information about the Foundation Trust's forward planning;
- ▶ to respond as appropriate when consulted by the Board of Directors;
- ▶ to undertake such functions as the Board of Directors shall from time to time request;
- ▶ to prepare and from time to time review the Foundation Trust's membership strategy and its policy for the composition of the Board of Governors and of the Non Executive Directors;
- ▶ when appropriate to make recommendations for the revision of this constitution.

Six governor/director project constituency groups have been set up to ensure regular links between the governors and the directors, and the local community, especially our members.

Each of these groups meets regularly providing important regular opportunities for dialogue between the Trust and the local community it serves.

An important part of their role is to communicate with the group of people who elected them, whether staff, patients or members of the public in the surrounding area. Public Governors hold constituency meetings/surgeries around the membership area with a different 'theme' twice a year. Governors also have opportunities to meet members on Open Days and at the Annual General Meeting.

Governors are involved in many activities of the Foundation Trust and participated in providing their views for the Foundation Trusts forward plan together with staff, stakeholder and members. They are also actively involved in the following governor sub-committees:

- ▶ Remuneration Sub-Committee
- ▶ Joint Code of Governance Committee
- ▶ Nominations Sub-Committee
- ▶ Membership Sub-Committee
- ▶ Rules and Regulations Sub-Committee
- ▶ Membership Development Sub-Committee

### **Contacting a Governor**

Members are free to contact governors at any time via their dedicated email address which can be accessed via our website [www.sept.nhs.uk](http://www.sept.nhs.uk)

Members can also contact the dedicated membership offices on the following contact numbers 0800 023 2059 (Essex) and 0800 0131 677 (Bedfordshire and Luton) .

### **Changes to Board of Governors**

As a result of the acquisition of BLPT, an election took place to include representation from these new constituencies. . The election was held under the auspices of the Electoral Reform Services during the period January to May 2010.

The Governors elected were:

**Public:**

**Bedford:**

Alex Dillon (Sept '12)  
John Jones (Sept '12)  
Clive Travis (Sept '12)

**Central Bedfordshire:**

Bob King (Sept '12)  
Susan Butterworth (Sept '12)  
Marie Creighton (Sept '12)  
Maurice Blackman (passed away March '11)  
Vincent Mooney (Sept '12)

**Luton:**

Jackie Gleeson (Sept '12)  
Partha Trivedi (Sept '12)  
Ron Greenham (Sept '12)  
Michael Dolling (Sept '12)

**Staff:**

**Bedford & Luton:**

Karen Forrest – Other Clinical Specialties (Sept '12)  
Keith Hemans – Social Worker (Sept '12)  
Thilak Ratnayake – Medical (Sept '12)  
Maggie Nicholls – Support Staff (Sept '11)  
C Menna – Nursing (Sept '11)



**The following Governors were appointed by Stakeholder organisations:**

Philippa Hunt, joint appointment from Bedfordshire and Luton PCTs (Sept '12)

**The following Governors were appointed by Local Authorities:**

Mayor Dave Hodgson – Bedford Borough Council (Sept '12)

CLlr David Bowater – Central Bedfordshire (Sept '12)

CLlr Hussain – Luton Borough Council (Sept '12)

**The following Governors were appointed as**

**Partnership governors:**

Keir Gale – Service & Carer Forum (Sept '12)

Professor Michael Shoot - University of Bedfordshire (Sept '12)

**Declaration of Interests**

All Governors are asked to declare any interest on the Register of Governors' Interests at the time of their appointment. This is reviewed and maintained by the Foundation Trust Secretary. The register is available for inspection by members of the public. Anyone who wishes to see the Register of Governors' Interests should make enquiries to the Foundation Trust Secretary at the Foundation Trust's head office.



Table 7 shows the list of those Governors who have disclosed details of their interests, including details of company directorships held by Governors where those companies are likely to do business or are possibly seeking to do business with the Foundation Trust.

### **Appointment and Terms of Office**

The Governors' Nominations Committee leads the process for the appointment of Non Executive Directors (including the Chair's) and the Directors Nominations Committee leads the process for the appointment of Executive Directors.

The Board of Directors and Governors have agreed a policy on the Board of Directors Composition and Succession Framework to ensure the Board of Directors are renewed without compromising its continued effectiveness.

### **Audit Committee**

#### **Membership and meeting schedule:**

The Audit Committee consists solely of independent Non Executive Directors. Its membership is selected to provide a broad set of financial, legal and commercial expertise appropriate to fulfil the Committees' duties.

Members of the Audit Committee are:

- ▶ Janet Wood, Chair;
- ▶ George Sutherland;
- ▶ Randolph Charles.

In accordance with Monitor's Code of Governance for NHS Foundation Trust's the Board of Directors is satisfied that Janet Wood, George Sutherland and Randolph Charles have recent and relevant financial experience.

At the request of the Audit Committee Chair, each meeting is attended by the External Audit representative, Internal Audit Manager, Chief Executive and the Director of Finance.

The number of Audit Committee meetings held in the year under review is seven. The attendance of individual members' attendance is disclosed in Table 6

The Audit Committee has devised a comprehensive work plan which ensures the activities undertaken fully comply with the good practice guidance set out in the NHS Audit Committee Handbook.

The Joint Code of Governance Committee consisting of Directors and Governors (described in Page 38) has met during April 2011 and formally reviewed the Foundation Trust's compliance with the Code Provisions and is satisfied that the exceptions do not constitute a breach of Governance. The Trust is compliant with the Code Provisions.

### **Nominations Committee**

The Foundation Trust has two Nominations Committees; the Directors' Nominations Committee and the Governors' Nominations Committee. Committee membership and attendance of Directors and Governors at meetings is set out in Tables 6 & 7.

The Directors' Nominations Committee makes recommendation to the Board of Directors for the appointment of replacement or additional Executive Directors. It is also responsible for succession planning. This committee also reviews the balance of skills, knowledge and experience of the Board of Directors against current and future requirements of the Foundation Trust, and, as appropriate draws up a list of required attributes.

The Governors' Nominations Committee makes recommendations to the Board of Governors for the appointment of replacement of additional Non Executive Directors. The Committee bases its recommendations on the attributes of Non Executive Directors drawn up by the Directors' Nominations Committee.

During the year under review the Governors' Nominations Committee undertook two recruitment processes as stated previously. On both occasions open advertising was used for the appointments. A robust and thorough recruitment process was overseen by the Governors' Nominations committee to ensure that the relevant knowledge, skills and experience of those seeking appointment were of a high calibre and effectively complemented and added to the Board of Directors existing strengths to create an effective Board.

The Trust appointed two Non Executive Directors, Randolph Charles and Stephen Cotter via the first recruitment process. The second recruitment process was suspended in view of potential community acquisitions.

In addition, the Trust successfully recruited two Executive Directors, Peter Wadum-Buhl, Director of Strategy and Business Development (June 2010) and Amanda Reynolds, Director of Social Care and Partnerships (January 2011) replacing Philip Howe as the retiring post holder who left the Trust on the 31 March 2011. In addition Dr Hameen Markar, Medical Director for Bedfordshire and Luton, retired 31 March 2011, with Dr Pauline Roberts, Medical Director for Essex, being appointed to take on sole Medical Director role with effect from 26 March 2011.

### **Information, Development and Evaluation**

Reports from the Executive Directors, which include in-depth financial information and performance, are circulated to Board Directors prior to every Board of Directors meeting enabling them to discharge their respective duties. Senior management give presentations to the Board on significant matters during the year.

As reported on Page 34 the Board of Governors receives regular presentations from the Chief Executive to enable them to discharge their duties.

### **Induction**

On appointment or election all Directors and Governors are offered an appropriate induction course and are thereafter encouraged to keep abreast of matters affecting their duties as a Director or Governor and to attend training relevant to their role.

### **Performance Evaluation of the Board of Directors, its Committees and Individual Directors (Including The Chair)**

Robust processes are in place for the annual appraisal of the Board of Directors. The Chair leads the Non Executive Directors in their appraisal and the Chief Executive for Executive Directors. The Chief Executive is appraised by the Chair.

### **Appointment of External Audit**

The Board of governors is responsible for the appointment of the Trust's external auditors based on the recommendation of the Trust's Audit Committee. The Board of Governors has also approved a policy ensuring external auditors' independence and undertaking work outside of the Audit Code. During 2010/11 the Trust's external auditors have undertaken one audit task which was outside the scope of the Audit Code and this related to providing an opinion on the accounting treatment of the Trust's privately financed secure services scheme.

The details of the Board of Directors, their status committee membership and attendance at Board and Committee meetings are as follows:

**Table 6 - Details of Board of Directors Meeting Attendance**

Name / Position	Date of appointment	Current expiry of term	Board of Directors meeting	
			No of Meetings	No attended
Mrs Lorraine Cabel, Chair of SEPT, Chair of the Directors Remuneration Committee, Directors Nominations Committee and Governors Nominations Committee	3 March 2008	February 2012	14	13
Mr Leslie Cuthbert - Vice Chairman & Senior Independent Director (Appointed November 2007) (Was Acting Chairman for the period December 2007 to February 2008)	1 May 2005	April 2012 (Left Trust)	6	5
Mr Steve Currell - NED. Chair of Mental Health Act Managers Committee with effect from September 2010	1 June 2007	May 2013	14	14
Gary Scott – NED	1 January 2009	December 2011 (Left Trust)	6	4
Mr George Sutherland - NED. Chair of Investment Committee.	1 May 2005	April 2012	14	12
Mrs Janet Wood - Vice Chair & Senior Independent Director (Appointed September 2010) Chair of Audit Committee with effect from December 2008	1 November 2005	October 2012	14	11
Dr Dawn Hillier – NED	1 January 2009	December 2011	14	13
Randolph Charles – NED	1 October 2010	September 2013	8	7
Stephen Cotter – NED	1 October 2010	September 2013	8	8
Professor Patrick Geoghegan OBE - Chief Executive, Chairman of the Executive Operational Team and Chairman of the Integrated Governance Committee	Jun-96		14	11
Mr Ray Jennings - Executive Chief Finance Officer, Chairman of the Cash Management Committee	Nov-91		14	13
Peter Wadum-Buhl - Executive Director of Strategy & Business Development	Jun-10		11	9
Andy Brogan - Interim Director of Integrated Governance & Nursing part year	Nov-09		14	13
Ms Sally Morris - Executive Director of Operations	Jan-06		14	14
Mrs Amanda Reynolds - Executive Director of Social Care and Partnerships	Jan-11		4	3
Mr Philip Howe - Executive Director of Social Care and Partnerships	Apr-02	End Mar 2011 (Left Trust)	14	9
Ms Nikki Richardson - Executive Director of Corporate Affairs	Oct-03		14	11
Dr Hameen Markar - Executive Medical Director	May-03	End Mar 2011 (Left Trust)	13	9
Dr Pauline Roberts - Executive Medical Director	Mar-10		14	12

	Audit Committee Meetings		Directors Nomination Committee		Directors Remuneration Committee		Mental Health Act Managers Committee		Executive Operational Team		Integrated Governance Committee		Investment Committee		Transformation & Finance		Joint Code of Governance	
	No of Meetings	No attended	No of Meetings	No attended	No of Meetings	No attended	No of Meetings	No attended	No of Meetings	No attended	No of Meetings	No attended	No of Meetings	No attended	No of Meetings	No attended	No of Meetings	No attended
			3	3	7	7					5	4			3	3		
	4	3					3	2			2	0	3	2				
					7	7	4	2			5	3						
	4	2			4	4	4	1										
	7	6	3	1	7	3							6	5				
	14	6											6	6	3	3		
			3	2	3	3					5	4			3	3		
	3	2																
													1	1				
									43	26	5	4	6	1	3	2	43	26
	7	6							43	34	5	3	1	4	3	3	43	34
									43	25	5	3			3	1	43	25
									43	36	5	5					43	36
									43	31	5	1	2	2			43	31
									12	11	1	1					12	11
									43	25	5	0					43	25
									43	31	5	1					43	31
									41	25	5	0			3	0	41	25
									43	31							43	31

Table 7 – Details of Governors Meeting Attendance (Public)

Category	Constituency/ Appointing Organisation	Name	Date of appointment	Period Elected	1/2nd Term of Office	In post as at 31 March 2010	Board of Governors meeting	
							No of Meetings	No attended
Public	South Essex	Akin Akinyemi	Sep-09	Sep 09 - Sep 12	1	✓	3	0
		John Pike	Sep-09	Sep 09 - Sep 12	1	✓	3	2
		Dot Johnson	May-06	Sep 08 to Sep 11	2	✓	3	2
		Keith Bobbin	May-06	Sep 09 to Sep 12	2	✓	3	3
		Julie Turner	Nov-06	Sep 07 to Sep 10	2	✗		
		Brian Taylor	Feb-08	Feb 08 to Sep 10 (resigned Mar 10)	1	✗	1	0
		Megan Justins	May-06	Feb 08 to Sep 10 (resigned Mar 10)	2	✗		
		Sylvia Fenton	May-06	Sep 08 to Sep 11	2	✓	3	2
		Frances Heywood	May-06	Sep 09 to Sep 12 (resigned Aug 10)	2	✗	1	1
		Eileen Greenwood	May-06	Sep 09 to Sep 12	2	✓	3	3
		Lynda Galley	Sep-07	Sep 07 to Sep 10	2	✗	2	2
	Jeanine Cresswell	Sep-09	Sep 09 to Sep 12	1	✓	3	3	
	Rest of Essex	Bob Calver	Sep-09	Sep 09 to Sep 12	1	✓	3	1
	Southend	Dr Naila Khokhar	Oct-10	Oct 10 to Sep 12	2	✓	1	1
		John Rolfe	May-06	Sep 08 to Sep 11	2	✓	3	3
		Clive Lucas	Sep-09	Sep 09 to Sep 12	1	✓	3	3
		Alex Kaye	Sep-09	Sep 09 to Sep 12	1	✗		
	Thurrock	Michelle Lucas	Sep-09	Sep 09 to Sep 12	1	✓	3	2
		Joan Sheppard	Sep-08	Sep 08 to Sep 11	1	✓	3	1
		Margaret Verity	Sep-07	Sep 07 to Sep 10	1	✗	1	1
	Bedford	Alex Dillon	Apr-10	Apr 10 to Sep 12	1	✓	3	3
		John Jones	Apr-10	Apr 10 to Sep 12	1	✓	3	3
		Clive Travis	Apr-10	Apr 10 to Sep 12	1	✓	3	3
	Central Bedfordshire	Bob King	Apr-10	Apr 10 to Sep 12	1	✓	3	1
		Susan Butterworth	Apr-10	Apr 10 to Sep 12	1	✓	3	2
		Marie Creighton	Apr-10	Apr 10 to Sep 12	1	✓	3	3
		Maurice Blackman	Apr-10	Apr 10 to Sep 12 (deceased-Governor to Mar 11)	1	✗	3	2
		Vincent Mooney	Apr-10	Apr 10 to Sep 12	1	✓	3	2
	Luton	Jackie Gleeson	Apr-10	Apr 10 to Sep 12	1	✓	3	1
		Partha Trivedi	Apr-10	Apr 10 to Sep 12	1	✓	3	2
		Ron Greenham	Apr-10	Apr 10 to Sep 12	1	✓	3	2
		Michael Dolling		Apr 10 to Sep 12	1	✓	3	2

	Joint Code of Governance		Rules and Regulations Committee		Membership Sub Committee		Remuneration committee		Nominations Committee		Declaration of Interests
	No of Meetings	No attended	No of Meetings	No attended	No of Meetings	No attended	No of Meetings	No attended	No of Meetings	No attended	
											Board Member of St Georges Community Housing Ltd, Basildon Governance, Manager Lambeth Living Ltd
					2	2					Volunteer/Trustee for Basildon Mind and other voluntary work
											None
			1	1			2	2			None
											None
									1	0	None
											Relative in inpatient service
			1	1					1	1	Treasurer of Brentwood Choral Society
											None
							2	2	1	0	None
					2	2					None
											None
											None
											Chair for Southend Ethnic Minority Forum
											None
											None
											None
											None
					3	3					Service User Member of MIND & Impact MH Forum
							1	1			None
							1	1			None
									0	0	(1) My partner Mrs Ann Nevison is a NED of Bedfordshire NHS (2) Director of Beds & Luton MIND
					3	1					Relative service user of the Trust
											None
					3	2					Trustee of charities whose users may be users of SEPT. Minority shareholder in companies which may supply SEPT with goods or services.
			1	0							None
									0	0	None
					3	2					Service user
											I do have a range of investments in various conglomerates but do not know of any specific one or part of one that does business with the Trust. If at any time it comes to my notice of any conflict I will inform the Trust immediately
											None

Table 7 – Details of Governors Meeting Attendance

Category	Constituency/ Appointing Organisation	Name	Date of appointment	Period Elected	1/2nd Term of Office	In post as at 31 March 2010	Board of Governors meeting	
							No of Meetings	No attended
Staff	Medical	Dr Thilak Ratnayake	Apr-10	Apr 10 to Sep 12	1	✓	3	2
		Dr Elizabeth Barron	Apr-10	Sep 09 to Sep 12 (resigned 14 Feb 11)	1	✗	3	0
	Nursing	Daphne McCambridge	Sep-09	Sep 08 to Sep 11 (retired Dec 10)	1	✗	2	2
		C Menna	Sep-08	Apr 10 to Sep 12	1	✗	3	2
	Support Staff	Neil West	Apr-10	Sep 08 to Sep 11	1	✓	3	3
		Maggie Nicholls	Apr-10	Apr 10 to Sep 12	1	✓	3	2
	Other Clinical Specialties	Karen Forrest	Apr-10	Apr 10 to Sep 12	1	✓	3	2
		Alison Childs	Sep-09	Sep 09 to Sep 12	1	✓	3	1
	Social Worker	Carla Fourie	Sep-09	Sep 09 to Sep 12	1	✓	3	2
		Keith Hemans	Apr-10	Apr 10 to Sep 12	1	✓	3	3
Partnership Governors	Anglia Ruskin Uni/ Essex Uni	Sue Kerr	Jul-10	Jul 10 to Sep 12	1	✓	2	0
	University of Bedfordshire	Prof Michael Shoot	Mar-10	Mar 10 to Sep 12	1	✓	3	1
	Service User Network	Roy Birch, Chairman, Governor's Remuneration Committee	May-08	May 08 to Sep 10	2	✓	3	3
	Service User and Carer Forum	Carys Martin	Jun-10	Jun 10 to Sep 12 (resigned Aug 10)	1	✗	1	0
		Keir Gale	Apr-10	Apr 10 to Sep 12	1	✓	2	1
Local Authority Governors	Southend	Cllr Rayner	Sep-08	Sep 08 to Sep 1	1	✓	3	0
	Thurrock	Cllr Danny Nicklen	Nov-08	Nov 08 to Sep 11	1	✓	3	0
	Essex	Mavis Webster	May-06	Sep 09 to Sep 12	2	✓	3	2
	Bedford	Mayor Dave Hodgson	Nov-10	Nov10 to Sep 12	1	✓	1	0
	Central Bedfordshire	Cllr David Bowater	May-10	May 10 to Sep 12	1	✓	3	3
	Luton	Cllr Mahmood Hussain	Apr-10	Apr 10 to Sep 12	1	✓	3	0
PCT Governors	South West Essex PCT	Anita Millar	Mar-10	Mar 10 to Sep 12 (resigned Jan 11)	1	✗	2	1
	Bedforshire and Luton PCT	Philippa Hunt	Apr-10	Apr 10 to Sep 12	1	✓	3	0

	Joint Code of Governance		Rules and Regulations Committee		Membership Sub Committee		Remuneration committee		Nominations Committee		Declaration of Interests
	No of Meetings	No attended	No of Meetings	No attended	No of Meetings	No attended	No of Meetings	No attended	No of Meetings	No attended	
											None
											None
					3	2					None
											Trustee for CARALINE (Charity for Eating Disorder) RCN Steward Joint Chair (Beds & Luton) Joint Staff Council
							2	1			None
					3	1					None
											None
											None
			1	0							None
											None
											Works for University that has training contracts via an SHA for Mental Health
			1	1	3	3	2	2			None
											None
											None
									1	1	None
					3	3					None
											None
											None
											Employed by NHS South West Essex
									0	0	None

## Membership

To ensure that we achieve the benefits associated with having a membership, the Foundation Trust has encouraged members to be involved in a range of activities that will contribute to the development of the Trust and the well being of the community served by the Trust.

We have two categories of membership for South Essex Partnership University NHS Foundation Trust:

### Public Members

All people aged 12 and over and living in Bedfordshire, Essex and Luton are invited to join the NHS Foundation Trust. Our strategy is to build a broad membership that is evenly spread geographically across the local area served by the NHS Foundation Trust and reflects the ages and diversity of our local population. The public membership includes all people who use our

services, their carers and families, as well as the broader community of Bedfordshire, Essex and Luton. The geographical area of south Essex is sub-divided using electoral boundaries into the constituencies of Bedford, Central Bedfordshire, Luton, South Essex (Basildon, Brentwood, Castle Point and Rochford); Southend and Thurrock. From 2011 the public membership will include people who use our services, their carers and families, as well as the broader community of living in the areas covered by the Epping Forest District Council, Harlow District Council and Uttlesford District Council.

### Staff Members

All staff on permanent or fixed term contracts that run for 12 months or longer are automatically members (unless they don't want to be). Staff who are seconded from our partnership organisations and working in our Foundation Trust on permanent or fixed term contracts that run for 12 months or longer are also automatically eligible to become members.

## Appendix D2 - Membership report

### Membership size and movements

	Last year (2010/11)	Next year (estimated) (2011/12)
<b>Public constituency</b>		
At year start (April 1)	11,998	13,174
New members	1,221	5,000
Members leaving	45	50
At year end (March 31)	13,174	18,124
<b>Staff constituency</b>		
At year start (April 1)	4101	3,775
New members	339	2,935
Members leaving	665	575
At year end (March 31)	3,775	6,135
<b>Patient constituency</b>		
At year start (April 1)	0	
New members	0	
Members leaving	0	
At year end (March 31)	0	

**Table 8 - Analysis of current membership**

<b>Public Constituency</b>	<b>Number of members</b>	<b>Eligible membership</b>
Age (years):		
0-16	236	484,885
17-21	1,481	147,281
22+	8,767	1,727,725
Ethnicity:		
White	10,073	2,051,382
Mixed	243	23,758
Asian or Asian British	799	65,822
Black or Black British	564	25,567
Other	90	13,191
Socio-economic groupings*:		
ABC1	6,878.95	798,478
C2	2,603.17	258,861
D	2,880.63	251,935
E	869.26	64,910
Gender analysis		
Male	5,267	1,162,647
Female	7,922	1,197,244
Patient constituency		
Age (years):		
0-16	0	
17-21	0	
22+	0	

The analysis section of this report excludes:

- 2748 public members with no dates of birth, 1463 members with no stated ethnicity and 43 members with no gender
- 0 patient members with no dates of birth

The staff figures include the potential staff members associated with the three community services transactions: 1153 Bedfordshire; 878 South East Essex; 904 West Essex

\* Socio-economic data should be completed using profiling techniques (eg: postcode) or other recognised methods. To the extent socio-economic data is not already collected from members, it is not anticipated that NHS foundation trusts will make a direct approach to members to collect this information.

### **Membership Analysis**

The Trust is keen to ensure a representative and engaged membership. It is also keen to ensure that the membership grows and membership in areas of under-representation is addressed with targeted campaigns. Please see pages xx for details of our membership and the representativeness of our public membership.

### **Membership Strategy**

Our strategy is to build a broad representative membership that is evenly spread geographically across the local area served by the NHS Foundation Trust and reflects the ages and diversity of our local population. The public membership includes all people who use our services, their carers and families, as well as the broader community of Bedfordshire, Essex and Luton. Further details are available on our web-site [www.sept.nhs.uk](http://www.sept.nhs.uk)





# 6.0 Quality Report

## Statement on quality from the Chief Executive

I am delighted to be presenting the first Quality Report for SEPT following the acquisition of the former Bedfordshire and Luton Partnership NHS Trust (BLPT) on 1 April 2010 as it gives me the opportunity to shout about the excellent services that are being delivered by all areas of our bigger and better Trust.

But first I'd like to explain a bit about what 'quality' means within the NHS. To take it back to a basic level everyone who uses the NHS expects to receive care of the highest standard or quality. Lord Darzi in his publication 'High Quality Care for All – the Next Stage Review (June 2008)' defined quality as having three components; patient safety; clinical effectiveness and patient experience and the review aimed to ensure that quality is central to the NHS agenda and the business of Clinician's, Managers and Boards via greater public accountability, transparency and reporting on quality.

To ensure that SEPT achieves this consistent high quality the Board of Directors has put in place systems and processes which are in line with Monitor's principles of 'quality governance'. Monitor have stated that 'quality governance is the combination of structures and processes at and below board level to lead on trust-wide quality performance including;

- ▶ ensuring required standards are achieved;
- ▶ investigating and taking action on sub-standard performance;
- ▶ planning and driving continuous improvement;
- ▶ identifying, sharing and ensuring delivery of best-practice; and
- ▶ identifying and managing risks to quality of care.

It is my hope that when you have finished reading through this Quality Report you will be able to see the importance SEPT places on ensuring the highest standards of care, as identified by our service users, staff and stakeholders are delivered and that we report openly and honestly about this.

Throughout 2010/11 SEPT continued to provide services across the new wide geographical area for people who have mental ill health and learning difficulties, via support by community based teams and in-patient services when necessary. SEPT is a NHS Foundation Trust and this means that we have a Board of Governors made up from elected members of our Trust as well as a Board of Directors led by our Chair, Lorraine Cabel, who are instrumental in defining the direction of travel for our business, ensuring we are delivering services we are commissioned to provide to the standard we all aspire to, and critically holding myself and my executive team to account for the commitments we make on quality and finances.

To support this rigorous appraisal process SEPT report on progress with goals we have set ourselves through monthly reports to the Board of Directors. This allows us to ensure we keep our eyes on the ball and can take swift action to address any areas that are not improving as expected.

This Quality Report is prepared as part of a statutory expectation for NHS Trusts and will focus on the quality aspects of our services, reviewing the progress we made with our commitments for 2010/11 and identifying the quality priorities we will be implementing during 2011/12. However, in SEPT we see this as an opportunity to share in an open and honest way what is going well, what is achieving less than we aim for and what we are planning to do about this with the people who use our services, our commissioners and

regulatory bodies such as Monitor and the Care Quality Commission.

I must say I am quite overwhelmed by the achievements that have occurred in this first year of 'new' SEPT especially given that transition can be a difficult time, when we might have expected to find some problems. However, this has not at all been my experience of the last year. True to our pledge to learn from the best, whether this was in SEPT or the former BLPT, we were gifted with a golden opportunity to learn from each other's systems and practices to ensure that services in all area of the Trust deliver very high quality services and we took this. I believe I can confidently say SEPT is still well ahead of the majority of mental health and learning disability trusts in the quality and safety of our services.

So much quality improvement has occurred in the last year that I do not have the space here to talk about them all but examples of highlights in 2010/11 that I am particularly proud of include:

- ▶ Learning Disability in-patient service in South Essex re-accreditation of Practice Development Unit status
- ▶ Accreditation of Practice Development Unit for Taylor Centre community mental health services in South Essex. The service were aiming to achieve the first level, level 1, but the accreditation panel were so impressed with what they found that they awarded them level 2 straight away
- ▶ Completion of stage 1 of the agreed transformation plans for Bedfordshire and Luton, in particular the opening of the newly refurbished inpatient premises in Robin Pinto, for adult service users, and Calnwood Court, for older adult service users. Stage two of the transformation plan is already underway and will result in equally excellent premises for services in Bedford

- ▶ Entry from Beech Ward in Luton at The International Dementia Excellence Awards October 2010 under the category The Pleasure of Eating. This category was for people who felt they had made a difference to people with dementia in relation to any aspect of eating, and Beech's innovation of setting up a weekly 'restaurant' for inpatient service users to be invited out to lunch was very well received
- ▶ The Productive Mental Health Ward service development programme, which focuses upon improving the efficiency of ward / team processes thus releasing time for direct care with service-users, is now fully established in the Bedfordshire and Luton in-patient services. This programme has more recently commenced at two wards in South Essex and it is planned to further extend the programme within South Essex during 2011-12. The Productive Community Team programme has recently commenced at one of the Bedfordshire CMHTs, and other teams will be considering this programme during 2011-12.
- ▶ We have also improved our processes related to Serious Incidents and therefore our ability to provide assurance to our commissioners and regulators that thorough investigations take place and the Trust learns from such events.

Areas I am less happy about include the 2010 national mental health community service user survey results. These were rather disappointing, as although we saw some improvements, overall the results were average and SEPT does not accept only being average – we want to be the best – always! We have therefore identified a wide range of areas that need to be improved and work is underway to achieve this. We also did not achieve as much as we wanted in relation to provision of support to carers, this too will

form part of our priority programme of work in 2011/12.

I am very proud of every member of staff and they clearly are happy working in the Trust because the 2011 national survey of staff saw superb staff satisfaction survey results for SEPT. In a period when the merger with BLPT and the changes this brought to staff experiences might have resulted in a poorer than usual results, what has actually been found is that in SEPT results in 28 of the 38 key areas were in the top 20% performance of all mental health trusts in the country. This was an improvement from 2010, and indicating that staff are happier than ever to work in SEPT. Examples of positive findings include 70% of staff involved reported that they felt there were good opportunities to develop their potential at work Vs 45% national average and 79% of involved staff felt they were able to contribute towards improvement at work Vs 67% national average.

Key to this I believe is the satisfaction our staff receive from being able to deliver the services they feel passionate about and for which they joined the NHS. SEPT has a very clear vision and values about putting our service users in the centre of all that we do starting with our staff recruitment process where we involve service users and focus on customer involvement and satisfaction, and continuing throughout working life in this Trust. I have always believed that SEPT recruits and retains the best staff in the business and am proud to be able to say that this is the same whether they work in Essex, Bedfordshire or Luton.

The quality and commitment of our staff is becoming increasingly important following the election of the new government and the tough financial targets they have imposed, particularly as SEPT will not accept a reduction in quality of services in order to achieve a reduction in costs. Andrew Lansley, Secretary of State for Health, has said on record that his focus is to deliver better results by putting patients at the heart

of everything the NHS does, by continuously improving outcomes for our patients and by empowering clinicians to deliver those improvements. I am proud to say the SEPT is completely aligned with these goals, we always have been and we always will be in the future.

The Trust has an open and transparent approach to ensuring compliance with the CQC Essential Standards of Quality and Safety. In addition to internal spot checks a programme of Governor and Local Involvement Networks (LINKs) involvement has been developed to ensure that Governors and LINKs are involved in considering compliance with the Trust. Workshops have been held with Governors and LINKs in both South Essex and Bedfordshire and Luton and a programme of visits to different wards and community teams was agreed.

To date 21 visits to different Trust services have been undertaken where LINKs and Governors had the opportunity to meet with service users, carers and staff. At these visits the LINKs and Governors considered compliance against all of the essential standards of quality and safety by reviewing the environments and interviewing staff, service users and carers. To date findings of these visits have been very positive and more visits are planned for the future. I can't say enough how delighted I am to be working so closely with LINKs in Southend, Thurrock, Essex and Bedford Borough and Central Bedfordshire and would like to thank everyone involved for their valuable contribution.

#### **Statement of Accuracy**

I confirm that to the best of my knowledge the information contained in this document is accurate.



**Dr Patrick Geoghegan, OBE**  
**Chief Executive and Executive Nurse**  
**Professor of Mental Health and Social Care**

## Priorities for improvement and statements of assurance from the Board

Progress with achieving the quality improvement priorities that were identified for 2010/11 is provided in Section 3.1 later in this report.

