

ANNUAL REPORT & ACCOUNTS

2012-13

South Essex Partnership University NHS Foundation
Trust

Annual Report & Accounts 2012-13

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2006

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SECTION A: ANNUAL REPORT



1. INTRODUCTION

SEPT – in hospital, in the community and in your home – local services for local people

With an annual turnover of approximately £320m South Essex Partnership University NHS Foundation Trust (SEPT) is one of the most successful Foundation Trusts in the country providing integrated care comprising mental health, learning disability, social care and community health services from over 200 locations. We provide these services across Bedfordshire, Essex, Luton and Suffolk and employ approximately 7,000 people and serve a population of 2.5 million.

We work with a wide range of partner organisations to deliver care and support to people in their own homes and from a number of hospital and community based premises. Unlike acute hospital services, mental health, learning disability and community health services are mainly provided in community settings with defined geographical localities. As a result we operate from over 200 locations across Bedfordshire, Essex, Luton and Suffolk.

SEPT provides a comprehensive range of mental health, learning disability and community health services including:

- mental health services for adults and older people;
- forensic, low and medium secure services;
- specialist children and young people's services;
- inpatient adolescent mental health services;
- learning disability services;
- drug and alcohol services;
- social care;
- district nursing, health visiting, school nurse services;
- physiotherapy;
- podiatry;
- speech and language therapy;
- long term conditions;
- rehabilitation;
- health improvement;
- community health services for children, young people and families.



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 Council of Governors who, along with our Board of Directors, takes forward the strategic and operational aspects of the Trust.

SEPT was 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. Following SEPT's success in 2008, national reform of this old-fashioned model was kick started 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 Council of Governors the mental health and learning disability services for the people of Bedfordshire, Essex and Luton.

2011 saw the accomplishment of SEPT's bid to acquire Community Health Services in Bedfordshire, South East Essex and West Essex. These services have now transferred to SEPT and are being integrated with our already existing mental health services in Bedfordshire and south east Essex. In west Essex we are working closely with commissioners and providers of health services to ensure a comprehensive integrated service for the population. Whenever and wherever possible we will provide local services for local people.

In October 2012 SEPT we extended a warm welcome to staff from Suffolk Community Services through an agreed partnership with Serco and Community Dental Services to deliver services for podiatry, children's services and speech and language therapy.

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 wellbeing;

that maximise opportunities to develop and expand services in related areas.

People who use the service	VALUES	Colleagues (including partners)
In tune with me		In tune with me
We believe you can live a fulfilling life	OPTIMISTIC	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	RESPECTFUL	We value each other's contributions
We listen to your point of view, and think about things in the context of your life	EMPATHISING	We consider each other's perspective
We will give you choices	INVOLVING	We work together as teams, within our organisation and with partners
We help you to take control of your life	EMPOWERING	We all have permission to innovate
We'll help you to play an active part too	ACCOUNTABLE	We want to be judged by our results

2. CHAIR AND CHIEF EXECUTIVE'S STATEMENT

Proud, confident, but not complacent

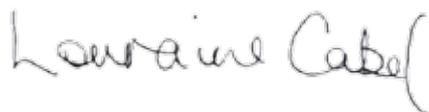
Welcome to SEPT's Annual Report for 2012 – 2013. This has been an unparalleled year for individual health organisations and the NHS as a whole. We have all been subject to increased financial pressures and additional scrutiny by external regulators. SEPT was no exception, and we are proud to report that during this year we achieved all Monitor targets, and following a number of CQC (Care Quality Commission) visits, no significant concerns were found and where minor improvements were highlighted, action was taken immediately.

We are proud of our staff who are proud of the services they provide. This means that our patients and carers are receiving the best service from the best staff. Their effort, energy and motivation has surpassed that of previous years. We are confident that our staff will continue to combine commitment with good practice to ensure high quality safe care delivered with compassion and competency.

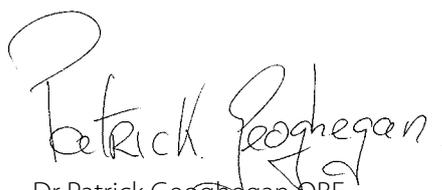
SEPT has always had a reputation as a leading NHS organisation and this is due to an overarching climate of innovation where staff have the courage to challenge poor practice and are motivated to modernise services. It's been an exciting year and we hope you enjoy looking at our pictorial record of our highlights and achievements on pages 14-19.

However, we are not complacent. We anticipate another year of major change ahead with new NHS commissioning organisations emerging, added financial constraints as well as increased scrutiny and regulation. We are confident that our own rigorous internal governance systems ensure we deliver great quality care and prepare us for any inspections by external organisations. We are ready for the challenge and are looking forward to building on the successes of previous years.

We want to say a big thank you to everyone working in the Trust for another sensational year. Considering the national and local pressures our staff's hard work and dedication in 2012 – 2013 was even more appreciated. As well as our excellent staff, we want to take this opportunity to thank our governors and members for their immense contribution as well as partners, service users, carers and, last but not least, our fellow board members.



Lorraine Cabel
Chair



Dr Patrick Geoghegan OBE
Chief Executive and
Professor of Mental Health & Social Care

3. 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 2013. The following pages include an operating and financial review of the Trust's activities for 2012/13.

The Directors of South Essex Partnership University NHS Foundation Trust present their report for the period 1 April 2012 to 31 March 2013. Details of the Trust's Directors are contained within the Governance review section of this document (page 36-39).

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 2012/13.

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, five key strategic priorities were identified for 2012/13 in our Annual Plan.

- Priority 1 - Delivering High Quality and Safe Services
- Priority 2 - Transforming Services
- Priority 3 - Efficient and Effective Organisation
- Priority 4 - Workforce Culture and Capacity
- Priority 5 - Clear plans for a sustainable future

Each of the above is considered in detail within the Quality Report, on pages 61 to 127.

Principle Risks and Uncertainties

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 which enables informed management decisions in the identification, assessment, treatment and monitoring of risk.

Throughout 2012/13 regular reports were provided to the Audit Committee, Integrated Quality and Governance Steering Committee, the Executive Operational Committee and the Board of Directors to ensure that the risk management and assurance systems remained productive and fit for purpose. The Risk Management Framework was revised in June 2012 to ensure continued compliance with the NHSLA Risk Management Standards, recommendations from internal and external audits and national reviews.

At the start of the year the organisation identified 19 key objectives for 2012/13 and assessed the potential risks that may have prevented 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.

The risks to achieving the objectives with the highest impact if not achieved provided the basis for the Board Assurance Framework. Significant potential risks were monitored monthly by the Board of Directors in line with the Trust's approved Risk Management Framework and governance systems. Twelve potential significant risks were escalated to the Board Assurance Framework during the period 2012/13. These risks related to:

- demonstrating robust governance and assurance systems to address any areas requiring improvement;
- learning from incidents;
- unified records;
- meeting expectations of patients and commissioners;
- mandatory and core training attendance;
- personalised care;
- national patient survey results;
- financial risks as detailed within the financial plan;
- implementation of transitional plans;
- engagement with CCGs and Health and Well Being Boards.

Head of Internal Audit Opinion

The head of internal audit opinion for 2012/13 was issued 15 May 2013. The overall position 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.”

Our Performance

SEPT has multiple key performance indicators (KPIs) relating to the services it provides. Some of the KPIs are nationally mandated by Monitor (the regulator of NHS-funded health care services), whilst others are mandated through our contracts with our commissioners. In addition, SEPT has a range of locally developed KPIs which assist the organisation in understanding how it is performing and to assess the quality of the services it provides.

The table below provides a summary of SEPT performance during 2012/13 against a range of these KPIs, and demonstrates a largely positive picture, with the majority of targets achieved. Further details regarding each of the indicators and our performance can be found within the Quality Report section.

Key Performance Indicator	Target	Was the Target Achieved?
Staff who would Recommend our services to Family or Friends	Performance above National Average	
Patients who would Recommend us to Family or Friends	Improvement on baseline	
Number of Compliments Received	Increase on 2011/12 outturn	
Complaints resolved within agreed timescales	≥95%	
Reducing the number of Infections Acquired in Hospital	≤9 C. Diff Cases ≤5 MRSA cases	
Eliminating Avoidable Grade 3 and 4 Pressure Ulcers	0 after Dec 2012	
Delivery Harm Free Care (Safety Thermometer)	≥95%	
Patient waiting no more than 18 weeks from Referral to Treatment	≥95%	

Key Performance Indicator	Target	Was the Target Achieved?
Number of people helped to Stop Smoking (Smoking Cessation)	500 in West Essex 300 in Bedfordshire	
Patients on Care Programme Approach (CPA) followed up within 7 days of discharge from psychiatric inpatient stay	≥95%	
Admissions to acute wards gatekept by Crisis Resolution Home Treatment	≥95%	
Patient on Care Programme Approach (CPA) having a formal review within 12 months	≥95%	
Early Intervention Services: New Cases of Psychosis	≥149	
Delayed Transfers of Care	≤7.5%	
Referral to Treatment Waiting Times for Consultant-Led Pathways	≥95%	
Waiting less than 4 hours at A & E and Walk-In Centres	≥95%	
Data Completeness – Patient Identifiers (Mental Health)	≥97%	
Data Completeness – Patient Outcomes (Mental Health)	≥50%	
Data Completeness – Referral to Treatment (Community Health)	≥50%	
Data Completeness – Referral Information (Community Health)	≥50%	
Data Completeness – Treatment Activity Information (Community Health)	≥50%	
Access to Healthcare for People with a Learning Disability	6 criteria achieving level 4	

Key: Not Achieved Partially Achieved Achieved



Breastfeeding Volunteer celebration event in Southend



British Safety Council Award for Health and Safety



Food First Team win Advancing Healthcare Award



Health & Wellbeing Fayre in Bedford



Official opening of Coral Ward at Luton Mental Health Unit



MEND Sports Day



Chair, Lorraine Cabel, and Sir Teddy Taylor at official opening of Taylor Centre at Warrior House



Dad's get together to mark Fathers Story Week



Launch of Butterfly Scheme at St. Margarets Hospital



SEPT Psychiatrists take a break at the Cutting Edge Psychiatry in Practice ADHD Conference



Staff at Saffron Walden celebrate Nurse's Day



SEPT PALs at Basildon Time To Change event



Time To Change celebrations in Southend



Trust Equality Champions



Trust Team out and about to promote Dying Matters



Staff in Bedford mark National Carers' Week



Turf Cutting for new mental health unit in Bedford



Breathe Easy Donation



Sikh Conference in Bedford



Trust Head Office staff celebrate the Diamond Jubilee



The Trust welcomed Prof Carol Baxter, Head of Equality, Diversity and Human Rights at NHS Employers



Trust-wide launch of Activity Coordinators



Under 19's Sexual Health Open Day in Harlow



Delegates at 2nd Annual Social Work Conference



Trust staff in Luton celebrate Carers' Week



Launch of Carers' Card



Dr. Karale addresses the Sikh Conference on Depression



Keeping the beat at the Open Arts art trail event



Staff and patients celebrate the launch of Dementia Buddies



Mystery Shopper Conference



Trust launches NHS Constitution at our Health & Wellbeing Fayre



NHS Employers Equality & Diversity Partnership Accreditation



Dr. Sule leads a workshop at the Culture, Faith and Mental Health Conference



Dignity in Action Day pledges



Delivering Christmas Cheer to the wards across the Trust



Staff from Suffolk welcomed to SEPT in October 2012



Carbon Management Competition winner

This year saw a number of new facilities opening including the newly refurbished Jade, Coral, Onyx and Crystal wards in Luton. We officially opened the redesigned Short Stay Medical Unit in Houghton Regis, turned the soil for the new mental health inpatient unit in Bedford and the Taylor Centre at Warrior House

We delivered on a number of fantastic initiatives such as implementation of Single Point of Access/Single Point of Referral for Community Health Services. We launched the Activity Co-ordinators and extended the Personalisation Approach to Care with local authorities across Beds, Essex and Luton

- Welcomed newly elected Governors in Essex, Bedfordshire and Luton
- Bedfordshire Community Services awarded Unicef Baby Friendly Accreditation
- Our forensic services at Brockfield House ranked third in country in Royal College of Psychiatrists peer review
- Continued improvements in safeguarding
- Extended personalisation approach to care with local authorities across Beds, Essex and Luton allowing people to have greater choice over their lives
- Welcomed staff from Suffolk Community Services through an agreed partnership with Serco and Community Dental Services to deliver services for podiatry, children's services and speech and language therapy
- Bedfordshire's Food First Team received Chief Health Professions Officers award for Leadership and national Patient Safety Award
- Southend Integrated Care Team shortlisted for HSJ Award
- Organised and participated in three mental health awareness events with the Sikh community and continued partnership working with other faith communities
- Continued reduction of carbon footprint
- British Safety Council Distinction Award for health and safety
- Officially opened the Short Stay Medical Unit in Houghton Regis resulting in reduced length of stay for people in hospital
- National Equality and Diversity Partner Accreditation by NHS Employers
- Essex Dementia Intensive Support Team noted for best practice on RCN website
- Continued improvements to End of Life Care
- Board of Directors and Sarah Browne finalists in national NHS Leadership Awards for Best Board and Best Newcomer, respectively
- Re-accreditation of Memory Assessment Service in Southend
- You're Welcome accreditation from DH for Sexual Health Services in south east Essex
- Dementia Buddies
- Carers Card Launch
- Breathe Easy Donation
- NHS Heroes
- Relocation of Community Mental Health Teams to Warrior House
- Lead provider for Frail Elderly Project in west Essex
- Carers Strategy refreshed and launched
- Ofsted for Hamstel Children's Centre

There are many more areas of best practice and more of these are included in our Quality Report on pages 61-127. But without our staff none of these achievements would have been possible.

Employee Experience

SEPT continues to be proud of the work carried out towards improving the health and wellbeing of staff. Building on the good relationships we hold with bodies such as the Royal College of Physicians, NHS Employers and the 'Responsibility Deal', we have taken great steps to improve the health of our workforce. The emphasis on leadership and wellbeing champions has resulted in some positive work in the area of ageing workforce and support mechanisms are being put in place to ensure our staff are able to continue working into later working life whilst supporting their health and work life balance.

The development of a new Workforce Strategy also strengthens the emphasis on health and wellbeing as a crucial factor in the success of an organisation and its people.

The newly formed engagement directorate is now one year old and the bringing together of the patient and employee experience teams has led to great strides in engaging with our staff and service users through meaningful engagement events and listening exercises. The forthcoming year will see the directorate use data analysis from patient and staff surveys to further connect the patient and employee experience and identify trends and patterns.

This year also saw the implementation of the new wellbeing service for staff which comprises both a new occupational health and counselling provider there to support the health and wellbeing of staff and ensure they are able to remain in work and able to return to work after illness as quickly as possible. The new service is much more aligned to the needs of the individuals and their needs and stringent monitoring will ensure that this takes place.

The publication of the Francis Report has significant implications for employee engagement. We will continue building on our work in this area and in particular emphasise the importance of not only managers taking responsibility for the health and wellbeing of their teams; but also, that our employees have to take personal responsibility for their health.

We have continued to work on the NICE guidelines produced by the Royal College of Physicians and by working closely with the Royal College have undertaken Health and Wellbeing Audits which will help us to ensure health and wellbeing is taken seriously and becomes a part of our core values and cultures.

In addition, we are signed up to the pledges in the 'Responsibility Deal' set up by Dame Carol Black to ensure that all businesses and organisations in the UK take responsibility for improving the health of the general public.

This year has also seen significant investment in the activity coordinator teams who are there to operate the activities both for patients and staff. By the end of 2013/14 we aim to have at least one activity coordinator for every area of work meaning all the staff will have access not only to state of the art gym facilities but also fitness classes either at or close by their place of work.

Equality and Diversity

We remain passionate about creating a place of work which is inclusive, respectful of difference, and do not discriminate against someone because of their equality status. We do not tolerate any form of discrimination - either in the workplace or towards or from service users. This year SEPT was very proud to become an NHS Equality Partner – one of only twelve organisations across the UK selected because of their strong equality and diversity programmes and commitment to progress in the area of diversity.

We are also extremely proud of our work this year in conjunction with NHS Employers to develop our equality champions' network. This is a group of staff who champion equality either in general because they themselves have first-hand experience that they can use to support others through personal issues or to ensure that a Trust decision or process has ensured all equality groups are included and their needs considered. The scheme has been vital in promoting our principle that equality does not mean treating everyone the same. It means ensuring that everyone feels part of something that meets their personal circumstances and needs. All of our Board Members and Executive Directors are champions and were awarded their badges as part of the years' Equality and Diversity week celebrations.

We continue to work on our four year equality objectives (see below) and use the Equality Delivery System to monitor progress and performance. All progress and information is published on our external website and updated regularly.

Equality Objectives 2012 – 2016

Objective 1

The services we provide for patients and carers will be accessible and people will not report that they are unable to access them because of their protected characteristic/s

Objective 2

SEPT will be a safe and inclusive place to work for staff with equal opportunities in respect of recruitment, staff development and progression.

Human Resources Policies

A range of Human Resources policies have been developed in conjunction with staff side partners. All policies are in line with current human resources regulations and best practice as well as meeting NHS Litigation Authority compliance.

Staff Survey

The National 2012 Staff Survey results for SEPT were excellent and they demonstrate our continuing development of the services we offer to both Patients and Staff and how engaged our workforce are.

Response Rates

2012		2011	
Trust	National Average	Trust	National Average
49%	50%	53%	55%

Key Findings

	SEPT 2012	%	SEPT 2011	%
Number of Key Findings	28		38	
Best 20%	8	29%	15	39%
Better than Average	12	43%	9	24%
Average	6	21%	10	26%
Below Average	2	7%	3	8%
Worst 20%	0	0%	1	2%

Top Five Ranking Score

	2012		2011		Trust Improvement/ Deterioration
	Trust	National Average	Trust	National Average	
Top Five Ranking Scores					
KF11. Percentage of staff suffering work-related stress in the last 12 months (lower the score the better)	33%	41%	32%	33%	1% Deterioration
KF14. Percentage of staff reporting errors, near misses or incidents witnessed in the last month. (higher the score the better)	98%	93%	97%	97%	1% Improvement
KF26. Percentage of staff having equality and diversity training in last 12 months (higher the score the better)	82%	59%	75%	53%	7% improvement
KF25. Staff motivation at work (higher the score the better)	3.96	3.84	3.91	3.81	0.15 improvement
KF13. Percentage of staff witnessing potentially harmful errors, near misses or incidents in last month (the lower the score the better)	21%	27%	28%	27%	6% improvement

Overall Staff Engagement Score

	SEPT 2012	National Average	SEPT 2011	National Average
Engagement Score	3.78	3.70	3.70	3.61

Bottom Five Ranking Score

	2012		2011		Trust Improvement/ Deterioration
	Trust	National Average	Trust	National Average	
Bottom Five Ranking Scores					
KF5. Percentage of staff working extra hours (lower the score the better)	73%	70%	67%	65%	6% Deterioration
KF27. Percentage of staff believing the trust provides equal opportunities for career progression or promotion (higher the score the better)	88%	90%	93%	90%	5% Deterioration
KF9. Support from immediate managers (higher the score the better)	3.75	3.77	3.81	3.79	0.06 Deterioration
KF7. Percentage of staff appraised in last 12 months (higher the score the better)	86%	87%	84%	83%	2% improvement
KF13. Effective team working (the higher the score the better)	3.82	3.83	3.90	3.81	0.08 Deterioration

Where staff experience has improved and deteriorated

As demonstrated in our top five ranking results we have seen some significant improvement compared to 2011 especially in key findings 26 and 13. We have seen a continued rise in our overall staff engagement score, 3.78 compared to 3.70 national average, which places us above the national average and better than Trusts of a similar type. Of particular importance is our staff recommendation of the Trust as a place to work or receive treatment, achieving a fantastic, 3.63 compared to the average, 3.54. This clearly demonstrates that we are successfully engaging with our workforce and maintaining high standards of quality care.

The below key findings show the largest deterioration since the 2011 Staff Survey, although when compared to other similar Trusts the score for key finding 10 is better than average.

	2012		2011		Trust Improvement/ Deterioration
	Trust	National Average	Trust	National Average	
Largest SEPT Deteriorated Scores					
KF5. Percentage of staff working extra hours (lower the score the better)	73%	70%	67%	65%	6% Deterioration
KF10. Percentage of staff receiving health and safety training in the last 12 months (higher the score the better)	83%	73%	92%	83%	9% Deterioration

Action Plans

Action plans are underway, however; there are no major areas of concern as SEPT did not have any results in the bottom 20%. The staff survey action plan will be managed through the Corporate Services Service Management Team and reported up to the Executive Operational Committee and Board.

Future Priorities and Targets

Following on from the results of the survey, we have developed an action plan to improve on the areas identified as average or below average. These include further promotion and signposting of staff information, more detailed analysis of results, further developing flexible working and developing equality networks and champions. In terms of response rate, the target is to improve from 49% to 55% return rate.

Disabled Employees

Our Sickness Policy and Disability Policy specifically address the employment of, and for arranging appropriate training for, employees who have become disabled as well as the training, career development and promotion of disabled employees. All policies are available on the intranet which is accessible to all employees of SEPT.

Staff Involvement and Communication

SEPT has comprehensive internal communications channels which are two-way, location specific, regular – both weekly and monthly – and cover all aspects of the Trust's business. We have an intranet which includes all Trust policies, access to mandatory training, clinical forms, CQC guidance and news. This year we have installed a special link for staff who wish to contact the Chief Executive anonymously to raise concerns about clinical practice or staff behaviour.

Throughout the year the Trust meets routinely with staff side representatives from medical, clinical and support staff to consult on decisions and developments for the organisation. A large number of staff are invited and attend our monthly public Board of Directors' meetings held in various locations across the Trust's estate. Following the Board Meeting a briefing is prepared and circulated to all senior managers who then cascade key strategic decisions and operational news to their teams. As well as board meetings there are also quarterly senior manager meetings where the Chief Executive and Executive Directors present updates on Trust financial and operational issues.

This year's cycle of planning events involving staff from all levels across the organisation were staged throughout the winter months. At these planning events staff had the opportunity to comment on the Trust's future financial and operational plans. In February and March this year we arranged for a series of 'In Your Shoes' workshops where staff were

encouraged to express their opinions about what it is like to work for SEPT and how we can improve customer service. As well as these workshops, staff also filled in 'graffiti boards' which were displayed in staff rooms and communal areas. We are taking the feedback from both of these initiatives to contribute to the formulation of our updated customer service strategy.

Patient Experience

At SEPT we recognise the importance of listening to and involving the people who use our services. It is only by constantly looking for new and innovative ways of connecting with our patients and their carers that we are able to be confident that we are providing services that are best suited to their needs.

In 2012/13 SEPT introduced a new structure to work around involving and listening to our patients, with a Patient Experience Team being established in each of the Trust's two main localities.

The Trust has continued its commitment to listening to our patients this year by pursuing already-successful feedback mechanisms as well as introducing new ones. SEPT has been an early adopter in non-acute services of the NHS Friends and Family Test. Through this process we have received thousands of comments from patients that we have been able to report back to front line staff, enabling them to reflect on their practice and make improvements to services.

The Mystery Shopper programme continues to provide patients and carers with the opportunity to give anonymous feedback to the organisation, which is monitored by the Chief Executive and again, reported back to front line staff to give them an opportunity to hear how their practice is perceived by the people who use their services. Over the past 12 months this process has been rolled out into community health services and we are currently developing tools so that we can introduce it to our young people's services as well. Other trusts have expressed an interest in this programme and we ran a successful national conference on Mystery Shoppers in February 2013, where we shared some of our methods with delegates from other public and third sector organisations.

Our focus remains on listening to the people who use our services and provide them with information on what we do. To this end we have continued to run a series of events where we can meet the public and hear directly their issues and concerns. Through Let's Talk About... sessions, we are able to give patients, carers and the public relevant information on specific service areas (eg medication, psychosis, schizophrenia). Take it to the Top is an event held in the localities where members of the public are able to ask direct questions to members of the Executive Team about specific concerns they have as well as queries about the Trust and healthcare in general.

We also continue to engage with members of the public through our Foundation Trust membership, running Public Members' Meetings on a bi-annual basis, which are designed to both give information relevant to geographical areas and pick up issues or concerns.

Staff Numbers

At the end of 2012/13 we employed around 7,200 staff (compared with 6,800 at the end of the previous year, including:

- 250 doctors;
- 3,500 nurses;
- 1,300 psychologists, allied health professionals and therapists;
- 1,500 admin staff;
- 560 estates and facilities staff.

Our workforce is mainly white (76%) which is broadly in line with population in the areas that we serve, and is made up of 81% female and 19% male staff.

Sickness Absence Data

The average sickness rate for SEPT during the year was 5.1% and the Trust continues to place a high priority on tackling sickness absence with work continuing through the year to reduce absence levels. As a result of the new acquisitions significant work has taken place to harmonise absence policies and procedures as well as reporting and data collection processes.

Complaints and Compliments

The Trust recognises the importance of lessons that can be learned from complaints and use this invaluable feedback to reflect on our patient care and take immediate actions to improve services as a result of the complaints we receive. We take the lessons learned from complaints to change and improve the services we provide. Some of the most significant service changes we have made have been as a direct result of a complaint we have received.

The Trust has seen an improvement in response rates to complaints over the past year and continues to build on this. All complaints have been acknowledged within three working days. The following table illustrates the number of complaints received by area:

Area	Number of Complaints Handled	
	2012/13	2011/12
Mental Health – Bedfordshire & Luton	143	127
Mental Health – Essex	161	159
Total Mental Health	304	286
Community - Bedfordshire	40	38 (since 1.9.2011)
Community – South East Essex	30	28 (since 1.8.2011)
Community - West Essex	57	29 (since 1.8.2011)
Community – Suffolk	3	N/A
Total Community	130	95

A total of 434 formal complaints were received by the Trust during 2012/2013. This compares to 381 for the previous year. However, it should be noted that the Trust had acquired the Community Health Services five months into the financial year so a direct comparison is not available.

The chart above illustrates that although there has been an increase in the total number of complaints this year, Bedfordshire and Luton Mental Health Services complaints rose from 127 to 143 this year, an increase of 16 (13%). Trust wide the figures have remained fairly static for the year.

A total of 505 complaints were closed during the year.¹ Of these, 77 were upheld, 222 were partially upheld and 137 were not upheld. The remaining 69 were either withdrawn or resolved locally. If a complaint has several issues raised, it is recorded as partially upheld if one element is upheld even if most elements are found not to be justified. Last year's figures are in brackets for Mental Health, the Community figures were not available for last year.

Area	Number of Complaints Upheld	Number of Complaints Partially Upheld	Not Upheld	Total
Mental Health – Bedfordshire & Luton	26 (19)	62 (29)	46 (11)	134
Mental Health – Essex	19 (15)	82 (44)	64 (43)	165
Community – Bedfordshire	14	28	10	52
Community – South East Essex	4	14	8	26
Community – West Essex	14	34	8	56
Community – Suffolk	0	2	1	3

¹ The numbers of upheld and partially upheld complaints are based on the number of complaints closed during the period

Nature of the complaints received

The top three themes for complaints for both mental health and community during 2012/2013 were; unhappy with treatment, staff attitude and communication.

The top three themes for the Trust also apply nationally across the spectrum of health services. The figures in brackets are last year's totals for comparison.

Top Three Complaint Themes	Total Number of Complaints Received (2012 / 2013)	Upheld	Partially Upheld	Total
Unhappy with Treatment	61 (195)	11 (2)	23 (28)	34 (30)
Staff Attitude	97 (81)	10 (8)	43 (17)	53 (25)
Communication	40 (35)	8 (10)	14 (7)	22 (17)

Of the 61 complaints received in respect of those unhappy with treatment a total of 34 were either upheld or partially upheld. The category 'unhappy with treatment' covers a wide spectrum. In some cases, complainants had a fixed idea of the course of treatment they should receive; however, this was contrary to their clinical need. The Trust was therefore limited in providing solutions to these.

Of the 97 complaints received regarding staff attitude a total of 53 were either upheld or partially upheld. Of the 40 complaints received regarding communication a total of 22 were either upheld or partially upheld.

Although the number of complaints citing unhappy with treatment has decreased from last year the amount of upheld/partially upheld has increased considerably for all categories.

Any trends and themes regarding treatment, areas of work and staff, named in complaints are analysed and monitored through a quarterly thematic report.

Parliamentary and Health Service Ombudsman (PHSO)

During 2012/13 a total of 17 complaints were referred to the Parliamentary & Health Service Ombudsman and no further actions or recommendations were made on 10 of these.

To date, there are eight active cases with the PHSO. One complaint from Bedfordshire and Luton has been under investigation since 2011. Notification is awaited on the remaining seven active cases.

Compliments

Mental Health – Bedfordshire and Luton

"To all the caring nursing staff on the ward, we would like to say thank you very much for looking after our son/brother so well. We appreciate all your hard work, help and kind words to help get him well again."

"I want to thank you all for the help received during the patient's stay. We know they have been a challenging patient but with your care the treatment has been a success."

Mental Health – Essex

"I contacted the Memory Service as I was concerned about my mother; her health was deteriorating and her memory was failing. The service we received was very supportive. Time was taken to gain a diagnosis for my mother which helped us as a family to make decisions at present and for the future. Anne Moss gave us advice and guidance which will help us. My mother was treated with dignity and respect and we received the right balance of support from the service."

"I am writing to express my thanks to the staff working within the Poplar Unit. The communication from the staff within the unit, was second to none and the whole team's kindness, compassion and humour in dealing with an incredibly difficult patient was outstanding. The team were willing to explore any options to make her experience more bearable and were also more than happy to take our suggestions and preferences on board. We are sincerely thankful and the young patient also felt the team were incredibly patient and kind to her."

Community Services – Bedfordshire

"My Aunt stayed at the Unit for 5 nights in October 2012. I was very impressed with the care that she received during her stay. Each time that I visited, the nursing staff took time to talk to me about her medical condition and the progress that has been made. There was always a feeling of peace and calm in the unit. My Aunt suggested that she felt she was in a hotel rather than a hospital. Having been reluctant to leave her home initially, she would now be happy to return if she needed to. Many thanks to all concerned."

"Thank you to all the podiatrists for your attention throughout this year. I do not know how I'd have managed without you. You work so well as a team."

Community Services - South East Essex

"I found it very helpful to have somebody from the service interact with my daughter on a regular basis, as it meant we were able to receive regular advice in relation to the development observed. Jacqui is the only health professional my daughter has seen regularly over the last year and I think this has been a key part in her developmental progress. There is a significant difference between the child today and a year ago. Jacqui has been a great help."

"Thank you very much to the District Nursing Team, for the care and understanding you have shown towards my father. The family has had a very difficult year and thank you for listening to me. It really helps to know that there are some people out there that really care about the elderly."

Community Services - West Essex

"To all my friends on Avocet Ward, a big thank you for being so kind and helping me to get back on my feet again. I hope I will progress and carry on your good work at home."

"I am writing to express our very real thanks for the care offered by the team at Epping. My brother's medical care is apparent by the extent of his improved health. The care was not only offered to my brother but extended to my mother and myself. We would like to thank all staff members on the Plane ward from consultants to nurses. My mother and I were kept informed from the very start and the staff showed great patience."

Community Services – Suffolk

"The brilliant work done by the Speech and Language Therapy Department is not always fully understood and is only too easy to undervalue. It is in fact of immense value to the patient. A person's social and business relationships, and his/her very character are heavily dependent on voice communication. The voice therapy from the department quite simply gave back my life and has kept me employed."

"I was seen by two ladies in Podiatry who were efficient, friendly, helpful and polite. They are a true testimony to what the NHS is all about."

A full report on Complaints and Compliments can be viewed at www.sept.nhs.uk/ accounts and reports.

Patient Advice and Liaison Service (PALS) Enquiries – 2012/13

The Patient Advice and Liaison Service provides patients and carers with information, support and to resolve issues before they get to the formal complaints process.

The service is run by the Patient Experience Teams (based in Essex and Luton), who respond to calls, letters and emails expressing any kind of concern about Trust's services. The member of staff who takes the call will resolve the issue within 24 hours in the vast majority of instances.

	Resolved within one day	Resolved within five working days	Resolved over five working days	Totals
Bedfordshire Community Health Services	112	55	2	169
South East Essex Community Health Services	137	21	12	170
Bedfordshire and Luton Mental Health & Learning Disability	389	72	23	484
Essex Mental Health & Learning Disability	375	139	92	606
West Essex Community Health Services	120	40	17	177
Totals:	1133	327	146	1606

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.

During the 2012/13 period the Risk Management Department was involved in reviewing the following policies to provide assurance that the Trust maintains compliance with all Health, Safety and Fire legislation and guidance.

- RM01 Corporate Statement and Policy on Health & Safety;
- RM02 Fire Policy;
- RM07 DSE Policy
- RM08 First Aid
- RM11 Health & Safety Risk Assessment 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:

- implementation of proactive initiatives by encouraging 'near miss' reporting to control the level of accidents and incidents within the Trust;
- presentation of an International 'Distinction' Safety Award by the British Safety Council in recognition of the high standard of health and safety controls in The Lodge.

The Trust 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 staff side organisations 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 2012-2013, are detailed below:

Table 1 – Reported Incidents – Trustwide

Location	Qtr 1	Qtr 2	Qtr 3	Qtr 4	2012/13 Total
Adult Wards	3	3	2	7	15
Community	4	0	4	1	9
Elderly Wards	8	9	9	10	36
Forensic Wards	1	1	0	0	2
CAMHS Wards	0	0	0	0	0
LD Wards	0	1	0	0	1
Resource Centres / Office	0	2	1	3	6
	16	16	16	21	69

Health & Safety Audits

The Risk Management Department have continued to undertake annual health and safety audits and fire risk assessments 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 Protect recommendations and guidance.

Ligature Audits are completed for all in-patient areas on an annual basis, apart from Specialist Services where they are completed twice a year.

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. A copy is presented to the local Health & Safety Sub Group for discussion and monitoring completion of the actions.

Health & Safety Training

The Health and Safety training module is now included as part of the OLM training 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 and a local induction completed by all staff during the first day of their deployment.

The Risk Management Department continues to provide training courses throughout the year, they are:

- Cascade Fire Trainer;
- Health & Safety for Managers.

Emergency Planning and Organisational Resilience

The Civil Contingencies Act 2004 provides a coherent and unambiguous framework for building resilience to disruptive challenges in the UK, such as a terrorist attack, inclement weather, industrial action or a pandemic. Therefore, as a Trust we have specific duties to fulfil which includes the duty to assess the risk of an emergency occurring and to maintain business continuity to continue to provide routine NHS services. Being prepared for emergencies is also one of the top five priorities within the NHS Operating Framework.

In order to meet its responsibilities, SEPT has a major incident plan and business continuity plans, which are fully compliant with NHS Emergency Planning guidance 2005 and the Civil Contingencies Act and can be activated in response to any type of emergency.

As a provider organisation the Business Continuity plan is the key plan within our Organisational Resilience planning. This plan underpins all other plans as it prioritises our critical services and allows us to effectively manage our business whatever the incident may be including pandemic flu, severe weather, and industrial action etc. We continue to work very closely with our local partners and are represented at Local Resilience Forums to ensure a consistency in planning in the event of a major incident. We are also one of the first trusts to introduce an e-learning induction course for all staff

Reducing our Carbon Footprint

SEPT is committed to reducing its impact on the environment. However, as an enlarging organisation our overall footprint is growing as our operations expand and we increase our staff and patient numbers. We also measure our footprint relative to our operating expenditure and the space we occupy – specifically the gas/electricity data.

The NHS aims to reduce its carbon footprint by 10% between 2009 and 2015. Reducing the amount of energy used in our organisation contributes to this goal. We have put plans in place to reduce carbon emissions and improve our environmental sustainability. Over the next 10 years we expect to save £1,750,000 as a result of these measures.

We are pleased to report that we have already achieved a significant reduction in carbon emissions from the electricity purchased. Working in partnership with the Government Procurement Service, the new supply agreements have resulted in more than 90% of the electricity being certified as from renewable sources. Renewable energy represents 31.9% of our total energy use. In addition, we generate 2% of our energy on site. We have made arrangements to purchase electricity generated from renewable sources. In addition, our measured greenhouse gas emissions have reduced by 4,408 tonnes this year. We recover or recycle 345 tonnes of waste, which is 32% of the total waste we produce.

Our relative use of energy in buildings has reduced for the fourth year in a row even though operational activity has increased. The average consumption is now 270KWh per M2 floor space.

The Carbon Reduction Commitment (CRC) Energy Efficiency Scheme is a mandatory scheme aimed at improving energy efficiency and cutting emissions in large public and private sector organisations. During 2012/13 our gross expenditure on the CRC Energy Efficiency Scheme was £1.

The Trust recognises the threat to public health from climate change and aspires to be at the forefront of action to address the health impacts of climate change and the urgent need to adapt to and prepare for these circumstances. By using the Sustainable Development Unit's (SDU) 'Good Corporate Citizenship' tool, we are able to demonstrate our incremental improvements to indicate how we are progressing in social, environmental and financial terms. We were one of the first NHS Trusts to sign up to the revised version of the model, incorporating the new sections of adaptation and models of care. Our latest overall score (for all eight sections) is 43%.

To comply with the Government's CRC taxation scheme we have disclosed information. The result was that no tax in the year was payable, however, for the next three years it is anticipated that we will be a 'full participant' with tax due on our level of emissions.

4. GOVERNANCE REVIEW AND STATEMENT OF COMPLIANCE WITH CODE OF GOVERNANCE

Operation of the Board of Directors and Council of Governors

Our Board of Directors provides overall leadership and vision to the Trust and is ultimately and collectively responsible for all aspects of performance, including clinical and service quality, financial performance and governance.

The governance documents of the Trust, which have been approved by the Board of Directors, include Powers Reserved to the Board, identifying the decisions that are required to be taken by the Board, and a Scheme of Delegation which identifies those decisions delegated to members of the Trust's management.

Under the leadership of our Chief Executive, the Executive Operational Committee, comprising Executive Directors, oversees the detailed development, implementation and monitoring of strategy, annual plan and organisational objectives. It is responsible for interpreting and implementing statutory, regulatory and best practice guidance and for ensuring that all risks to achieving the organisations objectives are identified and managed robustly. The Executive Operational Committee also has the responsibility for managing the resources of the Trust and for ensuring that all services are of the best possible quality. This includes monitoring operational performance against regulatory, national and contractual requirements and ensuring that action is taken to address under-performance or quality concerns.

The role and responsibilities of the Council of Governors are set out in our Constitution and the Governors code of conduct, and fall into three broad categories:

- Statutory
 - To appoint or remove the Chair and other Non-Executive Directors
 - To approve the appointment of the Chief Executive
 - To determine the remuneration, allowances and other terms and conditions of office of the Chair and Non-Executive Directors
 - To appoint and, if appropriate, remove the Trust's external auditor
 - To provide views to the Board of Directors in the preparation of the Trust's annual plan
 - To consider the annual report and accounts and any report of the auditor
- Consultation and engagement
 - To provide its views on any matter when consulted by the Board of Directors
 - To receive the Board's plans and reflect back the views of public and staff members and stakeholders
 - To develop and review the Trust's Membership Strategy and represent members' interests
- Performance
 - To hold the Non-Executive Directors to account for the performance of the Board.

Monitor's NHS Foundation Trust Code of Governance

The purpose NHS Foundation Trust Code of Governance (Code) is to assist FTs in improving their governance practices by bringing together the best practice of public and private sector corporate governance. It sets out a common overarching framework for the corporate governance and complements the statutory and regulatory obligations placed on FTs.

The Trust's Board of Directors and Council of Governors are committed to continuing to operate according to the highest standards of corporate governance. A joint working group consisting of Directors and Governors annually reviews our compliance with the Code and ensures that any non-compliance does not affect the governance of the Trust.

Statement of Compliance

Both the Board of Directors and Council of Governors fully support the main and supporting principles of the Code and in their opinion the Trust complies with all provisions of the Code with the exception of:

Code Provision A.3.2: At least half the Board of Directors excluding the Chair should comprise Non-Executive Directors.

Explanation: The Constitution allows for up to a maximum of ten Non-Executives including the Chair and ten Executives including the CEO with the Chair having a casting vote. These arrangements are considered acceptable by Monitor who have reviewed and approved the Constitution.

Code Provision C.2.2: Non-Executive Directors, including the Chair, should be appointed by the Council of Governors for specified terms subject to re-appointment thereafter at intervals of no more than three years and to the 2006 Act provisions relating to the removal of a director.

Explanation: The Constitution allows for the Chair's term of office to be for two, four-year periods. These arrangements are considered acceptable by Monitor who have reviewed and approved the Constitution.

This annual report includes all the disclosure requirements required by the Code.

Code ref	Disclosure
A.1.1	A statement of how the Board of Directors and the Council of Governors operate, including a high level statement of which types of decisions are to be taken by each and which are to be delegated to management by the Board
A.1.2	The names of the: <ul style="list-style-type: none"> • Chair; • Deputy Chair; • Chief Executive; • Senior Independent Director; • Chair and members of the Audit Committee; • Chair and members of the Nominations Committees; • Chair and members of the Remuneration Committees.
A.1.2	The number of meetings of the Board of Directors and those committees and individual attendance by Directors
A.3.1	Names of the Non-Executive Directors whom the Board determines to be independent, with reasons where necessary
A.3.4	A description of each Director's expertise and experience
A.3.4	A clear statement about the Board of Directors' balance, completeness and appropriateness
B.1.3	Names of Governors and details on their constituency, whether they are elected or appointed, and the duration of their appointments, together with details of the nominated Lead Governor
B.1.3	The number of meetings of the Council of Governors and individual attendance by Governors and Directors
C.1.7	The other significant commitments of the Chair and any changes to them during the year
C.1.14	A separate section describing the work of the Nominations Committee, including the process it has used in relation to Board appointments and an explanation if neither external search consultancy nor open advertising has been used in the appointment of a Chair or a Non-Executive Director
D.2	How performance evaluation of the Board of Directors, its committees and its Directors has been conducted
E.1.3	As part of the remuneration disclosures of the annual report, where an Executive Director serves as a Non-Executive Director elsewhere, whether or not the Director will retain such earnings
F.1.1	An explanation from the Directors of their responsibility for preparing the accounts and a statement by the auditors about their reporting responsibilities
F.1.2	A statement from the Directors that the business is a going concern, with supporting assumptions or qualifications as necessary
F.2.1	A report that the Board has conducted a review of the effectiveness of the group's system of internal controls
F.3.3	A separate section describing the work of the Audit Committee in discharging its responsibilities
F.3.5	Where the Council of Governors does not accept the Audit Committee's recommendation on the appointment, reappointment or removal of an external auditor, a statement from the Audit Committee explaining the recommendation and the reasons why the Council of Governors has taken a different position
F.3.8	An explanation of how, if the auditor provides non-audit services, auditor objectivity and independence is safeguarded
G.1.4	Contact procedures for members who wish to communicate with Governors and/or Directors
G.1.5	The steps the Board has taken to ensure that members of the Board, and in particular the Non-Executive Directors, develop an understanding of the views of Governors and members about their NHS Foundation Trust

Board of Directors

During 2012/13 the strategic leadership and sub-committee structures of the Trust were reviewed to ensure they remained fit for purpose post acquisition of community services. As part of this process, the Board of Directors reviewed its membership and the skills and core competencies that potential Non-Executive Directors will require in the future.

As a result the core membership of the Board consists of seven Non-Executive Directors, including the Chair, and seven voting Executive Directors, including the Chief Executive, with effect from 1 February 2013 with the Chair having the casting vote. In accordance with the Constitution, the Executive Directors must include the Chief Executive as the Accounting Officer, the Finance Director, a Registered Medical Practitioner and a Registered Nurse.

The Executive Directors of Integrated Care (Essex), Integrated Care (Bedfordshire & Luton) and Clinical Governance & Quality also attend Board meetings in a non-voting capacity.

The unitary nature of the Board means that Executive and Non-Executive Directors share the same liability. They have the same responsibility to scrutinise and constructively challenge the performance of the Trust's Executive Team in meeting agreed objectives to satisfy themselves as to the integrity of financial, clinical and other information and that financial and clinical quality controls and systems of risk management are robust.

The Board believes that the Trust is led by an effective Board as the Board is collectively responsible for the exercise and the performance of the Trust. This is evidenced through the appraisal of Board performance.

The **Chair** is responsible for the leadership to the Board of Directors and Council Governors ensuring governance principles and processes of the Board and Council are maintained while encouraging debate and discussion. The Chair is also responsible for ensuring the integrity and effectiveness of the Directors and Governors' relationship. The Chair also leads the performance appraisals of both the Board and Council including the Non-Executive Directors' performance appraisals.

