





# **Annual Report** and Accounts

2015/2016



#### South Essex Partnership University NHS Foundation Trust Annual Report and Accounts 2015/2016

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



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#### **Performance Report**

### **Overview**Foreword by the Chair and Chief Executive

#### Welcome to our Annual Report and Accounts for 2015 – 2016

Overall, this has been a very GOOD year indeed for SEPT. There were many important successes and you can read about several of these in this report. The absolute high point was the tremendous achievement of our services being rated by the CQC (Care Quality Commission) as GOOD overall and GOOD for being effective, caring, responsive and well-led.

This followed our comprehensive inspection by the CQC in the summer of 2015, which involved more than 100 independent inspectors observing our staff delivering clinical care, checking records and speaking with staff, patients and their families about their experiences. The GOOD rating is a fitting tribute to our excellent staff and the hard work and dedication they demonstrated in delivering top quality services. However, complacency is not a word in SEPT's vocabulary. The CQC's reports also indicated some areas for improvement. We responded immediately to ensure we remained fully compliant with the CQC's requirements. Sally, as Chief Executive, continues to follow personally the Trust's progress with our improvement action plans.

As well as our CQC inspection success, we have remained compliant consistently with the quality targets set by our external regulator Monitor and we are not forecasting any risk to continuing to achieve these targets.

#### **Ensuring Continuity of Quality**

SEPT's Council of Governors and the Board of Directors are both led by Lorraine, as Chair of the Trust. Together, they 'drive' the Trust, ensuring our staff continue to deliver services to the high standards to which we all aspire.





independent clinicians also visit our wards to review clinical care.

As well as achieving our targets, we also received awards from a number of external organisations recognising the excellence of our staff and services - clinical and non-clinical. Please see page 11 for the full list of our staff and organisation's achievements during 2015/16.

#### **Listening and Acting on Feedback**

Our continued recognition of the importance of listening to as well as involving and engaging with the people who come into contact with our services has resulted in the enhancement of our robust mechanisms for capturing feedback and also, and most importantly, acting on that feedback. We consistently promote the 'Friends and Family' test across the organisation – in both mental health and community services. Our 'mystery shopper' programme continues to grow with more volunteers coming forward to feedback about their individual experiences. This year we have set up a number of smaller, service-focused forums where local issues are discussed. Feedback from the forums goes directly to our front line services and all actions are overseen by the Trust's Patient & Carer Experience Steering Group, which is chaired by Sally as Chief Executive.

We look forward to our upcoming series of public meetings 'SEPT on the Spot' where members, staff and the public are welcome to come along and meet with us, our fellow board members, directors, governors and clinical leads to discuss local issues that are important to them.

Louraine Cabel

#### **Supporting our Staff**

As well as the anonymous 'I am worried about' intranet access for staff to raise issues, this year we have embedded the 'Freedom to Speak Up' recommendations and staff have voted in their first Principal Guardian. This will help staff to continue to feel supported and encouraged to speak out about any issues, concerns or challenges.

We have a Staff Recognition Scheme, and each month more staff are being nominated for In Tune Awards for excellent customer service. In November 2015, we held our SEPT Star Awards where more than 40 staff were recognised for their innovations and achievements and 14 proud winners took home a trophy.

#### **Vote of Thanks**

We want to take this opportunity in this public document to say thank you to each and every one of our staff. Our CQC results are a fitting tribute to their dedication and expertise. They work very hard to provide the highest quality care for our patients, and we are so proud of them. Without each and every one of them, SEPT would not be able to deliver the excellent services our patients rightly expect.

It doesn't stop there – our governors and members, partners, patients, carers, volunteers and fellow board members also make a huge contribution to the work of the Trust. We thank them for their continuing support.

We hope you find this report informative and interesting and that you enjoy reading about SEPT, its services, systems, staff and our achievements which contribute to the health and wellbeing of the people we serve.

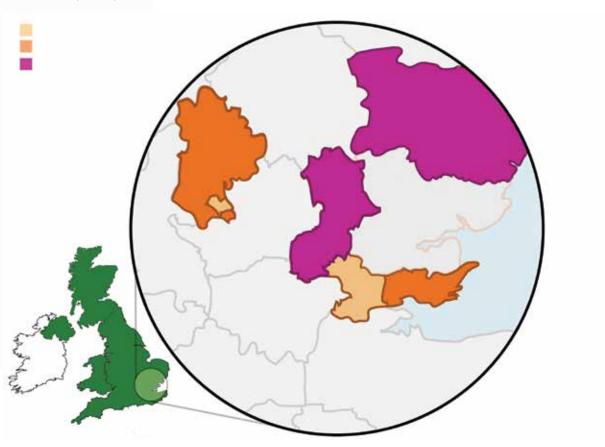
Lorraine Cabel Chair Sally Morris
Chief Executive



#### **Overview**

#### Introduction

South Essex Partnership University NHS Foundation Trust (SEPT) provides community health, mental health and learning disability services for a population of approximately 2.5 million people throughout Bedfordshire, Essex, and Luton.



We currently employ around 4,500 members of staff who work from over 190 sites, including community hospitals, health centres, inpatient units and social care services. We continue to strive to keep our patients at the very heart of all that we do, delivering safe, high quality services within the NHS.

#### **Our Vision**

'Providing services that are in tune with you'

Previous values	Our new values	Our beliefs	So you will see us (each of us)
Optimistic	Positive	Things can always be a little better tomorrow than today.	Being hopeful for ourselves and others     Interested in how to improve things     Noticing and appreciating good work
Empathetic	Welcoming	Our behaviours set the tone for others – 'we get what we give'	Being friendly, courteous and calm     Being approachable and patient     Being responsive and on time
Respectful	Respectful	Everyone has equal value. By thinking the best of people we respect them for who they are.	Respecting individuals and not judging Respecting people's dignity and privacy Speaking up if dignity is compromised
Involving Empowering	Involving	People are more motivated when they are involved	Working together openly     Listening and communicating clearly     Sharing ideas, choices and decisions
	Kind	We're here for the people we serve, and if we aren't serving a patient we serve someone who is	Being gentle and compassionate     Attentive, keeping our eyes and ears open     Being understanding and helpful
Accountable	Accountable	Delivering safe, effective professional care is up to us, not down to someone else	<ul> <li>Prioritizing and speaking up about safety</li> <li>Using best practice to get effective results</li> <li>Being professional, aware we are on stage</li> </ul>
	The outcome	The person I am serving right now is more important than me	Helping people to achieve the best quality of health they can.

#### Our services include:

Mental Health Services -Treatment and support is provided to young people, adults and older people experiencing mental illness – including treatment in hospitals, secure and specialised settings.

Community Health Services - Our community health services provide support and treatment to both adults and children. We deliver this care in community hospitals, health centres, GP surgeries and in our patients' homes. We also provide community dentistry and children's centres in south east Essex.

Learning Disabilities Services - We provide crisis support and inpatient services, and our community learning disability teams work in partnership with local councils to provide assessment and support for adults with learning disabilities.

Social Care -We provide personalised social care support to people with a range of needs, including people with learning disabilities or mental illness, supporting people to live independently.

During 2015/16 our staff had approximately 373,655 contacts with around 32,100 patients across all of our services.

#### Involving local people

SEPT is a Foundation Trust. NHS Foundation Trusts are not-for-profit, public benefit corporations. They are part of the NHS and provide over half of all NHS hospital, mental health and ambulance services and were created to devolve decision making from central government to local organisations and communities. They provide and develop healthcare according to core NHS principles - free care, based on need and not ability to pay.



#### What makes NHS foundation trusts different from NHS trusts?

NHS foundation trusts are not directed by Government so have greater freedom to decide, with their governors and members, their own strategy and the way services are run. They can also retain their surpluses and borrow to invest in new and improved services for patients and service users; and are accountable to:

- their local communities through their members and governors;
- · their commissioners through contracts;
- Parliament (each foundation trust must lay its annual report and accounts before Parliament);
- The CQC (Care Quality Commission);
- Monitor through the NHS provider licence.

NHS foundation trusts can be more responsive to the needs and wishes of their local communities – anyone who lives in the area, works for a foundation trust, or has been a patient or service user there, can become a member of the Trust and these members elect the Council of Governors. Want to have your say? Find out more about becoming a member. You can be involved as little or as much as you like – find out more about being a governor or member by visiting our website <a href="https://www.sept.nhs.uk">www.sept.nhs.uk</a>.

#### How we got to where we are today

**2015 – 2016** On the 1 April 2015 the majority of mental health services provided in Bedfordshire and Luton transferred to the management of East London NHSFT; on 1 October 2015 services provided in Suffolk transferred to a consortium led by West Suffolk NHS Foundation Trust, Ipswich Hospital NHS Trust and Norfolk Community Health and Care NHS Trust and on 1 November 2015 community based mental health services for children and adolescents transferred to North East London NHSFT. The Trust was pleased to be rated GOOD by the CQC following a full comprehensive CQC inspection.

**2014** – We have continued our drive to improve the quality of services successfully remodelling Community Mental Services within Essex and working with our partners to deliver the Frailty Project in West Essex Community Health Services.

**2012** – In partnership with SERCo, we took over responsibility for delivering some specialist and children's NHS services in Suffolk under the name of SCH – Suffolk Community Healthcare. This agreement was one of the first in the country between a private sector organisation such as SERCo and a leading NHS provider.

**2011** – Acquired contracts for the provision of community health services in Bedfordshire, South East Essex and West Essex.

**2010** – We achieved seven award category wins in the Healthcare 100 and moved up from the previous year's eighth ranking to take first place and also the enviable accolade of Top NHS Healthcare Employer. SEPT was also voted Top Mental Health Trust in the Healthcare 100 survey that names the top 100 healthcare providers to work for in the UK. SEPT was also runner up in the Top Healthcare Employer for Nurse and Midwives and Commitment to Clear Roles and Responsibilities and Jobs That Make A Difference.

**2010** – Took over the management of mental health and learning disability services for the people of Bedfordshire and Luton.

**2009** – Awarded the top score of 'excellent' in both the categories: 'quality of services' & 'use of resources' by the Care Quality Commission (CQC) – the only mental health trust in the country to achieve this high level of quality for three years in a row.

**2009** – SEPT was voted top in three categories in the prestigious Healthcare 100 survey organised by the Health Service Journal and Nursing Times that names the top 100 healthcare providers to work for in the UK. SEPT was voted as the top mental health trust to work for, top trust for employing managers and eighth best trust to work for overall in the UK. SEPT was also the largest employer in the top 10, the only organisation that falls within the 1,000 – 3,000 employees category.

**2008** – Achieved University Trust status; the first mental health and learning disability trust in the country to achieve this.

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

#### Achievement and Milestones for 2015 - 2016

- Achieving an overall rating of GOOD following our comprehensive inspection by the CQC (Care Quality Commission)
- Establishment of our Quality Academy which supports staff developing innovative service improvements
- SEPT Star Awards recognising innovation, achievements and quality of staff and services
- Ongoing commitment to 'Sign up to Safety' National Campaign and links with the national team
- Another year of strong Staff Survey results
- Launched a brand new intranet 'insite' for all staff to access two way up-to-date information
- Launched 'Valuing Volunteers' video and hosted volunteer 'Thank You' events

- Signed up to 'Hello My Name Is' initiative
- Launched 'Therapy for You' on-line therapy web application
- World Snooker Champion, Stuart Bingham, visited Brockfield House
- SEPT placed in the top 20 in the government's new national league table which rates the openness and transparency of every Trust in the country
- East of England Leadership Awards One of our doctors won the NHS Mentor/Coach of the Year Award
- HSJ Value in Healthcare Awards forensic services staff at Brockfield House and the maintaining medicine adherence team in Southend were finalists in the Mental Health Award category
- SEPT named again as one of the top places to work in the NHS by the Health Service Journal (HSJ) – included in the Top 120 of all NHS organisations
- Two Ticks Accreditation
- Bedfordshire Baby Friendly Scheme received UNICEF accreditation
- Open Arts win Positive Practice in Mental Health Award for 2<sup>nd</sup> year running
- Family Food First win National Public Health Award at Advancing Health Care Awards



#### **External and Internal Consultation on Trust Strategic Plan**

SEPT continues to build on its success placing high importance on investing time and energy to achieve engagement in planning for the future. We have well-established and comprehensive mechanisms for broad stakeholder involvement in service planning. Specifically our plans and quality priorities for 2016/17 have been developed as a result of listening to the views of over 200 service users, members of staff and key stakeholders such as governors, members and partner organisations(including Clinical Commissioning Groups, voluntary sector, Local Authority and other public sector bodies). We held two consultation events in January 2016 where the drivers affecting the Trust in the coming year were considered and quality priorities identified. The Trust also established a page on its public website to enable those who attended the events and those that were unable to attend to contribute their comments on-line.

#### **Potential Merger with NEP**

During the past year, North Essex Partnership NHS Foundation Trust (NEP) and South Essex Partnership University NHS Foundation Trust (SEPT) have worked closely on specific projects and were successful in a joint bid for a new Essex-wide substance misuse service. This is in line with the NHS Five Year Forward View, which requires all Trusts and commissioners to collaborate to help alleviate pressures on services. The approach is strongly supported by the Essex Mental Health Review and the Essex Success Regime.

Options for closer collaboration between the two Trusts were discussed at public Trust Board meetings in September 2015 and both Trusts agreed to explore a potential merger. This included setting up a joint project team and holding workshops with clinicians and managers from both Trusts. The Boards considered the exploration work in December 2015 and they agreed an Outline Business Case (OBC) for merger. This was submitted for consideration to Monitor (NHS Foundation Trusts' Regulator) in January 2016. We expect their response to be reported to the Trusts' Board meetings in March 2016.

This development means that we have progressed from 'exploring' to 'actively pursuing' this opportunity. Subject to further consideration and decision-making by both Trusts and approval from our regulators, we are aiming for authorisation of a proposed new organisation from April 2017.

Both Trusts remain firmly committed to acting only in the best interests of patients and this will be the deciding factor in any decisions. It is vital to remember - and to reassure your patients and their carers please - that there will be no immediate changes and that it is 'business as usual' for all SEPT's and NEP's services for the foreseeable future.

#### **Principle Risks and Uncertainties**

The Trust is strongly committed in its belief that 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 aims and objectives. The Trust has in place a comprehensive Risk Management and Assurance Framework which enables informed management decisions in the identification, assessment, treatment and monitoring of risk.

Throughout 2015/16 regular reports were provided the Executive Operational Sub Committee and the Board of Directors to ensure that the risk management and assurance systems remained productive and fit for purpose. The Risk Management and Assurance Framework was last revised February 2015, was evaluated in March 2016 and is currently under review to include a number of new key developments to ensure the continual development and strengthening of risk management arrangements.

At the start of the year the organisation identified eight corporate aims for 2015/16 and assessed the potential risks that may have prevented their achievement. The Trust's Directors considered each risk in terms of the potential impact if it were to materialise taking into account financial, safety, and reputational risk and the likelihood of occurrence during the financial year.

Significant potential risks were monitored by the Board of Directors in the Board Assurance Framework. 13 potential risks were identified in the Board Assurance Framework during the period 2015/16. These risks related to:

- learning from incidents;
- · quality of records;
- · maintaining CQC Compliance;
- financial risks as detailed within the financial plan including cost improvement programmes;
- meeting the new Duty of Candour requirements;

- personalised care;
- maintaining staffing establishment and use of agency staff;
- · delivery of transformation programmes;
- business continuity arrangements to manage industrial action.

#### **Going Concern Statement**

The Directors have considered whether it is appropriate, taking into account best estimates of future activity and cashflow, for the accounts to be prepared on the basis of the Trust being a 'going concern'. The Trust's Directors have considered and declared:

"After making enquiries, 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."



#### **Performance Analysis**

#### **Strategic Priorities**

As a result of our comprehensive and inclusive local planning, four key strategic priorities were identified for 2014 - 2019 in our Strategic Plan and Operational Plan.

Three of our strategic priorities confirm our commitment to providing the best quality services; with the best possible leadership and workforce and sustaining SEPT and the health care delivery systems in which we operate. Eight corporate aims support delivery and achievement of these three strategic priorities. The fourth strategic priority confirms that transformation, innovation and efficiency programmes are absolutely necessary to deliver the other three strategic priorities, the organisation's vision and sustainability.

#### • 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 organisation.

#### • Priority 2: Quality Leadership and Workforce

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 our workforce has the skills, knowledge and expertise required to deliver the strategy.

#### • **Priority 3**: Sustainability of Service Provision

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 divisions to which they apply.

#### • **Priority 4**: Innovative and Transformational Approach to Efficiency and Effectiveness

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.

#### **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 2015/16 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

Our Vision: Providing services that are in tune with you
Our Values: Positive, welcoming, respectful, involving, kind, accountable

#### Strategic priority 1

**Quality Services** 

#### **Coporate aims**

- 1. Safe care
- 2. Positive experience care
- 3. Effective, outcomes-focused care
- 4. Well organised care

#### **Enabling Strategies/Frameworks**

Quality

People Experience Framework

#### Strategic priority 2

Quality Leadership and Workforce

#### **Coporate aims**

- 5. Right staff, Right skills, Right place
- 6. A culture of openess, honesty and transparency

### Enabling Strategies/Framework HR & Workforce

#### Strategic priority 3

Sustainability of service provision

#### **Coporate aims**

- 7. Financially sound
- 8. Clear strategy for securing our success

#### **Enabling Strategies/Frameworks**

Operational plan Financial plan Commercial plan

#### **Strategic priority 4** Innovative and transformational approach to efficiency and effectiveness

**Programme 1:** Corporate Restructure

Programme 2: Dementia/ Challenging Behaviour Pathway

**Programme 3:** Estates Rationalisation

**Programme 4:** Workforce Redesign

Programme 5: Inpatient Redesign

Programme 6: Income Generation (includinng PICU, Non Contracted Activity, Specialist)

Estates
IM&T
Communications



Key Performance Indicator	Target	Was the Target Achieved?
Patients who would be Likely or Extremely Likely to recommend us to Family or Friends ( Mental Health )	Scoring above national average	
Patients who would be Likely or Extremely Likely to recommend us to Family or Friends ( Community Health )	Scoring above national average	
Staff Survey responses: "If a friend or relative needed treatment, I would be happy with the standard of care provided by this organisation"	Scoring above national average	
Complaints resolved within agreed timescales	≥95%	
Eliminating Avoidable Grade 3 and 4 Pressure Ulcers	0	
Number of Restraints	<1206	
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	<u>≥</u> 95%	
Early Intervention Services: New Cases of Psychosis	≥149	
% Delayed Transfers of Care	≤7.5%	
Referral to Treatment Waiting Times for	≥92%	
Consultant-Led Pathways – incomplete pathway		
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	<u>≥</u> 50%	
(Community Health)  Data Completeness – Treatment Activity Information (Community Health)	≥50%	
Access to Healthcare for People with a Learning Disability	six key requirements rated 4	
EIS – Referrals Treated in two weeks	≥50%	
IAPT – referrals treated in six weeks	≥75%	
IAPT – referrals treated in 18 weeks	≥95%	

### Important Events Since Year End Affecting the Foundation Trust

The Trust received a notice of contravention of the Health and Safety at Work Act 1974 from the HSE in April 2016. This notification is a result of their ongoing investigation into an incident that occurred in April 2015. The HSE has required the Trust to take remedial action on 4 matters to comply with health and safety law:

- ensure that clinical observations of patients are carried out in line with the Trust's Clinical Guidelines for engagement and formal observation;
- ensure that risk assessments are carried out in line with the Trust's policy and are recorded and communicated to staff;
- agency staff must be trained to the same level as permanent staff in the prevention and management of violence and aggression;
- establish systems to ensure compliance with the service level agreements with nursing agencies supplying staff to the Trust.

### Sustainability and Environmental Stewardship

Our organisation has a Board approved Sustainable Development Management Plan (SDMP) that includes the good corporate citizenship model. A revised SDMP is under development for 2016 and will consider and incorporate recent guidance issued by the Sustainable Development Unit. This will set out the Trust's plan of action for sustainable development and implementation timetables up to 2020. Progress against key performance indicators will continue to be monitored and updated on the Trust's website. The Sustainable Development Steering Group will be restructured to identify and recommend action on potentially significant future risks and opportunities to the Board.

The NHS Carbon Reduction Strategy expects the boards of all NHS organisations to approve such a plan [SDMP] in recognition that a sustainable NHS can only be delivered through the efforts of all staff. To that end, responsibility for sustainability issues such as carbon reduction and sustainable practices

continue to be included in all job descriptions. Staff awareness campaigns have already been shown to deliver cost savings and associated reductions in carbon emissions and our staff energy awareness campaign is ongoing.

The Trust's headlines in respect of sustainability and environment stewardship for 2015/16 are as follows:

**Energy:** Carbon emissions per m2 occupied area have decreased by a further 7% in the past year. It should be noted that around 90% of our electricity consumption comes from renewable sources and gas and power continue to be purchased through the Crown Commercial Services.

**Water:** Consumption per m2 occupied area decreased by 4.1% and a priority for the coming year is to implement a programme to further minimise water consumption.

**Waste:** Volumes per m2 occupied area has fallen by 35.6% in the past year.

**The NHS Good Corporate Citizen:** The self-assessment model has been completed by the Trust in 2015/16, showing that the Trust has made improvements in addressing wider sustainability agenda.

**Investment:** As an example of our ongoing investment program to mitigate cost and carbon emission increases, this year the installation of roof mounted Solar Thermal panels at Rochford Hospital was completed and now supplies domestic hot water to four wards, reducing the gas consumption at Rochford.

The Trust has continued to:

- raise awareness of the need to manage resources more effectively, reducing consumptions, waste, emissions and expenditure;
- invest in new developments, plant, equipment and technology to improve efficiency and provide more with less;
- adopt procurement practices which promote sustainable development, consciously specifying, procuring and re-cycling materials from sustainable sources.

Adaptation to climate change poses a challenge to both service delivery and infrastructure in the future. Therefore, it is appropriate that we consider it when planning how we will best serve patients. We continue to consider both the potential need to adapt the organisation's activities and buildings as a result of the potential risks posed by climate change.

#### **Equal Opportunities**

The Trust is committed to providing a service that promotes human rights and diversity and does not discriminate against any Trust employees, potential Trust employees, service users, relatives, carers or anyone that comes into contact with the Trust in any way. SEPT reviewed its Equality, Diversity and Human Rights Policy (CP24) in November 2015 to ensure that we continue to provide guidance to staff and that all practices within the Trust are carried out in a fair, reasonable and consistent manner. This overarching policy is supported by the Trust's comprehensive implementation of our Equality Diversity System 2 (EDS2) work plan – a tool used by all public sector organisations to monitor performance on equality, diversity and human rights. The Trust continues to work towards our Equality Objectives through the EDS2 and work is underway to develop new set of objectives and priorities for 2016 – 2020. This information along with a range of the year's initiatives is published on our external website.

The Trust's two overarching Equality Objectives:

#### **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 characteristics.

#### **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.

SEPT involve stakeholders in the development and rating of our Equality Objectives. Two interactive presentations were provided to service users (patients at Brockfield House, 29 October 2015) & Carers (4 November 2015) discussing the nature of equality, discrimination, fairness and the law. The presentations focused on the Equality Act and a variety of scenarios were presented and the participants were asked to give their views on whether the issued presented were fair, unfair, discriminatory or none of these things. Service users were given the opportunity to discuss their beliefs about services they have experienced and rate it. The participant feedback was used to rate the Trust Equality Delivery System (EDS2) for 2015-16.

The Trust's Equality, Diversity and Human Rights Policy communicates SEPT's commitment to uphold the human rights of all service users, staff and anyone else with a relationship to the Trust. These include practices which reflect the principles of the right to a fair trial, respect for private and family life and freedom of thought, conscience and religion. Any restriction placed on the rights of service users, for example those detained under the Mental Health Act 1983 (MHA) or Mental Capacity Act 2005 (MCA), will be considered and proportionate. The 'least restrictive principle' will always be applied. The Trust has robust mechanisms in place to monitor the implementation of the MHA and MCA. This includes a MHA and Safeguarding Committee that monitors compliance with this legislation, an Equality and Inclusion Steering Group, compliance spot-checks, audit of MHA policies.

The Trust also works with partner organisations to reduce any barriers to accessing appropriate services, and ensuring a 'least restrictive' approach. The implementation of a Street Triage Scheme in conjunction with Essex Police is an example. The aim of which is to help police officers make appropriate decisions based on a clear understanding of the background to these situations and ensuring that individuals who present with a mental health crisis receive appropriate care more quickly.

During 2015/16 the Trust's Equality and Diversity Lead undertook a full review of our Chaplaincy and Faith Services. This has led to improvements in services, e.g. improved access to an Imam for service users at Brockfield House and further recommendations that the Trust will take forward during 2016/17.

The Trust strives to provide flexible provision of service which meets individual service users' and carers' needs, and reducing health inequalities by engaging with communities. The 'Therapy for You' service engaged with a social marketing company to improve the understanding of what local communities wanted from the therapy service. The award winning campaign involved a variety of exercises, including street marketing, patient focus groups and local media advertising. As a result, several changes have been implemented that improve the service for all clients. Additionally, a service redesign was implemented to simplify the referral process enabling clients to now self-refer via telephone and on line through a web application and to be offered an initial telephone assessment appointment within 3-4 days, significantly improving access times.

The Maintaining Adherence Programme (MAP) which has reduced 'revolving door' admissions and achieved effective use of resources is another example of improving access to services for people with disabilities. This service has won numerous awards including the Royal College of Psychiatrists Team of the Year, the Patient Experience Network National Award for Access to Information, the Geoff Brook Award for Innovation and the Inventive Health Communications Award for Excellence in Healthcare Collaboration and Partnerships; as well as a finalist for the Nursing Times (Nursing in Mental Health) awards. Due to the success of this innovation, it is now planned to roll out key components of the model into mainstream community mental health services as part of the transformation of services.

During 2015/16 the Trust undertook a full review of the governance arrangements for managing the Trust's equality agenda with improved communication and better access to the equality discussions for staff. This included a 12 month pilot of Equality Forums for staff to bring any issues important to them in the area of equality and to have them built into an action log. This work will feed into a review of how staff equality groups are shaped in the future which is overseen by the Equality and Inclusion Steering Group, led by an Executive Director and Non-Executive Director.



#### **Financial Review**

#### **Overview**

This part of the Performance Report provides a commentary on the financial position of the Trust for the year ending 31 March 2016, together with a review of the Trust's future financial performance for the 2016/17 financial year.

The Trust's annual report and accounts cover the period of 1 April 2015 to 31 March 2016, and have been prepared in accordance with directions issued by Monitor under the National Health Service Act 2006. They are also prepared to comply with International Financial Reporting Standards (IFRS) and are designed to give a true and fair view of the Trust's financial activities.

#### **Financial Performance**

The 2015/16 financial year has again been very challenging for the NHS and public sector as a whole, with the Trust planning for an underlying break even position with an inherent efficiency requirement of £12.1 million. Against this plan, the Trust delivered an underlying surplus of £0.2 million, which increases to a non-recurrent surplus of £1.6 million as a result of a capital to revenue transfer requested by Monitor. This reduces to a loss of £33 million from continuing operations when technical adjustments are included, giving a financial sustainability risk rating of 4 for the year.

Tables 1.1 and 1.2 below provide a summary of the Trust's performance on its Statement of Comprehensive Income for the year and Statement of Financial Position, together with comparator information for the 2014/15 year. Further detail around the individual components of the position is also provided.

**Table 1.1 Summary of Statement of Comprehensive Income** 

Summary of Statement of Comprehensive Income	2015/16	2014/15
	£m's	£m's
Operating Income (from Healthcare)	238.9	311.3
Other Operating Income	19.5	13.7
Operating Expenses	(251.1)	(317.0)
Finance Costs	(5.7)	(7.0)
Surplus / (Deficit)	1.6	0.8
Revaluation of Investment Properties	2.2	0.5
Transfers by Absorption	(36.8)	0.0
Reported Surplus / (Deficit) for the year	(33.0)	1.3

#### **Table 1.2 Summary of Statement of Financial Position**

Summary of Statement of Financial Position	2015/16	2014/15
	£m's	£m's
Non Current Assets	152.7	188.5
Current Assets (excluding cash)	19.5	12.7
Cash and Cash Equivalents	41.7	50.9
Current Liabilities	(34.2)	(36.9)
Non Current Liabilities	(34.7)	(39.0)
Total Assets Employed	145.0	176.2
Total Taxpayers Equity	145.0	176.2

#### **Income from Health Care Activities**

The Trust's income received for the purposes of the health service in England totalled £238.9 million in 2015/16, which is greater than the income received from the provision of goods and services for any other purposes of £19.5 million. This is in line with the requirement of section 43 (2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012).

#### Income from Non Health Care Activities

With effect from April 2015, the Trust provided an Estates and Facilities Management Service to East London NHS Foundation Trust in respect of the properties formerly owned or occupied by the Trust prior to services transferring. This generated gross income of £3.9 million.

The Trust also continued to provide an Estates and Facilities Management service to the North East London NHS Foundation Trust and to NHS Property Services Limited in respect of the South West Essex and South East Essex community services properties. In addition, a car leasing service is provided to a number of local NHS organisations and Housing Associations.

#### **Operating Expenditure**

The total operating expenditure of the Trust for 2015/16 was £251.1 million, with the largest area of spend relating to employee expenses of £177.4 million.

#### **Efficiency and Income Generation Initiatives**

As highlighted above, the Trust's planning process for 2015/16 identified a total planning shortfall / efficiency requirement of £12.1 million. This was based on planning guidance issued by the Department of Health, as well as a number of other national and local cost pressures. In addition, it includes an underachievement on the 2014/15 efficiency programme of £5.2 million.

The Trust continues to try to minimise the impact on front line services, and where possible generates savings from corporate and back office functions, and new income generation opportunities. However, this is becoming increasingly difficult with the Board ultimately approving plans for 2015/16

which included a number of transformational schemes relating to changes around inpatient and community services.

Against the total efficiency requirement for the year of £12.1 million, the Trust successfully delivered savings totalling £8.6 million during 2015/16. On a recurrent basis, the Trust has identified savings of £7.3 million, and confirmed that £4.8 million of planned schemes are no longer deliverable. This recurrent shortfall of £4.8 million has been factored into the planning process for the 2016/17 financial year.

#### **Finance Costs**

The Trust is required to pay the Treasury dividends in respect of the Public Dividend Capital held by the Trust and which was historically given by Treasury for capital financing. Dividends are paid to Treasury twice a year during September and March, and are payable at a rate determined by Treasury (currently 3.5%) on the average relevant net assets of the Foundation Trust. Average relevant net assets are based on the opening and closing balances of the Statement of Financial Position, and therefore a debtor or creditor arrangement may exist at year end between the Treasury and the Trust.

In addition, the Trust is required to pay finance costs in respect of PFI obligations for the Trust's three PFI-funded locations at Rawreth Court in Rawreth, Clifton Lodge at Westcliff and Brockfield House in Wickford.

#### **Revaluation of Investment Property**

In accordance with accounting guidelines, the Trust has opted to undertake an annual revaluation of its investment properties. The revaluation report obtained from the District Valuer showed an increase in value of £2.2 million since March 2015, compared to an increase of £0.5 million in the previous financial year. The increase in the value of investment properties is reported on the face of the 'Statement of Comprehensive Income' and increases the Trust's overall reported surplus.

#### **Transfers by Absorption**

With effect from 1 April 2015, the Trust ceased to provide mental health, learning disabilities, CAMHS, intermediate and community health services across Bedford and Luton. This was as a result of procurement processes undertaken by Bedford CCG and Luton CCG, which ultimately awarded the contract for these services to the East London NHS Foundation Trust.

In accordance with accounting guidelines, the Trust was required to account for the transfer of the associated land, buildings and equipment for these services, as a transfer by absorption which creates a technical loss to the Trust's position of £36.8 million. The East London NHS Foundation Trust accounts is required to account for the corresponding gain to reflect the transfer of the estate into their accounts, with a nil overall impact to the NHS.

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

Following the loss of the Bedford and Luton contract and the transfer of staff to East London NHS Foundation Trust, the Trust ceased its membership to the Local Government Pension Scheme to which a number of Bedford and Luton social workers belonged. This required the Trust to pay its outstanding pension liability as at the date of transfer, and remove any residual net liability from the Statement of Financial Position.



#### **Capital Expenditure**

Within non-current assets on the face of the Statement of Financial Position, is intangible assets, property, plant and equipment totalling £137.4 million. During the year, the Trust invested £1.5 million of internally generated funds on items of capital expenditure which subsequently increased the level of non-current assets held by the Trust. This included £580k on improvements to inpatient facilities such as the Mental Health Unit at Basildon, Essex.

The Trust also invested funds of £141k on ensuring compliance with the safe storage of medicines and £134k on the purchase of medical equipment. In addition, the Trust invested in IT and systems that support the delivery of our services including the roll out software to support the safer staffing regime.

#### **Investment Property**

The Trust also holds a number of investment properties within the classification of non-current assets totalling £15.3 million. These properties are leased out to various organisations including housing association and private individuals. During the year the Trust reclassified two properties as investment properties in respect of Oakley Court which is leased to East London NHS Foundation Trust, and Weymarks in Basildon, Essex.

#### **Assets Held for Sale**

As at the end of the 2015/16 financial year, the Trust held one asset (Leagrave Lodge) in preparation for disposal with a market value of £326k. During the year, the Trust reclassified one further asset (4 The Glades) from an asset held for sale to land and property and revalued this property upon transfer.

#### **Working Capital and Liquidity**

The Trust has robust cash management and forecasting arrangements in place, which are further supported by an Investment Committee. This Committee is chaired by the Chair of the Trust, and also includes a further three Non-Executive Directors, the Chief Executive, the Executive Chief Finance Officer and the Executive Director for Corporate Governance.

The Trust invests surplus cash on a day to day basis in line with the Operating Cash Management Procedure, and generated interest from cash management activities of £164k in 2015/16. The interest earned is used to offset the associated costs of banking and cash transit services. The Trust ended the financial year with a strong working capital position of positive £27.1 million.

#### **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 2015/16, the Trust achieved an average of 86% of all trade invoices paid within 30 days, compared to a figure of 84% in 2014/15.

#### **Taxpayers Equity**

The Trust holds Public Dividend Capital of £97.3 million, plus reserves relating to income and expenditure surpluses generated over the year, and from asset revaluations arising from the impact of valuations of the Trusts estate. The total of these, represents the level of taxpayers equity in the Trust.

#### **Accounting Policies**

The Trust has detailed accounting policies which comply with the NHS Foundation Trust Annual Reporting Manual. These have been thoroughly reviewed by the Trust and agreed with External Auditors. Details of the policies are shown on pages 6 to 22 of the 2015/16 annual accounts.

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

The Trust has complied with the cost allocation and charging requirements set out in HM Treasury.

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

The accounting policy in relation to employee pension and retirement benefits, and the remuneration report is set out on pages 29 to 33 of the annual accounts for 2015/16.

#### **Charitable Funds**

The Trust operates a registered charity (number 1053793) called the South Essex Partnership NHS Foundation Trust General Charitable Fund which has resulted from fund raising activities, donations and legacies received over many years. The Charity consists of a number of restricted funds which are used to purchase equipment and other services in accordance with the purpose for which the funds were raised or donated, and as well as unrestricted (general purpose) funds which are more widely available for the benefit of patients and staff.

The Board of Directors act as Corporate Trustee for the Charity, and are further supported by the Charitable Funds Committee. The Committee is chaired by a Non-Executive Director and includes two further Non-Executive Directors, the Executive Chief Finance Officer and the Executive Director of Corporate Governance. The Audit Committee considered and approved the non-consolidation of the charity accounts into the Trust's main accounts on the grounds of materiality, at their meeting in March 2016. A copy of the charities Annual Report and Accounts for 2015/16 will be available from January 2017 upon request to 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 2015/16.

#### **Financial Risk Management**

The Trust's financial performance is assessed by Monitor, the Independent Regulator of Foundation Trusts, based on the Financial Sustainability Risk Rating. The rating for the year is based on the detailed Annual Plan submitted during April.

The Annual Plan is further supported by the Trust's internal Financial Plan which incorporates detailed revenue, capital, cash and cost improvement / income generation plans. This is based on a number of assumptions which have been duly considered by the Board of Directors and risk assessed. The Trust monitors the possibility of the high or extreme risks materialising throughout the year, in addition to any new risks which are identified.

#### **Future Financial Performance**

The Trust's Annual Plan for 2016/17 demonstrates that the Trust plans to achieve a Financial Sustainability risk rating of 3 for the year. However, as a result of the continued financial pressures on public services, the Trust has submitted a plan with

a forecast deficit of £1.2 million.

The plans include a net increase of 3.1% on expenditure excluding the additional impact of contributions to the national CNST (insurance) scheme and incremental drift on pay funding. In addition, the Trust has identified local cost pressures totalling £1.1 million which require funding and included the recurrent gap on the delivery of the 2015/16 savings plan. The Trust has also factored in non-recurrent expenditure around the impending merger with North Essex Partnership NHS Foundation Trust.

The Board of Directors remain proud of the Trust's ability to continue to provide excellent clinical services over several years of financial constraint. The Trust will continue to work with its CCG's and other NHS organisations, to try and minimise the impact on front line services as much as possible over the coming years.

Signed:

**Sally Morris Chief Executive** 25 May 2016

Trust Teams out and about at Thurrock's Big Health Day



#### **Accountability Report**

#### **Directors' Report**

The Directors of South Essex Partnership University NHS Foundation Trust present their report for the period 1 April 2015 to 31 March 2016.

#### Introduction

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

The make-up and balance of the Board has been reviewed, including the appropriateness of current appointments. The Board 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 and organisational development, primary care, commercial and marketing. Most have held office with specific briefs for governance, risk management and strategic planning as well as major investment decision making. The Board has demonstrated a clear balance in its membership through extensive debate and development.

#### **Our Board of Directors**

#### **Executive Directors**

#### Sally Morris, Chief Executive

Sally was appointed Chief Executive of SEPT in September 2013, having previously been Deputy Chief Executive with the portfolio for Specialist Services and Contracts; a role which was operationally accountable for forensic, child and adolescent mental health services (CAMHS) and psychological and therapy services across Bedfordshire, Luton and Essex. She is also the Trust's Customer Care Strategy Lead.

Sally first joined SEPT in 2005 as the Executive Director with operational leadership responsibility for all mental health and learning disability services across South Essex and subsequently Bedfordshire and Luton. During this time, Sally was pivotal in establishing a dedicated contracting function and led subsequent contract acquisitions.

Previous roles included being the Director of Finance and Specialist Commissioning for Southend Primary Care Trust, as well as being 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. With a history of successful partnership working with Local Authorities, the voluntary sector and other NHS Trusts, Sally has a proven track record of managing major change in complex environments and where key stakeholders have polarised views.

A chartered accountant by profession and a keen sailor in her leisure time, Sally also used to represent Wales in lacrosse.



### Andy Brogan, Executive Nurse/ Executive Director Mental Health

Andy is the Executive Director of Mental Health, Deputy Chief Executive and our Executive

His portfolio of services also currently includes Child and Adolescent Mental Health, Psychological Therapies & Psychology, and Forensic Services.

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.

He joined the Trust in September 2009 and his portfolio includes.

- Clinical Governance
- Clinical Risk
- Clinical Audit
- Nurse Leadership
- Safeguarding
- Infection Control
- Specialist Operational Services
- Physical Care
- · Learning Disabilities
- Psychology and Therapy Services
- Carers
- Local Section 75s Partnership and Social Work
- Locality Clinical Administration
- Research Governance
- Workforce Planning
- Training and Development.

### Nigel Leonard, Executive Director Corporate Governance

Nigel has worked in the NHS for over 20 years in a variety of planning, governance and project management roles in

acute, community and mental health organisations. He has worked as a Programme Director delivering changes in mental health services in Essex and Berkshire and West London.

Nigel is a qualified Company Secretary and has an MSc in Project Management. He is also a member of the Association for Project Management. Nigel is the Trust's LSMS lead and the Executive lead for the merger programme with North Essex Partnership University NHS Foundation Trust.

Nigel was appointed as the Executive Director Corporate Governance in February 2014 and his portfolio includes:

- Corporate Governance
- Planning
- Performance
- Compliance
- Non-Clinical Risk Management
- Security Management (LSMS)
- Trust Secretary
- Legal
- Communications
- Information
- · Patient Engagement
- Complaints
- Public Health
- · Human Resources.



Milind is a Consultant Psychiatrist at our Mental Health Assessment Unit, Caldicott Guardian and Executive Medical Director for the Trust.

Milind trained in Cambridge and Eastern Deanery to attain membership of the Royal College of Psychiatrist and later completed Masters in Forensic Psychiatry (merit) at Institute of Psychiatry, Maudsley. His areas of interest include patient safety, clinical governance, liaison psychiatry and mood disorders. He chairs the Trust's Physical Health and Learning Oversight Sub-Committees.

He has been involved in medical management for last seven years, working as Clinical Director, CD for Clinical Governance, Deputy Medical Director and more recently Medical Director from 2012. He has keen interest in teaching and has written several chapters in books for MRCPsych examination. He is on the Board of Examiners for The Royal College of Psychiatrists and is the Chair of the Anglia Ruskin University Health and Wellbeing Academy.

Milind's portfolio includes:

- Medical Staff
- Pharmacy
- Caldicott Guardian.

#### Mark Madden, Executive Chief Finance Officer and Resources Officer

A qualified accountant, Mark has worked in a variety of NHS and non NHS financial roles.

Mark is married and has two children and is a passionate sportsman. He formerly played rugby for Norwich and his hobbies include running, cycling and keeping up with his children.

Mark joined the Trust in April 2014 and his portfolio includes:

- Finance
- Purchasing
- IM&T
- · Records Management
- PMO (Programme Management Office)
- Business Development
- Contracting
- Estates & Facilities.

Mark is also the Trust's Senior Information Risk Owner (SIRO).

## Malcolm McCann, Executive Director Community Services & Partnerships

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 90s.

As Chief Executive of Castle Point & Rochford PCT from 2001 to 2006 he led the organisation from its inception through its development into a highly successful PCT. He has since worked as the Chief Operating Officer in both South West and South East Essex, joining SEPT as Director of Acute & Community Services in June 2010. In this role and in partnership with director colleagues Malcolm led the successful bid for the three community services that we acquired in August 2011 and was member of the bid team with SERCO who were identified (April 2012) as the preferred bidder in Suffolk. Between 2012 – 2015, Malcolm led mental health services; helping to transform and develop mental health services in accordance with requirements of Commissioners.