SEPT is responsible for delivering specialist mental health and social care services, specialist learning disability services, child and adolescent mental health services and forensic mental health services in Bedfordshire and Luton and Essex. Our priorities for improvement are aimed at continually improving the quality of service provided in both geographical areas. We are proud of the resource we put into ensuring we listen to users of our services, their carer's, our commissioners and educational establishments and believe this shows that we take what people have to say about us very seriously. We believe that the efforts we put into hearing what people have to say, positive and negative about SEPT results in improvement goals owned by staff and our public membership

As in previous years the priorities and drivers for quality improvement in 2011/12 have been developed as a result of:

1. working with commissioners of mental health and learning disability services in Bedfordshire, Essex and Luton to identify action required to meet their expectations of a high quality service provider;
2. listening to the views of staff who attended 6 internal service planning events where the drivers affecting the Trust in the coming year were considered; objectives developed and areas in which the quality of services can be improved identified;
3. consultation at two stakeholder planning events held in south Essex and in Bedfordshire and Luton. These events involved a wide range of partners and stakeholders who considered the issues that affect the experience, effectiveness and safety of mental health and learning disability services and then prioritised those that meant most to them;
4. asking our public Foundation Trust members in Bedfordshire, Essex and Luton to identify the most important areas for action that they wanted us to take forward at 7 public member meetings;
5. dialogue with our social care partners to ensure that our priorities are consistent with those of each Local Authority with whom we work;
6. using feedback received from our meetings with LINks members;
7. considering performance against national targets and priorities and identifying what action is required to ensure that services meet and where possible, exceed these;
8. making sure we are constantly taking action to deliver the rights and pledges contained in the NHS Constitution;
9. Board development session discussions about quality.

As a result of reviewing the outcomes from the various consultation streams, the Board of Directors has identified five priorities for improvement. These will be monitored on a monthly basis by the Executive Operational Committee (sub-committee of the Board of Directors) and the Board of Directors will be informed of any slippage against agreed targets on a monthly basis and receive a detailed report on a quarterly basis.

## 2.1 Priorities for improvement in 2011/12

**Table 9 - Quality Priorities and Targets**

Priority	Rationale	
Support provided to carers (Service User experience)	<p>The role of carers and the support provided to them remains as the most consistent feedback theme obtained from all stakeholders.</p> <p>Improvement in this area is a key priority for our local authority partners in Bedfordshire and Luton particularly.</p>	
Recovery focussed services (Effectiveness of service)	<p>The focus of mental health care and treatment needs to be changed to one that is based on recovery principles. Stakeholders identified that supporting people to manage their own mental health was a priority. Recovery is identified as a health commissioner priority and has been identified as a CQUIN (Commissioning for Quality and Innovation) priority in both Bedfordshire and Luton and south Essex for 2011/12.</p>	
Physical health (Effectiveness of service)	<p>As a result of analysis of serious incident trends and as a result of feedback from staff and stakeholders, further action is required to ensure that physical healthcare of our patients is considered integral to the care and treatment package provided.</p>	
Risk assessment Safety (Service user safety)	<p>The quality of clinical risk assessment and formulation has been identified as a potential trend associated with serious incidents; it is an integral part of the care planning process in which service users should be fully involved and was identified by staff as an area where further improvement is required.</p>	
Service user involvement in care and decision making (Service user experience)	<p>Patient experience in community mental health services has been an on-going cause for concern for the Trust. Stakeholders have identified this as their priority for the past two years.</p>	

Target	2010/11 baseline performance
<p>Increase the number of carers who receive a service as a result of having a carers assessment.</p> <p>This will be measured via activity data collection on a monthly basis.</p>	<p>Bedford Borough: 172  Central Bedfordshire: 100  Luton: 127  Essex: 572  Southend: 658  Thurrock: 300</p>
<p>Evidence the effective implementation of recovery planning using the Recovery Star outcome measurement tool. A stretch target of 30% of adults on CPA completing 1 recovery tool and 15% of adults on CPA completing 2 recovery tools has been identified as the CQUIN target.</p> <p>Routine systems for collecting this information as part of activity data collection will be implemented.</p>	<p>There are no measurement systems in place currently.</p>
<p>95% of in-patients will have a physical health assessment within 24 hours of admission (measured via activity data collection).</p> <p>The quality of the physical health assessments undertaken will improve (measured by quarterly random audits of care records against agreed policy).</p>	<p>There are no routine and consistent systems in place to monitor this area of activity. Baseline performance will be identified during quarter 1.</p>
<p>100% of service users will have a current risk profile and active risk management plan in place (measured by quarterly random audits of care records)</p>	<p>There are no routine and consistent systems in place to monitor this area of activity. Baseline performance will be identified during quarter 1.</p>
<p>Year on year increase in satisfaction expressed by service users relating to their involvement in care and decision making.</p>	<p>The results of the national community mental health service user survey will be published in June 2011. We will use this to identify the baseline and monitor improvement via local surveys in year prior to national survey result publication in June 2012.</p>

## 2.2 Statements of assurance from the Board

### 2.2.1 Review of services

In this section of the Quality Report SEPT will review information about the Trust that we have used to be sure we had improving, high quality service delivery during the period from April 2010 to March 2011. Much of this is regularly collected data, presented to the Board in the form of monthly Performance reports, but other data comes from our participation in National and local clinical audits, and the actions that arise from this to improve services.

During April 2010 to March 2011 SEPT provided and/ or sub-contracted 46 NHS services.

SEPT has reviewed all the data available to them on the quality of care in 46 of these NHS services.

The income generated by the NHS services reviewed in 2010/11 represents 96 per cent of the total income generated from the provision of NHS services by SEPT for April 2010 to March 2011.

### 2.2.2 Participation in clinical audits

Clinical audit is a quality improvement process that seeks to improve patient care and outcomes through systematic review of care against explicit criteria and the implementation of change (NICE 2005). Robust programmes of national and local clinical audit that result in clear actions being implemented to improve services is a key method of ensuring high quality and ever improving services. SEPT has very robust programme development and processes to monitor all aspects of clinical audit. NB: in relation to the context of clinical audit the term 'clinical' refers to all types of health professionals involved in supporting SEPT service users, including nurses, psychologists, social workers and allied health professionals such as occupational and physical therapists. All of our clinical audits are undertaken by these 'clinical' staff in the 'clinical' services they deliver.

During 2010/11, 10 national clinical audits and one national confidential enquiry covered NHS services that SEPT provides.

During that period SEPT participated in 100% national clinical audits and 100% national confidential enquiries of the national clinical audits and national confidential enquiries which it was eligible to participate in.

The national clinical audits and national confidential enquiries that SEPT was eligible to participate in during 2010/11 are as follows:



The national clinical audits and national confidential enquiries that SEPT participated in during 2010/11 are as follows:

- ▶ Falls and non-hip fractures (National Falls & Bone Health Audit)
- ▶ Depression & Anxiety (National Audit of Psychological Therapies)
- ▶ National Audit of Schizophrenia – (Pilot audit)
- ▶ POMH 2e Reaudit – Screening for metabolic side effects of antipsychotic drugs
- ▶ POMH 6b Reaudit – Assessment of side effects of depot antipsychotic medication
- ▶ POMH 7b Reaudit – Monitoring of patients prescribed lithium
- ▶ POMH 8b Reaudit – Medicines reconciliation
- ▶ POMH 9b reaudit – Use of antipsychotic medicine in people with a learning disability
- ▶ POMH 10a Baseline Audit – Use of antipsychotic medicine in CAMHS
- ▶ POMH 11a Baseline Audit – Prescribing antipsychotics for people with dementia
- ▶ National Confidential Inquiry into Suicide and Homicide by People with Mental Illness

The national clinical audits and national confidential enquiries that SEPT participated in, and for which data collection was completed during 2010/11 are listed below alongside the number of cases submitted to each audit or enquiry as a percentage of the number of registered cases required by the terms of that audit or enquiry

NB: The Department of Health identified 54 National Clinical Audits that met their inclusion criteria, these covered many services that SEPT does not deliver, such as renal disease, cancer and elective procedures. In order to provide the most relevant data within this report and not lengthy tables with information of little value SEPT has identified only those national audits identified under the heading of 'Psychological conditions' and the single national audit under the heading of 'Trauma' that was felt to be relevant to Trust services.



Audit	Participation	% Cases Submitted
<b>Psychological conditions</b>		
Depression & Anxiety (National Audit of Psychological Therapies)	Yes	100%
National Audit of Schizophrenia – Pilot audit	Yes	18%. NB: SEPT one of only 6 Trusts nationwide to participate in this pilot
Prescribing in mental Health services (POMH)	Yes – all POMHs audits	Individual audit details below
POMH 2e Reaudit – Screening for metabolic side effects of antipsychotic drugs	Yes	100%
POMH 6b Reaudit – Assessment of side effects of depot antipsychotic medication	Yes	100%
POMH 7b Reaudit – Monitoring of patients prescribed lithium	Yes	100%
POMH 8b Reaudit – Medicines reconciliation	Yes	100%
POMH 9b reaudit – Use of antipsychotic medicine in people with a learning disability	Yes	100%
POMH 10a Baseline Audit – Use of antipsychotic medicine in CAMHs	Yes	100%
POMH 11a Baseline Audit – Prescribing antipsychotics for people with dementia	Yes	100%
<b>Trauma</b>		
Falls and non-hip fractures (National Falls & Bone Health Audit)	Yes	N/A NB: SEPT only able to participate in the Organisational element of the audit so no cases.
National Confidential Inquiry into Suicide and Homicide by People with Mental Illness	Yes	100% of homicide responses 91% of suicide responses

The reports of seven national clinical audits were reviewed by the provider in 2010/11 and SEPT intends to take the following actions to improve the quality of healthcare provided



Audit Topic	Explanation of what the audit was examining and what the general aims were	
<p>POMH 1e Reaudit. Prescribing high dose and combined antipsychotics on adult acute and psychiatric intensive care wards</p>	<p>The audit programmes developed by the Prescribing Observatory for Mental Health (POMH) seek to ensure that the practice of clinicians in areas being reviewed is aligned with best evidence based practice.</p> <p>The aim of audit 1e was to measure the prescribing of antipsychotic medications against the following standards in Trust adult acute and psychiatric intensive care wards and compare these with national findings:</p> <p>Audit Standard 1: The dose of an individual antipsychotic should be within its SPC/BNF limits</p> <p>Audit Standard 2: Individuals should receive only one anti-psychotic at a time</p> <p>Audit Standard 3: First (typical) and second generation (atypical) drugs should not be prescribed concurrently</p>	
<p>POMH 2e Reaudit. Screening for metabolic side effects of antipsychotic drugs in Assertive Outreach Teams</p>	<p>The metabolic syndrome is a cluster of features (hypertension, central obesity, glucose intolerance/insulin resistance, dyslipidaemia) that is predictive of both type-2 diabetes and cardiovascular disease. Such features are prevalent in people with psychotic disorder who are receiving antipsychotic medication. The precise relationship between antipsychotic drugs, glucose homeostasis, obesity and the metabolic syndrome remains uncertain, but it is clear that people with schizophrenia treated with antipsychotic medication have a high rate of the features of metabolic syndrome, of the syndrome itself and of premature death.</p>	
<p>POMH 5c Quarterly audit. Benchmarking the prescribing of high dose and combination antipsychotics on adult acute and psychiatric intensive care wards</p>	<p>The aim of this audit was improve the health of patients in the care of Assertive Outreach Teams through the monitoring of compliance with annual screening for metabolic side effects of antipsychotic drugs</p> <p>This was a quarterly benchmarking audit where the aim was to help mental health services improve prescribing practice in relation to high dose and combination antipsychotics for patients in adult acute and psychiatric intensive care wards.</p> <p>The standards being reviewed in this process were the same as for audit POMH 1e discussed above</p>	

## Actions to improve the quality of healthcare provided

In order to further improve prescribing levels to within BNF limits wherever possible plan is to be agreed on improving clinical recommendations and compliance to the standards

PRN (as required) medications to be reviewed every 7 days in line with Trust policy, and cancelled where appropriate

Medical staff to be mindful of impact of regular antipsychotic prescriptions when prescribing PRN antipsychotics

Pharmacists to carry out spot checks on use of PRN antipsychotics

To participate in reaudit 1f in 2011/12 in order to evidence improvements. Data collection to take place February 2012

To raise awareness with all AOT staff of the need for best practice with regards to screening and recording the test result/measurement for all 4 aspects of metabolic syndrome.

Trust to participate in reaudit 2f scheduled for data collection in July 2012 (so will be included in 2012/13 forward Priority Clinical Audit Programme)

In order to further improve prescribing levels to within BNF limits wherever possible a plan is to be agreed on improving clinical recommendations and compliance to the standards

PRN medications to be reviewed every 7 days in line with Trust policy, and cancelled where appropriate

Medical staff to be mindful of impact of regular antipsychotic prescriptions when prescribing PRN antipsychotics

Pharmacists to carry out spot checks on use of PRN antipsychotics

Programme participation in POMH audit to take place if scheduled by POMH, currently this agenda will be picked up under the reaudit of 1f above.

Audit Topic	Explanation of what the audit was examining and what the general aims were	
<p>POMH 6b Reaudit. Assessment of side effects of depot antipsychotic medication</p>	<p>Side effects can have a negative effect on patients' social and personal functioning, and may have implications for patients' long-term physical health e.g. weight gain leading to diabetes and cardiovascular disease. Patients experiencing adverse side effects may choose to discontinue or reduce their treatment, which will increase their risk of relapse and hospitalisation.</p> <p>This audit reviewed the practice of Trust clinicians and national results in relation to the care of people on depot medication for the following standards:</p> <p>1: Antipsychotic side effects should be 'monitored routinely and regularly' (NICE 2002).</p> <p>2: 'People receiving depot preparations should be maintained under regular clinical review, particularly in relation to the risks and benefits of the drug regimen' (NICE 2002).</p> <p>3: The side effects associated with antipsychotic drugs should be 'assessed using standardised methods and validated rating scales' (Clinical Standards Board for Scotland (2001).</p>	
<p>POMH 7b Re-audit. Monitoring of patients prescribed lithium</p>	<p>Lithium is licensed for the treatment of bipolar affective disorder and depression. It is used in three situations – the acute treatment of mania, prophylaxis in bipolar disorder and to augment antidepressants in treatment refractory recurrent depression. Common side-effects include an upset stomach, fine tremor, polydipsia (thirst), polyuria (passing more urine than usual, weight gain and hypothyroidism (underactive thyroid).</p> <p>Lithium has a narrow therapeutic range and there is a small margin between an effective dose and a toxic one.</p> <p>Lithium is not metabolised by the liver and is almost wholly excreted in the urine. Any changes in kidney (renal) function, fluid balance (such as dehydration) or electrolyte levels (such as a low level of sodium in the blood -hyponatraemia), can potentially lead to lithium accumulation which in turn can lead to renal damage and toxicity. All patients who receive treatment with lithium should have their renal function (electrolytes and creatinine/e-GFR) checked regularly.</p> <p>The aim of this audit process is to ensure the mental and physical health of patients prescribed lithium in the care of SEPT Adult and Older Persons Community Teams through the monitoring of compliance with baseline and annual monitoring measurements and tests indicated as best practice.</p>	

## Actions to improve the quality of healthcare provided

A list is developed and maintained in every team identifying every service user on depot medications

Every service user on depot medication has physical health checks carried out annually and recorded in the service user records. Physical health checks will include a physical examination, weight, height, BMI, extra pyramidal side effects and sexual side effects

The Trust will participate in the reaudit, 6c, which will take place in spring 2011 as part of the POMH programme and identified on the Trust's Priority Clinical Audit Forward Programme for 2011/12

Ensure Lithium Database is being utilised to flag pending tests and inform clinical teams proactively

Ensure distribution of Lithium Booklet and monitoring diary to all service users on Lithium

Ensure Topic 7c re-audit is included in Trust-wide Priority Clinical Audit Programme for 2011-12 as identified by POMH Forward Programme for June 2011

Audit Topic	Explanation of what the audit was examining and what the general aims were	
POMH 8b Reaudit. Medicines reconciliation	<p>In Clinical practice the aim of medicines reconciliation is that there is no unintentional discrepancy between medication prescribed prior to admission and medication prescribed at the point of admission to hospital.</p> <p>The aim of this audit was to ensure medicines reconciliation occurs appropriately and in a timely way in the Sept Adult Acute, Elderly Acute and Forensic Inpatient Ward</p>	
POMH 10a Baseline Audit. Use of antipsychotic medicine in CAMHS	<p>Antipsychotics are prescribed by the vast majority of child and adolescent psychiatrists in the UK and a significant proportion of community paediatricians. The indications and most common uses of antipsychotics in children and adolescents include challenging behaviour/aggression in autism and conduct disorder, psychosis, and tics/Tourette's syndrome. However, there is a growing awareness of the adverse-effect profiles of different drugs and greater sensitivity to these effects in children and adolescents</p> <p>The aim of this audit was to ensure the mental and physical health of children and adolescents in the care of CAMHS Teams through the monitoring of side effects of antipsychotic drugs</p>	

**The reports of 52 local clinical audits were reviewed by SEPT in 2010/11 and SEPT intends to take the following actions to improve the quality of healthcare provided.**

The 52 local clinical audits reported during the year breaks down as follows:

- ▶ 32 Local clinical audits were reported within the 2010/11 Forward Priority Clinical Audit Programme (plus an additional 7 national audits);
- ▶ 14 Local clinical audit projects were reported for South Essex services during 2010/11;
- ▶ 16 Local clinical audits were reported for Bedfordshire and Luton services during 2010/11.

A review of the range of local clinical audits shows:

- ▶ the Trust engages with reaudit at local as well as national levels;
- ▶ there is a local focus on delivering the expectations of bodies such as NICE, the Care Quality Commission (CQC) and other regulatory and accreditation providers;
- ▶ local clinical audits are conducted to support and inform the development of new Trust services;
- ▶ local clinical audits are conducted to ensure service user safety and to enhance their experiences of Trust services.

## Actions to improve the quality of healthcare provided

Ensure that a statement referring to the patient's adherence to documented medications is recorded and ensure that the significance of the issue is raised during the induction programmes of doctors / included in the induction packs.

To participate in any re-audit of Topic 8, if identified in the POMH-UK Forward Audit programme. (Currently not identified before January 2013)

The findings of this report be shared with the Child and Adolescent Psychiatrists of the 6 CAMHS Essex and 4 CAMHS Beds and Luton Teams included in this audit and disseminated through them to other relevant clinical staff to ensure appropriate monitoring of service users prescribed antipsychotics.

The Project Leads to share audit results with their individual CAMHS Medical teams, set standards to improve practice in the areas of identified risk and inform CAMHS Clinical Governance committee (or PDG) of actions agreed

Ensure audit topic 10b is identified within the Trusts Priority Clinical Audit Programme for 2011-12

Brief examples of the actions taken to improve services as an outcome of local clinical audits include:

### **Patient Safety audits**

The Trust participates in a number of audits related to patient safety, for example the Trustwide audit of Risk assessment and care planning carried out in Community Mental Health Teams in Essex, Bedfordshire and Luton, which found very high levels of compliance with the expectation that service users would have current risk assessment and care or risk management plans related to any identified risks in place.

### **Service user experience audits**

Many audits in the past year have investigated service user experience, especially related to their and their carer's involvement in their care planning, such as the Care Programme Approach (CPA) audits for every relevant Trust service and the Service User satisfactions surveys for discrete services. This is a high priority agenda for the Trust and every effort is made to support carers and service users to know what services are available for them. Actions to improve these services include; Out of Hours contact details to be added to the contact numbers on the new Day Resource Centre Booklet (Day Resource Service User Evaluation); Care coordinators to ensure that the main carer has been identified and contact made, record details on CPA1 (South Beds CMHT, Older People Service CPA audit).

## Service redesign audits

Clinical audits have also informed the development of new services in the Trust, and evaluated whether expectations of services are being appropriately delivered. Examples of these are the Comparative audit of Recovery-Oriented Practice on Cedar and Willow Wards in South Essex (brief details shown in following pages) and the Audit of Transition from Child and Adolescent Mental Health Services (CAMHS) to Adult Mental Health Services which resulted in actions such as; The Transition Protocol is re-

evaluated by the author in the light of this audit's findings particularly in relation to single service referrals and non-CPA cases and any necessary amendments made and CAMHS and POWA professionals to work together to signpost young people who have low level support needs to other adult community support services.

Examples of Clinical Audits reported in SEPT during 2010/11, one national and two local, are shown on the following pages.

### Example of a National clinical audit reported in SEPT in 2010/11

POMH 2e Reaudit of screening for metabolic side effects of antipsychotic drugs for patients under the care of Assertive Outreach Teams (AOT's)

Bedfordshire and Luton AOT's participated in this audit process in April 2009 and April 2010. Comparing results from these two audits the findings include:

- Increased proportion of patients having blood pressure recorded (65% to 68%). In comparison the Total National Sample (TNS) only increased from 41% to 42%
- Increased proportion of patients having BMI/other obesity measure recorded (57% to 66%). In comparison the TNS only increased from 33% to 39%.
- Decreased proportion of patients having blood glucose measurement documented (57% to 52%). In comparison the TNS remained constant at 38%, so Trust services are still ahead of this

- Decreased proportion of patients having blood lipids measurement documented (59% to 52%). In comparison TNS improved from 34% to 35% but again Trust services are still ahead of this
- All 3 Teams demonstrated a proportion of 4% or lower when compared to the TNS (28%) for proportion of patients with no evidence of screening. This is a positive finding and shows 96% of our service users had been screened
- Combined results showed 70% of patients that smoked had a record of cessation help documented in 2010. This compared to the TNS of 62.5%, again a positive finding for the Trust

**Summary:** This audit shows evidence of improvement in service delivery from baseline to reaudit in the Bedfordshire and Luton AOTs although some standards had slipped a little. However, scores were generally better for the Bedfordshire and Luton AOT's than the Total National Sample (TNS) and most areas audited ranked the Trust 3rd out of 29 for this re-audit. A further reaudit (POMH 2f) is programmed for 2012/13 and Trust services will participate

### Example of a local clinical audit in South Essex

Comparative audit of Recovery-Oriented Practice on Cedar and Willow Wards  
Introduction

Following an audit of recovery oriented practice carried out on Boleyn Ward during 2007, the South Essex Service User Research Group (SE-SURG) was asked to repeat the audit on the new Cedar Ward, which replaced Boleyn with the opening of Rochford Hospital, and to carry out a further audit on Willow Ward.

One element of the audit was based on measures included in the DREEM (Developing Recovery Enhancing Environment Measure), i.e. The Elements of Recovery and Recovery Enhancing Services (ERRES) measure. The version used asks service users to rate their services on 18 dimensions known to be key factors in enhancing recovery, such as spirituality, relationships, general health and managing mental health. The audit found:

- Areas of excellence: Cedar achieved this for 3/18 dimensions and Willow 4/18
- Areas of good practice: Cedar achieved this for 12/18 dimensions and Willow 6/18
- Areas with most room for improvement: Cedar 3/18 and Willow 8/18 dimensions

**Summary:** The audit results were largely very positive on both wards which was recognised in the audit reports and recommendations developed for each ward to improve where necessary.

### Example of a local clinical audit in Bedfordshire and Luton

Key Performance Indicators/Essence of Care progress report from April to August 2010.  
Older People Mental Health Services (OPMH) Bedfordshire and Luton

In order to keep an up-to-date view of services the Directorate of Older Peoples Mental Health (OPMH) conduct KPI/ Essence of Care audits on a regular basis. This is the 9th opportunity to look at each of the indicators in Essence of Care and key service level findings were:

- Contenance 96.6% compliance in August 2010 Vs 95.6% in April
- Personal care/hygiene: 96.6% compliance in August Vs 99.2% in April
- Nutrition: 96.05% compliance in August Vs 98.9% in April
- Pressure ulcers: 89.1% compliance in August Vs 95.6% in April
- Communication: 97.5% compliance in August Vs 95.4% in April
- Record keeping: 100% compliance at both time points
- Self care and safety: 96.3% compliance in August Vs 98.5% in April
- Privacy and dignity: 97.3% in August Vs 96.2% in April

**Summary:** This regular reaudit process ensures that OPMH inpatient services are consistently delivering the highest levels of patient care across a wide range of areas. Areas of concern, even at this very high compliance level, are clearly identified in the audit report. It is anticipated that this process will be extended to other teams from 2011.

### 2.2.3 Research

Research is a core part of the NHS, enabling the NHS to improve the current and future health of the people it serves. 'Clinical research' means research that has received a favourable opinion from a research ethics committee within the National Research Ethics Service (NRES). Information about clinical research involving patients is kept routinely as part of a patient's record.

**The number of patients receiving NHS services provided or sub-contracted by South Essex Partnership Trust in April 2010 – March 2011 that were recruited during that period to participate in research approved by a research ethics committee was four hundred and twenty seven (427).**

### 2.2.4 Goals agreed with commissioners for 2010/11

The CQUIN (Commissioning for Quality and Innovation) payment framework aims to support the cultural shift towards making quality the organising principle of NHS services, by embedding quality at the heart of commissioner-provider discussions. It is an important lever, supplementing Quality Accounts to ensure that local quality improvement priorities are discussed and agreed at board level within – and between – organisations. It makes the provider's income dependent on locally agreed quality and innovation goals (1.5% on top of actual outturn value in 2010/11).

The CQUIN goals are expected to be stretch targets to improve quality of service in areas of particular interest to individual PCT's. The payment for CQUIN goals is non-recurring, only being agreed for a single year and if not achieved payment in part or whole may be withheld by the PCT's. Activities undertaken during 2010/11 for which SEPT received additional payment under the CQUIN remit include:

- ▶ HoNOS PbR – as noted in section 3.1 the development of Payment by Results (PbR) is a national requirement which has the potential to radically change the way mental health services are commissioned and provided in the future. This achievement enables commissioners and providers to understand the outcomes experienced by patients receiving mental health services and to improve the quality of services. SEPT achieved a level of 74% of its service users being placed into one of the 21 'clusters' under HoNOS PbR during 2010/11 which raised an additional £118,240 for the Trust
- ▶ Medicine Management in Secure Services – this goal was developed to ensure that robust processes were in place in relation to the management of medication in all Trust secure services, adult mental health as well as learning difficulties. The project showed excellent levels of compliance with PCT and Board expectations and resulted in CQUIN payment of £71,864
- ▶ A target was set that 98% of crisis referrals from GP's received a first contact and initial screening by the Crisis Resolution and Home Treatment service within 4 hours of receipt of referral. SEPT regularly achieved 100% for this target across 2010/11 for which the Trust was paid an additional £84,341



A proportion of SEPT's income in 2010/11 was conditional on achieving quality improvement and innovation goals agreed between SEPT and any person or body they entered into a contract, agreement or arrangement with for the provision of NHS services, through the Commissioning for Quality and Innovation payment framework.

In 2010/11 commissioners identified that £2,238,894 was conditional on achieving quality improvement and innovation goals. SEPT received £1,738,894 as a result of achieving agreed goals. It should be noted however, that NHS South West Essex withdrew £500,000 CQUIN funding in year as part of its financial turnaround plan. This meant that some quality improvement schemes were not taken forward but SEPT did wherever possible continue to make identified quality improvements. All other quality improvement goals agreed were achieved.

Further details of the agreed goals for 2010/11 and for the following 12 month period are available electronically at <http://sept.nhs.uk/corporate/reports.aspx>

### 2.2.5 What others say about the provider

The Care Quality Commission (CQC) has the remit for carrying out investigations and reviews into quality aspects of services delivered in the NHS. This can form part of a regular two-yearly review process, or special investigations or reviews. As part of this regular process a 2 year review of compliance was undertaken in February/March 2011 which included submission of Provider Compliance Assessment tools, requesting comments from stakeholders and unannounced spot check visits to different Trust locations.

SEPT is eagerly awaiting the outcome of this regular review from the CQC and taking forward any improvement actions identified as an outcome of the audit, however anecdotal comments at the time of the review were overall very positive in all areas. The CQC assessors praised the excellent patient environments and found patient areas to be clean and inviting. They found that staff were helpful, welcoming and courteous.

SEPT is required to register with the Care Quality Commission and its current registration status is registered without conditions. SEPT has NO compliance conditions on registration.

The Care Quality Commission has not taken enforcement action against SEPT during 2010/11

SEPT has not participated in special reviews or investigations by the Care Quality Commission.



### 2.2.6 Data quality

Good quality information underpins the effective delivery of patient care and is essential if improvements in quality of care are to be made. It also underpins effective commissioning of services. Improving data quality, which includes the quality of ethnicity and other equality data, will improve patient care and improve value for money. SEPT has invested significant resources in collecting, reporting and utilising data to make decisions about where we are doing well and where further improvement might be needed.

SEPT regularly uses data to inform the Board and senior committees of progress with quality indicators and is always seeking ways of ensuring this data is robust. An example of this is the Audit Commission independent review of the data used to report performance against the quality indicators contained in the 2009/10 Quality Account, which resulted in them making only 2 minor recommendations for improvements. However, whilst this was very reassuring SEPT does not rest on our laurels and we have identified significant further investment in upgrading of existing IT systems to continue to improve data quality and information that aids decision making.

SEPT has a number of organisational values, including to deliver high quality integrated services, to provide person centred care and to ensure excellent performance and efficiency and to support these values has embarked upon a programme of work to modernise the management of corporate and clinical information within SEPT. A number of specific areas were identified where improvements would enhance care and improve SEPT's overall efficiency and safety record, these include:

- ▶ Management Dashboards to facilitate real time views of current performance along with sophisticated trend analysis. This will provide a single aggregated view over many disparate systems located within SEPT.
- ▶ Clinical Workbench to provide Clinicians with clinical records, both textual and scanned images, on demand so that clinical decisions can be made from accurate, real time data.
- ▶ Capturing data in a more efficient way to provide higher quality through the use of electronic forms, known as eForms, and would enable SEPT to benefit from reduced overheads of data entry.
- ▶ Conversion of paper based patient records into an electronic format to improve accessibility for Clinicians and other SEPT staff and the wider care community.
- ▶ Sharing data to enable SEPT to provide important clinical and management data with other organisations, such as Local Authorities, Primary Care Trusts and General Practitioners.

The patient NHS number is the key identifier for patient records. The National Patient Safety Agency (NPSA) is concerned about the numbers of patient misidentification incidents reported nationally and therefore improving the quality of NHS number data has a direct impact on improving clinical safety.

### NHS Number and General Medical Practice Code Validity:

SEPT submitted records during April 2010 to March 2011 to the Secondary Uses service for inclusion in the Hospital Episode Statistics which are included in the latest published data. The percentage of records in the published data:

– which included the patient’s valid NHS number was:

99.8% for admitted patient care;  
100% for outpatient care; and

– which included the patient’s valid General Medical Practice Code was:

99.5% for admitted patient care;  
100% for outpatient care.

### Information Governance Toolkit attainment levels

The Information Quality and Records Management attainment levels assessed within the Information Governance Toolkit provide an overall measure of the quality of data systems, standards and processes within an organisation.

SEPT Information Governance Assessment Report overall score for 1 April 2010 to 31 March 2011 was 68% and was graded SATISFACTORY

### Actions to improve data quality

SEPT will be taking the following actions to improve data quality

- Daily Validation of missing or inaccurate data fields on Information system
- Routine Data Quality Reports sent to clinical staff
- Monthly Data Quality Group Meetings
- Monthly monitoring of Data Quality at Board Level

### Clinical coding error rate

SEPT was not subject to the Payment by Results clinical coding audit during 2010/11 by the Audit Commission (because Payment By Results is not applicable to mental health service contracts)



## Part 3: Review of quality performance during 2010/11

### 3.1 Performance against quality improvement priorities for 2010/11 identified in 2009/10 Quality Report/ Account

SEPT set out ambitious plans for improving quality during 2010/11 in the areas identified by

#### Improving patient safety

Increase the number of referrals to CRHT screened within 4 hours and increase in activity in pathway during year	98% in south Essex 95% in Bedfordshire and Luton	SE 95% B&L 76%	
Increase the number of patients discharged from hospital in Bedfordshire and Luton who receive a face to face follow up	85%	50%	
Action will be taken to monitor patients' perception of feeling safe whilst an in-patient and to address issues identified	Actions taken to improve perception of safety.	88% patients felt safe in Essex 89% of patients felt safe in Bedfordshire and Luton	

	<b>2010/11 performance</b>	<b>Narrative</b>
	SE 100% B&L 98%	This goal was developed to make sure that there is a clear pathway for people in mental health crisis and a rapid response to referrals. The goal has been fully achieved at the end of the year.
	93%	Ensuring patients discharged from inpatient care receive a quick follow up reduces risk of harm and social exclusion and improves the continuity of care. Whilst services meet the national target for following up patients this goal increased the proportion of follow-ups conducted face to face rather than by telephone.
	84% Essex 85% B&L England Average in 2010 survey 85%	We have looked at a range of actions to improve patient's perceptions of feeling safe on our wards. During the year, we have ensured the high visibility of Senior Sister and qualified staff and hand held devices have been installed on acute wards enable 'real-time' feedback to be sent to the ward manager and senior management team. Additional actions improved handover and further development of DSSA practice.