The **Senior Independent Director** has a key role in supporting the Chair in leading the Board of Directors and Council of Governors and acting as a sounding board and source of advice for the Chair in addition to the duties of a Non-Executive Director.

The **Chief Executive's** principal responsibility is the effective running and operation of the Trust's business. The Chief Executive is responsible for proposing and developing the Trust's strategy and business plan objectives which is undertaken in close consultation with the Chair. 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 Council of Governors. The Chief Executive, together with the Executive Operational Committee, is responsible for implementing the decisions of the Board and its Committees.

Director Appointments

The Trust has a formal, rigorous and transparent procedure for the appointment of both Executive and Non-Executive Directors. Appointments are made on merit, based on objective criteria.

Non-Executive Directors are appointed to a three year term of office and where possible appointments are staggered. 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 is subject to a rigorous interview and satisfactory annual performance appraisal, and takes account of the need for progressive refreshing of the Board.

The Chair is appointed by the Council of Governors for two terms of office of four years, the second term of office being subject to satisfactory appraisal.

During this year George Sutherland's second term of office as a Non-Executive Director ended on 30 April 2012.

Dr Pauline Roberts, Medical Director/Responsible Officer, retired on 31 March 2013 and during the year Dr Milind Karale was appointed as Medical Director/Responsible Officer designate.

Board of Director Profiles

Executive Directors



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

Patrick has 40 years' healthcare experience, including working at national level within the NHS and being instrumental in helping develop national policies having a major positive impact within the UK.

In addition to his work within the UK, Patrick has over recent years worked closely with Yale University in the USA, Pavia University in Italy and has also provided advice on mental health services in Jersey (Channel Islands). Patrick has also undertaken a variety of charitable fund raising activities with a special focus on raising funds to benefit mental health services in Ghana (Africa).

His strength is in delivering change management and he is described as a 'transformational leader who keeps his feet firmly planted on the ground'.



**Executive Director of Specialist Services and Contracts (Deputy Chief Executive)
Sally Morris**

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 is a chartered accountant and has held senior posts in acute, community and most recently primary care organisations.

Sally's portfolio includes:

- Commissioning & Contracting
- Child and Adolescent Mental Health
- Psychological Therapies/Psychology
- Forensic Services



**Executive Director of Integrated Services -
Bedfordshire and Luton
Richard Winter**

**Non-voting Executive Member of the Board of Directors*

Richard has worked within the NHS for many years, and is a registered nurse by background. He has a wide range of experience at senior manager level. Richard was appointed to his present role in 2011 and manages community health services in Bedfordshire and non-specialist learning disability services and mental health services for adults and older people in Bedfordshire and Luton.

Richard's portfolio includes:

- Adults and Older Adults Community Health Services
- Children and Young People Community Health Services
- Operational Mental Health Services including inpatient and community services



**Executive Director of Integrated Services -
Essex and Suffolk
Malcolm McCann**

**Non-voting Executive Member of the Board of Directors*

Malcolm studied Nursing at the University of Manchester and has worked for more than 25 years in the NHS. During this time, he has gained a wealth of experience, at senior management level, managing a wide range of different services across various sectors including in-patient and community services for adults, older people and children and working at Board level since the late 90's. Malcolm now manages non-specialist community health services in south east and west Essex as well as non-specialist learning disability services and mental health services for adults and older people in south east and south west Essex.

Malcolm's portfolio includes:

- Adults and Older Adults Community Health Services
- Children and Young People Community Health Services
- Operational Mental Health Services including inpatient and community services



**Executive Medical Director (Responsible
Officer / Patient Safety Lead)
Dr Pauline Roberts**

(Dr. Pauline Roberts retired as Medical Director in April 2013)

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. 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.

Pauline's portfolio includes:

- Medical staffing
- Post graduate education



Executive Director of Social Care and Partnerships
Amanda Reynolds

Amanda has been with the Trust for two years as Executive Director of Social Care & Partnerships. Amanda brings a wealth of experience to the role having 21 years' experience across the NHS, Department of Health and local government management. This includes work in social services, health authority, government office, commissioning and provision in PCT. Her specific expertise includes developing social care, NHS community, mental health and learning disability services and service transformation.

Amanda's portfolio includes:

- Social Work Development/ Professional Advice/ Leadership
- Public Health and Section 75 Agreements
- Developing partnerships with 3rd Sector/non-profit making organisations
- Safeguarding – with Executive Director of Clinical Governance & Quality
- Social Inclusion
- Mental Health Act
- Drug & Alcohol Services
- Carers
- Equality & Diversity



Executive Director of Clinical Governance and Quality / Director of Nursing (Interim)
Andy Brogan

**Non-voting Executive Member of the Board of Directors*

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 portfolio includes:

- Clinical Governance
- Pharmacy & NICE Guidance
- Infection Control
- Patient Safety

- Clinical Risk Management
- Serious Incidents
- Research
- Clinical Audit
- Emergency Planning & Organisational Resilience
- Safeguarding – with Executive Director of Social Care and Partnerships
- Deputising for the Executive Nurse
- Caldicott Guardian



Executive Chief Finance Officer and Resources Officer
Ray Jennings

Ray has a business degree and is a qualified Chartered Management Accountant. He has worked for the NHS for almost 30 years during which time he has covered a variety of managerial positions across general hospitals as SEPT has evolved and expanded to include community services alongside the mental health and learning disability services. Throughout this period Ray has led the development of financial management and governance.

Ray's portfolio includes:

- Finance
- Purchasing
- Estates / Facilities
- Capital projects



Executive Director of Corporate Affairs and Customer Service
Nikki Richardson

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's portfolio includes:

- Workforce / Human Resources
- Training and Development
- University Links; ARU, Yale, Pavia
- Equality & Diversity (Workforce)
- Patient / Staff Experience
- Complaints
- Litigation
- Freedom of Information
- Library Services



Executive Director of Strategy and Business Development
Peter Wadum-Buhl

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. Peter has held a variety of senior clinical and managerial positions, working at director level for the past 15 years. 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 Unit - with Chief Finance Officer
- Performance, Compliance & Integrated Audit & Assurance (clinical audit support)
- Organisational risk management including health and safety
- Board Assurance Framework & Risk Registers
- Non-Clinical Risk Management
- Service Development
- CQC & NHSLA
- Policies & Procedures Management
- Performance Management
- Information Technology
- Communications

Non-Executive Directors



Chair
Lorraine Cabel

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

Originally from Lancashire, Lorraine has worked in the NHS in Essex for the last 18 years.

Lorraine's experience in Essex began with commissioning where she held the position of 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. And just prior to joining SEPT she was Interim Chief Executive at South East Essex Primary Care Trust



Non-Executive Director
Randolph Charles

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, as a member of the Police Authority, Probation Board, and the independent monitoring board of the local prison. Randolph has acquired a vast amount of experience as the chair and leader of various charitable organisations and being involved with local community groups.



Non-Executive Director
Steve Cotter

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 experience of working in the United States, Europe and Asia where he was the CEO of Laura Ashley companies in those territories. In the recent past Steve was appointed executive chairman of a large retailer which required refinancing and restructuring. He has his own retail consultancy which offers services at senior management level to the retail sector.



Non-Executive Director
Steve Currell

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 responsible for the operational policing for the Southend unitary authority and 450 staff police officers and police support staff.

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, Integrated Strategic Planning Committee and the nominated NED with responsibility for Security and Risk Management.



Non-Executive Director
Alison Davis

Alison started her career as a State Registered Nurse, working in both acute and community settings. She later qualified as a solicitor, focusing on family and mental health law. She held the position of a NHS Chair for 11 years across mental health, learning disability and community services, and a non-executive director for 18 years. She has broad experience in governance, patient safety and quality, with a strong focus on service user, staff and stakeholder engagement.

Alison has a track record leading major organisational change, having successfully taken Bedfordshire and Luton Partnership Trust (BLPT) through the first competitive tendering process in the NHS in 2009/2010. Following the acquisition of BLPT by SEPT, she chaired Luton Community Services through their transfer out of NHS Luton in April 2011.



Non-Executive Director
Dr. Dawn Hillier

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.

Currently Dawn has focused 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 Health Care Trust where she took a particular interest in health inequalities, lifestyle management and public health.



Non-Executive Director
Janet Wood

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 Deloittes. 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. Through her work with HFMA she helped run successful training events and has contributed to several publications explaining NHS finance and governance issues.

Contacting a Director

Directors can be contacted by telephone via the Trust's main switchboard on 0300 123 0808 or by email: firstname.lastname@sept.nhs.uk (use relevant first and last names). Details are also included on the Trust's website.

Board Meetings

The Board formally meets at least ten times a year; additional meetings are held as and when necessary to discuss significant issues.

Prior to September 2012, meetings of the Board were held in public at least once each quarter while the remaining meetings were held in private. From September 2012, in preparation for the requirements of the Health & Social Care Act 2012, the Board decided to hold all its meetings in public.

Meetings are held on a rotational basis in each of the Trust's service areas (Bedfordshire, Essex and Luton) to support visibility and accountability.

At each ordinary meeting the Board receives certain reports, for example, on financial and operational performance, risks and assurance, as well as reports from its sub-committees.

Attendance at Board meetings

The Board of Directors requires all its Directors to devote sufficient time to the work of the Board to discharge the duties of the office of Director and to use their best endeavours to attend meetings. Details of the Directors, their status, committee membership and attendance at Board of Directors, Board of Director committee and Council of Governors meetings are included in table 2 to table 3.

Board balance and independence

The Board of Directors believes that its membership is balanced, complete and appropriate and that no individual group or individuals dominate the Board meetings. The Board has also agreed a clear division of responsibilities between the Chair and Chief Executive which ensures a balance of power and authority.

The Board has a wide range of skills and the majority of members have a medical, nursing or other health professional background. Non-Executive Directors have wide-ranging expertise and experience with backgrounds in finance, audit, business development, primary care, organisational development, research and medical education.

The Board considers that all the Non-Executive Directors including the Chair are independent in accordance with the criteria set out in the Code.

Evaluating Board performance

The Board of Directors has regularly undertaken Monitor's requirement for the Board to evaluate its own effectiveness specifically through an annual self-evaluation questionnaire.

During the year the Board undertook a number of development opportunities in response to the outcomes of the self-evaluation. These were aimed at ensuring that the work of the Board is as effective as possible and the skills of Board members are well used.

All members of the Board receive induction training on joining the Trust and undertaken a personal induction programme during the first 12 months of appointment. A robust performance evaluation process is in place for all Board members including an element of 360° appraisal which is closely aligned to the Trust's values. Objectives for each Director are set as part of the performance appraisal process and a personal development plan is agreed and monitored during the year.

Detailed consideration of the results of the performance evaluation of the Chair and Non-Executive Directors is undertaken by the Council of Governors Remuneration Committee. A report from the Committee is made to a general meeting of the Council of Governors.

The performance evaluation of the Executive Directors is carried out by the Chief Executive whose performance is appraised by the Chair. The outcomes are reported to the Board of Directors Remuneration Committee.

In addition, following a period of heavy acquisition and transformation during 2012 the Trust commissioned an independent review of its corporate and quality governance arrangements to ensure they are robust, effective and comply with the principles of good governance. KPMG's report concluded that the Trust's governance arrangements are operating to a satisfactory level; and that there is an established mature Board of Directors and sub-committee structure in operation which supports the delivery of quality services and provides oversight of performance.

Board of Directors' Committees

A key aspect of the Trust's governance arrangements is an effective committee structure and during the year the Board commissioned an efficacy review and identified opportunities to further strengthen the sub-committee structure. Each Committee has clear terms of reference which are regularly reviewed and approved by the Board. The effectiveness of the Committees is considered on an ongoing basis via regular reports presented to the Board of Directors at its monthly meetings.

Audit Committee

The Audit Committee comprises 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 committee's duties. Members of the Committee and the number of meetings attended by each member during the year are set out below:

Name	Role	Meetings attended
Janet Wood	Chair	7/7
Randolph Charles	Non-Executive Director	6/7
Steve Currell (wef 01.05.12)	Non-Executive Director	4/7
Alison Davis (wef 01.05.12)	Non-Executive Director	5/7
George Sutherland (to 30.04.12)	Non-Executive Director	0/0

In accordance with the Code, the Board of Directors is satisfied that all committee members have recent and relevant financial experience. Janet Wood, a qualified accountant, brings a high level of relevant financial experience in her capacity as Chair of the Committee.

At the request of the Committee Chair, each meeting is attended by the Executive Chief Finance Officer, the Assistant Chief Finance Manager, an External Audit representative, an Internal Audit representative, and the Local Counter Fraud Specialist. In addition, the Chief Executive presents the annual statement on the System of Internal Control.

The key responsibilities of the Committee include:

- providing assurance to the Board on the establishment and maintenance of an effective system of integrated governance, risk management and internal control across the whole of the Trust's activities, both clinical and non-clinical, which supports the achievement of the Trust's objectives;
- ensuring there is an effective internal audit function that meets mandatory NHS Internal Audit Standards and provides appropriate independent assurance;
- making recommendations to the Council of Governors on the appointment/reappointment/removal of the external auditor, and approving the remuneration and terms of engagement of the external auditor;
- reviewing the work and findings of the external auditor and considering the implications and management's responses to their work;
- reviewing arrangements by which staff may raise, in confidence, concerns about possible improprieties in matters of financial reporting and control, clinical quality, patient safety or other matters;
- reviewing and monitoring the integrity of any financial statements including any financial judgements contained in them and ensuring the completeness and accuracy of information provided to the Board.

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 Committee reviews its effectiveness annually against its terms of reference following which a report and action plan is produced and provided to the Board of Directors for review.

In September 2012 the Council of Governors appointed Ernst & Young as the Trust's external auditors for a 12 month period commencing 1 October 2012.

Table 2 – Details of Board of Directors Meeting Attendance

Name / Position	Date of appointment	Current expiry of term	Board of Directors meeting		Audit Committee		Directors Nomination Committee	
			No of Meetings	No attended	No of Meetings	No attended	No of Meetings	No attended
Lorraine Cabel, Chair of SEPT	3 Mar 2008	Feb 2016	13	12			5	5
Janet Wood - Vice Chair & Senior Independent Director (Appointed September 2010)	1 Nov 2005	Oct 2012	13	11	7	7		
Steve Currell - NED. Chair of Mental Health Act Managers Committee with effect from September 2010	1 Jun 2007	May 2013	13	11	7	4		
George Sutherland - NED	1 May 2005	Apr 2012	1	1	0	0	0	0
Dr Dawn Hillier - NED	1 Jan 2009	Dec 2014	13	13			5	4
Randolph Charles - NED	1 Oct 2010	Sept 2013	13	10	7	6	5	2
Stephen Cotter - NED	1 Oct 2010	Sept 2013	13	11				
Alison Davis - NED	1 Jan 2012	Dec 2014	13	12	7	5		
Dr Patrick Geoghegan OBE - Chief Executive	Jun-96		13	11			5	3
Ray Jennings - Executive Chief Finance Officer and Resources Officer, Deputy Chief Executive (until Jun 12)	Nov-91		13	12	7	4		
Peter Wadum-Buhl - Executive Director of Strategy & Business Development	Jun-10		13	10				
Andy Brogan - Executive Director of Clinical Governance and Quality	Nov-09		13	12				
Sally Morris - Executive Director of Specialist Services and Contracts, Deputy Chief Executive (from Jun 12)	Jan-06		13	12				
Amanda Reynolds - Executive Director of Social Care and Partnerships	Jan-11		13	11				
Nikki Richardson - Executive Director of Corporate Affairs and Customer Services	Oct-03		13	12				
Dr Pauline Roberts - Executive Medical Director	Mar-10		13	11				
Malcolm McCann - Executive Director of Integrated Services (Essex and Suffolk)	Sep-11		11	9				
Richard Winter - Executive Director of Integrated Services (Bedfordshire and Luton)	Sep-11		11	9				

	Appointments Committee		Directors Remuneration Committee		Mental Health Act Managers Committee		Executive Operational Team		Integrated Quality & Governance Steering Committee		Investment Committee		Cash Management Committee		Transformation & Finance		Performance & Finance Scrutiny Committee		Joint Code of Governance		Governors Nominations Committee		Council of Governors Meetings	
	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	No of Meetings	No attended	No of Meetings	No attended	No of Meetings	No attended
	1	1	5	5											4	4	2	2	1	1	1	1	5	5
			4	4							3	3	2	2	4	2			1	0			3	2
			5	4	8	7			6	6			2	2	4	4							3	2
			1	1							0	0											0	0
	1	1	5	4					6	6													3	2
	1	1																					3	0
					4	2					3	3					2	2					3	2
											3	3					2	2					3	2
	1	1					44	25							4	3	2	1	1	0			3	2
							44	37			3	3			4	4	2	2	1	1			3	2
							44	28	6	4	3	3			4	4							3	1
							44	38	6	6													3	2
							44	37	6	5													3	2
							44	35	6	5													3	2
							44	34	6	6					4	1							3	1
							44	34	5	2					4	0							3	2
							44	34	6	1					4	4							3	3
							44	35	6	3					4	3							3	2

Nominations Committee

The Trust has two Nominations Committees; the Board of Directors Nominations Committee and the Council of Governors Nominations Committee (see page 54).

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

The Committee is chaired by the Trust's Chair with membership comprising two Non-Executive Directors and the Chief Executive, except in the case of the nomination of the Chief Executive's post when the Deputy Chief Executive will be a member. The Director holding the people management portfolio acts in an advisory capacity. Members of the Committee and the number of meetings attended by each member during the year are set out below:

Name	Role	Meetings attended
Lorraine Cabel	Chair	5/5
Randolph Charles (wef 01.05.12)	Non-Executive Director	2/5
Dr Patrick Geoghegan OBE	Non-Executive Director	3/5
Dr Dawn Hillier	Non-Executive Director	4/5
George Sutherland (to 30.04.12)	Non-Executive Director	0/0

Key discussions and decisions made by the Committee during 2012/13 include:

- development of the recruitment and selection process for the post of Medical Director/Responsible Officer with the subsequent successful appointment of Dr Milind Karale on 1 September 2012 as the Medical Director/Responsible Officer designate;
- review of the post of the Director of Clinical Governance and Quality and agreement of an extension to the current contract to allow for continuity during recruitment of a substantive postholder;
- consideration and unanimous approval that Steve Currell, Non-Executive Director, be recommended to the Council of Governors for reappointment for a third term of office – the Committee had taken account of the critical needs of the organisation balanced against future skills and expertise and felt it was important, particularly in the light of the Francis Report, to ensure stability at Board level;
- consideration and unanimous agreement that the reappointment provision in the constitution which required any NED term over six years would need to be subject to external competition should be amended to provide a more flexible approach – recommendation was presented to (and approved by) the Board of Directors in February and to the Council of Governors in March 2013.

Remuneration Committee

The Trust has two Remuneration Committees; the Board of Directors Remuneration Committee and the Council of Governors Remuneration Committee (see page 55).

The Board of Directors Remuneration Committee (see page 45) has delegated responsibility to review and set the remuneration, allowances and other terms and conditions of the Executive Directors, who are the Trust's most senior management who have the authority and/or responsibility for directing and/or controlling major activities of the Trust.

Membership of the Committee wholly comprises of Non-Executive Directors who are viewed as independent having no financial interest in matters to be decided and the Committee is chaired by the Trust's Chair. The Chief Executive and Director holding the people management portfolio are also invited by the Chair to attend meetings, except where their own remuneration or conditions of service are considered.

Members of the Committee and the number of meetings attended by each member during the year are set out below:

Name	Role	Meetings attended
Lorraine Cabel	Chair	5/5
Steven Currell	Non-Executive Director	4/5
Dr Dawn Hillier	Non-Executive Director	4/5
Janet Wood (wef 01.05.12)	Non-Executive Director	4/4
George Sutherland (to 30.04.12)	Non-Executive Director	1/1

In considering the remuneration of senior executives, the committee takes into account advice from the Director holding the portfolio for people management concerning pay levels, package balance and terms and conditions of employment. The committee may commission independent professional advice if considered necessary.

The Trust sets the remuneration of Executive Directors in order to balance the need to attract, retain and motivate directors of the quality required. The remuneration policy for the Trust's Executive Directors is to ensure remuneration is consistent with market rates for equivalent roles in Foundation Trusts of comparable size and complexity. It also takes into account the performance of the Trust, comparability with employees holding national pay and conditions of employment, pay awards for senior roles elsewhere in the NHS and pay/price changes in the broader economy, any changes to individual roles and responsibilities, as well as overall affordability.

It is the currently policy of the Committee not to award any performance related bonus or other performance payment to Executive Directors. Contracts of employment for Executive Directors have no set term but are subject to continuing satisfactory performance. Contracts can be terminated by either party with a notice period of six months. 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 2012/13 financial year. The Trust's disciplinary and performance management policies apply to the senior executives, including the sanction of instant dismissal for gross misconduct.

No Director is involved in setting his/her own remuneration. The mechanisms for considering and deciding on both Executive and Non-Executive pay are documented, open and transparent. Care is taken to avoid any possible conflict of interest in relation to the Chair who also chairs the Council of Governors Nominations Committee, and the Director holding the people management portfolio who provides advice to the Remuneration Committee.

A Directors' performance evaluation scheme is used where Directors' objectives are related to the Trust's strategic goals and progress toward achievement of these objectives is reviewed and regularly recorded during the year by the Chief Executive and subsequently report to Non-Executive Directors.

The Remuneration Committee made no significant award or compensation to any Executive Director during 2012/13 other than to agree the starting salaries of new directors appointed. The Committee also made no award for a cost of living increase in 2012/13.

Deetails of directors remuneration can be found on page 178-179.

Remuneration Policy

All remuneration for Executive Directors is set by the Trust Remuneration Committee, which is established from Trust Non-Executive Directors and the Trust Chair. Remuneration for Non-Executive Directors is set by the Board of Governors. Remuneration rates have been set by benchmarking the Trust against comparable organisations to ensure a rate that is fair, consistent and competitive. Decisions regarding individual remuneration are made with due regard to the size and complexity of the directors' portfolios of responsibility.

There have been no changes to remuneration levels in 2012/2013.

Non Executive Director Contracts

Name	Surname	Role	Period of Office	1st term				2nd term				3rd term			
				Start		End		Start		End		Start		End	
Lorraine	Cabel	Chair	4 years	01-Mar	2008	02-Mar	2012	03-Mar	2012	02-Mar	2016				
Janet	Wood	Vice Chair/ SID	3 years	01-Nov	2006	31-Oct	2009	01-Nov	2009	31-Oct	2012	01-Nov	2012	31-Oct	2015
George	Sutherland	NED	3 years	01-May	2006	30-Apr	2009	01-May	2009	30-Apr	2012				
Dawn	Hillier	NED	3 years	01-Jan	2009	31-Dec	2011	01-Jan	2012	31-Dec	2015				
Steve	Currell	NED	3 years	01-Jun	2007	31-May	2010	01-Jun	2010	31-May	2013	01-Jun	2013	31-May	2016
Steve	Cotter	NED	3 years	01-Oct	2010	30-Sep	2013								
Randolph	Charles	NED	3 years	01-Oct	2010	30-Sep	2013								
Alison	Davis	NED	3 years	01-Jan	2012	31-Dec	2014								

Executive Director Contracts

Name	Surname	Role	Date of Contract		Term	Provision for Compensation for Early Retirement	Notice Period
Patrick	Geoghegan	Chief Executive/Executive Nurse (Strategic) and Professor of Mental Health & Social Care	31-Mar	2000	All post holders on substantive or permanent contracts	There is no specific clause, although directors are subject to Agenda for Change redundancy arrangements and if they are pension members with sufficient membership, therefore they would be able to take an unreduced pension if they went on the grounds of redundancy/retirement	6 Months
Ray	Jennings	Executive Chief Finance Officer	31-Mar	2000			
Nikki	Richardson	Executive Director of Corporate Affairs and Customer Service	01-Apr	2000			
Peter	Wadum-Buhl	Executive Director of Strategy and Business Development	31-Mar	2000			
Amanda	Reynolds	Executive Director of Social Care and Partnerships	02-May	2013			
Winter	Richard	Executive Director of Integrated Services (Bedfordshire)	07-May	2013			
Malcolm	McCann	Executive Director of Integrated Services (Essex)	15-Apr	2013			
Milind	Karale	Medical Director	30-July	2012			
Morris	Sally	Executive Director of Contracting and Specialist Services	14-July	2006			
Brogan	Andy	Interim Executive Director of Clinical Governance and Quality	25-Mar	2013	4 Months		

Neither the Directors expenses, Remuneration Policy or Contract information shown above were subject to audit.

Integrated Quality & Governance Committee

This Committee has the delegated responsibility for developing and monitoring effective systems and processes that:

- maintain and improve the quality (safety, experience and effectiveness) of Trust services;
- ensure the Trust remains compliant with all regulatory or legislative requirements (including Terms of Authorisation) and the Trust's Constitution, policies and procedures;
- identify and manage risk and provide assurance on the arrangements in place internally and externally;
- integrate the Trust's governance arrangements.

As part of its monitoring responsibilities, the Committee receives assurance reports from a number of sub-committees.

Investment Committee & Cash Management

The principal role of this Committee is to review and provide assurance to the Board on financial and policy issues in line with best practice guidance including Monitor's Risk Evaluation for Investment Decisions (REID) guidance in relation to significant investments including potential acquisitions and mergers.

Performance & Finance Scrutiny Committee

This Committee was established as a result of the recent review of the governance structure and has the delegated responsibility for detailed consideration of the performance of the Trust and is required to ensure that risks associated with performance of the Trust are brought to the Board of Directors' attention and/or to provide assurance that performance is being managed appropriately by the Executive Directors. The Committee is responsible for ensuring that Executive Directors of the Trust are held to account for the reported performance and any actions to address issues/ risks that may be identified by its members.

Executive Operational Committee

This Executive Director Committee provides effective leadership that oversees all aspects of operational activities of the Trust to ensure there is adequate organisational capacity and capability to achieve statutory requirements and provide high quality services .

Register of Interests

All Board members have a responsibility to declare relevant interests as defined in the Trust's constitution. These declarations are made known to the Trust Secretary and entered into a register which is available to the public. Details can be found on the Trust website or can be obtained from the Trust Secretary at The Lodge, Runwell Chase, Wickford, Essex SS11 7XX.

In 2012/2013 the Chair had no other significant commitments that conflict or impact upon her ability to meet her responsibilities as Chair, and no Board members held directorships in companies with whom the Trust has business dealings.

At the start of all Board of Directors meetings and Committee meetings, the Chair routinely asks all members to declare any interests that relate to the scheduled agenda items so that they may withdraw from the discussion on any matter where there is a potential conflict. Any such declarations are recorded in the minutes.

Keeping Informed of Governors and Members Views

Currently, the Board ensures it is kept informed of the views of Governors and members in a number of ways including:

- attendance and/or presentations at Council of Governor meetings;
- all Directors have been aligned to each of the public constituencies and attend both planning and public member meetings;
- attendance by Governors at public Board of Directors meetings;
- attendance and/or contribution to Governor development sessions;
- informal Non-Executive Director and Governor meetings;
- joint development/strategy planning away days;
- a series of consultation meetings with Governors on the development of the annual plan.

Governors can contact Janet Wood, as the Senior Independent Director, if they have concerns regarding any issues which have not been addressed by the Chair, Chief Executive or Finance Director. In addition, Janet meets regularly with the Lead Governor and the Governor Coordinators.

Both the Board of Directors and the Council of Governors are committed to continuing to promote enhanced joint working so that they can deliver their respective statutory roles and responsibilities in the most effective way possible.



Council of Governors

Governors are representatives of Trust members or of partner organisations. The Council of Governors has an essential role in influencing how the Trust develops its services to meet the needs of service users, patients, members and the wider community effectively.

The Board of Directors believes that the Council of Governors is representative, acts in the best interests of the Trust and adheres to its values and code of conduct. The Council of Governors and the Board of Directors have a clear understanding of the roles and responsibilities of each party in accordance with the Trust's constitution.

Composition

During the year the Council of Governors composition was revised to accommodate the Trust's provision of services in Suffolk to ensure there is appropriate representation. The Council comprises 51 Governors as follows:

Public Governors from the following constituencies:	31
Bedford	3
Central Bedfordshire	5
Luton	4
Rest of Essex	1
South Essex	7
Southend	3
Suffolk	1
Thurrock	2
West Essex	5
Staff Governors from the following classes:	6
Registered medical practitioner	1
Nurses (mental health services)	1
Nurses (community services and midwives)	1
Other clinical specialities	1
Social workers	1
Support staff	1
Appointed and Partnership Governors	14
PCTs:	3
Bedfordshire and Luton PCTs (joint appointment)	
South East Essex and South West Essex PCTs (joint appointment)	
West Essex PCT	
Local Authorities:	6
Bedford Borough Council	
Central Bedfordshire Borough Council	
Essex County Council	
Luton Borough Council	
Southend on Sea Borough Council	
Thurrock Council	
Partnerships:	5
Essex University and Anglian Ruskin University (joint appointment)	
University of Bedford	
Service User and Carer Group (Bedford, Central Bedfordshire, Luton)	
Service User and Carer Group (South Essex, Thurrock, Southend, Rest of Essex)	
Service User and Carer Group (Community Health Services West Essex)	

Monitor requires that a Lead Governor is nominated to facilitate direct communication between Monitor and the Council of Governors in a limited number of circumstances where it may not be appropriate to communicate through the normal channels which in most cases will be via the Chair or the Trust Secretary. The Council of Governors appointed John Jones as its Lead Governor with effect from 8 August 2012 following the standing down of the former Lead Governor, Eileen Greenwood.

In addition, the Council of Governors introduced the role of Governor Coordinators to represent the two localities of Bedford/Central Bedfordshire and Luton and Essex who work with the Trust Chair, Senior Independent Director and Trust Secretary to contribute to an effective communication and feedback loop with the Council of Governors. They liaise with their representative locality to support the efficient and effective running of the Council of Governors. John Jones and Patrick Sheehan were duly elected for a period of three years with effect from 3 January 2013.

Elections

The Trust has two constituencies – public and staff. Public and staff Governors are elected by members of their own constituency using the single transferable vote system. For appointed Governors, our partner organisations are asked to nominate a representative.

In June 2012 the Council of Governors considered the options for the length of office a Governor should hold in order to remain effective and the majority voted for an extension to a term of office of up to nine years in aggregate with a maximum of three terms of office; this decision was in line with the Board of Directors' recommendation, and the Trust's Constitution was amended accordingly.

During the year elections to the seats falling vacant as a result of Governors reaching their end of term or who had stood down were held under the auspices of the Electoral Reform Society in accordance with the election rules. The Trust would like to thank the outgoing Governors for their contribution to the Council; their support and commitment has been greatly valued.

The results of the annual elections to the Council of Governors were announced at the annual general meeting in September 2012. Of the 24 vacancies, 20 were for public constituencies and four for staff. 13 Governors were re-elected and there were ten newly elected; election turnout ranged between 8% and 13%.

As there were no nominations in the annual elections, a further successful election for a staff Governor for social workers was held in November 2012 with a turnout rate of 18%.

A by-election is scheduled to fill the Public Governor for Suffolk vacancy by September 2013.

Governor Groups and Meetings

Meetings of the Council of Governors are open to the public and advertised on the Trust's website. Meetings are conducted according to a schedule of business and the Chief Executive and other Directors make regular presentations concerning the Trust's performance and forward planning providing Governors with frequent opportunities to raise issues, question performance and seek advice. Governors also attend the Board of Directors meetings held in public.

During 2012/13, Governors were involved in many Trust activities and events, and participated in the Trust's forward planning sessions. Their contribution impacts positively and materially on the preparation of the Trust's annual plan.

Regular meetings were also organised to give Governors the opportunity of having informal discussions with the Chair, Senior Independent Director and other Non-Executive Directors. Informal meetings between Governors are also held to provide the opportunity for discussion on future agenda items and to raise any issues requiring clarification or action. In addition, Governors meet with Non-Executive Directors on an informal basis to discuss topics of relevance to both bodies and to further develop a closer working relationship.



Table 3 – Details of Board of Governors Meeting Attendance (public)

Constituency/ Appointing Organisation	Name	Date of appointment	Period Elected	1/2nd Term of Office	In post as at 31 March 2013	Council of Governors meeting		Joint Code of Governance		Rules and Regulations Committee		Membership Development Strategy Group		Remuneration committee		Nominations Committee	
						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
	Akin Akinyemi	Sep-09	Sep 09 - Sep 12 (resigned April 11)	1	x	0	0										
	John Pike	Sep-09	Sep 09 - Sep 12	1	x	2	0					2	0				
	Keith Bobbin	May-06	Sep 12 to Sep 15	3	✓	5	3	1	1	1	1			2	2		
	Eileen Greenwood Lead Governor until Aug 12	May-06	Sep 12 to Sep 15	3	✓	5	4							2	1	1	1
	Jeanine Cresswell	Sep-09	Sep 09 to Sep 12	1	x	2	0										
	Pamela Hintz	Sep-11	Sep 11 to Sep 14	1	✓	5	4					3	2				
	Evelyn Hoggart	Sep-12	Sep 12 to Sep 15	1	✓	2	2										
	Sue Revell	Sep-12	Sep 12 to Sep 15	1	✓	3	3					1	0				
	Josie Clark	Sep-11	Sep 11 to Sep 14	1	✓	5	4	1	1							1	1
Richard Amner	Sep-11	Sep 11 to Sep 14	1	✓	5	1											
Rest of Essex	Bob Calver	Sep-09	Sep 12 to Sep 15	2	✓	5	1					3	3				
Southend	Dr Naila Khokhar	Oct-10	Oct 10 to Sept 12	2	x	2	0										
	Clive Lucas	Sep-09	Sep 12 to Sep 15	2	✓	5	3										
	Peter Stroudley	Sep-12	Sep 12 to Sep 15	1	✓	3	1										
	Shurleea Harding	Sep-11	Sep11 to Sep14	2	✓	5	5					3	3				
Thurrock	Michelle Lucas	Sep-09	Sep 09 to Sep 12	1	x	2	0					2	0				
	Christina Guy	Sep-12	Sep 12 to Sep 15	1	✓	3	1										
	Margaret Verity	Sep-07	Sep 11 to Sep 14	2	✓	5	2										
West Essex	Brian Arney	Sep-12	Sep 12 to Sep 14	1	✓	5	4					1	1			1	1
	Michael Edmonds	Sep-12	Sep 12 to Sep 14	1	✓	5	2					3	2				
	Kresh Ramanah	Sep-12	Sep 12 to Sep 14	1	✓	5	4										
	Patrick Sheehan JP	Sep-12	Sep 12 to Sep 14	1	✓	5	2										
	Prof Sudi Sudarsanam	Sep-12	Sep 12 to Sep 14	1	✓	5	4										
Bedford	Alex Dillon	Apr-10	Apr 10 to Sep 12 (resigned April 12)	1	x	0	0										
	John Jones Lead Governor from Aug 12	Apr-10	Sep 12 to Sep 15	2	✓	5	5					3	3	2	2	1	1
	Clive Travis	Apr-10	Sep 12 to Sep 15	2	✓	5	5							2	2		
	Paula Grayson	Sep-12	Sep 12 to Sep 15	1	✓	3	3			1	0			1	1		
Central Bedfordshire	Bob King	Apr-10	Apr 10 to Sep 12 (resigned Jun 12)	1	x	0	0									0	0
	Susan Butterworth	Apr-10	Sep 12 to Sep 15	2	✓	5	5					3	3				
	Marie Creighton	Apr-10	Apr 10 to Sep 12	1	x	2	2										
	Susan Philipps	Nov-11	Nov 11 to Sep 12	1	x	2	1										
	Vincent Mooney	Apr-10	Apr 10 to Sep 12	1	x	2	1			0	0						
	Lynda Lees	Sep-12	Sep 12 to Sep 15	1	✓	3	2			1	1						
	Deborah Ridley-Joyce	Sep-12	Sep 12 to Sep 15	1	✓	3	3					1	0			1	1
	Larry Smith	Sep-12	Sep 12 to Sep 15	1	✓	3	2										
Jim Thakoordin	Sep-12	Sep 12 to Sep 15	1	✓	3	3			1	1							

Cont. Details of Board of Governors Meeting Attendance (public)

Constituency/ Appointing Organisation	Name	Date of appointment	Period Elected	1/2nd Term of Office		Council of Governors meeting		Joint Code of Governance	Rules and Regulations Committee	Membership Development Strategy Group	Remuneration committee	Nominations Committee		
				In post as at 31 March 2013	No of Meetings	No attended	No of Meetings					No attended	No of Meetings	No attended
Luton	Jackie Gleeson	Apr-10	Sep 12 to Sep 15	2	✓	5	3			1	1		1	1
	Partha Trivedi	Apr-10	Apr 10 to Sep 12 (resigned Mar12)	1	✗	0	0							
	Ron Greenham	Apr-10	Apr 10 to Sep 12	1	✗	2	1		0	0				
	Michael Dolling	Apr-10	Sep 12 to Sep 15	2	✓	5	3			3	2			
	Jill Gale	Sep-15	Sep 12 to Sep 15	1	✓	3	2							
	Zoe Loke	Sep-15	Sep 12 to Sep 15	1	✓	3	2							

Details of Board of Governors Meeting Attendance (staff)

Constituency/ Appointing Organisation	Name	Date of appointment	Period Elected	1/2nd Term of Office		Council of Governors meeting		Joint Code of Governance	Rules and Regulations Committee	Membership Development Strategy Group	Remuneration committee	Nominations Committee	
				In post as at 31 March 2013	No of Meetings	No attended	No of Meetings					No attended	No of Meetings
Medical	Thilak Ratnayake	Apr-10	Sep 11 to Sep 14	2	✓	5	2						
Nursing	Fiore Sannio	Dec-11	Dec 11 to Sep 14	1	✓	5	1			3	0		
Support Staff	Maggie Nicholls	Apr-10	Sep 11 to Sep 14 (resigned June 12)	2	✗	1	1						
	Nic Taylor-Barbieri	Sep-12	Sep 12 to Sep 15	1	✓	3	1				0	0	
Other clinical Specialities	Karen Forrest	Apr-10	Sep 12 to Sep 15	2	✓	5	4	1	0				
	Alison Childs	Sep-09	Sep 09 to Sep 12	1	✗	2	1						
Nurses and Midwives Community Health Services (previously Health Services)	Debbie Martin	Dec-11	Dec 11 to Sep 12	1	✗	2	1				1	1	
	Tracy Reed	Dec-11	Sep 12 to Sep 15	2	✓	5	4		1	0			
Social Worker	Carla Fourie	Sep-09	Sep 09 to Sep 12 (resigned Mar 12)	1	✗	0	0						
	Keith Hemans	Apr-10	Apr 10 to Sep 12 (stood-down Mar 2)	1	✗	0	0						
	Paul Delaney	Nov-12	Nov 12 to Nov 15	1	✓	3	3			1	1		

Cont. Details of Board of Governors Meeting Attendance (Partnership Governors)

Constituency/ Appointing Organisation	Name	Date of appointment	Period Elected	1/2nd Term of Office	In post as at 31 March 2013	Council of Governors meeting		Joint Code of Governance		Rules and Regulations Committee		Membership Development Strategy Group		Remuneration committee		Nominations Committee	
						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
Anglia Ruskin Uni/ Essex University	Ann Devlin	Nov-11	Nov 11 to Nov 14	1	✓	5	2										
University of Bedfordshire	Prof Michael Shoot	Mar-10	Feb 13 to Feb 16	2	✓	5	1										
West Essex Service Users and Carers	Joy Das	Jun-12	Jun 12 to Jun 13	1	✓	5	3										
Essex Service Users and Carers	Mandy Tanner	Dec-11	Dec 11 to Sep 14	1	✓	5	4				3	1					
Beds & Luton Service Users & Carers	Syed Jafari	Jan-12	Jan 12 to Sep 14	1	✓	5	1	1	0							1	0

Cont. Details of Board of Governors Meeting Attendance (Local Authority Governors)

Constituency/ Appointing Organisation	Name	Date of appointment	Period Elected	1/2nd Term of Office	In post as at 31 March 2013	Council of Governors meeting		Joint Code of Governance		Rules and Regulations Committee		Membership Development Strategy Group		Remuneration committee		Nominations Committee	
						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
Southend	Cllr Peter Ashley	May-11	May 11 to May 12	1	✗	0	0										
Southend	Cllr Sally Carr	Jul-12	Jul 12 to Jul 15	1	✓	3	1										
Thurrock	Cllr Tony Fish	Jul-11	May 12 to Apr 13	2	✓	5	2										
Essex	Mavis Webster	May-06	Jun 12 to Jun 15	3	✓	5	0			1	1					1	1
Bedford	Mayor Dave Hodgson	Nov-10	Nov 10 to May 13	1	✓	5	2										
Central Bedfordshire	Cllr David Bowater	May-10	May 10 to May 13	1	✓	5	3				3	2	2	2			
Luton	Cllr Mahmood Hussain	May-10	May 10 to May 13	1	✓	5	2			1	1						

Cont. Details of Board of Governors Meeting Attendance (PCT Governors)

Constituency/ Appointing Organisation	Name	Date of appointment	Period Elected	1/2nd Term of Office		Council of Governors meeting		Joint Code of Governance		Rules and Regulations Committee		Membership Development Strategy Group		Remuneration committee		Nominations Committee	
				In post as at 31 March 2013	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	
South East Essex PCT/ South West Essex PCT	Mark Tebbs	May-11	May 11 to Sep 13	1	✓	5	0										
Beds & Luton PCT	Philippa Hunt	Apr-10	Apr 10 to Sep 12 (resigned Dec 11)	1	✗	0	0										
Beds & Luton PCT	Vacancy																
West Essex PCT	Vacancy																

A joint Directors/Governors away day was held in March 2013 where discussions focused on the implications of the Health and Social Care Act 2012 on the role of Governors and how they can effectively hold the board of Directors to account for the performance of the Board via the Chair and the Non-Executive Directors. Working groups are being established to progress actions identified, including Non-Executive Director accountability, membership engagement, and Governor training and development.

An important part of the Governor's role is to communicate with the group of people who elected them, whether staff, patients or members of the public in the surrounding area. Fifteen constituency public members meetings were held during the year where the presentation themes covered local topical issues. Governors also had the opportunity of meeting members on various Trust events and at the annual general meeting. There are also seven Governor/Director Constituency Groups which have been set up to ensure there are regular links between the Governors and the Directors, the local community and our members. All these meetings and events provide important opportunities for dialogue between the Trust and the local community it serves.

Table 3 on page 50 lists the names of the Governors, the constituency or organisation they represent and their terms of office together with the number of Council of Governor meetings and attendance by individuals. It is important to be aware that Governors commit a significant amount of time outside the formal meetings to fulfil their role to present the interests of members and the local community as previously explained.

Council of Governors' Committees

The Council of Governors has established the following committees to support its work, each with approved terms of reference:

Nominations Committee

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

The Committee is chaired by the Trust's Chair with membership comprising elected and appointed Governors. If the Chair is being appointed or not available, the Vice Chair or one of the other Non-Executive Directors who is not standing for appointment will be the Chair. When the Trust Chair is being appointed, the committee comprises only of Governors who will elect a Chair of the committee from amongst its members.

Members of the Committee and the number of meetings attended by each member during the year are set out below:

Name	Role	Meetings attended
Lorraine Cabel	Chair	1/1
Brian Arney	Public Governor	1/1
Josie Clark	Public Governor	1/1
Jackie Gleeson	Public Governor	1/1
Eileen Greenwood	Public Governor	1/1
Syed Jafari	Appointed Governor	0/1
John Jones	Public Governor	1/1
Bob King (to 26.09.12)	Public Governor	0/0
Deborah Ridley-Joyce (wef 27.09.12)	Public Governor	1/1
Mavis Webster	Appointed Governor	1/1

The Committee met once during the year for the purpose of reviewing and agreeing the reappointment of Steve Currell, Non-Executive Director, for a third term of office. The recommendation for reappointment was presented to and approved by a general meeting of the Council of Governors meeting who recognised the importance of ensuring continuity and succession planning at Board level.

Remuneration Committee

The Committee has delegated responsibility for assessing and making recommendations to the Council of Governors in relation to the remuneration, allowances and other terms and conditions of office for the Chair and all Non-Executive Directors. In addition, the Committee leads on the process to receive assurance on the performance evaluation of the Chair (working with the Senior Independent Director) and Non-Executive Directors (working with the Chair).

The Committee may, as appropriate, retain external consultants or commission independent professional advice. In such instances the Committee will be responsible for establishing the selection criteria, appointing and setting the terms of reference for remuneration consultants or advisers to the Committee. The Committee reports in writing to the Council of Governors the basis of its recommendations.