Malcolm is particularly proud of the 'Good' CQC rating ascribed to his community and mental health services following a comprehensive inspection of the Trust in 2015.

Since Autumn 2016, Malcolm's portfolio now includes three community contracts and the extensive partnership agenda, which is fundamental to our organisation's success.

Malcolm now manages community health services in Essex and Bedfordshire as well as partnership relations. His portfolio includes:

- Community Services
- Equality and Diversity
- Faith Communities
- Partnership Working
- Recovery College.

Richard Winter, Executive
Director Integrated Services Bedfordshire and Luton (until
31 October 2015)

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 including being Director of Nursing for NHS Direct Bedfordshire and Hertfordshire and the Regional Director of NHS Direct for the Eastern region and the National Commercial Director for NHS Direct. Richard then joined Commissioning and became the Director of Commissioning for NHS Bedfordshire before moving to Provider Services in September 2010 when he was appointed as the Chief Operating Officer of Bedfordshire Community Health Services.

Following divestment to SEPT in September 2011, Richard was appointed to his present role 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.

His portfolio included:

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

#### **Non-Executive Directors**

#### **Lorraine Cabel, Chair**

With more than 40 years' experience of the NHS in a wealth of roles, Lorraine Cabel is very well qualified for her job as Chair of both SEPT's Board of Directors and Council of Governors.

Originally from Lancashire, Lorraine has worked in the NHS in Essex for the last 26 years, so is very familiar with the area and with SEPT. She began her career as nurse, specialising in burns and plastic surgery. Following a span of 15 years in various nursing roles, Lorraine took a break and did a degree in Social Policy and Administration, before moving to public health where she worked in health promotion. However, being the kind of person that is always looking for new challenges, Lorraine then moved into commissioning of healthcare, later becoming Executive Director for Commissioning for South Essex Health Authority. From there she moved to the Essex Strategic Health Authority where she was Director of Modernisation. Two years into this post she then took on a broader role as Executive Director of Primary Care and Partnerships.

Just prior to joining SEPT she was Interim Chief Executive at South East Essex Primary Care Trust. In her many and varied roles, one era sticks out for Lorraine as a particular achievement. This was when she was involved in a two-year project to commission new models of care for people who had been living in institutional care at South Ockendon Hospital which was closing as part of a national reorganisation of institutional care.

As well as being Chair of the Trust, Lorraine is also Chair of the Board of Directors Investment & Planning, Nominations, Quality and Remuneration Committees, and the Council of Governors Nominations Committee.

#### **Janet Wood, Non-Executive Director and Vice Chair**

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 took a career break in 1999 to spend time with her family. At this point she was Finance Manager at Southend and

Billericay, Brentwood & Wickford Primary Care Groups (the forerunners to PCTs). During her career break she undertook consultancy work for HFMA (Healthcare Financial Managers Association) covering a wide area of NHS finance issues and in particular assurance and governance. She was appointed a NED for the Trust in November 2005.

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.

Janet is a NED of the Trust because she wants to bring her wealth of experience and knowledge to the NHS and contribute towards making SEPT one of the best Foundation Trusts in the country. She believes that patients in the NHS should receive high standard services in bright modern settings and as a NED she can help make this happen. Janet is the Vice Chair of the Trust and is Chair of the Board of Directors Audit and Finance & Performance Committees; she has previously undertaken the role of Senior Independent Director.

### Randolph Charles, Non-Executive Director

For over 20 years Randolph has worked as a full time teacher in a Further Education College and has developed expertise in working with

people with mental health and learning disabilities. His 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 is currently chair of the council's Environment Overview and Scrutiny Committee, one of the committees which hold the mayor and Executive to account.

Randolph has served on various bodies as school governor and chair, police authority member, probation board member, member of the independent monitoring board of the local prison and has acquired over a number of years a vast amount of experience as the chair and leader of various charitable organisations. He recently became a trustee of the Harpur Trust in Bedford. Randolph is adept at engaging with various communities and is committed to motivating and empowering them to participate in all aspects of society and make their voices heard.

Randolph has well established and developed networks within the local community and combines his dual roles with the Local Authority and SEPT to ensure that services developed are consistent and in tune with the needs and aspirations of the communities we serve.

He is currently Chair of the SEPT's Charitable Funds Committee and is the equality and diversity nonexecutive champion.

#### **Steve Cotter, Non-Executive Director**

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 Non-Executive Director. 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.

He has worked with private equity houses on private to public floatation's and more recently in the start-up and turnaround sectors. In the recent past Steve was appointed executive chairman of a large retailer which required refinancing and restructuring.

Steve has served on the fund raising board of the RNLI and is currently Chairman of a housing complex. He has his own retail consultancy which offers services at senior management level to the retail sector.

Having spent many years facing a multiplicity of different business and human issues Steve hopes to be able to use my experience to add some value to the many challenges that the Trust faces.

### Steve Currell, Non-Executive and Senior Independent Director

Steve served for 34 years in the police service in many roles both in uniform and CID. He retired from the police in 2007 having attained

the rank of superintendent responsible for the operational policing for the Southend unitary authority and 450 staff police officers and police support staff. He is currently a director of an Essex based business consultancy company. In his spare time he conducts money management courses as a volunteer in HM Prison Chelmsford.

Steve has been a Non-Executive Director at SEPT since June 2007 and is currently the Senior Independent Director of the Trust; he has previously served SEPT as a partnership governor. He is the Trust's Children's Champion and Patient Safety Champion, for the Trust and is the nominated Non-Executive Director with responsibility for Security & Risk Management. Steve also chairs the Mental Health Act Committee and oversees hospital manager panels for SEPT.

Steve wants to help make a difference in leading a very successful Trust – providing the best possible standard of quality healthcare to families and individual whose lives are touched by mental health difficulties and in need of community services.



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 has been a National Health Service Chair for eleven years across mental health, learning disability and community services, and a Non-Executive Director for eighteen 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 & 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. Alison joined the Trust as a Non-Executive Director in January 2012 and is currently the Trust's NHS Procurement Champion and non-executive lead for resuscitation.

Alison is a company director of a community interest company, developing a web-based service and forum for people caring for elderly relatives. She is also a Trustee of IMPACTmh, a mental health charity run by and for people who have experienced, or are experiencing mental ill health.

#### **Mary Ann Mumford, Non-Executive Director**

Mary-Ann brings wide experience from her varied, 40 year career in health services.

Originally trained as a general nurse and mental health nurse she specialised in psychosocial and family centred nursing where she became interested in individual and organisational development. After studying for a degree in Psychology and Anthropology and encouraged by the Griffiths Report she trained as a General Manager and held a variety

of director roles in both the NHS and the independent sector.

After completing an MBA she took on the role of PCG and PCT Chief Executive and led considerable change developing these new commissioning organisations in Essex. Since then she has been involved in setting up a social enterprise, promoting nutrition and mental health, marketing patient safety, quality and efficiency tools with the NHS Institute for Innovation and Improvement and working as a volunteer with older people.

Mary-Ann feels privileged to be able to continue to contribute to the NHS and the local community as a Non-Executive Director with SEPT.

#### **Contact Details**

Board 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). Contact details can also be found on the Trust's website: www.sept.nhs.uk

A Governor can be contacted through the Trust Secretary Office by any of the following methods:

Post: Freepost RTRG–UCEC-CYXU

Trust Secretary Office

The Lodge Runwell Chase Wickford SS11 7XX

Email: membership@sept.nhs.uk

Freephone: 0800 023 2059



#### **Register of Interests**

All members of the Board of Directors and 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 two registers which are available to the public.

Details can be requested from the Trust Secretary at The Lodge, Runwell Chase, Wickford SS11 7XX; email trust.secretary@sept.nhs.uk

#### Responsibilities of Directors for preparing the **Annual Accounts and Report**

The Directors are required under the National Health Service Act 2006, and as directed by Monitor, to prepare accounts for each financial year. Monitor, with the approval of HM Treasury, directs that these accounts shall show, and give a true and fair view of the NHS foundation trust's gains and losses, cash flow and financial state at the end of the financial year.

Monitor further directs that the accounts shall meet the accounting requirements of the NHS Foundation Trust Annual Reporting Manual that is in force for the relevant financial year, which shall be agreed with HM Treasury. In preparing these accounts, the Directors are required to:

- apply on a consistent basis, for all items considered material in relation to the accounts, accounting policies contained in the NHS Foundation Trust Annual Reporting Manual issued by Monitor;
- make judgements and estimates which are reasonable and prudent; and ensure the application of all relevant accounting standards, and adherence to UK generally accepted accounting practice for companies, to the extent that they are meaningful and appropriate to the NHS, subject to any material departures being disclosed and explained in the accounts.

The Directors are responsible for keeping proper accounting records which disclose, with reasonable accuracy, at any time the financial position of the

To Talk day

Trust. This is to ensure proper financial procedures are followed, and that accounting records are maintained in a form suited to the requirements of effective management, as well as in the form prescribed for published accounts.

The Directors are responsible for safeguarding all the assets of the Trust, including taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are required to confirm that:

- as far as they are aware, there is no relevant information of which the Trust's auditor is unaware: and
- that they have taken all steps they ought to have taken as a Director in order to make themselves aware of any such information and to establish that the auditor is aware of that information.

The Directors confirm to the best of their knowledge and belief, they have complied with the above requirement in preparing the accounts.

The Directors consider that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS Foundation Trust's performance, business model and strategy.



#### **Enhanced Quality Governance Reporting**

Throughout this report and particularly in our Quality Report (pages 87 to 179) we have provided many examples of our achievements and our performance against quality targets and initiatives that have contributed to maintaining or improving the quality of service provision.

Quality governance brings together the structures and processes (at and below Board level) which are in place to deliver Trust-wide quality performance including:

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

Ensuring that good quality governance arrangements are in place to provide the Board of Directors, patients, commissioners and regulatory bodies with assurance on the quality of SEPT services is an integral part of the Trust's overall governance systems.

In the Annual Governance Statement (pages iii-vii of the annual accounts), we have identified the key components of the system of internal control that are in place within SEPT to support the achievement of the NHS Foundation Trust's policies, aims and objectives. Robust quality governance arrangements are integral to the system of internal control described in the statement. Some examples of the arrangements in place are described there.

The Trust identified 'well organised care' (which incorporates the principles of quality governance) as one of our corporate objectives in 2015/16 and this has been carried forward as a priority in 2016/17. The CQC rated the Trust as 'GOOD' in the 'well led' domain of the comprehensive inspection carried out in 2015.

In conjunction with self-certification against the Corporate Governance Statement the Trust has also undertaken a robust self-assessment against both Monitor's and the CQC's Well Led criteria. In order to ensure the continual drive to improve quality, areas identified to strengthen existing arrangements were approved by the Executive Operational Sub- Committee and monitoring against progress is reported to both the Finance & Performance Committee and the Quality Committee, standing committees of the Board of Directors.

There are no material inconsistencies between our Annual Governance Statement (May 2016), our annual (May 2016 and April 2016) and quarterly (2014/15) Board statements required by Monitor, our Corporate Governance Statement (May 2016), our Quality Report (2015/16), this Annual Report and reports received from the CQC following inspection of our services.

**Sally Morris** 

**Chief Executive** 





#### **Remuneration Report**

#### Introduction

This section covers the remuneration of the most senior managers of the Trust – those people who have the authority and responsibility for controlling the major activities of the Trust. In effect this means the Board of Directors, including both Executive Directors (including the Chief Executive) and Non-Executive Directors (including the Chair).

Information is also provided about the Remuneration Committees, the policy on remuneration and detailed information about the remuneration of the Executive and Non-Executive Directors of the Trust.

#### **Annual Statement on Remuneration**

The Board of Directors' Remuneration Committee has delegated responsibility to review and set the remuneration, allowances and other terms and conditions of the Executive Directors (this includes the Chief Executive), who are the Trust's most senior managers as required under the NHS Act 2006. The Trust's Executive Directors have the authority and responsibility for directing and controlling major activities of the Trust.

The Committee also recommends and monitors the level and structure of remuneration of other directors who are the Trust's senior managers but who are not Board members, operating within the locally determined pay scale.

The remuneration policy for the Trust's Executive Directors is to ensure remuneration is consistent with market rates for equivalent roles in FTs 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. Decisions regarding individual remuneration are made with due regard to the size and complexity of the senior managers' portfolios of responsibility. In setting the remuneration levels, the Committee balances the need to attract, retain and motivate directors of the quality required.

The current remuneration policy is not to award any performance related bonus or other performance payment to Executive Directors. The Committee refers to the annual NHS Providers' salary survey together with publicly available information about trends within the NHS and broader economy. The Trust does not make termination payments to Executive Directors which are in excess of contractual obligations and there have been no such payments during the past year.

The Council of Governors' Remuneration Committee, which is chaired by the Lead Governor, has delegated responsibility to recommend to the Council the remuneration levels for the Chair and all Non-Executive Directors including allowances and the other terms and conditions of office in accordance with all relevant legislation and regulations.

In reviewing the remuneration of Non-Executive Directors, the Committee balances the need to attract and retain directors with the appropriate knowledge, skills and experience required on the Board to meet current and future business needs without paying more than is necessary and at a level which is affordable to the Trust. The remuneration policy for the Trust's Non-Executive Directors is to ensure remuneration is consistent with market rates for equivalent roles in FTs of comparable size and complexity, taking account of the NHS Providers' annual salary benchmarking analysis. It also takes into account the pay and employment conditions of staff in the Trust, the performance of the Trust, and the time commitment and responsibilities of Non-Executive Directors and Chair, as well as succession planning.

There was one payment for loss of office to an Executive Director in 2015/16 as part of the Bedfordshire and Luton services disaggregation that took place on 1 April 2015. Payment was on the grounds of redundancy and was calculated in accordance with Section 16 of the NHS Terms and Conditions of Service and the NHS Pensions Regulations in force at the time. There were no pay awards or inflationary uplifts for Executive Directors, during 2015/16.

As reported in last year's Annual Statement on Remuneration, during 2014/15 the Council of Governors awarded an uplift of 9% and 2% respectively to both the Chair's and Non-Executive Directors' remuneration effective from 1 April 2015 having taking account of the economic landscape and national policy for NHS staff, as well as ensuring remuneration rates reflected an appropriate local rate to support with succession planning.

### Signed:

Louraine Cabol

### **Lorraine Cabel**

Chair of the Trust and Chair of the Board of Directors' Remuneration Committee





### **Senior Managers Remuneration Policy**

### **Future Policy**

### Remuneration Package Components

The Executive Directors' (including the Chief Executive) remuneration package consists of salary and the entitlement to NHS pension benefits.

Non-Executive Directors are remunerated for an agreed number of days work per month. There is no entitlement to the NHS pension scheme.

# Remuneration Package

The Executive Director salary is a 'spot' salary within an agreed remuneration framework. The salary levels are set to attract and retain appropriately skilled Executives. The Trust believes that by setting an appropriate salary then no additional components are necessary to drive forward the Trust's strategic objectives.

The Trust has two Executive Directors who are paid more than £142,500. These salaries were set to match the current market rates at the time of their appointment to the Trust and we believe they are a fair and competitive salary rate to support succession planning.

### Remuneration Package Framework

### **Executive Directors**

The current remuneration policy is not to award any performance related bonus or other performance payment to Executive Directors and senior managers.

Executive Director and senior manager contracts both stipulate that if monies are owed to the Trust the post-holder will agree to repay them by salary deduction or by any other method acceptable to the Trust. The Trust may withhold payment in circumstances of unauthorised absence. This policy applies to all Executive Directors and senior managers.

There are no new components or any changes made to the existing components of the remuneration package

The key difference between the Trust's policy on Executive Directors' and senior managers' remuneration and its general policy on employees' remuneration are:

- salary: the Trust appoints Directors on a range of spot salaries within an agreed remuneration framework, i.e. salaries with no incremental progression;
- notice period: Executive Directors and senior managers not employed on national terms and conditions are expected to give six months' notice of termination of employment – this is in recognition of the need to have sufficient time to recruit a replacement or alternatively to appoint to a different post;
- pay review: the Board of Directors Remuneration Committee determines whether or not to award cost of living pay awards to Executive Directors and senior managers not employed on national terms and conditions of service.

### Non-Executive Directors (including the Chair)

The remuneration policy for the Trust's Non-Executive Directors is to ensure remuneration is consistent with market rates for equivalent roles in FTs of comparable size and complexity, taking account of the NHS Providers' annual salary benchmarking analysis. It also takes into account the pay and employment conditions of staff in the Trust, the performance of the Trust, and the time commitment, responsibilities of Non-Executive Directors and Chair, as well as the skills, knowledge and experience required on the Board to meet business needs and succession planning.



### **Service Contract Obligations**

The Trust is obliged to give Directors six months' notice of termination of employment, which matches the notice expected of Executive Directors from the Trust. The Trust does not make termination payments beyond its contractual obligations which are set out in the contract of employment and related terms and conditions. Executive Directors' terms and conditions, with the exception of salary shadow the national arrangements, inclusive of sick pay and redundancy arrangements and do not contain any obligations above the national level.

### **Policy on Payment for Loss of Office**

Executive Directors' contracts contain a requirement for the Trust to provide six months' notice of termination to Directors and in turn requires Executive Directors to provide six months' notice to the Trust if they resign from its service. The Trust retains the right to make payment in lieu of the notice period be it in part or for the whole period where it considers it is in the Trust's interest to do so. Any decision on this would be taken by the Board of Directors Remuneration Committee.

Trust Executive Directors are covered by the same policy in terms of conduct and capability as other Trust staff and if found to have engaged in gross misconduct or committed any act or omission which breaches the trust and confidence of the Trust they can be summarily dismissed, i.e. their contract would be terminated without notice.

In cases of termination due to organisational change, Executive Directors are covered by the national arrangements for redundancy for NHS staff. This states that one month's pay will be provided for each complete year of reckonable service in the NHS without a break of 12 months or more. Limits are set on this payment which have recently been consulted on and the NHS are still awaiting the final decision. However, we are aware that the intention is to reduce the maximum salary upon which redundancy is calculated and the Trust will follow these national guidelines.

# Statement of Consideration of Employment Conditions Elsewhere in the Trust

The Trust's Board of Directors Remuneration Committee carries out an annual review of pay and terms and conditions for Executive Directors and senior managers. This includes their having regard to salary and the remuneration package as a whole. Salary levels are set taking into account the need to recruit and retain able directors and balancing that against a proper regard for use of public funds. In setting salary levels the Remuneration Committee satisfies itself that the salary is competitive with other NHS providers of a similar constitution.

The Remuneration Committee will also review the pay progression framework in light of the current and emerging economic environment. There is no performance based progression in place in the Trust although performance is managed by a robust appraisal and supervision framework. Trust Executive Directors and senior managers are subject to the same capability arrangements as other Trust staff.

The decision was taken not to award a cost of living salary increase for 2015/16.

### **Annual Report on Remuneration**

The Trust has two Remuneration Committees; the Board of Directors' Remuneration Committee and the Council of Governors' Remuneration Committee.

### **Board of Directors' Remuneration Committee**

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 will attend meetings of the Committee if invited to do so by the Chair but may not receive any papers in relation to or be present when her remuneration or conditions of service are considered. Senior officers from Human Resources are invited to attend the meeting in an advisory capacity. The Committee may commission independent professional advice if considered necessary.

The Committee meets when necessary but at least annually.

Members of the Committee and the number of meetings attended by each member during the year are set out below in Table 2.1:

**Table 2.1 Board of Directors' Remuneration Committee** 

Name	Role	Meetings attended
Lorraine Cabel	Chair	6/6
Steven Currell	Non-Executive Director	2/6
Alison Davis	Non-Executive Director	4/6
Mary-Ann Munford	Non-Executive Director	1/1
Janet Wood	Non-Executive Director	5/6

### Council of Governors' Remuneration Committee

The Council of Governors is responsible for setting the remuneration of the Chair and Non-Executive Directors. The Council has delegated responsibility to its Remuneration Committee for assessing and making recommendations to the Council 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. No consultants were commissioned during 2015/16.

During the year the Committee undertook a detailed review of the Chair's and Non-Executive Directors' remuneration and taking account of the NHS Providers' remuneration benchmarking analysis for 2015, the NHS economic landscape and cost pressures recommended to the Council that no remuneration uplift should be awarded to the Chair and NEDs.

Members of the Committee and the number of meetings attended by each member during the year are set out below in Table 2.2:

**Table 2.2 Council of Governors' Remuneration Committee** 

Name	Role	Meetings attended
John Jones	Public Governor (Chair)	4/4
David Bowater	Appointed Governor	4/4
Paula Grayson	Public Governor	4/4
Eileen Greenwood	Public Governor	3/3
Sue Revell	Public Governor	4/4
Clive Travis	Appointed Governor	2/4

**Table 2.3 Service Contracts: Executive Directors** 

Name	Role	Contract Start Date	Contract End Date
Sally Morris	Chief Executive	14 Jul 2006	
Andy Brogan	Executive Nurse/Executive Director Mental Health	1 Feb 2014	
Nigel Leonard	Executive Director Corporate Governance	1 Feb 2014	
Dr Milind Karale	Executive Medical Director	30 Jul 2012	
Mark Madden	Executive Chief Finance Officer	9 Apr 2014	
Malcolm McCann	Executive Director Community Services & Partnerships	15 Apr 2013	
Richard Winter	Executive Director Integrated Services (Beds & Luton)	7 May 2013	31 Oct 2015

**Table 2.4 Service Contracts: Non-Executive Directors (including the Chair)** 

Table 2.1 Science Contracts. Non-Executive Successing (including the Chair)									
		Period of Office	1st Term	2nd Tern	n	Annual reappointment term			
Name	Role		Start	Start	End	Year 1 End	Year 2 End	Year 3 End	Year 4 End
Lorraine Cabel	Chair	4 years	1 Mar 2008	1 Mar 2012	2016	2017			
Janet Wood	Vice-Chair	3 years	1 Nov 2006	1 Nov 2009	2012	2013	2014	2015	2016
Randolph Charles	NED	3 years	1 Oct 2010	1 Oct 2013	2016				
Steve Cotter	NED	3 years	1 Oct 2010	1 Oct 2013	2016				
Steve Currell	NED/SID	3 years	1 Jun 2007	1 Jun 2010	2013	2014	2015	2016	
Alison Davis	NED	3 years	1 Jan 2012	1 Jan 2015	2018				
Mary-Ann Munford	NED	3 years	5 Jan 2015						

**Table 2.5 Non-Executive Directors Remuneration** 

Name	Role	Remuneration £000	Working Days	Additional Fees £000
Lorraine Cabel	Chair	55-60	4 per week	Nil
Janet Wood	Vice-Chair	15-20	6 per month	Nil
Randolph Charles	NED	15-20	5 per month	Nil
Steve Cotter	NED	15-20	5 per month	Nil
Steve Currell	NED/SID	15-20	5 per month	Nil
Alison Davis	NED	15-20	5 per month	Nil
Mary-Ann Munford	NED	15-20	5 per month	Nil

### **Executive and Non-Executive Director Expenses**

Total Executive and Non-Executive Director expenses incurred by the Trust during 2015/16 totalled £28,000, and were claimed by all 14 Directors in post during the year. During 2014/15, expenses totalling £37,700 were incurred.

### **Table 2.6 Senior Managers Pay (subject to audit)**

### 2015/16

		Salary	Other Remuneration	
		£000	£000	
Sally Morris	Chief Executive	180 -185	0	
Andy Brogan	Executive Director of Mental Health & Executive Nurse (Deputy Chief Executive)	130 -135	0	
Mark Madden	Executive Chief Finance Officer	150-155	0	
Malcolm McCann	Executive Director of Community Services & Partnerships	130-135	0	
Richard Winter	Executive Director of Integrated Services (Bedfordshire & Luton) (left 31 October 2015)	75-80	0	
Dr Milind Karale	<b>Executive Medical Director</b>	185-190	0	
Nigel Leonard	Executive Director of Corporate Governance	130-135	0	
Lorraine Cabel	Chair	55-60	0	
Janet Wood	Non-Executive Director/Vice Chair	15-20	0	
Steve Currell	Non-Executive Director	15-20	0	
Randolph Charles	Non-Executive Director	15-20	0	
Stephen Cotter	Non-Executive Director	15-20	0	
Alison Davis	Non-Executive Director	15-20	0	
Mary-Ann Munford	Non-Executive Director	15-20	0	



### **Governor Expenses**

Governors do not receive remuneration but are able to claim travel and other expenses in line with Trust policy. During the year total Governor expenses incurred totalled £9,300 and were claimed by 17 Governors out of a total of 42 in office. This compares to expenses of £10,500 in 2014/15 which were claimed by 27 Governors.

Expense Payments (Taxable)	Annual Performance Related Bonuses	Long Term Performance Related Bonuses	All Pension Related Benefits	Exit Package	Total
£00	£000	£000	£000	£000	£000
0	0	0	27.5-30	0	210-215
0	0	0	0	0	130-135
0	0	0	47.5-50	0	195-200
0	0	0	17.5-20	0	145-150
0	0	0	0	240-245	315-320
0	0	0	47.5-50	0	235-240
0	0	0	5-7.5	0	135-140
0	0	0	0	0	55-60
0	0	0	0	0	15-20
0	0	0	0	0	15-20
0	0	0	0	0	15-20
0	0	0	0	0	15-20
0	0	0	0	0	15-20
0	0	0	0	0	15-20

# Remuneration Report

# 2014/15

		Salary	Other Remuneration	
		£000	£000	
Sally Morris	Chief Executive	180 -185	0	
Andy Brogan	Executive Director Clinical Governance & Quality (Deputy Chief Executive & Executive Nurse)	130 -135	0	
Mark Madden	Executive Chief Finance Officer (from 9 April 2014)	145 -150	0	
David Griffiths	Acting Executive Chief Finance officer (until 8 April 2014)	0 - 5	0	
Nikki Richardson	Executive Director of Corporate Affairs (left 1 June 2014)	20 -25	0	
Malcolm McCann	Executive Director of Integrated Services (Essex & Suffolk)	130-135	0	
Richard Winter	Executive Director of Integrated Services (Bedfordshire & Luton)	130-135	0	
Dr Milind Karale	<b>Executive Medical Director</b>	170-175	5-10	
Nigel Leonard	Executive Director of Corporate Governance	130-135	0	
Lorraine Cabel	Chair	50-55	0	
Janet Wood	Non-Executive Director/Vice Chair	15-20	0	
Steve Currell	Non-Executive Director	15-20	0	
Dr Dawn Hillier	Non-Executive Director (until 31 December 2014)	10-15	0	
Randolph Charles	Non-Executive Director	15-20	0	
Stephen Cotter	Non-Executive Director	15-20	0	
Alison Davis	Non-Executive Director	15-20	0	
Mary-Ann Munford	Non-Executive Director (from 5 January 2015)	0-5	0	



Expense Payments (Taxable)	Annual Performance Related Bonuses	Long Term Performance Related Bonuses	All Pension Related Benefits	Exit Package	Total
£00	£000	£000	£000	£000	£000
0	0	0	37.5-40	0	220-225
0	0	0	N/A	0	130-135
0	0	0	107.5-110	0	255-260
0	0	0	0	0	0-5
0	0	0	0	260-265	280-285
0	0	0	0	0	130-135
0	0	0	0	0	130-135
0	0	0	2.5-5	0	180-185
0	0	0	237.5-240	0	365-370
0	0	0	0	0	50-55
0	0	0	0	0	15-20
0	0	0	0	0	15-20
0	0	0	0	0	10-15
0	0	0	0	0	15-20
0	0	0	0	0	15-20
0	0	0	0	0	15-20
0	0	0	0	0	0-5

### Fair pay multiple (subject to audit)

The Trust is required to disclose the relationship between the remuneration of the highest paid Director and the median remuneration of the Trust's workforce. The median remuneration of the workforce for 2015/16 is £23,348 (2014/15: £25,783), which reflects the total remuneration of the staff member lying in the middle of the linear distribution of the total staff. This has been calculated based on the full time equivalent of staff as at 31 March 2016, on an annualised basis and excludes agency and other temporary staff.

The banded remuneration of the highest paid Director in the 2015/16 financial year is £180k to £185k (2014/15: £180k to £185k), and relates to the Chief Executive. This was 7.82 times (2014/15: 7.08 times) the median remuneration of the workforce.

**Total** 

Table 2.7 Total pension entitlement 2015/16

		Real Increase/ (Decrease in Pensior & related Iump sum at age 60	and related lump sum at age 60 at	Cash Equivalent Value at 31 March 2015	Real Increase in cash equivalent Transfer Value	Cash Equivalent Value at 31 March 2016
		£000	£000	£000	£000	£000
Sally Morris	Chief Executiv	ve 7.5-10	160-165	704	56	768
Andy Brogan	Executive Director of Mental Heat & Executive N (Deputy Chief Executive)	alth Iurse N/A	N/A	N/A	N/A	N/A
Mark Madden	Executive Chie Finance Office	10-175	185-190	836	63	910
Malcolm McCann	Executive Director of Community Services & Partnerships		175-180	767	21	797
Richard Winter	Executive Director of Integrated Services (Bedfordshire Luton) (left 31 October 2015	& 0-2.5	155-160	738	0	0
Dr Milind Karale	Executive Med Director	dical 5-7.5	80-85	310	40	354
Nigel Leonard	Executive Director of Corporate Governance	ector 2.5-5	160-165	724	25	758



On 16 March 2016, the Chancellor of the Exchequer announced a change in the Superannuation Contributions Adjusted for Past Experience (SCAPE) discount rate from 3.0% to 2.8%. This rate affects the calculation of Cash Equivalent Transfer Values (CETV) figures in this report.

Due to the lead time required to perform calculations and prepare annual reports, CETV figures quoted in this report for members of the NHS Pension scheme are based on the previous discount rate and have not been recalculated.

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

### 2014/15

		Real Increase / (Decrease) in Pension & related lump sum at age 60	Total Accrued pension and related lump sum at age 60 at 31 March 2015	Cash Equivalent Value at 31 March 2014	Real Increase in cash equivalent Transfer Value	Cash Equivalent Value at 31 March 2015
		£000	£000	£000	£000	£000
Sally Morris	Chief Executive	10-12.5	150-155	634	70	704
Andy Brogan	Executive Director Clinical Governance & Quality (Deputy Chief Executive & Executive Nurse)	N/A	N/A	N/A	N/A	N/A
Mark Madden	Executive Chief Finance Officer (from 9 April 2014)	25-30	175-180	678	158	836
David Griffiths	Acting Executive Chief Finance officer (until 8 April 2014)	Nil	Nil	Nil	Nil	Nil
Nikki Richardson	Executive Director of Corporate Affairs (left 1 June 2014)	0	232.5-235	1236	0	0
Malcolm McCann	Executive Director of Integrated Services (Essex & Suffolk)	0-5	170-175	736	31	767
Richard Winter	Executive Director of Integrated Services (Bedfordshire & Luton)	0-5	150-155	706	32	738
Dr Milind Karale	Executive Medical Director	0-5	70-75	289	21	310
Nigel Leonard	Executive Director of Corporate Governance	42.5-45	155-160	503	222	724



### **Loss of Office Payments (subject to audit)**

One payment for loss of office was made to an Executive Director in 2015/16 as part of the Bedfordshire and Luton services disaggregation that took place on 1 April 2015. Payment was on the grounds of redundancy and was calculated in accordance with Section 16 of the NHS Terms and Conditions of Service and the NHS Pensions Regulations in force at the time.

**Table 2.8 Payments for Loss of Office** 

<b>Senior Manager</b> £000's		Voluntary Redundancies including Early Retirements Contractual Costs £000's	Total Termination Costs
Richard Winter	Executive Director of Integrated Services (Bedfordshire and Luton)	241	241

### Signed by:

**Sally Morris, Chief Executive** 

25 May 2016

# Staff Report

## **Staff Report**

### **Our Staff**

### **Average Staff Numbers**

During 2015/16 the Trust had average staff numbers of 4,579 as follows:

**Table 3.1 Average Staff Numbers** 

	Permanent Staff (WTE)	Other Staff (WTE)	Total Staff (WTE)
Medical & Dental	118	13	131
Administration & Estates	912		912
Healthcare Assistants & Other Support Staff	892		892
Nursing, Midwifery & Health Visiting Staff	1,290		1,290
Scientific, Therapeutic & Technical Staff	656		656
Social Care Staff	5		5
Agency & Contract Staff		230	230
Bank Staff		428	428
Other	33	2	35
<b>Total Average Staff Numbers</b>	3,906	673	4,579

### **Gender Analysis**

Our workforce profile is similar to many Foundation Trusts, in that the staff are predominantly female and more than half are over the age of 45. The table below is based on staff in post at the end of the financial year of 4,695.

**Table 3.2 Workforce Profile** 

Staff Groups	TOTAL	Gender			Age			
Staff Group:	IOIAL	Female	Male	<25	26-45	46-65	>65	
Board of Directors	14	5	9	0	0	13	1	
Senior Managers	52	38	14	0	11	43	0	
Doctors and Dentists	129	53	76	0	61	58	10	
Nursing	1,540	1,373	167	49	672	805	14	
Other healthcare staff	1,690	1,457	233	123	762	770	35	
Support staff	1,270	1,011	259	77	419	714	60	
All Employees	4,695	3,937	758	249	1,925	2,401	120	
All Employees %	100.0%	83.9%	16.1%	5.3%	41.0%	51.1%	2.6%	

Our workforce is more ethnically diverse than the population of the areas that we deliver services in, although is mainly white (77%).



### **Sickness Absence**

The average sickness absence rate for SEPT during the calendar year of 2015 was 11.1 days sickness per full time member of staff, which is an improvement on the previous year.

Table 3.3 Sickness Absence

	2015/16	2014/15
	Number	Number
Total Days Lost	47,271	108,767
Total Staff Years	4,242	5,869
Average Working Days lost (per WTE)	11.1	18.5

In accordance with the Treasury guidance, all public bodies must report sickness absence data on a consistent basis, in order to permit aggregation across the NHS. As such, these figures are based on data published by the Health and Social Care Information Centre (HSCIC) using data for the period of January to December 2015 which the DH consider to be a reasonable proxy for financial year equivalents.

The Trust is committed to placing a high priority on tackling sickness absence and looking at ways of supporting staff whilst they are off and, where possible, returning them to work on restricted duties or in other suitable alternative roles temporarily or permanently for those staff that are no longer able to fulfil their substantive role.

The Trust continually reviews its Sickness Absence Policy and Procedure and sees another reduction of the trigger point for the Bradford Factor so that we are able to support staff and manage their sickness record at the earliest possible stage and ensure all the relevant support and interventions are in place so that patient care and service levels are as unaffected as possible.

We have also reviewed the procedures in place with the aim of these supporting managers with their responsibilities and to ensure they are user friendly for all to use.

We have also injected extra support for managers and staff in the form of Absence Advisers who are totally dedicated to working with staff and managers to ensure all the necessary support is given to employees – and where necessary – to manage unacceptable levels of sickness absence.

Any managers with responsibility for managing staff are required to undergo specific sickness absence training as part of their management development programme. There is also a good range of information accessible to managers on the staff intranet to support them as well as each service having a dedicated HR team which includes an Absence Adviser.

We continue to work closely with our Trade Unions and staff side to address and achieve the best outcomes for staff and the quality of care provided to our patients.

We also support staff who have a disability and where possible support reasonable adjustments being made in the workplace to support their continued employment with the Trust. The employment of staff with disabilities is supported in a number of our policies and procedures such as Recruitment and Selection, Sickness Absence and Wellbeing.

The Trust has in place an external Occupational Health provider and a dedicated Staff Counselling service for staff to access.

### **Raising Concerns at work**

We have well established systems and processes in place to ensure that staff are able to raise concerns quickly.

Clinical concerns are raised using a Datix reporting system – the details of which are monitored with patterns and trends reported regularly into the Risk Management Committee.

There are a good range of mechanisms for staff to share concerns anonymously through the Staff Friends and Family Test and the 'I'm Worried about' tool on the staff intranet. All concerns raised through this mechanism are published and shared for all staff to see.

There are robust HR policies in place including Whistleblowing and Grievance and staff are required to undergo On Line training packages which cover how to raise concerns.

Our performance in the area of staff having





confidence to raise concerns at work is extremely positive with all Key Findings in the National Staff Survey either in line with or above the national average

Next year will see the development of the new Freedom to Speak up Guardian & local Guardians.

### **Staff Consultations**

During the past year a variety of consultations with staff were carried out across the Trust. The nature of these consultations included restructure of teams/services, relocation of staff, TUPE transfers out to new providers and in to SEPT, changes in the delivery of services and the closure of services. As we did last year, the restructures were to support the continued reductions in back office and support services to implement the Trust's savings initiatives.

All consultations were communicated with and involved staff side input. We also ensured staff affected had access to a good range of support during the process including access to guidance and support, counselling and HR advice should they need it.

The Trust will focus on similar issues in 2016/17 and may include the TUPE transfer of staff to a new organisation.

### **Staff Involvement and Communication**

SEPT has in place comprehensive communication systems for all its workforce. We have weekly communications which are two-way and location specific to ensure all staff are being communicated with effectively. The weekly communication covers all aspects of the Trust's business including, and not limited to, any proposed changes to systems/processes and the weekly vacancy bulletin.

We have recently invested in a new Staff Intranet ('insite') to make this more user friendly for staff to be able to search for information whenever they need to. There are a range of virtual groups where staff across all sites can communicate with each other which is vital in a trust with over 200 sites across two counties. The Trust's intranet includes all Trust policies, access to mandatory training, smart forms, CQC guidance and news and dedicated pages on each service portfolio and useful links and resources. There is also a dedicated HR section which includes a range of information about staff benefits and support.

We continue to have a link for staff to contact the Chief Executive anonymously to raise any concerns they may have about clinical practice or staff behaviour and all questions posed through this route are published for all staff to see.

We continue to implement the Staff Friends and Family Test and as reported elsewhere in this report continue to achieve excellent results in this area. All comments and feedback are published for all staff to see, reported to the Board and shared with relevant committees to celebrate good practice and encourage inter-departmental learning.

We have a monthly Board of Director's meeting which is held at the Trust's head office and staff are invited to attend. The agenda and all board papers are available to all staff on the Trust's website.

We also have weekly Executive Committee meetings, following which a brief is prepared and shared with the senior management team of the Trust for them to share and discuss with their teams.

Throughout the year the Trust routinely meets with staff side representatives from all professions to communicate and consult on decisions and developments for the Trust.



Planning events involving staff from all levels across the Trust have been held and external stakeholders and carers and/or patients also attended. Staff and stakeholders were given the opportunity to comment on the Trusts future financial and operational plans.

### **Health & Safety**

Our Corporate Statement and Policy on Health & Safety (RM01) sets out the organisational structure for managing Health & Safety and how the Board of Directors fulfils its 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 2015/16 the following policies were reviewed internally and updated to maintain compliance with all Health, Safety and Fire legislation and guidance.

- RM01 Corporate Statement and Policy on Health & Safety;
- RM02 Fire Safety Policy;
- RM04 Control of Substances Hazardous to Health (COSHH);
- RM07 Display Screen Equipment Policy;
- RM08 First Aid;
- RM11 Non-Clinical Risk Assessment Policy.

During the year we have continued to develop the health, safety and security agenda. We participate in Health and Safety Executive (HSE) safety initiatives as part of our commitment to a safe working environment for staff, service users and visitors to the Trust's premises. This has included:

• continued refining of our incident reporting system to facilitate self-service options;

- development of web-based non-clinical risk assessment training;
- implementation of the Lone Worker Device Project.

Health and safety audits and fire risk assessments were carried out across the organisation and support in line with legislation and guidance provided to staff in dealing with issues that require corrective action to reduce the risk of further incidents. 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 risk audits were completed for all in-patient mental health units. Specialist Services and areas designated as high risk (acute, assessment, PICU) are completed six monthly (all other areas annually).

### **Workforce Equality**

During the year, the Trust reviewed its four year Equality Objectives and agreed the new Workforce equality objective will be:

SEPT will be a safe and inclusive place to work for all staff with equal opportunities in respect of all employment strands and including those who fall into legal protected characteristics and other vulnerable groups

Our priorities during this period include:

- closing gaps in the experiences of BME staff and white staff as identified in the Workforce Race Equality Standard;
- addressing equality issues arising from our annual staff survey findings and celebrating positives;
- closing gaps in annual equality and diversity workforce report;
- commitment to national initiatives and charter marks which support our workforce equality objectives (e.g. mindful employer/time to talk/ stonewall/learning disabilities in recruitment/ working longer review/WRES etc.).



Staff Report

The year saw a good range of activity around workforce equality and inclusion and our staff survey results in the area of Equality, Discrimination and Career progression remain above average this year. Some of our activities included:

- engagement events with our BME workforce to look at the Workforce Race Equality Standard through meetings and on-line community forums;
- a new-style Equality Workforce Report;
- re-accreditation as a mindful employer and Two Ticks Disability Employer;
- Stonewall Equality Champion;
- modernisation and re-design of the on-line equality & inclusion learning tool based on feedback from Equality Champions.

The Trust's future priorities around equality and inclusion include:

- further development and connection to the BME workforce through a dedicated BME on-line Community Forum and the closure of the gap between white and BME staff;
- an increase in the numbers and breadth of diversity of our PFD Equality Champions;
- celebrating National Equality & Diversity Week with the theme celebrating cultures;
- increasing the proportion of staff who are happy to record their equality information;
- improved reporting on the Gender Pay Gap in line with new regulations;
- continued networking with NHS Equality and Inclusion Leads.

### **Staff Health and Wellbeing**

SEPT has a well-established Health and Wellbeing Service which is endorsed through excellent staff survey results in this area (See pages 58-60). We remain in the Health Service Journal's top 100 employers – partly for our work in this area. The health and wellbeing of our patients is directly related to the health and wellbeing of our staff and so it remains top priority for the organisation.

Each year we produce a dedicated plan which sets our priorities for the year and we were proud of our achievements during 2015/16. We ran a wide range of events to encourage staff to take responsibility for their own wellbeing in and out of work (and hopefully have some fun in the process). There were pedometer challenges, summer bingo competition, no smoking challenges, Dry January, and New Year New You Challenge where staff were encouraged to make one healthy change to their diet or lifestyle every day for 30 days. We also promoted some of the NHS lead initiatives to encourage healthy living and used the One You checker as well as promoting all of the promotions to get active and cut out sugar.