## Improving patient experience

Goal	Target	2009/10 (baseline)	
Action will be taken to improve patient involvement in care and decision making	Improvement on baseline	52% (National Patient Survey results 2009/10)  33%	
Increase the number of carers of people with mental ill health who receive a carers assessment.	Achieve or exceed 35% across the Trust		
Take action to improve the quality of carers assessments.	Improvement on baseline across the Trust	43% felt staff understood the needs of carers <hr/> 58% said staff had spoken to them about their own health and wellbeing needs.	
Increase the provision of carer education/ support programmes and the numbers of carers who participate in them	450 to receive training <hr/> 15 carers trained as trainers	406 carers attended carer education and training in 2009/10 and 11 trained to deliver training	

2010/11 performance	Narrative
69%	This goal was set to increase the involvement of service users in care and decision making. During 2010/11 we introduced local "Point of Use" surveys across the organisation. The level of performance reflects the Excellent / Good responses received to Question 12 of the survey during January to March 2011.
34%	Carers play a vital role in supporting professionals and service users and helping to support them was identified as an area for further improvement. During 2010/11 we improved the provision of assessments to carers from the baseline position.
42%	The Trust conducts an annual survey of carers experiences and the responses have been collated to provide the performance levels reported. However, as the degree of improvement across the Trust is not as great as desired this quality initiative has been identified as a continuing priority and will form one of the priorities for improvement for 2011/12, as shown in section 2.1 above.
40%	
819 carers attended carer education and training sessions 15 Carers were trained as trainers	This goal was developed to ensure that more carers receive support and development and have opportunities to share their, and learn from others' experiences. As with all other improvement priorities this was a 'stretch' target for the Trust and we have delivered carer education and training to over twice the numbers of carers hoped for. This should mean our carers feel better informed and more able support the person they care for.

## Improving service effectiveness

Goal	Target	2009/10 (baseline)	
Increase the number of urgent referrals to community mental health services to be assessed within 24 hours	98% Essex 95% Bedford and Luton	SE 95% B&L Data not available	
Increase the number of routine referrals to community mental health services assessed within 14 days in Essex and 28 days in Bedfordshire and Luton	98% Essex (14 days) 95% Bedford and Luton (28 days)	SE 95% B&L 30%	
Increase the number of patients treated within 18 weeks of referral to all services in Bedfordshire and Luton and 16 weeks in Essex	95% within 16 weeks Essex 90% within 18 weeks Bedford and Luton	SE 95% within 18 weeks B&L Data not available	
Outcome assessment using HONOS PbR will be undertaken for all patients	80%	0%	

2010/11 performance	Rationale
SE 100%	<p>This goal was set to ensure that patients are assessed urgently if they have an urgent clinical need. Although no data was available to report the position in Bedfordshire and Luton, the Trust can confirm that the target was achieved in south Essex.</p> <p>Unfortunately, in Bedfordshire and Luton there had not been any systems in place to measure this before the integration with SEPT. Plans had been made to develop and implement these systems during 2010/11 however other priority work has meant this has not been done. It will be work undertaken during 2010/11.</p>
SE 99% B&L 97%	<p>The reduction in the waiting time between referral and assessment for routine referrals enables patients and referrers to have confidence that the care pathway is working effectively and efficiently and patients will be seen quickly.</p> <p>The differences in time expectations are because in SEPT pre integration with BLPT the expectation had been assessment within 28 days, therefore the stretch target for Essex services was to reduce this length of time to 14 days.</p> <p>BLPT did not have a defined timeframe and so the stretch target for services in Bedfordshire and Luton was 28 days. Having achieved this during 2010/11 services in Bedfordshire and Luton will now be expected to work to the same assessment timeframe as Essex services.</p>
SE 98% B&L 99%	<p>This goal was developed to reduce the waiting time from referral to the start of treatment because this is regarded as central to the effective provision of care and has consistently been identified as one of the top priorities by patients. The Trust has successfully achieved the planned reductions in referral to treatment waiting time thereby supporting improvements in patient access, management of care pathways and reducing waiting lists reducing appointment cancellations, and improving appropriate discharge.</p> <p>The goal of 16 weeks in Essex was agreed as a stretch target as services were already achieving the 18 week target. Services in B&amp;L had not been subject to any monitoring previously and therefore the national target was applied.</p>
74%	<p>The development of Payment by Results (PbR) is a national requirement which has the potential to radically change the way mental health services are commissioned and provided in the future. This achievement enables commissioners and providers to understand the outcomes experienced by patients receiving mental health services and to improve the quality of services.</p>

stakeholders as their priorities. Good progress was made overall.

**NB: Green indicates goal achieved fully; amber that the target has mainly been met; red that the target has not achieved its aim**

### 3.2 Overview of the quality of care offered in 2010/11 against selected indicators

Comparative indicators/metrics are not as well developed in mental health as they are in other parts of the NHS which makes it difficult to present information which enables readers to compare SEPTs performance with that of other providers. In addition it is not possible to compare SEPT's performance over time as a result of the acquisition of the former BLPT with effect from 1 April 2010. Performance for the new combined entity, covering services provided in Bedfordshire, Essex and Luton, is now presented for the first time. These indicators were identified as being most relevant to 'new' SEPT following numerous planning events involving our staff, service users and carers, stakeholder and

#### Patient Safety

Quality indicator	Target/ Benchmark	
Hospital acquired infections: Number of cases of C.Difficile Number of cases of MRSA	0 0	
Adverse incidents (NB this excludes Serious Incidents which follow a separate reporting process)	19 per 1000 bed days NB: it is generally accepted that high numbers of reporting incidents, with low levels of impact / seriousness is evidence of good practice	
% patients discharged with a named care coordinator	100%	

#### Service effectiveness

Psychiatric readmissions to hospital within 28 days of discharge	Adults <= 6% Older people <=2%	
Assaults on staff (by patients)	191.7 per 1000 staff (mental health trusts)	
2010 staff survey: staff recommendation of the trust as a place to work or receive treatment	2.49 (score calculated as average across all mental health trusts)	

#### Patient Experience

2010 in-patient survey result: How clean was the hospital room or ward that you were in?	54% "very clean" (average score of participating mental health trusts)	
2010 in-patient survey result: overall how would you rate the care you received during your recent stay in hospital?	19% "excellent" (average score of participating mental health trusts)	
% complaints responded to within agreed timescales	100%	

governors.

The majority of indicators that are able to be monitored and reported consistently in all providers of mental health and learning disabilities services are identified as key compliance targets by Monitor (regulator of NHSFTs). These are provided in section 3.3 below. SEPT is keen to see further national indicators developed so that SEPT can assess performance and service quality not just over time locally but in comparison with a cohort of similar trusts. SEPT is working with the Eastern Region Public Health Observatory (ERPHO) and other local providers of services like ours to identify a set of indicators that will enable this in future.

The indicators identified here are those where there is a nationally identified benchmark or target. Some of these were identified by ERPHO and included in the first Quality Profiles for mental health published in September 2010. All data is derived from the Trust's data collection systems and governed by standard national definitions.

	<b>2010/11 performance</b> Bedfordshire/Luton	<b>2010/11 performance</b> Essex	<b>2010/11 performance</b> SEPT overall
	0 0	0 0	0 0
	21 per 1000 bed days	12 per 1000 bed days	15 per 1000 bed days
	98%	100%	99%
	6.7% Jan – Dec 2010 0.4% Jan- Dec 2010	6.8% Jan- Dec 2010 1.8% Jan – Dec 2010	6.8% Jan – Dec 2010 1.3% Jan – Dec 2010
	163.1 per 1000 staff	93 per 1000 staff	128.0 per 1000 staff
	n/a	n/a	3.84 (score achieved top 20% performance)
	73% "very clean"	79% "very clean"	76% "very clean"
	24% "excellent"	32% "excellent"	28% "excellent"
	99%	99%	99%

### 3.3 Performance against key national priorities

Performance against the relevant indicators and performance thresholds set out in Appendix B of Monitors Compliance Framework for 2010/11 is shown below. As identified previously, performance for the new combined entity, covering services provided in Bedfordshire, Essex and Luton, is presented for the first time and therefore historic data has not been provided. The indicators shown reflect those that Monitor require SEPT to comply with and these are subject to change annually. It should also be noted that the Care Quality Commission no longer identify indicators, so it is not possible to report under this heading as for last year.

Indicator	Target 2010/11	Trust Actual 2010/11
% patients discharged from hospital who received follow up contact within 7 days	> = 95%	95%
Proportion of people having a formal review within 12 months	> = 95%	97%
% of adult acute admissions gate-kept by Crisis Resolution and Home Treatment Team	> = 90%	98%
Commitment to serve new cases of psychosis by the early intervention teams	148 new cases	188 new cases
Data completeness (8 patient identifiers)	> = 99%	99%
Data completeness (3 patient outcomes)	>50%	81%
Delayed transfers of care (excluding due to social care issues)	< 7.5%	1.2%
Access to healthcare for people with a learning disability	six requirements fully met	six requirements fully met

#### What SEPT stakeholders say about us

SEPT try to take every opportunity for our service users and stakeholders to be able to talk with us, for example via Local Public Members Meetings, monthly Board meetings and 'Take it to the Top' where local meetings are arranged for interested parties to meet and talk with the Chief Executive or our Chair. We also have the annual stakeholder planning events where stakeholders such as service users, carers and commissioners, meet senior Trust managers and staff to review what has gone well and less well over the past 12 months, and to help identify what areas of our services we should take a greater focus on improving in the

next year. Some of the positive comments about SEPT made at the stakeholder planning events this February 2011 include:

- ▶ "Very thought provoking event – as a service user myself it is good to know what SEPT is doing to improve the services and how SEPT is putting service users first."
- ▶ "This is the first SEPT planning event I have attended. I am incredibly impressed with the energy and the vision of the Trust, The patient centred approach is first class and other in the public sector could learn a great deal from SEPT."

- ▶ “Very good – great to get together with partners for thinking session.”

Our stakeholders also feel confident enough to challenge us, which our Board is reassured to know. Comments such as those that follow will be heard and acted on, and the Board is entirely confident that the proof will be in the eating and local public members meetings, Board Meetings and other opportunities we have to talk with our service users and stakeholders will benefit from the open and honest dialogue between us and our stakeholders following such comments:

- ▶ “Need to follow up to see how many objectives have been achieved and that we have been listened too.”
- ▶ “Interesting event with some really good discussion and ideas – reserve judgement on the success of the event until I see some change and improvements.”
- ▶ “Main message to go away with is effective partnerships and much greater integration of professionals to ensure the future efficiencies and improved service delivery is achievable.”

We have a system for service users to complain about our services when they feel they are not up to expectations and any such complaint is rigorously followed up.

We also ask for compliments, and our internal staff publication ‘Trust Today’ has a compliment of the week so that our staff knows how much our service users appreciate them. Examples of compliments received recently include:

- ▶ “Thank you for showing me kindness and consideration at my time of need.”
- ▶ “I have been locked up for the 1st time, at age 43 and was struggling to cope and thinking of killing myself. I was referred to the Prison In-Reach team, where I met 2 gentleman called J and J. They spoke to me and referred me to the Healthcare unit, they spoke to me on a level I understood and made me see there was some positive light at the end of the tunnel. They are true Hero’s and a credit to their service. I hope one day to be able to help someone as they have inspired me to help others. P.S tell J to change his football team!”



### **Closing statements from our Chief Executive**

As I mentioned in my opening sentence I am delighted to be presenting this year's Quality Report and proud of its content. I believe I have given an honest flavour of quality in the Trust in all its aspects, those we are happy with and those that we feel we want to make improvements on. Key to the success of our Trust is the willing involvement of people who use our services and those who care for them, stakeholders such as LINKs who help us to shape our services to meet local needs and the understanding of our commissioners about the services that need to be funded, and of course our superb staff who deliver such excellent services.

2011/12 is going to be another challenging year with finances being every stretched and with the likely merger with three community provider trusts, two in Essex and one in Bedfordshire to be integrated into SEPT later in 2011. However, I am confident we will step up to all challenges and opportunities this allows us and this time next year I will be writing to tell you about all the good things that have happened and are happening in our extended trust.

This Quality Report is an annual reporting requirement with a number of mandated statements which have to be included just as they are however I hope I have given information in an open and useful way. As this report is an annual requirement I would be delighted to receive any ideas as to how this could be made more interesting or useful for future years, and sincerely ask that if you have any ideas you contact me by email: [chief.executive@sept.nhs.uk](mailto:chief.executive@sept.nhs.uk)

To finish, I would just say that information on progress with quality goals we sign up to are regularly reported at our Board Meetings which I would encourage all interested parties to attend. We also report on more locally focused issues at our Public Members meetings where again I would encourage people to come and talk to staff

and managers responsible for care in their area. You will be made very welcome, I promise!

### **Annex 1 Statements from primary care trusts, LINKs and HOSCs**

The following organisations were invited to provide a statement that would be included in our Quality Report

#### **PCT's**

- ▶ NHS Bedfordshire/NHS Luton
- ▶ NHS South West Essex/NHS South East Essex

#### **HOSCs (Health Overview and Scrutiny Committees)**

- ▶ Bedford Borough Council
- ▶ Central Bedfordshire
- ▶ Luton Borough Council
- ▶ Essex County Council
- ▶ Southend Borough Council
- ▶ Thurrock Borough Council

#### **LINKs**

- ▶ Essex and Southend LINKs
- ▶ Thurrock LINKs
- ▶ Bedford LINKs
- ▶ Bedfordshire LINKs
- ▶ Luton LINKs

#### **NHS South West Essex**

NHS South West Essex (NHS SWE) as the lead Commissioner for South Essex Partnership University NHS Foundation Trust (SEPT), welcomes the opportunity to comment on the Trust's second annual Quality Report for the NHS services provided to patients during the reporting period 2010/11.

To NHS SWE knowledge, the information contained in the Account is accurate and reflects a true and balanced account of the quality of the provision of services.

NHS SWE meets quarterly with the Trust to review all areas of patient safety, experience and clinical effectiveness and is working with the Trust to provide evidence at these meetings of the Trusts ongoing improvements in quality to assure NHS SWE in its role of the commissioner and its accountability for the monitoring of quality in the services it is commissioning.

NHS SWE notes the Chief Executive comments regarding the positive feedback from staff in the staff survey through a period of transition and recognises that this is an achievement with the intense work that was undertaken in relation to structures and the bringing together of services.

The Quality Report for 2010/11, as with the previous Quality Report for 2009/10 has shown excellent involvement of staff and stakeholders in identifying the priorities for 2011/12 and the PCT commends this process of 'Stakeholder Planning Events.'

SEPT has noted that they provide forty six NHS services and the PCT can confirm that they regularly report on their progress and improvement against goals and targets within these services through the formal contract monitoring meetings.

The Quality Account clearly demonstrates the achievements made in 2010/11 in relation to SEPT's performance against priorities but does recognise that more work is required to improve the experience of patients receiving care in the community. The Trust has recognised that this is a key area for development and NHS SWE will work in partnership with the trust to monitor the work that is underway to improve this.

NHS SWE has been working closely with SEPT on serious incidents to strengthen the reporting process and to ensure a culture of continuous learning is developed across the organisation. As commissioners we recognise that the analysis and reviews of serious incidents has fed into the five priority areas of the Quality Account and the Account would benefit from further elaboration on the achievements and challenges faced in embedding the learning from incidents and investigations.

In 2010/11 NHS SWE agreed specific areas for quality improvement schemes with SEPT, this was through the quality schedule and CQUIN scheme. SEPT has worked hard and through the Account has demonstrated improvements in key areas.

NHS SWE is pleased to note SEPT's performance against their key national priorities where all the targets have been met and in some instances exceeded.

SEPT's staff continue to show a collaborative approach to producing evidence and assurance for the quality of services provided at the regular quality monitoring meetings undertaken with NHS SWE.

This includes the positive approach to clinical audit at both a national and local level and NHS SWE will monitor the progress on actions taken following the audits through the Contract Quality meetings. NHS SWE welcomes the continuous monitoring of standards of care through audit which will enable the Trust to recognise areas of concern and take action to proactively improve services in the best interests of patient safety and experience.

The areas of priority for 2011/12 identified by SEPT demonstrate a commitment to improving support provided to carers, recovery focused services, physical health, risk assessment and service user involvement in care and decision making.

Whilst there is a positive approach to support provided to carers, consideration should be given to placing greater emphasis on staff training to demonstrate they understand the needs of carers and that they are communicated with fully in relation to their own health and wellbeing needs.

The direct feedback quotes from patients and stakeholders in the Accounts are noted and welcomed and consideration could be given to including quotes from staff.

It would be useful to understand how the Trust is intending to gain feedback on the experience of the harder to reach groups who receive services from the Trust.

NHS SWE would welcome reference to the challenge for health service providers to recognise vulnerable adults and children through their contact with patients.

NHS SWE will be seeking reassurance that statutory, national and local Child Safeguarding procedures are in place, subject to audit and that the Trust is fully represented on local safeguarding boards and committees.

NHS SWE will also wish to support the Trust in monitoring its compliance with the statutory requirements of the Mental Capacity Act and Deprivation of Liberty Safeguards to ensure that vulnerable adults are supported in making decisions related to their care and treatment.

The Quality Report gives a good reflection of the Trust's achievements for 2010/2011 and the Trust has been clear where they believe there is room for improvement.

NHS SWE is fully supportive of all the priorities identified by the Trust in taking forward the patient safety and experience and clinical effectiveness agenda and looks forward to working in partnership with the Trust.

## **NHS Bedfordshire**

NHS Bedfordshire is the lead commissioner Mental Health and Learning Disabilities services provided by South Essex Partnership University NHS Foundation Trust within Bedfordshire and Luton. NHS Luton as associate commissioners have provided comment for this statement. NHS Bedfordshire therefore has a duty under the National Health Service Act 2006, to confirm that this Quality Report contains accurate and relevant information in relation to the NHS services provided in 2010/11.

NHS Bedfordshire is pleased that South Essex Partnership University NHS Foundation Trust continues to be registered with the Care Quality Commission.

The Trust is to be congratulated for their achievement of gaining an entry into the International Dementia Excellence Awards for Beach Ward and also the implementation of the Productive Mental Health Ward Programme in Bedfordshire and Luton in-patient wards.

Reasonable steps have been taken to ensure the data has been checked for accuracy against data supplied by the trust throughout the year, regular reviews and monitoring of data is part of the contractual quality monitoring systems.

The Trust has worked hard to improve the quality of services, and the various initiatives that have been introduced to improve the quality of services are encouraging.

The Trust has had regular clinical quality review meetings with the commissioners where progress against an agreed quality schedule is monitored.

The Trust's management of serious incidents has improved with good reporting and improved quality of root cause analysis of Serious Incidents (SIs).

NHS Bedfordshire supports the priority improvement areas identified for 2011/12. The priority factors address the important issues pertinent to South Essex Partnership University NHS Trust in Bedfordshire and reflect local requirements.

NHS Bedfordshire can confirm that the Quality Account provided for 2011/12 contains accurate information and reflects the quality of current service provision. The account contains the challenges for continued improvement and monitoring of effective patient outcomes which NHS Bedfordshire will continue to review.

### **SEPT Board of Governor's Statement on the Quality Account**

The draft Quality Account for 2010/11 was first shared with Governors at a Governor's Board meeting on Thursday 28 April 2011. Governors were invited to review the document and feedback comments individually to the Company Secretary or to attend one of two meetings arranged one in Essex on 10 May and one in Luton on 13 May to discuss the contents and draft a response to the Board on which the statement below is based.

SEPT Governors have appreciated the keenness of the Trust Board to engage with them in all processes related to quality in the Trust. We have been invited to attend the Trust Stakeholder events, alongside members of staff, training establishments such as the University of Bedfordshire and senior staff from Local Authorities, where much of the day was spent considering the quality improvement priorities for the coming year. The list of five priorities for 2011/12 feels familiar from discussions we had there. We also wish to express our appreciation for the regular updating of progress with improvement goals via reports in Board and Governor's meetings where there has always been a very visible presence of Executive Directors willing and able to answer questions

raised by us and other attendees.

A number of Governors were involved in interviewing potential Non-Executive Directors for Bedfordshire and Luton which was a new experience for us that we found to be very useful and informative. We believe that it is essential to the success of SEPT that the Trust has strong leadership at all levels. Patrick as Chief Executive, Lorraine our Chair and the Board are great exemplars of this but the Trust has also provided training for us governors to be able to contribute as fully as possible by understanding what is being presented to us and encouraging our leadership to challenge, which is always accepted with a positive attitude in both directions.

Governors particularly want to highlight the value we place on the encouragement of the Board to involve us in raising awareness and improving the quality of Trust services in a very 'hands on' way by visiting Trust premises and being able to openly scrutinise the services we found being delivered. In Bedfordshire and Luton in particular this has meant we have been able to see the improvement to the inpatient facilities in Luton which now provide light and welcoming wards and garden areas which we feel must have a positive effect the wellbeing of the people using these areas, service users and carers especially but it must also be heartening for staff to work in these beautiful working environments.

We feel that the Quality Report is an open and honest commentary on what has occurred in the last year. Patrick's statement that he would share what he felt to be good and not so good was followed through on, but in fact some governors thought that he had rather 'undersold' the good work that has been done and have asked for some additional positive comments to be included in the document. We have also asked for some explanations about the improvement tables, which look familiar but which we felt could have a bit more detail.

Although we understand that within the Quality Report there are statutory statements that have to be made there are some elements that were rather difficult to digest and these too we feel have been openly discussed, but a number of us have made requests for more detailed explanations to suit non-professional readers which we hope the Trust will be able to action this year, or if not to take into consideration for next year.

SEPT Governors look forward to working with the Board and SEPT staff to improve quality in the Trust even further during 2011/12 and would like to thank the Board for the opportunity to comment on this Quality Report.

### **Bedford LINK**

SEPT is to be congratulated for the extent of its contributions to research and investigations into the mental health provision of patients. It is felt that some targets already identified will need careful attention during year 2011/12 - these being:-

Page 5 - Physical health assessments - these should be very wide ranging and include comprehensive blood testing together with notes of the whole range of the patient's symptoms - both physical and mental.

Page 19 - Carers' assessments are vital but must be followed up by appropriate support.

Page 22 - Patient Experience Quality Indicator - a score of 24% "excellent" seems low. Hopefully we will see a detailed survey of Patient Experience taking place in the near future, especially in view of the Government's emphasis on this factor.

Bedford LINK is pleased to have the opportunity to engage with SEPT in the comments on this Quality Report.

However in order to contribute in a meaningful manner in the future, it is to be hoped that SEPT will engage in a developmental approach to its

next report and that this will spread over a period of some months, prior to the report being drafted.

### **Bedfordshire LINK**

Bedfordshire LINK is pleased to review the Quality Report for SEPT who we feel have made great steps forward to improve the mental health provision in Bedfordshire and Luton since acquiring the Trust in April 2010.

The Quality Report is written in a very open way, and we believe is a fair assessment of the development and progress of SEPT since taking over the provision of services. The opening statement from the Chief Executive, again, comes across as very open and warm, and we feel there has been a real effort by SEPT to involve stakeholders in improving the delivery of mental health services. It is evident from the documentation that the Trust values the input from the lay representatives; the comments from stakeholders and services users is very heartening.

We have welcomed the quarterly meetings with the Chief Executive of SEPT to raise issues as they arise, the public events and stakeholder meetings the Trust has run across the county and generally the feeling of being included when decisions which will affect the communities we serve as a LINK are being made. This involvement is a very important aspect to the LINK as we have often found that consultations often mean seeing and hearing about plans but not being listened to.

We have been involved in the recent consultations relating to the transformation of the in-patient bed provision for mental health and made a response to the consultation. It is hoped that the new facilities will replicate what the Trust achieved with the developments at Weller Wing - Keats Ward and Townsend Court, that thought is given to accessibility of the provision in Bedford and Luton for Central Bedfordshire residents. In terms of recovery and social inclusion of services users, members are keen to see how the interaction

between the Trust and the GPs unfolds. Mental health illness happens at any time, often GPs are the first port of call and many lack the training and experience of dealing with mental health issues.

In respect of the above, the LINK has met with SEPT to undertake joint visits to some of the mental health bases and also to talk to the Community Mental Health teams to see if these facilities are CQC compliant. We have worked with the Trust to develop the reporting tool and it now incorporates the LINK enter and view reporting content.

Recently some members have had the opportunity to visit the new facilities which will replace Townsend Court and Poplars Ward in Houghton Regis, and have been very impressed with the thought the SEPT team have given to the service user environment and activities for the service user, but most encouraging of all has been to note that the Trust has used the funds prudently and retained items that were sound and could be reused.

We note the five priority areas identified by the Trust for improvement and certainly will be interested to see how the Recovery Star initiative which focuses on people managing their own mental health works in the long-term and how it helps people improve their recovery. We agree it is important to give people the ability to manage their own recovery, but it is also important to note when things are going wrong or where they have regressed for some reason, therefore risk assessments and routine monitoring is essential. In conclusion, we feel encouraged by SEPT's Quality Account, and congratulate the Chief Executive and staff for their hard work and determination to improve mental health provision for the communities in Bedfordshire and Luton.

## **Luton LINK**

This response is from Luton LINK and does not necessarily reflect the views of Central Bedfordshire LINK (Bedfordshire LINK) or Bedford Borough (Bedford LINK) as each of these three LINKs which represent the 'Bedfordshire community' present with a number of variables, which without doubt influence and determine the type and the extent of the service provided.

**Luton LINK would like to thank SEPT for providing Luton LINK with the opportunity to formally respond to the DRAFT Quality Report before publication.**

## **Overall Presentation**

The structure and format could have been more 'user friendly' as the purpose of Quality report is to provide the community with a transparent account of the process and outcomes of a quality service which is both cost effective, clinically safe and meets the needs of the users of the service. A 'jargon buster' or glossary of terms used would be an extremely useful addition to this report as the majority of mental health service users are unfamiliar with medical terminology, managerial 'jargon' and frequently used abbreviations. Graphs and visual diagrams would have improved the presentation from a public perspective.

## **Priorities for Improvement**

The identification of the FIVE key priorities must be commended as a manageable number and stated targets achievable. It would enhance transparency for the public to be given the criteria in which the Board determined these priorities.

## **Support for Carers**

More detail required on the collection of activity data and information on where this data will be stored. Baseline performance should include a comparative analysis on the current position.

## Physical Health

The rationale could have included data from Luton Borough Council's Joint Strategic Needs Assessment (JSNA), as this data clearly identifies trends in health status amongst identified ethnic and at risk groups.

## Risk Assessment

The rationale could have identified that when establishing a baseline performance in this area it will be compatibility with the Boards current Clinical and Corporate Governance structures.

## Service User involvement in care and decision making

Luton LINK commends the Trust for clearly identifying this as a priority area which requires urgent improvement. Once the results of the national survey are published Luton LINK would value the opportunity to be directly involved in participating in local survey implementation.

## Clinical Audits

An operational definition of 'Clinical' would be useful for the users and carers of mental health services as the data produced in the reports places emphasis medical intervention.

## Local Clinical Audits in Luton

Fully endorse the continued improvement and monitoring of key performance indicators of care in Older Mental Health Services.

## Data Quality

The term 'quality of ethnicity' is too ambiguous and should identify the method of consultation with 'ethnic minorities on setting quality indicators. The electronic storage of patient records should include a statement on who will have access to this confidential data.

## Actions to improve Quality Data

More specific detail required on the actions to be taken following the monitoring process.

## Performance against quality improvement priorities

Carers Assessment: The baseline requires a more robust method of assessing carers needs which should be in consultation with the carer and supportive significant others.

Increase in the provision of carer education/ support. More detail required on how the numbers were reached, i.e. 'How many Carers are currently registered' and information on where these programmes are going to be delivered.

Referrals: Explanation of why Bedfordshire and Luton treated within 18 weeks and 16 weeks in Essex.

## Summary and Recommendations:

1. Request that Luton LINK have an input in the compilation of the Quality Accounts for 2011/12.
2. The format of this Report needs to be available in other languages as requested.
3. The presentation of this report needs to be more 'user friendly' with an attached glossary of terms and abbreviation explained.
4. The Report should include population statistics and comparative data which reflect the specific health needs across all the communities in which SEPT is responsible for providing a mental health care service.

Luton LINK would like to formally thank all the staff of SEPT for promoting a positive working partnership between LINK members and the Trust over the past year.

This has enabled Luton LINK to formally address issues/ concerns expressed by the Users/Carers of Mental Health Services communicating an informed response to the public.

**The success of the Joint Mental Health Event held in Luton, in January 2011 exemplifies a positive outcome for both SEPT, Luton LINK and the Luton Community on meaningful Public Engagement.**

### **Essex and Southend LINK**

The SE Essex locality of the Essex and SouthendLINK has considered the SEPT Quality Report 2010/11.

Members have attempted to judge the performance of SEPT in SE Essex from the experiences and outcomes of patients and their carers where appropriate.

We have experienced difficulty in getting a wide range of experiences because of the need for providers of health services to protect patient confidentiality. Notwithstanding, members have been able to get a limited number of patient and carer experiences which enabled us to comment on the Quality Report.

Residents who have used Community Psychiatric Nurses (CPN) have praised the quality of the services provided by SEPT and the positive outcomes for patients and carers resulting from the use of these services. However, some residents criticised the difficulty of accessing CPN services.

Carers, who have not experienced CPN services, have complained to members that they are not adequately involved in the care of their loved ones. Carers feel excluded, and consider that the patient outcome is poorer caused by the lack of their involvement.

People with mental health conditions and carers who approach General Practitioners (GPs) for help report that many GPs signpost them to SEPT immediately without exploring what can be achieved by community services, both NHS, local government and voluntary. Many GPs are

unaware of the services provided by SEPT. To help overcome these problems, we suggest that SEPT should provide a brief and simple directory of services and additionally provide a GP telephone help line. Further we suggest that SEPT considers ways and means of involving GPs in mental health issues.

Members have performed arranged visits to the acute unit at Basildon viewing all the wards and the assessment unit. They report that they were impressed by the environment provided and the commitment of the staff. Further visits to other facilities are planned.

We are aware from time to time of unsatisfactory experiences of users of SEPT secondary care services. The evidence we have for this problem is from a limited number of carers, most of whom are both unwilling and afraid to pursue problems with ward management or other SEPT management. We are aware that SEPT management makes great efforts to get reliable patient and carer experience. There do seem to be problems of getting the necessary input to effect an improvement service delivery.

A member has reviewed the out-of hours service. The service was not considered fit for purpose. We are pleased to note that all local care services are working together to make a dramatic improvement of the out-of-hours service. We are pleased to note that SEPT will be responsible for the provision of NHS community services in SE Essex. We look forward to patients and carers receiving a seamless service as a direct result to replace the present arrangements, and patients and carers will report improved outcomes as a result of this management change.  
HJC 200511

## SEPT Response To LINKs Statements

The Trust is very grateful that a number of LINKs have responded in such detail and would like to thank those that have responded, there is much in the content that we will look to implement.

We are disappointed with some of the comments made as we had felt that the regular meetings we had with LINKs were working well in enabling information sharing and assurance in both directions. However, we will put in arrangements to further improve communication going forward.

## Annex 2 Independent Assurance Report to the Board of Governors of South Essex Partnership University NHS Foundation Trust on the Annual Quality Report

### Independent Assurance Report to the Board of Governors of South Essex Partnership University NHS Foundation Trust on the Annual Quality Report

I have been engaged by the Board of Governors of South Essex Partnership University NHS Foundation Trust to perform an independent assurance engagement in respect of the content of South Essex Partnership University NHS Foundation Trust's Quality Report for the year ended 31 March 2011 (the 'Quality Report').