Members of the Committee and the number of meetings attended by each member during the year are set out below:

Name	Role	Meetings attended
John Jones	Public Governor (Chair)	2/2
Keith Bobbin	Public Governor	2/2
David Bowater	Appointed Governor	2/2
Paula Grayson	Public Governor	1/1
Eileen Greenwood	Public Governor	1/2
Debbie Martin (to 26.09.12)	Staff Governor	1/1
Nic Taylor-Barbieri (wef 01.03.13)	Staff Governor	0/0
Clive Travis	Appointed Governor	2/2

During the year, the Committee met to discuss the annual performance review of Non-Executive Directors, including the Chair, during 2012/13; the mid-year performance review of a Non-Executive Director; and the procedure for reviewing the remuneration and allowances of the Chair and Non-Executive Directors in preparation for undertaking a benchmarking exercise in 2013.

Recommendations following these discussions were presented to general meetings of the Council of Governors for approval.

Joint Code of Governance Working Group

This Committee provides a mechanism, structure and formal feedback framework for joint working between the Council of Governors and Board of Directors on key areas of the Monitor's NHS Foundation Trusts Code of Governance.

During the year the Board of Directors and Council of Governors approved the KPMG recommendation resulting from the review of the Trust governance structures that the Joint Code of Governance Committee was dissolved as a sub-committee of the Board of Directors. It was established instead as a sub-committee of the Council of Governors as it predominantly provides assurance to Governors of compliance with the Code.

Membership of the Committee and attendance at meetings during the reporting period is set out in table 3 on page 50.

Membership Development Strategy Committee

There are two Committees covering Bedfordshire & Luton and Essex and each has delegated responsibility for leading the development and implementation of the Trust's membership recruitment and engagement strategy within their locality. The Committee examines how representative the membership is of the public served by the Trust, including minority interests.

Membership of the Committee and attendance at meetings during the reporting period is set out in table 3 on page 50.

Rules and Regulations Committee

This Committee reviews and make recommendations regarding various policy and procedure documents ensuring that they comply with regulator requirements, good practice and other guidance.

Membership of the Committee and attendance at meetings during the reporting period is set out in table 3 on page 50.

Training and Development

All Governors whether elected or appointed are offered an appropriate induction programme and are encouraged to request further information or development according to their needs. They are also encouraged to continually update their skills, knowledge and familiarity with the Trust using our own resources and facilities, as well as external learning opportunities and networking events.

Each year the Council of Governors reviews its effectiveness in accordance with the Code. The review is based on self-assessment and a development plan is produced and agreed by the Council. During the year Governors attended briefing sessions on national issues including the implications Health & Social Care Act and a masterclass on demography and sustainability. Most recently a joint Directors and Governors away day was held which provided Governors with networking opportunities and enabled discussions with Directors on the new statutory requirements for Governors. A working group is being established to review Governor training and development requirements to support the enhanced Governor role.

Register of Interests

All members of the Council of Governors have a responsibility to declare relevant interests as defined in the Trust's Constitution. These declarations are made known to the Trust Secretary and entered into a register which is available to the public details. Details can be found on the Trust website or can be obtained from the Trust Secretary at The Lodge, Runwell Chase, Wickford, Essex SS11 7XX.

At the start of all Council of Governors meetings and Committee meetings, the Chair routinely asks members to declare any interests that relate to the scheduled agenda items so that they may withdraw from the discussion on any matter where there is a potential conflict. Any such declarations are recorded in the minutes.

Governor Expenses

Total Governor expenses incurred by the Trust during the 2012/13 amounted to £7,011.

Report from Governors

We are pleased to write this first Annual Report from the Council of Governors and, in doing so, are mindful that we, as Governors, are elected by members (public or staff), or appointed by local authorities, universities or care groups, to act as a 'critical friend' to SEPT.

The year 2012-13 has seen a number of changes in the makeup of the Council with elections being held in September for the public and staff elected Governors, following which we were pleased to welcome a new intake. Those of us who have been Governors for a number of years are very impressed by the way our newly elected colleagues have taken on the role, fully appreciating how we use our position to further the overriding aim which is to put the patient first at all times.

It would be very easy to fill this report with recording what went on at each Council meeting, or each sub-committee meeting. Important as these are, they do not fully reflect why we, as members of the Trust, put ourselves forward as Governors. We would not do so if we did not think that our Trust is one of the highest performing in the country and we would like to see it maintain its pre-eminent position without sacrificing its purpose - meeting the needs of the patient.

This year has seen a lot of work and thought going into how to implement the new Health and Social Care Act 2012, as the role of the Governor is enhanced and we are expected to take an even more active part, whilst still maintaining sufficient 'distance' that we remain fully independent.

As Governors we particularly welcome the many issues which are raised by members of the Trust as well as of the public and we hope that we have been helpful in resolving any difficulties which may have been experienced or any misunderstandings or misapprehensions which can arise. Please continue to contact any of us if you have any concerns, either through the Trust's website or via the Trust Secretary's office.

We are all looking forward to the next year, to face the challenges which it will bring through the Health and Social Care Act 2012, as well as new issues which will no doubt be raised with us. As a Council we are a varied group, with experiences to bring from different walks of life and we are pleased to continue to offer our service and support to you, the members, in any way we can.



John Jones
Governor Coordinator (Bedfordshire & Luton)
Lead Governor



Patrick Sheehan
Governor Coordinator (Essex)

Membership

Foundation Trust membership aims to give local people, service users, patients and staff a greater influence in how the Trust's services are provided and developed. The membership structure reflects this composition and is made up of two categories of membership:

Public Members

All people aged 12 and over and living in Bedfordshire, Essex, Luton and Suffolk are eligible to join the Trust. Our strategy is to build a broad membership that is evenly spread geographically across the local area we serve 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, Luton and Suffolk. The geographical area of the Trust serves is sub-divided using electoral boundaries into the constituencies of:

Public Constituency	Electoral Boundaries
Bedford	Electoral area covered by Bedford Borough Council
Central Bedfordshire	Electoral area covered by Central Bedfordshire Council
Luton	Electoral area covered by Luton Borough Council
Rest of Essex	Electoral area covered by Essex County Council, excluding those included in the four areas below
Suffolk	the electoral area covered by Suffolk County Council
South Essex	Electoral area covered by Basildon Borough Council, Brentwood Borough Council, Castlepoint Borough Council and Rochford District Council
Southend	Electoral area covered by Southend on Sea Borough Council
Thurrock	Electoral area covered by Thurrock Council
West Essex	Electoral area covered by Harlow District Council, Epping Forest District Council and Uttlesford District Council

The Trust does not have a separate constituency for patients who are included within the public constituency.

Staff Members

All staff who are on permanent or fixed term contracts that run for 12 months or longer are automatically members, unless they opt out although few chose to do so. Staff who are seconded from our partnership organisations and working in the Trust on permanent or fixed term contracts that run for 12 months or longer are also automatically eligible to become members. Staff join one of six sub-groups which are linked to their different fields of work.

Membership

Membership is important in helping to make the Trust more accountable to the people we serve, to raise awareness of mental health, community health and learning disability issues, and assists the Trust to work in partnership with our local communities.

As at 31 March 2013, the Trust had over 20,800 members which is just over 1% of the population we serve (excluding Suffolk). The number of members for each of the public (excluding Suffolk) and staff constituencies on 31 March 2013 was as follows:

Membership size and movements	
Public constituency	2012/13
Public members at 1 April 2012	14,602
New members	611
Members leaving	475
Public members at 31 March 2013	14,738
Staff constituency	2012/13
Staff members at 1 April 2012	5,390
New members	760
Members leaving	67
Staff members at 31 March 2013	6,083

Our Membership Strategy is to build a broad representative membership that is evenly spread geographically across the areas served by the Trust and reflects the ages and diversity of our local population. Overall, our membership is well represented in the majority of social-economic categories and in both females and 22+ groups. However, the Trust recognises the need to improve representation in the wealthy achievers, young people and male groups.

The breakdown of public membership (excluding Suffolk) by age, ethnic origin, socio-economic status and gender at 31 March 2013 was as follows:

Analysis of current membership	
Public constituency	Number of members
Age (years):	
0-16	74
17-21	1,220
22+	10,840
Ethnic origin:	
White	11,241
Mixed	283
Asian or Asian British	982
Black or Black British	648
Other	109
Socio-economic groupings*:	
ABC1	7,665
C2	2,838
D	3,222
E	1,014
Gender analysis:	
Male	5,682
Female	8,970

Notes:

The analysis excludes:

- 2,604 public members with no stated date of birth
- 1,475 members with no stated ethnic origin
- 86 members with no stated gender
- suspended members
- inactive members.

** Socio-economic data should be completed using profiling techniques, e.g. postcodes or other recognised methods. To the extent socio-economic data is not already collect from members, it is not anticipated that FTs will make a direct approach to members to collect this information.*

All membership activities and representativeness are reviewed on a quarterly basis by the Membership Development Strategy Groups who monitor the membership strategy through analysing the membership demographics, identifying plans to ensure a representative membership and promoting engagement from members and the wider community. The Trust's Patient Experience Teams are represented on these groups as they support the recruitment and engagement of members.

Following the Director and Governor away day, a working group is being established to review the Trust's engagement with members and the wider public to improve the quality of engagement and ensure accountability.

Recruitment

In accordance with the Membership Strategy range of methods were used to recruit members during 2012/13 including:

- attendance at public meetings and events held by the Trust;
- attendance at public events organised by other organisations, e.g. Southend Health Exhibition in partnership with Time to Change, Luton Carnival, Bedford River Festival, World Mental Health Day in Bedford;
- promotional stands in libraries;
- promotion of membership on the Trust's website;
- greater involvement of governors in recruitment activity.

Although the Trust did not meet its target to recruit an additional 2,500 members to take overall membership to 23,000 during 2013/14 we will continue to aim to increase our overall membership but will primarily focus on quality engagement with members.

Members are kept up to date with developments at the Trust by:

- receiving copies of SEPT News which is distributed three times a year providing up to date information and features on the Trust including service developments, information on issues relating to mental health, community services and learning disabilities, information about the Council of Governors, etc;
- visiting the member pages on our website, becoming a friend of the Trust on Facebook and/or following the Trust on Twitter;
- attending pre-election workshops for prospective Governors;
- attending our annual general meeting on 26 September 2012 which provided an opportunity to hear how the Trust performed during the year and to meet Directors and Governors;
- attending public meetings of the Board of Directors and Council of Governors;
- attending our public meetings which are highly participative – during 2012/13 15 public member meetings were held across all constituencies with presentation themes covering local topical issues – members were also able to contribute to the development of the Trust's annual plan;
- attending various Trust organised events such as Let's Talk About where attendees can learn more about specific health issues and our related services, and Take It To The Top where attendees can meet with the Chair, Chief Executive and/or other senior management to ask questions and put forward ideas.

At all our meetings, members are actively encouraged to ask questions and responses are provided by a member of the Board, senior management team or clinician.

Contacting a Governor

Members can contact a Governor through the Trust Secretary Office by any of the following methods:

Post: Freepost RRKK-KSYT-UHLB
Membership Office
The Lodge
Runwell Chase
Wickford SS11 7XX

Email: membership@sept.nhs.uk

Freephone: 0800 023 2059

5. QUALITY REPORT

EXECUTIVE SUMMARY

We recognise that for organisations like ours, providing a range of different services, in different geographic areas, this document can be somewhat complex. To help readers navigate our Quality Report, a summary of content and where you can find specific information that you may be looking is provided below.

	Page No.
<p>Part 1 is a statement written by our Chief Executive, Dr Patrick Geoghegan OBE, Professor of Mental Health and Social Care, on behalf of the Board of Directors setting out what quality means to us, what improvements we have made in the past year and where things didn't go as well as we had hoped.</p>	62
<p>Part 2 looks forward setting out our priorities for improvement in 2013/14</p> <p>The Board of Directors have agreed the top five priorities for quality improvement this year. These are set out in section 2.2.</p> <p>Examples of some of the 55 stretching goals for quality improvement that have been agreed with health commissioners of our services are identified in section 2.3.</p> <p>Information about our response to the Francis Inquiry Report is included in section 2.4.</p> <p>The statements of assurance contained in section 2.5 are mandated. The Trust is able to confirm that it is able to meet all of the mandated requirements.</p> <p>Section 2.6 reports our performance against newly introduced national mandated quality indicators.</p>	65
<p>Part 3 focuses on 'looking back' at our performance against quality priorities, indicators and targets during 2012/13.</p> <p>Section 3.1 reports progress against our quality priorities for 2012/13, outlined in our Quality Report 2011/12 (including historic and benchmarking data, where this is available, to enable you to compare our performance with other providers).</p> <p>Section 3.2 provides examples of key achievements relating to quality improvement during 2012/13.</p> <p>Section 3.3 reports performance against SEPT Trust wide and service specific quality indicators.</p> <ul style="list-style-type: none"> • Trust wide quality indicators • Community health services local quality indicators • Mental health services local quality indicators <p>Section 3.4 reports performance against key indicators and thresholds relevant to SEPT from Appendix B of Monitor's Compliance Framework, which have not been included elsewhere in this Quality Report.</p>	89
<p>Closing Statement by Chief Executive, Dr Patrick Geoghegan OBE, Professor of Mental Health and Social Care</p>	115
<p>Annex 1 contains statements that we have received from our partner organisations and our Council of Governors.</p>	116
<p>Annex 2 contains the Statement of Directors' Responsibilities in respect of the Quality Report.</p>	123
<p>Annex 3 contains the Independent Auditor's Report to the Council of Governors of South Essex Partnership University NHS Foundation Trust on the Annual Quality Report.</p>	124
<p>A glossary of terms is provided at the end of the Quality Report in case we have used jargon which you are not familiar with.</p>	127

PART 1: STATEMENT ON QUALITY FROM THE CHIEF EXECUTIVE

At SEPT, quality of service to our users is at the heart of everything we do

Everyone who uses the NHS rightly expects to receive care of the highest standard – quality care. Mostly, this means that services must be safe (do no harm), effective (do what they are meant to do) and people receiving the services find them acceptable and value them. At SEPT we work hard to ensure that the care we deliver is in line with these principles of quality as well as those outlined in the NHS Constitution and the national ‘Compassion in Practice Strategy’ (launched in December 2012). This strategy aims to build a culture of compassionate care for nursing, midwifery and care staff and is based around six values – care, compassion, courage, communication, competence and commitment. The vision aims to embed these values, known as *the six C’s*, in all nursing, midwifery and care-giving settings throughout the NHS and social care, to improve care for patients. Absolutely critical to achieving this is ensuring that we continue to recruit and retain a workforce that is well trained and motivated to always act in the best interest of patients who use our services and ensure that quality is at the heart of everything we do.

I am proud to present this Quality Report for SEPT, covering our first full year providing hospital and community-based mental health and learning disability services across Bedfordshire and Luton and South Essex as well as community health services in Bedfordshire, South East Essex and West Essex. The community health services we now provide in the above three locality areas are those services previously provided/hosted by Primary Care Trusts; such as District Nursing and Health Visiting services as well as a range of specialist services. Significant progress has been made this year with implementing integrated community health services teams so that care providers work together to provide seamless services to patients. In October 2012 SEPT, in partnership with Serco, took over responsibility for delivering NHS services in Suffolk under the name of SCH – Suffolk Community Healthcare. SEPT staff are responsible for delivering Podiatry, Speech and Language Therapy and Children’s services. This agreement is one of the first public / private sector agreements in the country between a service led organisation such as Serco and a leading NHS provider.

We are required by law to produce an annual Quality Report so that we can let you know how we did in terms of meeting our quality commitments for 2012/13 and what our quality priorities are for 2013/14. However, we see it as an opportunity to share more than that – this is an opportunity to demonstrate that SEPT is a transparent organisation and in the report we highlight our achievements and the areas where more work needs to be done.

Once you have read this Quality Report I hope you will be able to see for yourself how seriously SEPT takes quality in all its forms to ensure that we deliver services in a compassionate, dignified and respectful way. We believe that service users, staff and stakeholders are those best placed to tell us what constitutes the highest quality of service – we strive for and expect at all times the highest standards of care and we actively listen to users, staff and stakeholders to ensure we achieve this.

As you will no doubt be aware, the issue of quality of care within the NHS nationally has been brought to the forefront by the publication of the Francis Inquiry Report in relation to the care provided by Mid Staffordshire NHS Foundation Trust, which gained significant press coverage. We have analysed the outcomes of this report to ensure that we learn from the lessons and details of this work are included in Part 2 of this report.

To ensure that SEPT achieves this every time for every person who uses any of our services, we have several ways in which we can check that we are achieving a consistently high level of quality. The narrative and tables/graphs in this Quality Report are based on the information gathered through these various checks.

As a Foundation Trust, SEPT has a Council of Governors made up from elected members of our Trust as well as a Board of Directors both of which are led by the Chair of the Trust. The Boards ‘drive’ the Trust ensuring our staff are delivering services to the high standards we all aspire to and critically holding me and my executive team to Report for the day-to-day running of the Trust. The Board of Directors receives monthly assurance on how we are getting on with meeting our goals and achieving desired outcomes. The Board proactively ensures that we do not focus solely on national targets and financial balance, but also puts significant emphasis on the achievement of quality in our services. This approach ensures that performance is constantly monitored and any potential areas for improvement are addressed swiftly and remedied immediately. These Board of Director meetings are held in public

10 times each year which ensures that our operation is open and transparent and gives members of public the opportunity to understand our performance in more detail and to ask any questions they have.

What do others think of us?

We welcome the Care Quality Commission's (CQC) unannounced visits to our services – which can take place at any time of the day or night – to assess how well we are meeting their 16 Essential Standards and Quality and Safety. The Care Quality Commission is the independent regulator of all health and social care services in England and their reports of these visits to our services are made public for everyone to read. We also invite other outside organisations to do announced or unannounced spot checks on these standards in our services too.

Public governors have undertaken a programme of visits to different services. Our commissioners also undertake announced and unannounced quality visits to our services to assess the quality of service being delivered and any remedial action required. Feedback from this external perspective has provided an incredibly useful insight into service quality from alternative perspectives and with 'fresh eyes' and has served to enable improvements to take place.

We in SEPT do not wait for inspections by the Care Quality Commission or other inspectors to ensure quality of services – we also undertake regular formal internal inspections of our services against the Care Quality Commission standards and identify any areas for quality improvement. The results and actions arising from these internal inspections are reported to the Board on a regular basis, and formal monitoring and follow-up undertaken to ensure that any necessary remedial actions are completed. Non-Executive Directors, Executive Directors, Governors and independent clinicians are also invited to visit our wards to review clinical care.

There is also an extensive programme of internal clinical audit in place, the results of which are detailed in Part 2 of this Quality Report.

We now have regular Clinical Quality Review Group meetings with each of our commissioners to which a detailed report is presented (containing information on quality performance indicators defined by our commissioners), enabling commissioners to monitor our quality performance and to require remedial action where necessary.

Ensuring that we receive and act on feedback from our service users is absolutely vital in driving up quality and we have taken a number of actions over the past year to increase the feedback we receive. These include the introduction of the 'Friends and Family' test across the organisation where we seek feedback from our service users and patients in terms of whether they would recommend the service they have received to friends or family. Details of the outcomes of this are included in Part 3 of this report. We have continued with our 'mystery shopper initiative' and I am delighted to have a willing group of 'mystery shoppers' who report back to me directly and confidentially about their direct and personal experiences of SEPT staff and services. We have grown our 'mystery shopper' group from 285 to 421 over the past year alone and continue to take actions to encourage more users to participate in this initiative. These individuals play a vital role in ensuring we continually improve the services we deliver and we have seen a really positive impact on changing practice as a direct result of this initiative.

What have we done well?

We have had an enormous amount of quality improvement success this year, having a great impact on outcomes for people who use our services. Unfortunately, I don't have space here to talk about them all. We have however given some examples of quality improvements made over the past year in Part 3 of this report.

What do we need to do better?

Despite our successes, there are always areas where we can improve. Areas in which I am keen to see particular action are patient experience in mental health as measured by the national community mental health survey, complaints handling and response times, access to healthcare for people for a learning disability, reducing avoidable pressure ulcers and reducing harm from falls. Details of our priorities for 2013/14 are outlined in Part 2 of this report.

We can't do it without our staff

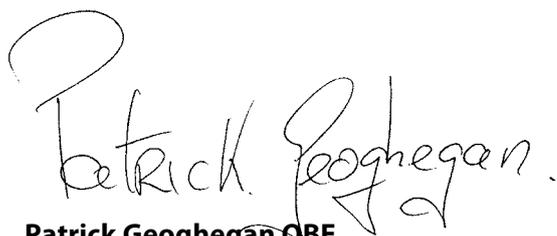
I have always believed that SEPT recruits and retains the best staff in the business. They work incredibly hard – whether in Bedfordshire, Essex, Luton or Suffolk. Our staff take huge satisfaction from being able to deliver the best possible services – services of which we can all be proud and, most importantly, which staff would be happy for their friends and family to receive.

Whilst I am very proud of our staff, I am **never complacent**. We always need to be on the lookout for things that might not be going as they should be. As well as my willing group of 'mystery shoppers', I have personally visited a number of patients (randomly selected) over the past year either at home or elsewhere in order to listen first hand to their experiences of our services. I have found this to be an incredibly valuable experience and will continue these visits to seek feedback for the foreseeable future.

SEPT is proud to be a quality organisation, and I am proud to be the Chief Executive of our organisation. I hope you will agree when you read through this report.

Statement of Accuracy

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



Patrick Geoghegan OBE

Chief Executive

Professor of Mental Health and Social Care

PART 2

OUR QUALITY PRIORITIES FOR IMPROVEMENT DURING 2013/14 AND STATEMENTS OF ASSURANCE FROM THE BOARD

Progress with the priorities for improvement for 2012/13 set out in the 2011/12 Quality Report of SEPT is set out in Part 3 of this document.

“Tough times and tough decisions to be made but staff and public engagement will help keep us focused on person centred care.” (Anonymous feedback received at stakeholder planning event 31 January 2013)

At SEPT we have a well established and well developed planning and engagement process for ensuring that our forward plans are developed as a result of listening to our stakeholders. This year was no different. Approximately 900 staff, service users, carers, governors, members and partners participated in planning events between December 2012 and March 2013 to consider the challenges we face and determine the priorities for 2013/14. Whilst we can't claim that every single view or idea is reflected in our plans for the future we are confident that the themes of the feedback received has greatly influenced our quality improvement priorities and service developments for the next year.

Specifically our plans have been developed as a result of:

1. listening to the views of staff who attended five 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;
2. consultation at two stakeholder planning events held in south Essex and in Bedfordshire;
3. asking our governors and public Foundation Trust members in seven public constituency meetings across Bedfordshire and Essex to identify the activities that we need to start doing; those that we should carry on doing and those that we should stop doing in order to understand what a quality service looks like;
4. working with commissioners to identify action required to meet their expectations of a high quality service provider;
5. considering performance against national targets and priorities and identifying what action is required to ensure that services meet and where possible, exceed these;
6. making sure we are constantly taking action to deliver the rights and pledges contained in the NHS Constitution;
7. five Board of Director seminar session discussions about our forward plan;
8. feedback from attending service user and carer forums where we have open discussions with the public about our plans for the future; and
9. feedback sessions we have with partners such as Primary Care Trusts, Clinical Commissioning Groups, Local Authority colleagues and third sector on our plans for the future.

2.1 Key actions to maintain and / or improve the quality of services delivered

As a result of reviewing the outcomes from the various consultation processes, the Board of Directors has identified the key changes or actions that need to be made to continue to maintain and/ or improve the quality of services delivered.

SEPT's clinical and quality strategy is integral to and not separate from our overarching strategic vision. Clinical quality drives our vision “providing services that are in tune with you”.

2013/14 is going to be a challenging year. The SEPT Board of Directors is clear that the challenges faced should not distract us from concentrating on the number 1 priority, which is to ensure that our patients receive safe and effective services and have a positive experience of care provided by us.

Quality is a key driver in each of the four strategic priorities for SEPT and safety, experience and effectiveness is a theme that runs through each of our 12 corporate aims that will provide the framework for all of our activities in the coming year:



Strategic Priority 1: Delivering Quality Services That Are Safe and Effective

We will continue to make sure that we meet or exceed quality requirements consistently regardless of the external environment. This will require clear lines of accountability, with defined expectations and service standards, and empowerment of our workforce to deliver at all levels of the organisation.

Key aims that contribute to delivering this priority:

- Achievement of quality, regulatory and contractual standards that ensure the Trust remains compliant and meets patient expectation
- Implementation of timely Trust-wide systems for listening and responding to staff, patients, carers and local communities
- Development of outcome and efficacy measures and systems to evidence the impact of our services

Strategic Priority 2: Workforce Culture and Capacity

We need to continue to develop an organisational culture that reflects the increasingly diverse nature of SEPT's service provision and builds on the values already in place. Clinical leadership and personal accountability will be key to ensuring delivery of the Trust's objectives, as well as a commitment to ensure training and development is focused on ensuring that our workforce has the skills, knowledge and expertise required to deliver the strategy.

Key aims that contribute to delivering this priority:

- Alignment of workforce to principles and values contained in the NHS Constitution
- Leadership and accountability structures and systems strengthened from the Board to service delivery
- Action taken to ensure the 'right staff, with the right skills are in the right place at the right time'

Strategic Priority 3: Transforming Care

We will demonstrate our ability to respond to the current and future environment by working collaboratively to transform delivery of care. Plans will need to be clear, explicit, communicated and 'owned' by the clinical and support services to which they apply.

Key aims that contribute to delivering this priority:

- Delivery of required changes and improvements agreed in QIPP plans, CQUIN schemes and CIPs in partnership with CCGs, Local Authorities, the NCB and other partners
- Development of clear model and strategy to deliver integrated care provision
- Increased application of technology to improve patient care and experience and clinical and support service delivery

Strategic Priority 4: Clear Plans for Sustainable Services and Resources Used to Deliver Them

Developing sustainable services that can continue to be delivered and meet the requirements of the population they are aimed at during continual change will be a key priority for SEPT. There is not one answer to achieve this, but carefully made decisions, pursued opportunities and partnerships will enable us to add value to quality of service provision, improve care pathways, be more innovative in our approach and contribute to financial stability.

Key aims that contribute to delivering this priority:

- Development of clear service plans for clinical and support services that reflect local and national policy context
- Continued action taken to maximise efficient clinical service delivery and support service infrastructure
- Greater flexibility and responsiveness in our service offering pursued in all directorates.

2.2 Our quality priorities for 2013/14

The Board of Directors considered the strategic context, their knowledge of the Trust and the feedback from staff and stakeholders during the planning cycle and has identified five Quality Priorities for 2013/14. We believe that these priorities will deliver the improvements most often identified by our stakeholders and will lead to improved health outcomes for our patients and service users.

(EFFECTIVENESS) Quality Priority 1: Physical Healthcare

Physical healthcare assessment is a vital part of the holistic assessment within elderly mental health inpatient wards where a majority of the patients have complex physical and mental health needs. Through recent audits, it has been identified that the competency of staff in undertaking physical health assessments is not standardised across the Trust. By training staff and implementing competencies, there will be a standardised approach across the Trust and will also facilitate earlier detection in the deteriorating patient. This work will commence within the elderly inpatient areas where there is a larger proportion of patients with complex and multiple physical and mental health needs, but will then be rolled out wider.

Priority

- Improving competencies in monitoring, measurement and interpretation of vital signs within elderly mental health inpatient areas.

Target

- Development of competency framework for clinical staff
- Baseline audit and % improvement by March 2014

(SAFETY) Quality Priority 2: Pressure Ulcers

Avoidable pressure ulcers are seen as a key indicator of the quality of nursing care and preventing them happening will improve all care for vulnerable patients. Early risk assessment and prevention is therefore vital. All staff within clinical teams should be aware of this and undertake assessment of patients as they are admitted onto their caseloads or within an inpatient area. During 2012/13 SEPT had a priority to reduce the number of category 3 and 4 avoidable pressure ulcers to zero (which was a target set nationally and by the East of England Strategic Health Authority). All three community services have undertaken a number of areas work in relation to the themes resulting from root cause analyses and are now working to a standardised practice across the trust. Although we did not achieve the zero target, we made significant progress in reducing the number of category 3 and 4 avoidable pressure ulcers, achieving 95% of our ambition. We understand that this compares very favourably with the anticipated benchmark achievement for the East of England. The work undertaken needs to be sustained to continue to strive towards this target and we also need to reduce the number of avoidable category 2 pressure ulcers.

Priority

- To reduce the number of avoidable category 2, 3 and 4 pressure ulcers

Target

- To sustain and improve on the work undertaken during 2012/13 in reducing avoidable category 3 and 4 pressure ulcers towards the ambition of no avoidable category 3 and 4 pressure ulcers
- To identify a baseline for category 2 avoidable pressure ulcers and % improvement by March 2014 as agreed through CQUINs



(SAFETY) Quality Priority 3: Falls

Falls prevention is a complex issue crossing the boundaries of healthcare, social care, public health and accident prevention. Across England and Wales, approximately 152,000 falls are reported in acute hospitals every year, with over 26,000 reported from mental health units and 28,000 from community hospitals. In February 2012 revised guidance from the NPSA on incidents resulting in long term harm led the Trust to review its serious incident reporting criteria. From that time this has seen the inclusion of inpatient falls resulting in long bone fractures that require surgical intervention to be reported as serious incidents. Falls prevention needs to consider the patients individual needs and the different environmental factors in different settings including home, care setting and hospitals. All of this needs to be reviewed, while balancing patient safety, independence and rehabilitation. During 2012/13, SEPT reported 1,593 falls, 31.77% of which resulted in low, moderate or severe harm. In total 18 falls resulted in severe harm, 15 of which were falls resulting in long bone fractures that required surgical intervention, and therefore were reported as serious incidents.

Priority

- Reduce the level of avoidable falls resulting in harm

Target

- To identify how many of the 18 severe harm falls reported in 2012/13 were avoidable
- To agree a level of improvement on the 2012/13 outturn of avoidable falls, to be achieved by March 2014
- To achieve a 5% increase in the proportion of falls that result in no harm
- To increase reporting of no/minimal harm from falls

(EXPERIENCE) Quality Priority 4: Carers

The white paper 'Caring for our future: reforming care and support' published in July 2012 requires that the NHS "work with their local authority partners and local carers organisations to agree plans and budgets for identifying and supporting carers". This reinforces the requirements of the existing NHS operating framework for 2012/13 (DH - November 2011) which requires NHS commissioners to agree policies, plans and budgets to support carers with local authorities and voluntary organisations. More recently, the mandate for the NHS Commissioning Board was published in November 2012. In respect of carers, their needs are specifically referred to in the chapter on enhancing the quality of life for people with long-term conditions, which includes mental health. Paragraph 2.5 states: "*the NHS Commissioning Board's objective is to ensure the NHS becomes dramatically better at involving patients and their carers, and empowering them to manage and make decisions about their own care and treatment...the five million carers looking after friends and family members will routinely have access to information and advice about the support available-including respite care*"

Part 2 of the NHS outcomes framework includes a section on health related quality of life for carers and performance indicators will be devised for publication at CCG, Local Authority and NHS Provider level.

The draft Care and Support Bill published in September, takes forward the existing local authority duty for assessment and review of carers needs. Subject to Parliament this would become law in April 2015.

There will therefore be a need for all community and mental health and seconded social care staff to be aware of their requirement to identify carers and sign post them to support services and for SEPT to continue to work collaboratively on carer support.

This quality report indicator will monitor numbers of staff undertaking training in 2013/14 against a baseline. This allows us to promote further understanding in the workforce of these new and forthcoming responsibilities for the NHS.

“Carers” in the context of this quality priority refers to family carers who support a relative who use health and social care services.

Priority

- To provide better support for carers by mental health and community health services

Target

- To increase the number of clinical staff trained to undertake the 3 R’s (Recognise, Record and Refer carers to appropriate services) by 324

(EXPERIENCE) Quality Priority 5: Improved Patient Experience

At an operational level there is a desire to increase the amount of feedback being received from patients to enable staff to be able to reflect on their practice based on direct feedback from patients in a way that the Francis Inquiry Report suggests is appropriate.

Moreover, from a strategic point of view, there is not currently a consistent approach to collecting patient feedback on services which brings difficulties in comparing like with like across the Trust. Upon this basis, it is considered sensible and logical to rationalise the survey work that is currently being undertaken into a standardised approach across the Trust.

Priority

- To promote continuous reflection and improvement on practice through regular patient feedback mechanisms
- To consolidate the use of the Friends and Family Test in services across the organisation (building on the 2011/12 Quality Report Priority in this area)

Target

- To introduce a patient and carer feedback and reporting system (including the NHS Friends and Family Test) across the organisation, enabling staff to receive regular commentary on their service from an end user perspective.

Each of the above five priorities will be monitored on a monthly basis by the Executive Directors of the Trust as part of the routine quality and performance report and the Board of Directors will be informed of any slippage against agreed targets. We will report on our progress against these priorities in our Quality Report for 2013/14.

2.3 Stretching goals for quality improvement – 2013/14 CQUIN Programme

Commissioners have incentivised SEPT to improve quality during 2013/14 via 55 programmes of work. This is a 20% increase in expectations compared to last year where SEPT was commissioned to deliver 43 programmes (and achieved 98% of these).

The overall programme is not only more challenging in terms of numbers, but commissioner expectations have increased. This year the programme is structured to improve services that give the greatest cause to concern to clinical commissioning groups GP leads and will have the biggest impact on improvement to quality and safety of SEPT’s services. Commissioners expect SEPT to be able to deliver quantitative service improvements where there can be no doubt of achievement measured both by patient satisfaction and improvement in clinical/quality outcomes.

Across all contracts/all locations SEPT is expected to:

- improve patient experience / patient rating of overall care measured by asking patients whether they would recommend SEPT services to their friends and family;
- measure staff rating of overall care by asking them (confidentially) whether they would recommend their service to their friends and family (commissioned by commissioners in Bedfordshire and West Essex);
- improve patient safety by continuing to reduce occurrence of pressure ulcers, falls, urinary tract infection in those with a catheter and VTE (furthermore, community services commissioners expect further reduction in category 2 pressure ulcers building on the reductions to category 2, 3 and 4 achieved in 2012/13) – mental health commissioners expect SEPT to commence measurement of and reduction to the prevalence of a further three categories of harm (self harm, medication errors and violence and aggression);
- focus on service improvements for patients and their carers either suffering from dementia, or not yet diagnosed – these incorporate improved services for carers, new services to identify patients not yet diagnosed and initiatives to reduce waiting times and improve access;
- focus on new services/service enhancements where the outcome is reduced dependence upon A&E/ acute hospital services and care provided closer to home – Initiatives include working with service users in Essex identified as those that frequently attend A&E with a mental health need to identify support and treatment within the community – also in South East Essex development of integrated services for children and young people to avoid hospital admissions – within Bedfordshire, SEPT will work with at risk, high intensity users in their own homes to avoid potentially unnecessary admissions to hospital.

In Bedfordshire and Luton work will be undertaken to:

- continue to improve patient access to child and adolescent mental health services;
- improve treatment & outcomes for people currently on the Assertive Outreach Team caseload;
- implement a school ready health education check the outcome of which is to reduce health inequalities by early detection of developmental needs and health issues in children.

In West Essex commissioners have focused on:

- improvement to services for patients at end of life;
- improvements in the manner in which patients are assessed and reviewed for continuing health care needs.

South Essex commissioner's priorities are:

- improvements to community services for patients with a learning disability addressing issues raised in the Michael report;
- improved access to mental health services for patients in crisis.

2.4 Learning lessons from the Francis Inquiry

SEPT's Board of Directors, senior clinicians and other staff have carefully considered the recommendations contained within the Robert Francis Inquiry into the Mid Staffordshire NHS Foundation Trust. We have checked the recommendations against the work we are already doing in the Trust, and we are very pleased with the evidence which demonstrates the robustness of how we performance manage quality and other related issues within the Trust. We will now be doing more in-depth work on the recommendations of the report grouped under the key themes so we can continue to monitor how well we deliver high quality services within the Trust and ensure patients are at the heart of everything we do.

2.5 Statements of Assurance From The Board

2.5.1 Review of services

During 2012/13, SEPT provided and/or sub-contracted 175 relevant health services.

SEPT has reviewed all the data available to them on the quality of care in 175 of these relevant health services.

The income generated by the relevant health services reviewed in 2012/13 represents 99 per cent of the total income generated from the provision of relevant health services by SEPT for 2012/13.

The data reviewed aimed to cover the three dimensions of quality – patient safety, clinical effectiveness and patient experience. Significant progress has been made this year in terms of data quality, completeness and consistency associated with community health services acquired in 2011/12. During 2012/13 monthly data quality reports have been produced in a consistent format across the three community areas. These reports monitor both timeliness of data entry and data completeness. Significant improvement in compliance has been achieved since the introduction of the reports and there has been excellent clinical engagement with a clear understanding of the importance of good data quality across the clinical areas. Similar issues in terms of data quality, completeness and consistency have been identified in terms of the Suffolk Community Services acquired in 2012/13 and these are similarly being addressed. This may have impeded the full review of all services, although Suffolk Services constitute a very small proportion of total SEPT services (2%).



2.5.2 Participation in clinical audits and national confidential enquiries

Clinical audit is a quality improvement process undertaken by doctors, nurses, therapists and support staff 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.

During 2012/13, 14 national clinical audits and two national confidential enquiries covered relevant health services that SEPT provides.

During 2012/13 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 2012/13 are as follows:

National clinical audits:

- *National Audit of Schizophrenia*
- *POMH Topic 10b Reaudit of use of antipsychotics in CAMHs*
- *POMH Topic 1f Reaudit of prescribing high dose and combined antipsychotics on adult acute wards*
- *POMH Topic 3c Reaudit of prescribing high dose and combined antipsychotics on PICU wards*
- *National audit of falls and bone health in older people (inpatient units)*
- *National Epilepsy 12 (2011/12)*
- *National audit of back pain management for NHS staff by occupational health services*
- *National Parkinson's Disease audit (2011/12)*
- *POMH Topic 12a Baseline audit of prescribing for people with a personality disorder*
- *POMH Topic 2f Reaudit of screening for metabolic side effects of antipsychotic drugs*
- *POMH Topic 11b Reaudit of prescribing antipsychotics for people with dementia*
- *POMH Topic 13a Baseline audit of prescribing for ADHD*
- *Epilepsy 12 (2012/14)*
- *National Parkinson's Disease audit (2012/13)*

National confidential enquiries:

- *Homicide and suicide*
- *Patient Outcome and Death Time to Intervene*

The national clinical audits and national confidential enquiries that SEPT participated in during 2012/13 are as listed above.

The national clinical audits and national confidential enquiries that SEPT participated in, and for which data collection was completed during 2012/13, 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:

Audit (POMH = Prescribing Observatory for Mental Health)	Number of cases submitted as a percentage of the number of registered cases required by the terms of the audit / enquiry
POMH Topic 12a Baseline audit of prescribing for people with a personality disorder	28%. The choice of services included in the baseline audit resulted in a smaller than expected sample. In the reaudit scheduled for 2014/15, community mental health teams are to be audited.
POMH Topic 2f Reaudit of screening for metabolic side effects of antipsychotic drugs	92%
POMH Topic 11b reaudit of prescribing antipsychotics for people with dementia	100%
POMH Topic 13a Baseline audit of prescribing for ADHD	Data was collected in March 2013 but not entered onto POMH systems until April 2013. Therefore at the time of compiling this Quality Report, the % data is not available.
Epilepsy 12 – Childhood Epilepsy (2012/14)	SEPT has registered and is currently entering data. Data entry will continue until 2014/15.
Parkinson's Disease	100%
National confidential enquiry - Homicide and Suicide	100%
National confidential enquiry - Patient Outcome and Death Time to Intervene	100%

The reports of 10 national clinical audits were reviewed by the provider in 2012/13 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	Actions to improve the quality of healthcare provided
National Audit of Schizophrenia (NAS)	Ascertained compliance with implementation of relevant National Institute for Health and Clinical Excellence (NICE) guidance, and gained perceptions of service users and their carers about how these services are delivered.	<ul style="list-style-type: none"> • Links to be established with local hospital biochemistry/haematology labs to complete physical health monitoring • Enhance documentation to include reminders of monitoring of side effects and an annual physical review • All clinicians to be reminded of expected standards of practice/monitoring requirements for high dose and combination antipsychotic prescribing and to clearly document discussion with service users regarding decisions about choice of antipsychotic prescribes
POMH Topic 10b Re-audit of use of antipsychotics in CAMHS	Focused on the monitoring of side-effect and the use of antipsychotics in children and adolescents. It also collected data on aspects of psychiatric diagnosis, types of behavioural problem being treated and patterns of co-morbidity. The key aim 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.	<ul style="list-style-type: none"> • Raise awareness with clinicians of the current gaps in practice when using antipsychotics and identify possible solutions to improve practice. • CAMHS's consultants to consider researching and possible development of a Screening tool for monitoring extrapyramidal symptoms
POMH Topic 1f Reaudit of prescribing high dose and combined antipsychotics on adult acute mental health wards	Measured compliance with two key national standards: Standard 1: The total daily prescribed dose of antipsychotic is within SPC/BNF limits. Standard 2: Individuals are prescribed only one anti-psychotics at a time. The main aim was to help services to ensure the mental and physical health of service users prescribed high dose or combination antipsychotics in the care of SEPT adult acute care wards.	<ul style="list-style-type: none"> • Implementation of the new Main Prescription Chart to Mental Health In-patient Wards to improve monitoring of PRN (as required) medication • Provision of feedback to doctors regarding their prescribing data to raise awareness of any areas of concern

Audit Topic	Explanation of what the audit was examining and what the general aims were	Actions to improve the quality of healthcare provided
POMH Topic 3c Reaudit of prescribing high dose and combined antipsychotics on PICU (Psychiatric Intensive Care units) wards	<p>Measured compliance with two key national standards:</p> <p>Standard 1: The total daily prescribed dose of antipsychotic is within SPC/BNF limits.</p> <p>Standard 2: Individuals are prescribed only one anti-psychotics at a time.</p> <p>The main aim was to help services to ensure the mental and physical health of service users prescribed high dose or combination antipsychotics in the care of SEPT psychiatric intensive care wards.</p>	<ul style="list-style-type: none"> • Implementation of new Trust prescription charts on all Forensic Wards which alerts high dose prescribing • Conduct a local audit to ensure that Section 2 Appendix 2 High Dose or Combination Monitoring Forms have been completed where required. • Consultants on Fuji Ward to review all those patients on High Dose or Combination Antipsychotics and ensure written rationale for this prescribing is in place
National Audit of falls and bone health in older people inpatient units	<p>Assessed the feasibility of a full national audit of falls in hospital that could be used to prioritise, support and benchmark improvements in care in individual hospitals.</p>	<ul style="list-style-type: none"> • MORSE assessment completed on every patient on admission and reviewed weekly; following a fall or if patient's condition deteriorates • Full physio assessment completed for all patients and care plan formatted – mobility status of patient discussed at handover and weekly MDT meetings and patient status board updated as necessary • Walking aids available 24/7 as stock held on site. If concerns about patients mobility capabilities arise then patient would be hoisted pending full physio assessment, a care plan will be formatted then changed following this assessment if appropriate • Observation chart in place for Glasgow coma scale (GCS) with clear recommendations outlined on form for duration of observation need. Training for GCS has been completed

Audit Topic	Explanation of what the audit was examining and what the general aims were	Actions to improve the quality of healthcare provided
National Epilepsy 12 (2011/12)	Facilitated health providers and commissioners to measure and improve quality of care for children and young people with seizures and epilepsies in order to continue improvement of outcomes for those children, young people and their families by comparing delivered care against recommended care using the 12 key indicators derived from the National Institute for Health and Clinical Excellence (NICE) and Scottish Intercollegiate Guidelines Network (SIGN) guidelines.	<ul style="list-style-type: none"> • There should be evidence of descriptions of age of child/timing of the first episode as well as details of frequency of events and descriptions of developmental history or educational progress • Evidence of emotional or behavioural problems will be recorded • Children with epilepsy to have input by a consultant paediatrician with expertise in epilepsies by one year • Children who have epilepsy who are commenced on AEDs to have input by a consultant paediatrician with expertise in epilepsies by one year • Children with epilepsy who are commenced on AEDs are to be referred to an epilepsy specialist nurse for input by one year • Children with epilepsy are to be referred to an epilepsy specialist nurse for input by one year • An appropriate epilepsy syndrome or syndrome category classification should be given by one year • Children who have convulsive seizures to have an ECG by one year • Children with defined indications are given an MRI. • SEPT will be continuing with this audit process by providing data during 2012-14 and will expect to prepare a result comparing findings with this audit to show improvements where needed during 2014/15 financial year
National Audit of back pain management for NHS staff by NHS occupational health services (2011/12)	Measured how well occupational health (OH) services are managing NHS staff in England who present to OH with back pain. 2011/12 was the first year that the Trust participated in this audit process.	The Occupational Health services participating in this audit ceased provision of OH services to the organisation at the end of 2011/12 and it was not therefore possible to develop an action plan. However, the findings from the audit report have been shared with the new service providers in order to help inform their service provision.
National Parkinson's Audit (2011/12)	<p>There were two service areas under review in this audit process:</p> <p>In neurological services a patient management audit to establish if the assessment and management of patients complied with National Institute for Health and Clinical Excellence (NICE) and National</p>	<ul style="list-style-type: none"> • In Neurological services, Parkinson's initial and follow up assessment to be amended to include question to introduce End of life discussions • In Speech and Language services recommendations were made that services made video or audio recordings of spontaneous speech and that service users should be explicitly asked about their difficulties with word finding and conversations. In addition, it was recommended

Audit Topic	Explanation of what the audit was examining and what the general aims were	Actions to improve the quality of healthcare provided
	<p>Service Framework for Long Term Neurological Conditions (NSF) guidelines.</p> <p>In Speech and Language therapy services the primary purpose of the audit was to establish if speech and language services currently provide assessment and interventions appropriate to the needs of people with Parkinson's in line with the recommendations made in the NICE guidelines, NSF (National Service Framework) and RCSLT (Royal College of Speech and Language Therapy) Clinical Guidelines for Dysathria and RCSLT Communicating Quality 3 standards for motor speech disorders and progressive neurological disorders.</p>	<p>that speech and language therapists carry out perceptual assessments to include respiration, phonation, resonance, articulation, prosody and intelligibility to acquire an accurate profile for analysis and should give particular attention to improvement of vocal loudness, pitch range and intelligibility.</p> <ul style="list-style-type: none"> SEPT has participated in the 2012/13 Parkinson's audit with data already provided and are currently awaiting a report expected later in 2013/14 financial year, from which comparisons will be made with 2011/12 findings to indicate improvements that have taken place and any further improvements needed
POMH Topic 12a Baseline audit of prescribing for people with a personality disorder	This quality improvement programme included a baseline clinical audit and re-audit 18 months later and was developed to ensure patients with a diagnosis of personality disorder are treated in line with best practice identified and extrapolated from NICE CG78 (2009), guidance for borderline personality disorder.	<ul style="list-style-type: none"> A brief A4 page summary about the audit standards and the trust performance is to be drafted and circulated to all medical staff Team managers to be informed of the audit standards and the Trust performance, particularly the need to have a documented crisis plan and the involvement of patients in the development of the plan
POMH Topic 2f Reaudit of screening for metabolic side effects of antipsychotic drugs	Aimed to improve the health of patients in the care of SEPT Assertive Outreach, Community Mental Health Teams and Depot/Clozapine Clinics through the monitoring of compliance with annual screening for metabolic side effects of antipsychotic drugs.	<ul style="list-style-type: none"> A brief A4 page summary about the audit standards and the Trust performance to be drafted and circulated to all medical staff Services will ensure availability of tools for measuring height, weight and blood pressure in clinical settings

The reports of 82 local clinical audits were reviewed by SEPT in 2012/13 and SEPT intends to take the following actions (examples only) to improve the quality of healthcare provided.