We created on line forums for likeminded staff to celebrate their successes, share ideas, support each other – and give us feedback on our healthy initiatives.

The clinical services we provide mean that staff can often be exposed to violence and aggression at work and so we reviewed our zero-tolerance processes and strengthened our guidance for staff.



We continue to support the NICE\* guidance on Physical and Mental wellbeing at work and are proud to either work with – or be accredited by the following staff health and wellbeing organisations:

- Disability Two Ticks Symbol;
- · Mindful Employer Status;
- · Stonewall member;
- Investors in People Health & Wellbeing Award;
- The Responsibility Deal Pledges.

We continue to provide full occupational health services for staff and recently invested in additional Employee Assistance Programme/Counselling support for staff. This year also saw investment in HR Absence Advisers employed solely to support staff that are unwell and assist managers in taking steps to support their staff and reduce sickness absence at work.

Future priorities for the Trust include building on work completed to date and prioritisation of some key areas including:

- continuation of our work to support staff exposed to violence at work;
- sign up to the new national CQUIN\*\* dedicated to staff health and wellbeing at work;
- development of fast-track Physiotherapy Services for staff;

continued accreditations;

 re-application to the Health & Wellbeing Element of the Investors in People Award: • using staff's existing skills to run a range of health & wellbeing activities at work.

This will be monitored through an agreed action plan which is reported and updated each quarter.

- \*National Institute for Clinical Excellence
- \*\*Commissioning for Quality and Innovation

### Policies on counter fraud/corruption

The Trust has detailed procedures on counter fraud, and all finance policies and procedures are reviewed by our Local Counter Fraud Specialists to ensure fraud is minimised. Any lessons learned from fraud or staff investigations is factored into the regular reviews of procedures.

### **Expenditure on Consultancy**

During 2015/16, the Trust spent £629k on consultancy expenditure in respect of the provision of objective advice and assistance to the Trust in delivering its purpose and objectives.

This includes guidance on the merger with North Essex Partnership NHS Foundation Trust, expert advice around the implementation of IT projects and project management support for estates and service related projects.





### **Off Payroll arrangements**

In line with HM Treasury guidance, the Trust has put controls in place around the use of off-payroll arrangements. These engagements are only entered into on the basis of the provider's relevant skills, experience and knowledge and are supported by individual contracts. All contracts are signed by both parties and include such terms as services to be provided, amount payable per day and responsibility for tax and national insurance contributions.

Table 3.4: For all off-payroll engagements as of 31 March 2016, for more than £220 per day and that last for longer than six months

Number of existing engagements as of 31 March 2016	10
Of which	
Number that have existed for less than one year at time of reporting	1
Number that have existed for between one and two years at time of reporting	2
Number that have existed for between two and three years at time of reporting	1
Number that have existed for between three and four years at time of reporting	1
Number that have existed for four or more years at time of reporting.	5

All existing off-payroll engagements, as outlined above, have been subject to a risk based assessment as to whether assurance is required that the individual is paying the right amount of tax and, where necessary, that assurance has been sought.

# Table 3.5: For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2015 and 31 March 2016, for more than £220 per day and that last for longer than six months

Number of new engagements, or those that reached six months in duration, between 1 April 2015 and 31 March 2016	1
Number of the above which include contractual clauses giving the Trust the right to request assurance in relation to income tax and National Insurance obligations	1
Number for whom assurance has been requested	0
Of which	
Number for whom assurance has been received	0
Number for whom assurance has been not received	0
Number that have been terminated as a result of assurance not being received	0

Personal details of all engagements where assurance is requested but not received, for whatever reason, expect where the deadline for providing assurance has not yet passed, would be passed to HMRC's tax evasion hotline.

# Table 3.6: For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2015 and 31 March 2016

Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year	0
Number of individuals that have been deemed 'board members and/or senior officials with significant financial responsibility' during the financial year. This figure should include both off-payroll and on-payroll engagements.	7



### **Staff Exit Packages**

During the year, the Trust has incurred total termination costs of £1,641k in respect of 42 individuals. These terminations arose from the requirement to deliver its efficiency requirement for the year.

### 2015/16

Termination cost band	Compulsory Redundancies Number £000's		Other Departures Agreed		Total Termination Costs	
			Number	Number £000's		£000's
<£10,000	1	4	3	9	4	13
£10,001 - £25,000	9	159	3	40	12	199
£25,001 - £50,000	14	434	0	0	14	434
£50,001 - £100,000	9	620	1	55	10	675
£100,001 - £150,000	0	0	0	0	0	0
£150,001 - £200,000	2	320	0	0	2	320
>£200,001	0	0	0	0	0	0
Total	35	1,537	7	104	42	1,641

### 2014/15

Termination cost band	Compu Redund	•	Other Dep Agre		Total Termination Costs	
	Number	£000's	Number	£000's	Number	£000's
<£10,000	6	23	6	44	12	67
£10,001 - £25,000	24	396	1	22	25	418
£25,001 - £50,000	14	518	3	139	17	657
£50,001 - £100,000	6	431	1	63	7	494
£100,001 - £150,000	2	266	2	264	4	530
£150,001 - £200,000	0	0	0	0	0	0
>£200,001	1	216	1	294	2	510
Total	53	1,850	14	826	67	2,676

### **Staff Exit Packages – Non Compulsory Departure Payments**

This note discloses the number of non-compulsory departures which attracted an exit package, and the values of payments by individual types.

	2015/16		
	Number	£000's	
Voluntary redundancies including early retirement contractual costs	1	55	
Early retirements in the efficiency of the service contractual costs	0	0	
Contractual payments in lieu of notice	6	49	
Non-contractual payments requiring HMT approval	0	0	
Total	7	104	

	2014/15		
	Number	£000's	
Voluntary redundancies including early retirement contractual costs	8	783	
Early retirements in the efficiency of the service contractual costs	0	0	
Contractual payments in lieu of notice	6	43	
Non-contractual payments requiring HMT approval	0	0	
Total	14	826	

### **Staff Survey**

### **Staff Engagement**

SEPT continues to place a high emphasis on staff engagement – with a dedicated Employee Experience Team and Communications Team in place. Our approach to staff engagement stems from our proven track record in key areas (Engagement, Equality & Inclusion and Health & Wellbeing) and our newly developed HR strategy for 2016-18. Progress is monitored through a full action plan which is based on a range of feedback mechanisms from staff including:

- national Staff Survey results;
- results from Patient and Staff Friends and Family Test;
- feedback from on-line community forums and I'm worried about tools;
- localised engagement events;
- equality and Inclusion work and gaps identified in annual reporting;
- top reasons for sickness absence.

Quarterly Progress up-dates on our Engagement Action Plan are shared at Board of Directors, Executive Team, and Senior Management Teams to ensure that we remain on target. Progress is also reported into the Equality Delivery System Action Plan to reflect progress in the area of workforce engagement around equality and inclusion. We also ensure that all feedback is shared back into the workforce and most of our information is published for all staff to read.



We work on the principle that all feedback is of equal value – good or bad and we use a wide range of engagement methods to reflect the needs of a workforce which is very widely geographically spread and providing a 24 hour – seven day a week service.

We are proud to remain a case study for good staff engagement in the NHS Employers Staff Engagement Toolkit and are a feature in the HSJ Top 100 Employers index.

We have excellent working relationships within the organisation but are also proud of a close working network with other local trusts in the area as well as strong links to NHS Employers.

### **Performance**

Table 3.7; SEPT Staff Survey Response Rate 2014 Compared to 2015

	20	15/16	2014/15		2014/15		Trust Improvement/
Response Rate	Trust	National Average	Trust	National Average	Trust Improvement/ deterioration		
	45%	45%	44%	42%	1% Improvement		

**Table 3.8; SEPT Staff Survey Top Ranking Scores 2014 Compared to 2015** 

	201	5/16	201	14/15	Trust Improvement/	
Top 4 ranking scores	Trust	National Average	Trust	National Average	Trust Improvement/ deterioration	
KF8. Staff satisfaction with level of responsibility and involvement	4.04	3.90	3.93	See Note	0.11 Improvement	
KF7. Percentage of staff able to contribute towards improvements at work	79%	74%	75%	72%	4% Improvement	
KF5. Recognition and value of staff by managers and the organisation	3.68	3.52	Note 1	Note 1	Note 1	
KF9. Effective team working	3.99	3.86	3.91	3.84	0.08 Improvement	



Table 3.9; SEPT Staff Survey Bottom Ranking Scores 2014 Compared to 2015

	2014/15		2013/14		Trust Improvement /
Bottom 4 ranking scores	Trust	National Average	Trust	National Average	deterioration
KF24. Percentage of staff/ colleagues reporting most recent experience of violence	67%	74%	72%	Not sure what to add in here as not in 2014's report?	5% deterioration
KF25. Percentage of staff experiencing harassment, bullying or abuse from patients, relatives or the public in last 12 months	31%	28%	27%	29%	4% deterioration
KF23. Percentage of staff experiencing physical violence from staff in last 12 months	3%	2%	4%	3%	1% Improvement
KF22. Percentage of staff experiencing physical violence from patients, relatives or the public in last 12 months	16%	15%	16%	18%	No Change

Note 1; Because of changes to the format of the survey questions this year, comparisons with the 2014 score are not possible.

### **Future Priorities and Targets**

Priorities will be focused around our top performing areas in terms of shared learning and also our lowest performing areas – most of which were still above the national average – but lowest for us of all our scores. These include:

- strong emphasis on the area of violence & harassment at work in particular encouraging more staff to recognise and report inappropriate behaviour from staff, patients and the public;
- strengthening policy and practice around bullying & harassment, zero tolerance and grievance;
- · close working with the Freedom to Speak up Guardians to ensure strong support for staff;
- continued sign up to national initiatives to support engagement including Mindful Employer, Stonewall Member, Disability Confident (previously Positive about Disabled), NICE guidance, Responsibility Deal and Investors in People;
- engagement with our BME workforce with a view to closing the gap between BME and white staff as set out in the Workforce Race Equality Standard;
- promoting and celebrating the staff survey results and sharing good practice and learning.





# NHS Trust Code of Governance Introduction

### **Code of Governance**

The Trust has applied the principles of Monitor's NHS Foundation Trust Code of Governance on a comply or explain basis. The Code is based on the principles of the UK Corporate Governance Code issued in 2012. The purpose of the Code is to assist FTs to deliver effective and quality corporate governance, contribute to better organisational performance and ultimately discharge their duties in the best interests of patients.

The Code is best practice advice but imposes specific disclosure requirements. The Annual Report includes all the disclosures required by the Code.

### Statement of compliance

SEPT'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 identifies areas for strengthening. In their opinion there is strong evidence that the Trust is compliant with all the provisions in the Code for the period 1 April 2015 to 31 March 2016.

There is one provision which requires explanation as it is not in line with the wording of the Code albeit being compliant with Monitor's requirements as formal approval from Monitor was received:

• Code Provision B.7.1: "In the case of reappointment of Non-Executive Directors, the Chairperson should confirm to the Governors that following formal performance evaluation, the performance of the individual proposed for re-appointment continues to be effective and to demonstrate commitment to the role. Any term beyond six years (e.g. two three-year terms) for a Non-Executive Director should be subject to particularly rigorous review, and should take into account the

need for progressive refreshing of the Board. Non-Executive Directors may, in exceptional circumstances, serve longer than six years (e.g. two three-year terms following authorisation of the NHS foundation trust) but this should be subject to annual re-appointment. Serving more than six years could be relevant to the determination of a Non-Executive's independence".

### **Explanation:**

The Chair and two Non-Executive Directors are serving longer than six years. All have been reappointed on an annual basis following a rigorous process which includes consideration by the Board of Directors and approval by the Council of Governors. The reasons for the extension to the terms of office have been to ensure that the appropriate skills and experience remain on the Board taking account of the Trust's current and future business needs, as well as continuity during periods of change, particularly in relation to the proposed merger discussions where the Chair and both Non-Executive Directors have experience of merger and acquisition undertakings at the Trust. In particular the Council recognised the outstanding contribution and performance of the Chair and the reappointment for a further year would provide stability in the leadership of the Board during a significantly challenging period of expected change.

The Trust's constitution allows for the Chair's and Non-Executive Directors' to serve longer than six years subject to annual reappointment, a performance evaluation carried out in accordance with the procedures approved by the Council to ensure that these individuals continue to be effective and demonstrate commitment to the role and remain independent, and external competition if recommended by the Board of Directors and approved by the Council of Governors

### **Board of Directors**

Our Board of Directors operates according to the highest corporate governance standards. It is a unitary Board providing 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 as well as the management of significant risks. The Board leads the Trust by formulating strategy; ensuring accountability by holding the organisation to account for the delivery of the strategy and through seeking assurance that systems of control are robust and reliable; and shaping a positive culture for the Board and the organisation. The Board is also responsible for establishing the values and standards of conduct for the Trust and its staff in according with NHS values and accepted standards of behaviour in public life (The Nolan Principles) including selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

The Board exercises all the powers of the Trust on its behalf and delegates specific functions to committees of Directors. In addition, certain decisions are made by the Council of Governors, and some Board decisions require the approval of the Council. The powers and decisions are set out clearly in the Reservation of Powers to the Board and Scheme of Delegation available at <a href="www.sept.nhs.uk">www.sept.nhs.uk</a> All Directors have joint responsibility for decisions.



The Executive Directors manage the day-to-day running of the Trust while the Chair and Non-Executive Directors provide operational and Board-level experience gained from other public and private sector bodies; among their skills are accountancy, audit, clinical, law, communications and marketing. The Board includes members with a diverse range of skills, experience and backgrounds which incorporate the skills required of the Board. The Board has a Vice-Chair and has also appointed a Senior Independent Director. All Non-Executive Directors are considered by the Board to be independent taking into account, character, judgement and length of tenure. None of the Executive Directors holds Non-Executive appointments. All Directors meet the criteria for being a fit and proper person as prescribed by our Monitor Licence and Health & Social Care Act 2008 (Regulated Activities) Regulations 2014.

### **Board of Directors 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.

Executive Directors are permanent appointments, while Non-Executive Directors are appointed to a three year term of office and where possible appointments have been staggered. The reappointment 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 review and satisfactory annual performance appraisal, and takes account of the need for progressive refreshing of the Board.

Both the Chair and Non-Executive Directors are appointed by the Council who may also terminate their appointment as set out in the Trust's constitution. There have been no changes to the Chair's significant commitments since the disclosure on appointment that conflict or impact upon her ability to meet her responsibilities as Chair.

There were no Executive Director or Non-Executive Director appointments during 2015/16.

# **Board of Directors' Performance Evaluation**

The Board is of sufficient size and the balance of skills and experience is appropriate for the requirements of the business and future direction of the Trust. Arrangements are in place to enable appropriate review of the Board's balance, completeness and appropriateness to the requirements of the Trust.

All members of the Board receive a full and tailored induction on joining the Trust and undertake a personal induction programme during the first 12 months of appointment. All Directors undergo an annual performance review against agreed objectives, skills and competences and agree personal development plans for the forthcoming year. In addition, the Chair reviews and agrees the Executive Directors and Chief Executive's training and development needs as they relate to their role on the Board.

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 in line with the process agreed by the Council. The Chair conducts the annual performance evaluation and appraisal of each Non-Executive Director. The Senior Independent Director conducts the annual performance evaluation and appraisal of the Chair, having collectively met with all other Non-Executive Directors. A report from the Committee is made to a general meeting of the Council.

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.

The Board undertakes an annual self-assessment to evaluate its own effectiveness and in line with Monitor's requirements an external evaluation is carried out every three years. During 2015/16 the Board undertook an internal self-evaluation that reflected the domains and principal areas of enquiry in the framework set out in Monitors' Well-led framework for governance reviews aimed at providing an insight into how the Trust gauges its own leadership and governance performance. It also helps to identify the Board's development needs and to shape its development programme. The majority of Directors felt that the Trust had met all of the 11 evaluation categories and no actions were identified with three of these categories. Of the remaining actions, all were completed during 2015/16 including the appointment of the Trust's Freedom to Speak Up Principal Guardian following an election process; this methodology ensured the appointment was independent and representative of all staff groups as the individual was selected by the staff.

Board performance is evaluated further through focused discussions at Board Away Days and on-going in-year review of the Board Assurance Framework which enables continuous and comprehensive review of the performance of the Trust against agreed plans and objectives.

Under the Board committees' terms of reference, all committees are required to monitor their effectiveness annually. During 2015/16 all Board committees undertook an effectiveness review

which included an evaluation of performance against the work plan, a review of the terms of reference and a review of performance against the terms of reference. In addition a short supplementary questionnaire was sent to Board members to complete for those committees where they were not a member, and an independent review of the sub-committee/sub-group structure supporting the standing committees was also undertaken by Bourner Consultancy. The review indicated an extremely positive view that the Board standing committees are operating in line with their terms of reference and demonstrate assurance, challenge, scrutiny and monitoring in respect of supporting the effective working of the Board. An action plan will be implemented during 2016/17 to take forward the recommendations to enhance the Board's committee structure effectiveness as part of the Trust's governance development plan.

### **Nominations Committee**

The Trust has two Nominations Committees; the Board of Director's Nominations Committee and the Council of Governor's Nominations Committee.

### **Board of Directors' Nominations Committee**

The Board of Directors' Nominations Committee is constituted as a standing committee of the Board and has the statutory responsibility for identifying and appointing suitable candidates to fill Executive Director positions on the Board, ensuring compliance with any mandatory guidance and relevant statutory requirements.

This Committee is also responsible for succession planning and reviewing Board structure, size and composition, taking into account future challenges, risks and opportunities facing the Trust and the balance of skills, knowledge and experience required on the Board to meet them.

The Committee is chaired by the Trust's Chair with membership comprising all Non-Executive Directors and the Chief Executive, except in the case of the nomination of the Chief Executive's post. At the invitation of the Committee, the Deputy Director of HR attends meetings in an advisory capacity. The Trust Secretary is the Committee Secretary.

During 2015/16 the Committee met to consider the balance of the Board taking account of the skills, knowledge and experience required; the reappointment of the Chair and two Non-Executive Directors for a further year; and the appointment of Andy Brogan as the Trust's Deputy Chief Executive.

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

Table 4.1; Board of Directors' Nominations Committee and Meeting Attendance

Name	Role	Meetings attended
Lorraine Cabel	Chair	3/4
Randolph Charles	Non-Executive Director	3/4
Steve Cotter	Non-Executive Director	4/4
Steve Currell	Non-Executive Director	2/4
Alison Davis	Non-Executive Director	4/4
Sally Morris	Chief Executive	2/4
Mary-Ann Munford	Non-Executive Director	4/4
Janet Wood	Non-Executive Director	4/4



### **Council of Governors' Nominations Committee**

The Council of Governors' Nominations Committee is responsible for establishing a clear and transparent process for the identification and nomination of suitable candidates that fit the criteria set out by the Board of Directors Nominations Committee for the appointment of the Trust Chair and Non-Executive Directors for approval by the Council.

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. The Trust Secretary is the Committee Secretary.

During the year, the Council approved the Committee's recommendation that Lorraine Cabel as Chair of the Trust, and two Non-Executive Directors – Steve Currell and Janet Wood – be reappointed for a further year in office. The Committee had taken account of the critical needs of the organisation balanced against future skills and expertise as well as the views of the Board of Directors.

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

Table 4.2; Council of Governors' Nomination Committee Membership and Meeting Attendance

Name	Role	Meetings attended
<b>Lorraine Cabel</b>	Chair	1/2
Brian Arney	Public Governor	2/2
<b>David Bowater</b>	Appointed Governor	2/2
Bob Calver (wef 01.02.15)	Public Governor	0/0
Joy Das	Appointed Governor	0/2
Jackie Gleeson	Public Governor	0/2
Eileen Greenwood (until 30.09.15)	Public Governor	2/2
John Jones	Public Governor	2/2
Janet Wood	Non-Executive Director	1/1

### **Audit Committee**

The Audit Committee comprises solely of independent Non-Executive Directors who have a broad set of financial, legal and commercial expertise 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:

Table 4.3; Audit Committee Membership and Meeting Attendance

Name	Role	Meetings attended
Janet Wood	Chair of Committee	5/5
Lorraine Cabel	Chair of Trust	1/1
Randolph Charles	Non-Executive Director	2/5
Steve Cotter	Non-Executive Director	4/5
Mary-Ann Munford	Non-Executive Director	4/5

At the request of the Committee Chair, each meeting is attended by the Executive Chief Finance Officer, Associate Chief Finance Officer, an External Audit representative, an Internal Audit representative, and the Local Counter Fraud Specialist. In addition, the Chief Executive presents the Annual Governance Statement.

### **Internal Audit**

The Trust has an internal audit function which forms an important part of the organisations internal control environment. This, together with a dedicated local counter fraud service, is provided by Mazars LLP. The functions of the internal audit service are to provide an 'independent, objective assurance and consulting activity designed to add value to an organisations activities'. This means that the role embraces two key areas:

- 1. the provision of an independent and objective opinion to the Accountability/Accounting Officer, the governing body and the audit committee on the degree to which risk management, control and governance support the achievement of the organisations agreed objectives;
- 2. the provision of an independent and objective consultancy service specifically to help line management improve the organisation's risk management, control and governance arrangements.

### **Local Counter Fraud Specialist**

In addition, the Trust agrees a detailed counter fraud work plan in accordance with guidance received from NHS Protect. The Trust also has a counter fraud policy and response plan which has been 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.

### **External Audit**

The Trust's external auditors for the 2015/16 financial year are Ernst and Young, which is unchanged from the previous financial year. The Council will consider the external audit arrangements for the 2016/17 financial year at their meeting in September 2016. This will be based on recommendations from the Audit Committee and the Trusts annual review of the external audit function, their performance and the monitoring arrangements in place to ensure compliance with Monitor's Audit Code for NHS Foundation Trusts. Additionally the Audit Committee undertakes its own 'self-assessment' checklist which is again reported to the Audit Committee.

The value of the external audit contract for 2015/16 was £59,000 (excluding VAT). There was no non-audit work undertaken in the 2015/16 period.

### **Work of the Audit Committee**

During the year, the Committee considered a number of significant issues relating to 2015/16 including the accounting treatment for the loss of the contract for mental health services in Bedford and Luton. This related to both the estate transfer and the Local Government Pension Scheme.

In addition, further significant issues relating to the 2015/16 annual accounts which were discussed by the Committee were as follows:

- Revaluation of Investment Properties: the Audit Committee discussed the 'technical adjustment' required in respect of the revaluation of the Trust's investment properties;
- <u>Transfer by Absorption</u>: as highlighted above, the Audit Committee reviewed the accounting treatment in respect of the Bedford and Luton contracts which transferred to East London NHS Foundation Trust from April 2015;
- <u>Local Government Pension Scheme</u>: the Audit Committee considered the treatment of the LGPS liability in the Trust's accounts for 2015/16;
- <u>Capital to Revenue Transfer</u>: the Trust was requested by Monitor to return uncommitted capital funds in return for a revenue benefit the Audit Committee were informed that this creates a technical surplus for the Trust;
- NHS Property Services: the Audit Committee were updated on the ongoing issues with NHS Property Services which are affecting a number of NHS organisations the Audit Committee were satisfied with the action taken to date by the Trust and the prudent approach adopted within the accounts;

- <u>Dilapidation Provision:</u> the Audit Committee considered the approach taken by the Trust in reviewing the value of the dilapidation provision held by the Trust, and were satisfied with the restated provision included in the accounts;
- Going Concern: the Audit Committee
   considered this issue and recommended
   that the Board could sign off the appropriate
   statements.

During 2015/16, the Committee also undertook a competitive market testing exercise in respect of the provision of an internal audit and counter fraud service. The outcome of this process was to award the new contract to the Trust's current provider, Mazars for a period of one year (with the option to extend for a further year).

Mazars subsequently prepared a detailed Internal Audit plan for the 2016/17 financial year which was presented to the Audit Committee in March 2016, together with a Strategic Plan covering three years (in the event the contract was extended). The plan was compiled on the basis of identified risk and materiality, which was drawn together through previous experience of audit requirements within the sector; previous audit work at the Trust; risks previously identified by the Trust as significant; and horizon scanning of current issues. The outputs from this plan will give assurance to the committee on operational and compliance systems.



# NHS Code of Governance

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### **Council of Governors**

An integral part of the Trust is the Council of Governors who brings the views and interests of the public, service users and patients, carers, our staff and other stakeholders into the heart of our governance. This group of committed individuals has an essential involvement with the Trust and contributes to its work and future developments in order to help improve the quality of services and care for all our service users and patients.

### **Role of the Council**

The over-riding role of the Council is to hold the Non-Executive Directors individually and collectively to account for the performance of the Board of Directors, and to represent the interests of the members of the Trust and of the public. This includes scrutinising how well the Board is working, challenging the Board in respect of its effectiveness and asking the board to demonstrate that it has sufficient quality assurance in respect of the overall performance of the Trust, questioning Non-Executive Directors about the performance of the Board and of the Trust, to ensure that the interests of the Trust's members and public are represented.

The roles and responsibilities of the Council of Governors are set out in our constitution; the Council's statutory responsibilities include:

- to amend/approve amendments to the Trust's constitution;
- to appoint/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/remove the Trust's external auditor;
- to provide views to the Board of Directors in the preparation of the Trust's annual plan;
- to receive the Trust's annual report and accounts and any report of the auditor;

 to take decisions on significant transactions and on non-NHS income.

The Council of Governors is required to meet a minimum of four times a year.

### **Board's Relationship with the Council**

The Board works closely with the Trust's Council. The Trust's Chair is also the Chair of the Council and is supported at every meeting of the Council by the Chief Executive and other Board Directors. The Chair works closely with the nominated Lead and Deputy Lead Governors to review all relevant matters. The Chair, Senior Independent Director, Trust Secretary, Lead Governor and Deputy Lead Governor meet prior to each Council meeting to set the agenda and review key issues.

Steve Currell continued in his role as Senior Independent Director during 2015/16. He actively pursues an effective relationship between the Council and the Board.

The Executive and Non-Executive Directors attend each meeting of the Council as observers and take part in open discussions that form part of each meeting. Standing agenda items also include reports from the Chief Executive and Executive Directors on Trust performance, finance and quality matters.

Board of Directors meetings are held in public and Governors can and do attend, having the opportunity to ask questions of the Board on matters relating to agenda items. In addition, the Trust has established working groups of Board and Council representatives to take forward specific work including, for example, the review of the Trust's operational plan through the Strategic Planning Group, the review of significant transactions in line with the agreed process through the Significant Transactions Group.

Governors can contact Steve Currell, as the Senior Independent Director, if they have concerns regarding any issues which have not been addressed by the Chair, Chief Executive or Executive Chief Finance Officer. In addition, Steve 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.

The Council of Governors has a policy for *Engagement with the Board of Directors where there is Disagreement or Concerns with Performance* which outlines the procedure to be followed when there are disagreements and/or when the Council has concerns about the performance of the Board. During 2015/16, John Jones, Public Governor Rest of England was reappointed as Lead Governor and Brian Arney, Public Governor Rest of Essex was appointed as Deputy Lead Governor.

The Board values the relationship it has with the Council and recognises that its work promotes the strategic aims and assists in shaping the culture of the Trust.

### Keeping Informed of Governors' and Members' Views

During the year the Board was kept informed of the views of Governors and members in a number of ways including:

- attendance and/or presentations at Council of Governor meetings by Directors;
- joint informal Non-Executive Director and Governor discussion meetings held quarterly;
- · regular briefing sessions with the Chief Executive;
- 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;
- the establishment of a specific group of Governors and Directors to focus on the forward and strategic planning of the Trust;
- a series of consultation meetings with Governors, members and the public on the development of the operational plan;
- consultation on the selection of the indicator for auditing for the Quality Report;
- establishment of Director/Governor task and finish groups and working groups to take forward specific work including, for example, significant transactions review working group;
- joint quality visits which are designed to mirror the 15 Steps Challenge to provide assurance on the quality of care provided by services;
- joint review of the Trust's compliance with Monitor's Code of Governance provisions.



#### **Council of Governors' Committees**

During 2015/16 a review of the Council's standing committee structure was undertaken to ensure it remained fit for purpose, robustly supporting and enabling the Council to fulfil its duties, roles and responsibilities effectively. An action plan was implemented during the year to take forward the suggestions to enhance the governance arrangements which included the establishment of a Training & Development Committee; the plan also took account of any recommendations from the Council's annual self-evaluation review.

The Committees do not have any delegated authority. All responsibilities are undertaken in support of the Council as it is the Council of Governors that holds the responsibility for decisions relating to all issues covered by the Committees.





#### **Composition of the Council of Governors**

The Council is led by the Chair of the Trust. The composition of the Council of Governors is in accordance with the Trust's constitution.

During 2015/16 a joint Director/Governor task and finish group reviewed the Trust's constituency framework and composition of the Council to take account of the changes to the Trust's service provision in the light of disaggregation of mental health services in Bedfordshire and Luton with effect from 1 April 2015. In addition, the review also took account of Monitor's Code provision (A.5.2) which aims to ensure that "the Council should not be so large as to be unwieldy. The Council should be of sufficient size for the requirements of its duties". As a number of Governors' terms of office came to an end in September 2015, the changes were implemented with effect from 1 October 2015.

CONSTITUENCIES (until 30 Septemb	per 2015)	
Public	Bedford	3
	Central Bedfordshire	5
	Luton	4
	Rest of Essex	1
	South Essex	7
	Southend	3
	Suffolk	1
	Thurrock	2
	West Essex	5
Staff	Medical Practitioner	1
	Nurses (Mental Health)	1
	Nurses & Midwives (Community Health)	1
	Social Worker	1
	Support Staff	1
	Other Clinical Specialities	1
	Essex & ARU	1
Partnership	University of Bedford	1
	Beds & Luton	1
Service User & Carer	Essex	1
	West Essex	1
Local Authority	Bedford Borough Council	1
	Central Bedfordshire Council	1
	Essex County Council	1
	Luton Borough Council	1
	Southend Borough Council	1
	Thurrock Borough Council	1
Council of Governors Total		48

CONSTITUENCIES	NEW (wef 1 October 2015)			
Public	South Essex	7		
	Southend	3		
	Thurrock	2		
	Rest of Essex	5		
	Rest of England	7		
Staff	Clinical	2		
	Non-Clinical	2		
Partnership	Essex & ARU	1		
Service User & Carer	Essex	1		
	Beds & Luton	1		
Local Authority	Essex County Council	1		
	Southend Borough Council	1		
	Thurrock Borough Council	1		
	Central Bedfordshire Council	1		
	Bedford Borough Council	1		
Council of Governors Total		36		

#### **Council of Governors Elections**

A number of elections were held during the year which resulted in changes to our Council of Governors.

Constituency	Election date	No of vacancies	No of candidates	Turnout rates	Elected Governor
Public			7		
South Essex	18.08.15	4	3	Uncontested	Steve Alston
					Phil Cousins
					Sue Revell
Southend	18.08.15	2	1	Uncontested	Hannah Moore
Rest of England	18.08.15	6	5	Uncontested	Jackie Gleeson
					Paula Grayson
					John Jones
					Jim Thakoordin
					Clive Travis
Rest of Essex	28.09.15	1	2	8.6%	Bob Calver
Staff					
Clinical	18.08.15	2	1	Uncontested	Tracy Reed
	26.11.15	1	2	11.5%	Alison Coppen
Non-Clinical	19.10.15	2	2	Uncontested	Pam Madison
					Gill Toby

#### **Governor Training and Development**

During the year the Trust has hosted or provided Governors with access to a range of training and development opportunities with the purpose of enhancing their knowledge and understanding of the organisation. A Governor Training & Development Committee has been established to ensure that there are effective and robust training and development arrangements in place to develop Governors' skills, knowledge and capabilities enabling them to be confident, effective, engaged and informed members of the Council, thereby ensuring that the Council as a body remains fit for purpose and is developed to ensure continued delivery of its responsibilities effectively.

All Governors undertake a comprehensive induction programme which is regularly reviewed and updated, taking account of best practice from the centre. This is part of the Trust's Governor Learning & Development Pathway modular framework that covers the life-cycle of a Governor. Of particular benefit to Governors during 2015/16 were the workshops to review and gain a better understanding of the Trust's Annual Finance Report and also the Trust's Operational Plan.

The Trust has also kept Governors well informed of training and development workshops and conferences hosted by other organisations, including NHS Providers, and encouraged all to utilise these development opportunities. Our Governors are encouraged to share their experiences of events attended through a written event feedback form which is circulated to the wider Council.

During the year, following a self-assessment review of Governor training and development, the Council provided to the Board a support statement of assurance of compliance with the self-certification requirements in relation to the training of Governors as part of the Trust's governance self-certification declarations.



/	Table	4.5 Council of Gov	vernors Attendand	ce at Meetings 2015	-2016	
	Category		Constituency/ Appointing Organisation wef 1 October 2015	Name	Constituency/Appointing Organisation until 30 September 2015	
				Steve Alston	South Essex	
				Roy Birch	South Essex	
				Eileen Greenwood	South Essex	
		South Essex		Evelyn Hoggart	South Essex	
				Sue Revell	South Essex	
				David Watts	South Essex	
				Tony Wright	South Essex	
		_		Shurleea Harding	Southend	
		Southend		Clive Lucas	Southend	
				Hannah Moore	Southend	
		Thurrock		Christina Guy	Thurrock	
	nors			Brian Arney***	West Essex	
Public Governors	over	Rest of Essex	Bob Calver  Colin Harris	Rest of Essex		
	ic G		Kresh Ramanah	West Essex West Essex		
	lqn			Prof Sudi Sudarsanam	West Essex West Essex	
	_			Jackie Gleeson	Luton	
		Rest of England	Paula Grayson	Bedford		
			John Jones **	Bedford		
				Clive Travis	Bedford	
		n/a		Susan Butterworth	Central Bedfordshire	
		11/4		Lynda Lees	Central Bedfordshire	
				Larry Smith	Central Bedfordshire	
				Jim Thakoordin	Central Bedfordshire	
				Michael Dolling	Luton	
				Zoe Loke	Luton	
				David Parsons	Suffolk	
		Clinical		Tracy Reed	Nurses & Midwives (CHS)	
	ors			Alison Coppen	n/a	
	Staff Governors	Non-Clinical		Pam Madison	n/a	
	69			Gill Toby	n/a	
	Staff			Karen Forrest	Other Clinical Specialties	
		n/a		Paul Delaney	Social Worker	
		Anglia Ruskin Universit	y /Essay University	Vacant	Anglia Ruskin University /Essex University	
	ihip ors	Anglia Kuskin Universit	y /Essex University		University of Bedfordshire	
	Partnership Governors	Beds & Luton Service Us	sers & Carers	Vacant	Beds & Luton Service Users & Carers	
	Part Gov			Joy Das	West Essex Service Users & Carers	
		Essex Service Users & Carers		Mandy Tanner	Essex Service Users & Carers	
		Essex		Bill Archibald	Essex	
	, ity	Southend		Marimuthu Velmurugan	Southend	
	Tho	Thurrock		Barbara Rice	Thurrock	
1	Local Authority Governors	Bedford		John Mingay	Bedford	
0	Loca	Central Bedfordshire		David Bowater	Central Bedfordshire	
V	_	n/a		Cllr Mahmood Hussain	Luton	
Sept.						

nent	Elected	1st / 2nd / 3rd Term of Office	1 March 2016	عو انحسور	Governors	o you want o	Committee	Governors	Nominations Committee	Governors	Remuneration committee	Annual	Members Meeting
Date of Appointment	Period Elected	1st / 2nd / 3rd	In post as at 31 March 2016	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
Sep-15	Sep 15 to Sep 18	3	ü	0	2							0	0
Sep-14	Sep 14 to Sep 17	3	ü	3	4							1	1
May-06	Sep 12 to Sep 15 *	3	Х	2	2	2	2	2	2	3	3	0	1
Sep-12	Sep 12 to Sep 15 *	1	Х	2	2							1	1
Sep-12	Sep 15 to Sep 18	2	ü	3	4					4	4	1	1
Sep-14	Sep 14 to Sep 17	1	ü	4	4							0	1
Sep-14	Sep 14 to Sep 17	1	ü	4	4	2	2					0	1
Sep-09	Sep 14 to Sep 17	1	ü	4	4							1	1
Sep-14	Sep 12 to Sep 15 *	2	Х	1	2							1	1
Sep-15	Sep 15 to Sep 18	1	ü	1	2							1	1
Sep-12	Sep 12 to Sep 15 *	1	Х	0	4							0	1
Sep-14	Sep 14 to Sep 17	2	ü	4	4	4	4	2	2			1	1
Sep-09	Sep 15 to Sept 18	3	ü	3	4							0	1
Sep-14	Sep 14 to Sep 17	1	ü	4	4	0	1					1	1
Sep-14	Sep 14 to Sep 17	1	ü	3	4							1	1
Sep-14	Sep 14 to Sep 17	1	ü	2	4							1	1
Apr-10	Sep 15 to Sep 18	3	ü	3	4			0	2			1	1
Sep-12	Sep 15 to Sep 18	2	ü	3	4					4	4	0	1
Apr-10	Sep 15 to Sep 18	3	ü	4	4	4	4	2	2	4	4	1	1
Apr-10	Sep 15 to Sep 18	3	ü	2	4					2	4	0	1
Apr-10	Sep 12 to Sep 15 *	2	Х	0	0							0	0
Sep-12	Sep 12 to Sep 15 *	1	Χ	1	2	2	2					0	1
Sep-12	Sep 12 to Sep 15 *	1	Χ	0	2							0	1
Sep-12	Sep 12 to Sep 15 *	1	Х	1	2	1	2					0	1
Apr-10	Sep 12 to Sep 15 *	2	Χ	0	0							0	0
Sep-12	Sep 12 to Sep 15 *	1	Х	0	0							0	0
May-14	May 14 to May 17	1	Х	1	2							0	1
Dec-11	Sep 15 to Sep 18	3	ü	3	4	2	4					0	1
Nov-15	Nov 15 to Sep 18 *	1	Х	0	0							0	0
Nov-15	Nov 15 to Sep 18	1	ü	2	2	1	1					0	0
Nov-15	Nov 15 to Sep 18	1	ü	1	2							0	0
Apr-10	Sep 12 to Sep 15 *	2	Χ	0	2							1	1
Nov-12	Nov 12 to Sep 15 *	1	Χ	2	2							0	1
Jun-12	Jun 13 to Jun 16	2	ü	0	4			0	2			0	1
Dec-11	Dec 12 to Dec 15 *	2	Х	0	0							0	0
	May 13 to May 16	1	ü	0	4							0	1
Jun-14	Jun 15 to Jun 18	2	ü	0	4							0	1
May-14	May 15 to May 16	3	ü	0	4							0	1
Jun-15	Jun 15 to Jun 16	1	ü	0	2							0	1
May-10	May 13 to May 16	2	ü	5	4	3	4	2	2	4	4	1	1
May-10	May 13 to May 16 *	2	ü	0	2	-	·	_	-	•	·	0	1
.,	-, - :,		-	-								-	-

#### **Annual Report of The Council Of Governors**

Your Council of Governors thought it is important that we the Governors write an Annual Report to the members, to let you know what we have been doing on your behalf in our role as a 'critical friend' to SEPT.

This past year has been one of the most fascinating that we have seen for a long time as the potential merger of our Trust with North Essex has been proposed and as the various stages of the process are reached. We have been very pleased that we have been kept briefed in our role as representatives of the public/stakeholders/patients/carers and staff. It would have been very easy for the Board of Directors only to comply with statutory duties by involving Governors when the process was close to taking place, asking us to approve the decision. Instead, the Board has involved Governors from an early stage. Because we have been consulted from the beginning we have been able to provide what we hope is useful input to reflect the views of the diverse communities which we serve.

We are also aware that we have to consider the long-term future of our Trust and the services which it provides within the larger health economy, and its potential integration into the services for north Essex. This can only be done by collaborative working between the Governors and the Directors, recognising that as Governors we have a responsibility to be assured on the work of the Directors in relation to the performance of the Board but not to interfere with operational matters. There is a fine line between the two roles. We have attempted throughout the year and in particular in relation to this potential merger, not to cross that line.

Those of you who are able to attend the Council meetings every quarter will have appreciated the session before the main meeting in which the Chief Executive, Sally Morris, gives a presentation on a subject of interest for us to discuss with her. This is very helpful, enhancing as it does the closer working relationship between the Governors and the Chief Executive. We also have the opportunity to meet with the Non-Executive Directors (NED) to discuss matters in an informal atmosphere so we are more able to understand the NEDs' role and how they undertake it. This then links into our statutory duty to receive assurance on the performance of the NEDs and the Chair on an annual basis as well as to appoint/reappoint NEDs.

An important part of our role is undertaking Quality Visits which we do regularly in the company of one of the Executive Directors and a NED. This gives us an opportunity to talk to service users, their carers and staff and to provide feedback to the Trust on what we have found, areas of good practice and any areas which we consider need to improve. We have also been involved in reassuring ourselves that SEPT complies with Monitor's Code of Governance. This guidance helps Trusts to deliver effective and quality corporate governance, contribute to better organisational performance and ultimately discharge their duties in the best interests of patients and service users.

This year we have once again become involved in the strategic and forward planning for the Trust through a working group which meets with the relevant Executive Director to discuss the Operational Plan and provide what we believe are helpful comments.

As in the past we always make sure that there are Governors present at public Board meetings to provide us with an insight into how the NEDs and the EDs interact as well as to ask questions on your behalf. This is all in addition to the Public Member meetings which Governors chair as well as our attendance at the various Stakeholder events which SEPT organises. Towards the end of the year changes in the way the public meetings are organised have been put in place to align and reduce the number of meetings (and the cost and time for staff) and to make them more pertinent to the communities which we serve. We shall be interested in receiving any comments on these changes as they take place during the next year.

Traditionally we have not used these Annual Reports to comment on funding issues but we do feel it would be appropriate to remark that the considerable success during the year has been achieved despite falling income. This success was shown by the Care Quality Commission Report following a full inspection of our Trust's services at the end of June 2015. The overall conclusion from this Inspection was a rating of 'Good'. This may not sound much put as baldly as that but it is a rare recognition given by an inspection agency experienced in looking at many different types of organisations within the umbrella of Health Care. Of 167 inspected Trusts, only 32% received "good" and 1% "outstanding". It would be remiss of us not to congratulate all the staff on this magnificent achievement and also to recognise the strong leadership within the Trust particularly the Chair and CEO. Apart from confirming what we have been saying for many years, that the quality of service and the safety of patients is paramount, it also puts our Trust in a better position to bid for new contracts when these come up for tender.