#### Scope and subject matter

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

#### Respective responsibilities of the Directors and auditor

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 2010/11 issued by the Independent Regulator of NHS Foundation Trusts ('Monitor').

My responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to my attention that causes me to believe that the content of the Quality Report is not in accordance with the NHS Foundation Trust Annual Reporting Manual or is inconsistent with the documents.

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

- ▶ Board Minutes for the period April 2010 to April 2011;
- ▶ papers relating to quality reported to the Board over the period April 2010 to April 2011;
- ▶ feedback from the Commissioners dated May 2011;
- ▶ feedback from Governors dated April 2011;
- ▶ feedback from LINKs dated May 2011;
- ▶ the Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009;
- ▶ the 2011 national patient survey;
- ▶ the 2011 national staff survey;
- ▶ the Head of Internal Audit's annual opinion over the Trust's control environment dated May 2011;
- ▶ Care Quality Commission quality and risk profiles.

I considered the implications for my report if I became aware of any apparent misstatements or material inconsistencies with those documents (collectively, the 'documents'). My responsibilities do not extend to any other information.

This report, including the conclusion, has been prepared solely for the Board of Governors

of South Essex Partnership University NHS Foundation Trust as a body, to assist the Board of Governors in reporting South Essex Partnership University NHS Foundation Trust's quality agenda, performance and activities. I permit the disclosure of this report within the Annual Report for the year ended 31 March 2011, to enable the Board of Governors to demonstrate it has discharged its governance responsibilities by commissioning an independent assurance report in connection with the Quality Report. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Board of Governors as a body and South Essex Partnership University NHS Foundation Trust for my work or this report save where terms are expressly agreed and with my prior consent in writing.

**Assurance work performed**

I 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’). My limited assurance procedures included:

- ▶ making enquiries of management;
- ▶ comparing the content requirements of the NHS Foundation Trust Annual Reporting Manual to the categories reported in the Quality Report; and
- ▶ reading the documents including board reports, feedback from stakeholders, national surveys and the Head of Internal Audit Opinion.

A limited assurance engagement is less 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**

It is important to read the Quality Report in the context of the criteria set out in the NHS Foundation Trust Annual Reporting Manual.

**Conclusion**

Based on the results of my procedures, nothing has come to my attention that causes me to believe that, for the year ended 31 March 2011, the content of the Quality Report is not in accordance with the NHS Foundation Trust Annual Reporting Manual.

**Rob Murray**  
**Officer of the Audit Commission**

**3rd Floor, Eastbrook, Shaftesbury Road,  
 Cambridge, CB2 8BF**

**17 June 2011**



# 7.0 Non Financial Report

## Sustainability and climate change.

### Background

In 2009 the Sustainable Development Unit (SDU) in the Department of Health published its recommendation for Trust Boards to establish governance structures to support the implementation of carbon reduction & sustainable development agendas through the adoption of a 'Board approved Sustainable Development Management Plan'.

On 1 February 2011 The SDU published its latest guidance on collaborative working across the health system. Their 'RouteMap' succinctly makes the point that by its nature the NHS must be sustainable "we must meet the needs of our patients today, while ensuring we have a service fit for tomorrow and beyond".

The Climate Change Act sets a legal requirement for the UK to achieve carbon reductions of 26% by 2020 and 80% by 2050. Work carried out by the SDU for England indicates that the NHS needs to achieve a 10% reduction on 2007 levels by 2015 to meet the legal imperative. The NHS has a carbon footprint of around 18 million tonnes CO<sub>2</sub> per year; this is composed of energy (22%), travel (18%) and procurement (60%). Despite an increase in efficiency, the NHS has increased its carbon footprint by 40% since 1990. This means that meeting the Climate Change Act targets of 26% reduction by 2020 and 80% reduction by 2050 will be a huge challenge, this will require the current level of growth of emissions to not only be curbed, but the trend to be reversed and absolute emissions reduced.

### SEPT's Response

SEPT has developed a comprehensive Sustainable Development Management Plan & Implementation framework for 2011/14. The SDMP was formally adopted by the Board of

Directors on 23 February 2011.

SEPT recognises the case for sustainability in healthcare and there is sound evidence that many components of sustainability achieve cost reductions and immediate health gains. Sustainability means ensuring the development of a sustainable system which can reduce inappropriate demand, reduce waste and incentivise a more effective use of services and products, within a remit of high quality and cost effective commissioning.

Having a robust Sustainable Development Management Plan helps SEPT fulfil its commitment to conducting all aspects of its activities with due consideration to sustainability whilst providing high quality patient care. SEPT continues to work closely with partners, especially other NHS organisations and Local Authorities, developing a community-wide approach to sustainability and carbon reduction.

The SDMP re-emphasises SEPT's pledge to bring about the 25% reduction in its carbon emissions by 2014, through the full implementation of its carbon reduction plan. Critically, the SDMP emphasises the benefits of using the 'Good Corporate Citizen Model' to deliver the improvement in community engagement, employment & skills, travel, transport & access and water consumption which are all underrepresented in the original carbon reduction plan.

SEPT contributes to the local economy in terms of procurement, workforce, and community development, in recognition of the health benefits that can be achieved, fulfilling its legislative requirements in relation to climate change mitigation and adaptation. The goal of sustainable development is to meet the needs of today, without compromising the ability of future

generations to meet their needs. This will include ensuring that SEPT is embedding sustainable development through core functions such as travel, procurement, facilities management, and workforce and community engagement.

### **Green Fleet Review**

In April 2010 SEPT signed an agreement with the Government's Energy Saving Trust (EST) which secured a detailed study into the efficiency of travel & transport operations for business mileage across south Essex. The study entailed the EST receiving transport data from estates, facilities and finance departments as well as extracts from ERIC return and our carbon management plan. The EST delivered their final report during January 2011 this contained several key recommendations, all of which are being considered by the carbon management team, for implementation where practicable and affordable over the next two years. To continue the successful association with The Energy Saving Trust, SEPT has signed up to their 'MotorVate' fleet carbon commitment scheme.

### **Carbon Trading Scheme (CRC EES)**

SEPT is required to register as a full participant for the CRC during 2011/12. Preparatory work planned should ensure that the Trust is not exposed to avoidable financial and reputational penalties under the terms of the scheme. This work will include the design and ongoing operation of a Trust-wide database & evidence repository for all CRC matters. This will be available to the scheme administrator and their auditors at all times. The qualifying period for phase two of CRC EES will be the financial year 2012/13. SEPT will need to purchase permits on a Buy to Comply basis for 2012 and thereafter.

### **Display Energy Certificates (DEC)**

Display Energy Certificates (DEC) show the actual energy usage of a building, this is defined as the

operational rating of the building. Certificates are on display in all qualifying buildings in South Essex, Bedfordshire & Luton.

### **NHS Forest**

In March 2010, the Trust identified 11 of its sites within which to plant 200 trees as part of the NHS Forest initiative. The planting of the 200th tree marked the launch of the Trust's Carbon Management Plan on 19 May 2010 at the Trust's Head Office in Essex.

Prior to planting, SEPT worked alongside Essex County Council's Principal Tree Officer on larger sites to ensure that the species chosen were in keeping with their environment. Orchards were also planted at three sites to enable fruit to be used by kitchen staff.

### **10:10 Update**

The national 10:10 campaign is promoted by the charity Knowledge into Action under their Campaign for Greener Healthcare programme, it seeks to encourage everyone to achieve a 10% reduction in their emissions across four key areas of their carbon footprint, during the year 2010. SEPT signed up on the first day. SEPT's carbon management plan is linked to the national 10:10 campaign and is featured on their web site, in the healthcare section.

The link to the 10:10 healthcare section is <http://sustainablehealthcare.org.uk/1010>

The link to the 10:10 main site home page is <http://www.1010global.org/uk>

### **The Good Corporate Citizenship assessment model**

The GCC was developed in 2006 by the Sustainable Development Commission with the support of the Department of Health. This was then revised in 2009 in cooperation with the NHS Sustainable Development Unit. SEPT

**Table 10 - Good Corporate Citizenship Assessment Model**

Section	2009 score	2010 score
Travel	9%	20%
Procurement	6%	13%
Facilities Management	19%	48%
Workforce	61%	93%
Community Engagement	37%	56%
Buildings	15%	65%

signed up to the GCC scheme in 2009 and has committed to use the model to further identify ways to improve performance, and to reach out to the wider community. The use of the GCC model was first adopted in the Trust's five year Carbon Management Plan.

The Good Corporate Citizen Model now sits within the approved Sustainable Development Management Plan, which in turn links in to the Trust strategic objectives. Service users have participated in the stakeholder workshops as part of the carbon management plan roll out and have provided valuable suggestions to carbon reduction initiatives.

#### **Carbon Management Plan 2010-14**

South Essex Partnership University Foundation NHS Trust was selected in 2008, amidst strong competition, to take part in the Carbon Trust's programme. SEPT partnered with the Carbon Trust on this important programme in order to realise substantial carbon and cost savings. This Plan commits the Trust to a target of reducing its CO2 emissions by 25% by 2014 in absolute terms from a baseline year of 2008, when emissions from SEPT's activities stood at 8,373 tonnes. A business as usual scenario prediction is for this to rise to 8,670 tonnes a year by the 2013/14 financial year. Therefore the Carbon value at stake is 2,379 tonnes and the Cost value at stake is £677,000

after five years. The Trust's aim is to reduce its carbon emissions resulting from its Buildings, Transport, Waste and Procurement, combined, by 25% overall by 2013/14 (from a base line year of 2008/09). SEPT continues to embed carbon management into its day to day business such that all key decisions will have due regard to their environmental impact. This plan will save 6,831 tonnes of carbon dioxide by the end of 2014 and cumulative savings of £1,214,000. In 2014/15 the level of CO2 emissions will be 25% lower than the baseline year (2008)

#### **Investment decisions for the carbon plan Projects**

The carbon management plan set out an anticipated total investment over the four years at £1,543,000 plus a provisional sum of £286,000. The allocation available in the first year of the plan was £290,000, and 14 projects were selected as the most advantageous.

#### **Air tightness, insulation, heating controls & lighting controls**

Recent ward refurbishments have included the specification of significantly higher standards for air tightness & insulation and engineering controls. This includes a building energy management system for close control of the heating and automatic switching of the lighting. A recent addition is the creation of a new installation of air

source heat pumps (ASHP). This is the first of its kind for the Trust. An ASHP is an energy efficient and therefore carbon efficient way of transferring heat from the air outside the building into the hot water used for bathing and general purposes. Although the system requires a small amount of electricity, ideally from a renewable source, it displaces the need for a large amount of gas. Other recent new buildings within the estate incorporate ground source heat pumps, rain water harvesting, sun pipes and a range of other innovative low carbon technologies.

note: 20% of the electricity supplied on site is from an accredited renewable source.

### Smart metering

Rochford Hospital was selected as the first location for viewing real-time energy consumption. TR Controls Ltd. was selected as the preferred partner because of their success in working with departments of Central Government. Using a standard web page, the units consumed of gas, water and electricity are viewed, alongside the costs and emissions in real time. This engages staff and visitors so they can appreciate the immediate impact of their actions.

### Voltage optimisation

The first site chosen for installation was Rochford Hospital, to be followed by Thurrock Hospital in 2011/12 The VO transformer will work continuously for the whole life of the buildings, expected to exceed 40 years. Voltage & Power Optimisation produces energy, carbon and cost savings by efficiently optimising the voltage,

reducing this unwanted over voltage leads to significant lower control losses and increases the life span of electrical components.

### Switching off IT equipment automatically when not required

Software has been purchased and installed on the central servers to continuously monitor activity on the large number of PCs installed across the Trust so that where PCs are left on inadvertently they are now shut down, after an on screen warning.

### Driver training

The Energy Saving Trust agreed to part fund driver training for selected staff members. The Trust proceeded with this by arrangement through the EST and a 50% contribution to costs was secured.

### Bottled water

A proportion of the bottled water dispensers have been replaced with an installation of fixed mains fed machines. A program to roll this out to locations across south Essex has commenced.

### Carbon Baseline; outputs

Summary Graph (including buildings and transport)

The variations from the baseline year are; (Energy in Buildings - 2.81%) (Travel & Transport + 0.60%) (Water, Waste & Other -2.90%)

note: Although the baseline data presented above is derived from activity in the south Essex area, there has been a necessary increase during 2009/10 for staff to travel on business into the Bedford & Luton areas, this is most noticeable

Year	Total CO2 Emission (tonnes)	Emissions from building (tonnes)	Emissions from transport (tonnes)	Further scope (waste, water and refrigerant gas) (tonnes)
2008/9	8,814	7,732	633	448
2009/10	8,587	7,514	637	435
2010/11	-	-	-	-

in the year on year distance travelled figures available for staff leased cars, where there is an increase of some 69,336 Km. Whereas the fleet and estates vans which generally stayed within the SE area show a reduction of 3,746 Km. It is anticipated that data covering all areas of Trust activity will need to be captured in future and presented in a way that makes useful comparisons possible. There is currently no baseline data for the newly acquired areas, the original work undertaken with the carbon Trust was confined to south Essex.

## References

The Sustainable Development plan and the Carbon Reduction plan are available in the library section of the Trust's website [www.sept.nhs.uk](http://www.sept.nhs.uk)

## Regulatory Ratings (Monitor Ratings)

The Trust is monitored in accordance with the Compliance Framework for 2010/11 issued by Monitor – the Independent Regulator for Foundation Trusts. The Compliance Framework consists of three main components, namely an annual risk assessment, in year monitoring and intervention by Monitor as required. Monitor assigns risk ratings in three areas to the Trust in relation to finance, governance and mandatory goods & services. The ratings assigned to each of these areas determine the level of monitoring undertaken by the regulator.

The Trust's performance in each of the three risk rating areas for the 2010/11 financial year is detailed in table 15. In addition, comparator information for the 2009/10 financial year is also provided below which relates to the Trust's performance prior to the acquisition of the former BLPT.

As at the end of the 2010/11 financial year the Trust is anticipating to have achieved a financial risk rating of 4. This is in excess of the planned risk rating for the year of a 3, with the increase relating

to a technical adjustment to the Trust's surplus for the revaluation of investment properties.

The Trust has submitted an Annual Plan with green risk ratings for governance and mandatory services. This green level of rating has been achieved throughout both the current financial year and the 2009/10 financial year.

The Trust's strong financial governance and mandatory services risk rating has therefore not required any formal interventions by Monitor.

## Equality and Diversity

Equality and Diversity has gone through significant change within the Trust with the advent of the new Equality Act and the development of the NHS Equality Delivery System which will ensure the Trust meets and monitors its obligations to the workforce and service users.

SEPT is committed to eliminating any form of discrimination either within the workplace or in relation to our service users. This does not mean treating everyone the same or providing the same service to everyone. It means providing everyone with a service in a way that meets their personal circumstances and needs.

The Equality & Diversity Steering Group oversees equality and diversity initiatives within the Trust to ensure the performance of equality & diversity activities are monitored and progressed. Details of the Equality & Diversity Steering Group activities are provided to the Trust Executive Team and Board on a regular basis and this work will include developing a new action plan which encompasses our legal obligations as well as our organisational strategic direction.

SEPT works very closely with its Equality Groups, and prides itself on the relationships it has with the national organisations which support these groups – e.g. Stonewall, Mindful Employer and

**Table 11 – Regulatory Ratings**

	<b>Annual Plan 2009/10</b>	<b>Q1 2009/10</b>	<b>Q2 2009/10</b>	<b>Q3 2009/10</b>	<b>Q4 2009/10</b>
Financial risk rating	4	5	5	5	4
Governance risk rating	Green	Green	Green	Green	Green
Mandatory services	Green	Green	Green	Green	Green

	<b>Annual Plan 2010/11</b>	<b>Q1 2010/11</b>	<b>Q2 2010/11</b>	<b>Q3 2010/11</b>	<b>Q4 2010/11</b>
Financial risk rating	3	5	4	4	4
Governance risk rating	Green	Green	Green	Green	Green
Mandatory services	Green	Green	Green	Green	Green

Positive about Disabled People (two ticks) are all invited to the Trust to work closely with us .

duty on public sector organisations to make their analysis available.

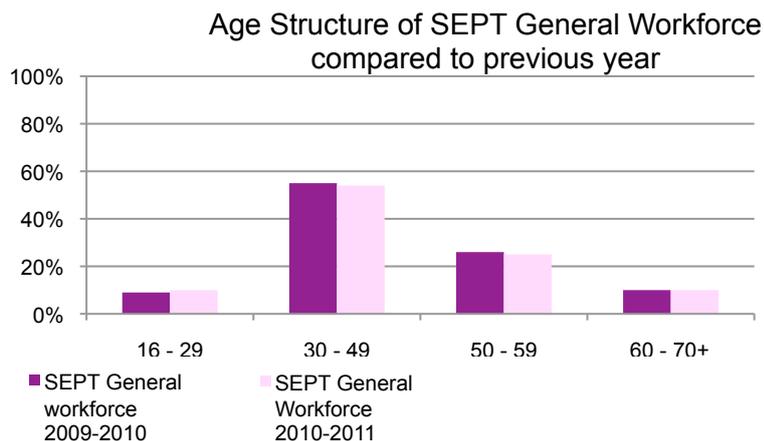
Every year SEPT produces a Workforce Equality Analysis report which presents key equality information on the workforce. Where hotspots are identified, further drill down reports are presented. Plans are underway for 2011 to upload and publish this information under new regulations within the Equality Act which place a

Table 12 below provides information on Equality and Diversity in respect of the Trust’s staff.

**Table 12 - Equality and Diversity (Staff)**

**Age Structure of the Workforce**

<b>Age</b>	<b>SEPT 2010/11</b>	<b>SEPT 2009/10</b>
16-29	9%	10%
30-49	55%	54%
50-59	26%	25%
60-70+	10%	10%



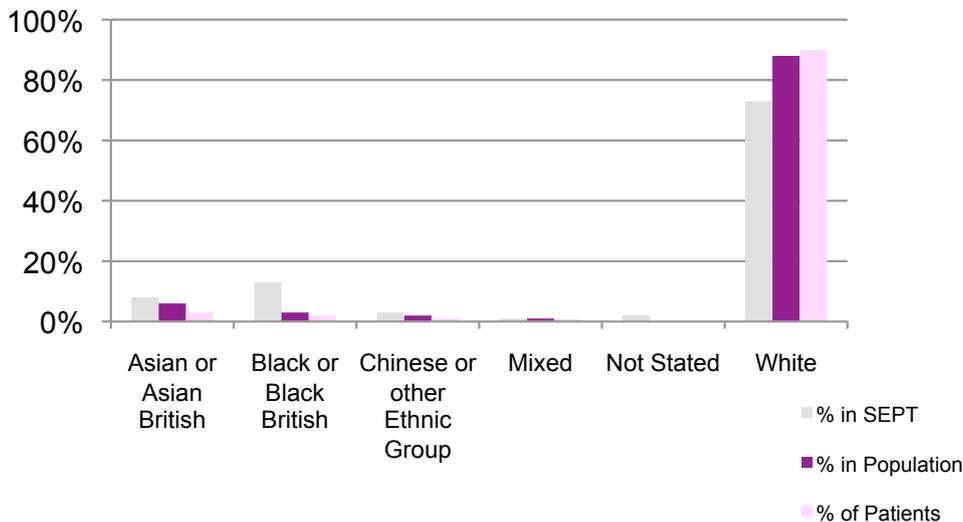
## Ethnic Structure of the Workforce

Ethnicity	SEPT		
	% in Trust	% in Population	% of Patients
Asian or Asian British	8%	6%	3%
Black or Black British	13%	3%	2%
Chinese or other Ethnic Group	3%	2%	1%
Mixed	1%	1%	0.7%
Not Stated	2%	0	0%
White	73%	88%	90%
Totals	100%	100%	100%

The leads for Equality and Diversity are the Executive Director of Social Care and Partnership Strategy & Delivery and the Executive Director of Corporate Affairs. The action plans for Equality and Diversity are agreed and monitored by the Equality and Diversity Steering Group which reports through the Executive Team to the Trust's Board of Directors.

**Figure 1**

**Ethnicity Structure: Proportion of General workforce compared to the Local Population and Patients**



As an employer, SEPT has developed and implemented a range of policies which make us a fair and equal place to work. Equality and Diversity training is now carried out virtually to ensure all staff are able to access the course and avoid delays in attendance. Equality Impact Assessments are carried out for all key work streams including management restructures which were significant during the year as a result of national spending cuts within the NHS. Not only were Impact Assessments produced but the workforce affected were analysed by key equality data to monitor activity from an equality perspective. All outcomes are reported to the Joint Staff Forum – attended by Union and Staff Representatives for the Trust.

## Equality and Diversity Operational Services

SEPT is always looking for ways to promote and improve the experiences of our customers, ensuring that everyone has fair access to services regardless of differences such as disability, ethnicity, first language, age, gender, religion, sexual orientation, education, income, or any other reason.

SEPT is also taking a human rights based approach to service access and delivery. In particular we are improving services by building them on the human rights principles of fairness, respect, equality, dignity and respect (the so-called FREDAs principles). For

example, in Bedfordshire and Luton our last inpatient survey has already shown a tremendous improvement in the way we deliver services with dignity and respect. Our Community Development Workers have been working locally promoting the mental wellbeing

In order to provide a comparison, SEPT results for the year were compared to those for Essex for the year prior. The results were excellent – with only three out of a possible 38 key findings below the National 20% average, leaving 35 Key findings within the top 20% across the country.

of the Black and Minority Ethnic (BME) communities. We had a very successful anti-stigma and discrimination campaign last year and we will be building on that this year. With the new public sector equality duty coming into force on 5 April 2011, SEPT is actively engaged to comply with that duty through the new NHS-led Equality Delivery System (EDS) framework. We feel that promoting the value of diversity provides a rich quality to our services and provides us with opportunities to find new ways of meeting the needs of individuals and genuinely providing services ‘in tune with you’.

### Staff Survey

All NHS trusts in England are required to take part in the National Staff Survey every year, and the results are published by the Healthcare Commission, along with reports on the national findings. The survey enables each organisation to benchmark itself against other similar NHS organisations on a range of measures of staff satisfaction and opinion.

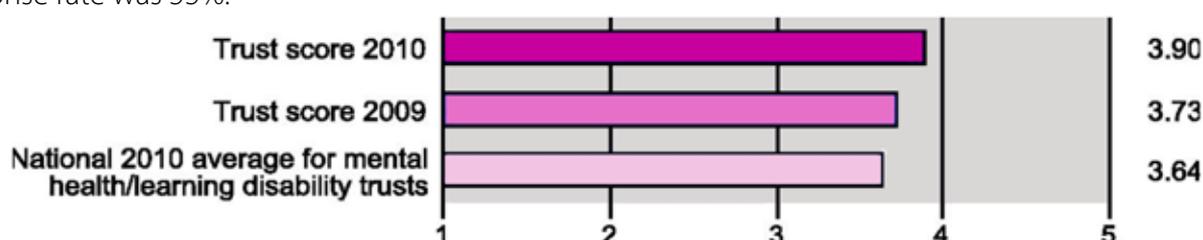
This year SEPT managed a response rate of 56% which compares favorably to the national response rate was 55%.

**Table 13 - Satff Survey**

	2010 – 38 Key finding areas (SEPT)	2009 – 40 Key finding areas (Essex)6%	2009 – 40Key finding areas (B&L) 3%
Top 20%	28	25	1
Better than Average	3	8	5
Average	4	4	6
Worse than Average	1	3	10
Lowest 20%	2	0	18

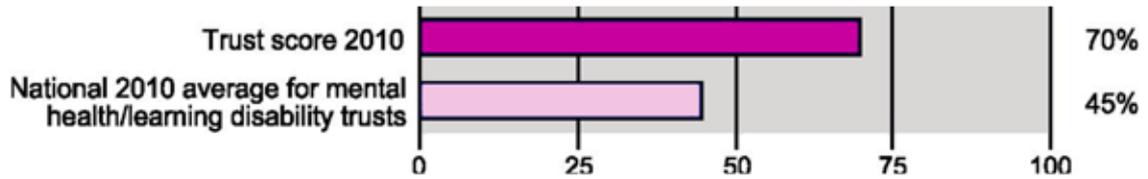
The tables below present samples of the Key Findings, using data from the Trust’s 2010 survey, and compares these to other mental health/ learning disability trusts in England and to the Trust’s performance in the 2009 survey. The figure below shows how South Essex Partnership University NHS Foundation Trust compares with other mental health/learning disability trusts on an overall indicator of staff engagement.

Possible scores range from 1 to 5, with 1 indicating that staff are poorly engaged (with their work, their team and their trust) and 5 indicating that staff are highly engaged. The trust’s score of 3.90 was in the highest (best) 20% when compared with trusts of a similar type.

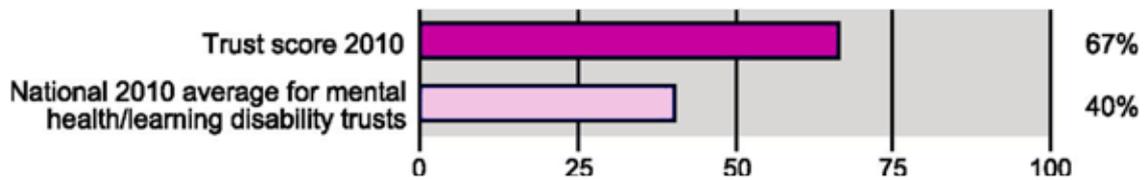


SEPT TOP FOUR RANKING AREAS

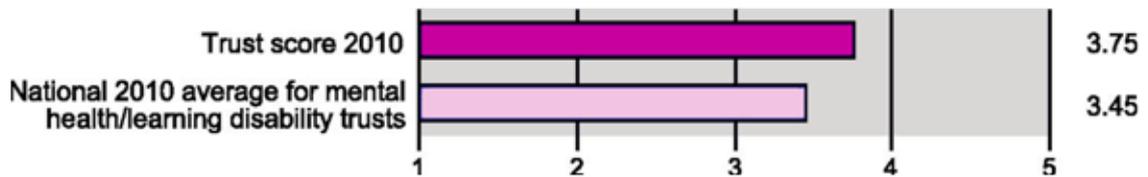
KF10. Percentage of staff feeling there are good opportunities to develop their potential at work



KF13. Percentage of staff having well structured appraisals in last 12 months



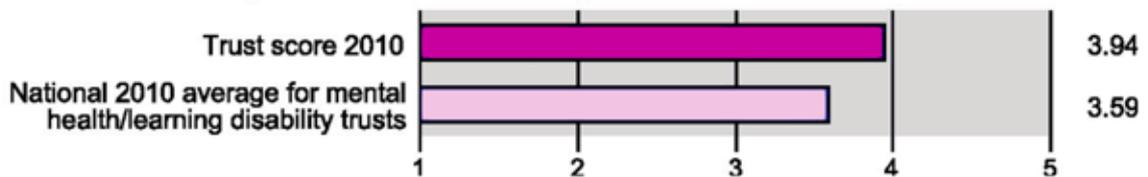
KF22. Fairness and effectiveness of incident reporting procedures



KF7. Trust commitment to work-life balance

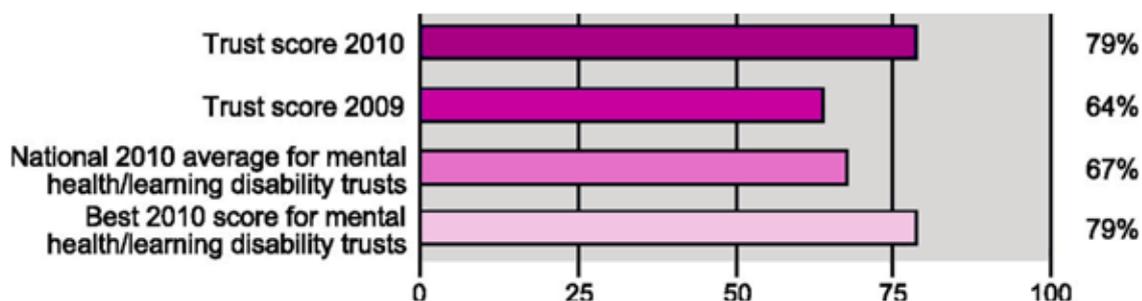
*(the higher the score the better)*

*Scale summary score*



## 4.2 LARGEST IMPROVING AREAS

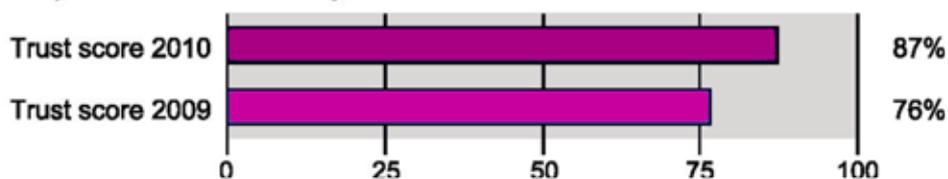
KF31. Percentage of staff able to contribute towards improvements at work



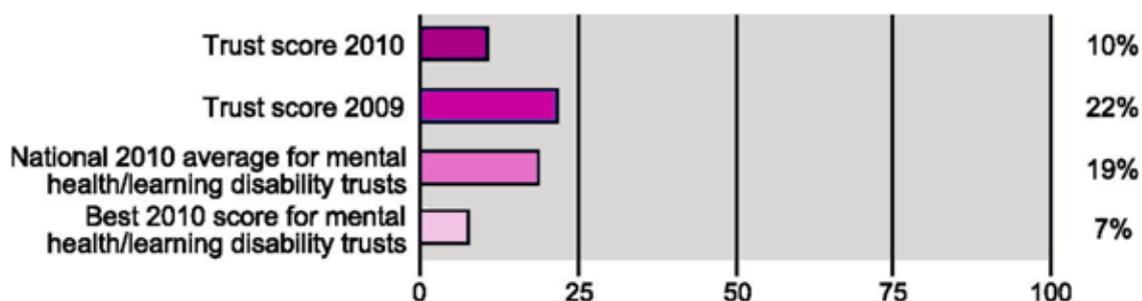
KF3. Percentage of staff feeling valued by their work colleagues

(the higher the score the better)

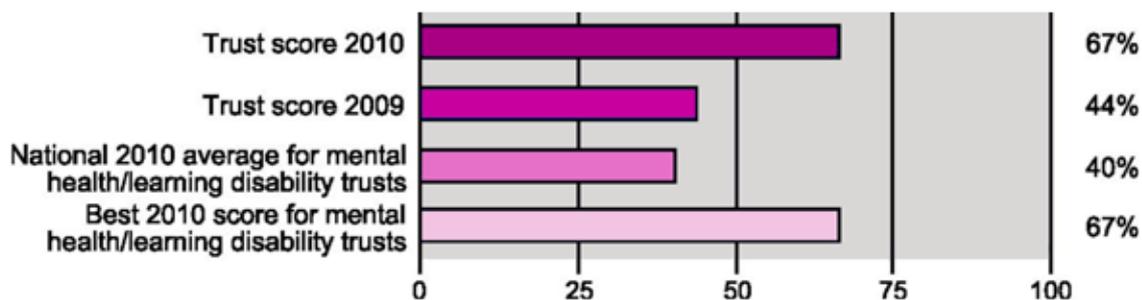
Percentage score



KF29. Percentage of staff feeling pressure in last 3 months to attend work when feeling unwell (the lower the score the better)



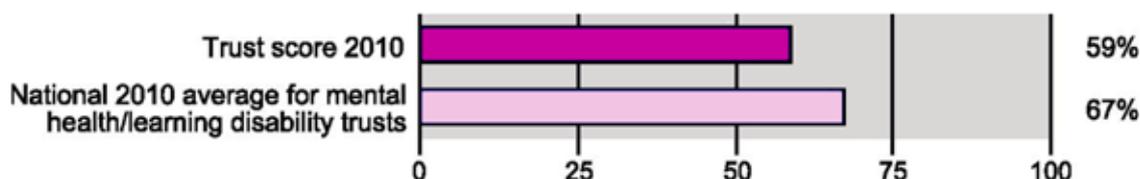
KF13. Percentage of staff having well structured appraisals in last 12 months



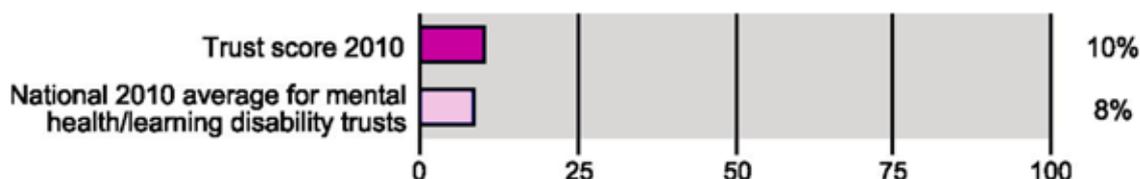
### SEPT Areas For Further Action

The charts below identify our lowest scoring areas. These have been built in to the Staff Survey Action Plan which is stringently monitored and is built into Risk Registers where appropriate. Further plans are underway over the coming year to analyse the reasons why our score for usage of flexible working is lower than the average.