A wide range of corporate and operational services in SEPT have carried out audits to inform their agenda and improve patient safety, efficacy and service delivery. Brief examples of some of the actions to be taken to improve services as an outcome of local clinical audits include:

North and Mid Bedfordshire School Vision Screening Audit 2012 This audit evaluated whether the City Screener is an accurate and reliable form of vision screening for children aged 4-5 years old and to determine if it should be used across North and mid Bedfordshire/South Beds and Luton. Recommendations made as an outcome of the audit were to update the school nurse discharge guidelines and city screener procedures and for the City Screener to be implemented in south Bedfordshire.

Essex Mental Health Services Audit on treatment and management in women of childbearing age with bipolar disorder (NICE Clinical Guideline 38) This audit looked at how standards of practice measured against best practice identified in the NICE Clinical Guideline. A number of recommendations were made as a result of the audit, including developing a number of standardised templates to help clinicians in inpatient wards and outpatient clinics focus on the specific needs of female service users. A re-audit is planned to show if these recommendations have improved engagement with this NICE guideline in this area.

Bedfordshire and Luton Mental Health Services spot check audit of admission and discharge profile documentation This audit was requested by SEPT's Council of Governors who had been provided with an audit report as part of information checking for the 2011/12 Annual Report and Quality Report. There were two rounds of spot checking the first of which in July continued to show some areas requiring development. However, the second round of re-audit in September 2012 found that improvements had been made in ensuring records were accessible and appropriately filed. To help continue improvement, the Records Department identified that further training about this for Trust staff might be helpful. There was evidence of the use of standardised admission protocols from the second re-audit, showing systems in the Trust had become more embedded. It was agreed that further work should continue to fully embed this process and that staff should be provided with information on requirements to standardise expectations about when discharge summaries should/should not be completed.

2.5.3 Clinical Research

As a demonstration of our commitment to research and development, SEPT in collaboration with the Postgraduate Medical Institute at Anglia Ruskin University has established a Health and Wellbeing Academy which will be responsible for overseeing research developments within the Trust. It is planned that the Academy will be launched in September 2013. 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 relevant health services provided or sub-contracted by SEPT in 2012/13 that were recruited during that period to participate in research approved by a research ethics committee was 384.

The figure of 384 recruits is above the a local target for SEPT of 250 recruits for 2012/13 set by the National Institute for Health Research (NIHR) Comprehensive Local Research Network (CLRN).

2.5.4 Goals agreed with commissioners for 2012/13

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 Reports, to ensure that local quality improvement priorities are discussed and agreed at Board level within and between organisations. It makes a proportion of the provider's income dependent on locally agreed quality and innovation goals.

A proportion of SEPT's income in 2012/13 was conditional upon 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 relevant health services, through the Commissioning for Quality and Innovation payment framework. Further details of the agreed goals for 2012/13 and for the following 12 month period are available online <http://www.sept.nhs.uk/Corporate/~media/SEPT/Files/Reports/CQUIN Schemes 201314.ashx>

Following negotiation with commissioners, SEPT launched a broad range of quality initiatives again under the CQUIN scheme during 2012/13 to increase the quality of service user care and experience. In total, the Trust was tasked with implementing a total of 43 schemes across mental health, learning disabilities and community health services within Bedfordshire, Luton and Essex. In addition, six schemes have been progressed within Suffolk services which SEPT became responsible for in October 2012. The total of SEPT's income which was dependent on successful achievement of the CQUIN schemes for 2012/13 was just under £7 million. In 2011/12 this figure was £3,323,700.

Working with the Midlands & East Specialist Commissioning Group for forensic and secure indicators, as well as Community and Mental Health Commissioners in South and West Essex, Bedfordshire and Luton each new CQUIN scheme was designed with our patients and service quality in mind. Since its introduction in 2010/11, CQUIN has increased in importance for providers — increasing from 0.5 to 2.5 per cent of contract income in 2012/13.

Four CQUIN schemes were set nationally by the Department of Health:

- venous thromboembolism assessment — at least 90 per cent of adult inpatients should be assessed for risk of VTE
- patient experience — organisations should improve their scores based on the previous national inpatient surveys
- improving diagnosis of dementia — through identification of patients, dementia risk assessments, staff training and increased referrals to GPs
- incentivise use of the NHS safety thermometer (an improvement tool that allows the NHS to measure harm in four areas — pressure ulcers, urine infection in patients with catheters, falls and VTE)

We implemented a total of 23 CQUINs across the organisation under the above four national schemes. The remaining 20 CQUINs were set locally in discussion with the primary care trust organisations (replaced by clinical commissioning groups from 1 April 2013) based on local priorities. A selection of the projects negotiated locally included training initiatives that support staff to initiate conversations about healthy lifestyles with an opportunity to signpost to support service for giving up smoking, initiatives to help to smooth the transition as patients move from adolescent services into new services as young adults, through to the development of integrated community teams, aiming to promote sharing of patient information to help team working and reduce overlap as well as avoid gaps. The full list of projects is available here

<http://www.sept.nhs.uk/Corporate/~media/SEPT/Files/Reports/CQUIN>

The clinical and operational teams tasked with implementing the improvements have once again excelled – delivering 98% of the schemes (based on our self-assessment and expressed as a % of the financial value of the schemes) with clear evidence of improving quality for patients. Particular examples of which we are proud are:

Bedfordshire Community Health Services

GULP

This was the second year of a two year indicator designed to increase staff awareness of the importance of assessing patient's hydration needs, and implement use of the Intelligent Fluid Management Bundle across community teams in Bedfordshire Community Services. Maintaining a regular intake of fluid helps patients to remain healthy, and this tool helps to identify service users who are less able to independently drink fluids. Assessments using the tool indicate performance in excess of the target. At baseline in June 2012 there were 131 assessments, and a 30% improvement meant achieving an extra 39 patients. A total of 1902 assessments had been completed as of end of February, and we are awaiting March data.

Bedfordshire & Luton Mental Health Services

Dementia

Waiting times for memory assessment services have vastly improved as a result of this CQUIN. The aggregated waiting time for all four services was 22 weeks in Q1, this has reduced to 13.7 weeks in Q4 after commitment to caseload cleansing, review of clinic process with the advent of the new model and extra resource spent on employing a consultant and administration position to support the patients with longest waiting times to be seen as a priority.

Staff have worked hard to reduce waiting times for existing patients, whilst simultaneously introducing and embedding a new model. This will ensure that patients are seen more quickly, and with better follow up, an area focussed on for improvement following the patient/ carer service user survey performed in Q2 of the project.

South East Essex Community Health Services

Personal Health Plan (PHP) for people living with Long-term conditions (LTC)

Introduction of PHP has been a highly successful project that has exceeded its targets. To give an idea of the reach of this project;

- 93% of GP practices have a named champion to signpost people with LTC to PHP; this contributes to the sustainability of the project.
- 99% of people on the LTC register in respective PHP pilot practices were offered a PHP.
- 69% of all community health care teams have completed self-assessed, online PHP training. The training will still be available for new staff on OLM further increasing sustainability.

All champions raised in respective GP practices have also participated in PHP self-assessed training. PHP training has been offered to third sector organisations in SE Essex. This has included Castlepoint Association Volunteer Services, Southend Association Volunteer Services, LINKS, Southend Carer's Group, Breatheasy Group and Patient Participation Groups. A communication plan has also been implemented to ensure that the PHP continues to be offered to people living with LTC.

The PHP website introduced during this project continues to be a useful tool for more independent patients and for those who receive assistance from community health teams

South Essex Mental Health Services

Prescribing

This scheme aimed to support appropriate prescribing of antipsychotic medication for all patients, including those diagnosed with dementia who require medication to help manage psychological symptoms and behavioural disturbance. There were three parts to this scheme, all of which were fully achieved:

1) An audit of best practice prescribing guidance; 99.8% of antipsychotics prescribed are those contained within the Trust Formulary & Prescribing Guidelines (target 80%). Patient reviews with CPNs and sessional pharmacists in care homes continue. In total 431 care home residents reviewed during the project.

2) Training of Primary Care Physicians; Practice level training provided to 19 practices involving 101 participants. All requests for practice level training were fulfilled. All participants graded content as 'relevant & useful' and all that training was 'good, very good or excellent'

3) Support for nurses and sessional pharmacists to review patients in care homes to improve prescribing practices; 83% of discharge notes complied with the necessary standard, representing more than the 50% improvement on baseline required by the CQUIN.

These three aspects have supported nurses, pharmacists and GP's to achieve best practice in prescribing anti-psychotic medication.

South Essex CAMHs

Patient Revolution

The Trust received real-time feedback on the experience of patients in south Essex child and adolescent mental health services, and improvements to services were implemented based on feedback from patients. Further, positive reinforcement of good performance was shared with teams. 83% of respondents would now actively promote the service they had received from SEPT, as compared with 51% from the baseline data collection.

This scheme aimed to involve service users in reshaping the in-patient ward service and environment. Service users were asked to design an appropriate alternative question to help understand a child/young person's/parent/carers satisfaction with the service they have received. Present service users and carers were then asked on the day, or up to two days after discharge from the ward 'How likely is it that you would recommend this service to friends and family?'

West Essex Community Health Services

Venous Thromboembolism (VTE)

Venous Thromboembolism (VTE) or blood clots are a significant cause of death, long term disability and chronic ill health. It was estimated in 2005 that there were around 25,000 deaths from VTE each year in hospitals in England and this has been recognised as a clinical priority for the NHS by the National Quality Board and the NHS leadership Team. This is a common and often avoidable circumstance as low cost effective, preventative treatments are available.

This indicator was designed to ensure that all patients admitted for in-patient care at West Essex were assessed for risk of having a VTE so they may be more closely monitored, and treatment if required may be started earlier. This can reduce the number of patients affected, as well as deaths from VTE. Q1-4 performance has consistently exceeded the target for 98% patients to be assessed, and in fact performance has been exceeded such that 100% patients were assessed consistently for all 12 monthly submissions.

Secure and Forensic (including CAMHS Tier 4)

SEPT CAMHS Inpatient ward (Poplar Adolescent Unit) has a school unit on site with all inpatients well enough to leave the ward receiving 25 hours teaching per week plus additional structured activity. Work on this indicator was designed to ensure that the inpatient experience for school-age patients is age appropriate in the field of education, training and meaningful activity. 93% of CAMHS inpatients exceed threshold for Education, Training and Meaningful Activity set by specialist commissioners. This will better prepare patients for the rehabilitation phase of their treatment and enable timely discharge through the provision of these activities.

2.5.5 What others say about provider?

SEPT is required to register with the Care Quality Commission and its current registration status is 'Registered Without Conditions'.

The Care Quality Commission has not taken enforcement action against SEPT during 2012/13.

SEPT has not participated in any special reviews or investigations by the Care Quality Commission during the reporting period.

The CQC has undertaken a number of routine compliance reviews across a range of Trust services. Following each compliance review the CQC has provided a report outlining their findings. Where the CQC find non-compliance with a regulation (or part of a regulation), they state which part of the regulation has been breached by an organisation and make a judgement about the level of impact on people who use the service (and others, if appropriate to the regulation) from the breach. This could be a minor, moderate or major impact. The CQC define these as follows:

Minor impact – people who use the service experienced poor care that had an impact on their health, safety or welfare or there was a risk of this happening. The impact was not significant and the matter could be managed or resolved quickly.

Moderate impact – people who use the service experienced poor care that had a significant effect on their health, safety or welfare or there was a risk of this happening. The matter may need to be resolved quickly.

Major impact – people who use the service experienced poor care that had a serious current or long term impact on their health, safety and welfare, or there was a risk of this happening. The matter needs to be resolved quickly

Where there are areas for improvement for SEPT the CQC has identified minor concerns and associated improvement or compliance actions. None of the actions identified for SEPT had a significant impact on patient safety.

The following table summarises the reviews undertaken by the CQC during 2012/13. It should be noted that only the CQC can close a compliance action. To do this the Trust must have completed appropriate action to address the concern, audited implementation and provided the CQC with a report, including supporting evidence, outlining action taken and how this has improved patient outcomes, requesting that the CQC re-reviews compliance. The CQC can choose to come back and re-inspect or do a desk top review using evidence provided by the Trust.

Registered Location	Date and nature of review	Outcomes
Basildon MHU	March 2013 Re-review of one standard from February 2011 inspection (Table-top review)	Compliant
Biggleswade Hospital	September 2012 Review of three standards (Inspection)	Compliant
Brockfield House	January 2013 Re-review of four standards from March 2011 (Inspection)	Compliant
Heath Close	March 2013 Re-review of one standard from February 2012 inspection (Table-top review)	Compliant
Rochford Hospital	December 2012 Re-review of four standards from March / July 2011 (Inspection)	Compliant with concerns from March / July 2011
		Two additional minor concerns identified (see narrative below)
Thurrock Hospital	August 2012 Review of seven standards (Inspection)	Compliant with 3 Standards
		Minor Concerns with 4 standards (now compliant – see below)
Thurrock Hospital	March 2013 Re-review of four standards from August 2012 (Inspection - see above)	Compliant

There are now just two minor concerns which are currently open with the CQC both of which are due to be completed in April 2013.

2.5.6 Data Quality

The ability for the Trust to have timely and effective monitoring reports, using complete data, is recognised as a fundamental requirement in order for the Trust to deliver safe, high quality care. The Board of Directors strongly believes that all decisions, whether clinical, managerial or financial, need to be based on information which is accurate, timely, complete and consistent. A high level of data quality also allows the Trust to undertake meaningful planning and enables services to be alerted of deviation from expected trends.

Significant improvements have been made during 2012/13 in terms of data quality and reporting within the acquired community services – thus enhancing the ability of services and of the Trust to monitor performance and take remedial action as necessary. Similar work is now being undertaken within Suffolk services to improve data quality and consistency of reporting with established SEPT systems.

The Trust issues routine Data Quality Reports to clinical staff for validation and any amendments identified are implemented.

SEPT submitted records during 2012/13 to the Secondary Uses service for inclusion in the Hospital Episode Statistics which are included in the latest published data. The percentage of records in the published data:

1) which included the patient's valid NHS Number was:

- **99.4% for admitted patient care;**
- **100% for outpatient care; and**
- **Accident and emergency care – Not applicable**

2) which included the patient's valid General Practitioner Registration Code was:

- **100% for admitted patient care;**
- **100% for outpatient care; and**
- **Accident and emergency care – Not applicable**

SEPT's Information Governance Assessment Report overall score for 2012/13 was 74% and was graded Green (Level 2 (Satisfactory)).

SEPT was not subject to the Payment by Results clinical coding audit during the reporting period by the Audit Commission.

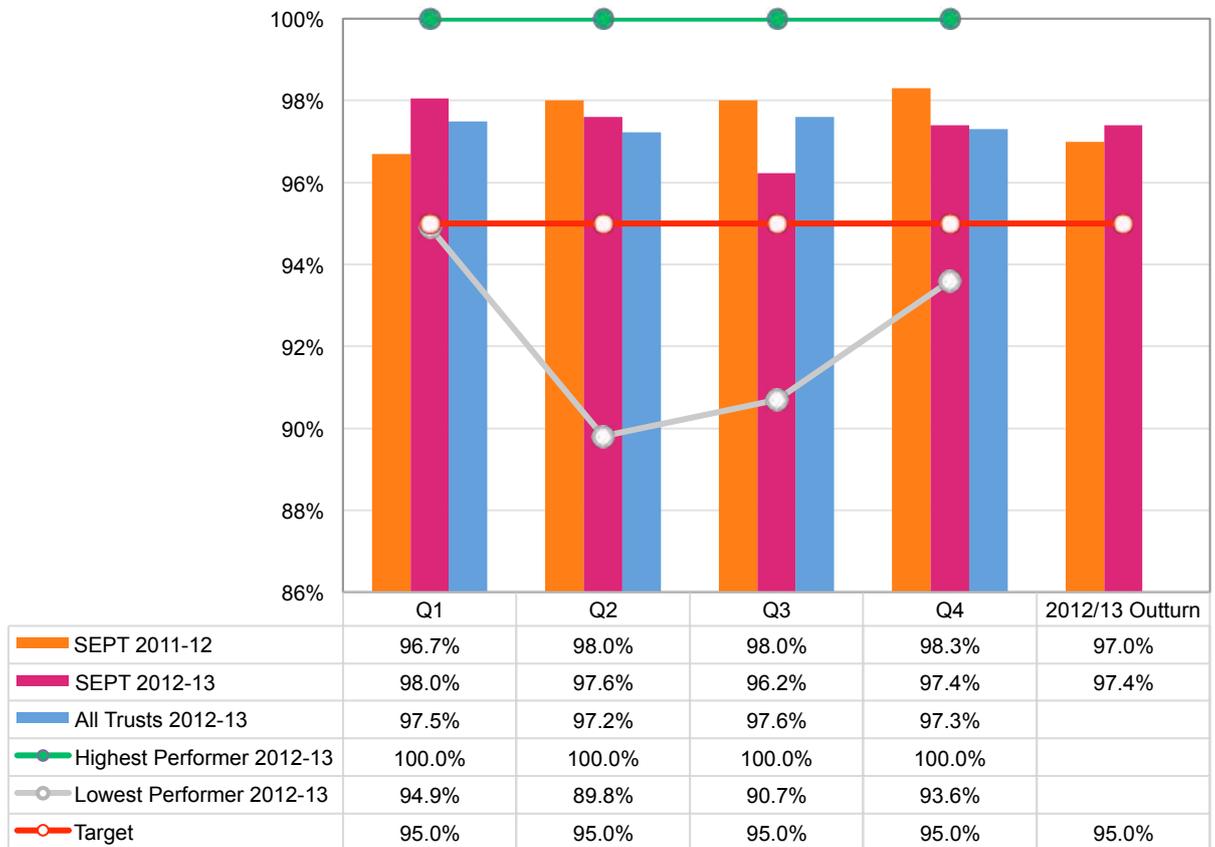
SEPT will be taking the following actions to improve data quality:

- **The Trust is currently implementing a new Electronic Data capture system. An integral part of the implementation is that all new Electronic forms comply with the National Standard definitions and are programmed to ensure all mandatory data items are completed.**
- **The Data entry and Reporting procedures are being continually reviewed to ensure any changes are clearly documented.**
- **Routine Data Quality Reports are circulated for both Mental Health and Community Services, these highlight missing and out of date data fields. The Trust also monitors the timeliness of Clinical data being input onto the Information system. The target is all data is entered within one working day and is making great improvements in this area of data quality.**
- **As part of the implementation of new National Datasets the Trust is undertaking intensive analysis and monitoring of all the data fields to ensure a high level of data quality is achieved, which will result in the successful submissions for the new datasets below:-**
 - **Community Information Dataset**
 - **Improving Access to Psychological Therapies**
 - **Children and Young People's Health Services**
- **Monthly Data Quality monitoring reports covering all services are made to the Board of Directors.**
- **A data quality assurance improvement framework is to be developed.**

2.6 National Mandated Indicators of Quality

In the letter from the Department of Health (DoH) dated 29 January 2013, new reporting arrangements were introduced that impacted on the information trusts are required to report in future Quality Reports. The National Health Service (Quality Reports) Regulations 2010 have been amended to include the mandatory reporting of a core set of quality indicators. Those indicators relevant to the services SEPT provides are detailed below, including a comparison of SEPTs performance with the national average and also the lowest and highest performers. The information presented for the five mandated indicators has been extracted from nationally published data, and as a result, is only available at a Trust-wide level.

Patients on Care Programme Approach (CPA) followed up within seven days of discharge from psychiatric inpatient stay

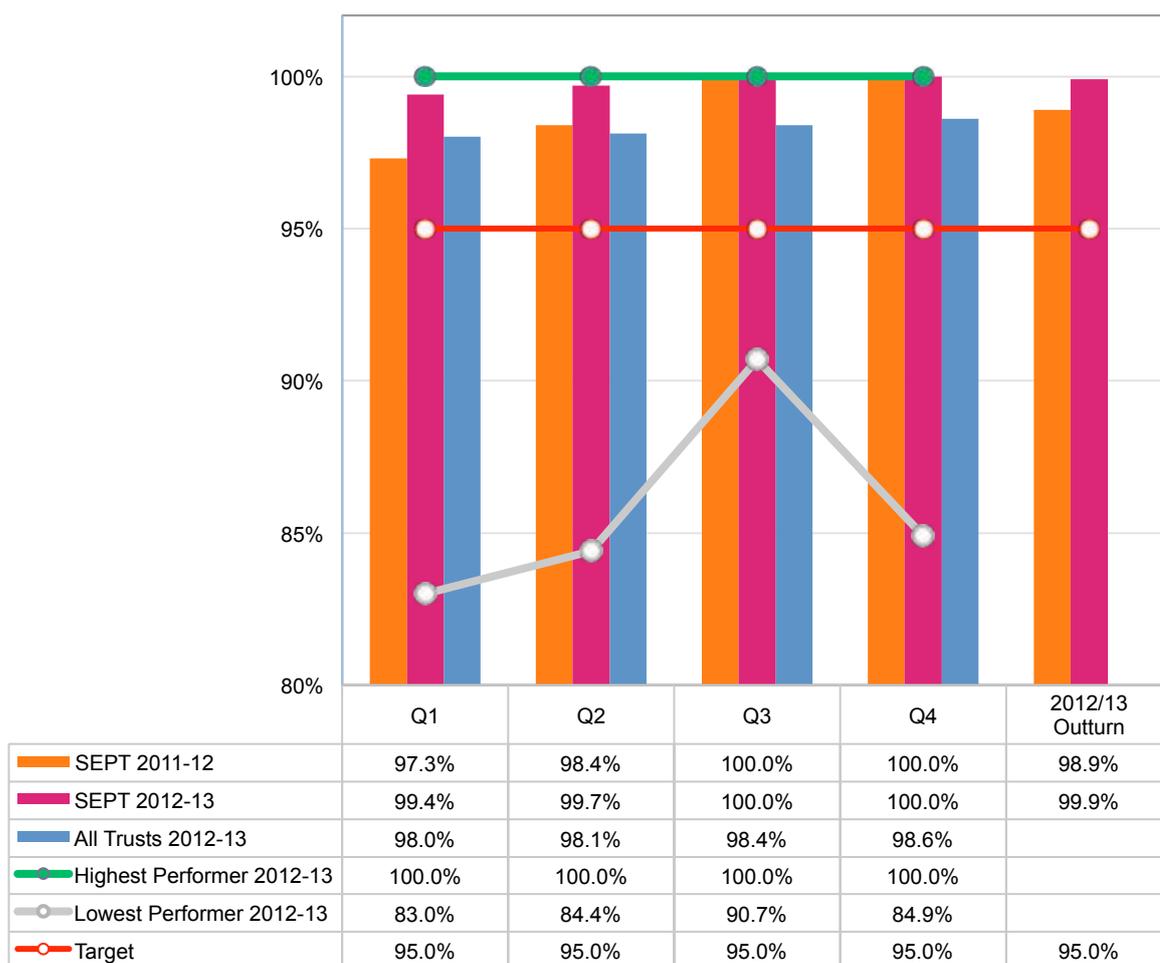


The above indicator measures the percentage of patients that were followed up (either face to face or by telephone) within seven days of their discharge from a psychiatric inpatient unit. A comparison with the national average demonstrates that, with the exception of quarter 3 2012/13, SEPT has been performing above the national average, and for all quarters have performed above the 95% target set by MONITOR, the regulator of NHS-funded health care services.

SEPT has taken actions to improve the percentage, and so the quality of its services, by routinely monitoring compliance with this indicator on a monthly basis and identifying the reasons for any patients not being followed up within seven days of their discharge. Any identified learning is then disseminated across relevant services. In addition a local indicator was established Trust wide in 2011/12 to monitor the percentage of follow ups that are provided face to face to ensure that at least 85% of those patients followed up have a face to face contact rather than a telephone call.

Data source: DoH Unify2 data collection – MHPvCom
National Definition applied: Yes

Admissions to acute wards gatekept by Crisis Resolution Home Treatment Team



SEPT has consistently performed above the 95% target set by MONITOR, the regulator of NHS-funded health care services during 2012/13 with performance above the national average. SEPT's performance for Q4, which demonstrates 100% of patients admitted to an acute psychiatric inpatient unit were gatekept by the Crisis Resolution Home Treatment Team (CRHT) prior to their admission, results in 99.9% achievement for the full year.

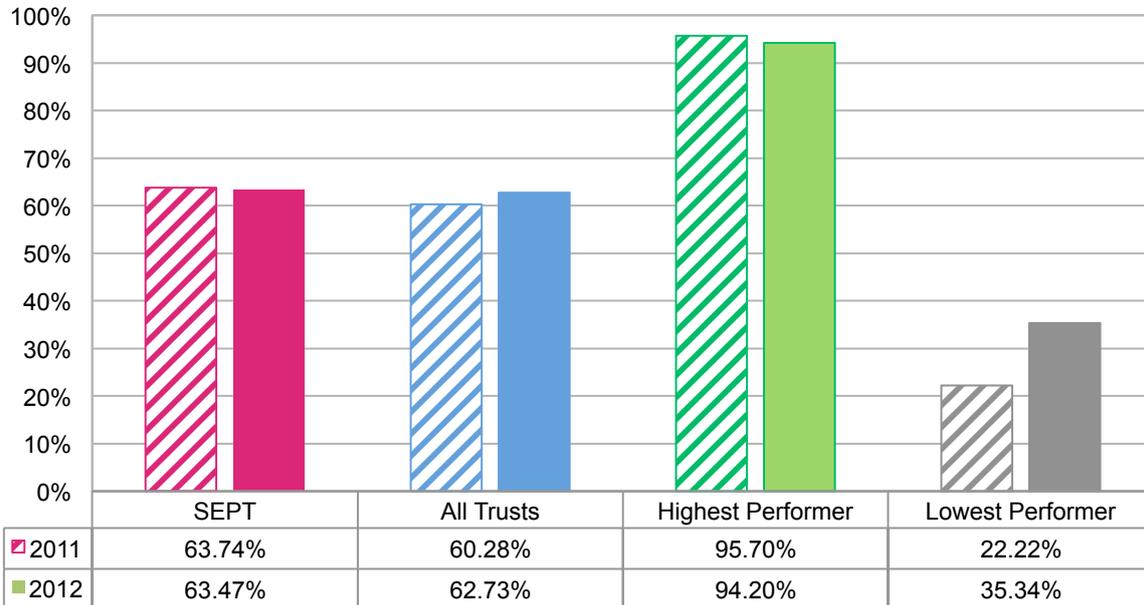
SEPT has taken actions to improve the percentage, and so the quality of its services, by routinely monitoring compliance with this indicator on a monthly basis and identifying the reasons for any patients not being gatekept by CRHT prior to their admission. Any identified learning is then disseminated across relevant services. With such positive performance achieved throughout 2012/13, in particular during quarters 3 and 4, SEPT will strive to maintain this level of performance during 2013/14 through maintenance of existing clinical processes.

Data source: DoH Unify2 data collection – MHPvCom

National Definition applied: Yes

Staff who would recommend the Trust to their family or friends

Percentage of staff who stated, if a friend or relative needed treatment, I would be happy with the standard of care provided



SEPT participates on an annual basis in the national staff survey for NHS organisations. Within the survey staff are asked to answer the question, "If a friend or relative needed treatment, I would be happy with the standard of care provided by this Trust". Over the past two years the results have demonstrated that a higher proportion of staff from SEPT would agree with this statement than the national average for all NHS Trusts.

The full results of the 2012 Staff Survey were recently released and presented to SEPT's Board of Directors in March 2013. As well as demonstrating agreement with the above question, the results also demonstrated a high level of engagement, motivation and job satisfaction. Whilst SEPT is pleased to see such positive results, there is still room for further improvements.

SEPT intends to take action to improve this percentage and the quality of its services by implementing the actions that are identified through the development of an action plan, which is currently under way and expected to be finalised in May 2013.

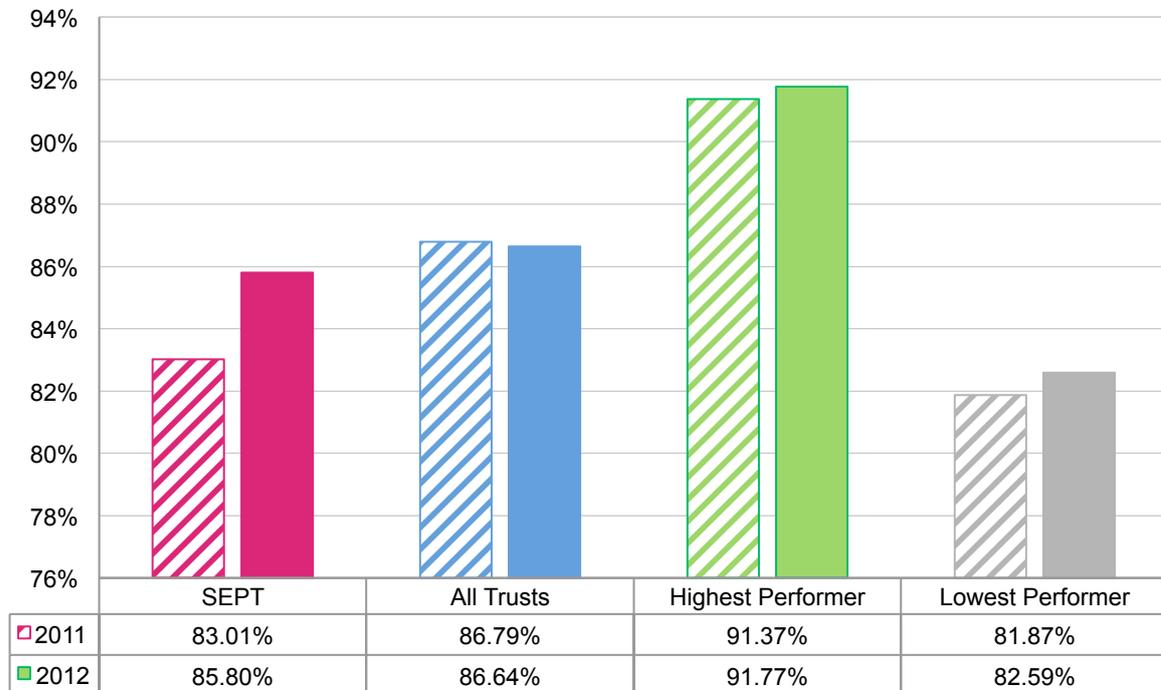
In addition to the development of an action plan, as reported in an earlier section of this report, more routine monitoring of staff views of overall care will be implemented during 2013/14 in Bedfordshire and West Essex as part of the CQUINs commissioned in these areas of the organisation.

Data source: National NHS Staff Survey Coordination centre / NHS Staff Surveys 2011 & 2012

National Definition applied: Yes

Patient experience of community mental health services

The Trust's 'Patient experience of community mental health services' indicator score reflecting a patient's experience of contact with a health or social care worker during the reporting period



The community mental health service user survey is nationally conducted on an annual basis. The survey consists of a range of questions focusing on the care and treatment received by service users at various stages of care with SEPT community mental health services. The results demonstrate that there was a large improvement in patient experience between 2011 and 2012, however, SEPTs performance remained below the national average.

SEPT has taken the following actions to improve this percentage and the quality of its service:

- 15 'In Your Shoes' workshops held for service users offering them the opportunity to tell us what is good about the services they've received and what they think could be improved. The learning and feedback from these workshops is being translated into changes in practice
- Patient Experience Co-ordinators have been appointed to act as the link between service users and operational services, ensuring a more consistent approach to the sharing of patient feedback
- The Friends and Family Test (would you recommend this service to a friend or family member) was introduced, action plans were developed in response to the feedback received and implemented throughout 2012/13
- Continued recruitment of mystery shoppers who provide real time feedback about services, which is then passed to services for immediate action / improvement
- Commenced review of SEPTs Customer Care Strategy and our Vision and Values, the strategy will be completed and launched in 2013/14

As well as launching the new Customer Care Strategy, SEPT intends to continue to hold 'In Your Shoes' events during 2013/14 and will be completing further integration of patient surveys to enable improved benchmarking of performance, further learning from experience and ultimately, improvements in patient experience.

Data source: HSCIC / Community Mental Health Services Surveys

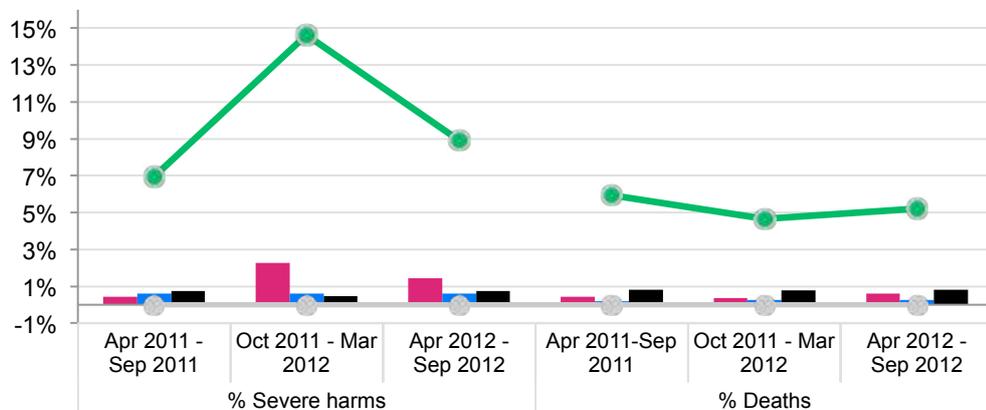
National Definition applied: Yes

Patient safety incidents and the percentage that resulted in severe harm or death

Reported Dates	1st October 2011 - 31st March 2012			1st April 2012 and 30th September 2012		
Organisation	All incidents	Severe harm	Deaths	All incidents	Severe harm	Deaths
All UK & Wales	612290	3678	1547	665859	3957	1754
SEPT	3057	69	19	3,738	*54	13

* This figure decreased to 53 following publication due to the downgrading of the harm level for one incident

The graph below shows the percentage of all incidents reported by SEPT to the NRLS that resulted in severe harm or death, compared to the rates of all UK & Wales NHS trusts, all Mental Health Trusts, and also includes the highest and lowest reported rates of all UK & Wales NHS trusts.



The rate of incidents reported as resulting in death are slightly above the national average, however, are below that of mental health trusts and significantly below the highest reported rates of death. The rate of incidents resulting in severe harm has shown a decline in the most recent data available (April – September 2012), however, remains above the national average. 78% of the severe harm incidents reported by SEPT during the period of 1 October 2011 to 30 September 2012 were pressure ulcers and a further 16% were slips, trips or falls.

As identified within the quality priorities for 2013/14, SEPT intends to take the following actions to improve this percentage and the quality of its services, by:

- reducing the level of avoidable falls, and the level of harm resulting from them;
- continuing improvements in the reduction of avoidable category 3 and 4 pressure ulcers.

In respect of the six months from 1 October 2012 to 31 March 2013, SEPT have reported 3756 Patient Safety Incidents, of which 42 (1.12%) resulted in severe harms and 16 (0.43%) resulted in deaths. This data has not yet been uploaded to the NRLS and so is subject to change as a result of data cleansing prior to submission.

Data source: NRLS NPSA Submissions 12/03/12, 12/09/2012 and 20/3/2013 and Datix.

National Definition applied: Yes

PART 3: REVIEW OF OUR QUALITY PERFORMANCE DURING 2012/13

We want you to know how we've done over the past year in terms of delivering on those quality projects and initiatives we told you we hoped to achieve in our Quality Report last year. We also want you to know how we have performed against some key indicators of quality service which we also reported last year. We've included last year's results as well as this gives you the opportunity to see whether we are getting better at quality or if there are areas where we need to take action to remedy. Where this is the case, we've included some information in terms of what we will be doing to improve.

This part of our Quality Report is divided into four sections, as follows:

Section 3.1	Progress against our quality priorities for 2012/13, outlined in our Quality Report 2011/12 (including historic and benchmarking data, where this is available, to enable you to compare our performance with other providers).
Section 3.2	Examples of key achievements relating to quality improvement during 2012/13.
Section 3.3	Performance against SEPT Trust wide and service specific quality indicators.
Section 3.4	Performance against key national indicators and thresholds relevant to SEPT (from Appendix B of Monitor's Compliance Framework - a document which sets out the approach Monitor will take to assess the compliance of NHS foundation trusts with their "Terms of Authorisation") which have not been included elsewhere in this Quality Report. Appendix B of the Compliance Framework sets out a number of measures Monitor use to assess the quality of governance in NHS Foundation Trusts.

To enable you to get an understanding of the Trust's performance in your local area, we have detailed performance against indicators by locality area where it is possible to do so.

Section 3.1: Progress against our quality priorities for 2012/13, outlined in our Quality Report 2011/12

Our Quality Report for 2011/12 identified five quality priorities for 2012/13 that aimed to deliver the improvements most often identified by our stakeholders as important. These priorities were taken forward in Bedfordshire, Luton and Essex and focused on enhancing the safety, experience and effectiveness of our services. Below is a summary of the progress made to date.

3.1.1 Safety

3.1.2 Experience

3.1.3 Effectiveness

Quality priority: Eliminating avoidable pressure ulcers that are acquired in our care

We aimed to achieve zero avoidable grade 3 or 4 pressure ulcers acquired in our care by December 2012. We said we would start by reporting all grade 3 and 4 pressure ulcers that we identified but, by the end of the year we would only report those that were unavoidable and happened under our care. We also said we would increase the identification, and reporting, of all grade 2 pressure ulcers compared to 2011/12.

Data source: Datix

National Definition applied: Yes



During quarter 4, 103 category 3 and 4 pressure ulcers acquired in our care were reported, 6 were subsequently downgraded following investigation leaving 97. Of these, to date, **seven** have been identified as avoidable. Currently, we have achieved 93% of our target however there are a further 21 RCAs currently in progress, to identified if the pressure ulcers were avoidable.

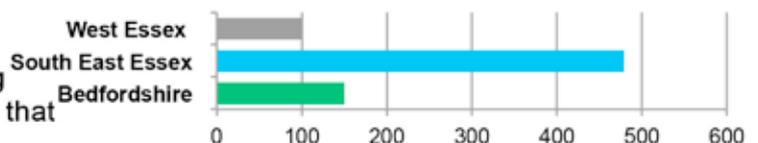
All Category 3 or 4 Pressure Ulcers acquired in our care are reported as serious incidents and a detailed root-cause analysis (RCA) is undertaken to determine whether the pressure ulcer was avoidable or unavoidable. Each community service has a Skin Matters group to review RCAs before submission to the Executive Team for final sign off, and a trust-wide Pressure Ulcer meeting has been set up to share learning and review progress.

All three community services across the Trust are now working to standardised practices which include:

- all patients are assessed, using the Waterlow score, on admission to a caseload or inpatient bed
- preventative equipment is provided to all patients identified as 'at risk' (a Waterlow score over 15)
- learning from RCAs is shared with staff

Grade 2 Pressure Sores are all those acquired in SEPT care. These are not subject to RCAs to determine if avoidable or non-avoidable. The information demonstrates there has been an increase in reporting across all service evidencing the positive impact of the awareness raising work that has been undertaken across the Trust.

**All Grade 2 Pressure Sores Identified
April 2012 - March 2013**



3.1.1 Safety

3.1.2 Experience

3.1.3 Effectiveness

Quality priority: Improving support provided to carers of patients and children in Community Health Services.

We said we would increase the number of carer's assessments undertaken compared to a baseline audit during quarter 1 of 2012/13. We also said we would develop a community health service carers' support system, plus training programmes.

Data source: N/A

National Definition applied: N/A

The Trust identified a two part quality improvement initiative, one part of which has proved difficult to take forward. The Trust set out to "increase numbers of carers assessments" of patients and children receiving community health services, however SEPT is not commissioned to carry out this service. Whilst unable to undertake carers assessments SEPT has been able to successfully progress the second part of the quality priority which was designed to improve carer support systems in community health services. Staff training on how to Recognise, Refer (for support) and Record carers (3Rs) for community staff was implemented alongside a number of other initiatives.



278 staff received carer awareness training

We provided **20** carer information events and gave carer information to **931**, carers, staff and members of the public

We facilitated **Seven**, eight-week carer, self- management courses wherein **323** carers attended

3.1.1 Safety

3.1.2 Experience

3.1.3 Effectiveness

Quality priority: Improving patient experience

We said that by March 2013 we would increase the percentage of patients who would recommend SEPT services to friends and family.

Data source: Healthfeedback
National Definition applied: Yes

SEPT introduced the Friends and Family Test in 2012/13, in line with an aspiration from the government for there to be one question that can be asked to all NHS patients in order to give a "tin-opener" gauge of how well services are performing. This is already mandated across acute hospital services. SEPT is ahead of the curve in using the measure in mental and community healthcare settings. Patients (and their carers where relevant/appropriate) are asked:



"On a scale of 1 to 10, how likely is it that you would recommend this service to a friends or family member who needed similar care or treatment?" The responses are collated and a Net Promoter score is calculated. The lowest possible score is **-100** and the highest score is **+100**.