We are mindful that we are elected or appointed to represent you, the members of our Trust, and to satisfy ourselves on your behalf that service users'/patients' needs are always the top priority and that the services provided are safe and of high quality, while at the same time maintaining independence from executive decisions. 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. Our role is very much to hold the Non-Executive Directors to account for the performance of the Board and to provide a link between the members/public/service users/patients/carers and stakeholder organisations and the Trust.

We were particularly pleased to see the results of the annual Staff Survey. Past years have shown this survey to be generally very favourable with just a few matters for concern. This year the results are extremely positive with significant improvement in many scores compared with the previous year and particularly against the national scores with the Trust in the top performing 20% in the country. We as Governors would like to take this opportunity to congratulate the staff on providing services and a level of care that are recognised as outstanding within the fields of both mental and community health.

We ask members to note that we still have a strong presence in Bedfordshire and Luton as we continue to provide the local forensic mental health services there which are commissioned by NHS England as well as the Community Health Services in Bedfordshire, the contract for which has been extended to April 2018. This says a lot for the quality of care provided.

Finally, we hope that you, as members, have been satisfied with the representation which we, as Governors, have been able to provide during the past year and we look forward to continuing to do so during 2016/17. If you wish to contact us then you are very welcome to do so via the Trust Secretary's office.

John Jones

Lead Governor

**Brian Arney** 

**Deputy Lead Governor** 

#### 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**

Our aim 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 geographical area of the Trust serves is sub-divided using electoral boundaries. As reported under the Composition of the Council of Governors on page 74 the Trust's constituency framework was changed during the year. With effect from 1 October 2015 all people aged 12 and over and living in one of the following constituencies can become a member: into the constituencies of:

<b>Public Constituency</b>	Electoral Boundaries
South Essex	Electoral area covered by Basildon Borough Council, Brentwood Borough Council, Castle Point Borough Council and Rochford District Council
Southend	Electoral area covered by Southend on Sea Borough Council
Rest of England	All electoral wards in England not covered by any of the other public constituencies
Rest of Essex	Electoral area covered by Essex County Council, excluding the public constituencies of South Essex, Southend and Thurrock
Thurrock	Electoral area covered by Thurrock Council



disability issues, and assists the Trust to work in partnership with our local communities.

As at 31 March 2016, the Trust had over 20,700 members as follows:

**Table 4.6 Membership size and movements** 

Membership size and movemen	ts
Public constituency	2015/16
Public members at 1 April 2014	14,648
New members	71
Members leaving	187
Public members at 31 March 2015	14,532
Staff constituency	2015/16
Staff members at 1 April 2014	7,575
New members	281
Members leaving	3,377
Staff members at 31 March 2015	4,479

The breakdown of public membership by age, ethnic origin, socio-economic status and gender at 31 March 2016 was as follows:

Table 4.7 Analysis of current membership

Analysis of current m	nembership
Public constituency	Number of members
Age (years):	
0-16	9
17-21	402
22+	11,467
Ethnic origin:	
White	10,994
Mixed	281
Asian or Asian British	1,065
Black or Black British	644
Other	54
Socio-economic groupings	*.
ABC1	3,419
C2	4,157
D	3,187
Е	3,550
Gender analysis:	
Male	5,500
Female	8,845

#### **Notes:**

The analysis excludes:

- 2,654public members with no stated date of birth
- 1,494 members with no stated ethnic origin
- 187 members with no stated gender
- suspended members
- inactive members.

The Trust recognises that the Council of Governors directly represent the interests of the members and the local communities it serves. The Trust believes that its members have an opportunity to influence the work of the trust and the wider healthcare landscape, thereby making a real contribution towards improving the health and wellbeing of service users/patients, and the quality of services provided.

The Membership Strategy sets out a series of objectives for the Trust to continue to encourage a wide and diverse membership with the focus on quality membership engagement activity, including the actions it will take to meet the following objectives:

- build and maintain membership numbers to meet/exceed annual operational plan targets ensuring membership is representative of the population the trust serves;
- communicate effectively with members and the public;
- engage with members and the public, and encourage involvement.

All membership activities and representativeness are reviewed by the Membership Committee who monitors the membership strategy through analysing the membership demographics, identifying plans to ensure a representative membership and promoting engagement from members and the wider community.

#### **Engagement and Recruitment**

Each year we strive to maintain the significant and representative membership that has been established since we became a Foundation Trust in 2006. Although the Trust will continue to aim to increase our overall membership, the main focus of the membership strategy is on quality engagement with members and the public.

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

- **e**-communications;
- receiving members' newsletter, SEPT News that provides 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;
- using social media such as becoming a friend of the Trust on Facebook and/or following the Trust on Twitter;
- attending our annual general and members meeting held in September 2015 which provided an opportunity to hear how the Trust performed during the year, the work of the Council of Governors and to meet Directors and Governors;
- attending public meetings of the Board of Directors and Council of Governors;
- attending our public member meetings in the constituencies which are highly participative;
- · attending patient/carer events;
- · attending the Annual Members Meeting;
- contributing to the development of the Trust's Operational Plan by attending stakeholder planning events; in addition, a dedicated page on the website was launched to provide a wider opportunity for providing feedback;
- 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.

#### **How to Contact Us**

Details of Governors are included on the Trust website and members can contact their Governors by any of the following methods:

Post: Freepost RTRG-UCEC-CYXU

Trust Secretary Office

The Lodge Runwell Chase Wickford SS11 7XX Email: <a href="mailto:membership@sept.nhs.uk">membership@sept.nhs.uk</a>

Freephone: 0800 023 2059

Council meetings are open to the public and details are published on the website together with

the papers and minutes of the meetings.



#### **Regulatory Ratings Report**

Since August 2015, Monitor's Risk Assessment Framework and the basis upon which the Trust is monitored has been extended to include Financial Efficiency ratings in addition to the Continuity of Services rating (COSRR). The weighted average of these two ratings represents the Financial Sustainability Rating (FSRR) for the Trust.

The Trusts performance for 2015/16 is detailed below under the COSRR and FSRR regimes, together with prior year performance.

**Table 4.8 Regulatory Ratings** 

2015/16	Metric	Annual Plan	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Continuity of	Capital Service Capacity	2	4	4	3	3
Services	Liquidity (days)	4	4	4	4	4
Financial	I & E margin (%)	3		4	4	3
Efficiency	Variance in I&E margin as % of income	4		4	4	4
COSRR		3	4			
FSRR (from Aug	ust 2015)	3		4	4	4
Governance Rat	ting	Green	Green	Green	Green	Green

2014/15	Annual Plan	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Continuity of Services Rating	4	4	4	4	4
Governance Rating	Green	Green	Green	Green	Green

#### **Executive Summary**

jargon which you are not familiar with.

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 for is provided below.

Part 1 is a statement written by our Chief Executive, Sally Morris, 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.  Part 2 looks forward setting out our priorities for improvement in 2016/17	88 92
The Board of Directors has agreed six quality priorities for quality improvement this year. These are set out in section 2.2.	94 99
Examples of some of the stretching goals for quality improvement that have been agreed with health commissioners of our services are identified in section 2.3.	100 102
Information about our progress with implementing the Duty of Candour; together with information about our patient safety improvement plan as part of the Sign Up To Safety campaign is included in section 2.4.	111
The statements of assurance contained in section 2.5 are mandated. The Trust can confirm that it is able to meet all of the mandated requirements.	
Section 2.6 reports our performance against the national mandated quality indicators.	
Part 3 focuses on 'looking back' at our performance against quality priorities, indicators and targets during 2015/16	120
Section 3.1 reports progress against our quality priorities for 2015/16, outlined in	121
our Quality Report 2014/15 (including historic and benchmarking data, where this is available).	134
Section 3.2 provides examples of some achievements relating to local service specific quality improvement and Trust workforce development during 2015/16.	142
Section 3.3 reports performance against SEPT Trust wide and service specific quality indicators.	
<ul> <li>Trust wide local quality indicators</li> </ul>	142
<ul> <li>Community health services local quality indicators</li> </ul>	150
<ul> <li>Mental health services local quality indicators</li> </ul>	153
Section 3.4 reports performance against key indicators and thresholds relevant to SEPT from Appendix A of Monitor's Risk Assessment Framework, which have not been included elsewhere in this Quality Report.	155
Section 3.5 details some of the work we have undertaken in relation to capturing patient experience and using this to help us to improve the quality of our services.	161
Closing Statement by Sally Morris, Chief Executive	163
Annex 1 contains statements that we have received from our partner organisations and our Council of Governors.	164
Annex 2 contains the Statement of Directors' Responsibilities in respect of the Quality Report.	173
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.	174
A glossary of terms is provided at the end of the Quality Report in case we have used	178

#### Statement on Quality From Sally Morris, Chief Executive

2015-2016 was a very GOOD year for SEPT. Presenting this Quality Report gives me great pleasure as I am able to tell you about how we have met our quality commitments for this past year and it outlines our quality priorities for 2016-2017. SEPT's reputation for being an open and transparent organisation continues, and this report highlights our plans for improvement and where more work needs to be done.

Our quality highlights from the past year include:

- achieving an overall rating of GOOD following our comprehensive inspection by the CQC (Care Quality Commission);
- establishment of our Quality Academy which supports staff developing innovative service improvements;
- SEPT Star Awards recognising innovation, achievements and quality of staff and services;
- ongoing commitment to 'Sign up to Safety' National Campaign and links with the national team;
- continuous reduction in number of avoidable category 3 and 4 pressure ulcers;
- ongoing reduction of the number of avoidable falls in our inpatient units;
- · reduction in medication omissions;
- a number of national accreditations reflecting the quality of our care and staff
  - SEPT was placed in the top 20 out of a total of 230 NHS Trusts in the government's new national 'Learning from Mistakes' league table which rates the openness and transparency of every Trust in the country;
  - East of England Leadership Awards one of our doctors won the NHS Mentor/Coach of the Year Award:

 Health Service Journal (HSJ) Value in Healthcare Awards – forensic services staff at Brockfield House and the Maintaining Medicine Adherence team in Southend were finalists in the Mental Health Award category;

 SEPT was named again as one of the top places to work in the NHS by the Health Service Journal (HSJ) - included in the Top 120 of all NHS organisations;

 Bedfordshire Baby Friendly Scheme received UNICEF accreditation;

 Open Arts won Positive Practice in Mental Health Award for 2<sup>nd</sup> year running;

 Family Food First won National Public Health Award at Advancing Health Care Awards.

You will find details of a number of these and many other achievements in this report.



# What systems do we have in place to ensure quality at the highest levels?

As an NHS Foundation Trust, SEPT has a Council of Governors which includes elected members of the public and staff, as well as a Board of Directors, both of which are led by the Chair of the Trust. Together they 'drive' the Trust, ensuring our staff are delivering services to the high standards to which we all aspire.

Our Board of Directors meets in public and ensures proactively that we focus not only on national targets and financial balance, but also continue to place significant emphasis on the achievement of quality in our local services. This approach means that our performance is consistently monitored and any potential areas for improvement are addressed swiftly.

Our robust quality governance systems support the arrangements in place to provide the Board of Directors with assurance on the quality of SEPT services and safeguard patient safety. We produce a comprehensive quality (including safety, experience and effectiveness) and performance dashboard on a monthly basis; we undertake compliance checks that mirror the CQC's reviews; we have an active national and local clinical audit programme; we monitor patient experience and complaints and have a robust risk management and escalation framework in place and regularly triangulate what is being reported with board member, governor and commissioner quality site visits.

I check constantly that things are as they should be in the Trust. I continue to make unannounced visits to our services at all times of the day and night. At these, I meet with staff to observe the care provided and to hear directly from the people using the services at the time. In this way, I can make sure that the claims we make about high quality care are supported not only by external assessments, but also by my own experience of observing that care in action. Also, I can pick up any issues and ensure prompt action is taken to resolve these. We do not wait for inspections by the CQC or other inspectors to ensure the quality of our services. We undertake regular formal internal inspections of our services against the CQC standards and identify any areas for quality improvement. The

results and actions arising from these internal inspections are monitored and followed-up to ensure that any necessary remedial actions are completed. Non-Executive Directors, Executive Directors and independent clinicians also visit our wards to review clinical care. In addition, our public governors have continued with their programme of visits to different services. Our commissioners also undertake announced and unannounced quality visits to our services. Feedback from these additional external perspectives has provided useful insight into service quality and the 'fresh eyes' input has enabled us to put improvements in place.

SEPT continues to recognise the importance of listening to, involving and engaging with the people who come into contact with our services – patients / service users, carers and our staff and volunteers. We have enhanced our robust mechanisms for capturing feedback and also, and most importantly, acting on that feedback and using it to improve and shape services. This past year we have continued to promote the roll out of the 'Friends and Family' test across the organisation in both mental health and community services. This simple questionnaire asks whether our patients or carers would recommend the service they have received to friends or family. We have further adapted these questionnaires to suit the varied patient groups we serve. Our 'mystery shopper' programme goes from strength to strength with more volunteers coming forward to report directly to me in confidence about their individual experiences. I personally chair our Patient and Carer Experience Steering Group which monitors all engagement activities. This year we have set up a number of smaller, service-focused forums where local issues can be discussed. Feedback from the forums goes directly to our front line services and all actions are overseen by the Steering Group.

I look forward to our upcoming series of public meetings 'SEPT on the Spot' where the public are welcome to come along and meet with me, my fellow board members, directors and clinical leads to discuss local issues.

As well as the 'I am worried about' intranet button for staff to raise issues anonymously directly with the senior leadership team, this year we have embedded the 'Freedom to Speak Up' recommendations and staff have voted in their first Principal Guardian. This will ensure that all staff within the Trust feel supported and encouraged to speak out about any issues, concerns or challenges.

The quality governance system, actual quality performance and assurance on the arrangements in place are overseen by sub-committees of the Board of Directors and provide assurance to the Board of Directors.

As a Trust, we realise that less funding may mean that some of our high standards may have to be redefined to be affordable. However, we are absolutely certain that we will never compromise safety or quality as a result and we will continue to ensure that national and legislative requirements are met. Our continuous focus on the quality of service provision, regardless of the complexity of the external environment, means that we, our commissioners and regulators can be confident about the quality of our existing service provision.

#### How do our external regulators rate our performance?

This year we received an independent external assessment of the quality of our services under the Care Quality Commission's (CQC) comprehensive inspection programme. In June and July 2015 more than 100 inspectors from the CQC - the national independent healthcare regulator - visited the Trust's services to observe the care given by staff, check records and talk with staff, patients and their families about their experiences of the Trust's services. Following the inspection, the Trust's services were rated GOOD overall and GOOD for being effective, caring, responsive and well-led. This is a tremendous achievement. To put this into perspective, we understand that of the 167 NHS provider organisations inspected, only 32% achieved a rating of Good and 1% achieved a rating of Outstanding. However, we are not complacent. The inspection reports indicated areas where we can improve further. We responded immediately to the three actions required by the CQC to ensure we are fully compliant in being safe and I am personally following the progress of the associated action plans. We are focusing firmly now on maintaining standards in our services and making further improvements going forward.

The CQC report noted the following good practice –

- ✓ Staff treated people with respect, listened to them and were compassionate.
- ✓ Services were effective, responsive and caring. Where concerns had arisen the Board had taken urgent action to address areas of improvement.
- ✓ The Trust had an increasingly good track record on safety in the past 12 months.
- ✓ Staff felt confident to report issues of concern and learning was shared across the Trust.
- ✓ Staff morale was mostly good and staff felt supported by local and senior management.
- ✓ There was effective team working.
- ✓ The Trust was meeting the cultural, spiritual and individual needs of patients.
- ✓ There was a commitment to quality improvement and innovation.

Full details of the outcomes of our CQC inspection and actions we are taking as a result are included in Section 2.5 of this Quality Report.

We have also been compliant consistently since quarter 2 with the quality targets set by our external regulator Monitor and are not forecasting any risk to continuing to achieve the existing targets.

#### What do we need to do better?

Like any successful organisation, we are always looking for areas where we can improve. The areas in which I am particularly keen to see action include continuing the Sign Up to Safety campaign with our six work streams linking with the national team and learning from other organisations in reducing harm to our patients covering:

- reduction in use of restraint;
- reduction in avoidable pressure ulcers;
- · reduction in avoidable falls;
- · early detection of deteriorating patient;
- reduction in unexpected deaths;
- reduction in medication omissions.

To support this work we have established a Quality Academy which will act as a catalyst to improving quality across the organisation, providing an opportunity to capture and sustain the commitment and enthusiasm of our staff, supporting them and enabling them to drive forward changes to make a difference to the care we provide.

Full details of our quality priorities for 2016-2017 are outlined in Section 2.2 of this report.

#### We can't do it without our staff

Our staff take pride in everything they do and provide consistently professional and high quality services. Our CQC results are a fitting tribute to the dedication and excellence of our staff. They work very hard to provide the highest quality care for our patients and I am immensely proud of them. Without each and every one of them, SEPT would not be able to deliver the excellent services our patients expect.

We have a Staff Recognition Scheme and each month more and more staff are being nominated for In Tune Awards for excellent customer service. In November we held our SEPT Star Awards where more than 40 staff were recognised for their innovations and achievements with 14 proud winners taking home a trophy.



Once you have read this Quality Report, I hope you will understand how seriously we all take quality and how we work to ensure that we continue to deliver services in a caring, dignified and respectful way. We believe that our patients, service users, carers, staff, volunteers and other stakeholders are the best people to tell us what constitutes the highest quality of service. We will continue to strive to meet their expectations and provide the highest standards of care by listening carefully to them and taking action promptly where necessary.

#### **Statement of Accuracy**

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

**Sally Morris** 

**Chief Executive** 



# Our quality priorities for improvement during 2016/17 and statements of assurance from the board

#### What services did SEPT provide in 2015/16?

During 2015-2016, SEPT provided hospital and community-based mental health and learning disability services across south Essex as well as a small number of specialist mental health and learning disability secure services in Bedfordshire and Luton. SEPT also provided community health services in Bedfordshire, south east Essex and west Essex. Up until 1 October 2015, the Trust delivered adult podiatry and speech and language therapy services as well as a number of children's services in Suffolk; and up until 1 November 2015, the Trust delivered Child and Adolescent Mental Health Services (CAMHS) in south Essex. Both services transferred to other NHS providers safely; with staff and the Trust working incredibly hard during the transition phase to ensure that services remained of the highest quality and that the transfer to the new provider had minimal impact on service users.

Our progress against the priorities for improvement for 2015/16, as set out in SEPT's 2014/15 Quality Report, is set out in Part 3 of this document.

#### How have we developed our priorities for the coming year?

SEPT has a well-established planning process that leads to the development of an annual Operational Plan that sets out our aims and the action that we will take to deliver our vision of 'providing services that are in tune with you'. Our Operational Plan 2016/17 will be published on our website (<a href="http://www.sept.nhs.uk/">http://www.sept.nhs.uk/</a>) when it has been approved by Monitor.

Our Operational Plan for 2016/17 and the priorities for quality within it was produced following detailed discussions over a five month period with the Board of Directors, the Trust's Leadership Team, our partners and our Council of Governors. Two planning events were held with participation from 220 staff, service users, carers, partners, commissioners and representatives from other statutory and voluntary organisations. As part of the planning process this year, SEPT also set up a page on its public website (<a href="http://www.sept.nhs.uk/get-involved/help-us-plan-our-services/">http://www.sept.nhs.uk/get-involved/help-us-plan-our-services/</a>) to enable those who attended the events and those that were unable to attend to contribute their comments on-line.

#### How have we prepared this Quality Report?

SEPT has prepared this Quality Report in accordance with the national legislation / guidance relating to the preparation of Quality Reports and Quality Reports in the NHS. This legislation / guidance specifies mandatory information that must be reported within the Report and local information that the Trust can choose to include; as well as the process that Trusts must follow in terms of seeking comments from partner organisations (Clinical Commissioning Groups, Healthwatch organisations and Local Authority Health Overview and Scrutiny Committees) and the Council of Governors on their draft Quality Report and independent assurance from an external auditor.

This Quality Report has been collated from various sources within the Trust and contains all the mandated information that is required nationally, as well as a significant amount of additional local information. It has been set out in three sections in accordance with the national legislation / guidance. The report was considered in draft form by the Trust's Quality Committee and the Board of Directors. The draft report was also sent to Clinical Commissioning Groups, Healthwatch organisations, Local Authority Health Overview and Scrutiny Committees and the Trust Council of Governors in draft form and they were given 30 days in which to consider the draft and provide comment / a statement for publication in the final Quality Report. Clinical Commissioning Groups are required to provide a statement whereas the other partners are given the opportunity to provide a statement for inclusion should they wish to do so. The resulting statements are included at Annex A of this Quality Report. Statements received after the deadline for publishing in the Quality Report are

included as an Addendum to this Quality Report. The draft report was sent to Local Authority Health and Wellbeing Boards for consideration and comment should they wish; however as these Boards are not statutory responders, any statements received are not included in Annex A.

The report was sent in draft form to the Trust's external auditors in April 2016, in order to provide independent assurance in accordance with national guidance. This process has been completed and the external auditor's report is included at Annex C of this Quality Report.

The Trust Board of Directors has approved the final version of this Quality Report 2015/16 and their statement of responsibilities in this respect is included at Annex B of this report.

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

Since the original development of the Trust's Quality Strategy in 2014, significant progress has been made against the aims set out to improve the quality and safety of our services and ultimately achieve our ambition of becoming the safest organisation in the NHS. Part 3 of this report provides an overview of progress made to date against the quality priorities we set out in last year's Quality Report.

We are in the process of refreshing the Quality Strategy for 2016/17 to ensure that we continue on our positive journey towards this challenging ambition. The full Quality Strategy will be available on the Trust website following approval by the Trust. The Trust is also taking positive action to address the outcomes of the Care Quality Commission comprehensive inspection undertaken in 2015/16, aspiring to move the Trust's performance from 'GOOD' to 'OUTSTANDING'.

In summary, our vision for quality is:

"To promote a culture and approach where every member of staff has the passion, confidence and skills to champion and compassionately deliver safer, more reliable, care"

We aim to achieve this by embracing an ethic of learning and ensuring that every member of staff understands their role in delivering clinical quality and works towards this goal every day. A Quality Academy was launched this year to support this by enabling staff to gain the skills for continuous quality improvement and to monitor our aims and achievements in this area.

The Trust's Quality Strategy aims to deliver quality improvements in a transparent and measurable way covering the following key domains:

- · safe care;
- positive experience of care;
- effective, outcomes-focused care;
- · well organised care;
- right staff, right skills, right place;
- a culture of openness, honesty & transparency.



Celebrating Mental Health Day at Rochford Hospital

Monitor requires the Trust to identify three key strategic areas of focus for quality in our Operational Plan and these have been identified as follows:
1. Parity of esteem / physical healthcare in accordance with our Quality Strategy. The aim of this key area is to reduce avoidable harm and ensure effective outcome focused care for all users of our services – both across Community Health Services and Mental Health Services. Throughout the Quality Strategy we identify a number of workstreams that support delivery of this – including the early detection of physical deterioration in health, reducing avoidable deaths as well as working with patients in achieving outcome focussed care across the Trust. A number of these workstreams form the basis of the Quality Priorities for this Quality Report, detailed in the section below. The following two key strategic areas of focus are considered 'enablers' – ie actions which will enable the Trust to deliver its aims of providing

- 2. Continued development of the Quality Academy to build the capacity for improvement and create a culture whereby all staff feel engaged and continually strive to improve services for patients.
- 3. Workforce development in accordance with the Trust's HR and Workforce Framework, ensuring that the Trust attracts, retains, values and develops the workforce to meet the Trust's strategic priorities and corporate aims (some examples of workforce developments implemented over the past year are included at Section 3.2 of this Quality Report).

#### 2.2 Our quality priorities for 2016/17

services of the highest quality and safety:

In setting the Quality Priorities for 2016/17 for this Quality Report, the Board of Directors considered the strategic context, their knowledge of the Trust, feedback from staff and stakeholders during the planning cycle and the key findings from the Care Quality Commission Inspection (published in November 2015). The Quality Priorities we have set for 2016/17 are designed to ensure that the Trust continues the positive progress in the six 'Sign Up to Safety Campaign' workstreams that formed our Quality Priorities for 2015/16 in our ongoing ambition for no avoidable harm. The priorities for the coming year build on the progress already made and align with our six 'Safe Care Ambitions' set out in the Trust's Quality Strategy and Operational Plan as detailed above. We believe that these Quality Priorities will continue to deliver the improvements most often identified by our stakeholders and will lead to improved health outcomes for our patients and service users.



### Our quality priorities for 2016/17 are as follows:

# (EFFECTIVENESS) Quality Priority 1: Restrictive Practice

The management of violence and aggression is currently being discussed at a national level and the area of particular debate is the use of prone restraint. Any physical intervention carries with it an element of risk and the evidence is that the use of prone restraint carries with it a higher risk than that of supine floor restraint.

The organisation is committed to reducing the episodes of restraint. All physical interventions should only be used as a last resort and prone restraint, where possible, should be avoided. If it is encountered it should be for the shortest time period possible and the individual turned into the supine position as soon as it is achievable and safe.

Over the past two years we have undertaken work to address this area with significant progress. This work needs to be sustained to meet our ambition.

#### **Priority**

 to further reduce the number of restrictive practices undertaken across the Trust.

#### **Action**

- to work to NICE guidance of Management of Violence and Aggression;
- to review and update training programme; and
- to build on existing networks across health to support best practice and learn from other trusts.

#### **Target**

• we will have less prone restraints in 2016/17 compared to 2015/16.

#### (SAFETY) Quality Priority 2: Pressure Ulcers

Avoidable pressure ulcers are seen as a key indicator of the quality of nursing care; preventing them from 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 including considering any safeguarding issue. Since 2012 SEPT has been working 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 of work in relation to the themes resulting from root cause analyses and are now working to a standardised practice across the trust. Although we have not yet achieved the zero target, we continue to make significant progress in reducing the number of category 3 and 4 avoidable pressure ulcers. 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 further reduce the number of avoidable grade 3 and 4 pressure ulcers acquired in our care.

#### **Action:**

- to continue Skin Matters Group to review pressure ulcers and identify lessons to be learnt;
- to report weekly on category 3 and 4 pressure ulcers acquired in care to the Executive Team;
- to provide a uniform education and training package across all areas of the Trust to ensure all staff are working to the same standards;
- to engage further with all the multi-disciplinary services to ensure all teams are working to provide equitable assessment and care delivery;
- to work closely with independent providers and provide education and training to manage the prevention of pressure ulcers and appropriate referral processes in the event a pressure ulcer develops; and
- to raise public awareness.

#### Target:

• we will have less avoidable grade 3 and 4 pressure ulcers acquired in our care in 2016/17 compared to 2015/16.

#### (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, any inpatient fall resulting in long bone fracture that requires surgical intervention has been reported as a serious incident.

The causes of falls are multifaceted. People aged 65 years and older have the highest risk of falling, with 30% of the population over 65 years and 50% of those older than 80 years falling at least once a year. People admitted to hospital are extremely vulnerable as a result of their medical condition, as are those with dementia. Falls are the commonest cause of accidental injury in older people and the commonest cause of accidental death in those over the age of 75 years. Prevention of falls is a vitally important patient safety challenge as the human cost includes distress, pain, injury, loss of confidence and independence and, in some cases, death.

Over the past three years, SEPT has had a priority to reduce the level of avoidable falls, and again a number of areas of work have been taken forward with significant progress, but this work needs to be sustained to meet our ambition.

#### **Priority:**

• to further reduce the number of avoidable falls that result in moderate or severe harm within inpatients areas.

#### **Action:**

- to continue the Trust-wide Falls Group;
- to revise the on-line mandatory training package to reflect the differing skills required by clinical staff;
- to further promote a multi-disciplinary approach to falls prevention and management this will include the development of a new post to support front-line staff and a re-launch of the Trust wide Falls Group to include wider multi-disciplinary membership;
- to review current guidance and introduce evidence based tools for the assessment of falls risks;
- to build on existing networks across health and social care;
- to develop systems for cascade of falls information to individual wards; and
- to undertake in-depth audit examining compliance with NICE guidance and standards.

#### **Target:**

- we will have less avoidable falls that result in moderate or severe harm in 2016/17 compared to 2015/16;
- we will have a reduction in the number of patients who experience more than one fall in 2016/17 compared to 2015/16.

#### (EXPERIENCE) Quality Priority 4: Early Detection of Deteriorating Patient

Physical healthcare assessment is a vital part of the holistic assessment and supports early detection of deteriorating patients. Recent publications have identified issues with early detection of deteriorating patients and the number of avoidable deaths within the NHS. Further to this, within mental health, there is clear evidence that people with serious mental illnesses die, on average, 20 years earlier than the rest of the population.

A large proportion of patients who suffer cardio-respiratory arrest in hospital have recognisable changes in routine observations during the preceding 24 hours, including changes in vital signs, level of consciousness and oxygenation. Current evidence suggests that early detection, timeliness of response and competency of the staff involved are vital to defining clinical outcomes. In order to substantially improve the clinical response to the acutely ill patient we are embedding systems to support this including an education framework so that staff are competent in the measurement, monitoring and interpretation of vital signs, equipped with the knowledge to respond to deteriorating health and respond effectively to acutely ill patients.

#### **Priority**

• to further embed the system of early detection of deteriorating patient and preventative actions.

#### **Action**

Staff promoting the messages during

**Dying Matters Week** 

- to continue to roll out training to all inpatient areas on the Modified Early Warning System (MEWS) scoring;
- to introduce a competency framework that defines the knowledge and skills required for safe and effective treatment and care;
- to introduce an easy to remember mechanism that can be used to frame communication / conversations in a structured way to escalate a clinical problem that requires immediate attention;
- to undertake a regular schedule of audit of a sample of mental health in-patient records to assess whether a MEWS score has been documented if relevant; and





# (EXPERIENCE) Quality Priority 5: Reduction in Unexpected Deaths

Around 4,400 people end their own lives in England each year, that's one death every two hours and at least 10 times that number attempt suicide. People with a diagnosed mental health condition are at particular risk and around 90% of suicide victims suffer from a psychiatric disorder at the time of their death, although three-quarters of all people who end their own lives are not in contact with mental health services.

In 2015, the National Confidential Inquiry into Suicide and Homicide by People with Mental Illness reported an increase in the number of suicides completed within the acute care pathway, with a 14% increase in suicide for those people being supported by Crisis teams and a 17% increase in suicide for those recently discharged from hospital; around a quarter of all patients who complete suicide in the UK also had a major physical illness.

#### **Priority**

 to further develop the suicide prevention culture across all services in order to achieve the Trust's strategic ambition of no avoidable suicides of patients known to services.

#### Action

- to review present training programme and implement a bespoke training programme targeted at equipping staff with the knowledge and skills to deliver appropriate interventions with the aim of preventing suicide;
- to engage further with all members of the multidisciplinary team to deliver suicide prevention culture across the Trust;
- to undertake baseline audits of current practice in the detection and prevention of suicide, identify actions to be taken forward and repeat audits at agreed timeframes to monitor improvements; and
- to raise public awareness.

#### **Target**

 we will implement a bespoke training package for suicide intervention and train 50% of relevant mental health front line staff during 2016/17 – this action is of fundamental importance to the organisation being able to reduce the number of suicides across clinical services and ultimately to deliver its ambition of no avoidable suicides of patients known to services.

#### (SAFETY) Quality Priority 6: Reduction in Medication Omissions

A retrospective audit undertaken within inpatient wards in January 2016 identified the overall rate of omitted doses across the Trust was 3.8%. However, if those doses which were omitted for what appears to be a clinical reason, including those where the patient refused the medication, are excluded this drops to 0.8%. Across the Trust 99.2% of medication doses were administered as prescribed; however we want to try and improve this still further. Significant improvements were seen in the number of doses where the administration record was left blank, which was a specific target during 2015/16.

#### **Priority**

- to further reduce the number of omitted doses;
- to further reduce the number of omitted doses where no reason code is annotated.

#### **Action**

- to continue with medicines task and finish group as part of the Sign up to Safety campaign;
- to improve reporting of omitted doses of medicines which occur within Community Health Services, especially community-based services; and
- to review omitted medicines incidents as part of quarterly review of medication-related incidents at Medicines Management Groups.

#### **Target**

 we will further reduce the number of omitted doses within services in 2016/17 compared to 2015/16.

## Staff in west Essex sign up for Butterfly Scheme Training

Each of the above six priorities will continue to 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 2016/17.

# 2.3 Stretching goals for quality improvement – 2016/17 CQUIN Programme (Commissioning for Quality and Innovation)

Commissioners have incentivised SEPT to improve quality during 2016/17 via 27 programmes of work at the time of writing this report. NB the final number of CQUINs and the individual financial value of each CQUIN has yet to be finalised at the time of writing this report due to on-going negotiations.

The value of the 2016/17 CQUIN scheme is £4.2 million which equates to 2.5% of Actual Annual Contract Value, as defined in the 2016/17 NHS Standard Contract. Across all contracts/all locations, SEPT is expected to deliver on nationally set CQUINS (forming 1.0% of contract value).

Given the financial challenges facing the NHS in 2016/17 and the need to continue delivering high quality care for our patients, the national and local schemes seek to incentivise quality and efficiency and local schemes in particular to reward transformation across care pathways that cut across different providers, thus enhancing patient experience and encouraging collaborative working.

This year the Trust's CQUIN programme will be structured to include the two national CQUINs applicable for Community Health Services and/or Mental Health Services. These are:

- Staff Health & Wellbeing a new 3-part CQUIN applicable to south east Essex and west Essex community and south Essex mental health contracts;
- Physical Health (Year 3 Cardio-metabolic Assessment) - a 2-part CQUIN applicable to south Essex mental health contract only.

Locally agreed CQUIN schemes form the remaining



Several locally negotiated CQUINs e.g. Workforce Development and Motivational Interviewing in west Essex and Care Packages and Pathways in south Essex will continue into year two schemes giving an opportunity to consolidate earlier work.

services are expected to work collaboratively to

avoid inappropriate admissions.

In conclusion SEPT is dedicated to continually improving services and teams have proven to be committed to and adept at managing resources to meet the stretching goals for quality improvement within the National CQUINs that have been set by commissioners in previous years as well as locally negotiated schemes. We anticipate teams will ably meet the challenges for the coming year.



# Part 2

#### 2.4 Implementing the Duty of Candour and 'Sign up to Safety'

#### **Implementing the Duty of Candour**

The *Duty of Candour* is the requirement for all clinicians, managers and healthcare staff to inform patients/relatives of any actions which have resulted in harm. It actively encourages transparency and openness and the Trust has a legal and contractual obligation to ensure compliance with the standard. SEPT considers such openness and transparency to be vital in ensuring the safety and quality of our services.

Work undertaken to date includes -

- The development of two online training courses which are now mandatory for staff to complete, as follows:
  - short overview course for all clinical staff
  - · detailed course for managers/team leads and senior staff;
- the identification of a Family Liaison Officer/Duty of Candour lead for all serious incidents;
- the implementation of a weekly review of all moderate incidents to assess if the Duty of Candour is applicable and ensuring that necessary actions are taken;
- the addition of Duty of Candour sections to root cause analyses reports and the Decision Monitoring Tool for Serious Incidents to ensure it is addressed for all incidents; and
- the introduction of monthly reporting in the Trust's Performance Report of relevant incidents, w weekly progress chaser/situation reports sent to Directors and senior managers.

We are confident that the steps we have taken and continue to take are contributing to the on-goin development of a culture which is open and transparent. We were delighted to be ranked within the top 20 NHS Trusts (out of a total of 230) in the new national 'Learning from Mistakes' League table which was launched by Monitor and the NHS Trust Development Authority in March 2016. This League table ranks NHS organisations on their openness and transparency based on the fairness and effectiveness of procedures for reporting errors, near misses and incidents; staff confidence and security in reporting unsafe clinical practice and the percentage of staff who feel able to contribute towards improvements at their trust.

#### Implementing 'Sign up to Safety'

The Trust has signed up to 'Sign up to Safety' which is a national safety campaign that was launched in June 2014. Its mission is to strengthen patient safety in the NHS and make it the safest healthcare system in the world. The Secretary of State for Health set out the ambition of halving avoidable harm in the NHS over the next three years, and saving 6,000 lives as a result. A Safety Improvement Plan was developed by the Trust and submitted to NHS England. The Plan covers six priorities aligned with our Quality Strategy as follows:

- · early detection of deteriorating patient;
- avoidable pressure ulcers;
- avoidable falls;
- · avoidable unexpected deaths;
- reduction in use of restraint;
- reduction in omitted doses of medication.

You will note that these also align with the six Quality Priorities for 2016/17 detailed in Section 2.2.

A launch event for the Trust's Safety Improvement Plan was undertaken in May 2015, supported by the national 'Sign up to Safety' team. The event had representation from each work stream, with good attendance from across all professions and areas. A regular update on each workstream is presented to

the Quality Committee. As part of this work, the leads have worked with the national team, presented at the 'Patient First Conference' and 'Sign up to Safety webinar' and have made links with a number of other organisations to share best practice and learning. SAFETY Trust signs up to 'Sign up to Safety'

#### 2.5 Statements of Assurance from the Board

#### 2.5.1 Review of services

During 2015/16, SEPT provided and/or sub-contracted 166 relevant health services.

SEPT has reviewed all the data available to them on the quality of care in 166 of these relevant health services.

The income generated by the relevant health services reviewed in 2015/16 represents 98% of the total income generated from the provision of relevant health services by SEPT for 2015/16.

The data reviewed aimed to cover the three dimensions of quality – patient safety, clinical effectiveness and patient experience. During 2015/16 monthly data quality reports have been produced in a consistent format across all services. These reports monitor both timeliness of data entry and data completeness. The Trust has continued to make significant improvement in compliance throughout 2015/16. This has once again been achieved with the continuation of the reports introduced in 2014/15 and there has been excellent clinical engagement with a clear understanding of the importance of good data quality across the clinical areas.

# 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. Clinical audit is a tool to assist in improving services. The Trust participates in all relevant National Clinical Audit Patient Outcome Programme (NCAPOP) audit processes and additional national and locally defined clinical audits identified as being important to clinical outcomes of our service users.



During 2015/16 10 national clinical audits and one national confidential enquiry covered relevant health services that SEPT provides.

During 2015/16 SEPT participated in 100% national clinical audits and 100% national confidential enquiries which, as an organisation it was eligible to participate in.

The national clinical audits and national confidential enquiries that SEPT was eligible to participate in during 2015/16 are as follows:

#### **National clinical audits:**

- Sentinel Stroke National Audit Programme (SNAP) 2015/16
- Sentinel Stroke National Audit program – Post Acute organisational
- National Diabetes Foot Care Audit
- National Audit of Intermediate Care (NAIC)
- National Chronic Obstructive Pulmonary Disease (COPD) Audit
- National Audit Of Parkinsons Disease
- POMHuk Topic 13b Prescribing for ADHD
- POMHuk Topic 15a Prescribing for Bipolar Disorder
- POMHuk Topic 14b Prescribing for substance misuse- alcohol detoxification
- National Early intervention in Psychosis services

#### *National confidential enquiries:*

• Suicide and homicide

The national clinical audits and National Confidential enquiries that SEPT participated in during 2015/16 are as listed above. The national clinical audits and national confidential enquiries that SEPT participated in, and for which data collection was completed during 2015/16, 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
Sentinel Stroke National Audit Programme (SNAP) 2015/16	Organisational data submitted.
Sentinel Stroke National Audit Programme (SSNAP)	100% of relevant cases had information provided to national organisers.
National Diabetes Foot Care Audit	Continuous data entry.
National Audit of Parkinson Disease	100% of relevant cases had information provided to national organisers.
POMHuk Topic 15a Prescribing for Bipolar Disorder	100% of relevant cases had information provided to national organisers.
National Early intervention in Psychosis services	100% of relevant cases had information provided to national organisers.
POMHuk Topic 13b Prescribing for ADHD	100% of relevant cases had information provided to national organisers.
National Audit of Intermediate Care (NAIC)	100% of relevant cases had information provided to national organisers.
National Chronic Obstructive Pulmonary Disease (COPD) Audit	100% of relevant cases had information provided to national organisers.
POMHuk Topic 14b Prescribing for substance misuse- alcohol detoxification	100% of relevant cases had information provided to national organisers.
National Confidential Enquiry - Suicide and Homicide	100% of relevant cases were submitted with information to national organisers (data up to Q3).



The reports of six national clinical audits were reviewed by the provider in 2015/16 and SEPT intends to take the following actions to improve the quality of healthcare provided (examples are listed):

- Strengthen processes for observance of the side effects of antipsychotics for people with a learning disability;
- Implement monitoring processes following the provision of additional equipment and training for people with a learning disability;
- Audit data held for pre-treatment and follow-up treatment assessment to ensure this is recorded appropriately on Systm1 growth charts for those with ADHD;
- Develop a Local Action Plan for Stroke Services in Bedfordshire and Essex in partnership with local commissioners;
- Develop a Chronic Obstructive Pulmonary Disease (COPD) improvement plan based on clinical data:
- Consider registration for National Audit of Intermediate Care 2016 in conjunction with commissioners in West Essex.

(Note: All national clinical audit reports are presented to relevant Quality and Safety Groups at a local level for consideration of local action to be taken in response to the national findings.)

SEPT's priority clinical audit programme for 2015/16 was developed following consultation with senior mental health and community health service managers to focus on agendas required to provide assurance to the Trust and stakeholders that services being delivered are safe and of high quality. A centralised Clinical Audit Department oversees all priority clinical audits, facilitates clinicians to ensure high quality, robust audits and monitors and reports on implementation of action plans post audit to ensure that, where necessary, work is undertaken to improve services. Learning from audits takes place internally via reports that are provided to individual senior and local managers, operational quality groups and centralised senior committees. The Trust also reports regularly to stakeholders such as Clinical Commissioning Groups about outcomes of audits relevant to services in their portfolios.