**KF9. Percentage of staff using flexible working options**

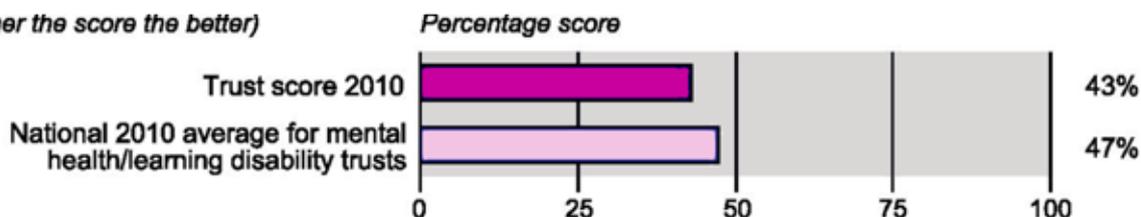


**KF17. Percentage of staff suffering work-related injury in last 12 months**



**KF36. Percentage of staff having equality and diversity training in last 12 months**

*(the higher the score the better)*



**KF20. Percentage of staff witnessing potentially harmful errors, near misses or incidents in last month**



These were SEPT’s best results ever and were particularly significant considering the vast change that the Trust has implemented over the last year. In addition these results mean a massive turnaround of the results in the Bedford and Luton localities from 18 key findings areas in the bottom 20% of results in 2009, to 28 key finding areas in the top 20% for the whole of SEPT in 2010.

Although these are unprecedented results an action plan is being developed to improve on the weaker areas and maintain this current high performance. In addition, once the acquisitions are complete, an overall action plan will be pulled together including overall actions for the whole of SEPT and individual actions for the localities.



# 8.0 Other Disclosures In The Public Interest

## Community Health Services Update

During 2010/11 PCT commissioners were required to seek alternative organisations to acquire their community health service provider arms. SEPT expressed an interest in services in the localities of Bedford, Luton, West and South East Essex. A competitive managed dialogue process ensued, the result of which was announced during the winter of 2010. SEPT was successful and nominated as the preferred acquirer for community health services in Bedfordshire, South East and West Essex and reserve acquirer for Luton. As with the acquisition of BLPT last year, Monitor and Cooperation and Competition Panel approvals are required to enable the transactions to complete and these are expected during the summer of 2011. An integration plan is in place which will be implemented during the latter months of 2011 bringing together staff from all four organisations; integrating policies, governance, systems and process.

## Training

Following the acquisition of BLPT on 1 April 2010, the workforce departments merged and worked to ensure that all staff would continue to access the full range of programmes required to meet mandatory and professional development needs.

As a result of the change all policies relating to workforce development were reviewed and harmonised. The Induction and Mandatory Training policy was reviewed and all training programmes in the curriculum mapped. The mapping ensured that programmes delivered in Bedfordshire and Luton sites were equivalent to the programmes delivered at Essex sites. Very few changes were required. The main changes were to the Prevention and Management of Violence curriculum as the previous trusts had followed different models. Following an in-depth analysis of

the benefits of the two models it was decided to adopt the General Services Model across the Trust. Conversion training for all Essex instructors and staff will be rolled out from May 2011.

The Virtual Learning Zone was enlarged to accommodate all staff in the new Trust. E-learning had not been used as widely in BLPT before the acquisition but a range of new programmes were created that reduced the need for staff release time in all areas. Existing programmes (e.g. Safeguarding of Vulnerable Adults) were reviewed to ensure that they contain material appropriate for all sites. E-learning continues to provide a cost effective means of delivering training and of providing an information resource that is readily accessible by all staff.

Library access was also harmonised across the Trust. The Workforce Development Department worked with the three libraries serving the Trust: Basildon Healthcare, Luton and Dunstable and Bedford Hospital; to review budget allocations and usage. Basildon Healthcare Library is now the NHS Athens administrator for the Trust which has meant that all staff can access all the Trust's electronic resources. SEPT has continued to invest a significant proportion of the library budget in electronic resources as this mitigates access difficulties. All three libraries continue to hold hard copy resources for the Trust and the possibility of inter-library loans also mean that these resources are available to all staff.

The Study Leave Policy was harmonised across the Trust to ensure equality of opportunity for staff. The Extended Study leave process was introduced for staff in Bedfordshire and Luton. The budget allocation was increased to accommodate the larger staff base. Extended Study leave funding is used to cover courses of over a year in duration or above £1,000 in cost. The funding is mostly used to cover professional qualifications or higher

level degrees. Funding decisions are made via application to the Extended Study Leave Panel. Joint Panels are run via video conferencing between the two main sites. Video conferencing is also used for the Workforce and Organisational Development Meetings to minimise staff travel time and to promote engagement across the Trust.

University contracts for Continuing Professional Development (CPD) budgets are allocated via the Bedfordshire and Essex County Workforce Groups (CWG). Workforce Development representatives attend CWG meetings. Contract allocations were negotiated with both groups. In Bedfordshire the allocation was used at a number of regional universities following the training needs analysis submitted by staff. The allocation from the Essex CWG was used at Essex based universities but a proportion of the money was allocated for specialist training only available out of region. There were additional allocations made by both CWGs specifically for CPD for Allied Health Professionals in recognition of their specialist needs.

The workforce development needs of the pre-professional workforce were addressed in both localities. Two cohorts of Associate Practitioners were recruited in Essex. The training is funded by the CWG and the Trust delivers the first year of the course 'in-house'. Students in Essex progress to Anglia Ruskin University for the second year of their course. The role was introduced to teams in Bedfordshire and Luton with the recruitment of the first cohort of students. The training for these students will be delivered by Bedford University for mental health and Hertfordshire University for Learning Disability students.

National Vocational Qualifications (NVQs) in health and social care and business administration have been delivered across the Trust. These are funded

through a combination of grants from the SHA and the Skills Funding Agency. Preparations are underway for delivering apprenticeship frameworks from May 2011.

The focus of this year has been on harmonising policies and practices across the enlarged Trust. This has been achieved to mutual benefit and provides a strong basis for workforce development in 2011/12.

## Health & Safety Performance

The Trust continues to maintain compliance with current Health & Safety Legislation, which is evidenced by the ongoing review and introduction of Policies and Procedures.

The Corporate Statement and Policy on Health & Safety (RM01) is the foundation on which the Trust identifies the organisational structure for managing Health & Safety and thereby fulfilling all statutory obligations as required by the:

- ▶ Health & Safety at Work etc Act 1974;
- ▶ Management of Health & Safety at Work Regulations 1992;
- ▶ Workplace (Health, Safety, and Welfare) Regulations 1992.

Following the integration with BLPT, the Risk Management Department reviewed all risk policies and procedures from both areas of the Trust to develop individual combined documents across the organisation. The following policies were part of the process, which was completed during the period 2010/2011:

- ▶ RM01 Corporate Statement and Policy on Health & Safety;
- ▶ RM02 Fire Policy;

- ▶ RM04 Control of Substances Hazardous to Health (COSHH) Policy;
- ▶ RM07 Display Screen Equipment Policy;
- ▶ RM08 First Aid Policy;
- ▶ RM11 Health & Safety Risk Assessment Policy;
- ▶ RM15 Health & Safety of Young Persons Policy.

The Trust continues to develop the health and safety agenda across the organisation and participates in Health and Safety Executive (HSE), safety initiatives to provide assurance of its commitment to a safe working environment for staff, service users and visitors to the Trust's premises. This has included:

- ▶ the "Shattered Lives" campaign to address Slips, Trips and Falls in the workplace;
- ▶ identifying initiatives of controlling the level of accidents and incidents within the Trust and reducing the number of litigation claims.

The Trust has continued to provide Health & Safety guidance and support throughout the year

and provides an assurance of the organisation's commitment in maintaining a safe environment for all. The Trust works in partnership with the unions to drive this agenda forward.

### RIDDOR Activity

The on-going statistics for the Reporting of Injuries, Diseases & Dangerous Occurrences (RIDDOR) incidents within the organisation for the period 2010/11, are detailed in Table 14.

### H&S Audits

The Risk Management Department have continued to undertake annual health and safety audits across the organisation and also provide support and guidance to staff in dealing with issues that require corrective action to reduce the risk of further incidents.

All wards and units throughout the organisation were subject to a full health and safety inspection, as required by Health & Safety legislation. This now includes an assessment of the security measures that are currently in place to provide an assurance that they meet the requirements of the NHS

**Table 14 – Reported Incidents - Trustwide**

Location	Qtr 1	Qtr 2	Qtr 3	Qtr 4	2010/11 Total
Adult Wards	3	2	1	3	9
Community	2	0	1	0	3
Elderly Wards	7	6	3	3	19
Forensic Wards	1	1	1	2	5
CAMHS Wards	0	0	1	0	1
LD Wards	1	1	0	0	2
Resource Centres / Office	0	0	0	1	1
	14	10	7	9	40

Security Management recommendations and guidance.

In all cases an action plan is completed of those areas where corrective action is required. This is discussed with the local manager and timescales agreed for the actions to be completed. The plan is continually reviewed and is subject for discussion at the local health and safety sub group meetings.

### **H&S Training**

The Health and Safety training module is now included as part of the VLZ induction module which all new members of staff have to complete. The fire training, however, is undertaken as face to face in the initial induction to the Trust. The Risk Management Department continues to provide training courses throughout the year, they are:

- ▶ Accident/Incident Reporting (including RIDDOR);
- ▶ Accident/Incident Investigation;
- ▶ Workplace Risk Assessment and Risk Assessor Training;
- ▶ Health & Safety Representatives;
- ▶ Fire Marshall;
- ▶ Cascade Fire Trainer.

## **Infection Prevention and Control**

### **The Board of Directors**

The Board of Directors is committed to ensuring that patient safety is at the forefront of all that we do. The importance of maintaining high standards of infection, prevention and control and cleanliness is a matter of national concern. Therefore, Infection Prevention and Control (IPC) is a key feature of maintaining patient safety and ensuring that both the quality and the care our patients receive is of a very high standard.

### **Care Quality Commission (CQC) Registration Standards**

CQC Registration Standards Outcome 8 requires Healthcare Organisations to keep patients, staff and visitors safe by having systems to ensure that the risk of healthcare acquired infection to patients is reduced, with particular emphasis on high standards of hygiene and cleanliness, achieving year on year reductions in Methicillin-Resistant Staphylococcus Aureus (MRSA). SEPT is fully compliant with this standard.

### **Risk Management Standards level 1**

The Trust is fully compliant with Registration Standards requirements and this was further illustrated when the Trust achieved Risk Management Standards level 1, with full marks achieved for Infection Control.

### **Integration of Bedfordshire, Essex and Luton**

Infection Prevention and Control arrangements within SEPT are well established across both sides of the Trust and excellent progress has been made towards integrating and standardising systems towards achieving full compliance with the Code. The ongoing work in maintaining compliance is overseen by the respective Infection Control Committees.

The committees, chaired by the Director for Infection Prevention and Control (DIPC) –Teresa Kearney, meet quarterly and meetings are well attended with constructive input from all members. The committees provide an opportunity to review arrangements for the management and control of infection across the organisation and the long term plan for the forthcoming year is to amalgamate the two into one committee.

The Trust takes great pride in ensuring it provides a patient environment that is clean and fit for purpose. Local and national targets have successfully been achieved, affirmed by independent validation, such as PPI reports and

PEAT assessments, demonstrating the Trust's ongoing commitment to providing an appropriate environment.

The Intensive Support Team from the SHA visited all areas of the Trust on 24/25 May 2010. A tightly packed programme of visits to as many sites as possible was planned. During the visit to the Trust they looked for assurance that we as an organisation are doing everything within our power to provide a safe, clean and hygienic environment for our patients, and that every member of staff is aware of their individual responsibility towards complying with national, regional and Trust guidance relating to infection prevention and control. As well as the visits to many of our premises and teams, they also met with and interviewed many of Trust staff to assess their knowledge of infection prevention and control practices within the Trust.

Feedback from the IST following the visit was extremely positive, stating that overall they:

- “found an excellent commitment at all levels to quality, safety and infection control”;
- “found your services almost spotless, with a very pleasant environment almost everywhere, the cleanest services we have seen from three MH visits”;
- “Top leadership setting the right example/ attitude”;
- “Very positive staff attitude to quality/IC— passionate and keen to problem solve, willing to learn”.

**Other highlights of 2010/11 include:**

- ▶ full integration of the Infection Control Policies from Bedfordshire, Essex and Luton;
- ▶ strengthening the Infection Control Link Worker System to culminate in a two day training session where they were able to build links with each other as well as the wider team;

- ▶ During 2010/11 there were no incidences of MRSA bacteraemia and two incidences of C Difficile infection. (For the purpose of reporting nationally, C.Difficile case figures are attributed to the healthcare facility where the patient was treated 72hrs prior to the sample being taken).

We did experience a small number of incidents of seasonal gastrointestinal outbreaks on some of our inpatient units but these were managed quickly and effectively, the pattern of the outbreaks mirrored the pattern within the local community. However the swift efficient actions of the staff ensured the outbreaks were effectively managed.

Infection Prevention and Control arrangements within SEPT are well established and excellent progress has been made towards achieving full compliance with the Code. The ongoing work in maintaining compliance will continue to be overseen by the Trust Infection Control Committee.

**Serious Untoward Incidents**

Between 1 April 2010 and 31 March 2011, the Trust reported 39 serious incidents in accordance with NHS East of England's Serious Incident Reporting Policy. These incidents comprised of six in the Luton locality, 19 in the Bedfordshire localities, six in the South West Essex localities and eight in the South East Essex localities.

The Trust reported no Never Events as defined by the Department of Health in this reporting year.

In the last 12 months serious incident reporting and management processes have been aligned across all areas of the Trust which has ensured there are robust systems in place to investigate serious incidents and use the learning to strengthen areas of clinical practice and policy, and direct the Clinical Audit Programme.

Learning from serious incidents is widely shared across the Trust in the staff magazine, staff bulletins, learning summaries, case study presentations. The Trust has held two Patient Safety Conferences in the last year. One in May 2010 and one in February 2011 with guest speakers from the National Confidential Inquiry, the National Patient Safety Agency and the Care Quality Commission.

## Adverse Incidents

There were 7550 adverse incidents including SUIs reported in 2010/11 as detailed below.

### Assault Data

The Trust reports assault data internally that includes attempted physical assault and assault no injury that do not meet the NHS Protect

reporting criteria. The data is used for internal monitoring and learning only. Separate data is submitted to NHS Protect for national learning. A total of 858 incidents were reported internally. All physical assaults that result in an injury to staff are followed up by the Local Security Management Service via a letter and if required further input via phone or face to face.

The NHS Security Management Service (NHS SMS) conducts an annual audit of violence against staff (the validated period is for 2009/10). SEPT performed extremely well nationally and clearly demonstrated its commitment to protection of NHS staff as a critical priority when delivering high quality mental health services and provides assurance that SEPT is performing very well against the NHS staff

Area	NPSA category of incident	Q1	Q2	Q3	Q4	Outturn
Bedford-shire & Luton	Unknown	0	0	0	0	0
	No Harm	411	470	346	260	1487
	Low harm	164	201	239	214	818
	Moderate	14	29	13	35	91
	Severe	0	1	1	9	11
	Deaths – SUIs	1	6	1	5	13
	<b>Total</b>	<b>590</b>	<b>707</b>	<b>600</b>	<b>523</b>	<b>2420</b>
	<b>% No / Low Harm</b>	<b>96%</b>	<b>94%</b>	<b>95%</b>	<b>90%</b>	<b>94%</b>

South Essex	Unknown	0	0	0	0	0
	No Harm	734	645	585	669	2633
	Low harm	585	581	466	356	1988
	Moderate	113	157	164	60	494
	Severe	1	2	3	1	7
	Deaths – SUIs	2	3	3	0	8
	<b>Total</b>	<b>1435</b>	<b>1388</b>	<b>1221</b>	<b>1086</b>	<b>5130</b>
	<b>% No / Low Harm</b>	<b>91%</b>	<b>88%</b>	<b>85%</b>	<b>93%</b>	<b>89%</b>
<b>SEPT</b>	<b>Total</b>	<b>2025</b>	<b>2095</b>	<b>1821</b>	<b>1609</b>	<b>7550</b>
	<b>% No / Low Harm</b>	<b>92%</b>	<b>90%</b>	<b>89%</b>	<b>92%</b>	<b>91%</b>

## **NHS SMS agenda.**

### **National Patient Safety Agency (NPSA)**

The NPSA National Reporting and Learning System (RLS) has published its fifth set of incident reporting data for NHS organisations in England and Wales. The data covers incidents that occurred between 1 April and 30 September 2010. The data is to assist organisations to analyse patient safety incidents reported by organisations to assist in identifying hazards, risks and learning opportunities.

Reporting patient safety related incidents to the NPSA via the RLS is compulsory for all Trusts.

Patient safety incidents are defined as any unintended or unexpected incident as well as all prevented incidents ('near misses') which had the potential or did occasion harm to one or more patients receiving NHS care.

During the reporting period; patient safety related incidents were identified on the organisation's risk management incident databases; Ulysses and Datix; prior to uploading to the NPSA via the RLS. SEPT has had an increase of 79 patient safety incidents reported from the previous reporting period; this equates to an increase of 4%. The incidents reported were severity rated over 90% no or low harm incidents suggesting a positive reporting culture rather than unsafe services.

### **Implementation of the Lone Worker Device Initiative.**

The Trust this year has worked in conjunction with the Department of Health to implement the Lone Worker Device (LWD) personal security system. The Trust trained and allocated devices to a total of 486 community and at risk staff. This followed a comprehensive consultation period and risk assessment process.

### **Being Open Framework.**

The effects of harming a patient can be widespread. Patient safety incidents can have devastating emotional and physical consequences for patients, their families and carers, and can be distressing for the professionals involved.

Being Open about what happened and discussing patient safety incidents promptly, fully and compassionately can help patients and professionals to cope better with the after-effects. Openness and honesty can also help to prevent such events becoming formal complaints and litigation claims.

The National patient Safety Agency issued the "Being Open" framework Being Open involves:

- ▶ acknowledging, apologising and explaining when things go wrong;
- ▶ conducting a thorough investigation into the incident and reassuring patients, their families and carers that the lessons learnt will help prevent the incident recurring;
- ▶ providing support for those involved to cope with the physical and psychological consequences of what happened.

Prior to the guidance being issued the Trust had in place many elements of the framework and has now embraced the principles that underline the Being Open philosophy into its culture practice. This is an ongoing programme and process of working with front line staff to minimise the impact of adverse patient safety incidents.

### **Datix Risk Management System**

The Datix Risk Management System has been adopted by the Trust as an incident recording and reporting system, it is a patient safety software system which covers the following areas:

- ▶ incident, adverse event and near miss reporting;
- ▶ risk assessment;
- ▶ safety alerts;
- ▶ patient experience and feedback;
- ▶ complaints, compliments, comments and concerns;
- ▶ claims handling.

Datix is highly configurable, and a comprehensive review has been undertaken and tailored to the organisation's structure and unique requirements. The incident reporting module is being introduced across the organisation and the online incident reporting form has been designed in consultation with staff so that it is simple to use and suitable for both clinical and non-clinical incident reporting. The software enables incident reports to be submitted from all areas of the Trust and it will improve rates of reporting and promotes ownership of risk.

The Risk Management Department has also reviewed the Datix Complaint module, this module provides the tools required to respond promptly and effectively to complaints, generating correspondence and identifying areas where the quality of service could be improved. Datix will also identify areas that are frequently the subject of complaints, it will record positive feedback from service users and staff and can be used effectively in training, induction seminars and staff appraisals. This module goes live 1st April 2011.

### **Fire Risk Assessment**

Fire Risk Assessments are undertaken throughout the Trust on an annual basis and include all Trust property and those areas that are the responsibility of a third party.

There have been six inspections undertaken by the Bedfordshire and Luton Fire & Rescue Service and four by the Essex Fire and Rescue Service. In all cases a satisfactory report was received and an assurance can be given that the Trust continues to comply with the Regulatory Reform (Fire Safety) Order 2005 and associated Health Technical Memorandum Guidance in controlling fire risks throughout the NHS.

### **Emergency Planning and Organisational Resilience**

In accordance with the Civil Contingencies Act 2004, the Trust has reviewed its Major Incident Plan following the acquisition of BLPT in April 2010. The plan was agreed by the Board of Directors and published both on the staff intranet and the Trust's website.

Business Continuity Plans have been table top tested and the Trust has taken part in regional exercises testing its major incident plan. New Trust level Business Continuity Plans have been introduced to replace the previous staff guidance: Heatwave Plan, Winter Capacity Plan, Fuel Plan, Lockdown Plan.

Directors and senior managers have attended gold and silver command training. Identified staff were also trained in logging decisions for major incidents.

The Organisational Resilience Group was reviewed and now operates across the Trust and included senior manager and director level representation.

### **Research and Development**

In 2010/11 work has been ongoing within the research department to increase participation and recruitment in to studies funded by the National Institute for Health Research (NIHR) and eligible to be included in the NIHR Portfolio. Participation and recruitment in to these studies attracts funding and meets the government's objective that every patient in the NHS should have the right to take part in approved medical research that is appropriate for them.

This year SEPT participated in eight NIHR studies and has recruited 130 participants. As a result of the increase in the Trust's activity, investment from the Essex & Herts Comprehensive Local

Research Network has been forthcoming in terms of providing funding for two new fixed term research posts for one year to increase the Trust's capacity to recruit in to these studies and the indicative funding allocation for 2011/2012 is £93,181 (including funding for the two posts).

### Working in Partnership with Service Users / Carers

Providing the best possible health and social care services to improve the lives of people with mental health and learning disabilities is extremely important to the Trust. The experience we provide for people who use our services is critical. A good experience can make all the difference, helping people to feel valued as individuals and to engage better with their treatment.

During 2010/11, the Trust worked in accordance with its Customer Service Strategy. This includes a clear set of customer service standards which the Trust is committed to delivering.

The Trust's vision and values remain unchanged from the previous year, as follows,

### Our Vision:

'Providing services that are in tune with you'

### Our Strategy:

Our aim is to provide high quality health services:

- in accordance (or in tune) with the NHS principles and standards;
- that are delivered in partnership with our service users, their carers, our staff, local authorities and other healthcare providers;
- that are innovative
- that promote recovery, independence and well being;
- and maximize opportunities to develop and expand services in related areas.

### Service User and Carer Involvement

The Trust remains committed to engaging and involving service users, carers, as well as third sector partners and agencies in policy, practice and service development. We work closely with stakeholders in the voluntary and third sector, including MIND, Rethink Carers, Rethink Advocacy, Impact, the Independent Complaints Advocacy Service, LINKs and various housing and young people's organizations.

We place an emphasis on ensuring that involvement and engagement with stakeholders is meaningful to each individual. We would like to thank all the service users, carers and stakeholders who have volunteered to work with us on many issues. Examples of service user / carer and stakeholder engagement includes:

<b>People who use the service</b>	<b>VALUES</b>	<b>Colleagues (including partners)</b>
<b>In tune with me</b>		<b>In tune with me</b>
We believe you can live a fulfilling life	<b>OPTIMISTIC</b>	Everything we do - every intervention - is focused on helping you feel better
We respect you as an individual, and expect you to respect us too	<b>RESPECTFUL</b>	We value each other's contributions
We listen to your point of view, and think about things in the context of your life	<b>EMPATHISING</b>	We consider each other's perspective
We will give you choices	<b>INVOLVING</b>	We work together as teams, within our organisation and with partners
We help you to take control of your life	<b>EMPOWERING</b>	We all have permission to innovate
We'll help you to play an active part too	<b>ACCOUNTABLE</b>	We want to be judged by our results

### **Trust Annual Planning Events**

Service users, carers and stakeholders attended two planning events (one in South Essex and one in Bedfordshire) where they were fully involved in planning of the Trust's priorities for 2011/12.

### **Recruitment Panels**

Service user and carer involvement in interview panels is a powerful signal to candidates that involvement is real here. It also helps to have people present at the interview who consider how the candidates interact with the service user or carer.

This year 15 service users and carers from Essex and 10 from Bedfordshire & Luton attended Recruitment & Selection training which is facilitated by SEPT Human Resource staff. For people with a learning disability we work with Southend's Shields' Parliament, who also provide a support worker for these occasions. We have also had involvement from service users from the CAMHS service.

### **Patient Experience Groups PEX (Essex) and Service user and Carer Involvement Group (Beds & Luton)**

PEX and the Service User & Carer Involvement Group meets quarterly and receive reports on all involvement activity. Membership is made up of service users, carers, third sector representatives and senior Trust staff to discuss all aspects of patient experience at the Trust. The group also receives reports on complaints, compliments, Patient Advice and Liaison Service (PALS) activity and service user survey results. The group is also used as a sounding board for new issues as well as giving members the opportunity to raise their own concerns or those from other service users and carers.

### **LINKs**

The Trust has developed good working relationships with the three LINKs in South Essex and the three LINKs in Bedford & Luton all of which are invited to Trust events such as Planning

Days. All LINKs organisations meet with SEPT Chief Executive and Senior Management staff on a quarterly basis.

### **Supper with Consultants**

This has become an annual event whereby service users are invited to have 'supper' with the Chief Executive and a group of Consultant Psychiatrists. The informality lends itself to improving understanding from both service users and Doctor's perspectives. The event heralds excellent feedback from all who have taken part.

### **Feedback Events for Service users/ Carer and Junior Doctors**

Two of these events were facilitated 2010/11. 29 service users and carers from South Essex and 35 service users and carers from Beds and Luton engaged in these events. Presentations were given by Psychiatrists and service users and carers shared their experiences about living with a mental health problem and their experiences about using mental health services.

### **Work with Schools and Young People**

Work continues within secondary schools to raise understanding of mental health issues. Secondary schools and colleges within our area have been individually written to, and were sent copies of DVD's produced by the Trust on issues affecting young people.

Our seminars with student groups are extremely popular. We tailor the talks to the requirements of the particular school or college and have delivered sessions on mental health awareness.

A DVD has been produced called 'Grandad' about the issues facing young people coping with a relative with dementia, mental health awareness and attitudes towards mental illness. The DVD was distributed to secondary schools in south Essex and the Bedfordshire and Luton areas for use in their PSHE, citizenship or health and social care classes.

## **Trust Meetings**

Service users attend and are involved in a number of Trust meetings/ groups. These include the following:

- the Acute Care Forum (about adult wards);
- Secure Service Forum (patient reps from across the service);
- Partnership Boards (in learning disability services);
- PEx ( South Essex);
- Service User & Carer Group ( Bedfordshire and Luton);
- Self Harm;
- Bi- Polar Group;
- Stakeholder Groups.

Service users and carers also represent the Trust at other events, workshops and meetings.

## **Carers**

The Trust's Carers Awareness Group for carers and staff (south Essex) continues to meet and is looking at providing training for staff, as well as delivering a Carers Education Programme. The Carers Forum in Bedfordshire and Luton continues to strive forward with initiatives and sharing information with carers/ carer support groups and staff.

The Trust publishes a regular carer's magazine which focuses on carer's experiences and sharing good practise and information.

## **Student Nurses**

Service users and carers continue to be involved with the training at the University of Essex.

This has now been extended to an ongoing training programme with the University of Essex in Southend. Three training days were held in the last year, with another three planned for 2011/12 in June and July. The students and staff gave excellent feedback about the training days. 25 service users and carers participated in the training day.

## **PIPE**

The Patient Information and Plain English Group is made up of service users/carers/advocates who approve all Trust material for the public. The purpose of getting feedback on all Trust leaflets, posters etc is to make sure it is clear and jargon-free.

## **Translation and Interpretation**

The Trust continues to operate a translation and interpretation service for Essex and Bedford & Luton based services.

## **PALS**

The PALs (Patient Advice and Liaison Service) gives service users and carers an alternative to making a formal complaint. PALs is contactable between 9am and 5pm Monday to Friday, and also contactable through the Trust's website by email. If you are a service user or carer, and have a question, a concern or just want to find out more about our services, please contact PALs on freephone 0800 0131223

During 2010/11, PALs received 744 enquiries from service users and carers that required PALS action across covering South Essex and Bedfordshire and Luton.

PALs promoted the service by attending many local events such as Take It To The Top, Carers Events, LINKs events and have actively liaised with local community groups. PALs leaflets and posters were delivered to all trust sites, GP surgeries, local libraries and community centres.

## **Complaints and Compliments Received**

A total of 261 formal complaints were received during 2010/11 and all of these were thoroughly investigated. Investigating complaints helps the Trust to make improvements to services. Information about how to make a complaint, comment or compliment on the services is widely available at all trust bases.

Complaints handling training sessions were delivered across the Trust to Directors, Consultant Psychiatrists and Managers.

Compliments received for 2010/11 have risen to a total of 1143.

## Working in Partnership with Staff

### Workforce Wellbeing

SEPT were very proud of their achievements at the Healthcare 100 awards this year. We achieved a national first in winning seven awards including in the ultimate award of best NHS employer plus the following:-

- Department of Health top employers for the NHS Constitution commitment on personal development, training and management support ;
- Department of Health top employers for the NHS Constitution commitment on staff health, well-being and safety;
- Department of Health top employers for the NHS Constitution commitment on staff engagement, empowerment and partnership working;
- Department of Health top employers for demonstrating the NHS values;
- Allocate Software top employers for managers;
- Zenon top healthcare employers for performance management and staff development.

The Wellbeing Steering Group was also introduced chaired by the Chief Executive and attended by Senior Management to ensure wellbeing actions were given a high priority. Our highly successful Shape Your Life Days continued – reaching out to all our new localities across Bedfordshire and Luton.

Work commenced and continues on a full review of the Occupational Health Services available to staff with a view to re tendering for services in the next financial year.

A range of initiatives have contributed to health improvement of staff and their families wellbeing both at work and in their home life and this work is set to continue in the new SEPT healthy workplace strategy with a strong emphasis on psychological and physical wellbeing activities being commissioned to ensure staff are supported in this area. Initiatives include the NHS Sport Challenge – linked to the 2012 Olympics, creation of sports teams and Stress and Resilience Training for staff.

### University Status

The Workforce Development and Training Department played a central role in the achievement of 'University Trust' status with Anglia Ruskin University (ARU) in 2008. SEPT sought 'University Trust' status through its awareness of the challenges that services will face as we start to implement the changes proposed through the Quality, Innovation, Productivity and Prevention (QIPP) agenda. In order to manage and direct change there will be a need for strong clinical and managerial leadership at every level, and a need for creative solutions to evolving issues.

Over the past year there have been a series of visioning / planning meetings held between Anglia Ruskin University (ARU) and SEPT. The aim of these meetings has been to articulate the key steps that will need to be taken in order to establish a mental health academy as a centre for excellence. There have been several work-streams set up and further developments proposed. A steering group has been set up to outline the work that will be conducted by the partnership between Trust and University and this is progressing the work in these areas:

- ▶ Development of the Business Model;
- ▶ Curriculum Development;
- ▶ Curriculum Delivery;
- ▶ Staff Development;
- ▶ Research.