+69 is our Net Promoter score at the end of the year

This has improved from **+48** the baseline recorded in October 2012

By locality this represents:

+81

for Bedfordshire Community, **down** from the **+90** baseline (however, this score remains significantly high, with an average score of 9.5 out of 10 in Q4)

+53

for Bedfordshire & Luton Mental Health, **improved** from the **+27** baseline

+50

for South Essex Mental Health, **improved** from the **+32** baseline

+83

for South East Essex Community, **improved** from the **+32** baseline

+56

for West Essex Community, **improved** from the **+22** baseline

3.1.1 Safety

3.1.2 Experience

3.1.3 Effectiveness

Quality priority: Improving quality and personalisation of care plans.

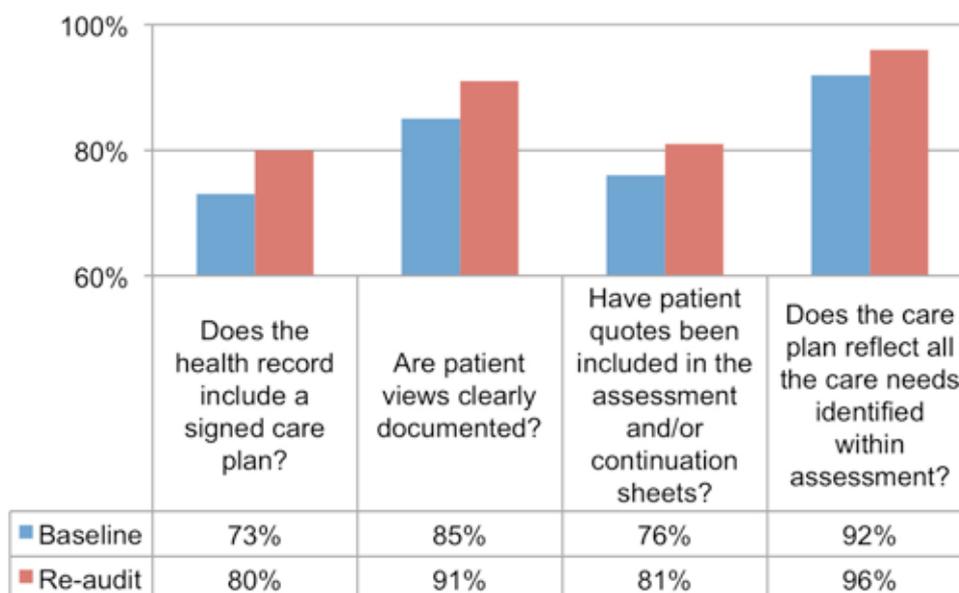
We aimed to develop critical information standards that would evidence quality and personalised care planning. We were going to do this by conducting a baseline audit in quarter 1 so we could demonstrate a percentage improvement by March 2013

Data source: SEPT Audit
National Definition applied: N/A



In order to benchmark personalisation in care plans across the organisation, critical information standards for measurement were identified and included in a range of audits as part of the Trust Priority Clinical Audit Programme 2012/13. Baseline audits were undertaken followed by a re-audit in March 2013.

The results of the audits are presented below and evidence that improvements have been achieved.



The improvements were achieved through the delivery of support via workshops commissioned from an external expert on care planning and one of our local universities. Additionally, we have supported staff in the development recording of personalised care plans through on-line training and 1:1 coaching.

Whilst we have demonstrated an improvement in all four standards, we recognise that further work is required to ensure that patients and their carers/families are active participants in decisions about them and are supported to make informed choices about their treatment and on-going care.

Electronic patient records are widely used in in domiciliary community health services with the paper copy being retained in the patient's place of residence. The standard to ensure the care plan is signed by the patient was difficult to measure in this instance, and, therefore, work will be undertaken to develop an appropriate template in which this information can be captured where records are electronic.

SEPT has been actively promoting the national strategy for nursing *Compassion in Practice* which enforces patient and service user "voice, choice and control". Additionally, the First Class Care campaign, which recognises that everyone who receives care is entitled to fundamental aspects of care in line with the Royal College of Nursing Principles Nursing Practice and Care Campaign, has been launched through a series of workshops. Staff are being issued with the First Class Care Handbook as an aide memoire for use in their day to day practice.

We will continue to provide support to front-line staff around the quality and personalisation of care plan in the form of coaching and workshops and will evaluate the impact on quality outcomes and personalisation for patients and service users in our care.

3.1.1 Safety

3.1.2 Experience

3.1.3 Effectiveness

Quality priority: Improving handover of care; transfer of patients in and between services and discharge of patients to primary care

We said we would develop critical information standards and quality performance target for handover of care, transfer and discharge. We aimed to evidence improvement, by March 2013, through comparing performance against a baseline audit carried out in quarter 1 of 2013. We also promised improvement in the performance and quality of providing discharge summaries to GPs

Data source: SEPT Audit
National Definition applied: N/A



Discharge and transfer of care are processes and not isolated events. They should be planned for at the earliest opportunity and ensure that service users and their carers understand and are equal partners in decisions relating to their care. Excellent communication and information sharing are required to ensure a smooth, effective, safe and prompt transition. In addition, the number of individuals caring for a patient during their hospital stay has increased and the need for comprehensive handover of information has become more important than ever. In order to benchmark transfer and discharge processes across services, critical information standards for measurement were identified and included in a range of audits as part of the Trust Priority Clinical Audit Programme. Baseline audits were undertaken and, in addition, observational audits of handover of care across in-patient areas were carried out to measure quality standards and performance expected for the safe and effective handover of care.

Discharge and Transfer

The baseline audit identified that all in-patient areas across mental health and community health services exceeded the Trust expectation of 90% compliance across all of the standards and therefore a decision was made to undertake a spot check during March 2013 across a random selection of 14 in-patient areas to ensure compliance was maintained. The checks confirmed Trust compliance of 90% with the exception of one area which provides long term continuing care.

What Next?

Whilst good areas of clinical practice were identified in the initial audit, the spot check undertaken found that there is still some work to be undertaken relating to discharge planning to ensure compliance is maintained. We will continue to ensure excellent communication and information sharing across all agencies, including colleagues in primary care so that all discharges from SEPT services are of the highest quality

Handover of care

The baseline audit identified that handover in more than half of in-patient areas were unstructured and did not focus upon individual patient's risk assessments. This was considered one of the priority areas for improvement. The other two standards identified as requiring action were the requirement for handover to be conducted free from non-emergency interruption and that the oncoming shift lead must ensure that the location of each patient is known.

Standard	Baseline	Re-audit
Use of patient records to inform the clinical handover with a focus on risk	48%	75%
Clinical handovers will be conducted in an area free from non-emergency interruptions	35%	89%
Staff to check the location of each patient immediately following handover of each shift	No Evidence	87%

What Next (Handover) - The results of the re-audits on handover of care indicate that there has been significant improvement in the identified standards. Our priority is to ensure that this continues and in particular work to further improve the standards relating to safe and effective handover of care.

Section 3.2: Examples of key achievements relating to quality improvement during 2012/13

In our last Quality Report we set out an ambitious programme of quality objectives / service developments we planned to take to improve the quality of our services. Outlined below is a selection of the improvements that have been achieved during 2012/13.

Trust wide

- The implementation of a single point of access / single point of referral system in our Community Health Services, ensuring that the right person from the community health services team responds at the right time to referrals for support in the patient's home that prevents admission to or facilitates discharge from hospital.
- Continued progress with the establishment of integrated adult care teams aligned to clinical commissioning groups and with social care provision across Bedfordshire, South East Essex and West Essex Community Health Services.
- Continued improvements in safeguarding arrangements as assessed by an Independent Auditor - *"these results are impressive and demonstrate a very high standard of safeguarding work being achieved by SEPT."* *"The turnaround seen this year in the performance of SEPT has been impressive and these cases demonstrated how improvements are being consolidated."*
- The implementation of new models of care in Learning Disability Services and the wider Trust Services as a result of the learning arising from the 'Winterbourne Report'. This was a report which highlighted the poor, criminal and abusive practice by the staff employed in a residential setting for people with learning disabilities, Winterbourne View (not in any way connected with SEPT). The subsequent report that came out of the serious case review highlighted areas of concern with recommendations for organisations across the country to implement in order to ensure the safety and well-being of vulnerable people in their care. Within SEPT, the recommendations have been scrutinised by a Task and Finish Group and an action plan has been developed to give assurance to our Board that the poor practice found within Winterbourne will not be found in any service within SEPT.
- The personalisation approach to care was extended with Local Authorities across Bedfordshire, Essex and Luton.
- The achievement of continued improvements in end of life care – *"by listening to patients, acknowledging their wishes and understanding them as people we hope to give them the time to come to terms with death and make any necessary preparations for the future whether that is where they'd like to die, who and what will be there or simply how their funeral will be. It's all about giving them those important choices"*. Laura Davis, End of Life Care Facilitator
- Launching of Activity Co-ordinators.
- The organisation of and participation in three mental health awareness events with the Sikh community and continued partnership working with other faith communities.
- The refreshing and launching of a Carer Strategy and the Carers Card.
- The implementation of all recommendations arising from a review of the Serious Incident process, ensuring all serious incidents are robustly investigated and any lessons learned are shared and implemented across the organisation.
- The harmonisation of pressure ulcer reporting and robust processes put in place to manage and reduce the incidences of pressure ulcers.
- Launch of 'First Class Care'.
- The implementation of standardised Patient Notes and Care Planning documentation across Mental Health Services in the Trust.
- Significant progress in terms of achieving 'Harm Free Care' – a group has been established to review incidents in four areas of harm and to share good practice/learning across Trust, linking with safety thermometer data collection and pressure ulcer prevention. This is also monitored through serious incident reporting and reported to our Clinical Governance Committee.

- A new system has been implemented across the Trust to facilitate more effective monitoring of mandatory training completion and to address the provision of training, ensuring that staff maintain up-to-date training.
- Achievement of NHS Employers Equality and Diversity Partner status

Bedfordshire and Luton

- The implementation of a new sub-acute pathway in Bedfordshire Community Services which has been designed to prevent unnecessary admissions to general hospital and facilitate earlier discharges ensuring care closer to home provision and improved patient outcomes. This pathway includes a new 16 bedded sub-acute unit, integrated pathways between rehabilitation and enablement and the Rapid Intervention Team as well as the management of patients from care homes who have had frequent acute admissions.
- The opening of a short stay medical unit in Houghton Regis.
- Achievement by the Bedfordshire Community Services of Unicef Baby Friendly Accreditation.
- Strengthened links with GPs through the introduction of a named Mental Health Professional for each Practice.
- Completion of the Limetree redevelopment at Luton and Dunstable Hospital and transfer of the assessment and treatment inpatient service from Oakley Court.
- There have been a number of achievements in terms of Looked After Children (LAC) over the past 12 months including a review of the service for undertaking health assessments with multi-agency and service user involvement; training involvement and development / implementation of enhanced assessment document all of which are intended to achieve improvements in outcomes for children/young people to address known health inequalities for Looked After Children and young people leaving care. It is intended to continue to undertake work to develop these services over the coming year, including pathway development.

South Essex

- The establishment of a step up / step down in-patient facility aimed at preventing admission and facilitating discharge from acute hospital beds of people with dementia in South Essex Mental Health Services. This has been achieved through the redesign of existing service provision. The new model of service also provides patients with intensive rehabilitation to help people remain in their own homes for as long as possible.
- Brockfield House (forensic mental health in-patient services) was ranked third in the country in a Royal College of Psychiatrists Peer Review.

West Essex

- The establishment of an Early Supported Discharge Team for Stroke patients in West Essex Community Services to support more patients in their own homes who have suffered a stroke, thus reducing lengthy hospital stays.

Suffolk

- Introduction of a PASCOM audit in Podiatric Surgery allowing the collection of operative information for planning and performance reporting; implementation of computerised SystemOne record keeping.
- The service specification for Podiatry has been redrafted (awaiting agreement with commissioners) to allow the more robust focus being placed on those at greatest need.
- The service specification for adult speech and language therapy has been refocused to ensure that patients receive what they need when they need it.

Work is continuing to progress against a number of the priorities set out in the 2011/12 Quality Report and the key priorities for our 2013/14 quality work programme are set out in Part 2 of this report.



Section 3.3: Overview of the quality of care offered in 2012/13 against selected indicators

As well as progress with implementing the quality priorities identified in Quality Reports last year, the Trust is required to provide an overview of the quality of care provided during 2012/13 based on performance against selected quality indicators. The Trust has selected the following indicators because they have been regularly monitored by the Board, there is some degree of consistency of implementation across our range of services, they cover a range of different services and there is a balance between good and under-performance. In 2011/12 a Patient Safety Incident indicator which focused on reporting rates and degree of harm was reported. This indicator has not been included this year following the introduction of a mandated indicator, available in section 2.6, that reports on the both the severity of and the number of incidents reported by the Trust.

Trust wide indicators

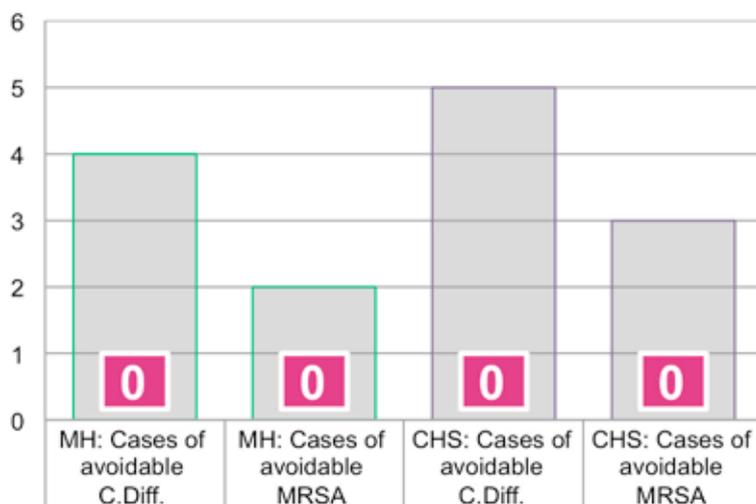
The KPI targets were established with the Commissioners: for C. Difficile and MRSA bacteraemia cases they must be solely attributable to the Trust and avoidable after investigation via root cause analysis (RCA).



PATIENT SAFETY

Hospital Acquired Infections

Data source: Infection Control Nurses KPI data collection sheets
National Definition applied: Yes



SEPT Outturn 2012/13	0	0	0	0
MH Upper Limit	4	2		

Infection Control Measure		Key Performance Indicator: Upper Limits		2012/13 Outcome
		MH	CHS	
Mental Health Services	Cases of avoidable C.Difficile	4		0
	Cases of avoidable MRSA Bacteraemia	2		0
Community Health Services	Cases of avoidable C.Difficile		5	0
	Cases of avoidable MRSA Bacteraemia		3	0

PATIENT EXPERIENCE

Complaints

Data source: Datix
National Definition applied: Only to K041-A Submissions to the Department of Health

Complaints referred to the Parliamentary & Health Service Ombudsman

At year-end a total of 17 complaints have been referred to the Parliamentary and Health Service Ombudsman, compared to last year's figure of five complaints referrals. Of the five referrals last year, only one was investigated. Of the 17 complaints referred during 2012/13 10 have not been investigated and we are awaiting notification as to whether the remaining seven will be investigated or not. One complaint is still under investigation from 2011/12 for Bedfordshire and Luton Mental Health

Complaints closed within timescales

The % of Complaints Resolved within Agreed Timescales indicator is a measure of how well the complaints-handling process is operating within the organisation. The agreement of a timescale for the resolution of a complaint is identified in the NHS Complaints Regulations, but these do not stipulate a % target to be achieved. This indicator is not part of the Compliance Framework, or part of any other national performance framework. Nevertheless, SEPT's Executive Team considers that commitments made to complainants should be adhered to and agreed several actions to expedite and monitor the process of complaints resolution. A new local indicator has been introduced during 2012/13 to monitor the number of complaints resolved within 30 working days of receipt.

		2011/12	2012/13
All SEPT	Number of Formal Complaints Received	483	433
	Number of complaints closed in period	237	505
	Complaints resolved within agreed timescale	172	381
	% Complaints resolved within agreed timescale	73%	75%
	Complaints upheld/partially upheld	127	286
	Number of complaints withdrawn	19	17
	Number of complaints open at year end	112	56
SEPT % Resolved within agreed timescales		73%	75%

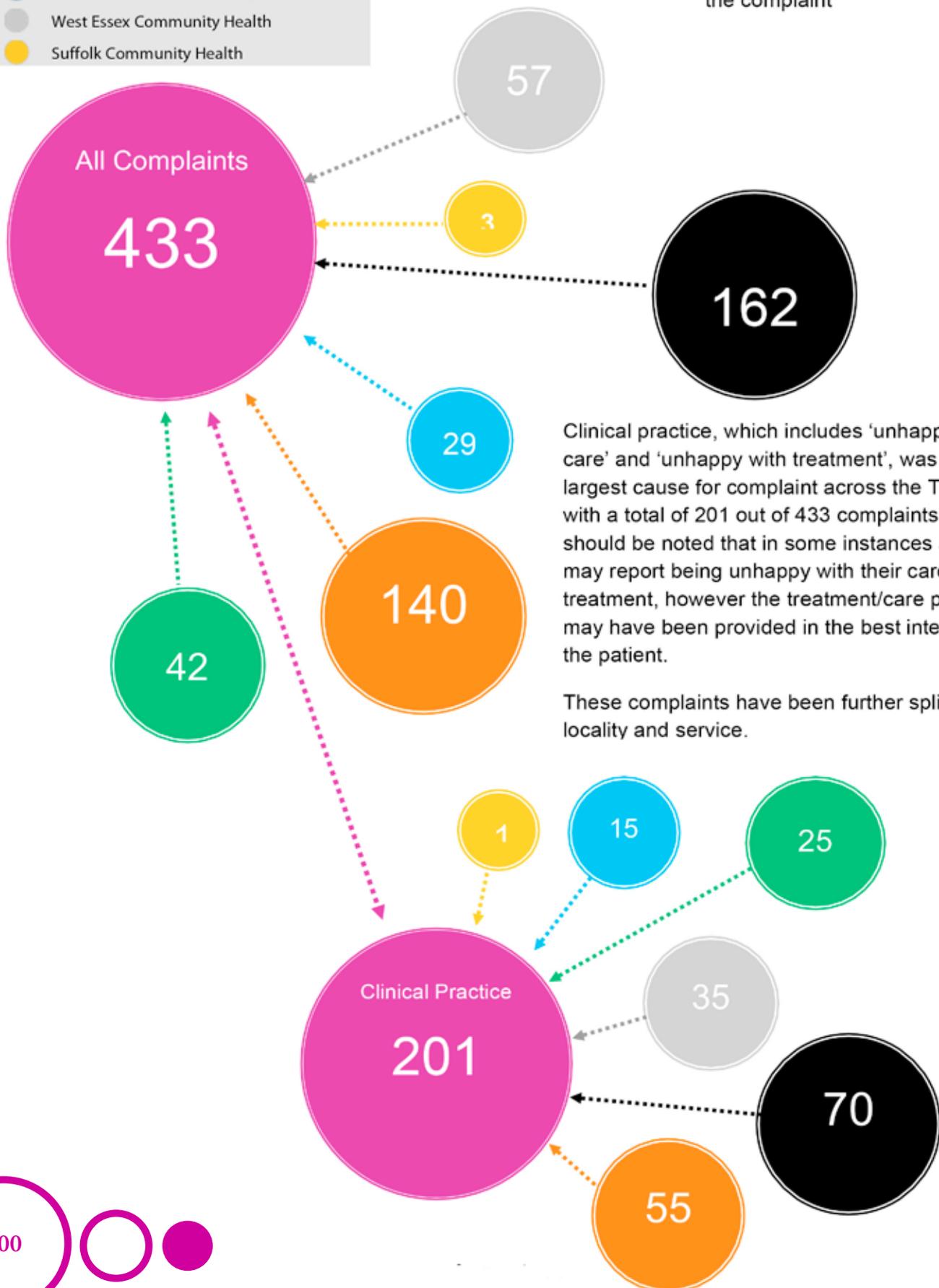
Complaints Received by Locality and Service

Key

- **SEPT TOTAL**
- Beds & Luton MH
- Essex MH
- Bedfordshire Community Health
- South East Essex Community Health
- West Essex Community Health
- Suffolk Community Health

This diagram represents the number of complaints received by the Trust.

The complaints have been split by the locality and service that received the complaint



Clinical practice, which includes 'unhappy with care' and 'unhappy with treatment', was the largest cause for complaint across the Trust, with a total of 201 out of 433 complaints. It should be noted that in some instances a patient may report being unhappy with their care and treatment, however the treatment/care provided may have been provided in the best interest of the patient.

These complaints have been further split by locality and service.

PATIENT EXPERIENCE

Compliments

Data source: Datix

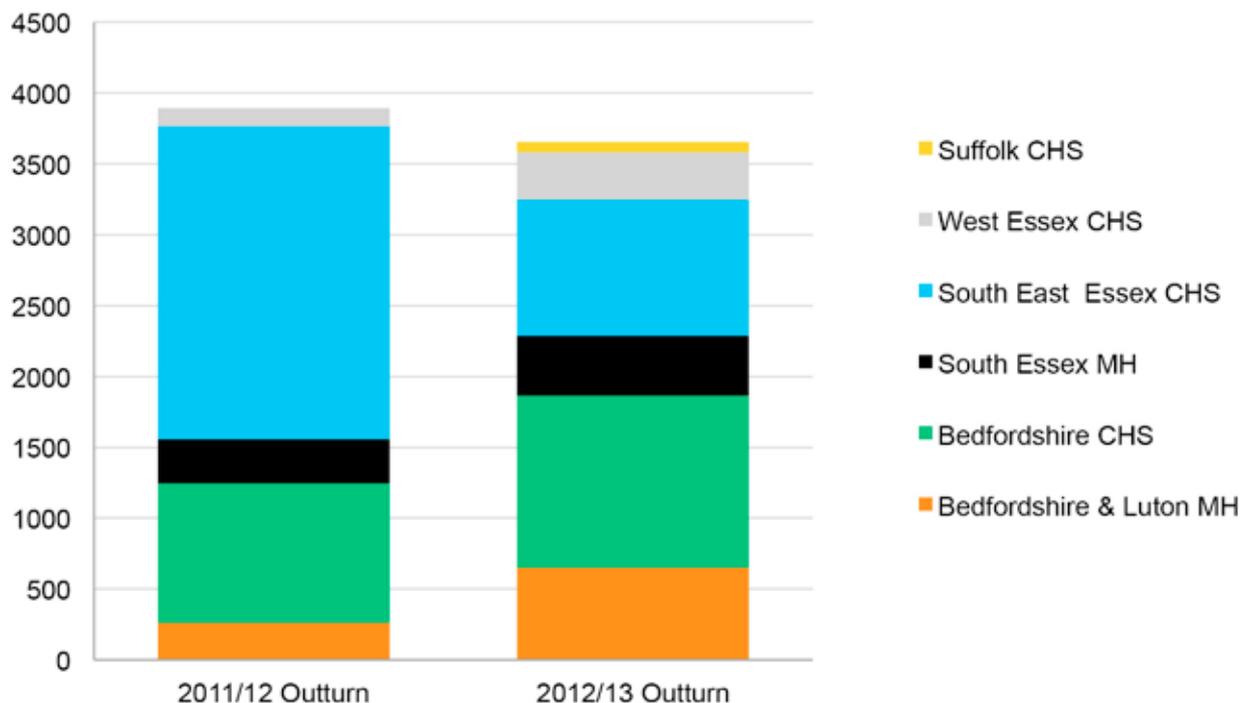
National Definition applied: N/A

Compliments are received on a daily basis and logged accordingly. A compliment of the week has been placed in Trust Today for some months now to encourage staff to share compliments with their colleagues throughout the Trust. A dedicated area on the intranet captures the content of all compliments and enables staff to view the positive comments received about colleagues and their services.

This year the Trust has received **3654** compliments.

It should be noted that the 2011/12 outturn for compliments was reported in last year's report as 3863, this has subsequently increased to 3894. This increase occurred as a result of migration of compliments data from legacy systems in Essex community health services to SEPT systems. Following completion of the 2011/12 quality accounts, an additional 31 compliments were received. These compliments were migrated to SEPTs system and included within this year's report.

Compliments Received	2011/12 Outturn	2012/13 Outturn
Bedfordshire & Luton MH	264	651
Bedfordshire CHS	981	1214
South Essex MH	312	424
South East Essex CHS	2208	960
West Essex CHS	129	334
Suffolk CHS	N/A	71
SEPT	3894	3654



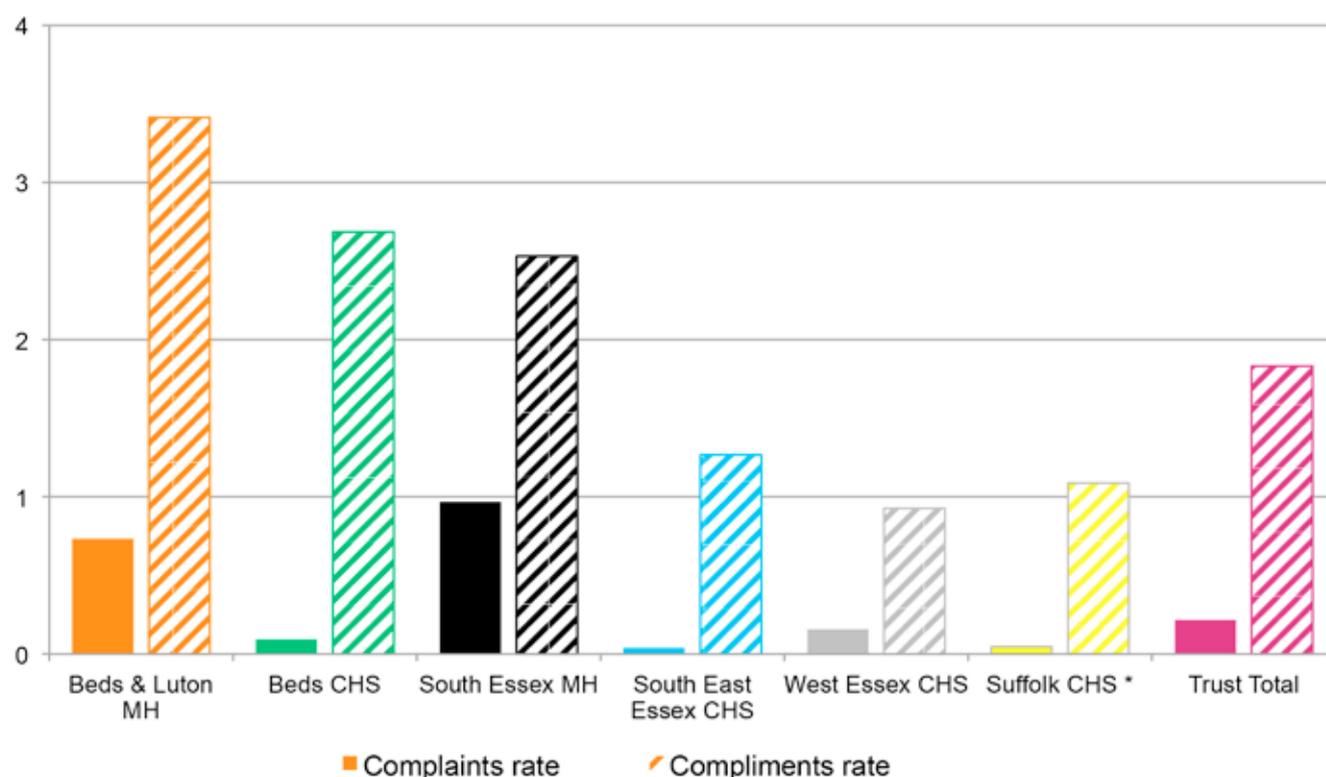
Rate of Complaints and Compliments

Data source: SEPT systems (Datix, SystemOne and Daily Diary Sheets)

National Definition applied: N/A

A comparison of complaints and compliments as a rate per 1,000 patient contacts demonstrates that the rate of compliments in each locality was greater than the rate of complaints received during 2012/13.

Complaints/Compliments per 1000 contacts



Service Area	Rate of Complaints (per 1,000 contacts)	Rate of Compliments (per 1,000 contacts)
Bedfordshire & Luton MH	0.73	3.41
Bedfordshire CHS	0.09	2.69
South Essex MH	0.97	2.53
South East Essex CHS	0.04	1.27
West Essex CHS	0.16	0.93
Suffolk CHS	0.05	1.09
SEPT	0.22	1.83

PATIENT SAFETY

Data source: Safety Thermometer
National Definition applied: Yes

Safety Thermometer (Harm Free Care)

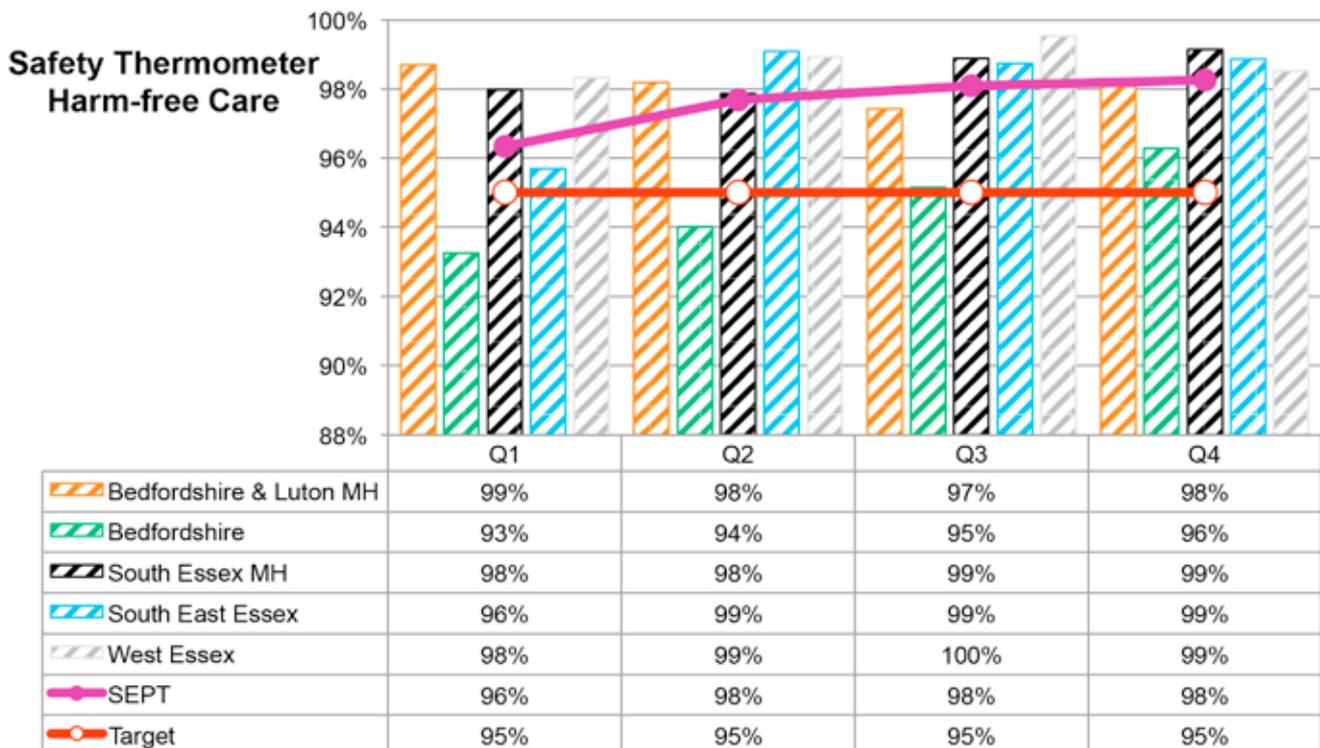
A monthly census is taken of patients in our care which meet the national criteria for Safety Thermometer to measure four areas of harm. Censuses are taken in over 100 teams covering adult and older people wards and community teams, but excluding specialist services, on a monthly basis.

The areas of harm are:- Category 2 / 3 / 4 Pressure Ulcers (acquired in care or outside our care), Falls within 72 hours, Catheter Urinary Tract Infection (UTI) or Venous Thrombo-Embolism (VTE).

The graph below show the percentage of patients that were visited or were an inpatient on the census date, who had not acquired any of the four harms whilst in SEPTs care. During 2012/13 SEPT successfully achieved above the 95% target.

A Harm Free Care Group has been established and the group review the information obtained through the Safety Thermometer to inform its work.

The Safety Thermometer will continue to be used in a number of areas during 2013/14 however SEPT is also looking forward to piloting a new safety thermometer tool specific to Mental Health Services.



In this section of the report a selection of Key Quality Indicators are presented to show performance for the localities of Bedfordshire, South East Essex and West Essex over the past 12 months and where possible up to the past 24 months.

Smoking Cessation CLINICAL EFFECTIVENESS

Smoking Cessation targets are aimed at contributing to the reduction of the number of smokers within the population. Indicators can include the number of patients referred to Smoking Cessation Services, the number of patients who attend Smoking Cessation Services and the number of patients who actually quit smoking.

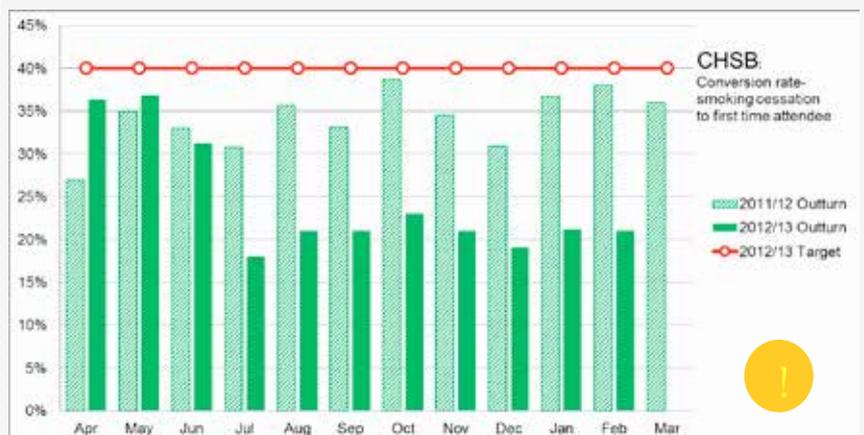
In West Essex the number of patients who stopped smoking was below target at the end of March 2013, however demonstrates an improvement on the 2011/12 outturn.

In Bedfordshire the smoking referral target for 2012/13 was 300 and after being below trajectory early in the year, the services were able to successfully deliver the target. However, throughout 2012/13, the conversion rate has consistently been below the 40% target, and whilst the March 2013 position is yet to be confirmed, SEPT deem it unlikely that the target will be reached.

South Essex Community Health Services do not provide a smoking cessation service as the function was returned to the commissioners in 2010/11 and is currently delivered by Public Health.

Data source: Public Health services & Smoking Cessation database [Online]

National definition applied: Yes



Breastfeeding

CLINICAL EFFECTIVENESS

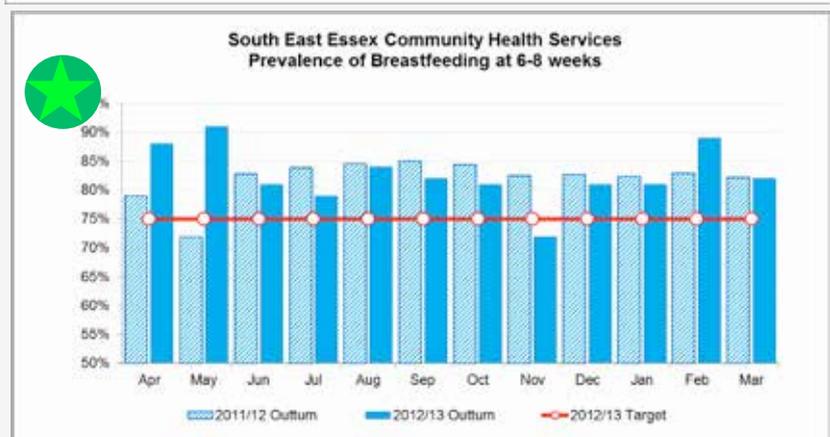
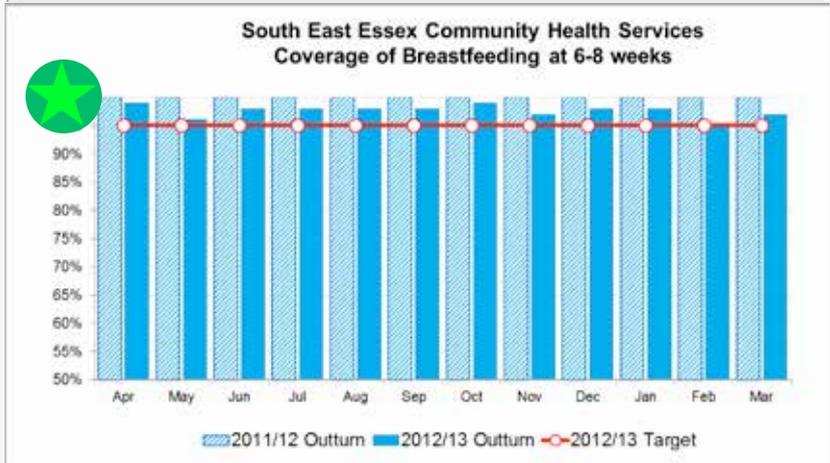
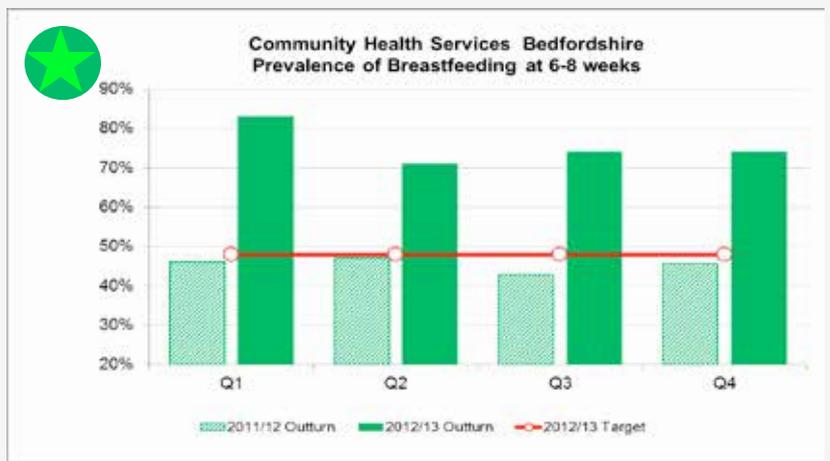
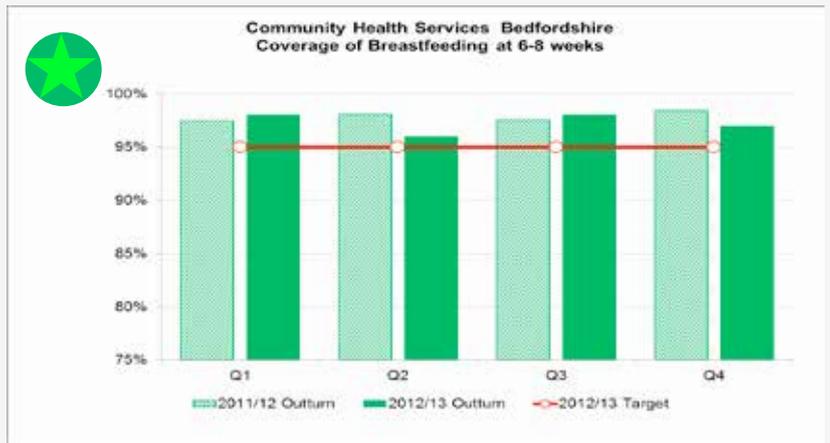
There are two types of breastfeeding measure used within community services. The first is breastfeeding coverage, which is the number of babies aged 6-8 weeks with breastfeeding status recorded. The second is breastfeeding prevalence, which is the number of babies being breastfed at the 6-8 week check.

In Bedfordshire both the coverage and prevalence targets have been achieved, however of most note is the prevalence target which has improved significantly compared with 2011/12 figures.

In South East Essex Community Health Services both the coverage and prevalence targets were achieved.

Data source: SystmOne

National definition applied: Yes



18 Week Referral to Treatment PATIENT EXPERIENCE

18 week referral to treatment performance measures the length of time in weeks between referral into the service and the start of treatment. This is an important measure as it describes the length of time patients have had to wait for treatment.

Bedfordshire Community Health Services achieved consistently high performance throughout 2012/13, demonstrating maintenance of the strong performance achieved in 2011/12.

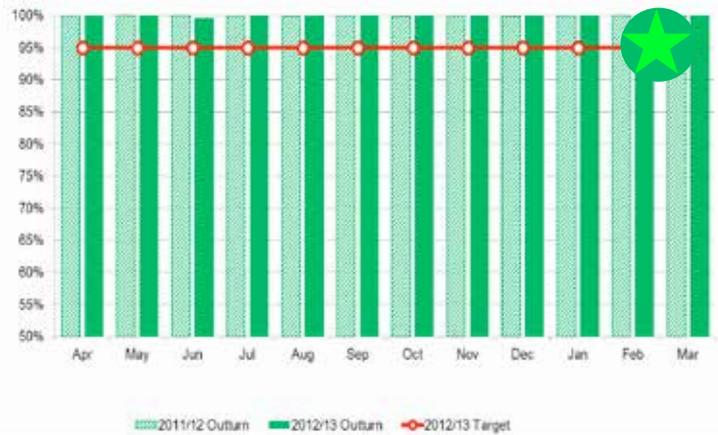
During 2012/13 South East Essex demonstrated some minor declines in performance, however in the latter 7 months were able to maintain strong performance, consistently delivering above the 95% threshold.

Following the positive work undertaken in West Essex during 2011/12 to improve waiting times, the services were able to maintain this positive performance during 2012/13 delivering over 95% throughout the year. In addition, an ambitious piece of work to reduce waiting times in Musculoskeletal services was completed during 2012/13 which led to a reduction to 11 weeks and finally to 8 weeks by the end of the year.

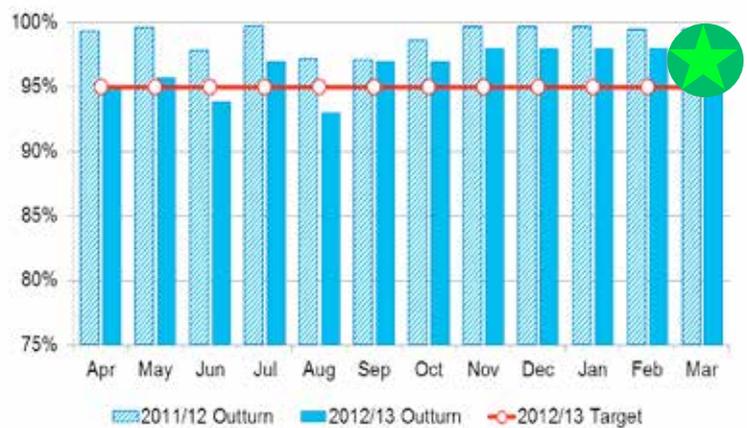
Data source: SystmOne

National definition applied: Yes

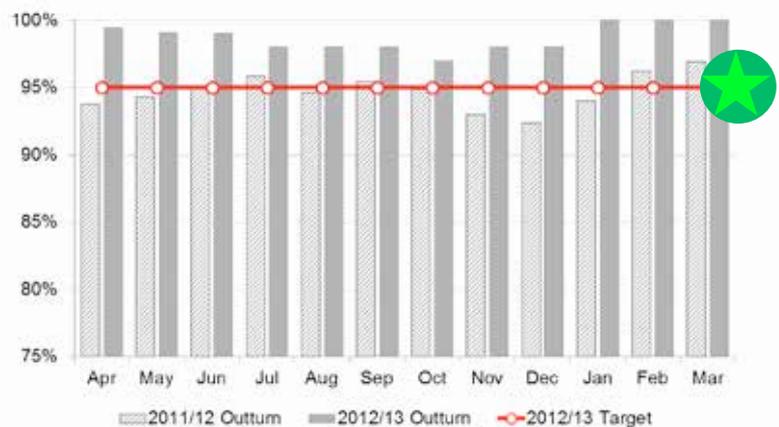
Community Health Services Bedfordshire
18 Week Performance



South East Essex Community Health Services
18 Week Performance

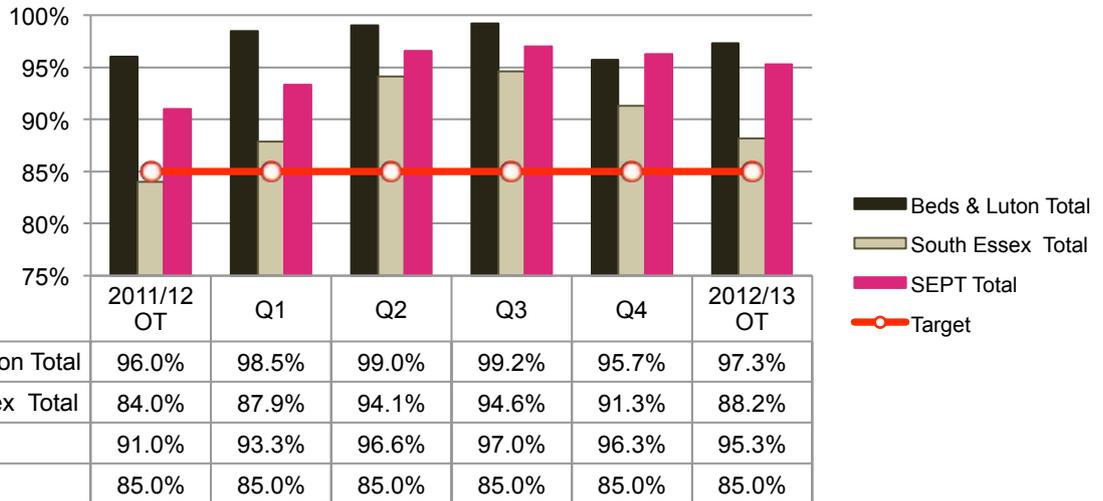


West Essex Community Health Services
18 Week Performance



Seven Day Post Discharge Follow Up - Face to Face

PATIENT SAFETY



A national target applies for all inpatients discharged from hospital to receive a follow up from mental health services within seven days of discharge. The national indicator states that the follow up can be completed face to face or by telephone. In 2010/11 a quality improvement target was introduced by SEPT to ensure that 85% of patients received a face to face follow up, effectively reducing the number of telephone follow ups and improving the quality of care provided.