The reports of 53 local clinical audits were reviewed by SEPT in 2015/16 and SEPT intends to take the following actions to improve the quality of healthcare provided (examples are listed):

- implement actions to improve patient documentation;
- incorporate power of attorney into assessment documentation in the dementia assessment process to ensure that this important aspect of care is addressed in all cases;
- disseminate MUST (Malnutrition Universal Screening Tool) and nutritional training across the Trust and incorporate this into the physical health training package for staff; and
- instigate additional monitoring of blood pressure in patients with co-morbid diabetes mellitus and stroke at St Margaret's Hospital.

#### 2.5.3 Clinical Research

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

As a demonstration of our commitment to research and development we continue to participate in studies funded by the National Institute for Health Research (NIHR) and this is very much our core research activity. We continue to work with our partner organisations to develop research and to support students undertaking research as part of further education courses.

The number of patients receiving relevant health services provided or sub-contracted by SEPT in 2015/16 that were recruited during that period to participate in research approved by a research ethics committee was 223.

# 2.5.4 Goals agreed with commissioners for 2015/16

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 continues to be 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 (2.5% of contract value) in 2015/16 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 2015/16 and the following 12 month period are available electronically at: <a href="http://www.sept.nhs.uk/">http://www.sept.nhs.uk/</a>

Following negotiation with commissioners, SEPT again launched a broad range of quality initiatives under the CQUIN scheme during 2015/16 to increase the quality of service user care and experience. In total, the Trust was tasked with implementing a total of 35 schemes across mental health, learning disabilities and community health services within Bedfordshire and Essex.

Since its introduction in 2010/11 CQUIN has increased in importance for providers giving potential for SEPT to achieve 2.5% of contract value (£4.87 million) in 2015/16. This is the same as the % figure for 2014/15 which was also 2.5% of contract value – however, this equated to £5.3m as the total value of SEPT's contracts during that period were higher due to the provision at that time of mental health services in Bedfordshire and Luton.

We are delighted to report that the clinical and operational teams tasked with implementing the improvements have once again excelled – they are on track to deliver 97% of the schemes (based on self-assessment at the end of Q4 and expressed as a % of the financial value of the schemes) with clear evidence of improving quality for patients. Achieving 97% will equate to £4.74 million income; the final figure will be confirmed once Clinical Commissioning Groups have validated our performance against quarter four indicators. We await final confirmation from several Commissioners at the time of writing this report.

Four CQUIN schemes were set nationally by NHS England, three of which were appropriate for SEPT services:

- **Dementia** rollout of the 'Find, Assess, Refer (FAIR)' programme to support early identification, diagnosis and support for patients with dementia and their carers;
- **Urgent Care** each area developed their own project to facilitate partnership working and reduce inappropriate unplanned admissions;
- A 2-part CQUIN aiming to improve **Physical Health** for patients with Schizophrenia receiving support as an in-patient in Mental Health Services through better assessment and documenting of agreed physical health criteria and completion of a local audit of communication with the patients GP.

We implemented a total of 15 CQUIN schemes across the organisation under the above three national schemes. The remaining 20 out of the total of 35 CQUIN schemes were set locally in discussion with the Clinical Commissioning Groups based on local priorities.

A selection of the projects negotiated locally included:

- The provision of training to targeted care homes and care agencies in West and South East Essex to support proactive assessment and prevention of pressure ulcers. We are delighted to report that the South East Essex teams concerted efforts to contact and follow up with a broad range of care agencies and care homes resulted in over 500 carers from over 200 organisations attending the Pressure Ulcer training sessions throughout the year. Similarly in West Essex there was excellent engagement and Care Home patients are receiving higher quality and safer care. Although there are multiple factors, it looks like the CQUIN has contributed to a significant reduction in pressure sore incidence.
- The Palliative Care Support (PCS) Register CQUIN gave an opportunity to audit and explore the experience of patients referred to the PCS register in South East Essex. It is pleasing to see a range of non-malignant conditions are represented showing good awareness of the end of life needs of patients with all conditions, and a broad range of referrers. Follow up actions include an education programme for key groups of staff and discussion at relevant meetings aimed at increasing awareness of the Register and support confidence in earlier referral thus benefitting patients.
- A CQUIN designed to facilitate collaboration with both acute hospital providers in Bedfordshire
  has resulted in closer collaboration and agreed pathways for the sharing of community matron
  caseloads with Luton and Dunstable Hospital (LDH) and Bedford hospitals. This work is likely to
  be consolidated in a 2016/17 CQUIN proposal being negotiated currently that is part of a broader
  transformation project.

#### 2.5.5 What others say about the 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 2015/16. SEPT has participated in special reviews or investigations by the Care Quality Commission (CQC) relating to the following areas during 2015/16:

1) Safeguarding Children's Inspection for Thurrock area (October 2015)

SEPT intends to take the following action to address the conclusions or requirements reported by the CQC:

- improving the 'Think Family' approach and notification systems with Health Visitors, School Nurses and Midwives in North East London NHS Foundation Trust (NELFT) where there are concerns for parental mental health;
- ensuring the mental health electronic record provides a complete record of any safeguarding or potential safeguarding concerns; and
- ensuring the quality of safeguarding referrals is maintained.

SEPT has made the following progress by 31 March 2016 in taking such action:

- ✓ A detailed action plan incorporating all CQC recommendations was submitted to and accepted by the Clinical Commissioning Group. A report of the inspection process and findings was submitted to the Trust Executive Team in February 2016 where the action plan was agreed. The action plan was monitored monthly at the Trust Safeguarding Group for compliance and progress reported to the Trust Safeguarding Committee at each bi-monthly meeting.
- ✓ Good progress has been made and all actions have now been completed. There is a small-scale audit programme in place to measure the effectiveness of the actions (e.g. the quality of safeguarding referrals) and this is planned to be completed by September 2016.

#### 2) Safeguarding Children's Inspection for Bedfordshire area (May 2015)

The outcome from the CQC on SEPT services was very positive with particular mention of the SEPT Looked After Children's Services.

### SEPT intends to take the following action to address the conclusions or requirements reported by the CQC:

- developing systems to capture the voice of the child during Looked After Reviews;
- ensuring health plans are "SMART"; and
- ensuring staff have access to training on review health assessments.

#### SEPT has made the following progress by 31 March 2016 in taking such action:

- ✓ The action plan was completed and fully achieved by November 2015. It has subsequently been accepted by the Clinical Commissioning Group.
- 3) Integrated Older People Service Thematic Review (participation of Bedfordshire area in national thematic review)

At the time of preparing the Quality Report, the Trust is awaiting the outcome of this thematic review.



The Care Quality Commission (CQC) inspected the Trust as part of its ongoing comprehensive health inspection programme in June/July 2015. The CQC has rated the services provided by South Essex Partnership University NHS Foundation Trust as 'Good' following the comprehensive inspection. The Trust has received 16 reports which confirm an overall rating for the Trust and a rating for each core service (as defined by the CQC):

The CQC rated South Essex Partnership University NHS Foundation Trust as good overall because:

- ✓ Services were effective, responsive and caring. Where concerns had arisen, the Board had taken urgent action to address areas of improvement.
- ✓ The Board and senior management had a vision with strategic objectives in place and staff felt engaged in the improvement agenda of the Trust. Performance improvement tools and governance structures were in place and had brought about improvement to practices.
- Morale was found to be good in most areas and most staff felt supported by local and senior management.
- ✓ There was effective team working and staff felt supported by this.
- ✓ Staff treated people who used the service with respect, listened to them and were compassionate. They showed a good understanding of people's individual needs.
- ✓ Admission assessment processes and care plans, including for physical healthcare, were good.
- ✓ A good range of information was available for people and the Trust was meeting the cultural, spiritual and individual needs of patients.
- ✓ The inpatient environments were conducive for mental health care and recovery and the bed management

- system within inpatient services was effective.
- ✓ Services were using evidence based models of treatment and made reference to National Institute for Health and Care Excellence (NICE) guidelines.
- ✓ The Trust had an increasingly good track record on safety in the previous 12 months. Effective incident, safeguarding and whistleblowing procedures were in place. Staff felt confident to report issues of concern.
- ✓ Learning from events was shared across the Trust.
- ✓ A formal complaints process was in place and well implemented. However, some informal complaints were not routinely captured and recorded.
- ✓ There was a commitment to quality improvement and innovation.



# Are services Safe? Requires improvement Effective? Caring? Good Responsive? Good Well led? Good



	Safe	Effective	Caring	Responsive	Well led	Overall
Wards for people with learning disabilities or autism	Requires improvement	Good	Good	Good	Good	Good
Child and adolescent mental health wards	Requires improvement	Good	Good	Good	Good	Good
Forensic inpatient/secure wards	Requires improvement	Good	Good	Good	Good	Good
Acute wards for adults of working age and psychiatric intensive care units	Good	Good	Good	Good	Good	Good
Community-based mental health services for adults of working age	Good	Good	Good	Good	Good	Good
Specialist community mental health services for children and young people	Good	Good	Good	Good	Good	Good
Wards for older people with mental health problems	Good	Good	Good	Good	Good	Good
Mental health crisis services and health-based places of safety	Good	Good	Good	Good	Good	Good
Community mental health services for people with learning disabilities or autism	Good	Good	Good	Requires improvement	Good	Good
Community health services for adults	Good	Good	Good	Good	Good	Good
Community health inpatient services	Good	Good	Good	Good	Good	Good
Community dental services	Good	Good	Good	Good	Good	Good
Community health services for children, young people and families	Good	Good	Good	Good	Good	Good
End of life care	Good	Good	Good	Good	Good	Good

The CQC identified three areas which the Trust <u>must</u> improve in:

- ✓ The Trust must ensure that practices amounting to seclusion or segregation are recognised
  and managed within the requirements of the Mental Health Act Code of Practice. Since the
  inspection, the Trust has undertaken a full review of the policy and procedure for the use of
  seclusion in line with the new code of practice. Work on implementation roll out plans is now
  underway.
- ✓ The Trust must take action to reduce restrictive interventions particularly on Fuji ward where the numbers of prone restraints were high. Since the inspection, a new restrictive practice group has been established in the Trust and work undertaken with Fuji ward to understand the use of restrictive interventions and prone restraints. A benchmarking partner has been found which confirms Fuji was not an outlier compared to a similar service. Following the review of the use of restraint the number has decreased by 74% month on month.
- ✓ The Trust must review arrangements for food provision at acute mental health and forensic inpatient services to ensure patients have sufficient choice and receive food of good quality. Since the inspection, the Trust has developed a new food strategy and regular feedback methods have been put in place. The last audit results were positive in all areas.

A detailed action plan to address the 'must do' (and 'should do') actions identified by the CQC was approved by the Trust's Board of Directors in January 2016. Action is being led by a Task and Finish Group chaired by the Chief Executive, with progress being monitored by the Quality Committee on behalf of the Board of Directors. It is anticipated that all actions will be completed by September 2016.

### 2.5.6 Data Quality

The ability of 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.

During 2015/16, the following key developments have been made:

- introduction of an Electronic Dashboard allowing the Trust to display Key Performance Indicators, designed with a drill down facility that allow data quality issues to be clearly identified;
- the undertaking of an increased number of Data Quality Audits by internal audit to continue the focus on data quality in year;
- full review and update of the Trust's Data Quality Policy & Procedure;
- presentation of a regular Data Quality Report to the Information Governance Steering Sub Committee;
- successful submission of the new Children and Younger Persons Dataset (CYDS) focusing on the high level of data quality;
- continued production of Routine Data Quality Reports available via the Trust's Intranet these reports highlight missing and out of date data fields;
- continued improvement of data entered within one working day as the Trust moves closer to 'real' time reporting;
- presentation of monthly Data Quality monitoring reports covering all services to the Executive Operational Sub-Committee; and
- routine monitoring of a data quality assurance framework with regular updating when additional assurance is put in place and identification of any gaps still requiring attention.



SEPT submitted records during 2015/16 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: Please note the data supplied is as at month 11 (April 2015 to February 2016)

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

- 99.6% for admitted patient care;
- 100% for outpatient care; and
- Accident and emergency care not applicable

### 2) which included the patient's valid General Medical Practice Code was:

- 99.9% for admitted patient care;
- 99.9% for outpatient care; and
- Accident and emergency care not applicable

SEPT's Information Governance Assessment Report overall score for 2015/16 was 75% and was graded Green (Level 2 or above [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:

- further roll out of service specific dashboards, including consultant and designated data quality dashboards;
- submission of additional fields within the MHSDS (Mental Health Services Dataset) 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; and
- increased number of Data Quality Audits to be undertaken by the Internal Audit function.

# 2.6 National Mandated Indicators of Quality

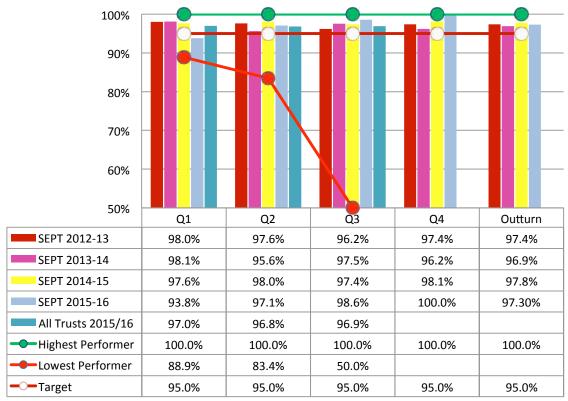
A letter from NHS England dated 3 February 2016 stated that there was no change to the existing reporting and recommended audit arrangements for quality Reports for 2015/16. The National Health Service (Quality Reports) Regulations 2010 had been previously amended to include changes of the mandatory reporting of a core set of quality indicators. Those indicators relevant to the services SEPT provides are detailed below, including a comparison of SEPT's performance with the national average and also the lowest and highest performers. The information presented for the four mandated indicators has been extracted from nationally specified datasets, and as a result, is only available at a Trust-wide level.

The provision of mental health services in Bedfordshire and Luton transferred to a new provider from 1 April 2015. Historical data (ie up to 31 March 2015) for this service has been retained in this section for comparative purposes and is included within the figures for SEPT. The Trust provided Suffolk Community Health Services until 1 October 2015 and provided Child and Adolescent Mental Health Services (CAMHS) in South Essex until 1 November 2015, at which dates both services transferred to new providers. The figures in this section therefore include these services for the period they were provided by SEPT.





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



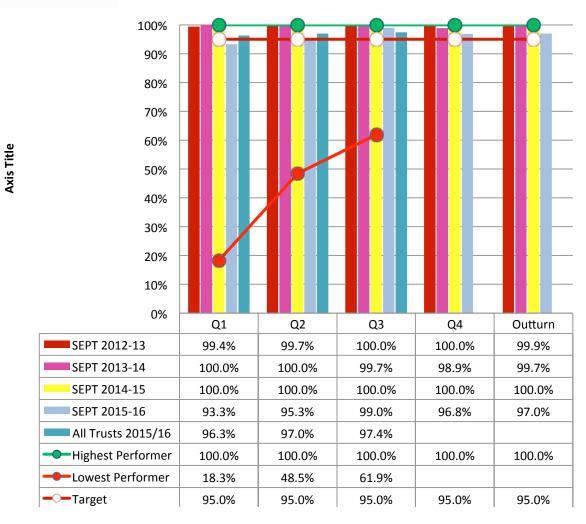
This indicator measures the percentage of patients that were followed up (either face to face or by telephone) within seven days of their discharge from a psychiatric inpatient unit.

For Q1, the Trust reported 89.7% discharges followed up within seven days via Unify to the Health and Social Care Information Centre (HSCIC). Full and thorough investigations of each of the breaches were requested and received by senior management. The validated data showed that 94.3% of discharges were followed up within seven days which was reported to the Board of Directors. The year-end calculation for Q1 is 93.8% taking account of all data received after quarter-end. Action arising from the investigations has ensured that the 95% target has been achieved in the remaining quarters of 2015/16 and for 2015/16 as a whole. For Q2, 97.4% was reported to HSCIC and the Board of Directors at the end of the quarter. Subsequent year-end calculation for Q2 taking account of all data received after quarter-end is 97.1%. For Q3, 98.8% was reported to HSCIC and the Board of Directors at the end of the quarter. Q4 has been reported as 100%. Subsequent year-end calculation for Q3 taking account of all data received after quarter-end is 98.6%. The year-end outturn has therefore been calculated as 97.3% (reported to the Board of Directors based on previous quarterly reported figures as 97.5%).

In order to improve this percentage and thus the quality of its services, SEPT has been 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 in 2013/14 to monitor the percentage of follow ups that are provided face to face and we are pleased to report that during 2015/16 90% of those patients followed up had a face to face contact rather than a telephone call.

Data Source: DoH Unify2 Data Collection – MHPrvCom

### Admissions to acute wards gatekept by Crisis Resolution Home Treatment Team



This indicator measures the percentage of adult admissions which are gatekept by a crisis resolution / home treatment team.

In Q1, 93.2% was reported to the Health and Social Care Information Centre (HSCIC) and the Board of Directors at the end of the quarter. Subsequent year-end calculation for Q1 taking account of all data received after quarter-end is 93.3%. In Q2, the Trust reported 93.6% of admissions having been gatekept via Unify to HSCIC. Full and thorough investigations of each of the breaches were requested and received by senior management. The validated data showed that 95.3% of admissions had been gatekept which was reported to the Board of Directors and MONITOR. Action arising from the investigations has ensured that the target of 95% has been achieved in the remaining quarters of 2015/16 and for 2015/16 as a whole.

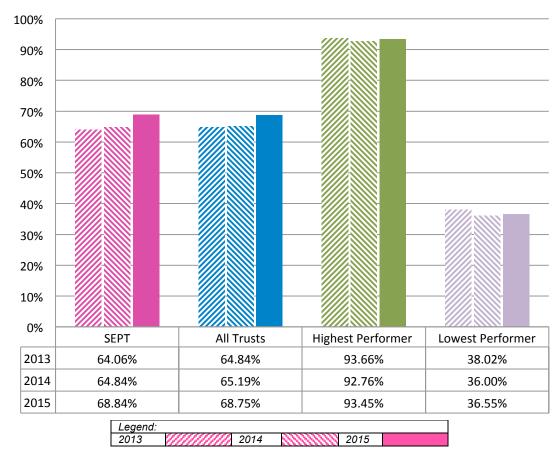
In order to improve this percentage and thus the quality of services delivered, the senior operational staff in each locality responsible for the delivery of mental health services review the causes of any breaches each month to ensure that no common themes or trends are developing.

Data Source: DoH Unify2 Data Collection – MHPrvCom



### Staff who would recomend 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'.

This year 1500 Surveys were distributed and 669 were returned giving a return rate of 45%. This is a higher response rate than last year (44%) and remains average for combined mental health / learning disability and community trusts in England.

It is pleasing to note that the percentage of staff who stated that they would be happy with the standard of care provided if a friend or relative needed treatment has increased significantly in 2015 from 64.84% to 68.84%.

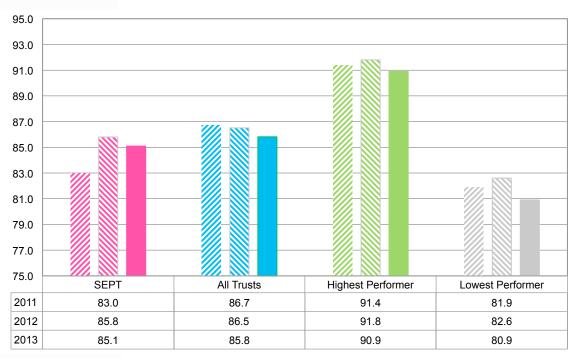
An action plan to address the results of the staff survey is being implemented in order to ensure that the Trust continues to achieve positive results in this area.

Data Source: National NHS Staff Survey Co-ordination Centre/ NHS Staff Surveys 2013, 2014, & 2015



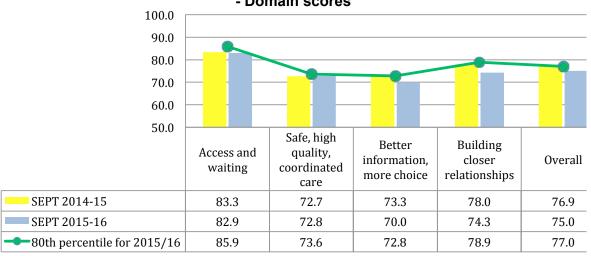
### Patient experience of community mental health services

The Trust's 'Patient experience of community mental health services' indicator score reflects patients' experience of contact with a health or social care worker. The score was calculated as a weighted average of the responses to four distinct questions.



Please Note: Although the Trust has been mandated to provide this indicator in its Quality Report, due to a change in the national patient survey questions in 2014, the Health and Social Care Information Centre are no longer able to use the same questions to calculate an overall measure of patient experience for Trusts as they had done in previous years (and as reported above). Therefore, please find following a summary of the key domain results of the Survey for 2014 and 2015 for information. The outcomes of all the community mental health surveys nationally can be found at http://www.cqc. org.uk/content/community-mental-health-survey-2015.

# Patient Experience of community mental health teams - Domain scores



The Trust has developed an action plan to address the outcomes of the national Survey, ensuring that targeted action is taken to improve the quality of services. Its implementation is being overseen by the Senior Management Team, led by the Executive Director responsible for Mental Health Services.

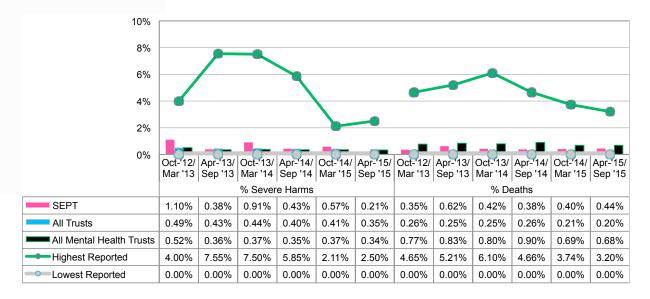
Data Source: HSCIC/Community Mental Health Services Surveys National Definition applied: Yes



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

Reported Dates	1 October 2014 – 31 March 2015			1 April 2015 - 30 September 2015		
Organisation	All incidents	Severe harm	Deaths	All incidents	Severe harm	Deaths
All UK & Wales	852032	3502	1793	871624	3041	1775
SEPT	4754	27	19	3851	8	17

The graphs below shows the percentage of all incidents reported by SEPT to the NRLS that resulted in severe harm and those which resulted in 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



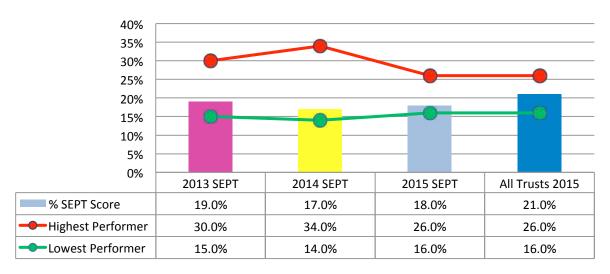
Patient safety data for period 1 April 2015 to 30 September 2015 was published on the 19 April 2016. The national collection of patient safety incident data for period 1 October 2015 to 31 March 2016 is due to be completed by the end of May 2016 and publication of reports is anticipated to be around September 2016. The rate of incidents resulting in severe harm (detailed on the left-hand side of the above table/graph) has been trending downwards overall since the October 2011 - March 2012 period. The figures for the most recent period where national data is available show SEPT's % of severe harm (0.21%) is below the national average for all trusts (0.35%) and for all mental health trusts (0.34%). The rate of incidents reported as resulting in death (detailed on the right-hand side of the above table/graph) is 0.44% for SEPT for the latest reported period. Whilst higher than the national average for all trusts (0.20%), this is significantly below the national average of all mental health trusts (0.68%) and the highest reported rates of death (3.20%).

Significant work has been and continues to be taken forward across the Trust to reduce harm and details of some of this work are included throughout this report. A number of the quality priorities for the coming year outlined in Section 2.2 are specifically intended to reduce incidents resulting in severe harm and death; and work in this area will continue to be monitored closely by the Trust.

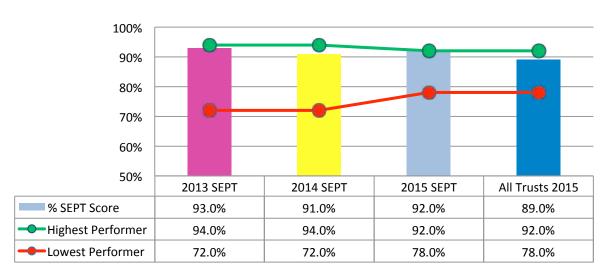
Data source: NRLS NPSA Submissions National Definition applied: Yes

### **Workforce Race Equality Standard**

KF19 Percentage of staff experiencing harassment, bullying or abuse from staff in the last 12 months



KF27 Percentage of staff believing that trust provides equal opportunities for career progression or promotion



These indicators are included in the nationally mandated section of the Quality Report for the first time in accordance with the guidance from NHS England for trusts to include these indicators to support the Workforce Race Equality Standard.

The results of both of these indicators for SEPT are positive. The first indicator shows that SEPT staff are experiencing low rates of harassment, bullying and abuse compared to the national average (18% against the national average of 21%). The second indicator shows that a high proportion (92%) of our staff believe the Trust provides equal opportunities for career progression. This is in line with the highest score nationally for this indicator.

An action plan to address the results of the staff survey is being implemented in order to ensure that the Trust continues to achieve positively against workforce indicators.

Data Source: National NHS Staff Survey Co-ordination Centre/ NHS Staff Surveys 2013, 2014, & 2015 National Definition applied: Yes

### Review of our quality performance during 2015/16

This section of the Quality Report outlines the Trust's performance over the past year in terms of delivering on the quality priorities set out in the Quality Report last year. It also details performance against some key indicators of quality service which have been reported on in previous years. The tables include previous year's results too as this gives an indication of whether the Trust is getting better at quality or if there are areas where action needs to be taken to improve. Where this is the case, we have detailed the actions we intend to take.

This part of the Quality Report is divided into five sections, as follows:

Section	Content	Page
3.1	Progress against our quality priorities for 2015/16 (which were outlined in our Quality Report 2014/15) – we have included historic and benchmarking data, where this is available, to enable identification of whether performance is improving.	121
3.2	Some examples of local service quality improvements and Trust workforce development initiatives delivered during 2015/16.	132
3.3	Performance against SEPT Trust wide and service specific quality indicators. Trust wide quality indicators Community Health Services quality indicators Mental Health Services quality indicator	142 150 153
3.4	Performance against key national indicators and thresholds relevant to SEPT (from Appendix A of Monitor's Risk Assessment Framework - a document which sets out the approach Monitor will take to assess the compliance of NHS foundation trusts with their licence conditions) which have not been included elsewhere in this Quality Report. Appendix A of Monitor's Risk Assessment Framework sets out a number of measures Monitor use to assess the quality of governance in NHS Foundation Trusts.	155
3.5	Listening to our patients / service users. This section details some of the work the Trust has undertaken to capture patient experience and use this to help improve the quality of services.	161

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

### Section 3.1: Progress against the quality priorities we set for 2015/16

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 identified six Quality Priorities for 2015/16. These built on our quality priorities for 2014/15 and linked with the national 'Sign up to Safety' Campaign.

RAG (**R**ed **A**mber **G**reen) ratings have been applied to provide an accessible method of understanding the levels of performance. RAG ratings should be used in conjunction with the actual levels of performance which are also quantified in the charts that follow.



**R**AG rated **RED** to indicate that performance has not met the target by more than 10%

(Avoidable Falls employs a 20% threshold due to small numbers)



RAG rated AMBER to indicate that performance has met the target by +/- 10%.

(Avoidable Falls employs a 20% threshold due to small numbers)



RAG rated GREEN to indicate that performance has exceeded the target by more than 10%.

(Avoidable Falls employs a 20% threshold due to small numbers)

The provision of mental health services in Bedfordshire and Luton were transferred to a new provider from 1 April 2015. Data for these services has been extracted for the purposes of the historical data presented in this section so that it is possible to make meaningful year-on-year comparisons of the data presented.



### 3.1.1 Safety 3.1.2 Experience 3.1.3 Effectiveness

**Quality priority**: To reduce the number of restrictive practices undertaken across the Trust

**TARGET:** We said we would have less prone restraints in 2015/16 compared to 2014/15 (312 prone restraints)

**Data source**: Datix

**National Definition applied:** Yes

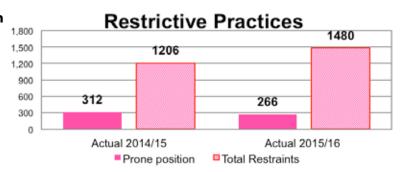


### Why did we set this priority?

Across health and social care services, people who present with behaviour that challenges are at higher risk of being subjected to restrictive interventions. These can include physical restraint, seclusion and segregation. Many restrictive interventions place people who use services, and to a lesser degree staff and those who provide support, at risk of physical and/or emotional harm. Increasing concerns about the inappropriate use of restrictive interventions across health and care settings led to guidance being developed including "Transforming Care: a national response to Winterbourne View Hospital (DH 2012)" and "Mental Health Crisis Care: physical restraint in crisis" in June 2013 by Mind. The guidance supports the development of a culture where restrictive interventions are only ever used as a last resort and only then for the shortest possible time. In 2013/14 we commenced a number of areas of work with significant progress, but this work needed to be sustained to meet our ambition.

# We said we would do the following in 2015/16:

- be involved in relevant national and local work in reducing restrictive practices; and
- implement a risk reduction programme for all services where restrictive interventions are used.



### During 2015/16, we have implemented a number of actions as follows:

- continuation of work stream with widening of staff involvement to cover all mental health and learning disability areas;
- implementation of Risk Reduction Plans for relevant ward areas;
- review of prevention and management of violence and aggression (PMVA) training;
- service user involvement and participation in training;
- post incident analysis with implementation of trigger for external review;
- review of Policy and Procedure for Seclusion and Long-Term Segregation; and
- participation in benchmarking working with national restrictive practice sub groups.

### Has the target been achieved?

The Trust has achieved this target. During 2015/16 the number of prone restraints was 266, which is less than the 312 prone restraints reported in 2014/15 (updated from 309 reported in the 2014/15 Quality Report due to data entry after production of the 2014/15 Quality Report of three incidents occurring in 2014/15). The table below also illustrates an increase in total reported restraints which is considered likely to be the result of increased awareness and reporting of restrictive practices due to the focused work in this area. This will continue to be monitored.

123

## 3.1.1 Safety 3.1.2 Experience 3.1.3 Effectiveness

**Quality priority**: To further reduce the number of avoidable grade 3 and 4 Pressure Ulcers acquired in our care.

**TARGET:** We said we would have less avoidable grade 3 and 4 pressure ulcers acquired in our care in 2015/16 compared to 2014/15.

In terms of the baseline, a total of 23 avoidable pressure ulcers were identified following RCAs for 2014/15.

**Data source**: Datix

**National Definition applied:** Yes



### Why did we set this priority?

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. Within SEPT over the past three years, we have had an ambition for 'no avoidable pressure ulcers' and a number of areas of work had been taken forward with significant progress, but this work needed to be sustained to meet our ambition.

### We said we would do the following in 2015/16:

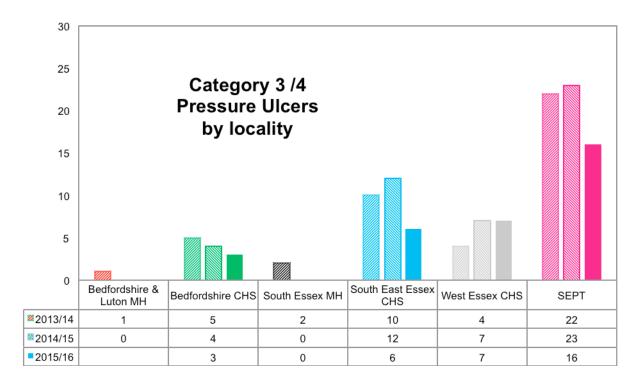
- continue the Skin Matters Group to review pressure ulcers and identify lessons to be learnt;
- report weekly on category 3 and 4 pressure ulcers acquired in care to Executive Team; and
- communicate lessons learnt across services through a range of forums including clinical news communications, Learning Oversight Subcommittee, local Quality Groups and Skin Matters Group.

### During 2015/16, we have implemented a number of actions as follows:

- implementation of mandatory training on pressure ulcers for community nursing staff and targeted Mental Health inpatient areas;
- development of a pressure ulcer workbook to support staff undertaking the on-line training programme;
- continuation of Skin Matters groups within each community service;
- on-going face to face training sessions with Tissue Viability Nurses;
- learning from RCAs undertaken for category 3 and 4 pressure ulcers shared with teams;
- PUFFIN work (Pressure Ulcer and Food First initiative);
- review of policy and procedures to ensure compliance with NICE Guidance;
- horizon scanning for developments in best practice and equipment provision;
- celebrating World Stop the Pressure Day with events held to engage with the public over supporting themselves and relatives to understand the risks and how to avoid pressure ulcer development; and
- working with pharmacies to supply 'SSKIN matters' advice leaflets with prescriptions.

### Has the target been achieved?

The Trust has achieved this target. During 2015/16, the Trust has identified 16 avoidable grade 3 / 4 pressure ulcers, which is seven fewer than in 2014/15. *Please Note: The Trust also has 115 Root Cause Analyses underway at the end of 2015/16 and there is the potential for some of these to be classified as avoidable grade 3 / 4 pressure ulcers when the investigations are complete.* 



### 3.1.2 Experience **3.1.1 Safety** 3.1.3 Effectiveness

**Quality priority**: Reduction in avoidable falls that result in moderate or severe harm within inpatient areas

**TARGET:** We said we would have less avoidable falls that result in **Data source**: DATIX moderate or severe harm in 2015/16 compared to 2014/15.

**National Definition applied:** Yes



### Why did we set this priority?

Falls prevention is a complex issue crossing the boundaries of healthcare, social care, public health and accident prevention. The causes of falls are multifaceted. People aged 65 years and older have the highest risk of falling, with 30% of the population over 65 years and 50% of those older than 80 years falling at least once a year. People admitted to hospital are extremely vulnerable as a result of their medical condition, as are those with dementia. Falls are the commonest cause of accidental injury in older people and the commonest cause of accidental death in those over the age of 75 years. Prevention of falls is a vitally important patient safety challenge as the human cost includes distress, pain, injury, loss of confidence and independence and, in some cases, death. Since 2013/14, SEPT had a priority to reduce the level of avoidable falls, and again a number of areas of work had been taken forward with significant progress, but this work needed to be sustained to meet our ambition.



# We said we would do the following in 2015/16:

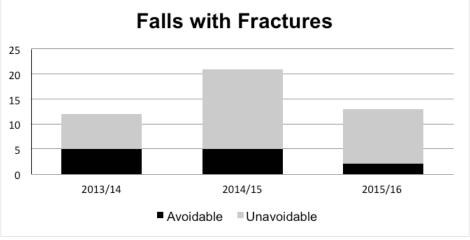
- continue the Trust wide Falls Group; and
- undertake risk assessment training and falls awareness within inpatient areas.

### During 2015/16, we have implemented a number of actions as follows:

- development and recruitment to a specialist physiotherapy post specialising in falls prevention and management;
- training has been rolled out across all older people's wards and an extensive review of the mandatory falls prevention training to reflect the differing levels of expertise required by differing clinical staff has been undertaken;
- all older people's inpatient and rehabilitation units have been provided with specialist High Low Profiling beds – these beds help prevent harm from falls, particularly for patients at risk of falling out of bed where bed rails must not be used;
- the Trust wide Falls Sub-Group has been re-launched to include wider multi-disciplinary membership and now includes nursing, medical, pharmacy, dietetic and therapy staff (including occupational therapy and physiotherapy) – the group now meets on a monthly basis, and in addition to looking at strategic falls prevention issues, is responsible for scrutiny of the root cause analysis (RCA) of all serious incident falls, ensuring standards are adhered to and ensuring that the learning is disseminated to teams; and
- an audit was undertaken across all older people's inpatient and rehabilitation units looking at compliance with Trust policy, NICE guidance and other patient safety guidance on the prevention and management of falls in hospital – this indicated that there are a number of areas of good practice including:
  - falls guidance which references NICE recommendations;
  - the Trust Falls Risk Assessment Tool (FRAT) which includes recommended multifactorial assessments;
  - a Trust post falls protocol in place;
  - the Trust-wide Falls Group comprising a number of professionals including nursing, therapy, pharmacy and medicine.

### Has the target been achieved?

The Trust has achieved this target. During 2015/16 there was a total of two avoidable falls (out of a total of 13 falls classified as serious incidents). This is a reduction of three against the total of five avoidable falls in 2014/15.



# 3.1.1 Safety 3.1.2 Experience 3.1.3 Effectiveness

**Quality priority**: To embed system of early detection of deteriorating patient and preventative actions

**TARGET:** We said we would establish a baseline for improvement in Modified Early Warning System (MEWS) scores recorded

Data source: Audit

National Definition applied: Yes



### Why did we set this priority?

Physical healthcare assessment is a vital part of the holistic assessment and supports early detection of deteriorating patients. Recent publications have identified issues with early detection of deteriorating patients and the number of avoidable deaths within the NHS. Further to this, within mental health, there is clear evidence that people with serious mental illnesses die, on average, 20 years earlier than the rest of the population. A large proportion of patients who suffer cardio-respiratory arrest in hospital have recognisable changes in routine observations during the preceding 24 hours, including changes in vital signs, level of consciousness and oxygenation. Current evidence suggests that early detection, timeliness of response and competency of the staff involved are vital to defining clinical outcomes.

### We said we would do the following in 2015/16:

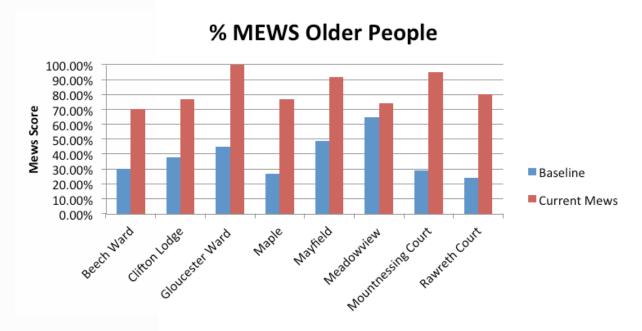
- roll out training to all inpatient areas to implement MEWS scoring;
- undertake a regular schedule of audits of a sample of mental health in-patient records to assess whether a MEWS score had been documented if relevant; and
- implement a review of all inpatient cardio-respiratory arrests in order to identify learning and improve practice.

### During 2015/16, we have implemented a number of actions as follows:

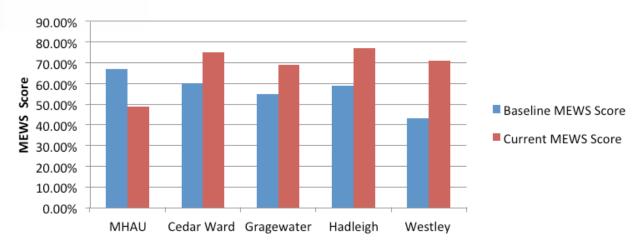
- training on the use of the MEWS, including a basic understanding of vital signs monitoring and its role
  in detecting patients who are becoming physically unwell has been, and continues to be, rolled out

   this is accompanied by guidance on the use of a simple tool to communicate concerns and record
  accordingly;
- audit on the use of the MEWS focuses on a number of standards including frequency of vital signs to be undertaken, whether vital signs have been measured within 12 hours of admission and reviewed as a minimum on a weekly basis, whether a MEWS score has been calculated and, if the score is raised, whether this has been escalated appropriately;
- other standards within the audit focus on the principles of record keeping including recording dates and times, why vital signs were not recorded at the intended time and whether the MEWS chart has been signed a total percentage score on compliance with the standards and whether there was appropriate escalation when a patient is deteriorating is then calculated;
- all cardiac arrests are subject to review and scrutiny and the remit of the Resuscitation Group has been extended to include monitoring standards in relation to the early detection of the deteriorating patient.

The graphs below demonstrate baseline findings and use of MEWS from the recent audit on both older people's and adult wards.



# % MEWS Adult Wards



### Has the target been achieved?

The Trust has achieved this target and has established a baseline of MEWS scores recorded for Older People and Adult wards at 70% during 2015/16. This will form the baseline against which our quality priority for 2016/17 will be measured.

## 3.1.1 Safety 3.1.2 Experience 3.1.3 Effectiveness

**Quality priority**: Reduction in unexpected deaths (suicides)

**TARGET**: We said we would achieve a year on year reduction in the number of suicides across clinical services in 2015/16 compared to 2014/15.

**Data source**: DATIX

**National Definition applied:** Yes



### Why did we set this priority?

Around 4,400 people end their own lives in England each year, that is one death every two hours and at least 10 times that number attempt suicide. People with a diagnosed mental health condition are at particular risk and around 90% of suicide victims suffer from a psychiatric disorder at the time of their death, although three-quarters of all people who end their own lives are not in contact with mental health services. When someone takes their own life, the effect on their family and friends is devastating. Many others involved in providing support and care will feel the impact.

### We said we would do the following in 2015/16:

- implement a suicide prevention strategy covering learning and recommendations from national strategy;
- involve family and carers in identifying concerns and key factors in determining risk; and
- support and take active involvement in any relevant research.

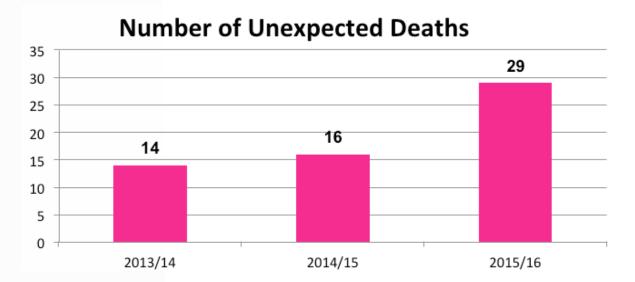
### During 2015/16, we have implemented a number of actions as follows:

- set up Suicide Reduction Working Group;
- implemented a Suicide Prevention Strategy;
- reviewed the last two years of incidents to identify if there are any identifiable trends in self-harm / suicide behaviours;
- agreement and commencement of pilot of the use of regular reporting tool such as National Suicide Prevention Tool Kit for mental health services (Inpatients);
- the National Suicide Enquiry Findings (2015) infographic sent to all staff to raise their awareness of the current key findings; and
- baseline audit of compliance against NICE standards undertaken.

# Pafris Line

### Has the target been achieved?

Unfortunately, the Trust has not met this target. During 2014/15, 16 unexpected deaths (suicides) were recorded in south Essex Mental Health Services. During 2015/16, 28 unexpected deaths (suicides) have been reported within south Essex Mental Health Services and one within Specialist Services.