In December, the University Trust Steering Group made the decision that the Trust should bid for Institutional Approval with ARU as part of the next stage in its development programme. As an 'approved' Institution the Trust will be able to create and deliver programmes that are not only 'recognised' by ARU but are considered part of the wider ARU portfolio. The Institutional Approval inspection took place on Thursday 17 March 2011 and was successful. The University Panel examined a portfolio of evidence and questioned staff to gain assurance that education standards and quality assurance processes within SEPT meet ARU requirements. The Panel were impressed with the quality of the evidence provided by SEPT and commented on the excellent levels of support that students receive. This gives the Trust increased academic credibility and enables us to work more closely with ARU to consider future developments. SEPT had several programmes covered in this inspection and now considered part of the ARU portfolio including two at Masters level.

A great deal of work has also been undertaken on the new undergraduate curriculum, in preparation for the move to an all degree programme from autumn 2011. Various staff from SEPT have taken an active part in the development of the new pre-registration degree programme. A group has been set up to 'challenge' and examine curriculum delivery and in line with the staff developments anticipated above this group is considering new models for bridging the 'theory:practice' divide. The partnership discussions have also explored methods for developing opportunities for staff to work across the two organisations. Although it was recognised that there would be some contractual issues that need to be resolved, the exciting potential for integrated or joint appointments have been recognised by both parties. This method of working is not innovative of itself, having already been well established, but if put in place with a dynamic research plan that examines methods of enhancing practice, it could lead to new models of pre-registration

training. Staff exchanges could operate through secondments into the mental health academy or through exchanges set up between the partner organisations. Any exchanges will be built around the work streams so that clear objectives are attached and will promote the outcome focused approaches

### **Sickness Absence Data**

The sickness rate for SEPT at year end was 5.11% and the Trust continues to place a high priority on tackling sickness absence with work has continuing through the year to reduce absence levels. This also forms a key element of the Wellbeing Strategy with the emphasis on providing support and advice to those currently unwell and off sick, and putting clear action plans in place to aid recovery and facilitate return to work. This is underpinned by an effective wellbeing infrastructure which supports the overall health of the workforce.

All managers remain responsible for constantly reviewing sickness absence levels and for taking a proactive approach to address these issues with advice from the Wellbeing Team within HR.

### **Employee Consultations**

The Trust has a number of policies and agreements which allow staff to raise any matters of concern. These include:

- ▶ Staff Affected by Organisational Policy and Procedure;
- ▶ Recognition Agreement;
- ▶ Grievance Policy and Procedure;
- ▶ Whistle-blowing Policy and Procedure.

Staff are always encouraged to raise concerns informally with their managers in the first instance in order to deal with the issue quickly and as close to source as possible.

In addition to this, collective arrangements exist for the Trust to meet and discuss significant issues with staff representatives.

The Trust has a policy that promotes formal consultation with employees in relation to

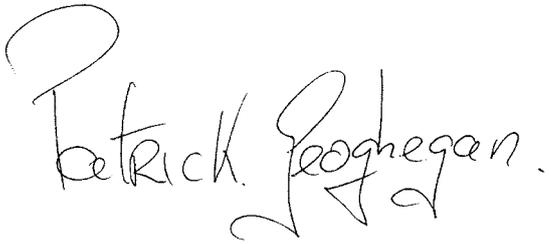
significant change. Consultations that have taken place in 2010/11 include:

### Consultations – April 2010 to March 2011

Staff group	Details of proposed change
Medical staffing	Change of base from Runwell to Thurrock
All staff working in hospitals, units and community based homes	Proposed changes to working hours to comply with Working Time Directive (WTD)
Estates Staff Runwell Hospital	Change of base due to Runwell closure to Pride House
Estates Staff Highwood Hospital	Change of base due to Highwood Hospital Closure
Driver – Facilities	Changes to bus services to and from Wickford
Criminal Justice Team	Moving Rayleigh and Sankey House teams to Brockfield House
CAMHS	Management restructure
Information Administration Service	Restructure of Admin Hubs
Information – Child Health	TUPE Transfer of staff to PCT
In-patient Rehab	Restructure of Rehabilitation Services
All clinical staff at Aston Court	Change of base
Three members of Bedford & Luton Social Care Directorate	Cost Improvement Programme
Operational Service Directors within Bedford & Luton and Assistant Directors of Sensory Impairment and Learning Disability and Occupational Therapy and Social Care	Restructure of management teams in Operations and Directorate of Partnerships
Directors Personal Assistants in Bedfordshire	Reduction of Personal Assistants
Finance structure	Relocation of finance to Thurrock
Forensic Services	Appointment of Assistant Director for Forensic across Trust
Vocational Services – Employment Specialists	TUPE transfer of staff into NHS
Support Services teams	Changes to structures of Clinical Governance & Quality, Corporate Affairs, Strategy & Business Development, IT, Telecommunications & Clinical Support Services
Community teams in Luton	Relocate into Charter House, Luton
Teams located in Bedford Heights	Relocation of teams from Bedford Heights
Bank bureau staff / bank workers	TUPE transfer of bank to Hertfordshire Partnership Foundation Trust
Team managers and lead practitioners in teams Bedfordshire and Luton	Restructure of management
Courier Drivers	TUPE of Global Services
Facilities and Estates – Bedford, Luton and Essex	Restructure of management teams
All clinical administration staff in Bedford and Luton	Creation of two admin hubs, one in Bedford, one in Luton
All IT technical staff in Bedford and Essex	Change to structure of teams across both localities
Empower vocational services team	Restructure of team

### **Involvement of Employees in FT's Performance**

Our annual planning process ensures that as many staff as possible have an opportunity to consider how the trust is currently performing and identifying the action that is required to ensure continued success. Between January and March 2011, approximately 500 staff participated in a series of planning events, for each of our services, across Bedfordshire, Essex and Luton. The outcome of these events contributed to development of the Trust's Corporate Objectives for 2011/12 and quality priorities for 2011/12 identified in the Trust's Quality Report. In turn these corporate objectives are translated into service objectives and every member of staff is required to identify how they will contribute to achievement of these as part of their annual appraisal.



**Dr Patrick Geoghegan, OBE**  
Chief Executive and Executive Nurse  
Professor of Mental Health and Social Care







## ANNUAL ACCOUNTS 2010/11 INDEX

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

The NHS Act 2006 states that the Chief Executive is the Accounting Officer of the NHS Foundation Trust. The relevant responsibilities of the accounting officer, including their responsibility for the propriety and regularity of public finances for which they are answerable, and for the keeping of proper accounts, are set out in the NHS Foundation Trust Accounting Officer Memorandum issued by the Independent Regulator of NHS Foundation Trusts ("Monitor").

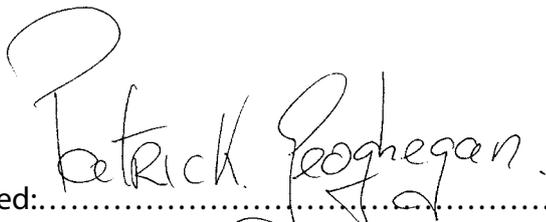
Under the NHS Act 2006, Monitor has directed South Essex Partnership University NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of South 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 accounts, 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 accounts comply with requirements outlined in the above mentioned Act. The Accounting Officer is also responsible for safeguarding the assets of the NHS Foundation Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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



Signed:.....

Dr Patrick Geoghegan OBE  
Chief Executive and Executive Nurse  
Professor of Mental Health & Social Care

Date: 1 June 2011

## **STATEMENT OF INTERNAL CONTROL FOR THE YEAR ENDED 31 MARCH 2011**

### **Scope of responsibility**

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

The Foundation Trust has Health and Social Care Act 2006 (Section 75) Partnership Agreements with 6 Local Authorities. In Essex, the Agreements with Essex County Council and Thurrock Borough council commenced in April 2009 for three years, Southend Borough Council was agreed in 2007 for three years. This has been extended for a further period and will be revised in 2011. In Bedfordshire, three Partnership Agreements were entered into in 2010 for a period of three years with Luton Borough Council, Central Bedfordshire Council and Bedford Borough Council.

I have constructed systems and processes to ensure effective working with these partner organisations. These include establishment of a Joint Partnership Board where chief officers from the partner organisations meet on a quarterly basis to oversee the partnership arrangements.

### **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of South Essex Partnership University NHS Foundation Trust (SEPT), to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in South Essex Partnership University NHS Foundation Trust for the year ended 31 March 2011 and up to the date of approval of the annual report and accounts.

### **Capacity to handle risk**

As part of my role of providing leadership to the risk management process I am Co-Chair of the Integrated Governance Committee, which is a sub-committee of the Board of Directors. Together with the Executive Committee, the Integrated Governance Committee is responsible for overseeing the risk management and assurance systems within the Trust. The Trust's governance structure was reviewed by the Board to ensure it is fit for purpose and meets the requirements of a NHS Foundation Trust following the acquisition of Bedfordshire and Luton mental health services. A number of Board Development sessions have also been undertaken throughout the year to provide further assurance and self assessment against the effectiveness of the Trust Board.

The Executive Director of Strategy and Business Development has delegated responsibility for managing the strategic development and implementation of organisational risk management and assurance systems. The Executive Director of Clinical Governance & Quality is responsible for ensuring there are adequate systems in place to manage clinical risk and including the investigation of Serious Incidents and Root Cause Analysis training and methodology. The Executive Director of Operations is responsible for risk management in all operational services. The Executive Chief Finance & Resources Officer is responsible for developing and implementing systems of financial risk management and estates and facility risks.

The Trust trains all staff in various aspects of risk management and ensures that where staff require specialist advice and training, that this is provided through attendance on specific course and attendance at conferences. Risk specialists are employed by the Trust and the organisation also contracts with independent risk specialists to develop or address specific training needs.

The Trust has in place an approved mandatory and core training matrix in line with the requirements of the NHSLA.

In addition training and guidance is provided in various media formats to staff including e-learning, classroom environment, information bulletins and seminars to ensure learning from good practice and experience is disseminated quickly and effectively.

### **The risk and control framework**

The Board has regularly considered the development of an Assurance Framework since March 2003. A review of the Assurance Framework for the period April 2010 to March 2011 was carried out by Internal Audit in March 2011 and has provided substantial assurance and confirmed that:

- Generally sound systems of internal control designed and operating in a way that gives a reasonable likelihood that the system's objectives will be met

The Risk Management Framework was reviewed and agreed by the Trust's Board of Directors in April 2010 and in September 2011. The framework confirms the accountability arrangements for risk management within the Trust of both individuals and committees, including Service Management Boards, the Audit Committee, the Executive Team, and the Integrated Governance Committee. The framework is supported by a plan that outlines actions for delivery of effective risk management, including a tiered approach of risk registers at Board, Corporate and Directorate level. These registers are underpinned by an improved Risk Identification process which is fed from a wide variety of sources such as;

- Complaints, incidents/accidents, claim trend reports,
- Internal and External audit and review
- Risk assessment
- Patient surveys
- waiting list trends; and performance information
- staff recruitment / retention trends

The Trust has put in place effective systems that assess and identify risks to achieving objectives at the start of the year and continues throughout the year to identify any new risks that arise and evaluate any changes to existing risks. The framework outlines how risks are prioritised in a consistent manner throughout the organisation, including the potential impact on the organisation and the assessment of

the likelihood of the risk crystallising. Furthermore, the framework details the how in which controls are identified and how assurance is provided and also evaluated.

The Trust's appetite for risk is to identify all potential sources of threat prior to evaluation. This rating is used to determine the severity of the risk. Thereafter, all identified risks are managed through the establishment of actions and controls and are verified by appropriate assurance. The severity of the risk determines the level in the organisation at which the risk is managed but does not affect the organisations appetite for identifying all potential threats in a managed and controlled manner.

Risk Management is embedded within the organisation in several ways. Risk Registers are regularly presented at Service Management Boards and to director leads for discussion and update. Training and Education are key elements of the development process by providing staff with the necessary knowledge to work safely and to minimise risk at all levels. The process starts at Induction and continues through general and specific training programmes that include workshops, seminars, policies and procedures. In addition, a range of policies and procedures have been developed to minimise risk. These policies and procedures are subject to regular review and update and are made accessible to all staff through the Trusts' intranet and via policy folders.

Public stakeholders such as the Local Authority partners of the Trust are involved in managing key shared risks through an established committee structure that oversees the operations and potential threats to the fully integrated community teams. These committees are responsible for identifying shared risks and for agreeing appropriate remedial action, including referral and escalation of the risks, where appropriate. In addition, the Board of Governors is advised of key risks which may have arisen or are likely to materialise through a regular series of meetings and workshops.

The Trust has monitored compliance with the Information Governance Standards and Data Protection Act through the Information Governance Toolkit issued by the Department of Health. For the 2010 /11 year the Trust has achieved a score of level 2 against the toolkit requirements.

For 2010/11 the Trust had one serious untoward incident to report in relation to the security of personal data. Risks relating to data security are managed by the Director of Information and managed in accordance with the Risk Management Framework, Adverse Incident Policy and Procedure and the Security Incident Management Procedure. The Information Governance Security Group monitors progress against and controls in place.

For 2010/11 SEPT has maintained full registration and compliance without conditions with the Care Quality Commission for both NHS and Social Care services provided. The Trust maintains a robust part system of compliance which including an overarching assurance database that maps all internal and external information about the Trust to the essential standards of quality and safety.

The Trust manages major risks through the Board Assurance Framework process in line with the Risk Management Framework. For 2010-11 this has included potential risks associated with Safeguarding, Transformation, Implementation of outcomes identified by Patient Surveys, Legacy SUIs from Bedfordshire and Luton, CPA Handbook review, CQC KPIs, Medical Devices, Alerts and Financial risks identified through the financial plan. All risks have been successfully managed through the development of mitigating actions to address gaps in control. Future potential risks currently identified include those included within the financial plan and the CIP and transformation programme.

The programme of internal audit is integral to assurance systems and linked to the BAF. In addition a separate review was undertaken by internal audit in December to review mitigating actions, controls in place and assurance for those risks detailed within the Board Assurance Framework. The outcome of this audit provided substantial assurance

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, employers' 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 organisations obligations under equality, diversity and human rights legislation are complied with.

South Essex Partnership University NHS Foundation Trust (SEPT) have undertaken the relevant risk assessments in accordance with emergency preparedness and civil contingency requirements, as based on UKCIP 2009 weather modeling projects, to ensure that this organisations obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

Significantly, SEPT have put in place, through to 2014, a Sustainable Development Management Plan and a Carbon Reduction Plan to deliver its commitment to the highest standards of environmental stewardship.

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

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.

At a strategic level, the Transformation and Finance Group is responsible for ensuring that the use of resources is planned in an efficient and effective manner. The Executive team and the Transformation and Finance Group are both sub-committees of the Board of Directors, which reviews regular reports from them and itself receives a regular integrated finance and performance report.

Internal Audit conduct a review of the Trust's systems of internal control processes as part of an annually agreed audit plan. This review encompasses the committee structure, the flow of information pertaining to risk and its assurances through the organisation, ensuring that systems are appropriate, are in place and can be evidenced by a range of documents available within the organisation. Audits performed by internal audit have reviewed the governance arrangements within the organisation over a range of financial functions and activities to ensure that there is an appropriate and robust approach to the use of resources. Internal audit provides regular reports to the Audit Committee, a subcommittee of the Board. The Board reviews the Trust's financial position monthly and approves the compliance reports which are required by the independent regulator, Monitor.

## Annual Quality Report

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 to prepare Quality Accounts for each financial year. 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.

As Chief Executive Officer I have a personal commitment to quality in everything that we do, this is shared by our chair and all members of our Board of Directors

The Trust has taken steps to assure the Board and ensure that the Quality Account presents a balanced view of quality and that there are appropriate controls in place to ensure the accuracy of data that it contains. The steps taken include:

- Governance and leadership

The Trust has put in place a performance and quality framework for managing quality performance and for ensuring that there is accountability for data quality. The Trust identified achievement of data quality targets and implementation of data quality improvement plans as agreed with commissioners as a corporate objective in 2010/11. All staff have responsibility for data quality and the need to maintain this at high levels is communicated regularly. Accountability for data quality is defined and considered where relevant as part of the supervision and performance appraisal systems in place. There are robust processes in place to monitor and review data quality.

- Policies

The Trust has operational procedures in place covering data collection and recording. Policies and procedures meet the requirements of relevant national standards. There are mechanisms in place to check compliance with policy and procedure and corrective action is taken where necessary.

- Systems and Processes

The Trust has systems and processes in place for the collection, recording, analysis and reporting of data which ensure that data is accurate, reliable, timely and complete. The arrangements for collecting, recording and reporting data are integrated into the management processes of the Trust and support day to day operations. Information systems have built in controls to minimise scope for human error or manipulation and prevent erroneous data entry, missing data or unauthorised data changes. There are corporate security and recovery arrangements in place.

- People and skills

Roles and responsibilities in relation to data quality are clearly defined and where appropriate incorporated into job descriptions. Staff receive training to support them in implementing Trust policies and procedures relating to data collection and recording.

- Data use and reporting

Internal and external reporting requirements have been assessed and data provision is reviewed to ensure it is aligned to these needs. Data used for reporting is used for day to day management of the Trust's business. Data is reported back to those that created it to reinforce understanding of their wider role and importance. Data is used to support decision making and management action is taken to address service delivery issues identified by reporting. Data used for external reporting is subject to verification prior to submission. Data returns are prepared and submitted on a timely basis and are supported by an audit trail.

### **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, and the executive managers within the NHS foundation trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the content of the quality report attached to this annual report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the board and the audit committee

The processes that have been applied in maintaining and reviewing the effectiveness of the system of internal control include the roles of the following:

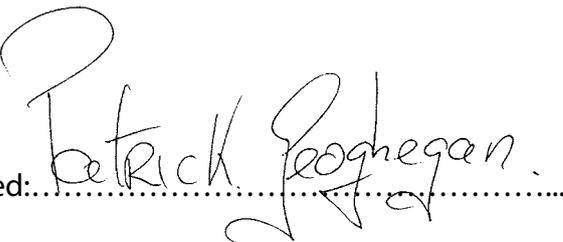
- The Head of Internal Audit provides me with an opinion on the overall arrangements for gaining assurance through the Assurance Framework and on the controls reviewed as part of the internal audit work. The Head of Internal Audit Opinion for 1 April 2010 to 31 March 2011 is as follows:

Significant assurance can be given that there is a generally sound system of internal control, designed to meet the organisations 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 Assurance Framework itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed.
- Internal Audit and other external assessments such as the NHSLA Risk Management Standards and the National Patient and Staff Surveys.
- The Board Of Directors has identified the strategic risks facing the organisation during the period and have monitored the controls in place and the assurances available to ensure that these risks are being appropriately managed.
- The Audit Committee provides the Board with an independent and objective view of arrangements for internal control within the Trust and to ensure the Internal Audit service complies with mandatory auditing standards, including the review of all fundamental financial systems.
- A plan to ensure continuous improvement of the systems is in place.

## Conclusion

There are no significant internal control issues that have been identified between 1 April 2010 and 31 March 2011 that require disclosure in the SIC.

Signed: .....

Date: 1 June 2011

Dr Patrick Geoghegan, OBE  
Chief Executive and Executive Nurse  
Professor of Mental Health and Social Care

## **INDEPENDENT AUDITORS REPORT**

I have audited the financial statements of South Essex Partnership University NHS Foundation Trust for the year ended 31 March 2011 under the National Health Service Act 2006. The financial statements comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Taxpayers' Equity, the Statement of Cash Flows and the related notes. These financial statements have been prepared under the accounting policies set out in the Statement of Accounting Policies.

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

- the table of salaries and allowances of senior managers on pages 170 to 171; and
- the table of pension benefits of senior managers on pages 170 to 171.

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

### **Respective responsibilities of the Accounting Officer and auditor**

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

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

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trust; and the overall presentation of the financial statements. I read all the information in the annual report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

## **Opinion on financial statements**

In my opinion the financial statements:

- give a true and fair view of the state of affairs of South Essex Partnership University NHS Foundation Trust's as at 31 March 2011 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the accounting policies directed by Monitor as being relevant to NHS Foundation Trusts.

## **Opinion on other matters**

In my opinion:

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

## **Matters on which I report by exception**

I have nothing to report in respect of the Statement on Internal Control on which I report to you if, in my opinion the Statement on Internal Control does not reflect compliance with Monitor's requirements.

## **Delay in certification of completion of the audit**

I cannot formally conclude the audit and issue an audit certificate until I have completed the work necessary to provide external assurance over the Trust's annual quality report. I am satisfied that this work does not have a material effect on the financial statements.

Rob Murray  
Officer of the Audit Commission  
3rd Floor  
Eastbrook  
Shaftesbury Road  
Cambridge  
CB2 8BF

## FORWARD TO THE ACCOUNTS

### South Essex Partnership University NHS Foundation Trust

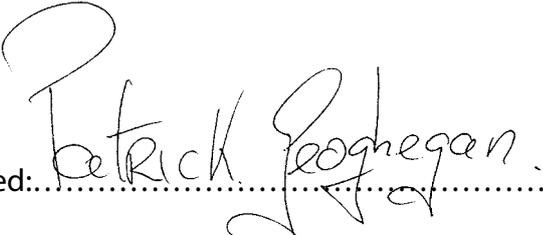
South Essex Partnership University NHS Foundation Trust ('the Trust') is required to prepare annual accounts in such form as Monitor, the independent regulator of Foundation Trusts, may with the approval of HM Treasury, direct. These requirements are set out in paragraphs 24 and 25 of schedule 7 to the National Health Service Act 2006.

In preparing the accounts the Trust has complied with any directions given by Monitor, with the approval of HM Treasury, as to the methods and principles according to which the accounts are to be prepared and the information to be given in the accounts. The accounts are designed to present a true and fair view of the Trust's activities (paragraph 25(3), schedule 7 to the 2006 Act).

If you require any further information on these accounts please contact:

The Executive Chief Financial Officer  
South Essex Partnership University NHS Foundation Trust  
Head Office – The Lodge  
Runwell Hospital  
Runwell Chase  
Wickford  
Essex SS11 7XX

Telephone: 01268 366000

Signed: .....

Date: 1 June 2011

Dr Patrick Geoghegan, OBE  
Chief Executive and Executive Nurse  
Professor of Mental Health and Social Care

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED  
31 MARCH 2011**

	NOTE	£000	2009/10 £000
<b>INCOME FROM ACTIVITIES</b>			
Operating income from continuing operations	2	189,749	183,693
Other operating income from continuing operations	3	12,410	9,888
Operating expenses of continuing operations	4	(191,390)	(195,374)
<b>Operating surplus (deficit) for the year</b>		<b>10,769</b>	<b>(1,793)</b>
<b>FINANCE COST</b>			
Finance income	8	643	448
Finance expense - financial liabilities	8	(2,829)	(1,931)
Finance expense - unwinding of discount on provisions	8	(118)	(68)
PDC dividends		(4,308)	(4,566)
<b>Net finance cost</b>		<b>(6,612)</b>	<b>(6,117)</b>
<b>Surplus/(Deficit) for the year</b>		<b>4,157</b>	<b>(7,910)</b>
<b>OTHER COMPREHENSIVE INCOME (LOSSES)</b>			
Revaluation gains/(losses) and impairment losses on property, plant and equipment		(69)	(3,779)
Other recognised gains and losses		424	(5)
Actuarial gains/(losses) on defined benefit pension schemes		2,990	(3,722)
<b>TOTAL COMPREHENSIVE INCOME (EXPENSES) FOR THE YEAR</b>		<b>7,502</b>	<b>(15,416)</b>

The notes on the pages 147 to 197 form part of these accounts. All income and expenditure is derived from continuing operations.

**STATEMENT OF FINANCIAL POSITION AS AT  
31 MARCH 2011**

	NOTE	£000	2009/10 £000
<b>NON CURRENT ASSETS</b>			
Intangible assets	9	3,920	2,456
Property, plant and equipments	10	163,841	164,434
Investment property	11	8,833	7,303
Other non current assets	12	1,603	1,644
<b>Total non-current assets</b>		<b>178,197</b>	<b>175,837</b>
<b>CURRENT ASSETS</b>			
Inventories	14	72	41
Trade and other receivables	13	7,280	7,243
Cash and cash equivalents	15	17,421	16,509
<b>Total current assets</b>		<b>24,773</b>	<b>23,793</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	17	(17,631)	(16,626)
Borrowings	19	(730)	(756)
Provisions	20	(500)	(455)
Other current liabilities	18	(802)	(545)
<b>Total current liabilities</b>		<b>(19,663)</b>	<b>(18,382)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>183,307</b>	<b>181,248</b>
<b>NON CURRENT LIABILITIES</b>			
Borrowings	19	(33,536)	(34,266)
Provisions	20	(3,763)	(4,557)
Other non current liabilities	18	(1,040)	(4,959)
<b>Total non-current liabilities</b>		<b>(38,339)</b>	<b>(43,782)</b>
<b>TOTAL ASSETS EMPLOYED</b>		<b>144,968</b>	<b>137,466</b>
<b>FINANCED BY: TAX PAYERS EQUITY</b>			
Public dividend capital	22	98,209	98,209
Revaluation reserve	23	39,985	43,554
Donated asset reserve	23	28	99
Income and expenditure reserve	23	6,746	(4,396)
<b>TOTAL TAX PAYERS EQUITY</b>		<b>144,968</b>	<b>137,466</b>

The Financial statements on pages 43 to 144 were approved by the Board on 1 June 2011 and signed on its behalf by,

Signed:..........

Dr Patrick Geoghegan, OBE  
Chief Executive and Executive Nurse  
Professor of Mental Health and Social Care

Date: 1 June 2011

## STATEMENT OF CHANGES IN TAXPAYERS' EQUITY AT 31 MARCH 2011

	Total £000	Public Dividend Capital £000	Revaluation Reserve £000	Donated Assets Reserve £000	Income and Expenditure Reserve £000
<b>TAXPAYERS EQUITY AT 01 APRIL 2010</b>	<b>137,466</b>	<b>98,209</b>	<b>43,554</b>	<b>99</b>	<b>(4,396)</b>
Surplus/(deficit for the year)	4,157	0	0	0	4,157
Revaluation gains/(losses) and impairment losses on property, plant and equipment	(69)	0	(69)	0	0
Actuarial gains/(losses) on defined benefit pension schemes	2,990	0	0	0	2,990
Other recognised gains and losses	424	0	0	(79)	503
Other reserve movements	0	0	(3,500)	8	3,492
<b>TAXPAYERS EQUITY AT 31 MARCH 2011</b>	<b>144,968</b>	<b>98,209</b>	<b>39,985</b>	<b>28</b>	<b>6,746</b>

## STATEMENT OF CHANGES IN TAXPAYERS' EQUITY AT 31 MARCH 2010

	Total £000	Public Dividend Capital £000	Revaluation Reserve £000	Donated Assets Reserve £000	Other Reserves £000	Income and Expenditure Reserve £000
<b>TAXPAYERS EQUITY AT 01 APRIL 2009</b>	<b>151,979</b>	<b>98,209</b>	<b>47,642</b>	<b>132</b>	<b>(2,004)</b>	<b>8,000</b>
Surplus/(deficit for the year)	(7,007)	0	0	0	0	(7,007)
Revaluation gains/(losses) and impairment losses on property, plant and equipment	(3,779)	0	(3,749)	(30)	0	0
Transfers to the income and expenditure account in respect of assets disposed of	0	0	(4)	0	0	4
Actuarial gains/(losses) on defined benefit pension schemes	(3,722)	0	0	0	(3,747)	25
Other recognised gains and losses	(1)	0	(1)	0	0	0
Other reserve movements	(4)	0	(334)	(3)	5,751	(5,418)
<b>TAXPAYERS EQUITY AT 31 MARCH 2010</b>	<b>137,466</b>	<b>98,209</b>	<b>43,554</b>	<b>99</b>	<b>0</b>	<b>(4,396)</b>

**STATEMENT OF CASH FLOWS AS AT 31 MARCH 2011**

	NOTE	£000	2009/10 £000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net cash generated from/(used in) operations	24	14,226	17,904
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received		122	94
Purchase of intangible assets		(1,743)	(1,714)
Purchase of property, plant and equipment		(4,485)	(9,853)
Disposal of property, plant and equipment		209	0
<b>Net cash generated from (used in) investing activities</b>		<b>(5,897)</b>	<b>(11,473)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Capital element of private finance Initiative obligations		(756)	(456)
Interest element of private finance Initiative obligations		(2,169)	(1,444)
PDC dividend paid		(4,492)	(4,559)
<b>Net cash generated from (used in) financing activities</b>		<b>(7,417)</b>	<b>(6,459)</b>
<b>Increase (decrease) in cash and cash equivalents</b>		<b>912</b>	<b>(28)</b>
<b>CASH AND CASH EQUIVALENTS AT 1 APRIL 2010</b>		<b>16,509</b>	<b>16,537</b>
<b>CASH AND CASH EQUIVALENTS AT 31 MARCH 2011</b>		<b>17,421</b>	<b>16,509</b>

## NOTES TO THE ACCOUNTS

### 1. Summary of Accounting Policies and Other Information

#### 1.1 General Information

Monitor has directed that the financial statements of NHS Foundation Trusts shall meet the accounting requirements of the NHS Foundation Trust Financial Reporting Manual which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the 2010/11 NHS Foundation Trust Financial Reporting Manual issued by Monitor. The accounting policies contained within that manual follow International Financial Reporting Standards (IFRS) and HM Treasury's Financial Reporting Manual to the extent that they are meaningful and appropriate to NHS Foundation Trusts. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

#### 1.2 Presentation of Financial Statements

When preparing the financial statements the Trust will in normal circumstances follow the standard format. However, where it is determined that the standard format is not representative in reflecting the true performance of the Trust, the presentation of the primary statements may be amended accordingly.

#### 1.4 Income

Income in respect of services provided is recognised when, and to the extent that, performance occurs and is measured at the fair value of the consideration receivable. The main source of income for the Trust is contracts with commissioners in respect of healthcare services.

Where income is received for a specific activity which is to be delivered in the following financial year, that income is deferred. Income from the sale of non-current assets is recognised only when all material conditions of the sale have been met, and is measured as the sums due under the sale contract.

#### 1.5 Expenditure on Employee Benefits

##### Short-term employee benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following period.

##### Pension costs

##### NHS pension scheme

Past and present employees are covered by the provisions of the NHS Pensions Scheme. 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. It is not possible for the NHS foundation trust to identify its share of the underlying scheme liabilities. Therefore, the scheme is accounted for as a defined contribution scheme. Employers pension cost contributions are charged to operating expenses as and when they become due. Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the operating expenses at the time the trust commits itself to the retirement, regardless of the method of payment.

## **1.6 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

## **1.7 Property, Plant & Equipment**

### **Recognition**

- Property, plant and equipment is capitalised where:
- It is held for use in delivering services or for administrative services
- It is probable that future economic benefits will flow to, or service potential be provided to, the Trust;
- It is expected to be used for more than one financial year; and
- The cost of the item can be measured reliably
- Individually it has a cost of at least £5,000; or
- They form a group of assets which individually have a cost of more than £250, collectively have a cost of at least £5,000, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous, disposal dates and are under single managerial control; or
- They form part of the initial equipping and setting-up cost of a new building or refurbishment of a ward or unit, irrespective of their individual or collective cost.

### **Measurement**

#### **Valuation**

All property, plant and equipment assets are initially measured at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. All assets are measured subsequently at fair value.

Land and buildings used for the Trusts services or for administrative purposes are stated in the balance at their revalued amounts, being fair value at the date of revaluation less any subsequent depreciation or impairment losses. Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the balance sheet date. Fair values are determined as follows,

Land and non specialised buildings - market value for existing use

Specialised buildings - depreciated replacement cost

In accordance with HM Treasury requirements, Land and Building assets are valued every 5 years, with an interim valuation at the end of the intervening 3rd year. The previous 5 yearly valuation was carried out as at 31 March 2010, with the next valuation therefore due to be carried out as at 31 March 2013.

The valuations are carried out primarily on the basis of Depreciated Replacement Cost for specialised operational property and Existing Use Value for non-specialised operational property. The value of land for existing use purposes is assessed at

Existing Use Value. For non-operational properties including surplus land, the valuations are carried out at Open Market Value.

Additional alternative Open Market Value figures have only been supplied for operational assets scheduled for imminent closure and subsequent disposal.

HM Treasury has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would not meet the location requirements of the service being provided, an alternative site can be valued.