The initiative was introduced initially in Bedfordshire and Luton, however, extended to South Essex in 2011/12. In 2012/13 both areas have demonstrated continued delivery of the 85% target, evidencing continuation of this positive quality initiative.

Data source: SEPT Systems (Care Plus and IPM)

National definition applied: Yes

Serious Incidents

PATIENT SAFETY

Monitoring of the number and nature of SIs, identification of learning and embedding learning back into clinical practice, is a key part of the Trust's patient safety.

The Trust reported 58 serious incidents (SIs) in Mental Health Services in 2012/13 compared to 39 during 2011/12.

On initial review the significant increase in the number of serious incidents reported year on year (19) is in the main as a result of fall/fracture incidents (15). The Trust took a decision to report these incidents from February 2012 under the NPSA definition of long term harm.

Work is underway to identify an annual baseline for falls/fracture incidents that would have met serious incident reporting criteria in 2011/12 to enable monitoring of any variances year on year. The Trust wide Falls Group monitors trends, themes and actions taken from slip, trip and fall incidents to identify work streams in relation to falls reduction.

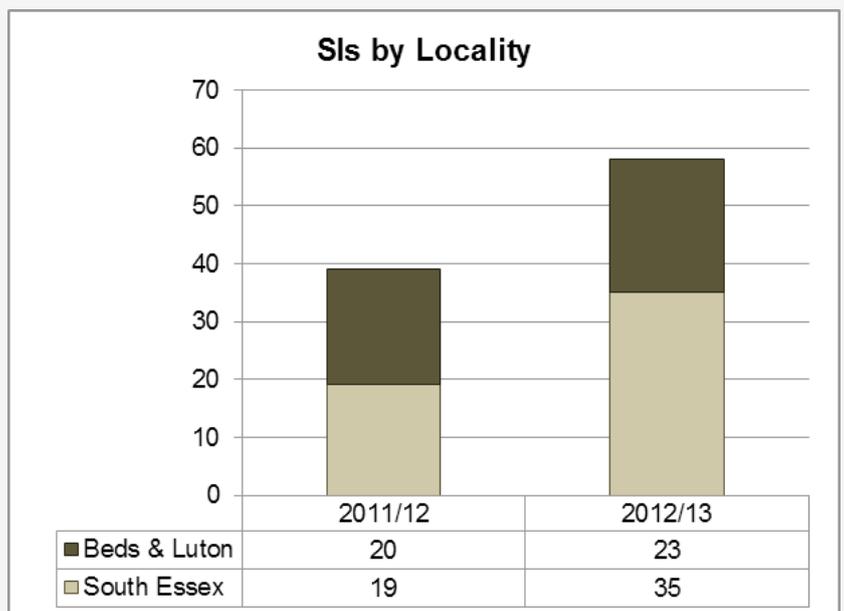
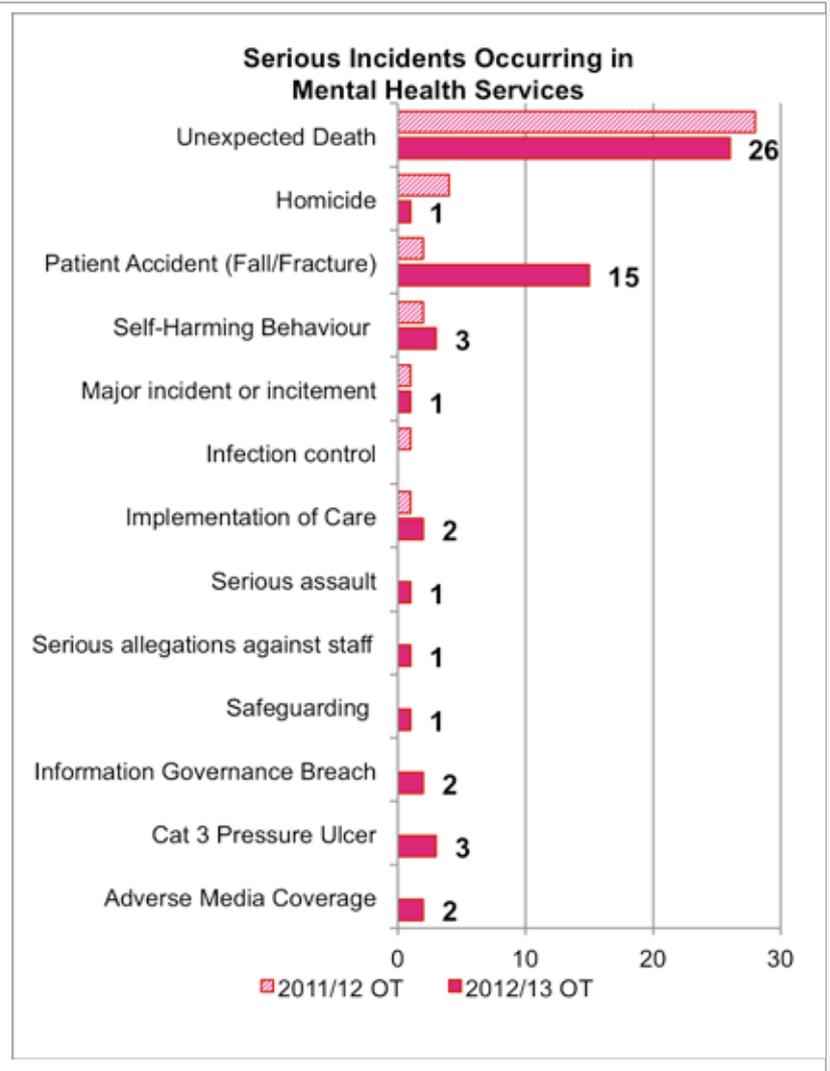
Additional falls equipment has been purchased by Trust and is being disseminated to relevant wards.

There has been a reduction in the number of unexpected deaths reported in 2012/13 compared to those reported in 2011/12.

It should be noted that the 2011/12 outturn for serious incidents was reported in last year's report as 41, this has subsequently decreased to 39. This decrease occurred when the Trust was informed by Her Majesty's Coroner that two unexpected deaths were due to natural causes

Data source: Serious Incident Database

National definition applied: EoE and Midlands definition applied



Readmissions

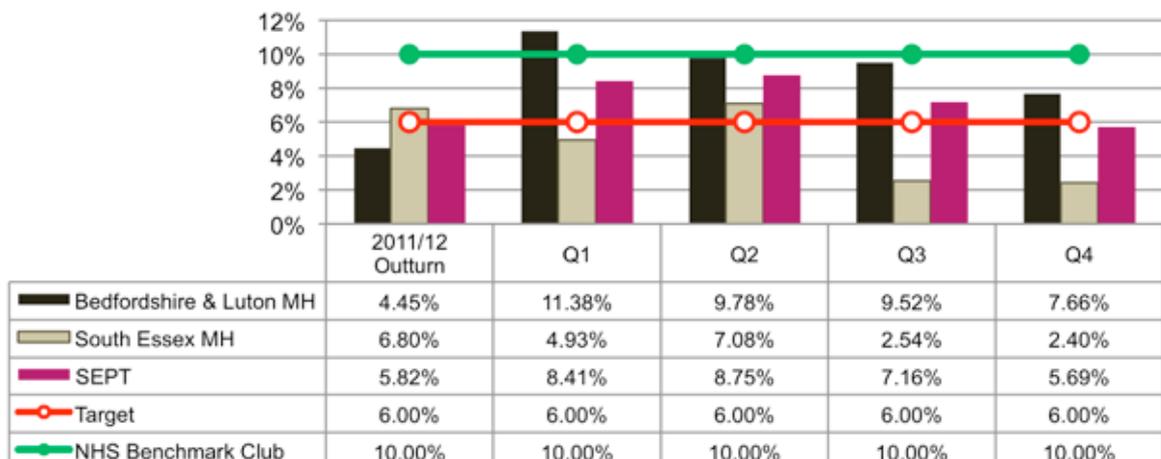
CLINICAL EFFECTIVENESS

Readmission rates have been used extensively in the past to conduct national reviews into health-check arrangements, and as part of CQC cross-checking arrangements.

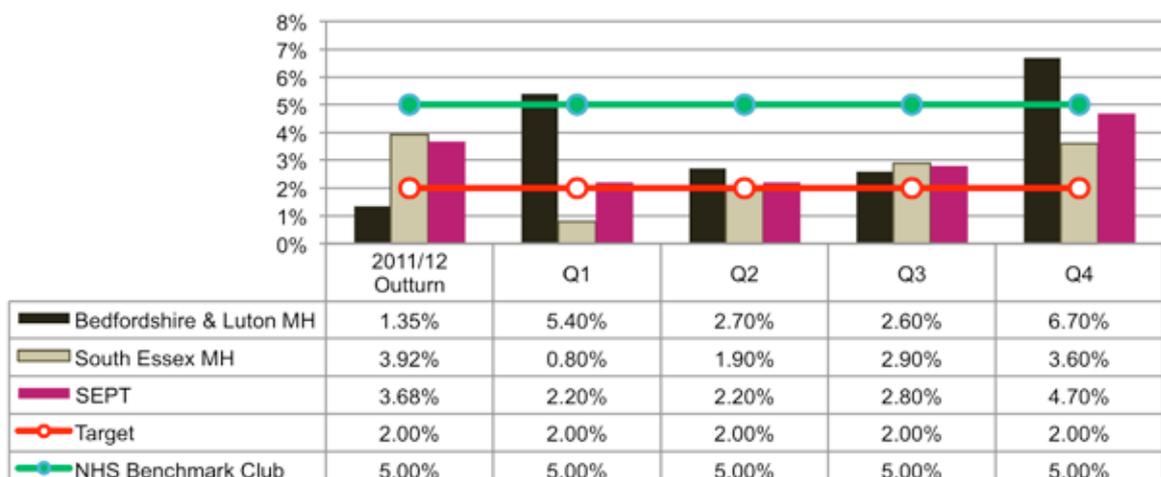
The Board of Governors selected readmissions as a local indicator reported in 2010/11 that would be subjected to independent testing by the Audit Commission in order to provide independent assurance on the quality of data used to report performance. The Audit Commission confirmed that the systems in place were sound. Some improvements to record management systems and development of admission and discharge profiles by clinical staff were identified and have been taken forward. The Trust target is based on a benchmark from 2007, however the NHS benchmarking club released a benchmark report in 2012, which demonstrated that the average readmission rate for adult services was 10% and for Older Peoples was 5%. So whilst performance has been above SEPTs internal target, it is noted that performance compares positively to national averages.

During Q1 and Q2 2012/13 an increase in adult emergency readmission rates in Bedfordshire was noted by SEPT, as a result an audit was completed by the Clinical Director aimed at reviewing each readmission and identifying any trends or learning. The audit found that each re-admission had causes specific to the individual case and it was not possible to identify any overall trends or themes that could be a source of learning for the organisation. SEPT continues to routinely monitor emergency readmissions and any unusual trends are investigated as required.

Adult Psychiatric Readmissions within 28 Days



Elderly Psychiatric Readmissions Within 28 Days

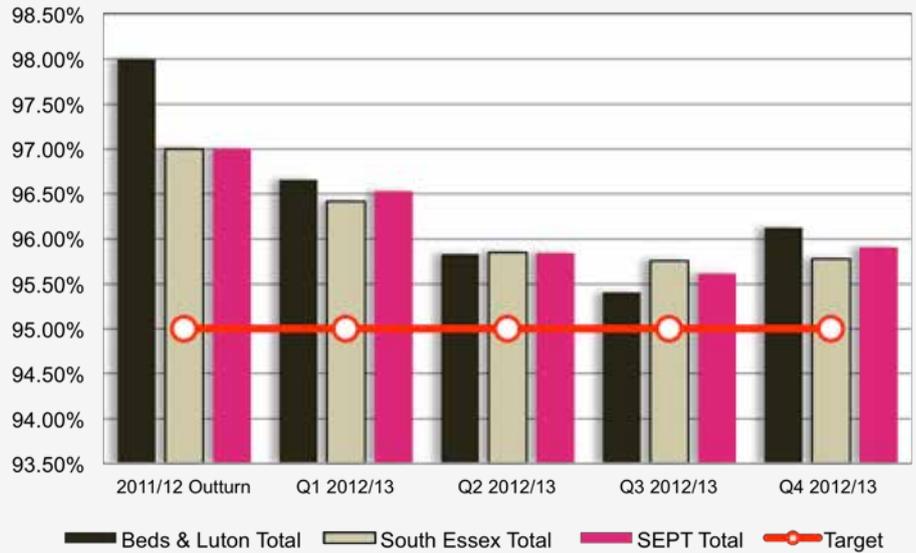


Section 3.4: Performance against key national priorities

In this section we have provided an overview of performance in 2012/13 against the key national targets and indicators relevant to SEPT's services contained in Monitor's (NHS FT regulator) Compliance Framework. Data for two indicators, Patients on Care Programme Approach (CPA) followed up within 7 days of discharge from psychiatric inpatient stay and Admissions to acute wards gatekept by Crisis Resolution Home Treatment Team, have previously been reported under the mandatory indicator section (2.6) of this report. SEPT is pleased to report that compliance has been achieved across all indicators throughout 2012/13 with the exception of Access to Healthcare for People with a Learning Disability, details of which can be found on page 49.

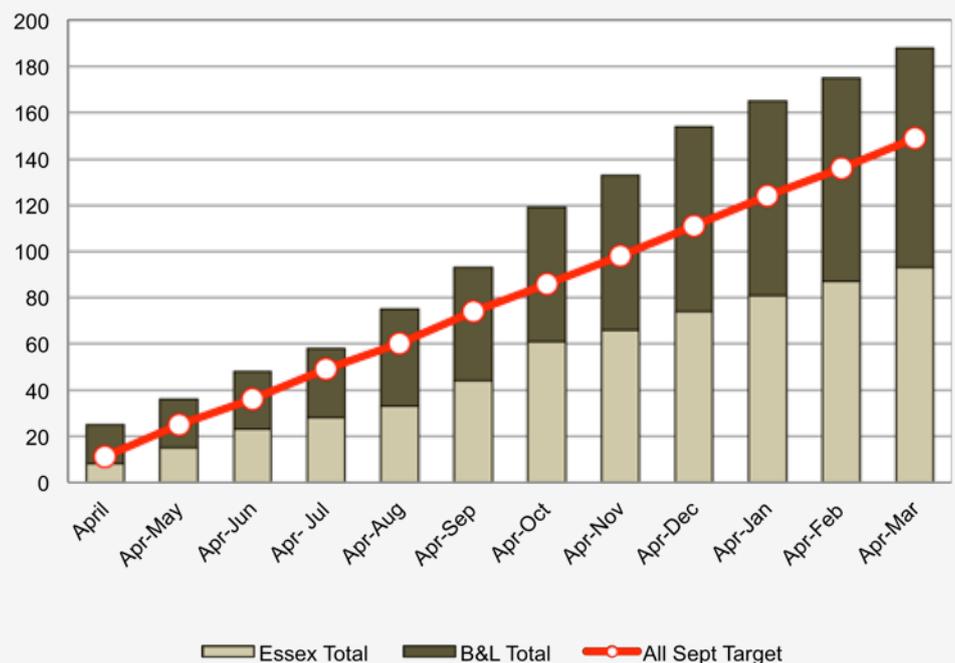
People having a formal review within 12 months

This indicator applies to adults who have been on the Care Programme Approach for at least 12 months. The target set by MONITOR of 95% provides tolerance for factors outside the control of the Trust which may prevent a review being completed for all patients every 12 months. Compliance has continually been achieved in both South Essex and Bedfordshire and Luton.



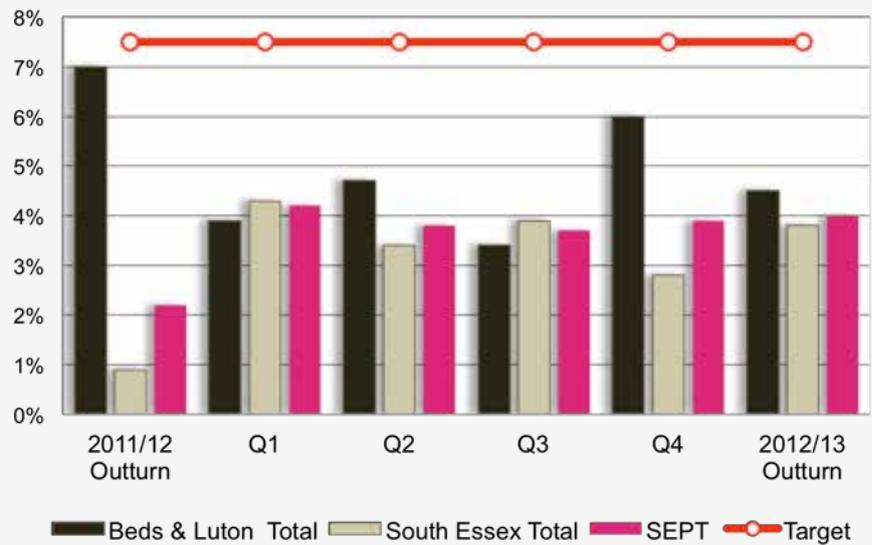
Early Intervention Services: New Psychosis Cases

The MONITOR compliance threshold is to achieve 95% of contracted new cases of psychosis. In total SEPT has to achieve 149 new cases of psychosis per year, and this was significantly over achieved in 2012/13 with a total of 188 new cases being identified



Delayed Transfers of Care (DTOCs)

This indicator is calculated as the number of DTOCs due to either NHS or Social Care related issues for both mental health and learning disability services. The target established by MONITOR is less than 7.5% of patients should be Delayed Transfers of Care.



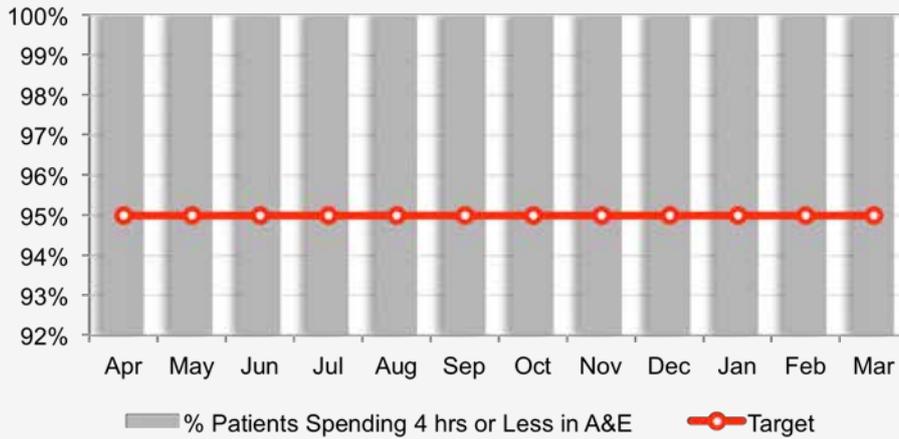
Measure	Apr	May	Jun	Jul	Aug	Sep
Maximum time of 18 weeks from point of referral to treatment	100%	98%	100%	100%	100%	100%
Target (waited)	95%	95%	95%	95%	95%	95%
Maximum time of 18 weeks – patients on an incomplete pathway	99%	100%	100%	100%	100%	100%
Target (waiting)	92%	92%	92%	92%	92%	92%

Measure	Oct	Nov	Dec	Jan	Feb	Mar
Maximum time of 18 weeks from point of referral to treatment	100%	100%	100%	100%	100%	100%
Target (waited)	95%	95%	95%	95%	95%	95%
Maximum time of 18 weeks – patients on an incomplete pathway	100%	100%	100%	100%	100%	100%
Target (waiting)	92%	92%	92%	92%	92%	92%

Referral to Treatment Waiting Times

These indicators measure the waiting times for patients who have commenced treatment and for those still waiting for treatment on non-admitted consultant-led pathways. The maximum waiting time is 18 weeks and the target for those who've commenced treatment is 95% and for those still waiting is 92%. Both targets have been consistently achieved throughout 2012/13.

West Essex Time spent in A&E



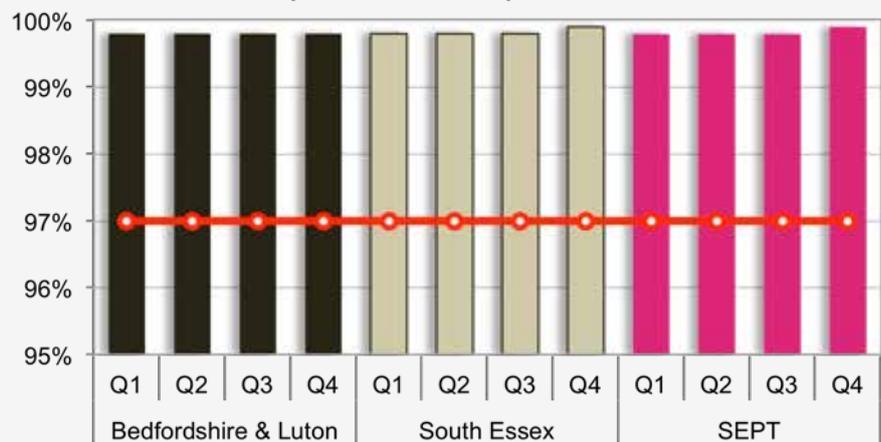
A & E Clinical Quality Indicator: Time in A & E

The A&E Clinical Quality indicators are only relevant to the Urgent Care Service that is provided in West Essex. This indicator measures the total time patients spend in A&E, the target is 4 hours or less and the threshold is 95%.

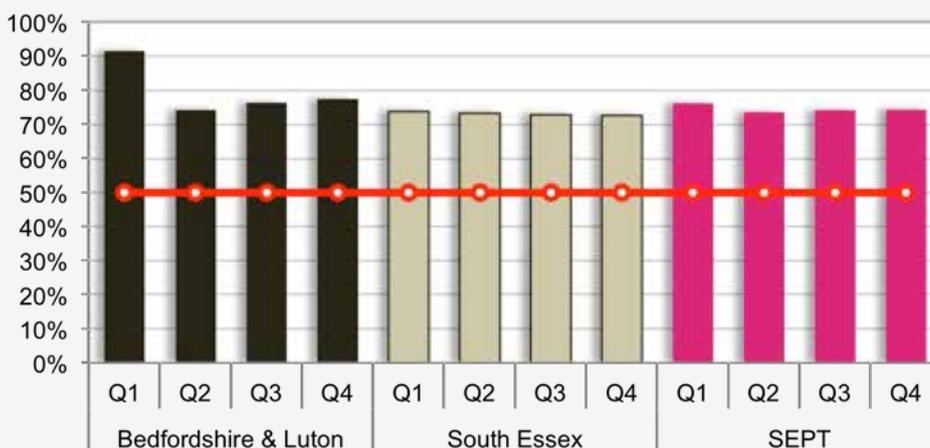
Data Completeness: Patient Identifiers

This indicator measures the % completeness of the Mental Health Minimum Dataset for patient identifier data items. The target for 2012/13 has reduced to 97% from the target of 99% in 2011/12.

Data Completeness - Patient Identifiers (Mental Health)



Data Completeness - Patient Outcomes (Mental Health)



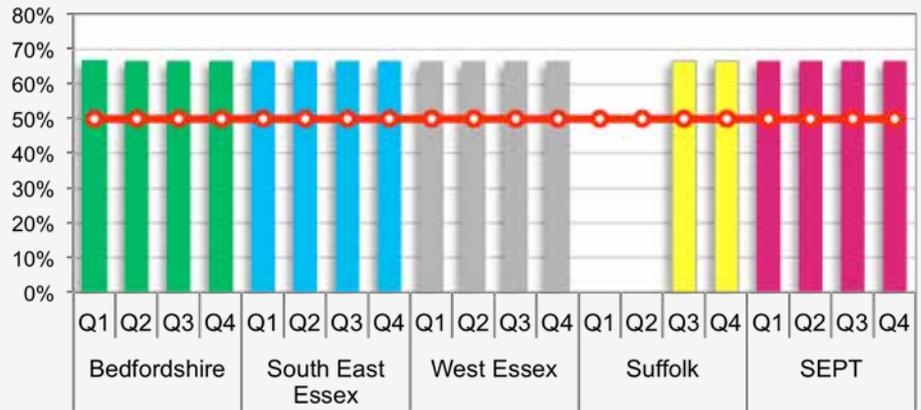
Data Completeness: Patient outcomes

Compliance has been achieved for each of the data fields that contribute to this indicator. The target for which is 50%

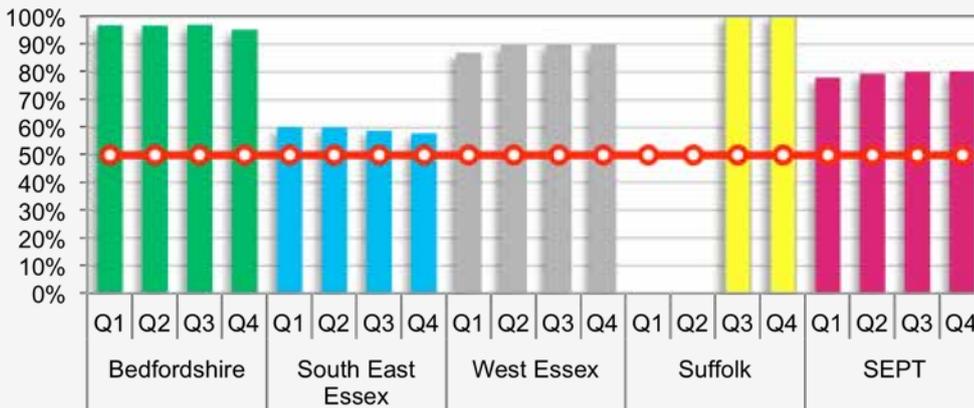
Data Completeness - Community Care Referral to Treatment information

Throughout 2012/13 compliance has been maintained above the 50% target in all community health service areas

Data Completeness - Referral to Treatment (Community Health)



Data Completeness - Referral Information (Community Health)



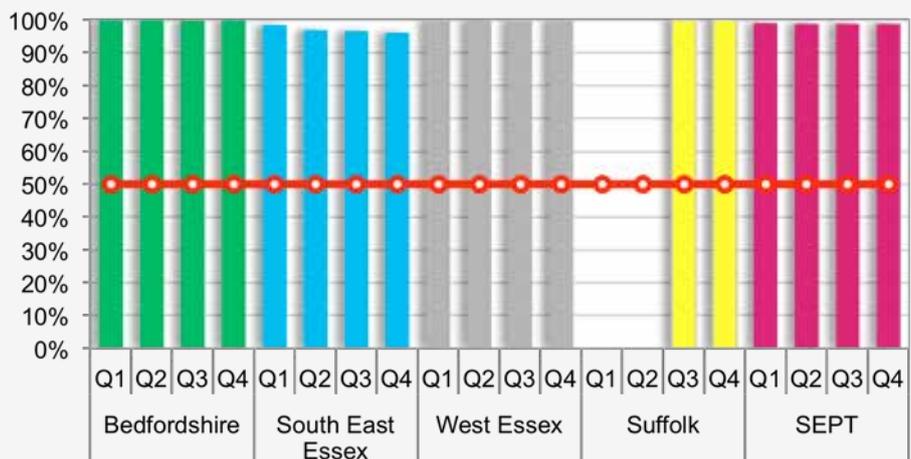
Data Completeness - Community Care Referral Information

Compliance has been maintained above the 50% target throughout 2012/13

Data Completeness - Community Treatment Activity information

All community health service areas have maintained compliance with this indicator throughout 2012/13

Data Completeness - Treatment Activity Information (Community Health)



This indicator seeks to respond to the recommendations made in MENCAP's 'Death by Indifference' report. Trusts will be assessed on their responses to six questions on a scale of 1 to 4:

1. Protocols / mechanisms are not in place
2. Protocols / mechanisms are in place but have not yet been implemented
3. Protocols / mechanisms are in place and partially implemented
4. Protocols / mechanisms are in place and fully implemented

Key Requirements:		SEPT Rating
1	Identifies and flags patients with learning disabilities to ensure that pathways of care are reasonably adjusted to meet the health needs of patients?	3
2	Readily available and comprehensible information to patients with learning disabilities about the following criteria: Treatment options (including health promotion) Complaints, procedures, and Appointments	4
3	Provides support for family carers, including the provision of information regarding learning disabilities, relevant legislation and carers' rights?	3
4	Includes training on learning disability awareness, relevant legislation, human rights, communication technique in their staff development and/or induction programmes for all staff?	3
5	Encourages representatives of people with learning disabilities into relevant forums, which seek to incorporate their views and interest in planning and development of health services?	4
6	Regularly audits its practices for patients with learning disabilities and to demonstrate the findings in routine public reports?	4

Access to Healthcare for People with a Learning Disability

A self-assessment of compliance with the 6 criteria has identified the need to assure ourselves that protocols are fully implemented within all services provided, and with the complexity and range of services that the Trust provides this has not been possible this year. A task and finish group has been established and will be responsible for ensuring full compliance is achieved in 2013/14

CLOSING STATEMENT BY DR PATRICK GEOGHEGAN, CHIEF EXECUTIVE

As I said at the beginning of this report, I am proud to present the quality achievements of SEPT. Thank you for taking the time to read them. Whilst this report is an annual reporting requirement, we hope that we have presented the information in an open and useful way to enable everyone to understand SEPT's performance. This is an annual requirement and I would be delighted to receive any ideas from readers as to how this report could be made more interesting or useful in future years – please do contact me if you have any ideas.

We report progress with quality goals to our Board of Directors on a regular basis. These meetings are open to members of the public to attend and I would urge you to come along and hear for yourself how we are doing. There is also an opportunity for members of the public to ask any questions they may have, and I would welcome this involvement from you. We also report more locally focused issues at our Public Member meetings where again I would encourage people to come and talk to the staff and managers responsible for care in their area – I can assure you that you will be made very welcome!

If you have any questions or comments about this Quality Report or about any service provided by SEPT, please contact:

Andy Brogan

Executive Director of Clinical Governance and Quality

SEPT

Trust Head Office

The Lodge

The Chase

Wickford

Essex SS11 7XX

Email: andy.brogan@sept.nhs.uk

Telephone: 01268 739654

ANNEX 1 – Comments on our Quality Report (Account)

We sent our Quality Report to various external partners to seek their views on the content of the report. The responses received are outlined below for information – we thank them for taking the time to consider the information and to provide their comments.

Bedfordshire and Luton Clinical Commissioning Groups (Bedfordshire and Luton) - dated 24 May 2013

Statement from Bedfordshire and Luton Clinical Commissioning Groups to South Essex Partnership University NHS Foundation Trust Quality Account 2012 – 2013

Bedfordshire and Luton Clinical Commissioning Groups (CCGs) have received the Quality Account 2012/2013 from South Essex Partnership University NHS Foundation Trust (SEPT). The Quality Account was shared with Bedfordshire and Luton CCGs, and reviewed at the Patient Safety and Quality Committee and at Board level as part of developing our assurance statement.

The statement relates to the mental health partnership commissioned work covering Bedfordshire and Luton and also for the community services commissioned work in Bedfordshire. Bedfordshire and Luton CCGs acknowledge that SEPT cover a wide area but would like to have more local detail, with outcome based information to enable assessment of achievement within specific services for Bedfordshire and Luton.

Luton and Bedfordshire CCGs look forward to working with SEPT on local agendas including the development of service provision. Bedfordshire CCG values your continuing cooperation in the review of the Community Health Service looking at numbers of staff, skill mix and impact of the quality of service.

We have reviewed the information provided within the Quality Account and checked the accuracy of data submitted as part of SEPT's contractual obligation. All data provided corresponds with data used as part of the ongoing contract monitoring process. This Account was easy to read and is well set out but is process driven with a lack of measurable outcomes.

Bedfordshire and Luton CCGs note that SEPT Mental Health achieved 91% of 2012/13 CQUIN (Commissioning for Quality and Innovation) and SEPT Community Health Services achieved 85% of the 2012/13 CQUIN.

Bedfordshire and Luton CCGs acknowledge that SEPT has unconditional registration with the CQC (Care Quality Commission).

The Francis Report and ongoing actions will form a key part of our assurance monitoring in 2013/14 and it is encouraging to see that Patrick Geoghegan, Chief Executive, is supportive in aiming to implement the recommendations.

Bedfordshire and Luton CCGs support SEPT's rationale and indicators for 2013/14 and value continuing cooperation in working with SEPT to achieve good quality outcomes for the people of Bedfordshire and Luton.

Carol Hill
Chief Officer
Luton Clinical Commissioning Group

Paul Hassan
Accountable Officer
Bedfordshire Clinical Commissioning Group

South Essex Clinical Commissioning Groups (Basildon & Brentwood, Castle Point & Rochford, Southend-on-Sea and Thurrock) - dated 24 May 2013

NHS Castle Point & Rochford CCG commentary on South Essex Partnership University NHS Foundation Trust (SEPT)

NHS Castle Point & Rochford (CPR) Clinical Commissioning Group (CCG) welcomes the opportunity to comment on the fourth annual Quality Account of South Essex Partnership University NHS Foundation Trust (SEPT), as a primary commissioner of mental health services across South Essex and community services in south East Essex. It is to be noted that this response is made on behalf of the four South Essex CCGs. Following the dissolution of the Primary Care Trusts from 1 April 2013 any monitoring and assurances for the quality of services will be undertaken by NHS CPR CCG and their GP colleagues.

To the best of NHS CPR CCG's knowledge, the information contained in the Account is accurate and reflects a true and balanced description of the quality of provision of services.

NHS CPR CCG recognises the commitment of the Trust to ensure that patients receive safe and effective services with a positive experience in 2013/14, which they acknowledge will be a challenging year. It was also pleasing to see that quality was the key driver in each of the four strategic priorities.

NHS CPR CCG notes the strong priorities for patient safety and clinical effectiveness for 2013/14. They include improving the competencies in monitoring, measuring and interpretation of vital signs within elderly mental health inpatient areas by training staff and implementing competencies to ensure a standardised approach to facilitate earlier detection in the deteriorating patient. To reduce the number of avoidable grade 2, 3 & 4 pressure ulcers. This was in recognition that whilst they did not achieve zero tolerance in 2012/13 significant progress was made in reducing the number of 3 and 4 avoidable pressure ulcers, achieving 95% of their ambition.

The Trust will also be striving to reduce the level of avoidable falls resulting in harm by considering patients individual needs and the different environmental factors. This has been discussed with commissioners and plans have been agreed. A further priority will be to provide better support for carers by mental health and community health services by increasing the number of clinical staff trained to under the 3R's. The final priorities relate to patient experience and involve the promotion of continuous reflection and improvement on practice through regular patient feedback mechanisms and the consolidation of the use of the Friends & Family Test in services across the organisation to build on the 2011/12 Quality Account Priority. NHS CPR CCG will be seeking assurance during 2013/14 with regard to these priorities through the Clinical Quality Review Groups providing support where appropriate.

NHS CPR CCG notes that the Trust recognises the challenge in achieving the 2013/14 CQUIN Programme. The priorities in South Essex are to improve community services for patients with learning disabilities to address the issues raised in the Michael Report and improve access to mental health services for patients in crisis.

NHS CPR CCG notes particularly the Trust's focus on new services/service enhancements where the outcome is reduced dependence upon A&E acute hospital services for those service users with a mental health need. NHS CPR CCG will be seeking assurances that community teams will be strengthened to manage this.

NHS CPR CCG is particularly pleased to note the Trust's commitment to undertake more in-depth work on the recommendations from the Winterbourne View and Francis Reports which is of great significance in the current climate within the NHS.



NHS CPR CCG was pleased to note the Trust's participation with the national clinical audit programme and national confidential enquiries, and will monitor during 2013/14 that actions have been fully implemented to enhance patient safety, experience and for quality of care.

NHS CPR CCG congratulates the Trust in its commitment to ongoing research and development with its collaboration in establishing a Health and Wellbeing Academy to oversee research opportunities within the Trust.

NHS CPR CCG noted the Trust's commitment to implementing the CQUINs for 2012/13, particularly the introduction of Personal Health Plans within South East Essex Community Services and that this project exceeded its targets. Other areas for recognition included a prescribing scheme which supported nurses, pharmacists and GP's to achieve best practice in prescribing anti-psychotic medication across mental health services in South Essex and the implementation of the patient revolution scheme for South Essex CAMHs.

The Trust is registered with the CQC and its current registration is registered without conditions. There have been six routine compliance reviews undertaken by the CQC for facilities in South Essex. Two minor concerns were raised and NHS CPR CCG have sought assurance that actions have been put in place to address these.

NHS CPR CCG notes the Trust's overall progress against the quality, patient safety and clinical effectiveness priorities for 2012/13, and specifically for South Essex:

- establishment of a step up/step down in-patient facility aimed at preventing admission and facilitating discharge from acute hospital beds of people with dementia in South Essex Mental Health Services
- Brockfield House (forensic mental health in-patient services) was ranked third in the country following a peer review

NHS CPR CCG will continue to support SEPT 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 relating to their care and treatment.

NHS CPR CCG continues to meet with SEPT on a monthly basis to gain assurance that quality, patient safety and experience is reported and monitored. Assurances on the quality of service provision will be monitored through a programme of announced and unannounced visits to strengthen quality assurance processes and to observe in real time the delivery of patient care. In our role as commissioners supported by our GP colleagues and the Quality Support Team assurances will continue to be sought.

NHS CPR CCG is fully supportive of all the priorities identified by SEPT in taking forward the patient safety, effectiveness, experience and involvement agenda and looks forward to working in partnership with the Trust in the forthcoming year.

West Essex Clinical Commissioning Group

Statement of Endorsement

West Essex Clinical Commissioning Group, as one of the commissioning organisations for SEPT, has been involved in reviewing the content of this Quality Account, ensuring that it reflects accurately the quality, safety and effectiveness of services provided. SEPT has also consulted with patient and public groups, staff and statutory bodies, taking into account their opinions.

The priorities and performance illustrated within the account for this year and last year accurately reflect and support both national and local priorities. West Essex Clinical Commissioning Group is pleased to endorse the publication of this account.

Siobhan Jordan

Director of Nursing & Quality
West Essex Clinical Commissioning Group.

Bedford Borough Council Adult Services and Health Overview and Scrutiny Committee

dated 23 May 2013

Statement on SEPT's draft Quality Account 2012/13

During 2012/2013 the Bedford Borough Council's Adult Services and Health Overview and Scrutiny Committee invited SEPT, as providers of Community Health Services in Bedford Borough, to one meeting to discuss those services and a review of community beds.

At the Committee's meeting held on 21 May 2013, the Committee considered SEPT's draft Quality Account for 2102/2013. The Committee agreed that the priorities matched those of the public and that patients and the public had been involved in the production of the Quality Account.

In addition the Committee made the following comments:-

- The Committee welcomes and supports the successful joint working with Bedford Borough Council on work to prevent delayed discharges in Bedford
- The Committee is pleased to note that waiting times are being reduced for memory assessments
- The Committee very strongly supports SEPT's work to listen to families and carers
- The presentational layout of the information within the draft Quality Account is slightly confusing and needs to include a separate geographical focus on all services in an individual area
- There is no reference to looked after children

(NOTE: Councillor Charles had disclosed a disclosable pecuniary interest in this item being a Non-Executive Director of SEPT and left the meeting during its consideration)

Luton Borough Council Scrutiny: Health and Social Care Review Group - dated 9 May 2013

South Essex Partnership University NHS Foundation Trust Quality Account 2012-13

Comments from Luton Borough Council

Scrutiny: Health and Social Care Review Group

The Luton Scrutiny: Health and Social Care Review Group (HSCRG) welcomes the opportunity to comment on South Essex Partnership University NHS Foundation Trust's (SEPT) Quality Account 2012-13 and their quality priorities for 2013-14.

HSCRG is grateful for SEPT's commitment to engage with the Council's health overview and scrutiny process. Senior officers, including the Chief Executive, have attended a number of committee meetings during the year, along with senior officers from Luton Clinical Commissioning Group (CCG), to provide information on mental health services in Luton. HSCRG reviewed how those services were jointly funded with Bedfordshire, leading to concerns about disproportionately, a matter yet to be resolved.

SEPT's Director of Mental Health Bedfordshire and Luton is also involved with the local officer network for health and social care and was party to an officer group supporting a scrutiny task & finish group reviewing discharge from hospital.

Members are content with SEPT's overall reported achievement against its targets in 2012/13, and note the areas for improvement. They note particularly the reduction in complaints across the Trust from 483 in 2011-12 to 433 in 2012-13, and the significantly higher number of compliments received in Bedfordshire and Luton mental health (651 compared with 264) for the same periods, a good gauge of patients' experience. However, Members would prefer to see more Luton specific performance reporting in mental health, although conscious of the difficulty involved, given SEPT's wide area of responsibility.

In conclusion, Members of the HSCRG are content with SEPT's overall reported achievement against its targets in 2012/13 and support SEPT's stated improvement priorities for 2013/14, focusing on safety, patients' experience and

effectiveness. They look forward to see the service continuing to meet the mental health needs of the people of Luton, achieving positive outcomes in the forthcoming year and beyond, and maintaining its engagement with health overview and scrutiny.

Central Bedfordshire Health Overview and Scrutiny Committee - dated 23 May 2013

I can confirm there is no response to the Quality Account from Central Beds Health OSC.

Suffolk Health Scrutiny Committee - dated 7 May 2013

Please find below a statement for this year's Quality Account, which was agreed by the Chairman and Vice-Chairman on behalf of the Suffolk Health Scrutiny Committee, prior to the county council elections which took place last week:-

Due to the County Council elections this year, the Suffolk Health Scrutiny Committee was unable to meet to discuss the content of this year's Quality Accounts during the timescales set by the Department of Health. In previous years, the Committee has not commented individually on providers Quality Accounts, as it has taken the view that it would be appropriate for Suffolk LINK to consider the documents and comment accordingly. The Committee is aware that the dedicated Quality Accounts Working Group established by Suffolk LINK has continued its work on Quality Accounts for 2012/13 and will be providing its views to the Healthwatch Board for formal ratification and submission to Suffolk providers.

The Committee has, in the main, been happy with the engagement of local healthcare providers in the work of the Committee over the past year, and is keen that these relationships continue to develop to ensure the best possible health services for the people of Suffolk. Consideration will be given to discussions with providers about how they are performing against their agreed targets, and potential scrutiny issues raised, when the Committee reconvenes in summer 2013.

Healthwatch Essex - dated 21st May 2013

Statement from Healthwatch Essex for Quality Account report 2012-2013

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

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

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

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

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

Healthwatch Luton - dated 29 May 2013

South Essex Partnership University NHS Foundation Trust Quality Account 2012/13 Comments from Healthwatch Luton

It is extremely positive to see the new developments and changes that have taken place throughout the previous year and we are pleased to see SEPT developing new models and structures to ensure that patients and service users are receiving the quality of care that they deserve.

Last year we commented on the lack of localised data outlined in the Quality Accounts and it is good to see the inclusion of more localised information this year as SEPT provides a range of services through the region. Whilst this localised reporting is a step in the right direction, we consider there are some areas where this can be expanded upon to provide greater clarity.