Significant work is underway to continue progress against this priority. The Trust has commissioned three independent reviews to investigate the increased number of deaths. A working group is in progress and a more detailed two year plan is in draft. A workshop has been held with senior managers and consultants. The areas of work include:

- ongoing audit of completed actions plans with feedback to the Learning Oversight Sub Committee – all completed to date;
- further audits relating to appropriate information sharing, care planning and risk management in progress;
- linking with other organisations;
- · national benchmarking; and
- learning from National Confidential Inquiries and Southern Health report

## 3.1.1 Safety 3.1.2 Experience 3.1.3 Effectiveness

**Quality priority**: To reduce the number of medication omissions across the Trust and to reduce the number of medication omissions where no reason code is annotated.

**TARGET:** We said we would reduce the number of omitted doses within mental health services in 2015/16, compared to 2014/15.

In addition, we said we would improve the reporting of omitted doses within community health services so that a clear baseline can be established.

**Data source**: Datix

**National Definition applied:** Yes



### Why did we set this priority?

Care Quality Commission standards require that people who use services will have their medicines at the time they need them, and in a safe way. Between 2005 and 2010 more than 82,000 incidents involving omitted and delayed medicines were reported nationally to the National Reporting and Learning System (NRLS). 'Omitted and delayed medicines' was the most commonly reported category, accounting for nearly 16% of all medication incidents.

For some medicines such as antibiotics, anticoagulants and insulin, a missed dose can have serious or even fatal consequences. In some conditions, it may lead to slower recovery or loss of function.

Doses of medicines may be omitted for a variety of reasons. Causes include:

- a valid clinical reason for not giving the medicine;
- the intention to prescribe a new or regular medicine is not carried through;
- the medicine is not available on the ward / in the patient's home;
- the route of administration is not available (i.e. nil by mouth, IV line tissued);
- the patient is away from the ward or out when visited at home;
- poor communication between or within teams about the patient's needs;
- the patient refuses the medication.

### We said we would do the following in 2015/16:

- establish omitted medicines task and finish group as part of the Sign up for Safety campaign; and
- review omitted medicines incidents as part of quarterly review of medication-related incidents at Medicines Management Groups.

### During 2015/16, we have implemented a number of actions as follows:

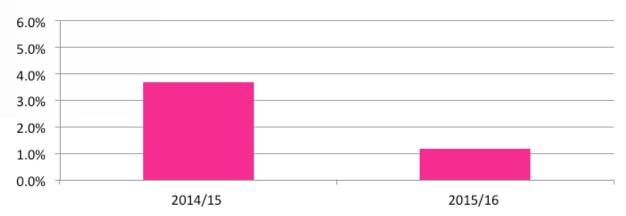
- baseline audits undertaken with monthly review of incident reporting;
- workshops undertaken with community health services staff;
- development of 'how to guides' for staff;
- developing an algorithm on what to do if doses are missed;
- establishing the primary and secondary drivers for reducing the number of omitted doses which there is no clinically valid reason;

- continued DATIX reporting and identifying any areas to link with further improvements;
- improving reporting of omitted doses of medicines which occur within Community Health Services, especially community-based services;
- developing a mechanism for providing feedback to teams & services on reported incidents;
- exploring the use of a regular reporting tool, such as the NHS Medication Safety Thermometer to promote ownership at ward/team level;
- exploring potential training and resources within mental health and learning disabilities services
  to improve understanding of the risks associated with omitted doses of medication for physical
  health conditions; and
- exploring whether advice is needed on how to approach patients who refuse medication.

### Has the target been achieved?

The Trust has achieved both targets. In Mental Health Services, an audit was undertaken in January 2016 of all inpatient wards. During this audit, 20,837 doses of medication were due to be administered. 1.2% of doses were omitted without a valid clinical reason (including patient refusal) against 3.7% in the baseline audit undertaken in 2014/15.

### % of Omitted Doses in Mental Health



In Community Health Services, the work undertaken to increase reporting has resulted in an increased reporting rate from 2014/15 to 2015/16 as detailed in the table below:

Community Health Service	2014/15	2015/16
Bedfordshire CHS	38	50
South East Essex CHS	6	12
West Essex CHS	17	32
SEPT	61	94

Work will continue with the services in order to ensure that omitted doses are reported via the Trust's DATIX reporting system.

In addition, an audit of all inpatient wards was undertaken in January 2016 during which 16,109 doses of medication were due to be administered. 0.4% of doses were omitted without a valid clinical reason (including patient refusal). It was pleasing to note that the proportion of omitted doses due to unsigned administration records reduced from 52.9% in 2014 to 12.5% denoting significant improvement in this area. As a result of the above work, it will be possible to establish a baseline against which performance in future years can be measured.



# **Section 3.2:** Examples of local service quality improvements and Trust workforce developments during 2015/16

Outlined below are some examples of quality improvements that have been achieved by our services during 2015/16 to provide a flavour of the diversity of initiatives we are working on and the progress we are making in improving the quality of care we provide to our patients and users. Due to the diversity and volume of services we provide, we only have room to include very brief details in this report - please do get in touch with us (contact details are at the end of this report) if you would like further details about any of the initiatives listed.

### **Bedfordshire Community Health Services (Adult)**

- ✓ Extension of the hours of the **Single Point of Contact (SPOC) service** to cover from 8am 8pm. This reduces the number of calls taken directly by nursing staff into the evening and at weekends thus freeing up clinician time for patient care.
- ✓ Development of the **peer review process** to include Continence services, Community Matrons and Therapy services. Peer review has developed to include qualitative review as well as a documentation audit.
- ✓ Development of a local **Medicines Management Implementation Group** to provide information cascade, discussion and review the operational management of a range of medicines management related nursing practices.
- ✓ **Strengthened links with local academic partners** and in particular commencement of work with Bedfordshire University reviewing the possibility of providing an apprenticeship qualification for unqualified staff.
- ✓ Roll out of programme of SystmOne (clinical IT system) training for community nursing teams relating to the navigation of the Holistic Assessment, to ensure there is a wider understanding of the template and its capabilities and consistency of approach of its use.

### **Bedfordshire Community Health Services (Children)**

- ✓ Implementation of an **integrated two year review** ie delivering two year health reviews in education settings jointly with education staff and parents.
- ✓ Total roll out of **Bump, Birth and Beyond antenatal groups** jointly delivered by Children Centre, Midwifery and 0-19 years' service staff across Bedford Borough and Central Bedfordshire.
- ✓ Redesign of Clinic offer in Bedford Borough to deliver an 'integrated one stop shop'.
- ✓ Commencement of integrated post-natal parenting support programme in central Bedfordshire and Mums Matter, a successful pilot of a perinatal mental health support group. The Clinical Commissioning Group are considering roll out across Bedford Borough and Central Bedfordshire.
- ✓ Delivery by the 0-19 years' immunisation team of a **successful Flu vaccination programme** in primary schools to year 1 and 2 children, achieving 60% uptake. The success of this has been recognised by NHS England.
- Participation in a research project in collaboration with the University of Hertfordshire by Children's Specialist Nursing, exploring **building resilience in families of Children with complex health needs** using the Family Nurse Partnership principles. Two SEPT staff were nurse researchers in this project.

# **Bedfordshire Community Health Services** (Specialist)

- ✓ Purchase and introduction of a new Pressure Mapping system. This pressure mapping system enables the service to assess clients' wheelchair cushion needs and tailor their prescription to suit their specific needs. It assists in giving a visual image of their seated posture and potential areas at risk from pressure and shear forces.
- ✓ Development of **Systm1** (clinical IT system) reporting for adult speech and language therapy service to ensure that the service is able to accurately and consistently report on each service specification.
- Development of a paediatric telephone service to support rapid access to advice for patients with cow's milk protein allergy.
- ✓ Introduction of two non-medical supplementary prescribers in Podiatry (and training of a further podiatrist in independent non-medical prescribing underway) so that they can roll out antibiotics prescriptions to community patients, thus reducing the impact on secondary care and treating patients closer to home and more quickly.
- ✓ Implementation of service redesign for Luton and South Bedfordshire Specialist Eye Service which has introduced an optometrist into the staff team, reducing ophthalmologist time.

# Children's Services – South East and West Essex

✓ The multiagency and multi-professional initiative 100 Day Challenge

 Achievement of Rapid Results Through Integrated Working in West Essex achieved a reduction in inappropriate secondary care activity (A&E and outpatient referrals) at Princess Alexandra Hospital for children aged up to 11 years old registered at two identified Harlow GP practices by reviewing patient use of A & E, restructuring

- community clinics and additional health promotion activities.
- ✓ The West Essex Paediatric Liaison Nurse has set up local practitioner groups aimed at reducing A&E attendances by having a targeted rolling Health Promotion programme in local clinic settings.
- ✓ A pilot initiative in Southend to develop integrated two year child development checks brings together the healthy child development check with that undertaken by Early Years Child Care providers. This provides the opportunity for the parent to have one holistic assessment with both practitioners and where required joint actions and reviews. There are further plans to extend the pilot sites to other bases.
- ✓ In September 2015 we underwent an assessment for Baby Friendly Stage 3 Accreditation for South East Essex, jointly with Southend Hospital Foundation Trust and were successful.
- The Paediatric Speech and Language
  Therapy service have redesigned the
  referral to treatment pathway and staff
  rotas, reducing overall waiting times
  on average by 5.7 weeks. This has also
  increased staff morale, service capacity and
  patient experience scores.

# South East Essex Adult and Older People's Community Health Services

- ✓ Through robust training packages delivered by the Tissue Viability Specialist Nurses supported by online training there has been a **significant reduction in avoidable pressure ulcers** in 2015-16.
- A significant reduction in the number of falls reported and improved compliance with medication regimes has been achieved in the Cumberlege Intermediate Care Centre (CICC) through senior nursing and pharmacy input, overseeing the direct provision of clinical care and reviewing systems and processes to ensure that care is of high quality.

- ✓ The Community Stroke Team are working with commissioners to extend the **Early Supported**Discharge for Stroke service if agreed, this service provided jointly by SEPT and Southend Hospital University NHS Foundation Trust, will ensure that patients are discharged from hospital earlier with the same level of rehabilitation in their home / place of residence for up to six weeks if required. This rehabilitation will be provided seven days a week, supporting discharge at weekends as a matter of routine.
- ✓ On 1 September 2015, the Trust with other partners (eg GPs, pharmacists, social care and voluntary sector), launched a **Care Co-ordination Service** for Castle Point and Rochford residents. This service aims to identify frail elderly patients at risk of decline; and assess and plan appropriate care and support to ensure they remain healthy and independent for as long as possible.
- ✓ A **Community Geriatrician** was introduced in August 2015 to work closely with the Single Point of Referral (SPoR), Care Co-ordination, District Nursing and CICC teams across South East Essex to enhance the services with specialist advice. They also take direct referrals from GPs and undertake domiciliary visits as required. Emerging evidence of this role together with the Care Co-ordination Service demonstrates improved outcomes for patient experience as well as clear examples of patients being enabled to be sustained in their own home, avoiding admission to hospital. These schemes are currently pilots which will be subject to detailed evaluation.

### **South Essex Learning Disability Services**

- ✓ The Occupational Therapy service has actively developed a close working relationship with the wider Essex Learning Disability service provision, including the complex behaviour team, complex behaviour forum and Allied Health Professional groups to **develop and disseminate good practice Essex wide.**
- ✓ The service has developed **fully aligned Multi-Disciplinary Team pathways** for 'health and wellbeing' and 'intensive support' services for people with a learning disability.
- ✓ The Intensive Support Team for people with a Learning Disability has been actively working
  in partnership with the Clinical Commissioning Groups, under the Transforming Care agenda,
  to develop services which support community care and reduce the need for hospital
  admission. The transforming care agenda was developed in response to the Winterbourne
  Review, and has seen a reduction in the number of in-patient beds in South Essex and the
  development of intensive support pathways of care.
- ✓ The Health Facilitation team have been commissioned by NHS England to provide Annual Health Checks for people with a learning disability in South West Essex. This will ensure that people with a learning disability can have access to a **full health check**, **national screening programmes and receive personal advice on healthy lifestyles.**
- ✓ The Learning Disability services have introduced, through workforce and service redesign, additional outpatient clinics (equating to approximately five additional clinics each week). This has resulted in easier, more flexible access for patients and their carers and a reduction in waiting times.

### **South Essex Mental Health Services**

- The new model of Community Mental Health Services has been embedded, incorporating a single point of access 'Gateway' for all mental health and learning disability referrals, 'first response' services with individuals receiving support for up to six months as required and 'recovery wellbeing' services for individuals requiring more medium to longer term support for up to two years all based on the Recovery Model. This model is providing a speedier response, more effective triage and decision making and preventing admissions to secondary care services unnecessarily. Where secondary care services are necessary, individuals have clear pathways out of these services and a clear fast track route back in if and when required.
- ✓ Played a key role in the development of the first South Essex Recovery College, which is due to come to fruition in April 2016 in South East Essex, building on the Recovery College Pilot undertaken by SEPT and Anglia Ruskin University. It is hoped that arrangements for South West Essex will be implemented shortly thereafter. This will deliver comprehensive peer-led education and training programmes, co-devised and delivered by people with lived experience of mental illness and by mental health professionals from within SEPT and other partner organisations. Three key aims of the Recovery College are to facilitate hope ensuring that it is possible for individuals with potential long and short term mental health needs and illness to pursue personal goals and ambitions; control by helping people to maintain a sense of control over their lives and supported further by access to personal social care budgets and now health personal budgets which will be further progressed this year in mental health; and **opportunity** by supporting people to build their lives beyond mental illness.
- ✓ In conjunction with commissioners, the Perinatal Mental Health Service offered in South East Essex has been re-designed and will focus on women with moderate to severe needs. The transformed service

- will provide an integrated pathway with midwifery, obstetrics and IAPT services to ensure a robust, multidisciplinary approach to effectively identifying women at increased risk of serious perinatal mental health problems and working proactively with them, early detection of women experiencing moderate to severe perinatal mental health problems and providing appropriate timely interventions and treatment to improve outcomes.
- ✓ Attainment of national HTAS (Home Treatment Accreditation Scheme) accreditation by the Crisis Resolution Home Treatment Teams, ranking 7th overall in the country which is an excellent result for a first time accreditation application. The HTAS standards, developed by the Royal College of Psychiatrists Centre for Quality Improvement, are best practice statements or criteria that contain recommendations about an aspect of home treatment provision which teams should aspire to meet. The HTAS standards and criteria were developed from a literature review and in consultation with stakeholder groups and are updated on a regular basis.
- ✓ The Therapy For You team has developed an innovative new treatment pathway via a mobile app. This was launched in November 2015 with the intention of improving access by engaging hard to reach groups, or those who traditionally do not access mental health services or those client groups who prefer to use electronic/online communication pathways. It gives convenient 24/7 access to psychoeducational courses addressing common problems such as stress and mood management, sleep, obsessions and compulsions and self-esteem. To date 1100 clients have registered to access this service via our website.

### **Specialist Mental Health Services**

### Secure services in Essex, Beds and Luton:

- ✓ Participation of all three secure units (Brockfield House, Robin Pinto Unit and Wood Lea Clinic) in the Royal College of Psychiatrists Peer Review of secure services. All three units received positive feedback from the review teams and national ratings will be published later this year.
- ✓ Brockfield House was shortlisted for the Health Service Journal awards for work to improve
  the physical health of service users, including the CROP project. The service was shortlisted
  for working to improve the physical health of service users within a secure hospital setting.
  This included the CROP project which gives service users the opportunity to become involved
  in horticulture.
- ✓ Vocational services have successfully **supported a number of service users into paid employment or volunteering in the community,** which assists with the recovery process and discharge planning process, and improves the confidence and self-esteem of the individual.
- ✓ Robin Pinto Unit in Luton has undergone extensive refurbishment which has enhanced
  the security of the low secure unit, improved the environment for service users and staff and
  will provide an additional two beds.

### Child and Adolescent Mental Health Services (Tier 4 in-patients – Poplar Ward):

- ✓ The service has made **significant changes to the way in which the service supports young people** by supporting increasingly complex and challenging young people to remain in Poplar, through having a stable, dynamic staff group, it enables service users and their families to receive care and treatment closer to home.
- ✓ The service underwent a **QNIC** (**Quality Network for In-patient CAMHS**) review and achieved 100% for clinical governance processes and 98% for procedures relating to access, admission and discharge.
- ✓ The implementation of the **weekly referrals meeting** has had a significant impact on the way in which the admissions and discharges to the ward are managed, ensuring there was no loss of integration with the community CAMHS when this changed to a different service provider in year. Representatives from the Tier 3 CAMHS crisis team are in attendance to ensure that there is no fragmentation in accessing to, and discharge from, in-patient services.
- ✓ The education unit for the service has achieved a **Healthy Schools award** from Public Health England.
- ✓ The service has **introduced outcome measures**, both self-reported and professional reported. The service will continue to refine these over the coming year to enable further development of treatment pathways for young people.

# West Essex Adult and Older People's Community Health Services

- ✓ In August 2015, SEPT launched a **pilot Rapid**Response Service to enhance the Integrated
  Community Care Team, enabling a two hour
  response to support the delivery of urgent
  health and social care in a patient's own
  home for up to five days. This service helps to
  maintain a person's independence by enabling
  them to remain at home rather than being
  admitted to hospital, a nursing or residential
  care home. It also supports carers when a
  crisis may de-stabilise the care and support
  arrangements in place.
- ✓ In conjunction with Essex County Council, SEPT has led work on enhanced integration and co-ordination between all care providers with the aim of achieving a consistent model of primary care support to care homes across west Essex and driving a shift to more proactive care planning to avoid crisis. As a result of a number of initiatives put in place, there has been a year on year reduction since 2013/14 in both attendances and non-elective admissions from care homes, to Princess Alexandra Hospital.
- ✓ During 2015/16, West Essex Clinical Commissioning Group provided additional resource to enable the SEPT community dietetic service to provide additional **specialist dietetic clinics.** These clinics improve the care of patients closer to home and support clinical pathway developments in west Essex. The Specialist Dietetics Gastroenterology Irritable Bowel Syndrome (IBS) pilot clinics supported the launch of the west Essex IBS pathway with the provision of specialist dietetic advice and support to patients with a clinical diagnosis of IBS. The Specialist Dietetic Paediatric Allergy clinics provide timely dietetic advice for babies, children and their families with a diagnosis of non IgE mediated food allergy, in line with best practice.
- ✓ A Respiratory Physiotherapy Outpatient Pilot ran from July until December 2015, designed to offer patients a better quality of life and the ability to self-manage more effectively. These additional sessions were provided three

- times per month for three hours per session. The pilot results are being reviewed by west Essex Clinical Commissioning Group to see if this service can now be commissioned in 2016/17.
- Community Hospitals in west Essex became part of the national Butterfly scheme supporting people with Dementia whilst they are in hospital. The Butterfly Scheme training, delivered by the founder of the scheme to our Butterfly Champions, gives ward staff the practical skills to care for people with dementia who are ill, as well as supporting carers. All new ward staff receive training as part of their induction to the ward. Feedback from carers, patients and staff has been extremely positive.

# South and West Essex Specialist Services – Community Health Services

- ✓ The Podiatry Service in south east and south west Essex collaborated with the Trust Tissue Viability Service to produce information/good practice posters and leaflets for diabetic foot care. This initiative also involved training sessions and advice to staff working in nursing and residential care homes, mental health wards and community teams.
- ✓ The Community Occupational Therapy Service in south east Essex undertook **specialist dementia training** to ensure this client group is provided with high quality Occupational Therapy interventions.
- ✓ The Adult Speech and Language Therapy Service in south east Essex developed a pathway with the Clinical Commissioning Group for the provision and management of Assistive Technology Communication Aids (I Pads) for people with significant long-term communication difficulties.
- ✓ The Holly Wheelchair Service in west Essex launched a **wheelchair user group** with planned monthly meetings. This enables **v**aluable feedback on the service and gives an insight into users' needs and preferences. One of the group's priority projects is to establish an information website for wheelchair users in west Essex.

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# Suffolk Community Health Services (Adults and Children)

In light of the known transfer of the Adult Services provided by SEPT in Suffolk to another provider from 1 October 2015, services focused from April – September 2015 on ensuring the delivery of safe high quality services during the period of transition and preparing for a safe handover of services to the new provider without impacting on the quality of services to patients and users.

### **Participation in National Quality Improvement Programmes**

In support of our objectives to continually improve the quality of our services, we have participated in the following national quality improvement networks or service accreditation programmes during 2015/16:

Royal College of Psychiatrists:

- · Inpatient Adult Assessment Unit;
- · Inpatient Adult Acute Wards;
- Psychiatric Intensive Care Wards;
- Crisis Resolution Home Treatment Teams;
- Forensic Mental Health Units;
- · Learning Disability Inpatient Wards;
- Older People's Inpatient Wards;
- Electroconvulsive Therapy Clinics.

### Other:

- Baby Friendly Accreditations;
- Investors in People.

### **Workforce Development**

Earlier in this Quality Report, we highlighted the importance of having the right people, with the right skills, in the right roles at the right time for the delivery of our quality aims and priorities. This section therefore details some examples of initiatives that the Trust has undertaken over the past year - these initiatives have been designed to help us to build the workforce of the future and upskill current staff, ensuring that the workforce is trained to the highest standards so that they can provide the safest and best possible care for our patients and users now and into the future.

**Progression Pathways -** SEPT have supported a number of support staff to undertake Foundation Degree training to progress into Associate Practitioner roles. This route has been used for several years and we have now established a route for staff to progress on to registered nurse training. Essex University offers a flexible nursing pathway which is a work-based learning course over 18 months. We have started our first cohort of students on to this programme. We have five students in mental health and two students on the newly validated adult nursing course. These staff should qualify in 2017 and will be ready to take on staff nurse posts.

✓ In tandem with this the Trust is looking at developing the Associate Practitioner role further. All areas are undertaking a skill-mix review to consider how Associate Practitioners can be developed further within the workforce. Already Associate Practitioners are a valued part of teams working with their registered colleagues to provide particular expertise around aspects of physical and mental healthcare.

The first part of the progression pathway for support staff is the Care Certificate. This was introduced in March 2015 and is a national standard for all staff new to health and/or social care. The Trust offers this to all staff in Bands 1-4, where it is appropriate to their role and we have incorporated it into our induction training. To date over 400 staff have completed and have been awarded their certificate.

### **Student Education Facilitators (SEF)**

Over the past 18 months the student education facilitator role has been introduced to support all staff undertaking clinical training within the Trust. The SEFs are locality based and work within the area visiting teams and students to assist their learning. They do this by delivering short learning sessions, running student forums, creating learning resources and by meeting students to discuss their learning. This has proved invaluable and the feedback on the role has been very positive both from students and from mentors. The facilitators also work to help students, on placement within the Trust, adjust to the clinical learning environment. They organise and run the student inductions.

### **Teaching Sessions**

The Trust has considered how we can improve the learning experience for all of our staff. The Trust covers a geographically dispersed area and travelling to training sessions can be a challenge. We have invested in video conferencing facilities in our training areas to enable staff to attend training remotely. This will enable staff in Bedfordshire to avoid the need to come to Essex for staff induction and other training sessions can be shared across the areas.

### **Student Placements**

The Trust is very committed to training at all levels and is proud to offer a range of innovative placements to pre-registration students. We have opened up placements in our Older Adults Mental Health wards for dual placements for both adult and mental health nursing students. This enables the students from different fields to learn side by side and benefit from the holistic approach to care that this promotes.

### **Mental Health Buddy Scheme**

A Mental Health Buddy Scheme has been introduced whereby all second year mental health students at Anglia Ruskin University have been partnered with a service user and given the opportunity to undertake structured discussions with them on aspects of care. They have also been given a chance to meet a carer and have similar discussions with them. These schemes have been run on a pilot basis twice and evaluated by the University with very positive results.

### E-learning

The Trust continues to develop e-learning and created several new programmes over the past year. In support of a CQUIN, we developed an e-learning programme on dementia training for community staff which met the new Tier 2 standards. This enabled us to train our community staff at an appropriate level and complemented the Tier 1 training already in place. The objective was to ensure that all community staff not only had a greater awareness of dementia but had knowledge of issues around communication, medication etc. Other programmes developed have included Duty of Candour, Falls Prevention and Diabetes Care amongst other topics. All programmes are refreshed on an annual basis to ensure that they reflect current best practice.

# Section 3.3: Overview of the quality of care offered in 2015/16 against selected indicators

### **Patient Safety**

**Hospital Acquired Infections** 

As well as progress with implementing the quality priorities identified in our Quality Report last year, the Trust is required to provide an overview of the quality of care provided during 2015/16 based on performance against selected quality indicators. The Trust has selected the following indicators because they have been regularly monitored by the organisation, 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.

The provision of mental health services in Bedfordshire and Luton was transferred to a new provider from 1 April 2015. Historical data (ie up to 31 March 2015) for this service has been retained in this section for comparative purposes and is included within the figures for SEPT. The Trust provided Suffolk Community Health Services until 1 October 2015 and provided Child and Adolescent Mental Health Services (CAMHS) in South Essex until 1 November 2015, at which dates both services transferred to new providers. The figures in this section therefore include these services for the period they were provided by SEPT.

### Trust wide indicators

The Key Performance Indicator (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).

**Data source**: Infection Control Dept

Infection Co	ntrol Measure	2013/14 Outturn	2014/15 Outturn	2015/16 Target	2015/16 Outturn
Mental Health Services	Cases of avoidable C.Difficile	0	0	0 0	0
	Cases of avoidable MRSA Bacteraemia	0	0	0	0
Community Health Services	Cases of avoidable C.Difficile	0	0	0	0
	Cases of avoidable MRSA Bacteraemia	0	0	0	0

### **Patient Safety**

### Safety Thermometer (Harm Free Care)

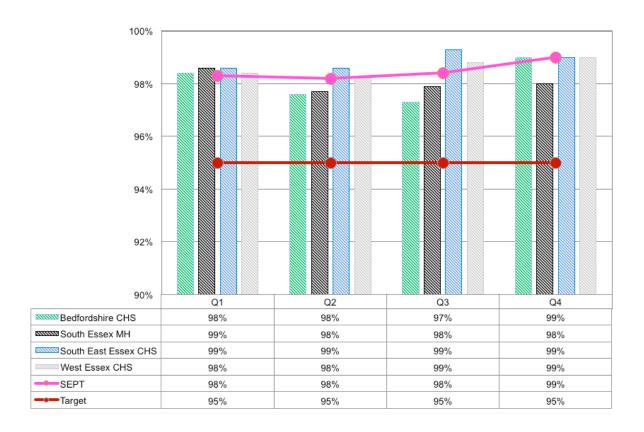
A monthly census is taken of patients in our care which meet the national criteria for Safety Thermometer to measure four areas of harm. Censuses are taken in over 100 teams covering adult and older people wards and community teams, but excluding specialist services, on a monthly basis.

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 shows 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 2015/16 SEPT successfully achieved above the 95% target. This information is reported to the Trust Board monthly as part of the Quality Report.

SEPT services in Suffolk were not included in the scope of the Safety Thermometer data collection.

Data source: Safety Thermometer



### **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

During 2015/16 a total of 11 complaints were referred to the Parliamentary & Health Service Ombudsman. This is the same number as in the previous year.

One was partially upheld and the Trust was asked to apologise, provide evidence of the learning taken from this incident and identify actions that have been taken to prevent similar incidents happening again in the future.

Three complaints referred were not upheld.

There are seven active cases with the PHSO: three relating to community health services and four relating to mental health services.

### **Complaints closed within timescales**

The "% of complaints resolved within agreed timescales" indicator is a measure of how well the complaints-handling process is operating. 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. The Trust believes that commitments to complainants should be adhered to and aims for 100% resolution of all complaints within the agreed timescale with the complainant. This year the Trust has achieved 98% for complaints closed within agreed timescale. Data from the NHS Benchmarking Club showed that on average fewer than 80% of complaints were closed within agreed timescales across all Mental Health Trusts.

### **Non-Executive Director Reviews**

An important part of the complaints process is the independent reviews of closed complaints by the Non-Executive Directors (NEDs). The complaints are selected at random each month. The reviewer will take into consideration the content and presentation of the response, whether they feel the Trust has done all it can to resolve the complaint and if they think anything else could have been done to achieve an appropriate outcome.

During 2015/16, the NEDs reviewed 44 complaint responses. The majority received a good or very good rating for how the investigation was handled and the quality of the response.

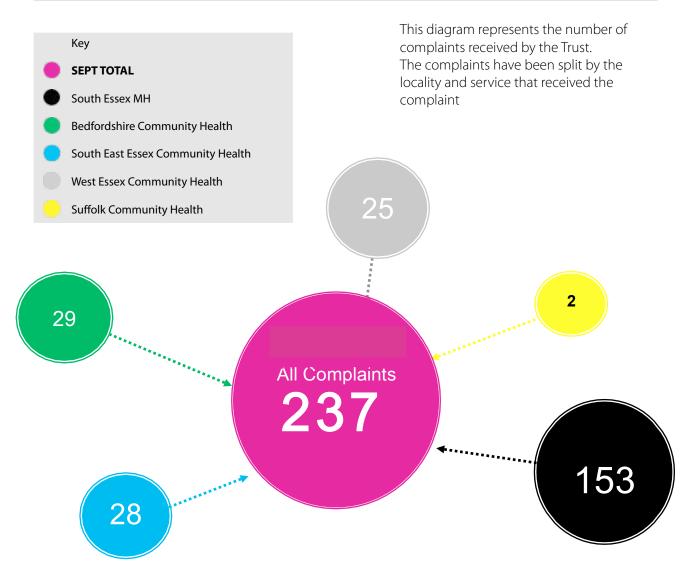
### Number of formal complaints received:

Performance Indicator	2014/15	2015/16
Number of formal complaints received	377	237
Comprising:		
Total received Mental Health Services	277	153
Total received Community Health Services	100	84
Number of complaints withdrawn	12	5
Total investigated	365	232

Please note: The figures stated in this section of the report (and those reported in the Trust's Annual Complaints Report) do not correspond with the figures submitted by the Trust to the Health and Social Care Information Centre on our national return (K041A). This is because the Trust's internal reporting (and thus the Quality Report / Account and Annual Complaints Report) is based on the complaints closed within the period whereas the figures reported to the Health and Social Care Information Centre for national reporting purposes have to be based on the complaints received within the period.

The number of complaints received by the Trust has decreased by 140 since 2014/15. The transfer of Mental Health Services previously provided by SEPT in Bedfordshire and Luton to East London NHS Foundation Trust in April 2015 has been a contributory factor to the significant reduction in complaints received this year. However, taking this into account, there has still been a reduction in complaints for the services we provide. Complaints for SEPT's remaining services have decreased by 15 (6%).

#### **Complaints Received by Locality and Service**



**Number of active complaints at year-end:** At year end, the number of active complaints was 22 which is a decrease from last year's total of 49, which included 13 for Bedfordshire & Luton Mental Health Services. One complaint that had been carried over to this year from the 2014/15 report was removed from this year's figure as it was subsequently found to be another organisations complaint, and was therefore re-directed accordingly. All active complaints are on target to be responded to within their agreed timescale, by the end of May 2016.

**Number of complaints upheld / partially upheld:** A total of 247 complaints were closed during the year and 5 were withdrawn. It should be noted that 18 complaints were carried over from 2014/15 for Bedfordshire & Luton Mental Health Services. These are not included in the total of 247 above.

Performance Indicator	2014/15	2015/16
Number of complaints upheld	34	18
Number of complaints partially upheld	133	137
Number of complaints not upheld	69	74
Totals	236	229

The remaining 18 complaints closed in 2015/16 comprise: seven locally resolved, five withdrawn, three not investigated (consent not given), three conduct and capability.

#### Patient Advice and Liaison Service queries and locally resolved concerns:

In addition, the Trust received a total of 942 Patient Advice and Liaison Service queries and 153 locally resolved concerns in 2015/16.

#### Nature of complaints received:

The top three themes for complaints for both mental health and community during 2015/2016 were dissatisfaction with treatment, staff attitude and communication. The top three themes for the Trust also apply nationally across the spectrum of health services. The table below shows the outcomes of the closed complaints for each of these three themes - 2014/15 figures are included but it should be noted that these include Bedfordshire and Luton.

Top Three Complaint Themes	of Com	lumber iplaints ived	Upheld Partially Upheld		Total Upheld or Partially Upheld			
	2014/15	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15	2015/16
Unhappy with treatment	55	47	6	3	28	31	34	34
Staff Attitude	59	41	10	3	27	19	37	22
Communication	44	29	8	1	18	27	26	28

The remaining number were either not upheld or resolved locally by the services.

As the 2014/15 figures include services no longer managed by SEPT it is not possible to make direct comparisons with this year.

The category 'unhappy with treatment' covers a wide spectrum. In some cases, complainants had certain expectations; however this was contrary to their clinical need. The Trust was, therefore, limited in providing solutions to these complaints.

#### **Patient Experience**

Compliments

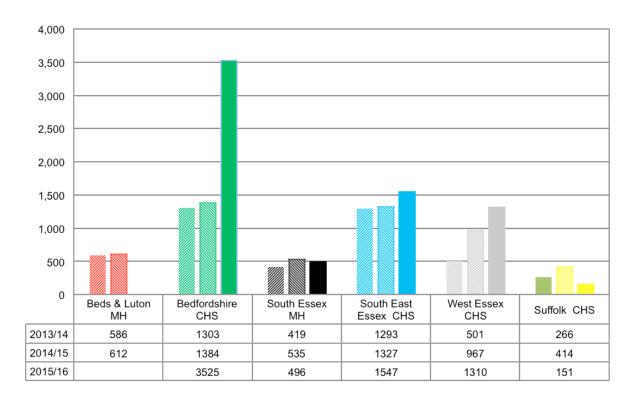
**Data source**: Datix

#### **National Definition applied:** N/A

Positive feedback is important to the Trust and is shared with staff and services across the Trust. All staff are encouraged to send the compliments they or their service receive to be logged and reported on. Compliments are published in the Trust publications and reported to the relevant Clinical Commissioning Groups. This year the Trust has received 7029 compliments, which represents an increase of 2402 for the same services in 2014/15.

Compliments Received	2013/14	2014/15	2015/16
Beds & Luton MH	586	612	N/A
Bedfordshire CHS	1303	1384	3525
South Essex MH	419	535	496
South East Essex CHS	1293	1327	1547
West Essex CHS	501	967	1310
Suffolk CHS	266	414	151
SEPT Exc B & L	4368 3782	5239 4627	7029

"Words cannot express the feeling of gratitude that we feel for you all. You made a very difficult time for my mum much easier."







2014/15



2015/16



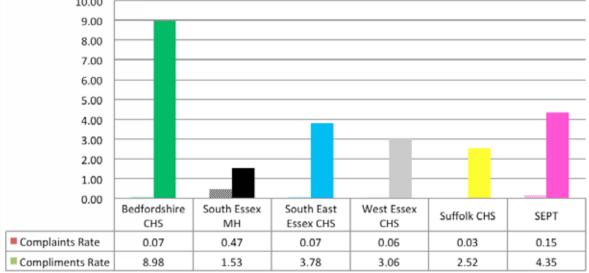
#### **Rate of Complaints and Compliments**

**Data source**: SEPT systems (Datix, SystmOne 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 significantly greater than the rate of complaints received during 2015/16.

# Rates of Complaints and Compliments per 1000 patient contacts







#### **Patient Experience**

**Unified Friends and Family Test** 

**Data source**: Unified Patient Survey

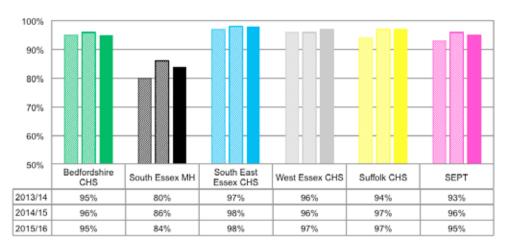
#### National Definition applied: N/A

This survey draws together the NHS Friends and Family Test and a further series of questions around key areas we identified together with people who use our services.

In 2013/14, the Trust implemented a new unified patient survey. This draws together the national NHS Friends and Family Test (FFT) – detailed below - and a further series of local guestions around

key areas we identified together with people who use our services (detailed in Section 3.5). The Surveys are sent to all patients who have recently been discharged, either from inpatient services or community caseloads as well as some patients who have chronic long term conditions to ensure they continue to receive a good service. Carers and guardians are also asked to complete the survey for those unable to fill it in themselves. Surveys are coded so that feedback can be provided at team-level; managers and teams receive scores and comments from the Friends and Family Test as well as from the locally agreed questions on areas that matter to our patients.

# "How likely is it that you would recommend the service you provide to a friend or family member who needed similar care or treatment"





Please Note: Since the publication of the 2014/15 Quality Report, NHS England have changed the FFT calculation from scores to percentages. These percentages have been presented in the Quality Report this year and are not comparable to the scores presented last year. Responses for Bedfordshire and Luton Mental Health Services have been removed from the SEPT percentages for 2014/15 and 2013/14 in the table above to enable year on year comparison.

95% of the 11,159 responses to the FFT received from service users in 2015/16 indicated that they would be either 'likely' or 'very likely' to recommend the Trust's services in 2015/16. Whilst positive progress has been made since 2013/14, it is disappointing to note that the overall SEPT score has decreased by 1% in 2015/16 from 2014/15. This is the result of a decrease in score in two service areas in 2015/16. Specific focused actions are being taken to ensure feedback is acted on and to improve performance in those areas.

Further details in terms of seeking and acting on service user feedback are included in Section 3.5 of this Quality Report.

#### Community Services – Local Quality Indicators

In this section of the report a selection of Key Quality Indicators are presented to show performance for the community health services of Bedfordshire, south east Essex, Suffolk and west Essex over the past 12 months and where possible up to the past 36 months.

#### Clinical Effectiveness Breastfeeding

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 six eight week check.

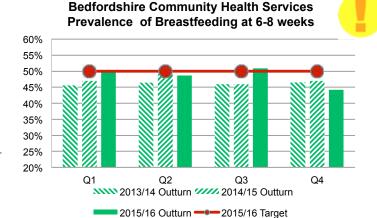
In Bedfordshire Community Health Services (BCHS) during 2015/16 the coverage of breastfeeding has exceeded 95% in every quarter and therefore provided good data quality. As in other previous years breastfeeding prevalence is seasonal and is always highest in quarters 2 and 3. Although this target was not met across the entire year, Bedfordshire reached its highest breastfeeding rate ever of 50% at 6-8 weeks in quarter 2. The service is working on maintaining that high rate through a number of evidence based methods known to support mothers and babies.

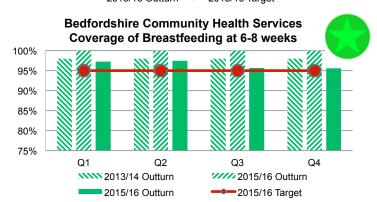
BCHS has been re-accredited as UNICEF Baby Friendly again in 2015 and has been identified as a centre of excellence in the delivery of Antenatal information about breastfeeding. The Baby Friendly team has received 100% positive feedback following analysis of patient experience submitted by families.

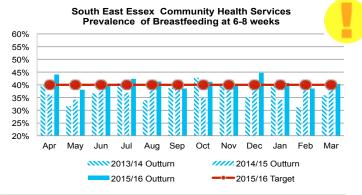
In South East Essex Community Health Services there has been a significant improvement in the 6-8 week breastfeeding rates. The target of 40% prevalence was achieved for eight months over the past year with four months just missing the target by less than 2%. There is a demographic difference between the two Local Authorities with the breastfeeding rate in Southend up to 48.3% with just one month below target at 39.3%. Over the past year the health visitors have worked hard with Southend Hospital to achieve the Level 3 UNICEF Baby Friendly Accreditation, a recognised award which is proven to improve breastfeeding rates.

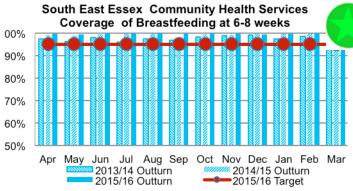
Data source: SystmOne

National definition applied: Yes









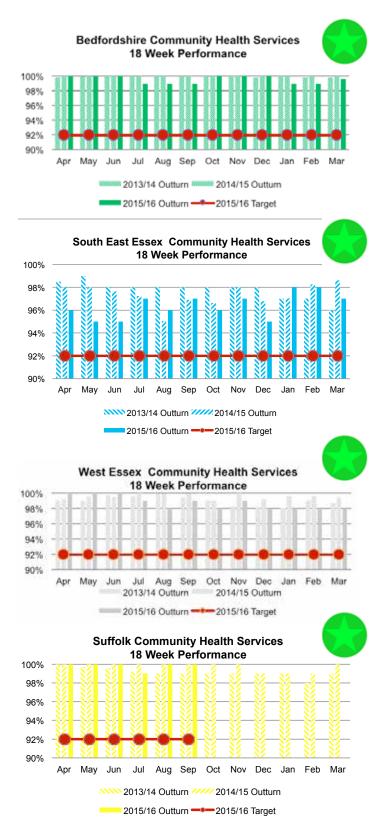
# Patient Experience 18 Week Referral to Treatment

18 week referral to treatment performance measures the length of time in weeks between referral into the service and the end of each month. This is an important measure as it describes the length of time patients are waiting for treatment.

Community Health Services in all four localities consistently achieved the target of 92% every month in 2015/16.

Data source: SystmOne

National definition applied: Yes







#### **Patient Safety**

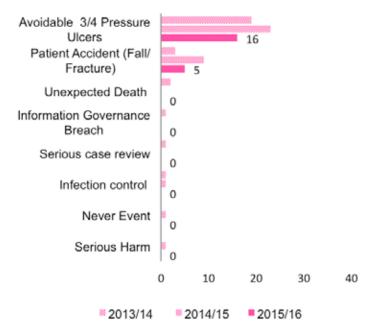
#### **Serious Incidents**

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

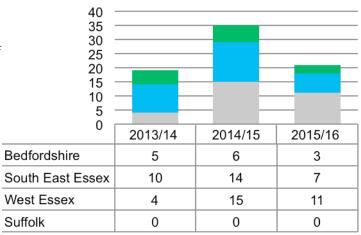
The Trust reported 21 serious incidents in Community Health Services in 2015/16 compared to 35 during 2014/15. Five of these incidents were falls leading to fractures, a decrease (improvement) of four on last year. The decreased number of serious incidents in the community is a major achievement for the Trust which has been made possible by the widespread implementation and adoption of the principles of our 'Sign Up to Safety' campaign.