Valuations are carried out by professionally qualified valuers in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual. During the year the Trust used the District Valuers to value its' fixed assets.

Properties in the course of construction for service or administrative purposes are carried at cost, less any impairment loss. Cost includes professional fees but not borrowing costs, which are recognised as expenses, as allowed by IAS23 for assets held at fair value. Assets are re-valued and depreciation commences when they are brought into use.

Until 31 March 2008, fixtures and equipment were carried at replacement cost, as assessed by indexation and depreciation of historic cost. From 1 April 2008 indexation ceased. The carrying value of existing assets at that date will be written off over their remaining useful lives and new fixtures and equipment are carried at depreciated historic cost as this is not considered materially different from fair value.

### **Subsequent expenditure**

Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is added to the asset's carrying value. Where subsequent expenditure is simply restoring the asset to the specification assumed by its economic useful life then the expenditure is charged to operating expenses.

### **Depreciation**

Items of Property, Plant and Equipment are depreciated over their remaining useful 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.

Property, Plant and Equipment which has been reclassified as 'Held for Sale' ceases to be depreciated upon reclassification. Assets in the course of construction are not depreciated

until the asset is brought into use or reverts to the Trust, respectively. The Trust applies the following useful lives to property, plant and equipment assets. The lives applied to building assets are based on the latest valuations received from the district valuer.

Main Asset Category	Sub Category	Minimum Useful Economic Life (in years)	Maximum Useful Economic Life (in years)
Buildings –owned	Structure	13	80
	Building finishes	23	70
	Engineering and installations	3	80
	External works	17	80
	Fixtures and fittings	0	70
Buildings – PFI schemes	Structure	13	61
	Building finishes	60	62
	Engineering and installations	3	31
	External works	18	45
	Fixtures and fittings	60	62
Plant, machinery and equipment	Medical and surgical equipment	5	15
	Office equipment	5	5
	IT hardware	5	5
	Other engineering works	5	15
Furniture and fittings	Furniture	10	10
	Soft furnishings	7	7
Motor vehicles		7	7

following useful lives to property, plant and equipment assets. The lives applied to building assets are based on the latest valuations received from the district valuer.

### Revaluation gains and losses

Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease previously 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

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 or group of assets before impairment.

An impairment arising from a loss of economic benefit or service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating income to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

### **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.
  1. management are committed to a plan to sell the asset;
  2. an active programme has begun to find a buyer and complete the sale
  3. the asset is being actively marketed at a reasonable price;
  4. the sale is expected to be completed within 12 months of the date of classification as 'Held for Sale'; and
  5. the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged and the assets are not re-valued, except where the 'fair value less costs to sell' falls below the carrying amount. Assets are de-recognised when all material sale contract conditions have been met.

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

### **Donated assets**

Donated fixed assets are capitalised at their current value on receipt and this value is credited to the donated asset reserve. Donated fixed assets are valued and depreciated as described above for purchased assets. Gains and losses on revaluations are also taken to the donated asset reserve and, each year, an amount equal to the depreciation charge on the asset is released from the donated asset reserve to the income and expenditure account. Similarly, any impairment on donated assets charged to the income and expenditure account is matched by a transfer from the donated asset reserve. On sale of donated assets, the net book value of the donated asset is transferred from the donated asset reserve to the income and expenditure reserve.

### **Private Finance Initiative (PFI Contract)**

PFI transactions which meet the IFRIC12 definition of a service concession, as interpreted in HM Treasury's FReM, are accounted for as 'on balance sheet' by the Trust. The underlying assets are recognised as Property, Plant and Equipment at their fair value. An equivalent financial liability is recognised in accordance with IAS39.

The annual contract payments are apportioned between the repayment of the liability, a finance cost and the charge for services. The finance cost is calculated using the effective interest rate for the scheme.

The service charge is recognised in operating expenses and the finance cost is charged to Finance Costs in the Statement of Comprehensive Income.

## **1.8 Intangible Assets**

### **Recognition**

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the Trust's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the Trust and where the cost of the asset can be measured reliably. Where internally generated assets are held for service potential, this involves a direct contribution to the delivery of services to the public.

Intangible assets are capitalised when they are capable of being used in Trust activities for more than one year; they can be valued; and have a cost of at least £5,000.

Internally generated intangible assets

Internally generated goodwill, mastheads, publishing titles, consumer lists and similar items are not capitalised as intangible assets.

- Expenditure on research is not capitalised.
- Expenditure on development is capitalised only where all the following can be demonstrated:
  - the project is technically feasible to the point of completion and will result in an intangible asset for sale or use; the
  - Trust intends to complete the asset and sell or use it; the
  - Trust has the ability to sell or use the asset;
  - how the intangible asset will generate probable future economic or service delivery benefits e.g. the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset;
  - adequate financial, technical and other resources are available to the Trust to complete the development and sell or use the asset; and the
  - Trust can measure reliably the expenses attributable to the asset during development.

The Trust does not have any internally-generated intangible assets.

## 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 is capable of operating in the manner intended by management.

Subsequently intangible assets are measured at fair value. Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse impairment previously recognised in operating expenses, in which case they are recognised in operating income. Decreases in asset values and impairments 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'.

Following initial recognition, intangible assets are carried at fair value by reference to an active market, or, where no active market exists, at amortised replacement cost (modern equivalent assets basis), and indexed for relevant price increases, as a proxy for fair value.

Purchased computer software licences are capitalised as intangible fixed assets where expenditure of at least £5,000 is incurred and amortised over the shorter of the term of the licence and their useful economic lives.

## Amortisation

Intangible assets are amortised over their expected useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

The Trust applies the following useful lives to amortise intangible assets to arrive at the assets residual value'

Main Asset Category	Sub Category	Useful Economic Life minimum (in years)	Useful Economic Life maximum (in years)
Intangible assets	Software	0	5

## 1.9 Investment Properties

On initial recognition Investment Properties are measured at cost including any costs directly attributable to bringing them into working condition. Investment property is recognised as an asset only when it is probable that the future economic benefits that are associated with the investment property will flow to the entity and the cost of the investment property can be measured reliably.

The Trust currently has properties which were previously used for learning disability services. Following the decommissioning of these services, the properties have subsequently been deemed surplus to requirements and are currently leased to housing associations. In accordance with IAS40, Investment Properties are re-valued annually, with any gain or loss arising being dealt with in the Statement of Comprehensive Income.

#### **1.10 Non-current assets held for sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met when the sale is highly probable, the asset is available for immediate sale in its present condition and management is committed to the sale, which is expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Fair value is open market value including alternative uses.

The profit or loss arising on disposal of an asset is the difference between the sale proceeds and the carrying amount and is recognised in the income statement. On disposal, the balance for the asset on the revaluation reserve, donated asset reserve or government grant reserve is transferred to retained earnings.

#### **1.11 Government grants**

Government grants are grants from Government bodies other than income from primary care trusts or NHS trusts for the provision of services. Grants from the Department of Health, including those for achieving three star status, are accounted for as Government grants as are grants from the Big Lottery Fund. Where the Government grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure. Where the grant is used to fund capital expenditure the grant is held as deferred income and released to operating income over the life of the asset in a manner consistent with the depreciation charge for that asset.

#### **1.12 Leases**

##### **Finance leases**

Where substantially all risks and rewards of ownership of a leased asset are borne by the NHS Foundation Trust, the asset is recorded as Property, Plant and Equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease. The implicit interest rate is that which produces a constant periodic rate of interest on the outstanding liability.

The asset and liability are recognised at the inception of the lease, and are de-recognised when the liability is discharged, cancelled or expires. The annual rental is split between the repayment of the liability and a finance cost. The annual finance cost is calculated by applying the implicit interest rate to the outstanding liability and is charged to Finance Costs in the Statement of Comprehensive Income.

### **Operating leases**

Other leases are regarded as operating leases and the rentals are charged to operating expenses on a straight line basis over the term of the lease. Operating lease incentives received are added to the lease rentals and charged to operating expenses over the life of the lease.

### **Leases of land and buildings**

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately. Leased land is treated as an operating lease.

#### **1.13 Inventories**

Inventories are stated at lower of cost and net realisable value.

#### **1.14 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 Trusts 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.

Regular way purchases or sales are recognised and de-recognised, as applicable, using the settlement date.

##### **De-recognition**

All financial assets are de-recognised when the rights to receive cash flows from the assets have expired or the Trust has transferred substantially all the risks and rewards of ownership.

Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires. The classification of financial assets depends on the nature and purpose of the assets and is determined at the time of initial recognition.

The financial assets are classified on the balance sheet as follows;

##### **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 in current assets.

The Trust's loans and receivables comprise: current investments, cash at bank and in hand, NHS debtors, accrued income and 'other debtors'.

Loans and receivables are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost, using the effective interest rate method, less any

impairment. The effective interest rate is the rate that discounts exactly estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

Interest on loans and receivables is calculated using the effective interest method and credited to the Statement of Comprehensive Income.

### **Financial liabilities**

Financial liabilities are recognised initially at fair value, net of transaction costs incurred, and measured subsequently at amortised cost using the effective interest rate method. The effective interest rate is the rate that discounts exactly estimated future cash payments through the expected life of the financial liability or, when appropriate, a shorter period, to the net carrying amount of the financial liability.

They are included in current liabilities except for amounts payable more than 12 months after the balance sheet date, which are classified as long term liabilities.

Interest on financial liabilities carried at amortised cost is calculated using the effective interest rate method and charged to the income and expenditure account.

### **Impairment of financial assets**

At the balance sheet date, the Trust assesses whether any financial assets, other than those held at 'fair value through profit and loss' are impaired. Financial assets are impaired and impairment losses recognised if, and only if, there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in the Statement of Comprehensive Income and the carrying amount of the asset is reduced directly, or through a provision for impairment of receivables.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the Statement of Comprehensive Income to the extent that the carrying amount of the receivable at the date of the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

### **Provision for debtor impairment**

A provision will be provided against the recovery of debts, where such a recovery is considered doubtful. Where the recovery of a debt is considered unlikely, the debt will either be written down directly to the Statement of Comprehensive Income, or charged against a provision to the extent that there is a balance available for the debt concerned, and thereafter charged to operating expenses.

### 1.15 Provisions

The NHS Trust provides for legal or constructive obligations that are of uncertain timing or amount at the period end date on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rate of 2.9% for early retirement provisions and 2.2% for all other provisions.

#### **Clinical negligence costs**

The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the NHS 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 Trust. The total value of clinical negligence provisions carried by the NHSLA on behalf of the Trust is disclosed at note 20.

#### **Non clinical risk pooling**

The Foundation Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the Trust pays an annual contribution to 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 as and when the liability arises.

### 1.16 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 27 where an income of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 27, 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.

### 1.17 Public dividend capital

Public Dividend Capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS Trust. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

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

Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for donated assets and the cash held. Average relevant net assets are calculated as a simple mean of opening and closing relevant net assets.

### **1.18 Pension cost**

Past and present employees are covered by the provisions of the NHS Pensions Scheme. The Scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the 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 if it were 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 total employer contributions payable in 2010/11 were £ 11,624,005. The Scheme is subject to a full actuarial investigation every four years. The main purpose of which 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.

The last such investigation, on the conclusions of which scheme contribution rates are currently based, had an effective date of 31 March 2004 and covered the period from 1 April 1999 to that date. Between the full actuarial valuations, the Government Actuary provides an annual update of the scheme liabilities for IAS 19 purposes. The latest assessment of the liabilities of the Scheme is contained in the Scheme Actuary report, which forms part of the NHS Pension Scheme (England and Wales) Resource Account, published annually. These accounts can be viewed on the Business Service Authority - Pensions Division website at [www.nhs.gov.uk](http://www.nhs.gov.uk). Copies can also be obtained from the Stationery Office.

The conclusion of the 2004 investigation was that the scheme had accumulated a notional deficit of £3.3 billion against the notional assets as at 31 March 2004. This is after making some allowance for the one-off effects of pay modernisation, but before taking into account any of the scheme changes which come into effect on 1 April 2008. Taking into account the changes in the benefit and contribution structure effective from 1 April 2008, employer contributions could continue at the existing rate of 14% of pensionable pay. On advice from the actuary, scheme contributions may be varied from time to time to reflect changes in the scheme's liabilities. From 1 April 2008, employees' contributions will be on a tiered scale from 5% up to 8.5% of their pensionable pay.

The scheme is a 'final salary' scheme. Annual pensions are normally based on 1/80th of the best of the last 3 years pensionable pay for each year of service. A lump sum normally equivalent to 3 years pension is payable on retirement. 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. On death, a pension of 50% of the member's pension is normally payable to the surviving spouse.

Early payment of a pension, with enhancement, is available to members of the Scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity. A death gratuity of twice final year pensionable pay for death in service, and up to five times their annual pension for death after retirement, is payable. Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the income and expenditure account at the time the Trust commits itself to the retirement, regardless of the method of payment.

The scheme provides the opportunity to members to increase their benefits through money purchase additional voluntary contributions (AVC) provided by an approved panel of life companies. Under the arrangement the employee/member can make contributions to their pension benefits. The benefits payable relate directly to the value of the investments made.

### **Local Government Pension Scheme (LGPS)**

The Trust also has a number of employees who are member of the LGPS - the Bedford Borough Council Pension Funds. The Funds comprising the LGPS are multi-employer schemes, and each employer's share of the underlying assets and liabilities can be identified. Hence a defined benefit approach is followed. The scheme has a full actuarial valuation at intervals not exceeding five years. In between the full actuarial valuations the assets and liabilities are updated using the principle actuarial assumptions at the balance sheet date. Any material changes in liabilities associate with these claims would be recoverable through the pool, which is negotiated every five years.

The scheme assets and liabilities attributable to these employees can be identified and are recognised in the trust's accounts. The assets are measured at fair value, and the liabilities at the present value of future obligations.

The increase in the liability arising from pensionable service earned during the year is recognised within operating expenses. The expected gain during the year from scheme assets is recognised within finance income. The interest cost during the year arising from the unwinding of the discount on the scheme liabilities is recognised within finance costs. Actuarial gains and losses during the year are recognised in the income and expenditure reserve and reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.]

### **1.19 Taxation**

South Essex Partnership NHS Foundation Trust is a Health Service body within the meaning of s519A ICTA 1988 and accordingly is exempt from taxation in respect of income and capital gains within the categories covered by this. There is a power for the Treasury to dis-apply the exemption in relation to specified activities of a Foundation Trust (s519 A (3) to (8) ICTA 1988). Accordingly, the Trust is potentially within the scope of corporation tax in respect of activities which are not related to, or ancillary to, the provision of healthcare, and where the profits there from exceed £50,000pa. There is no tax liability arising in the current financial year.

## **1.20 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 VAT is recoverable, the amounts are stated net of VAT.

## **1.21 Foreign exchange**

The functional and presentational currencies of the Trust are sterling. A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

Where the Trust has assets or liabilities denominated in a foreign currency at the balance sheet date:

Monetary items are translated at the spot exchange rate on 31 March 2011.

Non monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction; and Non monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the balance sheet date) are recognised in income or expense in the period in which they arise.

Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

## **1.22 Third party assets**

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts 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 the HM Treasury's Financial Reporting Manual.

## **1.23 Capital commitments**

For ongoing capital projects at the balance sheet date, the value of capital commitments will be based on the value of contracted work not yet completed at the balance sheet date. The value of the capital commitment is disclosed at note 25.

## **1.24 Investments**

Investments in subsidiary undertakings, associates and joint ventures are treated as fixed asset investments and valued at market value. Fixed asset investments are reviewed annually for impairments.

Deposits and other investments that are readily convertible into known amounts of cash at or close to their carrying amounts are treated as liquid resources in the cash flow statement. These assets, and other current assets, are valued at cost less any amounts written off to represent any impairments in value, and are reviewed annually for impairments.

### **1.25 Cash, bank and overdrafts**

Cash, bank and overdraft balances are recorded at the current values of these balances in the NHS Foundation Trust's cash book. These balances exclude monies held in the NHS Foundation Trust's bank account belonging to patients (see 'third party assets' above). Account balances are only set off where a formal agreement has been made with the bank to do so. In all other cases overdrafts are disclosed within creditors. Interest earned on bank accounts and interest charged on overdrafts is recorded as, respectively, 'Interest receivable' and 'interest payable' in the periods to which they relate. Bank charges are recorded as operating expenditure in the periods to which they relate.

### **1.26 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 each individual case is handled.

Losses and special payments are charged to the relevant functional headings, including losses which would have been made good through insurance cover had NHS Foundation Trusts not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).

### **1.27 Mergers and acquisitions**

On 1 April 2010, the Trust acquired the whole service of Bedfordshire & Luton Mental Health & Social Care Partnership (BLPT). The transaction involved the purchase of the net assets of BLPT, with a value of £26,505,000. The consideration given by the NHS Foundation Trust was £26,505,000 in cash, which was financed through additional Public Dividend Capital received from the Secretary of State.

This transaction represents the transfer between public sector bodies which are under common control and therefore is a 'machinery of government change'. This transaction meets the definition of a 'Group Reconstruction' under IFRS 3 'Business Combinations' and therefore falls outside the scope of the standard. Consequently, in accordance with the FT ARM the principle of merger accounting have been applied to this transaction, as set out in Financial Reporting Standard 6 'Acquisitions and mergers' issued by the United Kingdom Accounting Standards Board. The effect of the merger to the Statement of Financial Position and the Statement of Comprehensive Income of the NHS Foundation Trust as at transaction date are given in note 1 appendix A to B

## Appendix A

### STATEMENT OF COMPREHENSIVE INCOME AS AT 01 APRIL 2010

	SEPT £000	BLPT £000	Combined £000
<b>INCOME FROM ACTIVITIES</b>			
Operating income from continuing operations	109,970	73,723	183,693
Other operating income from continuing operations	6,544	3,344	9,888
Operating expenses of continuing operations	(119,206)	(76,168)	(195,374)
<b>Operating surplus (deficit) for the year</b>	<b>(2,692)</b>	<b>899</b>	<b>(1,793)</b>
<b>FINANCE COST</b>			
Finance income	83	365	448
Finance expense - financial liabilities	(1,444)	(487)	(1,931)
Finance expense - unwinding of discount on provisions	(68)	0	(68)
PDC dividends	(3,178)	(1,388)	(4,566)
<b>Net finance cost</b>	<b>(4,607)</b>	<b>(1,510)</b>	<b>(6,117)</b>
<b>Surplus/(Deficit) from continuing operations for the year</b>	<b>(7,299)</b>	<b>(611)</b>	<b>(7,910)</b>
<b>OTHER COMPREHENSIVE INCOME (LOSSES)</b>			
Revaluation gains/(losses) and impairment losses on property, plant and equipment	(102)	(3,677)	(3,779)
Other recognised gains and losses	(1)	(4)	(5)
Actuarial gains/(losses) on defined benefit pension schemes	0	(3,722)	(3,722)
<b>TOTAL COMPREHENSIVE INCOME (EXPENSES) FOR THE YEAR</b>	<b>(7,402)</b>	<b>(8,014)</b>	<b>(15,416)</b>

## Appendix B

### STATEMENT OF FINANCIAL POSITION AS AT 01 APRIL 2010

	<b>SEPT £000</b>	<b>BLPT £000</b>	<b>Combined £000</b>
<b>NON CURRENT ASSETS</b>			
Intangible assets	2,237	219	2,456
Property, plant and equipments	123,190	41,244	164,434
Investment property	6,615	688	7,303
Other non current assets	1,644	0	1,644
<b>Total non-current assets</b>	<b>133,686</b>	<b>42,151</b>	<b>175,837</b>
<b>CURRENT ASSETS</b>			
Inventories	0	41	41
Trade and other receivables	2,841	4,402	7,243
Cash and cash equivalents	12,102	4,407	16,509
<b>Total current assets</b>	<b>14,943</b>	<b>8,850</b>	<b>23,793</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	(9,579)	(7,047)	(16,626)
Borrowings	(756)	0	(756)
Provisions	(266)	(189)	(455)
Other current liabilities	(545)	0	(545)
<b>Total current liabilities</b>	<b>(11,146)</b>	<b>(7,236)</b>	<b>(18,382)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>137,483</b>	<b>43,765</b>	<b>181,248</b>
<b>NON CURRENT LIABILITIES</b>			
Borrowings	(34,266)	0	(34,266)
Provisions	(2,902)	(1,655)	(4,557)
Other non current liabilities	0	(4,959)	(4,959)
<b>Total non-current liabilities</b>	<b>(37,168)</b>	<b>(6,614)</b>	<b>(43,782)</b>
<b>TOTAL ASSETS EMPLOYED</b>	<b>100,315</b>	<b>37,151</b>	<b>137,466</b>
<b>FINANCED BY: TAX PAYERS EQUITY</b>			
Public dividend capital	71,704	26,505	98,209
Revaluation reserve	32,000	11,554	43,554
Donated asset reserve	20	79	99
Income and expenditure reserve	(3,409)	(987)	(4,396)
<b>TOTAL TAX PAYERS EQUITY</b>	<b>100,315</b>	<b>37,151</b>	<b>137,466</b>

## 2 Operating Income from continuing operations

### 2.1 Provision of healthcare services

	£000	2009/10 £000
Block contract income	171,298	167,375
Clinical partnerships providing mandatory services	5,889	6,182
Other clinical income from mandatory services	4,484	3,998
Cost and volume contract income	1,036	1,459
Other non-mandatory clinical income	7,042	4,679
	<b>189,749</b>	<b>183,693</b>

Included within other non-mandatory clinical income is CAMHS grant income of £1,410,600, income generation funding received of £1,103,000, and drug and alcohol income of £1,800,000.

### 2.2 Source of Income from activities

	£000	2009/10 £000
NHS Foundation Trusts	333	1,338
NHS Trusts	8	12
Strategic Health Authorities	82	69
Primary Care Trusts	179,234	169,791
Local Authorities	9,797	10,252
Department of Health - other	-	95
NHS other	6	1,700
Non-NHS other	289	436
	<b>189,749</b>	<b>183,693</b>

### 2.3 Mandatory and non mandatory clinical income

Under the Trust's terms of authorisation, the Trust is required to provide mandatory health services. The allocation of operating income between mandatory health services and other services is detailed below,

	£000	2009/10 £000
Mandatory services	182,707	179,014
Non mandatory services	7,042	4,679
	<b>189,749</b>	<b>183,693</b>

## 2.4 Private Patient Income

	£000	2002/03 £000	2009/10 £000	2002/03 £000
Private patient income	0	0	0	0
Total patient income	189,749	74,491	183,693	74,491
Proportion	0%	0%	0%	0%

Section 44 of the 2006 Act requires that the proportion of private patient income (PPI) to the total patient related income of NHS Foundation Trusts should not exceed the relevant proportion whilst the body was an NHS Trust in 2002/03 (the base year). For mental health NHS Foundation Trusts the PPI cap will be the greater of;

- The proportion of the total income derived from private patient charges in the base year ; or
- 1.5 %

As the Trust received no income from private patient charges in 2002/03, the cap is therefore set at £1,117,000, represented by 1.5% of total patient income in 2002/03. The Trust received £nil private patient income for the year ended 31 March 2011 (2009/10: £nil).

### 3 Other Operating Income from continuing operations

#### 3.1 Other Operating Income

	£000	2009/10 £000
Education & training	2,491	2,626
Research & development	106	84
Non-patient care services to other bodies	3,905	3,484
Other income	5,908	3,694
<b>Total</b>	<b>12,410</b>	<b>9,888</b>

#### 3.2 Other Income

	£000	2009/10 £000
Estate recharge	803	712
Staff accommodation rentals	110	115
Staff recharges	491	531
IT recharges	240	188
Clinical excellence awards	145	145
Pharmacy sales	239	-
Catering	219	215
Property rentals	315	301
Other	3,346	1,487
<b>Total</b>	<b>5,908</b>	<b>3,694</b>

Included within other income other is £1,530,000 relating to gains from the revaluation of the Trust's investment properties and £1,155,000 relating to gains from the revaluation of the Local Government Pension Scheme.

## 4 Operating expenses of continuing operations

### 4.1 Operating expenses

	£000	2009/10 £000
Services from NHS Foundation Trusts	593	1,073
Services from NHS Trusts	306	395
Services from other NHS bodies	0	258
Employee expenses - Executive Directors	1,737	1,495
Employee expenses - Non-executive Directors	171	703
Staff cost	133,217	132,994
Drug costs	3,820	3,770
Purchase of healthcare from non NHS bodies	439	455
Supplies and services - clinical	683	728
Supplies and services - general	2,426	2,641
Establishment	7,347	7,307
Research and development	394	103
Transport	187	470
Premises	22,879	17,831
Increase in bad debt provision	646	252
Depreciation on property, plant and equipment	4,378	6,563
Amortisation on intangible assets	222	294
Impairments of property, plant and equipment *	562	10,118
Audit fees		
audit services- statutory audit	84	400
Other auditors remuneration		
further assurance services	228	293
other services	27	26
Clinical negligence	292	273
Loss on disposal of other property, plant and equipment	209	0
Legal fees	625	487
Consultancy cost	1,529	1,692
Training, courses and conferences	618	1,083
Patient travel	568	452
Car parking & security	571	516
Redundancy	4,266	57
Losses, ex gratia & special payments	79	61
Hospitality	147	66
Insurance	359	179
Other services	1,694	1,576
Other	87	763
<b>TOTAL</b>	<b>191,390</b>	<b>195,374</b>

## 4.2 Operating leases

	£000	2009/10 £000
Minimum lease payments	3,140	2,967
<b>Total</b>	<b>3,140</b>	<b>2,967</b>

### 4.2.1 Arrangements containing an operating lease

	£000	2009/10 £000
Future minimum lease payments due:		
- not later than one year;	2,242	1,930
- later than one year and not later than five years;	3,120	4,605
- later than five years.	607	511
<b>Total</b>	<b>5,969</b>	<b>7,046</b>

Non cancellable operating leases are operating leases with a total committed cost at outset of at least £5,000.

## 4.3 Other Auditors Remuneration - Internal Audit

	£000	2009/10 £000
IT services	27	26
Other Internal Audit services	228	293
<b>TOTAL</b>	<b>255</b>	<b>319</b>

## 5 Staff Costs

### 5.1 Analysis of staff costs

	<b>£ 000</b>	<b>2009/10</b>
	<b>£ 000</b>	<b>£ 000</b>
Salaries and wages	105,080	106,173
Social security costs	8,855	9,058
Employers contributions to NHS pensions	11,620	11,861
Pension cost - other contributions	50	346
Termination costs	4,266	57
Agency/contract staff	9,349	7,051
<b>Total</b>	<b>139,220</b>	<b>134,546</b>

Agency/contract staff costs during the year ended 31 March 2011 include costs incurred against positions held vacant as part of future reductions in the overall establishment in achieving cost improvement plans.

## 5.2 Directors remuneration

			Salary	Other	Benefits	Employers
			£000	Remuneration	in Kind	Pension
				£000	£000	Contribution
						£000
Professor Patrick Geoghegan OBE		Chief Executive and Executive Nurse	225-230	0	0	30-35
Dr Hameen Markar	Left 31 March 2011	Executive Medical Director	170-175	40-45	0	25-30
Pauline Roberts		Executive Medical Director	190-195	45-50	0	20-25
Ray Jennings		Executive Chief Finance Officer and Deputy Chief Executive	155-160	0	0	20-25
Sally Morris		Executive Director of Operational Services	145-150	0	0	20-25
Peter Wadum-Buhl	From 18 June 2010	Executive Director of Strategy & Business Development	115-120	0	0	15-20
Philip Howe	Left 31 March 2011	Executive Director of Social Care and Partnership Strategy Delivery	135-140	0	0	0
Amanda Reynolds	From January 2011	Executive Director of Social Care and Partnership Strategy Delivery	30-35	0	0	0-5
Nikki Richardson		Executive Director of Corporate Affairs	130-135	0	0	15-20
Andy Brogan		Interim Executive Director of Integrated Governance/Deputy Executive Nurse	95-100	0	0	0
Lorraine Cabel		Chair	50-55	0	0	0
Janet Wood		Non-Executive Director/Vice Chair	15-20	0	0	0
George Sutherland		Non-Executive Director	15-20	0	0	0
Leslie Cuthbert	Left 30 September 2010	Non-Executive Director	5-10	0	0	0
Randolph Charles	From 1 October 2010	Non-Executive Director	5-10	0	0	0
Steve Cotter	From 1 October 2010	Non-Executive Director	5-10	0	0	0
Steve Currell		Non-Executive Director	15-20	0	0	0
Dawn Hillier		Non-Executive Director	15-20	0	0	0
Gary Scott	Left 30 September 2010	Non-Executive Director	5-10	0	0	0

		2009/10			
		Salary	Other	Benefits	Employers
		£000	Remuneration	in Kind	Pension
		£000	£000	£000	Contribution
					£000
Professor Patrick Geoghegan OBE	Chief Executive and Executive Nurse	175-180	20-25	0	20-25
Pauline Roberts	Executive Medical Director	0-5	0	0	0-5
Ray Jennings	Executive Chief Finance Officer and Deputy Chief Executive	130-135	15-20	0	15-20
Sally Morris	Executive Director of Operational Services	115-120	10-15	0	15-20
Philip Howe	Executive Director of Social Care and Partnership Strategy Delivery	95-100	0	0	
Nikki Richardson	Executive Director of Corporate Affairs	115-120	0-5	0	15-20
Andy Brogan	Interim Executive Director of Integrated Governance/Deputy Executive Nurse	10-15	0	0	0-5
Lorraine Cabel	Chair	40-45	0	0	0
Janet Wood	Non-Executive Director/Vice Chair	15-20	0	0	0
George Sutherland	Non-Executive Director	15-20	0	0	0
Leslie Cuthbert	Non-Executive Director	15-20	0	0	0
Steve Currell	Non-Executive Director	15-20	0	0	0
Dawn Hillier	Non-Executive Director	0-5	0	0	0
Gary Scott	Non-Executive Director	0-5	0	0	0

### 5.3 Analysis of average staff numbers

	Total	2009/10 Total
Medical and dental	182	191
Administration and estates	670	751
Healthcare assistants and other support staff	545	655
Nursing, midwifery and health visiting staff	855	852
Scientific, therapeutic and technical staff	365	350
Bank and agency staff	467	366
Social care staff	72	84
Other	173	135
<b>Total</b>	<b>3,329</b>	<b>3,384</b>

### 5.4 Employee benefits

There are no non pay benefits which are not attributable to individual employees.

### 5.5 Retirement due to Ill Health

During the year ended 31 March 2011, there were 6 (2009/10: 7) retirements from the Trust agreed on the grounds of ill-health. The additional pension liability from these early

retirements, to be borne by the NHS Pensions Agency, is estimated to be £396,178 (2009/10: £452,721).