It would be extremely beneficial if there could be further localised information detailed about the patient experience complaints data and serious incidents. For example, it has been mentioned that 17 complaints have been referred to the Parliamentary and Health Ombudsman and it would greatly assist us to understand how many stemmed from service users in Luton. Similarly, while there is a breakdown of the number of Serious Incidents by Locality, there is no additional information to outline what these entail. If information could be included to demonstrate the nature of serious incidents that have occurred in Luton, it will provide an opportunity for Healthwatch Luton and local stakeholders to further understand the activities and statistics specifically for Luton and will also provide an additional level of transparency to an already open and forthcoming organisation.

SEPT have included details of patient experience and staff surveys that provide valuable insight however it would be a positive step forward to also include survey results taken from relatives and carers of patients. We would hope that this can be considered for inclusion in future Quality Accounts.

Healthwatch Luton would like to commend SEPT for recognising the importance of providing carer awareness training. We would like to see this to continue to grow in the coming year and are happy to assist with this positive initiative.

It is clear that SEPT are committed to providing a high quality of services as evidenced by the positive performance against a range of national targets. There are areas that are in need of improvement including patient accidents and access to healthcare for people with learning disabilities. These have been identified as priorities for the coming year and we look forward to working with SEPT around these priorities.

SEPT Council of Governors' Statement on the Quality Account 2012/13 – 19 June 2013

SEPT Governors were invited to review the draft Quality Account for 2012/13 and feedback comments at two meetings arranged for this purpose on 6 May 2013. A number of Governors from across the Trust constituencies attended these meetings and the statement below is based on their comments and the additional emailed comments sent to the Lead Governor.

We have appreciated the keenness of the Trust Board to engage with them in all processes related to quality in the Trust, including our invitation to attend the Trust stakeholder events alongside service users and their carers, members of staff and senior staff from Local Authorities and Clinical Commissioning Groups, when time was spent considering the priorities for the coming year. Governors were also involved in meetings with the public and members across the Trust's constituencies in Bedfordshire and Essex where sessions focused on identifying what activities the Trust should start, carry on and stop doing to understand what quality service looks like.

Governors believe that the strategic priorities are an excellent starting point for identifying the 2013/14 quality priorities, and in particular:

- are pleased to see the inclusion of a focus on carer support as this has been something Governors has raised for the attention of the Board during the year;
- appreciate there is focus on improvement to service user experience and involvement;
- note that the Trust is starting to highlight priorities relating to quality improvements in community services as well as the interface between mental health and community services that is now possible as an outcome of the acquisition of community services during 2011/12;
- have requested sight of the results of the Mystery Shopper Survey for the year, and what lessons are learned from this important ongoing piece of work;
- are keen that patients contribute to and agree their care plan, and are therefore pleased to note the work planned to improve care plans electronic records which should contribute to an improved handover process;
- are seeking an improvement in the completion of mandatory training;
- believe that the high percentage of complaints which are upheld or partially upheld demonstrates an open culture within the Trust where mistakes are acknowledged.

We look forward to receiving the usual high standard of reports in relation to these quality priorities and also wish to express our appreciation for the regular updating of progress with improvement goals via reports in Board of Directors and Council of Governors meetings where there has always been a very visible presence of Directors willing and able to answer questions raised by us and other attendees.

Governors believe that it is essential to the success of SEPT that the Trust has strong leadership at all levels, and we look forward to working with the new Chief Executive and the Executive Directors for Bedfordshire, Essex and Suffolk services. We are particularly pleased at the high level of commitment shown by the Non-Executive Directors. We appreciate that Lorraine, as Chair, and Patrick, as the outgoing CEO, have made themselves available whenever possible to provide assurance and advice to Governors.

We feel that the Quality Account is an open and honest commentary on what has occurred in the last year and are pleased and reassured to see that this reflects quality services within community as well as mental health and learning disability services. We note that the number of complaints (particularly in Bedfordshire and Luton Mental Health) has risen significantly and that, although the severe harm percentage is reducing, it is still higher than the national average for all NHS and for all Mental Health Trusts. Whilst recognising that there can be a number of reasons for this (including better reporting), this is an area that Governors will be monitoring during the coming year.

Although we understand that within the Quality Account there are statutory statements and so some elements cannot change, we are pleased to note that the report is now more accessible and understandable, and will monitor that this approach continues during the coming year.

SEPT Governors have always enjoyed a good working relationship with the Board and SEPT staff and look forward to undertaking the enhanced role required under the Health and Social Care Act 2012. We consider the opportunity to comment on this Quality Account is an important link between the Board and the service users, providing as it does another chance publicly to assure the community which we serve that quality is at the top of the priorities for our Trust.

ANNEX 2 - Statement of Directors' Responsibilities in respect of the Quality Account

The Directors are required under the Health Act 2009 and the National Health Service Quality Accounts Regulations 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) and on the arrangements that foundation trust boards should put in place to support the data quality for the preparation of the quality report.

In preparing the Quality Report, Directors are required to take steps to satisfy themselves that:

- the content of the Quality Report meets the requirements set out in the NHS Foundation Trust Annual Reporting Manual 2012/13;
- the content of the Quality Report is consistent with internal and external sources of information including:
 - Board minutes and papers for the period April 2012 to June 2013
 - Papers relating to Quality reported to the Board over the period April 2012 to June 2013
 - Feedback from the commissioners dated 24 May and 12 June 2013
 - Feedback from governors dated 8 May 2013 and 19 June 2013
 - Feedback from Local Healthwatch organisations dated 21 May and 29 May 2013
 - The Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009 for period April 2012 to March 2013, received by the Board of Directors on 24 April 2013
 - The [latest] national patient survey 2012 received by the Board of Directors 27 September 2012
 - The [latest] national staff survey 2012 received by the Board of Directors March 2013
 - The Head of Internal Audit's annual opinion over the trust's control environment dated 20 June 2013
 - CQC quality and risk profiles dated March 2013
- the Quality Report presents a balanced picture of the NHS foundation trust's performance over the period covered;
- the performance information reported in the Quality Report is reliable and accurate;
- there are proper internal controls over the collection and reporting of the measures of performance included in the Quality Report, and these controls are subject to review to confirm that they are working effectively in practice;
- the data underpinning the measures of performance reported in the Quality Report is robust and reliable, conforms to specified data quality standards and prescribed definitions, is subject to appropriate scrutiny and review; and the Quality Report has been prepared in accordance with Monitor's annual reporting guidance (which incorporates the Quality Accounts regulations) (published at www.monitor-nhsft.gov.uk/annualreportingmanual) as well as the standards to support data quality for the preparation of the Quality Report (available at www.monitor-nhsft.gov.uk/annualreportingmanual).

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

By order of the Board:

NB: sign and date in any colour ink except black

20-06-2013 Date

Lorraine Cabal ..Chairman

20-06-2013 Date

Patrick Geoghegan Chief Executive

ANNEX 3

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

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

Scope and subject matter

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

- ▶ 100% enhanced Care Programme Approach (CPA) patients receiving follow-up contact within 7 days of discharge from hospital (reported on page 84); and
- ▶ Admissions to inpatient services had access to crisis resolution home treatment teams (reported on page 85).

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

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* issued by Monitor.

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

- ▶ the Quality Report is not prepared in all material respects in line with the criteria set out in the *NHS Foundation Trust Annual Reporting Manual*;
- ▶ the Quality Report is not consistent in all material respects with the sources specified below; and
- ▶ the indicators in the Quality Report identified as having been the subject of limited assurance in the Quality Report are not reasonably stated in all material respects in accordance with the *NHS Foundation Trust Annual Reporting Manual* and the six dimensions of data quality set out in the *Detailed Guidance for External Assurance on Quality Reports*.

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

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

- ▶ Board minutes for the period April 2012 to June 2013;
- ▶ Papers relating to Quality reported to the Board over the period April 2012 to June 2013;
- ▶ Feedback from the Commissioners dated 24/05/2013 and 12/06/2013;
- ▶ Feedback from local Healthwatch organisations dated 21/05/2013 and 29/05/2013;
- ▶ The Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009 for period April 2012 to March 2013, received by the Board of Directors on 24/04/2013
- ▶ The latest national patient survey 2012 received by the Board of Directors 27/09/2012
- ▶ The latest national staff survey dated received by the Board in March 2013;

- ▶ Care Quality Commission quality and risk profiles dated March 2013;
- ▶ The Head of Internal Audit's annual opinion over the trust's control environment dated 21/05/2013; and
- ▶ Any other information included in our review.

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

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

This report, including the conclusion, has been prepared solely for the Council of Governors of South Essex Partnership University NHS Foundation Trust as a body, to assist the Council of Governors in reporting South Essex Partnership University NHS Foundation Trust's quality agenda, performance and activities.

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

Assurance work performed

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

- ▶ Evaluating the design and implementation of the key processes and controls for managing and reporting the indicators.
- ▶ Making enquiries of management.
- ▶ Testing key management controls.
- ▶ Limited testing, on a selective basis, of the data used to calculate the indicator back to supporting documentation.
- ▶ Comparing the content requirements of the *NHS Foundation Trust Annual Reporting Manual* to the categories reported in the Quality Report.
- ▶ Reading the documents.

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

Limitations

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

The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can impact comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time. It is important to read the Quality Report in the context of the criteria set out in the *NHS Foundation Trust Annual Reporting Manual*.

The scope of our assurance work has not included governance over quality or non-mandated indicators which have been determined locally by South Essex Partnership University NHS Foundation Trust.

Conclusion

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

- ▶ the Quality Report is not prepared in all material respects in line with the criteria set out in the *NHS Foundation Trust Annual Reporting Manual*;
- ▶ the Quality Report is not consistent in all material respects with the sources specified above; and
- ▶ the indicators in the Quality Report subject to limited assurance have not been reasonably stated in all material respects in accordance with the *NHS Foundation Trust Annual Reporting Manual*.

Ernst & Young LLP

Ernst & Young LLP
Cambridge
25 June 2013

GLOSSARY

BLPT	Bedfordshire and Luton Mental Health and Social Care Partnership NHS Trust
BNF	British National Formulary
CAMHS	Child and Adolescent Mental Health Service
CIPs	Cost Improvement and Income Generation Plan
CCG	Clinical Commissioning Group
CPA	Care Programme Approach
CQC	Care Quality Commission
CPN	Community Psychiatric Nurse
CQUIN	Commission for Quality and Innovation. This is shorthand for quality improvements agreed during the annual contracting negotiations between SEPT and its health commissioners.
DoH	Department of Health
DTOC	Delayed Transfer of Care
FT	Foundation Trust
GCS	Glasgow Coma Scale
HOSC	Health Overview and Scrutiny Committee
IAPT	Improved Access to Psychological Therapies
IT	Information Technology
KPI	Key Performance Indicators
Lean Working	A process developed to help services evaluate their effectiveness and improve quality, care pathways and cost effectiveness.
LTC	Long Term Condition
MDT	Multi-Disciplinary Team
MRSA	Type of bacterial infection that is resistant to a number of widely used antibiotics
NCB	National NHS Commissioning Board
NHS	National Health Service
NICE	National Institute for Clinical Excellence
NPSA	National Patient Safety Agency
NRLS	National Reporting and Learning System
NRES	National Research Ethics Service
NSF	National Service Framework
OLM	Oracle Learning Management – the Trust’s on-line training programme
PASCOM	Podiatric Audit surgery and Clinical Outcome Measurement
PHP	Personal Health Plan
PICU	Psychiatric Intensive Care Unit
POMH	Prescribing Observatory for Mental Health
PRN	A shortened form of the Latin phrase <i>pro re nata</i> , which translates roughly as ‘as the thing is needed – means a medication that should be taken only as needed
Quality Accounts	All NHS provider organisations are required to produce a report on progress against quality targets in the preceding year and the indicators it wishes to use for the coming year.
QIPP	Quality Innovation Productivity and Prevention
RCA	Root Cause Analysis
SPC	Summary of Product Characteristics (relating to BNF/pharmaceutical products)
SEPT	South Essex Partnership University NHS Foundation Trust
SI	Serious Incident
SIGN	Scottish Intercollegiate Guidelines Network
UTI	Urinary Tract Infection
VTE	Venous Thromboembolism – blood clots

6. FINANCIAL REPORT

Overview

This part of the Directors' report provides a commentary on the Trust's financial performance leading to an underlying net surplus of £3.8 million. This increases to a surplus of £4.3 million following a technical adjustment relating to the revaluation of Trust property by the District Valuer. This section also 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 1 April 2012 to 31 March 2013. 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 Ernst and Young (from 01/10/12). The Trust's Engagement Lead is Rob Murray and Emma Patchett is the Trust's External Audit Manager.

During 2012/13, 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 Governance Report for the 2012/13 financial year was presented to the Board of Directors in May 2013. Reports issued during the 2012/13 financial year were as follows:

- Audit Plan for 2012/13;
- 2011/12 Annual Governance Report;
- Review of Financial Statements 2011/12;
- Limited Assurance Report on the 2011/12 Quality Account;
- 2011/12 Assurance Report to the Board of Governors.

The total fee for external audit for 2012/13 was £55,000 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.

Off Payroll Engagements

Table 4: For off-payroll engagements at a cost of over £58,200 per annum that were in place as of 31 January 2012

No. in place on 31 January 2012	8
Of which:	
No. that have since come onto the Organisation's payroll	1
No. that have since been re-negotiated/re-engaged to include contractual clauses allowing the Department to seek assurance as to their tax obligations	3
No. that have not been successfully re-negotiated, and therefore continue without contractual clauses allowing the Department to seek assurance as to their tax obligations	1
No. that have come to an end	3
Total	8

Table 5: For all new off-payroll engagements between 23 August 2012 and 31 March 2013, for more than £220 per day and more than 6 months

No. of new engagements	1
Of which:	
No. of new engagements which include contractual clauses giving the Department the right to request assurance in relation to income tax and National Insurance obligations	1
Of which:	
No. for whom assurance has been accepted and received	1
No. for whom assurance has been accepted and not received	0
No. that have been terminated as a result of assurance not being provided	0
Total	1

Charitable Funds

The Trusts associated Charitable Fund is South Essex Partnership NHS Foundation Trust General Charitable Fund (Charity No: 1053793). This charitable fund has resulted from fund raising activities and donations received over many years, and is 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 Fund is 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 a Charitable Funds Committee which has the responsibility of advising the Trustee Board on matters of investment policy.

The financial activities of the charity for the 2011/12 financial year are contained within the Annual Report and Accounts for the Funds Held on Trust. A copy of this document will be available from January 2013, 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 2012/13.

Financial Performance

Against a background of continuing financial pressures facing public services, the Trust has remained strong in financial terms and generally performed well during 2012/13. During this period the Trust has continued 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 2012/13 financial year once again did not include any funding for inflationary pressures. In addition, the Trust's income was reduced by 1.3-1.5% across all services. In total this required an efficiency savings programme to deliver 4% real cash reductions which amounted to £19.4 million. This represented 6.3% of total income. No additional quality, innovation, productivity and prevention (QIPP) targets were sought by commissioners in 2012/13, with

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 with major investments across many of the Trust's services.

Despite the difficulties and significant cost reduction programmes the Trust ended the year with a surplus of £4.3 million with all targets and major development programmes achieved. The Trust also received a Monitor financial risk rating of 3.

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 2011/12 financial year.

Impaired Value of Land and Property and Interim Revaluation of Trust Estate

In July 2012, the refurbishment and extension to the Limetrees building, a mental health unit in Luton, was completed. Following completion, the Limetrees building was valued at modern equivalent depreciated replacement cost by the District Valuer, resulting in impairment losses of £1,331,000. 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.

In addition to the above, the Trust has carried out the required 5 yearly revaluation of its Land and Building assets as at 31 March 2013. The interim revaluation exercise conducted by the District Valuer resulted in revaluation surpluses of £10,675,000 and impairments of £1,115,000.

Of the total impairments incurred during the year of £2,446,000, £381,000 was written off against available reserves and the balance of £2,065,000 was recognised in the Operating Expense.

Of the total revaluation surpluses gained during the year of £10,675,000, £8,057,000 was recognised in the revaluation reserves and the balance of £2,618,000 was recognised in the Operating Income as reversal of revaluation losses previously recognised in the Operating Expense

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 a decrease in value from March 2012 of just under £266,000. The Trust is required to report this decrease on the face of its Statement of Comprehensive Income which has resulted in a reduction 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 operational cost, finance income and finance costs of the scheme for 2011/12 have been reflected within the Trusts Statement of Comprehensive income and reduced the Trusts surplus by £109,000. In addition, an actuarial loss of £970,000 resulting from a reduction in the value of scheme assets has been reflected as a reduction in reserves within the Statement of Comprehensive Income.

Income Generation

The Trust has continued to market its expertise over the past year which has resulted in a contribution of £0.3 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.

Monitor Risk Rating

The Trusts performance in terms of financial risk is assessed in terms of the Monitor Financial Risk rating, which is based on 5 key metrics derived from the reported Financial Statements. The range of the Monitor financial risk rating achievable is 1 to 5, with 1 being the worst rating and 5 being the best.

The Trusts performance during 2012/13 and the prior year comparison are set out in the table below,

Table 6

	Annual Plan 2012/13	Actual Qtr 1 2012/13	Actual Qtr 2 2012/13	Actual Qtr 3 2012/13	Actual Qtr 4 2012/13
Financial Risk Rating	3	4	4	4	3
Governance Risk Rating	Green	Green	Green	Green	Green

	Annual Plan 2011/12	Actual Qtr 1 2011/12	Actual Qtr 2 2011/12	Actual Qtr 3 2011/12	Actual Qtr 4 2011/12
Financial Risk Rating	3	5	5	4	4
Governance Risk Rating	Green	Green	Amber-Red	Amber-Red	Green

The Trust achieved a financial risk rating of 3 for 2012/13 with the performance for each of the 5 key metrics used to derive the financial risk rating as follows,

- an EBITDA margin of 4.9%;
- EBITDA % achieved of 104.6%;
- an income and expenditure surplus margin of 1.2%;
- a return after financing of 2.0%;
- a Liquidity ratio of 49.3 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 after financing of 2.0%. The Trust also ended the financial year with a strong cash position reflecting the receipt of all major income streams from local commissioners and delays within the Trust's main capital programme, specifically including the Bedford Health Village Development.

Key Points from the Accounts

Key information from the Trust's accounts is shown in the table below.

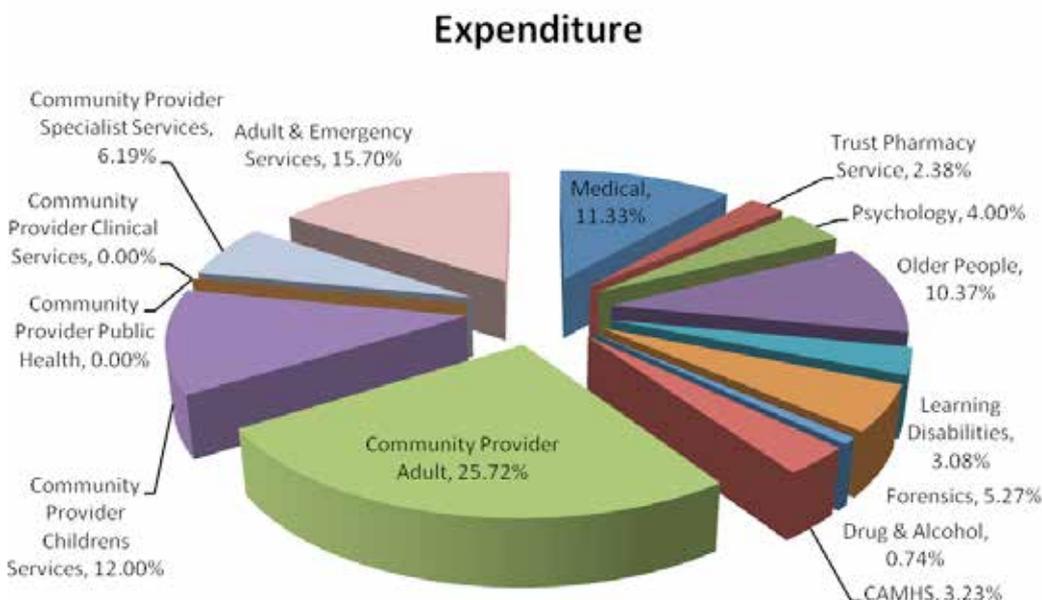
Table 7 – Key Points from the Accounts

	2012/13 £000	2011/12 £000
Total Income	323,863	314,103
Income from Mandatory Clinical Services	298,013	291,179
Surplus from Continuing operations (before impairments and other technical adjustments)	3,785	3,329
Surplus from Continuing operations (after impairments and other technical adjustments)	4,338	2,351
Capital Expenditure	4,584	4,218
Capital Charges (Depreciation and Dividends)	9,750	9,803
Closing Cash Balance	34,302	32,939

Operating Expenditure

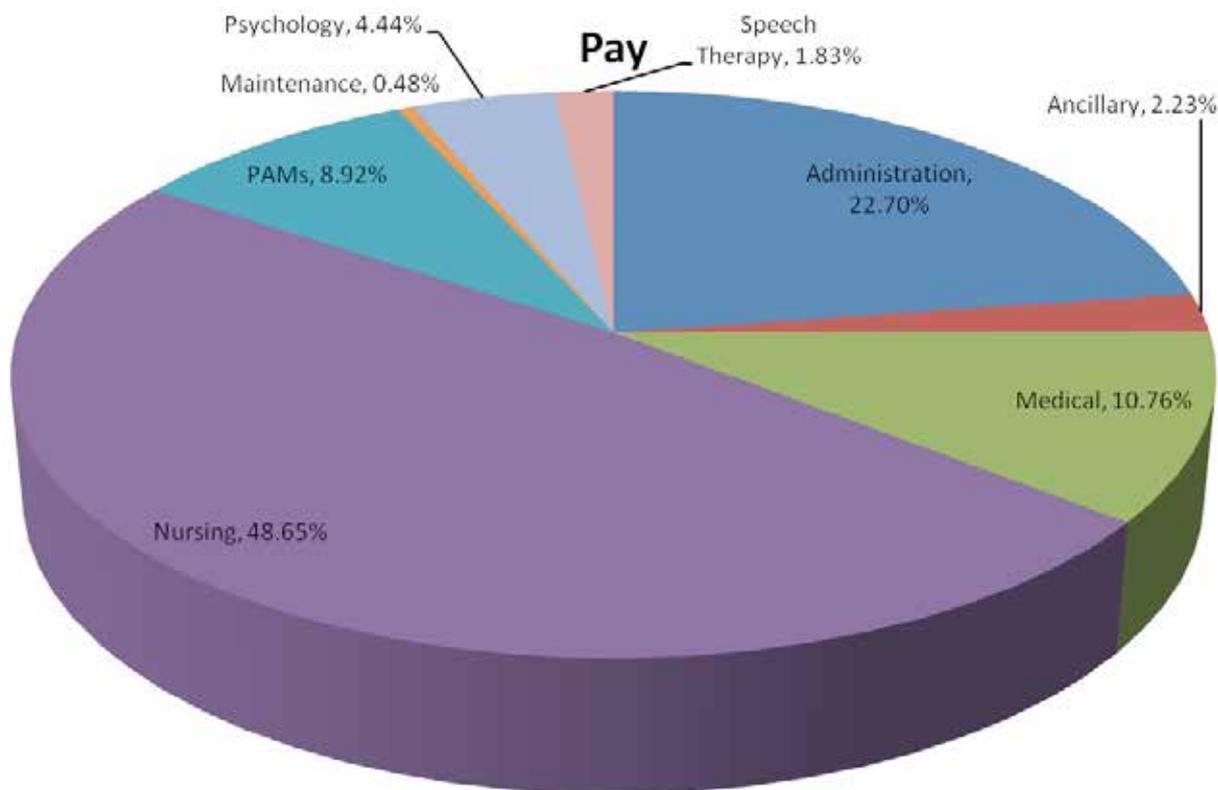
The total operating expenditure excluding impairments for the 12 month period ended 31 March 2013 was £311.2 million. Figure 6 shows the Trust's expenditure on clinical services, analysed over the type of patient care provided. The single largest area of expenditure relates to adult community provider services followed by adult and emergency mental health inpatient services. Within total expenditure the single largest area of expenditure related to staff cost which totaled 222.7 million. Figure 7 provides an analysis of expenditure over the different staff groups.

Figure 6 – Total Expenditure by Service



* Community provider services excludes mental health community services. These are included within, Adult and Emergency, Older Peoples and Learning Disability Services.

Figure 7 – Pay Expenditure



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 2012/13. However, in light of the reduced interest rates available, has generated only modest interest from cash management activities of £0.2 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 £24.3 million.

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 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 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 2012/13, the Trust is deemed to have a long term borrowing of £32.0 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:

Maximum cumulative long term borrowing: £81.7 million; and

Approved working capital facility: Not to exceed £24.8 million.

The Trust has a long term borrowing of £32.0 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 8 summarises the Trust's capital expenditure for 2012/13.

Table 8 – Capital Expenditure

	2012/13 £000
Lease Improvements	1,285
Various IT Schemes	1,234
Limetrees Development in Bedfordshire	1,014
Carbon Reduction Initiatives	544
Other miscellaneous	507
Total Capital Expenditure	4,584

During the 2012/13 financial year, the Trust invested a total of £4.6 million in capital developments.

The Trust invested £0.5 million in carbon reduction initiatives, including the installation of voltage optimizers and video conferencing facilities.

The Trust has invested £1.0 million in upgrading the Limetrees site in Bedfordshire, with works completed in July 2012.

The Trust invested £1.3 million in upgrading Warrior House (Southend, Essex) and Charter House in Bedfordshire.

The Trust has continued to invest in its IT infrastructure with £1.2 million being spent on various schemes during 2012/13.

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.

Health Care Activities

During the year the Trust received £310.8 million income relating to the provision of goods and services for the purposes of the health service in England. This was greater than other operating income received for the provision of goods and services for other purposes, which amounted to £13.1 million.

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.

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 £2.9 million.

In addition a range of shared support services are provided in Luton and Bedfordshire, including estates and IT services to NHS Bedford, NHS Luton, and Cambridgeshire Community Services NHS Trust who provide services in Luton. The value of these services is £2.4 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 155 to 170 of the 2012/13 accounts.

NHS Pensions and Directors Remuneration

The accounting policy in relation to employee pension and retirement benefits is set out on pages 166-168 of the annual accounts of 2012/13. The Directors remuneration policy is set out on page 45.

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 2012/13 financial year, the Trust achieved an average of 69% of all trade invoices paid within 30 days. This figure is lower than in previous years due to delays caused when upgrading the Trust’s electronic authorisation system during the year.

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.

Efficiency and Income Generation Initiatives

The Trust generated efficiency savings of just under £16.0 million during 2012/13 against a target of £19.4 million. The savings were required to cover the reduction in the Trust’s income as per the Department of Health’s financial framework and to meet a number of national and local cost pressures across the Trust, including pay awards, drug cost inflation and higher utility costs. The Trust did not implement any new Income Generation initiatives in 2012/13.

A summary of the Trust's main savings initiatives delivered during 2012/13 is shown in table 9 below:

Table 9 – Efficiency and Income Generation Initiatives

	2012/13 Actual Savings £000s	2012/13 Recurrent Savings £000s
Mental Health Services		
Estates Rationalisation	664	899
Service Transformation	0	522
Procurement and Non-Pay Efficiencies	177	177
Corporate Overheads & Management	5,147	3,654
Operational Management/Skill Mix	2,442	2,861
Total Mental Health Efficiency Savings	8,430	8,113
Community Health Services		
Estates Rationalisation	116	273
Service Transformation	482	1,510
Procurement and Non-Pay Efficiencies	506	511
Corporate Overheads & Management	4,179	2,522
Operational Management/Skill Mix	2,256	2,624
Total Community Health Services Efficiency Savings	7,539	7,440
Total Efficiency Savings	15,969	15,553

During 2012/13, the Trust delivered a total efficiency requirement of just under £16.0 million by a mix of recurrent and non-recurrent measures. This was a slightly lower achievement rate (84%) than in previous years (97%). The fall in implementation rates arose as a consequence of delays in implementing a small number of larger, more complex, schemes which had been included in the original CIP plan. However, the in-year shortfall was able to be covered by underspends elsewhere in the organisation and did not impact on our overall financial performance.

Of the 2012/13 measures, £15.6 million have been delivered on a recurrent basis from April 2013, with £3.9 million ultimately proving to not be achievable. This shortfall has been factored into and addressed recurrently as part of the plan for the 2013/14 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 estates rationalisation, non-pay savings and corporate overheads of around £10.8 million during 2012/13. This equated to approximately two-thirds of all efficiencies achieved.

In light of the scale of shortfall facing the Trust, the balance of savings measures implemented for the 2012/13 financial year unfortunately impacted on front line services with a number of service reviews and transformations undertaken in order to release efficiencies.

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 prepared a detailed financial plan covering all operational services for the five year period from 2013/14 to 2017/18 and this plan was approved by the Board of Directors at a meeting held on 27 March 2012. The plan demonstrates that the Trust intends to achieve a minimum surplus of £3.3 million in each year of the five year plan. This will achieve a minimum predicted financial risk rating of 3 from Monitor, the independent regulator of foundation trusts.

The Trust's five year financial plan has assumed that the efficiency requirement in each of the five years, including 2013/14, remains at 4% in line with the Operating Framework for 2013/14. This includes a real reduction in income of 1.3%, and pay and price pressures of around 2.7%.

The Trust's financial plan is also set against a background of continuing financial constraint within the public sector including the NHS. Services are facing a third year of significant efficiency measures and an expectation that this will continue over the planning period. There is also significant change to the Commissioning landscape with the demise of Primary Care Trusts and the introduction of the National Commissioning Board, Local Authorities and local Clinical Commissioning Groups and this may also lead to greater levels of market-testing of our services. There is also rightly an increased explicit focus on quality in the light of the findings and recommendations of the Francis Inquiry.

The Board of Directors approved a strategic direction for the Trust in April 2011, focusing on the actions necessary to ensure that the Trust was clinically and financially sustainable in the long term. Whilst SEPT is able to demonstrate a history of being able to effectively respond to changes around us; the scale of the changes and challenge is such that long term forward planning with any degree of certainty is very difficult and during 2013/14 we shall therefore be undertaking a full review of our strategic direction.

The Directors remain proud of the Trust's track record in delivering excellent clinical services, alongside excellent financial performance, and will do all they can to ensure that services are protected as much as possible over the coming years.

The Board of Directors
May 2013

SECTION B: ANNUAL ACCOUNTS





South Essex Partnership University NHS Foundation Trust
ANNUAL ACCOUNTS 2012/2013
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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").

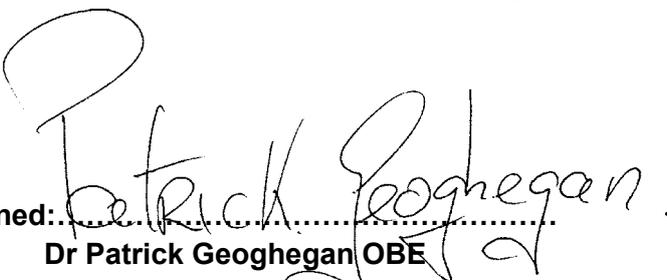
Under the NHS Act 2006, Monitor has directed South Essex Partnership University NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair 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/Executive Nurse (Strategic)
Professor of Mental Health & Social Care

Date: 29 May 2013

ANNUAL GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 MARCH 2013

Scope of responsibility

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of South 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 SEPT for the year ended 31 March 2013 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 Chair of the Executive Operational Committee, sub-committee of the Board of Directors. This committee and the Integrated Quality and Governance Steering Committee are responsible for developing, maintaining and monitoring the risk management and assurance systems within the Trust.

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 courses and attendance at conferences. The Trust has in place an approved mandatory and core training matrix in line with the requirements of the NHSLA. 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 Risk Management Framework details SEPT risk management arrangements and was reviewed and agreed by the Trust's Board of Directors in June 2012 and confirms accountability arrangements for individuals including executive directors, risk specialists, managers and all staff. The framework is supported by a tiered approach of risk registers at Board, Corporate and Directorate level and underpinned by a Risk Identification process. This is fed from a wide variety of sources including; complaints, incidents/accidents, claim trend reports, internal and external reviews, risk assessment, performance information and staffing trends

The framework outlines how risks are prioritised in a consistent manner throughout the organisation, including the potential impact and the assessment of the likelihood. The framework details the ways in which controls are identified, and how assurance is provided and evaluated.

In order to define the risk appetite of the organisation SEPT impact rates its agreed Corporate Aims as part of the annual planning process. This is further supported through the Quality Impacting Assessment process of any cost improvement programme before implementation.

The Trust manages major risks through the Board Assurance Framework process in line with the Risk Management Framework. For 2012-13 this has included potential risks associated with Personalisation, Implementation of outcomes identified by Patient Surveys, Learning from SIs, engagement with CCGs and Health and Well Being Boards, Mandatory Training, CQC KPIs, Performance, Integrated Care Records, and achievement of the financial plan. All risks have been successfully managed through the development of mitigating actions to address gaps in control.

Future potential risks are identified and managed through the Board Assurance Framework process. These include those within the financial plan, CIP programme, on-going review of quality impact assessments, data quality assurance systems, changes to future commissioning arrangements and related complexities, learning from incidents, training targets, personalisation of care, meeting expectations of commissioner and patients, engagement with CCGs, Local Authorities and Health and Well Being Boards.

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 services delivered in partnership. 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 Board of Directors has continued to assess SEPTs systems and processes for monitoring and improving quality against Monitor's Quality Governance Framework through the board development programme. The Integrated Quality and Governance Steering Committee has responsibility for the formal action plan and monitoring is undertaken as part of the committees annual work plan. Quality of performance information is assessed via Internal Audit as part of the Annual Audit Programme Plan approved by the Audit Committee and external audit as part of meeting the Quality Accounts requirements. The Trust also has in place its own internal data validation systems and processes.

The foundation trust is fully compliant with the registration requirements of the Care Quality Commission Care Quality. The Trust maintains an overarching assurance database that maps all internal and external information to the essential standards of quality and safety. Assurance is further strengthened through a programme of frontline service compliance checks undertaken by the Compliance Team and involving Non Executive and Executive Directors and Governors. Actions from these checks are monitored until completed.

Risks relating to data security are managed by the Director of Information in accordance with the Risk Management Framework, Adverse Incident Policy and Procedure and the Security Incident Management Procedure. The Information Governance Group monitors progress against identified actions and controls in place.

The Board of Directors and I fully support the continued development of a safety culture throughout the Trust. The safety and health of all service users, staff, carers and visitors is paramount. The Trust has provided clear procedures and resources for reporting and managing incidents and insists on a philosophy that promotes open and honest reporting. Trust staff have a duty to report all incidents to prevent harm in the future. Incident reporting is monitored via the Health Safety and Security Group issues are escalated as necessary to the Board or its sub committees.

The Trust has in place policies, procedures and monitoring arrangements to support its duty to eliminate discrimination. Equality Impact Assessment processes ensure we consider all members of our workforce and the communities that we serve that decisions made are fair and representative to all. Where an impact assessment identifies a potential risk to a protected characteristic group further analysis is carried out and reported to the Equality and Diversity Steering Group and Joint Staff Forum for action.

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

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

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

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

The Executive Operational Committee has responsibility for overseeing the day-to-day operations of the Trust and for ensuring that resources are being used economically, efficiently and effectively. During the year the Board of Directors established a NED lead Performance and Finance Scrutiny Committee to enhance quality, clinical and financial performance. The Board commissioned an independent review of its governance systems during the year. KPMG confirmed that arrangements in place are satisfactory.

Internal Audit conducted a review of the Trust's systems of internal control processes and this included the Board Assurance Framework (November 12 and December 12) and the BAF - Review of Evidence to Mitigate Risk (April 2013) as part of an annually agreed audit plan. Both reviews provided substantial assurance and confirmed that:

Generally sound system of internal control designed and operating in a way that gives a reasonable likelihood that the system's objectives will be met.

This encompassed 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 (as amended) to prepare Quality Accounts for each financial year. Monitor has issued guidance to NHS foundation trust boards on the form and content of annual Quality Reports which incorporate the above legal requirements in the NHS Foundation Trust Annual Reporting Manual.

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 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.

These 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. A Data Quality Improvement Framework has been drafted for implementation in 2013-14.
- Policies. The Trust has operational procedures in place covering data collection and recording. Policies and procedures meet the requirements of relevant national standards.
- Systems and Processes. The Trust has systems and processes in place for the collection, recording, analysis and reporting of data. Information systems have built in controls to minimise scope for human error or manipulation. 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.
- 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 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, clinical audit and the executive managers and clinical leads within the NHS foundation trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the content of the quality report attached to this Annual report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the board, the audit committee and IQGSC and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The following processes have been applied in maintaining and reviewing the effectiveness of the system of internal control;

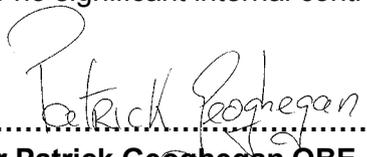
- Review and approval of the BAF and Risk Management Framework for 2012-13 by the Board of Directors
- Implementation and monitoring of Clinical and Internal Audit programmes for 2012-13 by the Clinical Governance Committee and Audit Committee respectively
- Review and monitoring of the Integrated Quality and Governance Work plan 2012-13, delivering the governance and assurance agenda including the Quality Governance Framework by IQGSC.
- Implementation of the Corporate Aims and Directorate Objectives monitored by the Executive Operational Committee and Board of Directors
- Financial plan developed and implemented

This has concluded in The Head of Internal Audit Opinion for 1 April 2012 to 31 March 2013 as follows:

Significant assurance can be given that there is a generally sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently.

Conclusion

There are no significant internal control issues that have been identified.

Signed:.....

Dr Patrick Geoghegan OBE
Chief Executive/Executive Nurse (Strategic)
Professor of Mental Health & Social Care

Date: 29 May 2013

INDEPENDENT AUDITORS' REPORT TO THE COUNCIL OF GOVERNORS OF SOUTH ESSEX PARTNERSHIP UNIVERSITY NHS FOUNDATION TRUST

We have audited the financial statements of South Essex Partnership University NHS Foundation Trust for the year ended 31 March 2013. 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 1 to 34. The financial reporting framework that has been applied in their preparation is the NHS Foundation Trust Annual Reporting Manual issued by the Independent Regulator of NHS Foundation Trusts ("Monitor").

This report is made solely to the Council 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 (the Act) and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of accounting officers and auditors

As explained more fully in the Statement of Accounting Officer's Responsibilities, set out on page (ii), the accounting officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with the NHS Act 2006, the Audit Code for NHS Foundation Trusts issued by Monitor and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's 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 accounting officer; and
- the overall presentation of the financial statements.

In addition we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of South Essex Partnership University NHS

- have been prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2012/13.

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

In our opinion

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matter where the Audit Code for NHS Foundation Trusts requires us to report to you if in our opinion, the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual, is misleading or inconsistent with other information forthcoming from our audit.

We are not required to consider, nor have we considered, whether all risks and controls have been addressed by the Annual Governance Statement or that risks are satisfactorily addressed by internal controls;

Certificate

We certify that we have completed the audit of the accounts of South Essex Partnership University NHS Foundation Trust in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Audit Code for NHS Foundation Trusts issued by Monitor, except for our audit of the Trust's Quality Report.

Rob Murray

*Rob Murray (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Cambridge
29 May 2013*

FOREWORD 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: 

Dr Patrick Geoghegan OBE
Chief Executive/Executive Nurse (Strategic)
Professor of Mental Health & Social Care

Date: 29 May 2013

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED
31 MARCH 2013**

	NOTE	2012/13 £000	2011/12 £000
INCOME FROM ACTIVITIES			
Operating income from continuing operations	2	310,758	302,115
Other operating income from continuing operations	3	13,105	11,988
Operating expenses of continuing operations	4	(312,970)	(305,306)
Operating surplus (deficit) for the year		10,893	8,797
FINANCE COST			
Finance income	8	577	620
Finance expense - financial liabilities	8	(2,556)	(2,616)
Finance expense - unwinding of discount on provisions	8	(132)	(99)
PDC dividends		(4,178)	(4,259)
Net finance cost		(6,289)	(6,354)
Movement in fair value of investment property		(266)	(92)
Surplus/(Deficit) from continuing operations for the year		4,338	2,351
OTHER COMPREHENSIVE INCOME (LOSSES)			
Impairments		(67)	0
Revaluations		7,743	0
Other recognised gains and losses		0	123
Actuarial gains/(losses) on defined benefit pension schemes		(970)	(899)
Other reserve movements		516	(1,776)
TOTAL COMPREHENSIVE INCOME (EXPENSES) FOR THE YEAR		11,560	(201)

The notes on pages 155 to 209 form part of these accounts. All income and expenditure is derived from continuing operations.

**STATEMENT OF FINANCIAL POSITION AS AT
31 MARCH 2013**

	NOTE	2012/13 £000	2011/12 £000
NON CURRENT ASSETS			
Intangible assets	9	3,059	3,366
Property, plant and equipments	10	161,514	160,258
Investment property	11	8,650	9,106
Other non current assets	12	0	1,519
Total non-current assets		173,223	174,249
CURRENT ASSETS			
Inventories	14	409	236
Trade and other receivables	13	13,388	8,504
Non-current assets for sale	15	6,810	500
Cash and cash equivalents	16	34,302	32,939
Total current assets		54,909	42,179
CURRENT LIABILITIES			
Trade and other payables	18	(26,373)	(26,042)
Borrowings	20	(696)	(822)
Provisions	21	(1,731)	(3,000)
Other current liabilities	19	(1,872)	(2,286)
Total current liabilities		(30,672)	(32,150)
TOTAL ASSETS LESS CURRENT LIABILITIES		197,460	184,278
NON CURRENT LIABILITIES			
Borrowings	20	(32,019)	(32,715)
Provisions	21	(4,334)	(3,150)
Other non current liabilities	19	(3,032)	(1,953)
Total non-current liabilities		(39,385)	(37,818)
TOTAL ASSETS EMPLOYED		158,075	146,460
FINANCED BY: TAX PAYERS EQUITY			
Public dividend capital	23	98,264	98,209
Revaluation reserve	24	44,563	37,803
Income and expenditure reserve	24	15,248	10,448
TOTAL TAX PAYERS EQUITY		158,075	146,460

The Financial statements on pages 151 to 152 were approved by the Board on 29 May 2013 and signed on its behalf by,

Signed:.....

Patrick Geoghegan
Dr Patrick Geoghegan, OBE
Chief Executive and Executive Nurse (Strategic)
Professor of Mental Health and Social Care

Date: 29 May 2013

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY AT 31 MARCH 2013

	Total £000	Public Dividend Capital £000	Revaluation Reserve £000	Income and Expenditure Reserve £000
TAXPAYERS EQUITY AT 01 APRIL 2012	146,460	98,209	37,803	10,448
Surplus/(deficit for the year)	4,338	0	0	4,338
Impairments	(67)	0	(67)	0
Transfers between reserves	0	0	(916)	916
Revaluations - property, plant and equipment	7,743	0	7,743	0
Actuarial gains/(losses) on defined benefit pension schemes	(970)	0	0	(970)
Public Dividend Capital received	55	55	0	0
Other recognised gains and losses	0	0	0	0
Other reserve movements	516	0	0	516
TAXPAYERS EQUITY AT 31 MARCH 2013	158,075	98,264	44,563	15,248

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY AT 31 MARCH 2012

	Total £000	Public Dividend Capital £000	Revaluation Reserve £000	Income and Expenditure Reserve £000
TAXPAYERS EQUITY AT 01 APRIL 2011	146,661	98,209	39,985	8,467
Surplus/(deficit for the year)	2,351	0	0	2,351
Transfer to retained earnings on disposal of assets	0	0	(9)	9
Actuarial gains/(losses) on defined benefit pension schemes	(899)	0	0	(899)
Transfers between reserves	0	0	(1,061)	1,061
Other recognised gains and losses	123	0	0	123
Other reserve movements	(1,776)	0	(1,112)	(664)
TAXPAYERS EQUITY AT 31 MARCH 2012	146,460	98,209	37,803	10,448

STATEMENT OF CASH FLOWS AS AT 31 MARCH 2013

NOTE	2012/13 £000	2011/12 £000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating surplus from continuing operation	10,893	8,797
Non-cash income & expenses		
Depreciation and amortisation	5,627	5,544
Impairments	2,065	978
Reversals of impairments	(2,618)	0
(Gain)/Loss on disposal	38	236
(Increase)/decrease in trade and other receivables	(3,365)	(1,391)
(Increase)/decrease in other assets	0	84
(Increase)/decrease in inventories	(173)	(164)
Increase/(decrease) in trade and other payables	276	8,910
Increase/(decrease) in other liabilities	(414)	1,504
Increase/(decrease) in provisions	(217)	528
Movements in operating cash flow in respect of Transforming Community Services transaction	0	(798)
Other movements in operating cash flows	(4)	(54)
Net cash generated from/(used in) operations	12,108	24,174
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	184	118
Purchase of intangible assets	(637)	(42)
Purchase of property, plant and equipment	(3,922)	(2,519)
Cash from acquisitions of business units and subsidiaries	516	0
Sales of property, plant and equipment	80	731
Net cash generated from (used in) investing activities	(3,779)	(1,712)
CASH FLOWS FROM FINANCING ACTIVITIES		
Public dividend capital received	55	
Capital element of private finance Initiative obligations	(821)	(730)
Interest element of private finance Initiative obligations	(2,077)	(2,122)
PDC dividend paid	(4,123)	(4,092)
Net cash generated from (used in) financing activities	(6,966)	(6,944)
Increase/(decrease) in cash and cash equivalents	1,363	15,518
CASH AND CASH EQUIVALENTS AT 1 APRIL	32,939	17,421
CASH AND CASH EQUIVALENTS AT 31 MARCH	34,302	32,939

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 2012/13 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.