Please note, the figure of 15 Serious Incidents in West Essex for 2014/15 differs from that published in the 2014/15 Quality Report for that period (14). This is due to the fact that one additional pressure ulcer was found to be 'avoidable' (and thus classed as a serious incident) following completion of the root cause analysis.

#### Serious Incidents Occurring in Community Health Services



#### **Serious Incidents by Locality**





# Mental Health- Local Quality Indicators

#### **Patient Safety**

#### **Serious Incidents**

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

The Trust reported 61 serious incidents (SIs) in Mental Health Services in 2015/16 compared to 67 during the previous year. The previous year total includes 25 SIs in Beds and Luton services, so for comparable purposes SEPT had 42 incidents last year.

The rise in serious incidents across south Essex is accounted for by an increase in the number of unexpected deaths from 16 last year to 28 in Mental Health Services and 1 in Specialist Mental Health Services in 2015/16. The Trust has commissioned and received the results of three independent reviews to investigate the increased number of deaths.

The Trust is committed to achieving an ambition of zero avoidable suicides by 2017 and has prioritised suicide reduction through its sign up to safety campaign. A comprehensive forward looking action plan has been developed to deliver transformational change to how staff assess and plan for safety within services, supported by the plan to commission specific suicide prevention training for all staff, underpinned by a cultural review of the organisation's understanding and attitudes towards suicide prevention.

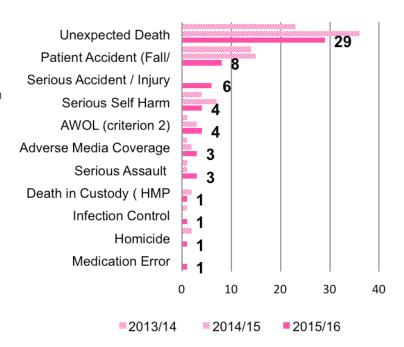
Two incidents for 2014/15 have been reclassified from Beds and Luton MH to South Essex MH in this 2015/16 Quality Report. This is because the service which recorded the incidents at HMP Bedford have continued to be managed by SEPT despite the transfer of mainstream Beds and Luton MH Services.

Data source: Serious Incident Database

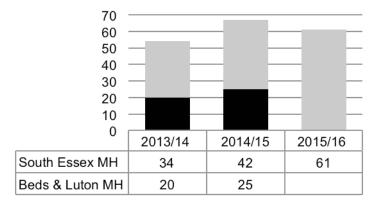
National definition applied: EoE and

Midlands definition applied

# Serious Incidents Occurring in Mental Health Services



#### **Serious Incidents by Locality**





# Part 3

#### **Clinical Effectiveness**

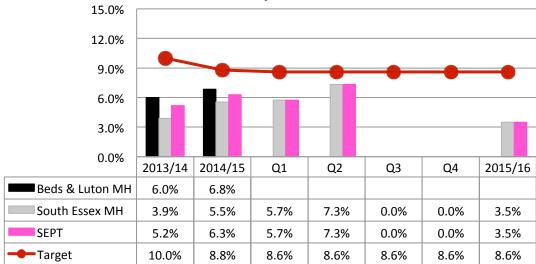
#### Readmissions

Readmission rates have been used extensively to conduct national reviews into the effective delivery of health services as well as CQC cross-checking arrangements. The number of re-admissions, as well as the % re-admission rate are monitored regularly throughout the organisation. Performance is monitored at ward, speciality and locality level to ensure that any deviation from expected numbers can be quickly located and investigated. The targets for adult and older people re-admission rates are derived from the 2014/15 NHS Benchmarking Club (further information can be found at <a href="https://www.nhsbenchmarking.nhs.uk">www.nhsbenchmarking.nhs.uk</a>).

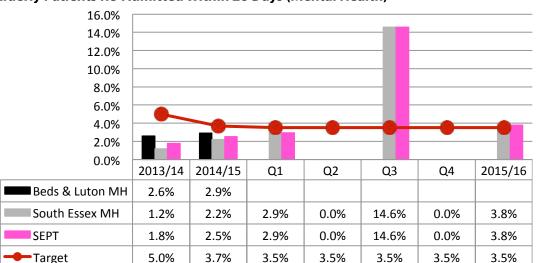
**Data source:** SEPT System (IPM) **National definition applied:** Yes

Throughout 2015/16 there has been good performance reported for Adults Re-Admitted within 28 days and each quarter's performance has been within target. Elderly Re-admissions breached the target in Q3, when there were seven patients re-admitted after 48 patients were discharged and as a result performance across the year (3.8%) narrowly exceeds the target (3.5%). In the graphs below, good performance is illustrated by levels of activity below the target line. There were 0 adult re-admissions within 28 days in Q3 and Q4 and there were 0 Elderly re-admissions within 28 days in Q2 and Q4.

#### **Adult Patients Re-Admitted Within 28 Days (Mental Health)**



#### **Elderly Patients Re-Admitted Within 28 Days (Mental Health)**



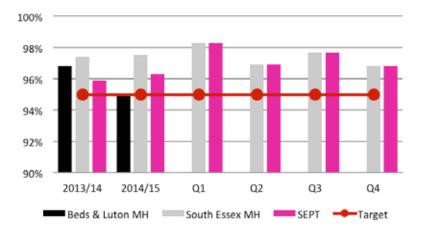
#### **Section 3.4: Performance against key national priorities**

In this section we have provided an overview of performance in 2015/16 against the key national targets and indicators relevant to SEPT's services contained in Monitor's Risk Assessment Framework. Data for two indicators, Patients on Care Programme Approach (CPA) followed up within seven 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 reported below throughout 2015/16. Three additional indicators were introduced by MONITOR mid—year (relating to referrals to IAPT services and to the Early Intervention Service) performance against these indicators has been included at the end of this section. Due to the transfer of Suffolk Community Health Services to a new provider from 1 October 2015, data for these services is only included for Q1 and Q2. Please note, we have reported the latest actual position on the graphs in the section below and have included details of the figure reported at quarter end to Monitor via the Health and Social Care Information Centre (and to the Board of Directors) where this is different in the associating narrative. Such differences in the quarterly figures will occur in some instances due to information / data being received after the national submission / report to the Board of Directors.

# 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 throughout 2015/16. Q1 position: Actual at year-end 98.3%, Monitor and Board reported at end of quarter 97.1%. Q2 position: Actual at year-end 96.9%, Monitor and Board reported at end of quarter 95.7%.

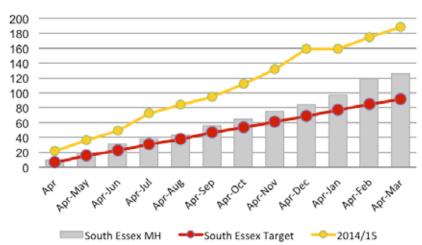
# Patients on CPA having a formal review within 12 months



# **Early Intervention Services:** New Psychosis Cases

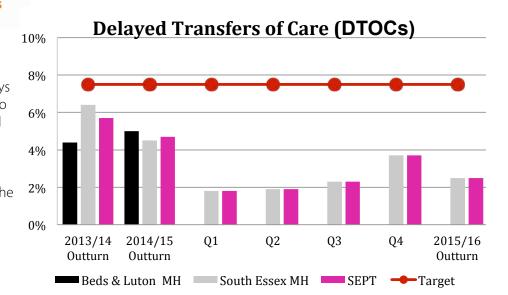
The MONITOR compliance threshold is to achieve 95% of contracted new cases of psychosis. In total SEPT has to achieve 92 new cases of psychosis per year, and this was significantly over achieved in 2015/16 with a total of 126 new cases being identified. The number of new cases is less than in 2014/15 due to the transfer of MH services in Beds and Luton to a new provider.

#### New Cases of Psychosis : Early Intervention Services



# **Delayed Transfers** of Care (DTOCs)

This indicator is calculated as the % of inpatient bed days lost to 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% which has been achieved. Q3 position: Actual at year-end 2.3%, Monitor and Board reported at end of quarter 1.7%.



# Referral to Treatment Waiting Times

This indicator measures the waiting times for patients waiting for treatment on non-admitted consultant-led pathways. The maximum waiting time is 18 weeks and the target is 92% of those still waiting. This target has been consistently achieved throughout 2015/16.

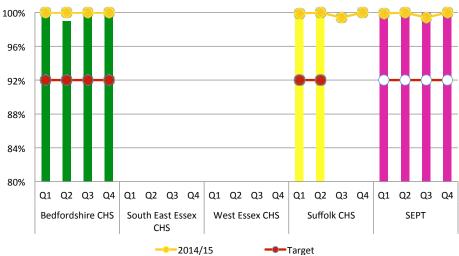
Neither south east Essex nor west Essex have consultant-led services and accordingly these MONITOR indicators do not apply to those localities.

Suffolk services were transferred to a new provider in Q3 and Q4.

## **Data Completeness: Patient Identifiers**

This indicator measures the % completeness of the Mental Health Minimum Dataset for patient identifier data items. The target for 2015/16 is 97% of data items to be completed. This has been achieved consistently. Q1 position: Actual at year-end 99.7%, Monitor and Board reported at end of quarter 99.6%.

#### % Patients waiting for Treatment less than 18 Weeks



The waiting times target of 95% of patients treated within 18 weeks of referral was removed from MONITOR's Risk Assessment Framework in August 2015

# Data Completeness - Patient Identifiers ( Mental Health) 100% 96% 92% 88% 84%

Q4

Q1

-2014/15 ---Target

Q2

SEPT

Q3

Q4

Q1

Q2

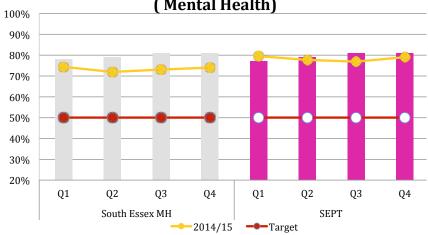
Q3

South Essex MH

# **Data Completeness:** Patient outcomes

This indicator measures the % completeness of the Mental Health Minimum Dataset for patient outcome data items. Compliance with the target of 50% has been achieved for each data field contributing to this indicator. Q1 position: Actual at yearend 78%, Monitor and Board reported at end of quarter 77%.

# Data Completeness - Patient Outcomes (Mental Health)



#### **Data Completeness - Referral to Treatment** 100% 90% 80% 70% 60% 50% 40% 30% 20% Q1 Q2 Q3 Q4 South East Essex West Essex CHS Suffolk CHS SEPT CHS CHS -2014/15 Target

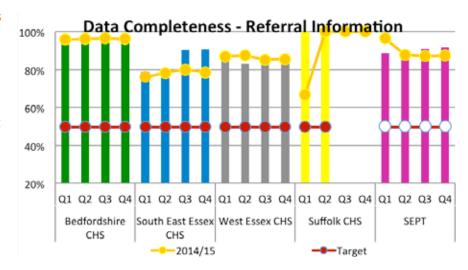
# Referral to Treatment information

Throughout 2015/16 compliance has been maintained above the 50% target in all community health service areas. Suffolk services were transferred to a new provider in Q3 and Q4.

# Data Completeness - Community

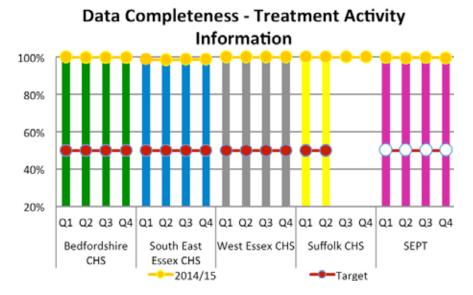
# Care Referral Information

Compliance has been maintained above the 50% target throughout 2015/16. Suffolk services were xtransferred to a new provider in Q3 and Q4.



#### Data Completeness -Community Treatment Activity information

All community health service areas have maintained compliance with this indicator throughout 2015/16. Suffolk services were transferred to a new provider in Q3 and Q4.



#### **Access to Healthcare for People with a Learning Disability**

Compliance against all six criteria was achieved in 2013/14 and has been maintained throughout 2014/15 and 2015/16.

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

Ke	y 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?	4
2	Readily available and comprehensible information to patients with learning disabilities about the following criteria:	4
	Treatment options (including health promotion)	
	Complaints, procedures, and Appointments	
3	Provides support for family carers, including the provision of information regarding learning disabilities, relevant legislation and carers' rights?	4
4	Includes training on learning disability awareness, relevant legislation, human rights, communication technique in their staff development and/or induction programmes for all staff?	4
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

#### Improving Access to Psychological Services: Referrals treated within six weeks and 18 weeks of referral

These new indicators have been introduced during 2015/16 to measure the time between referral and treatment by IAPT services. MONITOR began monitoring performance against the targets from Q3 2015/16.

This service is provided by South Essex Mental Health Services.

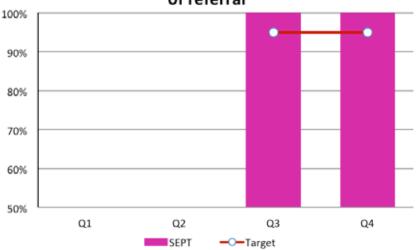
Compliance with this target has been achieved.

IAPT - Referrals treated within six weeks
of referral

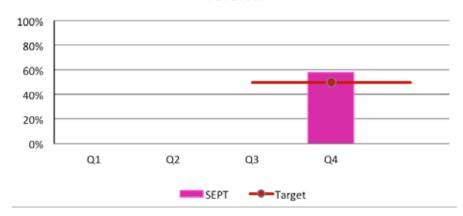
IAPT - Referrals treated within 18 weeks of referral

Target

SEPT



#### EIS - Referrals treated within two weeks of referral



# **Early Intervention Service: Referrals treated within two weeks**

This new indicator measures the percentage of EIS referrals treated within two weeks. The target of 50% was introduced at Q4 by MONITOR and was achieved.

This indicator measures access only to the service.

In 2016/17 this indicator will be enhanced to include compliance with NICE packages of care.

This service is provided by South Essex Mental Health Services.



# Section 3.5: Listening to our patients and service users

Ensuring that we receive and act on feedback from our service users is crucial to maintain the high quality standards we have set ourselves and, over the past year, work has continued to increase the feedback received. This section of our Quality Report outlines some of the ways in which we capture feedback from people who use our services together with some examples of changes we have made and outcomes resulting from that feedback. Information in terms of the results of the Friends and Family Test (FFT) is included in Section 3.3 of this report (local quality indicators).

#### **Patient Survey Feedback**

In 2013/14, the Trust implemented a new unified patient survey. This draws together the national NHS Friends and Family Test (FFT) – detailed in Section 3.3 - and a further series of local questions around key areas we identified together with people who use our services. The Surveys are sent to all patients who have recently been discharged,

either from inpatient services or community caseloads as well as some patients who have chronic long term conditions to ensure they continue to receive a good service. Carers and guardians are also asked to complete the survey for those unable to fill it in themselves.

The Patient Experience Team provides team managers with bi-monthly reports which detail the results from the Patient Surveys for their team. Managers review the content of these reports and discuss the feedback with their team (or in 1:1 supervision where team members are named), using it as an opportunity to reflect on practice and look for improvements. Managers are also encouraged to use positive feedback to share and reinforce good practice, as well as encourage further participation in the survey.

A total of 11,159 responses were received to the Survey in 2015/16. The results of the answers to the local questions are detailed in the table below (figures denote average score out of 10):

Question	SEPT Overall Scores 2014/15	SEPT Overall Scores 2015/16	Increase / decrease between 2014/15 and 2015/16 scores
To what extent did you feel you were listened to?	9.2	9.3	1
To what extent did you feel you understood what was said?	9.3	9.4	1
To what extent were staff kind and caring?	9.5	9.6	1
To what extent did you have confidence in staff?	9.4	9.5	1
To what extent were you treated with dignity and respect?	9.5	9.6	1
To what extent did you feel you were given enough information?	9.2	9.4	1
How happy were you with the timing of your appointments?	9.2	9.3	1
How would you rate the food?	7	6.7	•
To what extent would you say the ward/clinic was comfortable?	8.7	8.8	1
To what extent would you say the ward/clinic was clean?	9.2	9.3	1

It is pleasing to note that the average score out of 10 has increased for all questions in 2015/16, compared to 2014/1/5, with the exception of "How would you rate food?" which has dropped by 0.3.

Food has continued to show the lowest satisfaction rating although responses in this particular category are very low. Following this feedback a Food Task & Finish Group has been set up and a complete audit of the food service, including tasting, was undertaken by the Patient Experience team and Trust Governors. The group was expanded following the CQC visit, which also highlighted food as an issue, to include service users. Further audits have been undertaken and will carry on throughout 2016/17, work has been undertaken with the food supplier looking at menus as well as identifying possible training needs for staff. The group will carry on its work until further improvements are reflected in the feedback received from service users.

#### **Other Key Patient Experience Engagement Activities**

**Mystery Shopper Programme**: SEPT Mystery Shoppers are patients and carers who give anonymous feedback about their actual experiences of using SEPT services, naming the staff they have had contact with. The feedback is monitored by Directors and Team Managers. Individual staff receive feedback in supervision sessions with their manager on how their practice has been perceived by patients and carers. The feedback received has a direct impact on patient and carer experience and outcomes, systems and quality. Mystery Shoppers can opt to give feedback via completing questionnaires, email and telephone. Feedback specifically about issues they may have encountered in accessing or using SEPT services which relate to the Equality and Diversity protected characteristics is also captured.

During the year all Mystery Shoppers were contacted to ensure they were still happy to be part of the scheme, the questionnaire was also revised to make it more user friendly, agreed by the Patient and Carer Experience Steering Group.

**Take it to the Top Events:** This series of meetings took place across the Trust with the aim to give service users, carers and members of the public a chance to speak directly to representatives of SEPT Executive Team about the services provided by SEPT. These were held across all localities, in order to get first hand feedback on local issues.

**'Let's Talk About' Events:** The 'Let's Talk About' events continued to be well attended by service users, carers, staff, SEPT members and local organisations. A specific topic was used for each one – during the year these included:

- · carers;
- · medication and dementia; and
- podiatry.

The feedback from the attendees at these events was considered and a refreshed 'SEPT on the Spot' meeting was arranged to combine the above two events. This included presentations on "safe services – protecting patients and staff" and 'SEPT's annual planning meetings'. Feedback from this first event is being analysed with the plan that further events of this type will go ahead throughout the year, where Executives, Governors, members and the public come together.

**Stakeholder Forums**: Listening to our service users, carers and stakeholders is crucial to our aim to provide top quality care. We invite service users, carers and staff to discuss services in their area and share feedback with us. Forums are chaired by an associate locality director who is supported by SEPT operational staff. During the year further forums in West Essex were set up and the initial feedback is that they have been welcomed by patients, carers and local voluntary organisations.

**Service User/Carer Involvement in Interviews:** One of the Trust's priorities has been to enable service users and carers to play a meaningful role in recruitment interviews. We continue to train

service users/carers in interview skills and they attend interviews wherever possible so they can influence the decision on which candidates meet the person specification for the role. Feedback is also received from them following the recruitment panel to ensure that they were fully involved in the process.

# Examples of actions we have taken / outcomes from service user feedback we have received

The following are just a few examples of actions we have taken / outcomes that have been achieved as a result of listening to feedback from our patients, service users and carers:

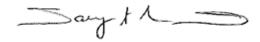
- specific changes have been made to the way in which we communicate with our patients and service users in response to direct feedback (eg appointment letter content, answerphone messages etc);
- information leaflets have been updated to be clearer for service users;
- more staff are introducing themselves in line with the 'Hello my name is' campaign;
- greater involvement of service users in their own care;
- service user involvement in staff training has been increased, recognising the importance of the lived experience viewpoint;
- improvements have been made to clinical areas;
- communication with and involvement of carers has been improved;
- the number of local forums has been increased in response to difficulties some services users were experiencing in being able to travel to attend these;
- a volunteers video has been developed to encourage more volunteers, following suggestions from service users – as a result, more service users and carers have been taking up volunteering with the Trust.

# Closing Statement From Sally Morris, Chief Executive

I am proud to present SEPT's quality achievements for the past year. I am grateful to you for taking the time to read about them and I hope that they have been presented in a clear and useful way for you. Please do let me know how our report could be improved in future years.

Throughout the year, our Board of Directors receives monthly reports on the progress against our quality goals. These meetings, as well as other Trust meetings, are open to the public. I would like to encourage you to attend our monthly Board Meetings, as well as our "SEPT on the Spot" meetings and other public events. At every meeting there is an opportunity for you to ask any questions of the local staff and managers responsible for care in your area. Details of all these meetings are available on our website <a href="https://www.sept.nhs.uk">www.sept.nhs.uk</a>

I can guarantee you a warm welcome and I look forward to seeing you at future meetings.



#### **Sally Morris**

#### **Chief Executive**

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

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Executive Director of Mental Health Services / Executive Nurse

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Email: <u>andy.brogan@sept.nhs.uk</u> Telephone: 01268 739647

#### ANNEX 1 - Comments on our Quality Report / Account

We sent our Quality Report / Account 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 for providing their comments.

#### Bedfordshire Clinical Commissioning Group – received 20 May 2016

Bedfordshire Clinical Commissioning Group (BCCG) has received the Quality Report 2015/16 from SEPT NHS Trust. The Quality Report was shared with BCCGs, Executive Directors, Lay Nurse, Performance team, Quality Team and reviewed at the Patient Safety and Quality Committee as part of developing our assurance statement.

We have reviewed the information provided within the Quality Report and checked the accuracy of data within the account against what is submitted as part of the Trust's contractual obligation. All data provided corresponds with data used as part of the ongoing contract monitoring process. BCCG response to these accounts is based on the provision of Bedfordshire Community Health Services.

SEPT is required to include Trust performance against national quality indicators. The Trust has included this data. BCCG is pleased to see the accounts set out a vision for a quality, high performing and responsive service. It is evident the level of engagement SEPT have conducted in discussion with stakeholders in developing the Trusts Quality strategy in 2014 and refreshing these priorities for 16/17 aligning these to their corporate operational planning priorities.

It is recognised that within SEPT's commitment to 'No avoidable Harm' that the quality priorities set for 2016/17 are a continuation of the priorities identified for 15/16. For Bedfordshire Community Health Services these priorities relate to three areas only (reductions in the following areas: - Falls, Pressure Ulcers, Medication Omission).

BCCG notes that the priority areas for improvement are aligned to the three key principles of quality.

Safety: BCCG welcomes the improvement work in areas around Pressure Ulcer care and falls reduction in 15/16 and looks forward to SEPT's further quality improvement work through 16/17 for the prevention of all avoidable pressure ulcers, working in an integrated way with other local providers in Bedfordshire.

Experience: It is acknowledged that SEPT has developed many ways of engaging with service users from specific events on particular client groups, mystery shopper sessions, to Friends &Family. Service user feedback is valuable and SEPT demonstrates a positive service user experience in their service areas. It is noted that the account demonstrates an increase in compliments received from patients in Bedfordshire Community Health Services. BCCG will continue to monitor the detail of this feedback with SEPT colleagues in 2016/17, particularly in relation to themes and trends and how patient feedback is used to improve services.

Effectiveness: BCCG acknowledge the organisation's Trust-wide improvement in implementation of MEWS, which are early warning scoring tools used to aid detection of deterioration of physical health, and their continued commitment to this quality indicator and welcome the assurance this provides for our inpatient community provider services (Archer unit Bedford).

CQUIN development will continue with SEPT in 16/17 and the wider community to include our acute trust and local authorities in further developing an integrated care system for management of complex patients.

BCCG acknowledges SEPTs achievement of Good on their recent CQC inspection. We welcome the CEO response of a commitment to plan to move to improve in all five areas.

We acknowledge SEPT's compliance with audit, information governance and data compliance. In particular note feedback from audit work on plans to develop a local action plan for Stroke Services in Bedfordshire and Essex in partnership with local commissioners. It is encouraging to note the detailed clinician involvement in SEPT clinical audit programme, the development of robust action plans and reporting to reflect learning is taking place as a result of audit findings.

The recommendations following the CQC inspection on safeguarding children undertaken in May 2015 have been monitored. BCCG notes the progression of all associated actions.

BCCG also recognises and commends the valuable progression on other areas of quality improvement such as; University links for academic apprenticeship qualification, post-natal parenting support programme and non-medical prescribing in podiatry.

The ongoing recommendations from NHS Improving Quality, provider reports and ongoing transformation for community services will form a key part of Bedfordshire Clinical Commissioning Group's assurance monitoring in 2016/17.

Bedford Clinical Commissioning Group supports the Trust's rationale and indicators for quality priorities for 2016/17 and looks forward to working with them to achieve good quality outcomes for the people of Bedfordshire.

Matthew Tait Accountable Officer Bedfordshire Clinical Commissioning Group South Essex Clinical Commissioning Groups (Basildon & Brentwood, Castle Point & Rochford, Southend-on-Sea and Thurrock) – received 20 May 2016

#### South Essex Clinical Commissioning Group Co-ordinated and Collaborative Response to South Essex Partnership NHS Trust Quality Report 2015/16

The South Essex Partnership NHS Trust (SEPT) Quality Report was received by Castle Point and Rochford Clinical Commissioning Group (CP&R CCG), as lead commissioner, and circulated to the associate commissioners in South Essex with a request for feedback to inform this collaborative summary statement. The information contained within the report was reviewed and is considered an accurate summary reflection of the Trust's performance during 2015/16; as per the CCG contractual Quality Monitoring processes.

The Quality Report clearly articulates where SEPT has achieved good progress and identifies some areas where further improvements are required. The CCG would like to acknowledge the open and transparent approach that the Trust has demonstrated in all aspects of quality monitoring. The introduction, by the Trust, of the two online training courses supporting the mandatory Duty of Candour for all clinical staff demonstrates their commitment. The engagement of the Trust in 100% of National Clinical Audits and 100% of National Confidential Enquires (based on eligibility status) indicates an appetite to learn and grow as an organisation.

2015/16 has been a notable year for the Trust; principally in achieving an overall rating of **Good** by the Care Quality Commission (CQC). The CQC did identify three areas for improvement and the progress on these has been reported on via the CCG quality monitoring processes in year. The CCG also recognises the Trust's success in reaching the top 20 in the 'Learning From Mistakes' government's national league table; which rates the openness and transparency of the organisation.

The Quality Report identifies a variety of service and workforce developments that demonstrate innovation in practice. The CCG would like to highlight the successful 1,100 registered users for the Therapy for You mobile app that provides an alternative option access point for the community to access mental health and wellbeing care. The commissioners welcome further service development in 2016/2017 as the CCG was disappointed that the 15% access targets for IAPT services was not achieved across all localities. The CCG notes that this work needs to happen as a key priority area in 2016/17.

The CCG endorses the on-going commitment to the National Sign Up to Safety campaign. In the six work streams the Trust has continued to make good progress on their significant quality improvement plans; the CCG appreciates that this type of sustainable transformation does takes time.

Significant progress has been made by the Trust to engage and strengthen multi-disciplinary input to address the issue of falls. There is a reported reduction in the number of falls in 2015/16 and there were just two avoidable falls (out of a total of 13) compared to five avoidable falls in 2014/15. This marks good progress and we look forward to seeing a continued focus on strengthening multidisciplinary team effectiveness in delivering this ambition.

There has been a reduction in prone restraints from 312 to 266. However, the Trust acknowledges the increase in the total number of restraints and has explained this as likely to be due to the work they have done to raise awareness leading to increased reporting. The CCG expects to see improvements as progress continues with the development of the Trust's work streams.

The account summary notes that, based on NPSA guidance from February 2012, incidents resulting in long bone fracture that require surgical intervention have been reported as serious incidents (SIs). The 2015 NHS England SI guidance supersedes the NPSA guidance, this would require the Trust to look at cases on an individual basis to decide whether it constitutes an SI. Overall the SI data is consistent with the data held by CP&R CCG.

Some excellent work that has been undertaken in the area of preventing pressure ulcers, and the Trust has demonstrated an open and honest approach to reporting these incidents. The number of avoidable pressure ulcers has reduced this year: 2013/14 = 22, 2014/15 = 23, 2015/16 = 16. However, it would be helpful to also see data on the reduction of avoidable grade 2 pressure ulcers as well as more focus on themes and trends.

The number of unexpected deaths has increased this year and the Trust has commissioned independent reviews to investigate this. The CCG will be working closely with the Trust to support any learning from this to enhance patient safety.

The continued inclusion of the roll out around early warning detection of the deteriorating patient reflects a keenness to fully embed safe practice; however, the use of MEWS as opposed to the national standardised NEWS tool may prevent some important national benchmarking opportunities.

Year 1 of the care packages and care pathways CQUIN has involved a collaborative approach to laying foundations for Year 2, which focuses on patient experience and outcomes.

In relation to the friends and family test, it would be interesting to see the response rates as well as some narrative around strategies adopted during 2015/16 in the Mental Health service to try and improve the recommendation scores. The public involvement initiatives are growing within the Trust and this is evident from the up and coming planned 'SEPT on the Spot' engagement events. It is encouraging that the recommendations from 'Freedom to Speak Up' are being embedded within the culture of the organisation and this is supported by the staff voting in their first Principal Guardian. However, the Trust may want to also consider incorporating patient stories into the Quality Report. Furthermore, linking this work to the developing Recovery Colleges would reinforce the inclusive approach to the quality ethos of the Trust.

Thurrock CCG notes that the South Essex Recovery College arrangements are due to be implemented in South West Essex shortly thereafter April 2016. Whilst the CCG has commissioned a different provider to deliver this service in Thurrock it wishes SEPT success in this venture.

#### Conclusion

Overall the feedback has been positive and the CCGs are happy with the sustained improvement SEPT has made with regard to the quality and safety of their services. The Trust acknowledges that there are areas of continued focus for improving quality. In response to the Francis, Berwick and Keogh Reports, the Trust is continuously striving to foster an open and transparent culture to promote safe and compassionate care. The South Essex CCGs hope that this feedback is helpful and look forward to continuing our productive collaborative working relationship with the Trust in 2016/17. The CCGs would like to congratulate the Trust in its 'Good' rating achieved through its comprehensive regulatory inspection in 2015 and acknowledges the progress made overall in the promotion of quality services as articulated throughout the quality report.

#### Tricia D'Orsi Chief Nurse Castle Point and Rochford Clinical Commissioning Group

West Essex Clinical Commissioning Group – received 18 May 2016

West Essex Clinical Commissioning Group is responsible for the commissioning of community health services from South Essex Partnership NHS Foundation Trust (SEPT) for the citizens of west Essex.

SEPT provide services across Essex including community and mental health services. Where possible the information in the Quality Report has been divided by locality and type of care, this has helped us to identify elements of the account that are specific to west Essex patients.

The Trust achievement against last year's priorities is set out clearly in the account, with evidence to

support why the Trust has or has not achieved them. The Trust achieved five out of seven priorities, one partially and did not achieve one. Some of the priorities had a specific effect on west Essex patients for example reducing the number of patients who fell and sustained serious harm and reducing pressure ulcers. All of the priorities for the organisation involved improving awareness and knowledge and are likely to improve the safety culture across all areas.

The Trust was inspected by CQC in 2015 had an overall result of 'good', there were some elements of care that were identified as requiring improvement, mainly in relation to safety, these results are easy to understand as the quality Report contains the CQC grid explaining the grading of the areas that were inspected. The Trust is robustly addressing the areas where improvement is needed.

The CCG are fully supportive of the Trust's quality priorities for 2016/17. It is useful to see how patients and staff have been involved in contributing to setting the priorities, through the events that SEPT held to plan ahead and the web site set up to capture feedback.

There is a section on service developments in west Essex community services, this includes the introduction of the national Butterfly scheme which helps staff to care for people with dementia (and their carers) whilst they are in hospital. The introduction of this scheme means that SEPT is now part of a network of hospitals across the county who can work together and support each other to deliver compassionate care to people with dementia.

We would be grateful if the Trust would include in the report the governance arrangements for producing the quality Report, so it is clear to patients and families how this complex document is created.

We would also appreciate if the Trust would consider the use of the Crystal Mark standard for plain English in future reports.

We confirm that we have reviewed the information contained within the Account and checked this against data sources where these are available; it is accurate in relation to the services provided. The explanation by the Trust of why certain data sets are as they are has been fully explained.

We have reviewed the content of the Account, it complies with the prescribed information as set out in legislation, by the Department of Health (including new items NHS England requested be considered for this year) and by Monitor.

Whilst the element of care that SEPT provides for west Essex is only a proportion of their overall care provision, the account demonstrates clearly how care has been delivered by locality and type of care. The account also shows how community care is a critical element of the care SEPT delivers.

We believe that the Account is a fair, representative and balanced overview of the quality of care at the Trust.

# Jane Kinniburgh Director of Nursing and Quality West Essex Clinical Commissioning Group

Bedford Borough Council Adult Services and Health Overview and Scrutiny Committee – received 16 May 2016

Unfortunately, due to the committee meeting schedule, Bedford Borough Council's Adult Services and Health Overview and Scrutiny Committee will not be able to provide a statement on this occasion.

# Jacqueline Gray Service Manager (Scrutiny and Member Support) & Designated Scrutiny Officer

#### Southend Borough Council Health Overview and Scrutiny Committee – received 20 May 2016

The draft Quality Report / Account 2015/16 has been shared with the Chairman and Members of the People Scrutiny Committee at Southend (the health scrutiny committee). One comment was received from a Member of the Committee which is being followed up by SEPT. Also, during 2015/16, the Committee engaged with the Trust and the Trust contributed to the evidence session as part of the scrutiny review on 'Transition arrangements from Children's to Adult Life', providing information on transition care planning.

#### **Fiona Abbott**

#### Principal Committee Officer, Health Scrutiny Lead Officer & Designated Scrutiny Officer

#### Suffolk Council Health Overview and Scrutiny Committee – received 6 May 2016

As has been the case in previous years, the Suffolk Health Scrutiny Committee does not intend to comment individually on NHS Quality Reports for 2016. This should in no way be taken as a negative response. The Committee has, in the main, been content with the engagement of local healthcare providers in its work over the past year. The Committee has taken the view that it would be appropriate for Healthwatch Suffolk to consider the content of the Quality Reports for this year, and comment accordingly.

#### County Councillor Michael Ladd Chairman of the Suffolk Health Scrutiny Committee



# Healthwatch Bedford Borough – received 17 May 2016

We recognise that Quality Report reports are important to our local community in Bedford Borough as they provide a way of reporting what has gone well, as well as giving us the opportunity to comment on where there may be scope for improvements.

We are pleased that issues raised in the past including access to podiatry and the uptake of flu vaccinations have been addressed.

We are aware that SEPT seeks feedback from members of the public so that they can respond positively to suggestions. This does not always come across in their public profile. We are concerned that their public profile is focused on their provision in Essex and the provision in Bedfordshire is to some extent overshadowed. A greater profile for Bedfordshire would demonstrate they are prepared to listen to and act upon concerns and thus empower their patients.

Meetings at both board and staff level have not been as regular this year as in the past and this is partly due to unforeseen circumstances. However, we have been assured that continuity in our partnership will be addressed and regular meetings will occur.

Healthwatch Bedford Borough believes that listening to the voices and the perspective of patients, service users, carers, and the wider community, is a vital component of providing good quality care. We will continue to support the work of SEPT in this regard.

#### Healthwatch Essex – received 20 May 2016

Healthwatch Essex is an independent organisation that works to provide a voice for the people of Essex in helping to shape and improve local health and social care services. We believe that health and social care services should use the lived experience of the people to improve services. Understanding what it is like for the patient, the service user and the carer to access services should be at the heart of transforming the NHS and social care as it meets

the challenges ahead of it.

We recognise that Quality Reports are an important way for local NHS services to report on their performance by measuring patient safety, the effectiveness of treatments that patients receive and patient experience of care. They present a useful opportunity for Healthwatch to provide a critical, but constructive, perspective on the quality of services, and we will comment where we believe we have evidence – grounded in people's voice and lived experience – that is relevant to the quality of services delivered by SEPT.

It is evident from the account that the annual Operational Plan and quality priorities for 2016/17 have been developed by listening to staff, stakeholders and the public. The priorities for improving patient experience include the early detection of deteriorating patients, and reduction in unexpected deaths. Both of these priorities have been carried forward from last year. The implementation of these should be informed by understanding the lived experience of patients. The Trust should ensure that it also collects and makes improvements based on patients' experiences of mental health care services, interactions with healthcare professionals, and experience of access and continuity of care.

The report looks at the progress made towards the priorities for 2015/16. The Trust has rolled out the Modified Early Warning System (MEWS) to support the early detection of deteriorating patients, setting a baseline for the 2016/17 target. However the Trust has failed to meet its target of reducing unexpected deaths. It is disappointing to note that despite the work to progress against the priority, incidents of suicide have increased.

Over half of the complaints received by SEPT are about south Essex mental health services, the number remains comparable to last year. The top three themes for complaints for both mental health and community during 2015/2016 were dissatisfaction with treatment, staff attitude and communication. In the Unified Friends and Family Test, SEPT's overall recommender score has decreased by 1% in 2015/16 from 2014/15. This is partly due to a decrease in the score for south Essex mental health services. SEPT should explore why the score for this service has decreased, by

understanding the lived experience of patients. Healthwatch Essex supports the Trust in these endeavours, and would encourage the Trust to capture qualitative insights of people's lived experiences of care, and to use this to continue to drive improvement.

Healthwatch Essex welcomes the section in this account on how SEPT have listened to feedback from service users, and made improvements. In the supplementary patient satisfaction questions, scores for the Trust increased for all questions, with the exception of the quality of food. SEPT recognises that the score for this category is low, and has set up a Task and Finish Group to review food provision.

Listening to the voice and lived experience of patients, service users, carers, and the wider community, is a vital component of providing good quality care and by working hard to evidence that lived experience we hope we can continue to support the work of SEPT.

#### Dr Tom Nutt Chief Executive Officer, Healthwatch Essex

## Healthwatch Southend – received 20 May 2016

We would like to thank South Essex Partnership Trust for inviting us to comment on their quality report 2015/16.

Throughout the last year Healthwatch Southend has continued to have positive relationships with Trust staff.

We have welcomed the opportunity to attend SEPT's South East Essex Mental Health Forum on a regular basis and are pleased that service users are given the opportunity to voice their opinions on the services they use.

SEPT is keeping us informed regarding new initiatives such as the planning for their Recovery College and their ongoing Mental Health Triage Service which is in conjunction with Essex Police. We will continue to monitor both schemes with interest to see what impact they have on

Southend residents over the coming year.

We remain responsive to any concerns and issues raised through our advocacy and advisory service regarding the Trust. The Complaints Team always liaise with Healthwatch Southend in a professional manner and continue to promote our service through their literature.

Our comments on the quality Report are as follows:

- We support the Trust's commitment to improving the overall experience and safety for patients, and for working towards better effectiveness. We commend their quality priorities for 2016/2017. We would welcome the opportunity of further collaboration with the Trust to support patient involvement in current and future service review and design.
- Healthwatch Southend congratulates SEPT on their CQC rating of Good and we are pleased that actions have already been put in place to address the areas which the Trust must improve on and look forward to an update in due course.
- We are encouraged by the continued promotion of the NHS Friends and Family Test and the use of mystery shoppers as Healthwatch Southend is passionate about the voice of patients being heard and lived experience being used to shape the SEPT services.
- The significant increase in unexpected deaths during the 2015/16 period is very concerning.
   We will be closely monitoring the steps taken to address this and look forward to seeing the finalised copy of the two year plan regarding this target.

Leanne Crabb Senior Officer Healthwatch Southend



#### SEPT Council of Governors' Statement on the Quality Report 2015/16 – received 18 May 2016

We have been invited to review the draft Quality Report for 2015/16. This has been undertaken by the Lead Governor coordinating thoughts and ideas from colleagues. This provides Governors with an opportunity to assure members of our Trust via the Annual Report to Members that quality is at the heart of what SEPT does and will not be compromised. We have to ensure that the priorities which were set for 2015/16, and which we highlighted in last year's report, have been met and are continuing to be taken forward.

We reported last year that the Trust Board engages in the processes relating to quality in the Trust, and we continue to hold the view that the Board treats quality as a top priority. We have attended 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.

With the current merger talks with North Essex Partnership NHS Foundation Trust, we have been consulted throughout and have emphasised the concern which our service users have expressed that there is a possibility that the quality of service provided (post-merger) could be lessened because of the increased workload on managers. We have been assured that the quality of our services will not be compromised but we shall be regularly seeking assurance that this is indeed the case.

We were especially pleased with the result of the Care Quality Commission inspection during the year of the Trust's services with its overall rating of 'Good', a rating achieved by only 25% of Trusts throughout the country. This reinforces our view as it comes from an independent source. With a few minor exceptions there were no significant quality issues brought to the attention of our Trust by the CQC. This is an excellent achievement and the Governors wish to congratulate all the staff for their hard work and commitment to high quality care.

In line with Department of Health objectives, the Trust has worked towards reducing all forms of restrictive practice and to eliminate all prone (face down) restraints. Whilst there has been a significant reduction in the use of restraints especially prone restraints, it is still necessary on occasions for this to be exercised. We understand that in some wards there have been a few patients with particularly challenging behaviour where the professional view of the staff has been to use prone restraint in order to protect the patient (and staff). We acknowledge the significant work which the Trust has undertaken and is continuing to take particularly with regards to training, and we will continue to seek assurance that other de-escalation techniques are used.

Turning to the issue of complaints we have requested a detailed breakdown of types of complaint received so we can be assured that there is no significant problem in any of the wide range of areas in which our Trust operates. We have asked that during the next year we should also be informed of the breakdown of compliments received (always very many more than complaints), again to identify if there is any trend and any good practice which can be embedded elsewhere in the Trust.

We note that the annual Staff Survey shows the Trust is performing even better in most areas than last year and well above the national average for Trusts of our type and that the Board is striving to improve these very impressive figures even further.

We appreciate the good working relationship which exists between the Board (both Executive and Non-Executive Directors) and the Council and the regular attendance and input which we have received from Directors, whose standard of report continues to be generally very high. We are also pleased that the Chief Executive, Sally Morris, holds regular briefing and open dialogue sessions with Governors in private prior to each Council meeting which provides the opportunity for Governors to be updated of topics of interest, local and/or national issues. Her close involvement with the Council is much appreciated.