## 5.6 Termination costs

<b>Termination cost band</b>	<b>Number of compulsory Terminations</b>	<b>Number of other Terminations</b>	<b>Total Number of Terminations</b>
<£10,000	17	0	17
£10,000-£25,000	15	0	15
£25,001-£50,000	22	0	22
£50,001-£100,000	6	0	6
£100,001-£150,000	6	0	6
£150,001-£200,000	3	0	3
<b>Total number of terminations by type</b>	<b>69</b>	<b>0</b>	<b>69</b>
<b>Total cost</b>	<b>£4,266</b>	<b>0</b>	<b>£4,266</b>

## 6 Employee Retirement Benefit Obligations (LGPS)

### 6.1 Amounts recognised in the Statement of Comprehensive Income

	£000	2009/10 £000
Current service cost	381	243
Interest on pension obligations	660	487
Expected return on plan assets	(521)	(354)
Past service cost	(1,155)	0
<b>Total pension cost recognised</b>	<b>(635)</b>	<b>376</b>
Actual return on plan assets	598	1,706

### 6.2 Major categories of plan assets as a percentage of total plan assets

	£000	2009/10 £000
Equities	4,302	4,522
Bonds	1,832	1,715
Property	717	468
Cash/liquidity	1,115	1,092
<b>Total</b>	<b>7,966</b>	<b>7,797</b>

### 6.3 Principal actuarial assumptions as at 31 March 2011

	%	2009/10 %
Rate of inflation/Pension Increase rate	2.8	3.8
Rate of increase in salaries	5.1	5.3
Discount rate	5.5	6.6
Expected return on assets (average)	6.3	5.5

### 6.4 Amounts recognised in the Statement of Financial Position

	£000	2009/10 £000
Present value of funded benefit obligations	(9,006)	(12,756)
Fair value of plan assets	7,966	7,797
<b>Net liability</b>	<b>(1,040)</b>	<b>(4,959)</b>

**6.5 Change in benefit obligation during during the year**

	<b>£000</b>	<b>2009/10 £000</b>
<b>Opening defined benefit obligation 1 April</b>	<b>12,756</b>	<b>6,922</b>
Current service cost	381	243
Past service cost	(1,155)	0
Interest on pension obligations	660	487
Member contributions	133	157
Actuarial (gains)/losses on obligations	(3,540)	5,074
Benefits paid	(229)	(127)
<b>Closing defined benefit obligation 31 March</b>	<b>9,006</b>	<b>12,756</b>

**6.6 Change in Fair value of plan assets during the year**

	<b>£000</b>	<b>2009/10 £000</b>
<b>Opening fair value of plan assets</b>	<b>7,797</b>	<b>5,710</b>
Expected return on plan assets	521	354
Actuarial gains/(losses) on assets	(550)	1,352
Settlements	0	0
Employer contributions	294	351
Member contributions	133	157
Benefits paid	(229)	(127)
<b>Closing fair value of assets</b>	<b>7,966</b>	<b>7,797</b>

## 6.7 Analysis of net liability

	<b>31/03/2011</b>	<b>31/03/2010</b>
	<b>£000</b>	<b>£000</b>
Fair value of employer assets	7,966	7,797
Present value of defined benefit obligation	(9,006)	(12,756)
<b>Net liability</b>	<b>(1,040)</b>	<b>(4,959)</b>
<b>Represented by:</b>		
<b>Opening defined benefit obligation 1 April</b>	<b>(12,756)</b>	<b>(6,922)</b>
Current service costs	(381)	(243)
Contribution by members	(133)	(157)
Interest costs	(660)	(487)
Actuarial (losses)/gains	3,540	(5,074)
Past service (costs)/gains	1,155	0
Estimated benefits paid	229	127
<b>Closing defined benefit obligation 31 March</b>	<b>(9,006)</b>	<b>(12,756)</b>
<b>Opening fair value of plan assets 1 April</b>	<b>7,797</b>	<b>5,710</b>
Expected return on plan assets	521	354
Actuarial gains/(losses) on assets	(550)	1,352
Employer contributions	294	351
Member contributions	133	157
Benefits paid	(229)	(127)
<b>Closing fair value of assets 31 March</b>	<b>7,966</b>	<b>7,797</b>
<b>Total</b>	<b>(1,040)</b>	<b>(4,959)</b>

## 6.8 Future contribution estimate

The scheme actuaries, Hymans Robertson LLP, estimated the employer's contribution for the year ended 31 March 2012 will be approximately £327,000.

## 7 The Late Payment of Commercial Debts (interest) Act 1998.

There is no amount included within interest payable (Note 7) arising from claims made by small business under this legislation.

## 8 Finance Cost and Finance Income

### 8.1 Finance income

Interest on held-to-maturity financial assets  
Expected return on pension scheme assets  
**Total finance income**

£000
122
521
<b>643</b>

2009/10 £000
94
354
<b>448</b>

### 8.2 Finance Costs - interest expense

Finance costs in PFI obligations  
Finance cost on pension scheme liabilities  
**Total finance cost**

£000
2,169
660
<b>2,829</b>

2009/10 £000
1,444
487
<b>1,931</b>

### 8.3 Finance costs - unwinding of discount

Unwinding of discount on pension provision

£000
118
<b>118</b>

2009/10 £000
68
<b>68</b>

## 9 Intangible Assets

	<b>Total</b>	<b>Software licences purchased</b>	<b>Intangible Assets Under Development</b>	<b>2009/10 £000</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	
Cost at 1 April	3,869	2,333	1,536	2,177
Additions	1,745	1,745	0	2,239
Reclassifications	(59)	1,477	(1,536)	(547)
<b>Cost at 31 March</b>	<b>5,555</b>	<b>5,555</b>	<b>0</b>	<b>3,869</b>
Amortisation at 1 April	1,413	1,413	0	1,602
Provided during the year	222	222	0	294
Reclassifications	0	0	0	(483)
<b>Amortisation at 31 March</b>	<b>1,635</b>	<b>1,635</b>	<b>0</b>	<b>1,413</b>
Net book value at 1 April	2,456	920	1,536	575
<b>Net book value at 1 March</b>	<b>3,920</b>	<b>3,920</b>	<b>0</b>	<b>2,456</b>

## 10 Property, Plant and Equipment

	Total £000	Land £000	Buildings excluding dwellings £000	Dwellings £000	Plant & Machinery £000	Transport Equipment £000	Information Technology £000	Furniture & Fittings £000	Assets under Construction £000
<b>Cost or Valuation at 1 April 2010</b>	<b>211,961</b>	<b>56,006</b>	<b>137,897</b>	<b>434</b>	<b>2,601</b>	<b>299</b>	<b>10,528</b>	<b>3,522</b>	<b>674</b>
Additions - purchased	4,566	0	1,800	0	595	0	442	58	1,671
Impairments charged to revaluation reserve	(69)	0	(69)	0	0	0	0	0	0
Revaluation surplus	0	0	0	0	0	0	0	0	0
Reclassifications	59	0	(402)	445	50	0	12	539	(585)
Disposals	(444)	0	0	0	(7)	0	(19)	(418)	0
<b>Cost or valuation at 31 March 2011</b>	<b>216,073</b>	<b>56,006</b>	<b>139,226</b>	<b>879</b>	<b>3,239</b>	<b>299</b>	<b>10,963</b>	<b>3,701</b>	<b>1,760</b>
<b>Accumulated Depreciation at 1 April 2010</b>	<b>47,527</b>	<b>1,325</b>	<b>34,680</b>	<b>39</b>	<b>1,755</b>	<b>290</b>	<b>7,168</b>	<b>2,270</b>	<b>0</b>
Provided during the year	4,378	0	2,816	37	175	9	890	451	0
Impairments recognised in operating expenses	562	0	562	0	0	0	0	0	0
Revaluation surplus	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Disposals	(235)	0	0	0	(2)	0	(5)	(228)	0
<b>Accumulated depreciation at 31 March 2011</b>	<b>52,232</b>	<b>1,325</b>	<b>38,058</b>	<b>76</b>	<b>1,928</b>	<b>299</b>	<b>8,053</b>	<b>2,493</b>	<b>0</b>
<b>Net Book Value</b>									
NBV - Purchased at 1 April 2010	164,335	54,674	103,125	395	846	9	3,360	1,252	674
NBV - Donated at 1 April 2010	99	7	92	0	0	0	0	0	0
<b>NBV Total at 1 April 2010</b>	<b>164,434</b>	<b>54,681</b>	<b>103,217</b>	<b>395</b>	<b>846</b>	<b>9</b>	<b>3,360</b>	<b>1,252</b>	<b>674</b>
<b>Net Book Value</b>									
NBV - Purchased at 31 March 2011	163,813	54,674	101,147	803	1,311	0	2,910	1,208	1,760
NBV - Donated at 31 March 2011	28	7	21	0	0	0	0	0	0
<b>NBV Total at 31 March 2011</b>	<b>163,841</b>	<b>54,681</b>	<b>101,168</b>	<b>803</b>	<b>1,311</b>	<b>0</b>	<b>2,910</b>	<b>1,208</b>	<b>1,760</b>

### Analysis of Property Plant and Equipment

#### Net Book Value

- Protected	145,640	51,641	93,999	0	0	0	0	0	0
- Unprotected	18,201	3,040	7,169	803	1,311	0	2,910	1,208	1,760
<b>Total at 31 March 2011</b>	<b>163,841</b>	<b>54,681</b>	<b>101,168</b>	<b>803</b>	<b>1,311</b>	<b>0</b>	<b>2,910</b>	<b>1,208</b>	<b>1,760</b>

### 10.1 Net book value of land and buildings

	<b>Total</b>	<b>Protected</b>	<b>Unprotected</b>	<b>2009/10</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Freehold	155,849	145,640	10,209	157,898
<b>Total</b>	<b>155,849</b>	<b>145,640</b>	<b>10,209</b>	<b>157,898</b>

### 10.2 Analysis of revaluation of property, plant and equipment

	<b>Total</b>	<b>Revaluation</b>	<b>Revaluation</b>	<b>SOCI</b>	<b>2009/10</b>
	<b>£000</b>	<b>Reserves</b>	<b>Reserves</b>	<b>Impairment</b>	<b>'£000</b>
		<b>Surplus</b>	<b>Impairment</b>		
		<b>£000</b>	<b>£000</b>	<b>£000</b>	
Land	0	0	0	0	(2,070)
Building	(631)	0	(69)	(562)	(11,865)
Dwelling	0	0	0	0	37
<b>Total</b>	<b>(631)</b>	<b>0</b>	<b>(69)</b>	<b>(562)</b>	<b>(13,898)</b>

### 10.3 Remaining economic lives of property, plant and equipment

Main Asset Category	Sub Category	Minimum Useful Life (in years)	Maximum Useful Life (in years)
Buildings –owned	Structure	13	79
	Building finishes	23	69
	Engineering and installations	3	79
	Fixtures and fittings	0	79
	External works	17	69
Buildings – PFI schemes	Structure	13	60
	Building finishes	61	61
	Engineering and installations	3	30
	Fixtures and fittings	61	61
	External works	18	44
Plant, machinery and equipment	Medical and surgical equipment	4	15
	Office equipment	1	5
	IT hardware	1	5
	Other engineering works	0	15
Furniture and fittings	Furniture	1	10
	Soft furnishings	1	7
Motor vehicles		1	7

#### 10.4 Assets under PFI contract

	£000	2009/10 £000
<b>Cost or valuation</b>		
Cost or valuation at 1 April	33,735	4,890
Additions during the year	0	28,845
Impairment charged revaluation reserves	0	0
Cost of valuation at 31 March	33,735	33,735
<b>Accumulated depreciation</b>		
Accumulated depreciation at 1 April	6,128	1,240
Provided during the year	854	265
Impairment recognised in expenses		4,623
Accumulated depreciation at 31 March	6,982	6,128
<b>Net Book Value at 1 April</b>	<b>27,607</b>	<b>3,650</b>
<b>Net Book Value at 31 March</b>	<b>26,753</b>	<b>27,607</b>

#### EMI Homes – PFI

In 2004, two homes were opened for the provision of care for the Elderly Mentally ill. The construction has been financed by a private finance initiative, between South Essex Partnership University NHS Foundation Trust (the grantor) and Ryhurst (the operator), under a public private service concession arrangement.

The term of the arrangement is 30 years, over which the grantor will repay the financing received from the operator, ending in 2033. At the end of the financing period legal ownership will pass from Ryhurst to South Essex Partnership University NHS Foundation Trust.

During the period of the arrangement the grantor will have full and sole use of the properties to provide the health care services as described above.

The operator is contracted to provide maintenance services of a capital and revenue nature over the period of the contract. No material capital expenditure is included in the contract arrangement.

Maintenance costs payable to the operator are subject to annual increases based on the Consumer Price Index (CPI).

There are no changes in the arrangement over the contract period.

## Forensic Unit - PFI

In November 2009 a new forensic unit was opened to provide low to medium secure services. The construction of the new facility has been financed by a private finance initiative between South Essex Partnership University NHS Foundation Trust (the grantor) and Grosvenor House (the operator), under a public private service concession arrangement.

The term of the arrangement, over which the grantor will repay financing received to the operator, is 29 years ending in 2037. At the end of the financing period legal ownership will pass from Grosvenor House to South Essex Partnership University NHS Foundation Trust.

During the period of the arrangement the grantor will have full and sole use of the unit to provide health care services as described above.

The operator is contracted to provide maintenance services of a capital and revenue nature over the period of the contract.

Maintenance costs payable to the operator are subject to annual increases based on the Consumer Price Index (CPI).

There are no changes in the arrangement over the contract period.

## Finance Leases

There were no assets held under finance leases and hire purchase contracts at the end of the reporting period and therefore there was no depreciation charged in the statement of comprehensive income.

## 11 Investment Property

	£000	2009/10 £000
Carrying value at 1 April	7,303	7,243
Revaluation gains	1,530	60
<b>Carrying value at 31 March</b>	<b>8,833</b>	<b>7,303</b>

In accordance with accounting guidance, the Trust annually revalues its investment properties. The revaluation provided by the District Valuer showed an increase of £1,530,000 during 2010/11.

## 12 Other Non Current Assets

	<b>Financial Assets £000</b>	<b>Financial Assets 2009/10 £000</b>
NHS debtors	1,603	1,644
<b>Total</b>	<b>1,603</b>	<b>1,644</b>

## 13 Trade and Other Current Receivables

	<b>£000</b>	<b>2009/10 £000</b>
NHS receivables	3,532	2,983
Provision for impaired receivables	(803)	(1,047)
Accrued income	694	448
Prepayments	1,105	850
PDC receivable	178	56
Other receivables	2,574	3,953
<b>Total</b>	<b>7,280</b>	<b>7,243</b>

The Trust's final payment of Public Dividend Capital dividends is dependant on the closing balance sheet position for the Trust, and therefore either a creditor or debtor situation will exist in NHS organisations accounts at year end. This is subsequently amended via the next payment of dividends to HM Treasury by the Trust in September of each year.

### 13.1 Provision for impaired receivables

	<b>£000</b>	<b>2009/10 £000</b>
At 1 April	1,047	795
Increase in provision	646	348
Amount utilised	(890)	0
Unused amount reversed	0	(96)
<b>Total</b>	<b>803</b>	<b>1,047</b>

### 13.2 Analysis of impaired receivables

	£000	2009/10 £000
Up to three months	290	214
In three to six months	60	34
Over six months	453	799
<b>Total</b>	<b>803</b>	<b>1,047</b>

At 31 March 2011, the Trust had impaired debts totalling £803,000 against which full provision has been made, reflecting the age of the debt and likelihood of recovery. No collateral is held against recovery of the debt.

### 13.3 Analysis of non impaired receivables past their due dates

	£000	2009/10 £000
Up to three months	948	2,191
In three to six months	309	250
Over six months	34	75
<b>Total</b>	<b>1,291</b>	<b>2,516</b>

Debts are past their due date if payment is not received within the settlement terms. The standard settlement terms of the Trust is 30 days from the date on which the invoice is issued. At the balance sheet date none of these debts were considered doubtful, with full settlement therefore expected.

### 14 Inventories

	£000	2009/10 £000
Raw materials and consumables	72	41
	<b>72</b>	<b>41</b>

## 15 Cash and Cash Equivalents

	<b>£000</b>	<b>2009/10 £000</b>
Cash and cash equivalents at 1 April	16,509	16,537
Net change during the year	912	(28)
<b>Cash and cash equivalents at 31 March</b>	<b>17,421</b>	<b>16,509</b>
Represented by;		
Cash at commercial bank and in hand	553	1,006
Cash at GBS (Government Banking System)	16,868	15,503
<b>Total</b>	<b>17,421</b>	<b>16,509</b>

## 16 Investments

There were no investments held by the Trust as at 31 March 2011 (2009/10: £nil)

## 17 Trade and Other Current Payables

	<b>£000</b>	<b>Total £000</b>
NHS payables	301	1,252
Trade payable - capital	564	661
Trade payable - other	1,412	3,903
Other payables	4,260	4,639
Accruals	11,094	6,109
Public dividends capital payable	-	62
<b>Total</b>	<b>17,631</b>	<b>16,626</b>

**18 Other Liabilities**

**18.1 Other current liabilities**

	<b>£000</b>	<b>2009/10 £000</b>
Deferred income	802	545
	<b>802</b>	<b>545</b>

**18.2 Other non current liabilities**

	<b>£000</b>	<b>2009/10 £000</b>
Net Pension Scheme liability (local Government Pension Scheme)	1,040	4,959
	<b>1,040</b>	<b>4,959</b>

**19 Borrowings**

**19.1 Current liabilities**

	<b>£000</b>	<b>2009/10 £000</b>
Obligation under PFI contract due within one year	730	756
<b>Total</b>	<b>730</b>	<b>756</b>

**19.2 Non current liabilities**

	<b>£000</b>	<b>2009/10 £000</b>
Long term obligation under PFI contract	33,536	34,266
<b>Total</b>	<b>33,536</b>	<b>34,266</b>

### 19.3 PFI obligations

	£000	2009/10 £000
<b>Gross liabilities</b>	68,145	71,070
<b>Of which liabilities are due</b>		
- not later than one year;	2,852	2,925
- later than one year and not later than five years;	11,212	11,308
- later than five years.	54,081	56,837
Finance charges allocated to future periods	(33,879)	(36,048)
<b>Net liabilities</b>	<b>34,266</b>	<b>35,022</b>
- not later than one year;	730	756
- later than one year and not later than five years;	3,196	3,100
- later than five years.	30,340	31,166
	<b>34,266</b>	<b>35,022</b>

### 19.4 PFI commitments

	EMI			2009/10 £000
	Total £000	Homes £000	Forensic £000	
<b>Of which commitments are due</b>				
Within one year	3,959	954	3,005	3,864
2nd to 5th years (inclusive)	16,849	4,059	12,790	16,437
Later than five years	119,492	24,151	95,341	123,862
<b>Total</b>	<b>140,300</b>	<b>29,164</b>	<b>111,136</b>	<b>144,163</b>
<b>Present Value of commitments</b>				
Within one year	3,873	933	2,940	2,896
2nd to 5th years (inclusive)	15,606	3,759	11,847	15,226
Later than five years	83,629	17,474	66,155	85,666
<b>Total</b>	<b>103,108</b>	<b>22,166</b>	<b>80,942</b>	<b>103,788</b>

## 20 Provisions for Liabilities and Charges

	<b>Pensions Former Directors £000</b>	<b>Pensions Other Staff £000</b>	<b>Other Legal Claim £000</b>	<b>Other £000</b>	<b>Total £000</b>	<b>2009/10 £000</b>
<b>At 1 April</b>	<b>96</b>	<b>3,879</b>	<b>82</b>	<b>955</b>	<b>5,012</b>	<b>5,376</b>
Change in the discount rate	(5)	(258)	0	(202)	(465)	
Arising during the year	0	0	128	0	128	149
Utilised during the year	(7)	(319)	0	(39)	(365)	(491)
Reversed unused	0	(83)	(82)	0	(165)	(90)
Unwinding of discount	2	95	0	21	118	68
<b>At 31 March</b>	<b>86</b>	<b>3,314</b>	<b>128</b>	<b>735</b>	<b>4,263</b>	<b>5,012</b>
<b>Expected timing of cash flows:</b>						
- not later than one year;	6	328	128	38	500	455
- later than one year and not later than five years;	24	1,109	0	141	1,274	1,417
- later than five years.	56	1,877	0	556	2,489	3,140
<b>Total</b>	<b>86</b>	<b>3,314</b>	<b>128</b>	<b>735</b>	<b>4,263</b>	<b>5,012</b>

The total value of clinical negligence provisions carried by the NHS Litigation Authority (NHSLA) on the Trust's behalf as at 31 March 2011 was £4,478,441 (2009/10: £4,163,000).

## 21 Movements in Tax Payers Equity

	<b>£000</b>	<b>2009/10 £000</b>
<b>Tax payers equity at 1 April</b>	137,466	151,979
Surplus (deficit) for the year	4,157	(7,007)
equipment	0	4,589
Impairment on property, plant and equipment	(69)	(8,368)
Actuarial gains/(losses) on defined benefit pension scheme (LGPS)	2,990	(3,722)
Other recognised gains and losses	424	(1)
Other reserve movements	0	(4)
<b>Tax payers equity at 31 March</b>	<b>144,968</b>	<b>137,466</b>

## 22 Movements in Public Dividend Capital

	<b>£000</b>	<b>2009/10 £000</b>
Public dividend capital at 1 April	98,209	98,209
New public dividend capital received	0	0
<b>Public dividend capital at 31 March</b>	<b>98,209</b>	<b>98,209</b>

## 23 Movements on Reserves

	<b>Revaluation Reserve £000</b>	<b>Donated Assets Reserve £000</b>	<b>Income and Expenditure Reserve £000</b>	<b>Total £000</b>
<b>At 1 April 2010</b>	<b>43,554</b>	<b>99</b>	<b>(4,396)</b>	<b>39,257</b>
Transfer from Statement of Comprehensive Income	0	0	4,157	4,157
Revaluations	0	0	0	0
Impairments	(69)	0	0	(69)
Actuarial gains/(losses) on defined benefit pension schemes	0	0	2,990	2,990
Other recognised gains and losses	0	(79)	503	424
Other reserve movements	(3,500)	8	3,492	0
<b>At 31 March 2011</b>	<b>39,985</b>	<b>28</b>	<b>6,746</b>	<b>46,759</b>

## 24 Notes to the Statement of Cash Flows

### 24.1 Cash Flows from operating activities

	£000	2009/10 £000
Operating surplus(deficit) from continuing operations	10,769	(1,793)
<b>Operating surplus (deficit)</b>	<b>10,769</b>	<b>(1,793)</b>
<b>Non Cash Income and Expense:</b>		
Depreciation and amortisation	4,600	6,858
Revaluation (gain) losses	(968)	10,058
Transfer from the donated asset reserve	0	(3)
(Increase)/decrease in trade and other receivables	126	5,284
(Increase)/decrease in inventories	(31)	13
Increase/(decrease) in trade and other payables	984	(5,596)
Increase/(decrease) in other liabilities	257	3,272
Increase/(decrease) in provisions	(364)	(432)
Other movements in operating cash flows	(1,147)	243
<b>NET CASH GENERATED FROM/(USED IN) OPERATIONS</b>	<b>14,226</b>	<b>17,904</b>

### 24.2 Reconciliation of net cash flow to movement in net debt

	£000	2009/10 £000
Net increase/(decrease) in cash for the period	912	(28)
Change in net debt resulting from cash flow	912	(28)
Net debt at 1 April	16,509	16,537
<b>Net debt at 1 March</b>	<b>17,421</b>	<b>16,509</b>

### 24.3 Analysis of net debt

	At 1 April 2010	Cash Change in the year	At 31 March 2011
Commercial cash at bank and in hand	1,006	(453)	553
OPG cash at bank	15,503	1,365	16,868
<b>Total</b>	<b>16,509</b>	<b>912</b>	<b>17,421</b>

**25. Capital Commitments**

The value of the capital commitments under expenditure contracts at 31 March 2011 was £1,116,000 (2009/10: £2,838,000).

**26. Events after the Reporting Period**

There were no events after the reporting period.

**27. Contingencies**

As at 31 March 2011, the Trust had contingent liabilities in respect of the liabilities to third parties scheme totaling £96,000.

**28. Related Party Transactions**

South Essex Partnership University NHS Foundation Trust is a body corporate established by the Secretary of State. The Independent Regulator of NHS Foundation Trusts ("Monitor") and other Foundation Trusts are considered related parties. The Department of Health is regarded as a related party as it exerts influence over a number of transactions and operating policies of the Trust. During the year ended 31 March 2011 the Trust had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department of those entities.

During the year and at the period end, Trust had the following material transactions with other NHS bodies:

Organisation	2010/11				Provision for bad debt £000
	Income	Expenditure	Receivables	Payables	
	£000	£000	£000	£000	
Bedfordshire PCT	37,201	14	52	14	0
Luton Teaching PCT	24,996	23	810	3	281
South East Essex PCT	64,459	74	1,343	1	25
South West Essex PCT	48,694	499	2,182	1	124
West Essex PCT	7,096	19	44	12	0

Organisation	2009/10				
	Income	Expenditure	Receivables	Payables	Provision for bad debt
	£000	£000	£000	£000	£000
Bedfordshire PCT	35,735	218	908	27	0
Luton Teaching PCT	22,423	18	660	4	0
South East Essex PCT	57,800	89	113	3	0
South West Essex PCT	45,181	484	2,200	108	0
West Essex PCT	6,391	0	49	0	0

During the year and at the period end, the Trust had the following material transactions with other Government bodies:

	2010/11				
	Income	Expenditure	Receivables	Payables	Provision for bad debt
	£000	£000	£000	£000	£000
Bedford Borough Council	2,462	421	318	0	20
Central Bedfordshire Council	2,247	189	274	0	0
Luton Borough Council	2,407	261	611	0	0

	2009/10				
	Income	Expenditure	Receivables	Payables	Provision for bad debt
	£000	£000	£000	£000	£000
Bedford Borough Council	2,741	1,667	228	0	0
Central Bedfordshire Council	1,293	48	538	0	0
Luton Borough Council	3,147	301	4	37	0

Other than those disclosed under note 28.1, during the year none of the Board Members, Governors or members of the key management staff or parties related to them has undertaken any material transactions with South Essex Partnership University NHS Foundation Trust.

The members appointed to the Board of Governors may also be members of Boards and Committees of local stakeholder organisations. Local stakeholder organisations have the right to nominate a Governor to the Board under the following arrangements:

Two Primary Care Trust Governors, to be appointed jointly by South East Essex PCT and South West Essex PCT;

Two PCT Governors, one appointed jointly by South West Essex PCT and South East Essex PCT; and one appointed jointly by Bedfordshire PCT and Luton PCT;

Six Local Authority Governors, one each appointed by Essex County Council, Thurrock Council, Southend on Sea Borough Council, Bedford Borough Council, Central Bedfordshire Council and Luton Borough Council;

Four Partnership Governors appointed by partnership organisations. The Partnership organisations that may appoint a Partnership Governor are:

- Essex University and Anglia Ruskin University jointly – one Partnership Governor;
- University of Bedfordshire – one Partnership Governor;
- Service User Group (Essex) – one Partnership Governor;
- Service User & Carer Forum (Bedfordshire & Luton) – one Partnership Governor.

South Essex Partnership University NHS Foundation Trust is the Corporate Trustee of the South Essex Partnership NHS Foundation Trust General Charitable Fund and Bedfordshire and Luton Mental Health and Social Care Partnership NHS Trust Charitable Fund. During the year ended 31 March 2011, the Trust received income of £16,000 from South Essex Partnership University NHS Foundation Trust General Charitable Fund and £21,000 from Bedfordshire and Luton Mental Health and Social Care Partnership NHS Trust Charitable Fund for administrative services provided by the Trust on behalf of the Charities. The Trust did not receive any capital payments. All the members of the Corporate Trustee are also members of the South Essex Partnership University NHS Foundation Trust Board.

### **28.1 Director's Interests**

Professor Patrick Geoghegan OBE is a Governor at the Anglia Ruskin University. During the year the Trust made payments to Anglia Ruskin University totalling £370,000 in respect of training, education and grants.

Sally Morris has a minority share holding in a company called Health Idol. Health Idol have recently been contracted by the Trust to provide services costing £8,000 to its' Forensic Unit.

Randolph Charles is an elected member of Bedford Borough Council. As shown above, during the year ended 31 March 2011, the Trust received income of £2,462,000 and incurred expenditure of £421,000 with Bedford Borough Council.

## 29. Prudential Borrowing Limit

The NHS Foundation Trust is required to comply and remain within a prudential borrowing limit. This is made up of two elements:

1. The maximum cumulative amount of long-term borrowing.

This is set by reference to the five ratio tests set out in Monitor's Prudential Borrowing Code. The financial risk rating set under Monitor's Compliance Framework determines one of the ratios and therefore can impact on the long term borrowing limit ; and

2. The amount of any working capital facility approved by Monitor

The Trust has a maximum cumulative long term borrowing limit of £47.2 million (2009/10: 48.8 million). At 31 March 2011, the Trust had long term borrowing of £33.6 million (2009/10: 34.3 million).

The Trust has an approved working capital limit of £15.3m (2009/10: £8m). As at 31 March 2011, the Trust had a working capital facility with Lloyds TSB of £15.3m of which £nil was utilised (2009/10: £nil).

	<b>Actual ratio 2010/11</b>	<b>Approved ratio 2010/11</b>	<b>Actual ratio 2009/10</b>	<b>Approved ratio 2009/10</b>
Minimum dividend cover	1.87	>1	2.48	>1
Minimum interest cover	4.86	>2	4.28	>2
Minimum debt service cover	3.62	>1.5	3.19	>1.5
Maximum debt service to revenue	1.47%	<10%	2.51%	<10%

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 Trust.

## 30. Financial Instruments

IAS 32, Financial Instruments: Disclosures, requires disclosure of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Because of the continuing service provider relationship that the NHS Foundation Trust has with the local Primary Care Trusts and the way those Primary Care Trusts are financed, the NHS Foundation Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which IAS 32 mainly applies. 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.

As allowed by IAS32, comparatives of carrying amounts with fair values have not been disclosed for short term financial assets and liabilities where the carrying amount is a reasonable approximation of fair value.

**Credit risk**

Over 90% of the Trusts income is from contracted arrangements with commissioners. As such any material credit risk is limited to administrative and contractual disputes.

Where a dispute arises, provision will be made on the basis of the age of the debt and the likelihood of a resolution being achieved.

**Liquidity risk**

The Trust's net operating costs are incurred under annual service agreements with local Primary Care Trusts, which are financed from resources voted annually by Parliament. The Trust also largely finances its capital expenditure from funds made available from Government under an agreed borrowing limit. South Essex Partnership University NHS Foundation Trust is not, therefore, exposed to significant liquidity risks.

At 31 March 2011 the Trust had no financial liabilities represented by provisions under contract.

**Interest-rate risk**

100% of the Trust's financial assets and 100% of its financial liabilities carry nil or fixed rates of interest. South Essex Partnership University NHS Foundation Trust is not, therefore, exposed to significant interest rate risk.

**Foreign currency risk**

The Trust has negligible foreign currency income or expenditure.

### 31 Financial Assets and Liabilities

#### 31.1 Financial assets

	<b>Loans and Receivables 2010/11 £000</b>	<b>Loans and Receivables 2009/10 £000</b>
Trade and other receivables	7,280	7,243
Cash and cash equivalents (at bank and in hand)	17,421	16,509
	<b>24,701</b>	<b>23,752</b>

#### 31.2 Financial liabilities

	<b>Other Financial Liabilities 2010/11 £000</b>	<b>Other Financial Liabilities 2009/10 £000</b>
Obligations under PFI contract	34,266	35,022
Trade and other payables	13,371	14,608
Provisions under contract	4,263	5,012
	<b>51,900</b>	<b>54,642</b>

#### 31.3. Foreign currency risk

The Trust has negligible foreign currency income and expenditure.

### 31.4 Fair value

Set out below is a comparison, by category, of book values and fair values of the NHS Trust's non current financial assets and liabilities.

	2010/11		2009/10		Basis of Fair Valuation
	Book Value	Fair Value	Book Value	Fair Value	
	£000	£000	£000	£000	
Financial Assets					
Other Non Current receivables	1,603	1,603	1,644	1,644	Note A
	<u>1,603</u>	<u>1,603</u>	<u>1,644</u>	<u>1,644</u>	
Financial Liabilities					
Provisions	3,763	3,763	4,557	4,557	Note B
	<u>3,763</u>	<u>3,763</u>	<u>4,557</u>	<u>4,557</u>	

The Trust's financial liabilities as at 31 March 2011 comprise provision for early retirement and, but do not include public dividend capital. As a foundation Trust's in accordance with guidelines issued by Monitor, public dividend capital previously shown as non interest bearing debt, is not classified as a financial liability.

#### Notes

- A. These debtors reflect agreement with commissioners to cover creditors over 1 year for early retirement provisions under contract and their related interest charge/unwinding of discount. In line with note B below, fair value is not a significantly deferent from book value.
- B. Fair value does not differ from book value since, in the calculation of the book value, the expected cash flows have been discounted by the Treasury discount rate of 2.9% in real terms.

### 32. Third Party Assets

The Trust held £871,811 cash at bank and in hand at 31 March 2011 (2009/10: £568,059) which relates to monies held by South Essex Partnership University NHS Foundation Trust on behalf of patients. This has been excluded from cash at bank and in hand figure reported in the accounts.

### 33. Losses and Special Payments

There were 38 cases (2009/10: 27) of losses and special payments totalling £79,028 (2009/10: £61,880). Losses and special payments are accounted for on a cash basis.

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