1.3 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.

1.4 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.

1.5 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

1.6 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.

Tenant Improvements

Property, plant and equipment are capitalised where they are tenant improvements made on leased properties, that costs at least £5,000 and add value to the leased property such that it is probable that future economic benefits will flow to the Trust for more than one year over the remaining lease term.

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, therefore the 5 yearly valuation was 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	10	80
	Building finishes	10	70
	Engineering and installations	2	49
	External works	1	80
	Fixtures and fittings	10	70
Buildings – PFI schemes	Structure	61	62
	Building finishes	61	62
	Engineering and installations	28	30
	External works	45	45
	Fixtures and fittings	61	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

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 Assets are capitalised at their fair value on receipt. The donation is credited to income at the same time, unless the donor has imposed a condition that the future economic benefits embodied in the donation are to be consumed in a manner specified by the donor, in which case, the donation is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

Donated assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

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.

1.7 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

1.8 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.

1.9 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 is transferred to retained earnings.

1.10 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.

1.11 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.

1.12 Inventories

Inventories are stated at lower of cost and net realisable value.

1.13 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.

1.14 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.

1.15 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.

1.16 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.

1.17 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 2012/13 were £19,661,000. 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.nhspa.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 $1/80^{\text{th}}$ 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'.

1.18 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.

1.19 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.

1.20 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 2013.

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.

1.21 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.

1.22 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 26.

1.23 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.

1.24 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.

1.25 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).

1.26 Operating Segments

Operating segments are reported in a manner consistent with the internal reporting to the Chief Operating Decision Maker of the Trust. The Chief Operating Decision Maker is the Trust Board. The operating segments reported to the Trust Board includes the Community Provider Services and Mental Health, but covers the income and expenditure account only, with the Statement of Financial Position being reported to the Trust Board at Trust total level only. The operating segments reported in the accounts at note 2.5, therefore includes the income and expenditure account only.

1.27 Key Sources of Judgment and Estimation Uncertainty

Actuarial assumptions in respect of post-employment benefits

The Trusts post-employment benefits are rebased periodically subject to life expectancy assumptions as issued by Government Actuary Department.

The Trust also has a number of employees who are members of the Local Government Pension Scheme - the Bedford Borough Council Pension Funds. The liabilities of the scheme attributable to the Trust are included in the accounts on an actuarial basis using an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions including mortality rates, employee turnover rates and projections of earnings for current employees.

Provisions

Provisions have been made in line with management's best estimates and in line with IAS 37: *Provisions, Contingent Liabilities and Contingent Assets*.

Apart from the provisions relating to the above-mentioned post-employment benefits, the Trust has no other material provisions, or provisions which may change materially as a result of any underlying uncertainty.

Assumptions regarding valuation of Property, Plant and Equipment and Investment Properties

The Trust's Land and Buildings and Investment Properties are valued at market value, as valued by the District Valuer at the end of each accounting period.

Assumptions regarding depreciation of Property, Plant and Equipment

The depreciation of Buildings is based on the value and life of the assets as periodically determined by the District Valuer

1.28 Future Changes in Accounting Policy

In accordance with IAS 27 (revised), as the Trust is a corporate trustee of the South Essex Partnership NHS Foundation Trust General Charitable Fund, and hence has control over this Charitable Fund, and benefits from the Charitable Fund being that the objectives of the Charity align with those of the Trust, the South Essex Partnership NHS Foundation Trust General Charitable Fund effectively represents a subsidiary of the Trust. Therefore, from 2013/14, the Trust will need to consolidate the Charitable Fund financial statements with that of the Trust, if the Trust continues to maintain its current level of control over the Charitable Fund.

2 Operating Income from continuing operations

2.1 Provision of Healthcare Services

	2012/13	2011/12
	£000	£000
Block contract income	149,781	147,480
Clinical partnerships providing mandatory services	6,045	5,869
Other clinical income from mandatory services	10,026	10,713
Cost and volume contract income	20,801	20,617
Income from provision of Community Services	111,345	111,110
Private patient income	15	18
Other non-mandatory clinical income	12,745	6,308
	310,758	302,115

The increase in Other non-mandatory clinical income when compared to 2011/12 was mainly due to the transfer of Suffolk Community Health Services as part of the sub-contract arrangement via SERCO.

2.2 Source of Income from Activities

	2012/13	2011/12
	£000	£000
NHS Foundation Trusts	1,948	1,729
NHS Trusts	358	983
Strategic Health Authorities	389	279
Primary Care Trusts	290,145	287,178
Local Authorities	10,836	11,017
Department of Health - other	23	19
Non NHS: Private patients	15	18
NHS other	(24)	1
Non-NHS other	7,068	891
	310,758	302,115

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,

	2012/13	2011/12
	£000	£000
Mandatory services	298,013	295,807
Non Mandatory services	12,745	6,308
	310,758	302,115

2.4 Private Patient Income

The statutory limitation on private patient income in section 44 of the 2006 Act was repealed with effect from 1 October 2012 by the Health and Social Care Act 2012. Hence, the financial statements disclosures that were provided previously are no longer required.

2.5 Segmental Report

Operating Segments	2012/13		
	Income £000	Expenditure £000	Surplus/ (Deficit) £000
Mental Health:			
Essex	120,274	(117,296)	2,978
Bedfordshire & Luton	72,319	(72,085)	234
Total Mental Health	192,593	(189,381)	3,212
Community Services:			
Bedfordshire	46,821	(46,438)	383
South East Essex	35,058	(34,654)	404
Suffolk	6,711	(6,648)	63
West Essex	40,639	(40,363)	276
Total Community Services	129,229	(128,103)	1,126
Total	321,822	(317,484)	4,338

2.5.1 Reconciliation to Statement of Comprehensive Income

	£000	£000
Operating Income/(expenses) from continuing operations	310,758	(312,970)
Other Operating income from continuing operations	13,105	0
Finance income/(expense)	577	(2,688)
PDC dividend	0	(4,178)
Movement in fair value of investment property	0	(266)
Per Statement of Comprehensive Income	324,440	(320,102)
Netting within operating segments	(2,618)	2,618
Per Operating Segments	321,822	(317,484)

Operating Segments	2011/12		
	Income	Expenditure	Surplus/ (Deficit)
	£000	£000	£000
Mental Health			
Essex	113,320	(111,076)	2,244
Beds & Luton Clinical	71,460	(70,041)	1,419
Total mental health	184,780	(181,117)	3,663
Community Services			
West Essex	37,838	(38,222)	(384)
South East Essex	33,983	(33,155)	828
Bedfordshire	40,245	(41,023)	(778)
Total community service	112,066	(112,400)	(334)
Unallocated income/(expenditure)			
Impairment of property, plant & equipment	0	0	(978)
Overall surplus/(deficit)	296,846	(293,517)	2,351

Reconciliation to Statement of Comprehensive Income

	£000	£000
Operating Income/(expenses) from continuing operations	300,522	(305,398)
Other Operating income from continuing operating	13,581	0
Finance income/(expense)	620	(2,715)
PDC dividend	0	(4,259)
Per Statement of Comprehensive Income	314,723	(312,372)
Netting within operating segments	(17,877)	17,877
Impairment of property, plant and equipment	0	978
Per Operating Segments	296,846	(293,517)

3 Other Operating Income from continuing operations

3.1 Other Operating Income

	Note	2012/13 £000	2011/12 £000
Education & training		3,110	2,589
Research & development		175	116
Reversal of impairments of property, plant and equipment		2,618	-
Received from other bodies: Other charitable and other contributions to expenditure		165	69
Non-patient care services to other bodies		2,383	3,959
Lease rental	3.2	484	411
Staff recharges		497	924
Other income	3.3	3,673	3,920
Total		13,105	11,988

3.2 Operating leases Income

	2012/13 £000	2011/12 £000
Minimum lease receipts	484	411
Total	484	411

3.2.1 Arrangements containing an operating lease other

	2012/13 £000	2011/12 £000
Future minimum lease payments due:		
- not later than one year;	102	94
- later than one year and not later than five years;	85	62
- later than five years.	0	0
Total	187	156

3.3 Other Income

	2012/13 £000	2011/12 £000
Estate recharge	2,100	2,675
Staff accomodation rentals	119	107
IT recharges	713	214
Clinical excellence awards	49	86
Pharmacy sales	70	196
Catering	203	235
Property rentals	418	396
Other	1	11
Total	3,673	3,920

4 Operating expenses of continuing operations

4.1 Operating expenses

	Note	2012/13 £000	2011/12 £000
Services from NHS Foundation Trusts		904	907
Services from NHS Trusts		1,565	1,805
Services from PCTs		75	2
Services from other NHS Bodies		0	18
Purchase of healthcare from non NHS bodies		835	1,357
Employee Expenses - Executive directors		1,866	1,823
Employee Expenses - Non-executive directors		169	211
Employee Expenses - Staff		220,643	215,181
Supplies and services - clinical (excluding drug costs)		8,468	7,376
Supplies and services - general		7,041	7,450
Establishment		10,306	9,960
Research and development - (Not included in employee expenses)		180	222
Transport		415	225
Premises		24,102	22,200
Increase/(decrease) in provision for impairment of receivables		258	431
Drug costs (non inventory drugs only)		2,503	4,526
Drugs Inventories consumed		1,333	0
Rentals under operating leases - minimum lease receipts		13,561	12,097
Depreciation on property, plant and equipment		4,683	4,595
Amortisation on intangible assets		944	949
Impairments of property, plant and equipment		2,065	978
Audit fees			
audit services- statutory audit		55	56
Clinical negligence		409	431
Loss on disposal of other property, plant and equipment		38	236
Legal fees		570	574
Consultancy costs		1,454	1,009
Training, courses and conferences		1,117	1,046
Patient travel		479	603
Car parking & Security		514	475
Redundancy - (Not included in employee expenses)		467	0
Redundancy - (Included in employee expenses)	5.1	1,648	4,949
Early retirements - (Included in employee expenses)	5.1	1,260	(323)
Hospitality		55	82
Insurance		243	325
Other services, eg external payroll		2,945	3,024
Losses, ex gratia & special payments		12	15
Other		(212)	491
		312,970	305,306

4.2 Operating leases

	2012/13 £000	2011/12 £000
Minimum lease payments	13,561	12,097
Total	13,561	12,097

4.2.1 Arrangements containing an operating lease land & buildings

	2012/13 £000	2011/12 £000
Future minimum lease payments due:		
- not later than one year;	10,597	3,745
- later than one year and not later than five years;	9,909	3,728
- later than five years.	2,714	0
Total	23,220	7,473

4.2.2 Arrangements containing an operating lease other

	2012/13 £000	2011/12 £000
Future minimum lease payments due:		
- not later than one year;	1,632	1,189
- later than one year and not later than five years;	1,404	1,090
- later than five years.	0	0
Total	3,036	2,279

Non cancellable operating leases are operating leases with a total committed cost at outset of at least £5,000.

5 Staff Costs

5.1 Analysis of staff costs

	2012/13	2011/12
	£000	£000
Salaries and wages	173,278	171,492
Social security costs	13,146	12,958
Employers contributions to NHS pensions	19,657	19,178
Pension cost - other contributions	254	289
Other post employment benefits	0	(323)
Other employment benefits	1,260	0
Termination benefits	1,648	4,778
Agency/contract staff	16,174	13,087
Total	225,417	221,459

5.2 Directors remuneration

		2012-13			
		Salary	Other	Benefits in Kind	Employers Pension
		£000	£000	£000	Contribution £000
Dr Patrick Geoghegan OBE	Chief Executive and Executive Nurse	215-220	0	0	30-35
Pauline Roberts	Executive Medical Director	185-190	45-50	0	30-35
Ray Jennings	Executive Chief Finance Officer and Resources Officer	150-155	0	0	20-25
Sally Morris	Deputy Chief Executive and Executive Director of Specialist Services and Contract	140-145	0	0	15-20
Amanda Reynolds	Executive Director of Social Care & partnership	125-130	0	0	15-20
Nikki Richardson	Executive Director of Corporate Affairs and Customer Service	125-130	0	0	15-20
Peter Wadum-Buhl	Executive Director of Strategy & Business Development	145-150	0	0	20-25
Andy Brogan	Executive Director of Clinical Governance and Quality	125-130	0	0	0
Malcolm McCann	Executive Director of Integrated Services (Essex and Suffolk)	125-130	0	0	15-20
Richard Winter	Executive Director of Integrated Services (Bedfordshire and Luton)	125-130	0	0	15-20
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 (left 30 April 2012)	0-5	0	0	0
Steve Currell	Non-Executive Director	15-20	0	0	0
Dr C.D.Hillier	Non-Executive Director	15-20	0	0	0
Randolph Charles	Non-Executive Director	15-20	0	0	0
Stephen Cotter	Non-Executive Director	15-20	0	0	0
Alison Davis	Non-Executive Director	15-20	0	0	0

5.2.1 Band of Highest Paid Director **215-220k** (2011/12: 215-220k)

Median Total Remuneration **£25,528** (2011/12: £25,782)

Ratio **8.5** (2011/12: 8.4)

The median remuneration is the total remuneration of the staff member lying in the middle of the linear distribution of the total staff, excluding the highest paid Director. The median remuneration has been calculated based on the full time equivalent of staff, as at 31 March 2013, on an annualised basis, and excludes agency and other temporary staff. The ratio represents the multiple of the remuneration of the highest paid Director, when compared to the median remuneration.

Dr Patrick Geoghegan OBE	Chief Executive and Executive Nurse
Pauline Roberts	Executive Medical Director
Ray Jennings	Executive Chief Finance Officer and Resources Officer
Sally Morris	Deputy Chief Executive and Executive Director of Specialist Services and Contract
Amanda Reynolds	Executive Director of Social Care & partnership
Nikki Richardson	Executive Director of Corporate Affairs and Customer Service
Peter Wadum-Buhl	Executive Director of Strategy & Business Development
Andy Brogan	Executive Director of Clinical Governance and Quality
Malcolm McCann	Executive Director of Integrated Services (Essex and Suffolk)
Richard Winter	Executive Director of Integrated Services (Bedfordshire and Luton)
Lorraine Cabel	Chair
Janet Wood	Non-Executive Director/Vice Chair
George Sutherland	Non-Executive Director (left 30 April 2012)
Steve Currell	Non-Executive Director
Dr C.D.Hillier	Non-Executive Director
Randolph Charles	Non-Executive Director
Stephen Cotter	Non-Executive Director
Alison Davis	Non-Executive Director from (01/01/2012)

2011-12			
Salary	Other	Benefits in	Employers
£000	Remuneration	Kind	Pension
£000	£000	£000	Contribution
			£000
215-220	0	0	30-35
195-200	45-50	0	25-30
150-155	0	0	20-25
140-145	0	0	15-20
125-130	0	0	15-20
125-130	0	0	15-20
140-145	0	0	15-20
130-135	0	0	0
115-120	0	0	15-20
110-115	0	0	15-20
50-55	0	0	0
15-20	0	0	0
15-20	0	0	0
15-20	0	0	0
15-20	0	0	0
15-20	0	0	0
15-20	0	0	0
0-5	0	0	0

5.3 Directors Pension Benefits

		2012/13				
		Benefits In Kind	Real Increase/(Decrease) in Pension and related lump sum at age 60 £000	Total Accrued pension and related lump sum age 60 at 31 March 2013 £000	Cash Equivalent Value at 31 March 2013 £000	Real Increase in cash equivalent Transfer Value £000
Dr Patrick Geoghegan OBE	Chief Executive & Executive Nurse	nil	-10-12.5	415-417.5	2,285.69	12
Pauline Roberts	Executive Medical Director	nil	7.5-10	142.5-145	0.00	-779
Raymond Jennings	Executive Chief Finance & Resources Officer and Deputy Chief Executive	nil	-2.5 - 5	280-282.5	1,535.57	22
Sally Morris	Executive Director of Operational Services	nil	5-7.5	120-122.5	578.78	130
Amanda Reynolds	Executive Director of Social Care and Partnership Strategy Delivery from 04/01/11	nil	0 - 2.5	127.5-130	518.11	29
Nikki Richardson	Executive Director of Corporate Affairs	nil	-2.5 - 5	222.5-225	1,147.03	19
Peter Wadum-Buhl	Executive Director of Strategy and Business Development from 18/06/10	nil	-0 - 2.5	227.5 - 230	1,090.48	22
Malcolm McCann	Executive Director of Community Services Essex	nil	10-12.5	157.5-160	658.07	66
Richard Winter	Executive Director of Community Services Bedford	nil	22.5-25	137.5-140	628.42	120.00
Andy Brogan	Interim Director of Integrated Governance	nil	n/a	n/a	n/a	n/a

		2011/12		Total Accrued		Real Increase
		Benefits	Real Increase/(Decrease)	pension and	Cash Equivalent	in cash
		In Kind	in Pension and	related lump sum	Value at	equivalent
			related lump sum	age 60 at	31 March 2012	Transfer Value
			at age 60	31 March 2012	31 March 2012	
			£000	£000	£000	£000
Dr Patrick Geoghegan OBE	Chief Executive & Executive Nurse	nil	-2.5 - 0	405-407.5	2,161.03	93
Pauline Roberts	Executive Medical Director	nil	17.5-20	125-127.5	740.82	117
Raymond Jennings	Executive Chief Finance & Resources Officer and Deputy Chief Executive	nil	0 - 2.5	270-272.5	1,438.67	75
Sally Morris	Executive Director of Operational Services	nil	7.5-10	107.5-110	426.27	47
Amanda Reynolds	Executive Director of Social Care and Partnership Strategy Delivery from 04/01/11	nil	30-32.5	120-122.5	465.37	162
Nikki Richardson	Executive Director of Corporate Affairs	nil	0-2.5	215-217.5	1,071.94	74
Peter Wadum-Buhl	Executive Director of Strategy and Business Development from 18/06/10	nil	0-2.5	217.5-220	1,015.98	91
Malcolm McCann	Executive Director of Community Services Essex	nil	0	137.5-140	562.43	327
Richard Winter	Executive Director of Community Services Bedford	nil	0	110-112.5	483.29	281
Andy Brogan	Interim Director of Integrated Governance	nil	n/a	n/a	n/a	n/a

5.4 Analysis of Average Staff Numbers

	2012/13	2011/12
	Total	Total
Medical and dental	219	206
Administration and estates	1,188	971
Healthcare assistants and other support staff	885	827
Nursing, midwifery and health visiting staff	1,751	1,685
Scientific, therapeutic and technical staff	761	717
Bank and agency staff	766	811
Social care staff	110	118
Other	38	281
Total	5,718	5,616

The increase in staff numbers when compared to 2011/12 was mainly due to the transfer of Suffolk Community Health Services staff as part of the sub-contract arrangement via SERCO.

5.5 Employee benefits

There are no non pay benefits which are not attributable to individual employees.

5.6 Retirement due to Ill Health

During the year ended 31 March 2013, there were 3 (2011/12: 4) 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 £303,068 (2011/12: £186,069).

5.7 Termination Costs

Termination cost band	2012/13		2011/12	
	Number of compulsory redundancies	Cost of compulsory redundancies	Number of compulsory redundancies	Cost of compulsory redundancies
	Number	£000s	Number	£000s
<£10,000	27	157	19	83
£10,001 - £25,000	18	290	31	492
£25,001 - £50,000	16	565	30	1,160
£50,001 - £100,000	9	684	20	1,326
£100,001 - £150,000	2	230	9	1,063
£150,001 - £200,000	2	389	5	825
>£200,001	0	0	0	0
Total	74	2,315	114	4,949

5.8 Staff Sickness Absence

	2012/13	2011/12
Staff Sickness Absence		
	Number	Number
Days Lost (Long Term) *	74,102	54,599
Days Lost (Short Term)	36,339	24,838
Total Days Lost	110,441	79,437
Total Staff Years	6,956	4,621
Average working Days Lost	15.9	17.2
Total Staff Employed In Period (Headcour	6,958	4,621
Total Staff Employed In Period with No		
Absence (Headcount)	2,208	1,398
Percentage Staff With No Sick Leave	31.7%	30.3%

*long term sickness is over 20 days

6 Employee Retirement Benefit Obligations

6.1 Amounts recognised in the Statement of Comprehensive Income

	2012/13 £000	2011/12 £000
Current service cost	(277)	(309)
Interest on pension obligations	(479)	(496)
Expected return on plan assets	393	502
Total pension cost recognised	(363)	(303)
Actual return on plan assets	840	(9)

6.2 Fair value of employer assets

	2012/13 £000	2011/12 £000
Equities	6,237	3,905
Bonds	1,693	1,913
Property	713	717
Cash/liquidity	267	1,434
Total	8,910	7,969

6.3 Principal actuarial assumptions at 31 March 2013

	2012/13 %	2011/12 %
Rate of inflation/pension increase rate	2.8	2.5
Rate of increase in salaries	5.1	4.8
Discount rate	4.5	4.8
Expected return on assets (average)	4.5	4.9

6.4 Amounts recognised in the Statement of Financial Position

	2012/13 £000	2011/12 £000
Present value of funded benefit obligations	(11,942)	(9,922)
Fair value of plan assets	8,910	7,969
Net liability	(3,032)	(1,953)

6.5 Change in benefit obligation during period to 31 March 2013

	2012/13	2011/12
	£000	£000
Defined benefit obligation as at 1 April	9,922	9,006
Current service cost	277	309
Interest on pension obligations	479	496
Member contributions	117	118
Actuarial (gains)/losses on obligations	1,416	387
Benefits paid	(269)	(394)
Defined benefit obligation as at 31 March	11,942	9,922

6.6 Change in fair value of plan assets during period to 31 March 2013

	2012/13	2011/12
	£000	£000
Fair value of plan assets as at 1 April	7,969	7,966
Expected return on plan assets	393	502
Actuarial gains/(losses) on assets	446	(512)
Employer contributions	254	289
Member contributions	117	118
Benefits paid	(269)	(394)
Fair value of plan assets as at 31 March	8,910	7,969

6.7 Analysis of net liability as at 31 March 2013

	2012/13 £000	2011/12 £000
Fair value of employer assets	8,910	7,969
Present value of defined benefit obligation	(11,942)	(9,922)
Net liability	(3,032)	(1,953)
Represented by:		
Opening defined benefit obligation 1 April	(9,922)	(9,006)
Current service costs	(277)	(309)
Contribution by members	(117)	(118)
Interest costs	(479)	(496)
Actuarial (losses)/gains	(1,416)	(387)
Past service (costs)/gains	0	0
Estimated benefits paid	269	394
Closing defined benefit obligation 31 March	(11,942)	(9,922)
Opening fair value of plan assets 1 April	7,969	7,966
Expected return on plan assets	393	502
Actuarial gains/(losses) on assets	446	(512)
Employer contributions	254	289
Member contributions	117	118
Benefits paid	(269)	(394)
Closing fair value of assets 31 March	8,910	7,969
Total	(3,032)	(1,953)

6.8 Future contribution estimate

The scheme actuaries, Hymans Robertson LLP, estimated the employer's contribution for the year ended 31 March 2013 will be approximately £276,000.

6.9 Sensitivity Analysis

The sensitivity regarding the principle assumptions used to measure the scheme liabilities are set out below.

Change in assumptions at year ended 31 March 2013	Approximate % increase to employer liability	Approximate monetary amount £000
0.5% decrease in Real Discount Rate	11	1,314
1 year increase in member life expectancy	3	358
0.5% increase in the Salary Increase Rate	3	381
0.5% increase in the Pension Increase Rate	8	914

7 The Late Payment of Commercial Debts (interest) Act 1998.

There is one amount included within interest payable (Note 7) arising from claims made by small business under this legislation. The total amount is £55 (2011/12: £0)

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

2012/13 £000	2011/12 £000
184	118
393	502
577	620

8.2 Finance Costs - interest expense

Finance cost on PFI obligation
Finance costs on pension scheme liabilities
Total finance cost

2012/13 £000	2011/12 £000
2,077	2,120
479	496
2,556	2,616

8.3 Finance costs - unwinding of discount

Unwinding of discount on pension provision

2012/13 £000	2011/12 £000
132	99
132	99

9 Intangible Assets

	2012/13			2011/12 £000
	Total £000	Software licences purchased £000	Intangible Assets Under Construction £000	
Cost at 1 April	5,950	5,950	0	5,555
Additions as a result of merger	0	0	0	240
Additions	637	592	45	155
Reclassifications	0	0	0	0
Cost at 31 March	6,587	6,542	45	5,950
Amortisation at 1 April	2,584	2,584	0	1,635
Provided during the year	944	944	0	949
Reclassifications	0	0	0	0
Amortisation at 31 March	3,528	3,528	0	2,584
Net book value at 1 April	3,366	3,366	0	3,920
Net book value at 31 March	3,059	3,014	45	3,366

10 Property, Plant and Equipment

Cost or Valuation at 1 April 2012

Additions - purchased	3,948	0	2,305	0	720	0	879	(15)	59
Impairments	(381)	(45)	(336)	0	0	0	0	0	0
Reversal of impairments	314	35	279	0	0	0	0	0	0
Revaluation	(37,782)	1,085	(39,009)	142	0	0	0	0	0
Reclassifications	0	0	1,648	0	4	0	0	25	(1,677)
Transfers to/from assets held for sale and assets in disposal groups	(6,120)	(2,210)	(3,560)	(350)	0	0	0	0	0
Disposals	(118)	0	0	0	(1)	0	0	(36)	(81)

Cost or valuation at 31 March 2013

Total	Land	Buildings excluding dwellings	Dwellings	Plant & Machinery	Transport Equipment	Information Technology	Furniture & Fittings	Assets under Construction
£000	£000	£000	£000	£000	£000	£000	£000	£000
218,063	55,446	140,619	879	3,787	299	11,587	3,681	1,765
57,805	1,325	41,880	113	2,271	299	9,049	2,868	0
160,230	54,114	98,718	766	1,516	0	2,538	813	1,765
28	7	21	0	0	0	0	0	0
160,258	54,121	98,739	766	1,516	0	2,538	813	1,765
161,486	54,304	101,925	522	1,864	0	2,376	429	66
28	7	21	0	0	0	0	0	0
161,514	54,311	101,946	522	1,864	0	2,376	429	66

Accumulated Depreciation at 1 April 2012

Provided during the year	4,683	0	2,873	36	375	0	1,041	358	0
Impairments	2,065	0	2,065	0	0	0	0	0	0
Reversal of impairments	(2,618)	0	(2,618)	0	0	0	0	0	0
Revaluation	(45,525)	(1,325)	(44,200)	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0	0

Accumulated depreciation at 31 March 2013

Net Book Value

NBV - Purchased at 1 April 2012	160,230	54,114	98,718	766	1,516	0	2,538	813	1,765
NBV - Donated at 1 April 2012	28	7	21	0	0	0	0	0	0

NBV Total at 1 April 2012

Net Book Value

NBV - Purchased at 31 March 2013	161,486	54,304	101,925	522	1,864	0	2,376	429	66
NBV - Donated at 31 March 2013	28	7	21	0	0	0	0	0	0

NBV Total at 31 March 2013

Analysis of Property Plant and Equipment

Net Book Value

- Protected	146,835	51,662	95,173	0	0	0	0	0	0
- Unprotected	14,679	2,649	6,773	522	1,864	0	2,376	429	66
Total at 31 March 2013	161,514	54,311	101,946	522	1,864	0	2,376	429	66

Analysis of Asset Ownership

Net Book Value

- Freehold	127,885	54,311	73,052	522
- Long Leasehold	28,894	0	28,894	0
Total at 31 March 2013	156,779	54,311	101,946	522

10.1 The net book value of land and building at the year end

	2012/13			2011/12
	Total £000	Protected £000	Unprotected £000	£000
Land and Buildings	156,779	146,835	9,944	153,626
Total	156,779	146,835	9,944	153,626

10.2 The analysis of revaluation of property plant and equipment

	2012/13					2011/12
	Total £000	Revaluation Reserve Surplus £000	Revaluation Reserve Impairment £000	Operating Income (Reversal of Impairment) £000	Operating Expenses Impairment £000	£000
Land	2,400	2,445	(45)	0	0	0
Building	5,829	5,612	(336)	2,618	(2,065)	(978)
Total	8,229	8,057	(381)	2,618	(2,065)	(978)

In July 2012, the refurbishment and extension to the Limetrees building, a mental health unit in Luton, was completed. Following completion, the Limetrees building was valued at modern equivalent depreciated replacement cost by the District Valuer, resulting in impairment losses of £1,331,000.

In addition to the above, the Trust has carried out the required 5 yearly revaluation of its Land and Building assets as at 31 March 2013. The interim revaluation exercise conducted by the District Valuer resulted in revaluation surpluses of £10,675,000 and impairments of £1,115,000.

Of the total impairments incurred during the year of £2,446,000, £381,000 was written off against available reserves and the balance of £2,065,000 was recognised in the Operating Expense.

Of the total revaluation surpluses gained during the year of £10,675,000, £8,057,000 was recognised in the revaluation reserves and the balance of £2,618,000 was recognised in the Operating Income as reversal of revaluation losses previously recognised in the Operating Expense

10.3 Remaining Economic lives of Property, plant and equipments

Main Asset Category	Sub Category	Minimum Useful Life (in years)	Maximum Useful Life (in years)
Buildings –owned	Structure	10	80
	Building finishes	10	70
	Engineering and installations	2	49
	Fixtures and fittings	1	80
	External works	10	70
Buildings – PFI schemes	Structure	61	62
	Building finishes	61	62
	Engineering and installations	28	30
	Fixtures and fittings	61	62
	External works	45	45
Plant, machinery and equipment	Medical and surgical equipment	1	15
	Office equipment	0	0
	IT hardware	1	5
	Other engineering works	1	15
Furniture and fittings	Furniture	1	10
	Soft furnishings	0	7
Motor vehicles		0	7

10.4 Assets under PFI contract

	2012/13	2011/12
	£000	£000
Cost or valuation		
Cost or valuation at 1 April	35,764	33,735
Revaluation	1,604	2,029
Cost of valuation at 31 March	37,368	35,764
Accumulated depreciation		
Accumulated depreciation at 1 April	7,728	6,982
Provided during the year	746	746
Accumulated depreciation at 31 March	8,474	7,728
Net Book Value at 1 April	28,036	26,753
Net Book Value at 31 March	28,894	28,036

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 and 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

	2012/13	2011/12
	£000	£000
Carrying value at 1 April	9,106	8,833
Transfer from property, plant and equipment	0	365
Transfers to/from assets held for sale	(190)	0
Movement in fair value (revaluation or impairment)	(266)	(92)
Carrying value at 31 March	8,650	9,106

In accordance with accounting guidance, the Trust annually revalues its investment properties. The revaluation provided by the District Valuer showed a decrease of £265,523 during 2012/13.

12 Other Non Current Assets

	Financial	Financial
	Assets	Assets
	2012/13	2011/12
	£000	£000
NHS debtors	0	1,519
Total	0	1,519

Following agreement with Commissioners, the Back to Back Pensions Non Current Debtor was rebased from £1,519,000 to £1,914,000 and subsequently settled at the end of the financial year.

13 Trade and Other Current Receivables

	2012/13	2011/12
	£000	£000
NHS receivables	7,962	4,969
Other receivables with related parties	832	1,173
Provision for impaired receivables	(1,149)	(891)
Accrued income	1,420	233
Prepayments	2,181	1,569
VAT Receivable	734	1,025
Other receivables	1,409	426
Total	13,388	8,504

13.1 Provision for impaired receivables

	2012/13	2011/12
	£000	£000
At 1 April	891	803
Increase in provision	258	431
Amount utilised	0	(343)
Total	1,149	891

13.2 Analysis of Impaired Receivables

	2012/13	2011/12
	£000	£000
Up to 30 days	514	113
In 30 to 60 days	8	0
In 60 to 90 days	0	0
In 90 to 180 days	318	390
Over 180 days	309	388
Total	1,149	891

At 31 March 2013, the Trust had impaired debts totalling £1,149,000 against which full provision has been made, reflecting the age of the debt and likelihood of recovery. No collateral is held against recovery of debts.

13.3 Analysis of Non impaired receivables past their due dates

	2012/13	2011/12
	£000	£000
Up to 30 days	841	853
In 30 to 60 days	200	277
In 60 to 90 days	304	361
In 90 to 180 days	247	531
Over 180 days	225	34
Total	1,817	2,056

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

	2012/13	2011/12
	£000	£000
Drugs	78	0
Wheelchairs	331	236
	409	236

15 Non current assets held for sale

	2012/13 £000	2011/12 £000
Land	2,370	160
Building	3,900	340
Dwellings	350	0
Investment Properties	190	0
	6,810	500

As at 31 March 2013, £6,810,000 of properties and land assets were classified as assets held for sale. These properties had previously been deemed surplus to requirements in accordance with Monitor guidelines, and approved for sale by the Trust Board. The proceeds will be used to fund Capital schemes in Bedfordshire and Luton.

16 Cash and Cash Equivalents

	2012/13 £000	2011/12 £000
Cash and cash equivalents at 1 April	32,939	17,421
Net change during the year	1,363	15,518
Cash and cash equivalents at 31 March	34,302	32,939
Represented by:		
Cash at commercial bank and in hand	963	750
Cash at GBS (Government Banking System)	33,339	32,189
Total	34,302	32,939

17 Investments

There were no investments held by the Trust as at 31 March 2013 (2011/12: £nil)

18 Trade and Other Current Payables

	2012/13 £ 000	2011/12 £000
NHS payables	1,388	4,198
Amounts due to other related parties	2,830	2,234
Trade payable - capital	216	1,382
Trade payable - other	3,530	1,690
Social Security costs	2,305	1,942
Other taxes payable	2,338	2,047
Accruals	13,709	12,549
PDC dividend payable	55	0
Total	26,373	26,042

19 Other Liabilities

19.1 Other current liabilities

	2012/13 £000	2011/12 £000
Deferred income	1,872	2,286
	1,872	2,286

19.2 Other non current liabilities

	2012/13 £000	2011/12 £000
Net Pension Scheme liability (Local Government Pension Scheme)	3,032	1,953
	3,032	1,953

20 Borrowings

20.1 Current liabilities

	2012/13 £000	2011/12 £000
Obligation under PFI contract due within one year	696	822
Total	696	822

20.2 Non current liabilities

	2012/13 £000	2011/12 £000
Long term Obligation under PFI contract after more than one year	32,019	32,715
Total	32,019	32,715

20.3 PFI obligations

Gross liabilities

Of which liabilities are due

- not later than one year;
- later than one year and not later than five years;
- later than five years.

Finance charges allocated to future periods

Net liabilities

- not later than one year;
- later than one year and not later than five years;
- later than five years.

2012/13 £000	2011/12 £000
62,395	65,295
2,722	2,898
11,186	11,022
48,487	51,375
(29,680)	(31,758)
32,715	33,537
695	821
3,566	3,204
28,454	29,512
32,715	33,537

20.4 PFI commitments in respect of the service element

Of which commitments are due

- Within one year
- 2nd to 5th years (inclusive)
- Later than five years

Total

	2012/13			2011/12 £000
	Total £000	EMI Homes £000	Forensic £000	
Within one year	1,239	456	783	1,130
2nd to 5th years (inclusive)	5,826	1,961	3,865	5,637
Later than five years	52,403	10,527	41,876	57,562
Total	59,468	12,944	46,524	64,329

21 Provisions for Liabilities and Charges

	2012/13						2011/12 £000	
	Pensions Former Directors £000	Pensions Other Staff £000	Other Legal Claim £000	Redundancy £000	Carbon Reduction £000	* Other £000		Total £000
At 1 April	81	2,765	118	2,349	160	677	6,150	5,523
Change in the discount rate	0	0	0	0	0	0	0	0
Arising during the year	29	1,113	11	2,315	0	352	3,820	4,973
Utilised during the year	(8)	(310)	0	(3,239)	0	(53)	(3,610)	(4,098)
Reversed unused	0	(67)	0	(200)	(160)	0	(427)	(347)
Unwinding of discount	3	101	0	0	0	28	132	99
At 31 March	105	3,602	129	1,225	0	1,004	6,065	6,150
Expected timing of cash flows:								
- not later than one year;	8	311	129	1,225	0	58	1,731	3,000
- later than one year and not later than five years;	29	2,219	0	0	0	732	2,980	1,274
- later than five years.	68	1,072	0	0	0	214	1,354	1,876
Total	105	3,602	129	1,225	0	1,004	6,065	6,150

22 Movements in Taxpayers Equity

	2012/13 £000	2011/12 £000
Tax payers equity at 1 April	146,460	146,661
Surplus (deficit) for the year	4,338	2,351
Impairments	(67)	0
Revaluations - property, plant and equipment	7,743	0
Actuarial gains/(losses) on defined benefit pension schemes	(970)	(899)
Public Dividend Capital received	55	
Other recognised gains and losses	0	123
Other reserve movements	516	(1,776)
Tax payers equity at 31 March	158,075	146,460

23 Public Dividend Capital

	2012/13 £000	2011/12 £000
Public dividend capital at 1 April	98,209	98,209
New public dividend capital received	55	0
Public dividend capital at 31 March	98,264	98,209

24 Movements on Reserves

	Revaluation Reserve £000	Income and Expenditure Reserve £000	Total £000
At 1 April 2012	37,803	10,448	48,251
Transfer from Statement of Comprehensive Income	0	4,393	4,393
Impairments	(67)	0	(67)
Revaluations - property, plant and equipment	7,743	0	7,743
Transfers between reserves	(916)	916	0
Actuarial gains/(losses) on defined benefit pension schemes	0	(970)	(970)
Other reserve movements	0	516	516
At 31 March 2013	44,563	15,303	59,866

The Trust had no Government Grant or Other Reserves during the year.

25 Notes to the Statement of Cash Flows

25.1 Reconciliation of net cash flow to movement in net cash

	2012/13 £000	2011/12 £000
Net increase/(decrease) in cash for the period	1,363	15,518
Net change in the year	1,363	15,518
Net cash at 1 April	32,939	17,421
Net cash at 31 March	34,302	32,939

25.2 Analysis of net cash

	At 1 April 2012	Cash Change in the year	At 31 March 2013
Commercial cash at bank and in hand	750	213	963
Government banking service (GBS)	32,189	1,150	33,339
Cash and cash equivalents	32,939	1,363	34,302

26. Capital Commitments

There were no capital commitments under expenditure contracts at 31 March 2013 (2011/12: £1,603,000).

27. Events after the Reporting Period

The Trust's Commissioners in Bedfordshire and Luton are currently undertaking a market intelligence review, which may then result in a market testing process. The current approximate value of this contract is £110 million, which is currently part of SEPT's commissioning contracts. The Trust has submitted an expression of interest with regards to this process by the deadline of 17 May 2013.

28. Contingencies

As at 31 March 2013, the Trust had contingent liabilities in respect of the liabilities to third parties scheme totaling £70,000 (2011/12: £89,000).

29. 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 2013 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	2012/13				Provision
	Income	Expenditure	Receivables	Payables	for bad
	£000	£000	£000	£000	debt
South East Essex Primary Care Trust	97,349	4,227	1,456	2,716	176
Bedfordshire PCT	75,399	2,746	2,486	381	475
South West Essex Primary Care Trust	48,052	270	605	502	114
West Essex Primary Care Trust	43,875	7,209	589	378	48
Luton Teaching PCT	28,705	0	288	0	98

Organisation	2011/12				Provision
	Income	Expenditure	Receivables	Payables	for bad
	£000	£000	£000	£000	debt
South East Essex Primary Care Trust	94,271	1,666	625	4,891	33
Bedfordshire PCT	75,101	344	1,265	1,253	29
South West Essex Primary Care Trust	47,162	348	1,829	161	26
West Essex Primary Care Trust	44,476	2,359	294	1,984	0
Luton Teaching PCT	28,557	17	786	0	258

During the year and at the period end, Trust had the following material transactions with other public sector bodies:

Organisation	2012/13				
	Income	Expenditure	Receivables	Payables	Provision for bad debt
	£000	£000	£000	£000	£000
Central Bedfordshire Council	3,003	97	67	315	4

Organisation	2011/12				
	Income	Expenditure	Receivables	Payables	Provision for bad debt
	£000	£000	£000	£000	£000
Central Bedfordshire Council	2,642	168	211	592	0

Other than those disclosed under note 29.1, 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 Council 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:

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.

Five 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 & Carer Group (Essex) – one Partnership Governor;
- Service User & Carer Group (Bedfordshire & Luton) – one Partnership Governor;
- Service User & Carer Group (Community Health Services West Essex) – 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. During the year ended 31 March 2013, the Trust received income of £27,240 from South Essex Partnership University NHS Foundation Trust General Charitable Fund for administrative services provided by the Trust on behalf of the Charity. 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.

29.1 Director's Interests

Professor Patrick Geoghegan OBE was a Governor at the Anglia Ruskin University until 10th September, 2012. During the year to 10th September 2012 the Trust had transactions with the University including income received from ARU of £170,145 (2011/12; £93,780) and payments made of £10,137 (2011/12 £110,106) relating to training, education and grants.

Sally Morris has a minority shareholding in a company called Health Idol. Health Idol has been engaged to provide Health and Fitness consultancy, including courses for patients. The value of services provided during the year ended 31 March 2013 was £24,200 (2011/12; £31,050).

Alison Davis is the Trustee of a company called Impact. Impact has been engaged to provide Mental Health Peer Intervention and Support. The value of services provided during the period ended 31 March 2013 was £65,000 (2011/12; £60,000).

30. 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 four 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 £81.7 million (2011/12: £60 million). At 31 March 2013, the Trust had long term borrowing of £32.0 million (2011/12: 32.7 million).

The Trust has an approved working capital limit of £24.8 million (2011/12: £24.8 million). As at 31 March 2013, the Trust had a working capital facility with Lloyds TSB of £24.8 million of which £nil was utilised (2011/12: £24.8 million).

	Actual ratio	Approved ratio	Actual ratio	Approved ratio
	2012/13	2012/13	2011/12	2011/12
Minimum dividend cover	3.33	>1	2.13	>1
Minimum interest cover	7.79	>2	5.05	>2
Minimum debt service cover	5.43	>1.5	3.78	>1.5
Maximum debt service to revenue	0.91%	<10%	0.98%	<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.

31. 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 2013 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 and expenditure.

31.1 Financial assets

	Loans and Receivables 2012/13 £000	Loans and Receivables 2011/12 £000
Trade and other receivables	10,474	5,910
Cash and cash equivalents (at bank and in hand)	34,302	32,939
	44,776	38,849

31.2 Financial liabilities

	Other Financial Liabilities 2012/13 £000	Other Financial Liabilities 2011/12 £000
Obligations under PFI contract	32,715	33,537
Trade and other payables	19,043	20,002
Provisions under contract	6,065	6,150
	57,823	59,689

32. 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.

	2012/13		2011/12		Basis of Fair Valuation
	Book Value £000	Fair Value £000	Book Value £000	Fair Value £000	
Financial Assets					
Other Non Current receivables	-	-	1,519	1,519	Note A
	-	-	1,519	1,519	
Financial Liabilities					
Provisions	4,334	4,334	3,150	3,150	Note B
	4,334	4,334	3,150	3,150	

The Trust's financial liabilities as at 31 March 2013 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.

33. Third Party Assets

The Trust held £510,286 cash at bank and in hand at 31 March 2013 (2011/12: £799,867) 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.

34. Losses and Special Payments

There were 38 cases (2011/12: 24) of losses and special payments totalling £11,905 (2011/12: £15,081). Losses and special payments are reported on an accruals basis but excluding provision for future losses.