We feel it is important to report to Members of our Trust on the continuing outstanding leadership provided by the Chair, Lorraine Cabel, whose commitment and dedication to the role is so closely associated with the willingness of the Directors and the Chief Executive to address problems as these are raised with any of the Governors, or by service users/carers direct. We are indeed fortunate to have such an outstanding individual leading our Trust.

A basic tenet for any hospital trust is that a service user's condition should not be worsened by being in its care. We can give an assurance that the Quality Report is an honest commentary on the last year which shows a Trust which continues to be high performing, and the Directors have agreed a set of priorities which will continue to support the essential requirement that, at SEPT, safety and quality comes first.

John Jones Lead Governor May 2016

#### ANNEX 2 - Statement of Directors' Responsibilities for the Quality Report / Account

The directors are required under the Health Act 2009 and the National Health Service (Quality Reports) Regulations to prepare Quality Reports 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 NHS 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 2015/16 and supporting guidance;
- the content of the Quality Report is not inconsistent with internal and external sources of information including:
  - board minutes and papers for the period April 2015 to May 2016
  - papers relating to Quality reported to the board over the period April 2015 to May 2016
  - feedback from commissioners received 18 and 20 May 2016
  - feedback from Governors received 18 May 2016
  - feedback from local Healthwatch organisations received 17 and 20 May 2016
  - feedback from Overview and Scrutiny Committees received 6, 16 and 20 May 2016
  - the Trust's Complaints Report appertaining to 2015/16 published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009 dated May 2016 and presented to the Board of Directors on 25 May 2016
  - the 2015 national patient survey published in October 2015 and presented to the Board of Directors on 25 November 2015
  - the 2015 national staff survey published on 23 February (updated 22 March) 2016 and presented to the Board of Directors on 30 March 2016
  - the Head of Internal Audit's annual opinion over the trust's control environment dated 13 May 2016.
  - CQC Intelligent Monitoring Reports dated June 2015 and February 2016
- 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 manual and supporting guidance (which incorporates the Quality Reports regulations) as well as the standards to support data quality for the preparation of the Quality Report.

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

By order of the board

NB: sign and date in any colour ink except black

Date: 25/05/2016

Louraine Cabel

(Chairman)

173

(Chief Executive)

Date: 25/05/2016

# ANNEX 3 - Independent Auditor's Report to the Council of Governors of South Essex Partnership University NHS Foundation Trust on the Annual Quality Report

# 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 2016 (the 'Quality Report') and certain performance indicators contained therein.

#### Scope and subject matter

The indicators for the year ended 31 March 2016 subject to limited assurance consist of the national priority indicators as mandated by Monitor:

- Patients on Care Programme (CPA) followed up within seven days of discharge from Psychiatric Inpatient Stay; and
- Delayed Transfers of Care (DTOCs).

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

#### Respective responsibilities of the directors and auditors

The directors are responsible for the content and the preparation of the quality report in accordance with the criteria set out in the 'NHS Foundation Trust Annual Reporting Manual' issued by Monitor.

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

- the quality report is not prepared in all material respects in line with the criteria set out in the 'NHS Foundation Trust Annual Reporting Manual' and supporting quidance
- the quality report is not consistent in all material respects with the sources specified in the SEPT Quality Report 2015/16 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 supporting guidance 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 [either refer back to the specified documents in the guidance, or list those documents below:

- Board minutes for the period April 2015 to the date of signing of this limited assurance opinion
- papers relating to quality reported to the Board over the period April 2015 to the date of signing

of this limited assurance opinion

- feedback from Commissioners: received 18 and 20 May 2016
- feedback from Governors: received 18 May 2016
- feedback from local Healthwatch organisations: received 17 and 20 May 2016
- feedback from Overview and Scrutiny Committee: received 6, 16 and 20 May 2016
- the Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, for period April 2015 to March 2016, dated May 2016
- the national patient survey, presented to the Board of Directors on 25 November 2015
- the national staff survey, dated 23 February 2016 (updated 22 March 2016)
- Care Quality Commission Intelligent Monitoring Reports, dated June 2015 and February 2016
- the Head of Internal Audit's annual opinion over the Trust's control environment: dated 13 May 2016; 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 2016, 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, except where terms are expressly agreed and with our prior consent in writing.

#### **Assurance work performed**

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

- evaluating the design and implementation of the key processes and controls for managing and reporting the indicators
- making enquiries of management
- limited testing, on a selective basis, of the data used to calculate the 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 affect comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision of these criteria, may change over time. It is important to read the quality report in the context of the criteria set out in the 'NHS foundation trust annual reporting manual'. 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 2016:

- 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' and supporting guidance
- the Quality Report is not consistent in all material respects with the sources specified in the SEPT Quality Report 2015/16 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' and supporting guidance.

**Ernst and Young LLP** 

Luton

Date: 26/05/2016



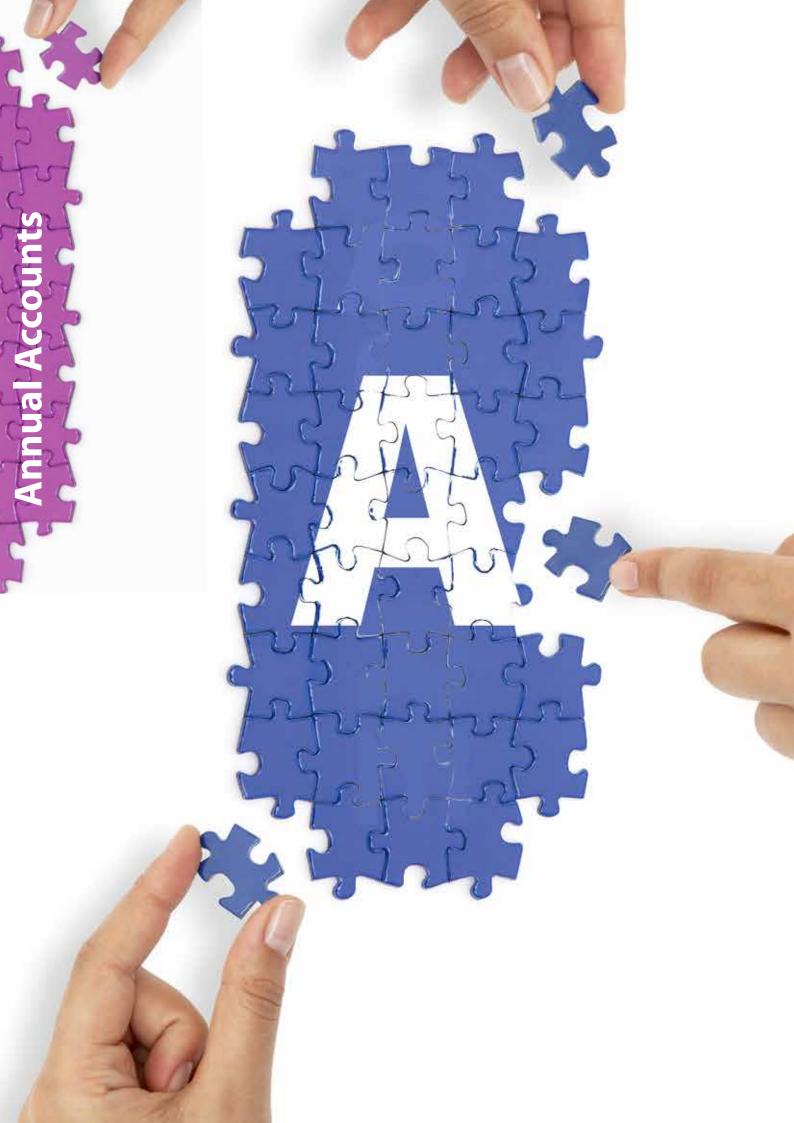


# Glossary

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
CHS	Community Health Services
СРА	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
EIS	Early Intervention Service
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
MEWS	Modified Early Warning System
MHS	Mental Health Services
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
РОМН	Prescribing Observatory for Mental Health



PRN	A shortened form of the Latin phrase pro re nata, which translates roughly as 'as the thing is needed – means a medication that should be taken only as needed
Quality Reports	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
SYSTM1	System One Computerised System
UTI	Urinary Tract Infection
VTE	Venous Thromboembolism – blood clots



# South Essex Partnership University NHS Foundation Trust ANNUAL ACCOUNTS 2015/2016

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# Statement of the 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;
- ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance; and
- prepare the financial statements on a going concern basis.

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

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

Signed:	Date:	25/05/16
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Sally Morris
Chief Executive



### ANNUAL GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

### 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, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the NHS Foundation Trust for the year ended 31 March 2016 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 Sub Committee (EOSC) which is a sub-committee of the Finance and Performance Committee, a standing committee of the Board of Directors. This committee and the Quality 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 best practice requirements. Training and guidance is provided in various media formats to staff including e-learning, face to face, 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 and Assurance Framework details SEPT's risk management arrangements. It was reviewed and approved by the Finance and Performance Committee on behalf of the Trust's Board of Directors in February 2015. It confirms accountability arrangements for individuals including executive directors, risk specialists, managers and all staff. Risk registers at Board, Corporate and Directorate level are in place and there is an effective risk identification and assessment process to support these. Potential risks are identified and fed from a wide variety of sources including, incidents/accidents, internal and external reviews, risk assessment, performance information, claims, complaints and staffing trends.

The framework outlines how risks are prioritised in a consistent manner throughout the organisation, including the potential impact should the risk materialise and an assessment of the likelihood that the risk will materialise. The framework details the ways in which controls are identified, and how assurance is provided and evaluated. Risk appetite of the Trust is defined by the identification of a target risk score. The Trust manages it's most significant current and future potential risks through a Board Assurance Framework (BAF). During 2015-16 this has included potential risks associated with learning from serious incidents, care planning and quality of records, maintaining CQC compliance, recruitment of staff, achievement of the financial plan, delivery of the cost improvement programme and transformation programmes, and the implementation of new initiatives including the duty of candour and "safer staffing".

Future significant potential risks are identified as part of the strategic planning process that supports development of the Trust's forward plans. For 2016-17 the most significant future risks identified by the Board relate to delivery of the Trust's financial plan (and cost improvement plan), reducing the use of bank and agency staff and the potential merger between SEPT and North Essex Partnership Trust.

Each potential risk identified is owned by an Executive Director. Mitigation strategies will vary and each risk identified on the BAF is supported by a robust action plan presented to and approved by the Executive Operational Sub Committee on a monthly basis.

The Board of Directors has continued to develop SEPTs systems and processes for monitoring and improving quality. The Quality Committee has responsibility for overseeing action that continually enhances the quality governance arrangements in place. The trusts Quality Strategy has been reviewed and supporting workstreams continued to be implemented during 2015-16 including the establishment of a Quality Academy to enable and promote quality improvement. The Trusts Information Assurance Framework continues to provide assurance on the quality of information used by the Board to monitor quality performance and this is based on independent increased internal audit of data quality.

The Board of Directors has put in place a process to assure itself of the validity of its Corporate Governance Statement as required under NHS foundation trust condition 4(8)(b). The Finance and Performance Committee has responsibility for undertaking an annual self-assessment process of compliance with the requirements of the statement and for making a recommendation to the Board of Directors. As at the end of March 2016 no significant gaps in compliance or risks were identified. Internal audit completed an independent review of evidence available to support compliance with the statement and a "substantial assurance" opinion was provided to support the recommendation from the Finance and Performance Committee.

Risks relating to data security are managed by the Director of IT in accordance with the Risk Management and Assurance Framework, Adverse Incident Policy and Procedure, the Information Governance & Security Policy and Information Security Incident Management Procedure. The Information Governance Steering Sub Committee monitors progress against identified actions and controls in place and provides assurance reports to the Quality Committee. The Director of ITT has confirmed no information governance incidents classified as Level 2 in the Information Governance Incident Reporting Tool have occurred.

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 Committee and the EOSC. A system is in place to ensure weekly monitoring of moderate harm incidents further investigation is undertaken as required. 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. Quality Impact Assessments and Equality Impact Assessment systems have been developed to ensure that decisions that are made are fair and representative. Policy authors are asked to undertake an impact assessment. Where this identifies a potential risk to a protected characteristic group.

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 regular meetings.

The foundation trust is fully compliant with the registration requirements of the Care Quality Commission. The Trust maintains an overarching assurance database that maps internal and external intelligence on quality to understand where action may be required to prevent lapses in compliance with the fundamental standards of quality and safety. Assurance on compliance with the standards is obtained through service reviews undertaken by the Compliance Team. Regular quality visits by Non-Executive, Executive Directors and Governors also take place. Actions from reviews and visits are monitored until completed. The CQC undertook a comprehensive inspection in June 2015 and as a result the Trust was rated "good". Overall areas identified for improvement are being actioned and progress is robustly monitored and reported to the Quality Committee.

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 EOSC has responsibility for overseeing the day-to-day operations of the Trust and for ensuring that resources are being used economically, efficiently and effectively. The Finance and Performance and Quality Committees scrutinise quality, clinical (including workforce) and financial performance each month and provide the Board with assurance that performance is acceptable or that risks are being managed.

### **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.

The Executive Director of Clinical Governance and Quality has led the continual development of the Quality Report and has supported the Board in determining the quality priorities that it contains. Robust systems are in place to monitor performance against the quality indicators, metrics and priorities set out in the Quality Report in year and for ensuring that the Quality Report is consistent with reports received in year.

The Quality Report is circulated to our key stakeholders (commissioners, health overview and scrutiny committees and Healthwatch) as well as our Council of Governors and their comments on content are included in the final published version.

The Trust has a wide range of policies and procedures in place to ensure that the quality of care provided meets the standard expected by the Board of Directors and that services are compliant with legal, regulatory, contractual and best practice requirements.

There are plans, strategies and frameworks in place in the Trust to continually improve the quality of services. Examples include our Nursing Strategy; our Quality Strategy, our Workforce Strategy and our Patient and Carer Experience Framework.

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. Roles and responsibilities in relation to service and data quality are clearly defined and where appropriate incorporated into job descriptions.

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.

External independent assurance has been sought on the content of the Quality Report and of the quality of data that supported reporting of performance against three of the KPIs contained within it.



### **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, the Quality Committee and the Finance and Performance Committee 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:

- There is a comprehensive programme of Internal Audit in place aligned to key areas of potential financial and operational risk.
- The Audit Committee has met regularly and carried out its responsibilities effectively in line with its terms of reference and the Audit Committee Handbook.
- A Clinical Audit programme is in place to drive up quality standards. An annual report of results is produced and re-audit is undertaken if results require it.
- An efficacy review was undertaken and implemented of the sub-committees of the Board of Directors to ensure that they were meeting their terms of reference.
- Internal Audit conducted a review of the Trust's Board Assurance Framework in March 2016. The auditors provided a "full assurance" opinion and confirmed that "There is a sound system of internal control designed to achieve the Trust's objectives and the control processes tested are being consistently applied." No recommendations for action were identified.

### Conclusion

No significant control issues have been identified.

Sally Morris
Chief Executive



## INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF GOVERNORS OF SOUTH ESSEX PARTNERSHIP UNIVERSITY NHS FOUNDATION TRUST

### Certificate

We certify that we have completed the audit of the financial statements 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 Code of Audit Practice issued by the National Audit Office on behalf of the Comptroller and Auditor General (C&AG).

### Our opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of South Essex Partnership University NHS Foundation Trust's affairs as at 31 March 2016 and of its income and expenditure and cash flows for the year then ended; and
- have been prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2015/16 and the directions under paragraph 25 of Schedule 7 of the National Health Service Act 2006.

### What we have audited

South Essex Partnership University NHS Foundation Trust's financial statements comprise:

- the Trust's Statement of Comprehensive Income;
- the Trust's Statement of Financial Position:
- the Trust's Statement of Changes in Taxpayers' Equity;
- the Trust's Statement of Cash Flows; and
- the related notes 1 to 35.

The financial statements have been prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2015/16 issued by Monitor. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS), as adopted by the European Union and HM Treasury's Financial Reporting Manual (FReM) to the extent that they are meaningful and appropriate to NHS foundation trusts.



### Overview of our audit approach

Risks of material	Risk of fraud in revenue recognition
misstatement	Risk of management override
	Bedfordshire and Luton demerger
Audit scope	We have performed a full audit on the Trust's financial statements.
Materiality	<ul> <li>Overall Trust materiality is £5.02 million which represents 2% of gross operating expenditure.</li> </ul>

### Our assessment of risk of material misstatement

We identified the risks of material misstatement described below as those that had the greatest effect on our overall audit strategy, the allocation of resources in the audit and the direction of the efforts of the audit team. In addressing these risks, we have performed the procedures below which were designed in the context of the financial statements as a whole and, consequently, we do not express any opinion on these individual areas.

### recognition

Under ISA240 there is a presumed risk that revenue may be misstated due to improper recognition of revenue. In the public sector, this requirement is modified by Practice Note 10, issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition.

### We:

- Reviewed and tested revenue and expenditure recognition policies;
- Reviewed and discussed with management any accounting estimates on revenue or expenditure recognition for evidence of bias:
- Developed a testing strategy to test material revenue and expenditure streams,
- Reviewed and tested revenue cut-off at the period end date; and
- Reviewed Department of Health agreement of balances data and investigated significant differences (above £0.25 million).

We gained sufficient audit assurance over the entries in the financial statements and we have no issues to report. Our procedures did not identify any significant financial penalties related to contract performance.

## Risk of management override

As identified in ISA (UK and Ireland) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We identify and respond to this fraud risk on every audit engagement.

### We:

- Tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements;
- Reviewed accounting estimates for evidence of management bias; and
- Evaluated the business rationale for any significant unusual transactions.

We did not identify any significant unusual transactions.

We gained sufficient audit assurance over the entries in the financial statements and we have no issues to report.

In the prior year, our auditor's report included two risks of material misstatement in relation to the valuation of property, plant and equipment and accounting for the Local Government Pension Scheme. Both of these risks were directly linked to the Bedfordshire and Luton demerger, and therefore specific to 2014/15. We identified the accounting for the demerger as a risk this year and have noted above the procedures undertaken and our conclusion to the Audit Committee.



### The scope of our audit

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit strategy and scope. In assessing the risk of material misstatement to the financial statements, we focus audit effort towards higher risk areas, such as management judgements and estimates and balances that are considered significant based on value and complexity. We ensure that our audit provides adequate assurance of these significant accounts identified.

The audit team follows a programme of work to ensure we have obtained an understanding of; the entity-level controls of the Trust and the Trust's system, including documentation and walking through key financial systems which assisted us in identifying and assessing risks of material misstatement due to fraud and error, as well as assisting us in determining the most appropriate audit strategy.

We were provided with sufficient access to the Trust to ensure appropriate audit procedures could be completed.

### Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

### Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Trust to be £5.02 million (2015: £4.8 million), which is 2% (2015: 1.5%) of gross operating expenditure. We believe that gross operating expenditure to be one of the principal considerations for stakeholders in assessing the financial performance of the Trust.

### Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Trust's overall control environment, our judgement was that performance materiality was 75% (2015: 75%) of our planning materiality, namely £3.765 million (2015: £3.5 million). We have set performance materiality at this percentage due to the Trust's history of not having any material errors within the financial statements.



### Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £0.25 million (2015: £0.2 million), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

### 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Respective responsibilities of accounting officer 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.

Opinion on other matters prescribe by the Code of Audit Practice issued by the NAO In our opinion:

- the information given in the performance report and accountability report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the parts of the Remuneration and Staff report identified as subject to audit has been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2015/16.



### Matters on which we report by exception

The Code of Audit Practice requires us to report to you if:

We issue a report in the public interest under schedule 10(3) of the National Health Service Act 2006;	We have no exceptions to report.
We refer the matter to Monitor under schedule 10(6) of the National Health Service Act 2006 because we have reason to believe that the Trust, or a director or officer of the Trust, is about to make, or has made, a decision involving unlawful expenditure, or is about to take, or has taken, unlawful action likely to cause a loss or deficiency	We have no exceptions to report.
We are not satisfied that the Trust has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources as required by schedule 10(1)(d) of the National Health Service Act 2006	We have no exceptions to report.

### Other matters on which we report by exception

NHS Foundation Trust Annual Reporting Manual 2015/16 and ISAs (UK and Ireland) reporting	<ul> <li>We are required to report to you if, in our opinion, information in the Annual Report is:</li> <li>materially inconsistent with the information in the audited financial statements; or</li> <li>apparently materially incorrect based on, or materially inconsistent with, our knowledge of the NHS Foundation Trust acquired in the course of performing our audit; or</li> <li>otherwise misleading.</li> </ul>	We have no exceptions to report.
	<ul> <li>In particular, we consider if:</li> <li>we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the annual report is fair, balanced and understandable; or</li> <li>whether the annual report appropriately discloses those matters that were communicated to the Audit Committee which we consider should have been disclosed.</li> </ul>	

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### Code of Audit Practice issued by the NAO

We are required to report to you if we have been unable to satisfy ourselves that:

- the Annual Governance Statement, and other information published with the financial statements meets the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2015/16 and is not misleading or inconsistent with other information forthcoming from the audit; and
- proper practices have been observed in the compilation of the financial statements.

We have no exceptions to report.

### Who we are reporting to

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 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.

Debbie Hanson for and on behalf of Ernst & Young LLP, Statutory Auditor Luton 26th May 2016



### FOREWORD TO THE ACCOUNTS

### South Essex Partnership University NHS Foundation Trust

South Essex Partnership University NHS Foundation 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 Finance Officer
South Essex Partnership University NHS Foundation Trust
Trust Head Office
The Lodge
The Chase
Wickford
Essex SS11 7XX

Telephone: 01268 366000

- any the	25/05/16
Signed:	Date:

Sally Morris
Chief Executive



# STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2016

	NOTE	2015/16 £000	2014/15
INCOME FROM ACTIVITIES	NOTE	£000	£000
Operating income from continuing operations	3	238,901	311,066
Other operating income from continuing operations	4	19,475	13,752
Operating expenses of continuing operations	5	(251,044)	(317,028)
Operating surplus (deficit) for the year	J	7,332	7,790
FINANCE COST		7,332	7,730
Finance income	9	164	593
Finance expense - financial liabilities	9	(2,523)	(3,082)
Finance expense - unwinding of discount on provisions	9	(75)	(60)
PDC dividends	9	(3,301)	(4,466)
Net finance cost		(5,735)	(7,015)
Movement in fair value of investment property	12	2,273	541
*Gain/ (loss) from transfer by absorption	2	(36,816)	0
Surplus/(Deficit) from continuing operations for the ye	ar	(32,946)	1,316
OTHER COMPREHENSIVE INCOME (LOSSES)			
Impairments		0	(367)
Revaluations	11	218	18,955
Other recognised gains and losses		0	0
Remeasurements of net defined benefit pension scheme	7	2,938	(1,357)
Other reserve movements	25	(2)	0
TOTAL COMPREHENSIVE INCOME (EXPENSES) FOR T	ГНЕ		
YEAR		(29,792)	18,547

<sup>\*</sup> Technical net loss recognised on transfer of non-current assets i.e. land, building and equipment with a net book value of £36.8 million to the receiving NHS body, in line with the Transfer by Absorption accounting guidelines. Details of transfer are in note 2.

The notes on pages 6 to 56 form part of these accounts. All income and expenditure is derived from continuing operations.



# STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016

\$ 1 mm at 2015		2015/16	2014/15
	NOTE	£000	£000
NON CURRENT ASSETS			
Intangible assets	10	2,556	2,509
Property, plant and equipments	11	134,803	175,606
Investment property	12	15,293	10,400
Total non-current assets		152,652	188,515
CURRENT ASSETS			
Inventories	15	555	453
Trade and other receivables	14	18,634	11,492
Assets held for sale	16	325	740
Cash and cash equivalents	17	41,748	50,911
Total current assets		61,263	63,596
CURRENT LIABILITIES			
Trade and other payables	19	(29,568)	(31,686)
Borrowings	21	(828)	(827)
Provisions	22	(2,151)	(3,015)
Other current liabilities	20	(1,645)	(2,118)
Total current liabilities		(34,192)	(37,646)
TOTAL ASSETS LESS CURRENT LIABILITIES		179,723	214,465
NON CURRENT LIABILITIES			
Borrowings	21	(29,512)	(30,339)
Provisions	22	(5,200)	(3,629)
Other non current liabilities	20	0	(4,296)
Total non-current liabilities		(34,712)	(38,264)
TOTAL ASSETS EMPLOYED		145,011	176,201
FINANCED BY: TAX PAYERS EQUITY			
Public dividend capital	24	97,339	98,737
Revaluation reserve	25	45,346	60,981
Income and expenditure reserve	25	2,326	16,483
TOTAL TAX PAYERS EQUITY		145,011	176,201

The Financial statements on pages 6 to 56 were approved by the Board on 25 May 2016 and signed on its behalf by,

Signed:

Sally Morris
Chief Executive



Date: 25/05/16

# **TAXPAYERS EQUITY AT 31 MARCH 2016**

### STATEMENT OF CHANGES IN TAXPAYERS' EQUITY AT 31 MARCH 2016

TAXPAYERS EQUITY AT 01 APRIL 2015
Surplus/(deficit for the year)
Transfers by NORMAL absorption: transfers between reserves
Impairments
Transfers between reserves
Transfer to retained earnings on disposal of assets
Revaluations - property, plant and equipment
Remeasurements of defined net benefit pension scheme liability / asset
Public Dividend Capital received
Public Dividend Capital repaid
Other recognised gains and losses
Other reserve movements

Total	Public Dividend Capital	Revaluation Reserve	Income and Expenditure Reserve
£000	£000	£000	£000
176,201	98,737	60,981	16,483
(32,946)	0	0	(32,946)
0	0	(14,739)	14,739
0	0	0	0
0	0	(1,110)	1,110
0	0	(4)	4
218	0	218	0
2,938	0	0	2,938
2	2	0	0
(1,400)	(1,400)	0	0
0	0	0	0
(2)	0	0	(2)
145,011	97,339	45,346	2,326

### STATEMENT OF CHANGES IN TAXPAYERS' EQUITY AT 31 MARCH 2015

### **TAXPAYERS EQUITY AT 01 APRIL 2014**

Surplus/(deficit for the year)

Transfers by NORMAL absorption: transfers between reserves

Impairments

Transfers between reserves

Revaluations - property, plant and equipment

Remeasurements of defined net benefit pension

scheme liability / asset

Transfer to retained earnings on disposal of assets

Public Dividend Capital received

Other reserve movements

**TAXPAYERS EQUITY AT 31 MARCH 2015** 

Total	Public Dividend Capital	Revaluation Reserve	Income and Expenditure Reserve	
£000	£000	£000	£000	
157,454	98,537	42,787	16,130	
1,316	0	0	1,316	
0	0	0	0	
(367)	0	(367)	0	
0	0	(97)	97	
18,955	0	18,955	0	
(1,357)	0	0	(1,357)	
0	0	(297)	297	
200	200	0	0	
0	0	0	0	
176,201	98,737	60,981	16,483	



### STATMENT OF CASH FLOWS AS AT 31 MARCH 2016

		2015/16	2014/15
	NOTE	£000	£000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating surplus/(deficit) from continuing operations		7,332	7,790
Non-cash income & expenses			
Depreciation and amortisation		3,486	5,348
(Gain)/loss on disposal		(2)	149
On SoFP pension liability - employer contributions paid less net charge to the SOCI		(1,358)	(771)
(Increase)/decrease in trade and other receivables		(7,073)	580
(Increase)/decrease in inventories		(102)	(17)
Increase/(decrease) in trade and other payables		(2,001)	7,063
Increase/(decrease) in other liabilities		(220)	(14)
Increase/(decrease) in provisions		632	764
Other movements in operating cash flows		2	(142)
Net cash generated from/(used in) operations		695	20,750
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		175	160
Purchase of intangible assets		(425)	(569)
Purchase of property, plant and equipment and investment		`	1
property		(1,029)	(1,618)
Sales of property, plant and equipment and investment property		2	709
Net cash generated from (used in) investing activities		(1,277)	(1,318)
CASH FLOWS FROM FINANCING ACTIVITIES			
Public dividend capital received		2	200
Public dividend capital repaid		(1,400)	0
Capital element of PFI, LIFT and other service concession payments		(830)	(853)
Interest element of PFI, LIFT and other service concession		/a == :·	/2
obligations		(2,526)	(2,500)
PDC dividend paid		(3,827)	(3,990)
Net cash generated from (used in) financing activities		(8,581)	(7,143)
Increase (decrease) in cash and cash equivalents		(9,163)	12,289
CASH AND CASH EQUIVALENTS AT 1 APRIL		50,911	38,622
CASH AND CASH EQUIVALENTS AT 31 MARCH		41,748	50,911

### 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 Annual Reporting Manual which shall be agreed with the Secretary of State. Consequently, the following financial statements have been prepared in accordance with the 2015/16 NHS Foundation Trust Annual Reporting Manual issued by Monitor. The accounting policies contained in that manual follow International Financial Reporting Standards (IFRS) and HM Treasury's FReM to the extent that they are meaningful and appropriate to NHS Foundation Trusts. The accounting policies have been applied consistently in dealing with items considered material in relation to the 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.

### 1.2.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and financial liabilities.

### 1.3 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 assets held for sale 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. The current year's contributions are in note 6.1 below. The expected contributions for the next financial year are approximately £16m.

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 valuation.

Land and buildings used for the Trusts services or for administrative purposes are stated in the balance at their revalued amounts. 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. Values are determined as follows.

Land and non-specialised buildings - current value in existing use

Specialised buildings - depreciated replacement cost

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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 last full valuation was carried out as at 31 March 2015 by the District Valuer. The District Valuer is a professionally qualified Valuer and works in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual'.

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. An item of property, plant and equipment which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 or IFRS 5.

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.

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 revalued 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

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably. Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income in the period in which it is incurred.

### Depreciation

Items of Property, Plant and Equipment are depreciated over their remaining useful 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.

		Minimum Useful Life	Maximum Useful Life
Main Asset Category	Sub Category	(in years)	(in years)
Buildings - owned	Structure	8	82
	Building finishes	8	68
	Engineering and installations	3	47
	Fixtures and fittings	8	68
	External works	5	82
Buildings - PFI schemes	Structure	59	60
	Building finishes	59	60
	Engineering and installations	26	28
	Fixtures and fittings	59	60
	External works	43	43
Plant, machinery and equipment	Medical and surgical equipment	5	15
	Office equipment	5	5
	IT Hardware	5	10
	Other engineering works	5	15
Furniture and fitting	Furniture	10	10
	Soft furnishings	7	7
Motor vehicles		7	7

# Accounts

### **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 Held for Sale

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'. 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.

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 Statement of Financial Position' by the Trust. In accordance with IAS17, 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 current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. 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'. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 or IFRS 5.

Intangible assets held for sale are measured at the lower of their carrying amount or "fair value less costs to sell".

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	5	15

### 1.8 Investment Properties

Investment Properties are those assets which are held solely for the purpose of generating rental income or capital appreciation within the meaning of IAS 40. On initial recognition, Investment Properties are measured at fair value and are subsequently re-valued annually, with any gain or loss arising being dealt with in the Statement of Comprehensive Income, in accordance with IAS40.

The Trust currently has properties which are leased to housing associations, other NHS organisations and private tenants, following the decommissioning of the services that were previously rendered from these properties.

### 1.9 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.

### 1.10 Inventories

Inventories are stated at lower of cost and net realisable value.

### 1.11 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.

# Accounts

### 1.12 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 1.37% for early retirement provisions and for general provisions, the HM Treasury's discount rate used is dependent on the timing of future cashflows i.e. -1.55% for short term, -1.00% for medium term and -0.80% for long term.

### 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 21.

### 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.

### 1.13 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 28 where an income of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 28, 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.

### 1.14 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 cost of capital utilised by the NHS foundation trust, is payable 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 during the financial year.

Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for (i) donated assets (including lottery funded assets), (ii) average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, and (iii) any PDC dividend balance receivable or payable. In accordance with the requirements laid down by the Department of Health (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

### 1.15 Pension costs

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

### a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and are accepted as providing suitably robust figures for financial reporting purposes. The valuation of scheme liability as at 31 March 2016 is based on valuation data as at 31 March 2015, updated to 31 March 2016 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the scheme actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Pension Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

### b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account their recent demographic experience), and to recommend contribution rates payable by employees and employers.

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012.

The Scheme Regulations allow for the level of contribution rates to be changed by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate.

### c) Scheme provisions

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

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

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

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. From 2011-12 the Consumer Price Index (CPI) has been used and replaced the Retail Prices Index (RPI).

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's pensionable pay for death in service, and five times their annual pension for death after retirement is payable.

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to the employer.

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

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

The Trust's membership of the Scheme ceased on 31 March 2015, as a result of the respective staff members of the Scheme TUPE'ing across to East London NHS Foundation Trust, as part of the transfer of the Bedford and Luton mental health, learning disabilities, CAMHS, intermediate and community health services. The Trust has settled the net liability due as at cessation date and has no future obligations to the Scheme.

### 1.16 Taxation

South Essex Partnership NHS Foundation Trust is a Health Service body within the meaning of s519AlCTA 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.

### 1.17 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.

### 1.18 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 FReM.

### 1.19 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.

### 1.20 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.

### 1.21 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 in expenditure on an accruals basis, 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).

### 1.22 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.

### **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 and Intangible Assets

The depreciation of Buildings is based on the value and life of the assets as periodically determined by the District Valuer.

The depreciation of other assets is based on the value and life of the assets in line with the accounting standard, IAS 16 *Property, Plant and Equipment*. The Standard requires that the useful life of an asset be reviewed regularly and, if expectations differ from previous estimates, any change is accounted for prospectively as a change in estimate under the Accounting Standard, IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.

Consolidation of SEPT Charity Accounts with the Trust Accounts

The accounting standards require consolidation of a group of entities under the control of a parent where there exists the power to govern the financial and operational policies of an entity so as to obtain benefits from its activities. As the Trust is a corporate trustee of the South Essex Partnership NHS Foundation Trust General Charitable Fund, hence controls it, and the purpose of the Charity is to assist NHS patients, hence the Trust benefits from its activities, the requirements of the relevant accounting standards is normally applicable in the preparation of the Trust Accounts.

However, In line with IAS 1, Presentation of Financial Statements, specific disclosure requirements set out in individual accounting standards or interpretations need not be satisfied if the information is not material. The net assets of the Charity are 1.2% of the Trust's total assets employed, and are therefore not considered to be material in the context of the Trusts wider accounts. As such, the Board of Trustees have noted and approved that the Charity Accounts

will not be consolidated into the main Trust Accounts for 2015/16. This will be subject to an annual materiality review each financial year.

### 1.23 Change in Accounting Estimate

This financial year, the Trust has reviewed the useful lives of the IT assets and identified a number of assets where the expectations of the length of useful lives of the assets exceed previous estimates. Therefore the carrying amounts of the IT assets have been adjusted, as a result of the adjustment of the useful lives, in line with current expectations of the future benefits associated with the assets. This is reflected in the Intangible Assets amortisation amount in note 9 and the Information Technology depreciation amount in note 10.

### 1.24 Change in Accounting Policy

The Accounting Policy regarding the maximum length of useful lives (in years) which the Trust applies in depreciating and amortising its tangible and intangible assets respectively has been revised. This does not apply to building assets as they are based on the latest valuations received from the district valuer. The policy has been amended to ensure that each asset category continues to accurately reflect any change resulting from periodically reassessing the expected future benefits associated with assets. The maximum useful economic life (in years) has been increased from 5 to 10 for IT Hardware as shown in the Depreciation table in note 1.6 above and from 5 to 15 for Software as shown in the Amortisation table in note 1.7 above. This change in accounting policy does not require any retrospective change in the Trust prior year Financial Statements, as there is no retrospective change in accounting estimate.

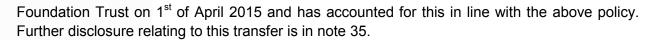
### 1.25 Transfers of functions to / from other NHS bodies / local government bodies

For functions that have been transferred to the trust from another NHS/local government body, the assets and liabilities transferred are recognised in the accounts as at the date of transfer. The assets and liabilities are not adjusted to fair value prior to recognition. The net gain/loss corresponding to the net assets/liabilities transferred is recognised within income/expenses, but not within operating activities.

For property plant and equipment assets and intangible assets, the cost and accumulated depreciation/amortisation balances from the transferring entity's accounts are preserved on recognition in the trust's accounts. Where the transferring body recognised revaluation reserve balances attributable to the assets, the trust makes a transfer from its income and expenditure reserve to its revaluation reserve to maintain transparency within public sector accounts.

For functions that the trust has transferred to another NHS/local government body, the assets and liabilities transferred are de-recognised from the accounts as at the date of transfer. The net loss/gain corresponding to the net assets/liabilities transferred is recognised within expenses/income, but not within operating activities. Any revaluation reserve balances attributable to assets de-recognised are transferred to the income and expenditure reserve. Adjustments to align the acquired function to the foundation trust's accounting policies are applied after initial recognition and are adjusted directly in taxpayers' equity.

The Trust has transferred the Bedfordshire and Luton mental health, learning disabilities, CAMHS, intermediate and community health services functions to the East London NHS



### 1.26 Operating Segments

Under International Financial Reporting Standards, operating segments are components of an entity that engage in separate revenue earning activities, have discrete financial information available, and whose results are reviewed regularly by the entity's chief operating decision maker. Activities or departments of an organisation that earn no or incidental revenues would not be 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 of the Trust is the Trust Board.

The Trust's activities constitute a single segment of healthcare activity provided wholly in the UK, are subject to similar risks and rewards and all assets are managed as one central pool. And this is consistent with the Trust's monthly financial report to the Trust Board.

### 1.27 Limitation of auditor's liability

In line with guidance from the Financial Reporting Council, the Trust's external auditors, Ernst & Young LLP, have limited their liability in respect of their external audit work. The limitation on auditors' liability for external audit work is £5m.

### 2 Transfer of Services

The Luton and Bedfordshire Clinical Commissioning Groups appointed the East London NHS Foundation Trust (ELFT) to provide mental health, learning disabilities, CAMHS, intermediate and community health services with effect from 1st April 2015. These services were previously provided by the Trust and in accordance with Monitors NHS Foundation Trust Annual Reporting Manual, this transfer of services has been accounted for as a Transfer by Absorption.

As a result of the transaction, the Trust's income base has reduced by £56 million in respect of the two main contracts held with Bedford CCG and Luton CCG. Also a total of 1,011 staff TUPE'ed across to ELFT which equates to an approximate annual pay cost of £48 million.

In addition, the Trust ceased its membership of the Local Government Pension Scheme (LGPS) to which a number of Bedford and Luton social workers belonged. This required the Trust to settle its pension liabilities totaling £2.3 million during 2015/16 based on the final cessation valuation received from the actuaries. All future liabilities in respect of the LGPS pension have transferred to ELFT.

In addition, the Trust transferred non-current assets i.e. land, buildings and equipment with a net book value of £36.8 million to ELFT and recognized this as a net loss within the Statement of Comprehensive Income, in line with the Transfer by Absorption accounting guidelines. The trust also made a net final cash settlement of £55k for the current assets and liabilities that transferred to ELFT.

The above transfer has had no impact on the operational performance of the residual Trust services.

### 3 Operating Income from continuing operations

### 3.1 Provision of Healthcare Services

Cost and volume contract income
Mental Health Block contract income
Clinical partnerships providing mandatory services
Other clinical income from mandatory services
Community Income from CCGs and NHS England
Community Income from other sources
Additional income for delivery of healthcare services
Other clinical income

2015/16
£ 000
22,103
84,291
-
9,108
90,163
20,060
1,400
11,776
238,901

2014/15
£ 000
22,634
144,043
6,287
6,054
104,371
4,891
-
22,786
311,066

### 3.2 Source of Income from Activities

NHS Foundation Trusts
NHS Trusts
CCGs and NHS England
Local authorities
Department of Health - other
Additional income for delivery of healthcare services
NHS other
Non NHS: Other

2015/16					
£ 000					
3,430					
266					
210,843					
14,123					
8					
1,400					
-					
8,831					
238,901					

2014/15				
£ 000				
2,486				
366				
278,534				
15,106				
6				
-				
211				
14,357				
311,066				

### 3.3 Income from Commissioner Requested Services

Under the Trust's Provider Licence, the Trust is required to provide commissioner requested services. The allocation of operating income between commissioner requested services and non-Commissioner Requested Services is detailed below,

Commissioner Requested Services
Non Commissioner Requested Services

2015/16
£ 000
227,125
11,776
238,901

2014/15				
£ 000				
288,280				
22,786				
311,066				

### 4 Other Operating Income from continuing operations

### 4.1 **Other Operating Income**

- man - paramagama ama				
	Note	£ 000		£ 000
Research and development		266		400
Education and training		2,717		4,920
Received from NHS charities: Other charitable and				
other contributions to expenditure		27		55
Received from other bodies: Other charitable and other				
contributions to expenditure		16		61
Non-patient care services to other bodies		5,864		2,268
Profit on disposal of other property, plant and				
equipment		2		-
Rental revenue from operating leases - minimum lease				
receipts	3.2	1,667		1,419
Income in respect of staff costs where accounted on				
gross basis		452		371
Other	3.3	8,464		4,258
Total		19,475		13,752
			-	

### **Operating leases Income** 4.2

Minimum lease receipts

Total

2015/16				
£000				
1,667				
1,667				

2015/16 2014/15

2014/15				
£000				
1,419	9			
1,419	9			

### 4.2.1

### Future minimum lease receipts due land & building

Future minimum lease payments due:

- not later than one year;
- later than one year and not later than five years;
- later than five years.

### Total

2015/16			
£000			
686			
1,656			
272			
2,614			

2014/15
£000
372
656
0
1,028

# Accounts

## 4.2.2 Future minimum lease receipts due other

Future minimum lease payments due:

- not later than one year;
- later than one year and not later than five years;
- later than five years.

### Total

2015/16 £000	2014/15 £000
559 383	561 434
0	0
942	995

### 4.3 Other Income

Estate recharge

Staff accomodation rentals

IT recharges

Clinical excellence awards

Pharmacy sales

Catering

Property rentals

Car parking

Other

Total

2015/16			
£ 000			
3,851			
75			
4,375			
-			
1			
144			
-			
-			
18			
8,464			

2014/15
£ 000
2,295
80
982
45
2
167
5
3
679
4,258

### 5 Operating expenses of continuing operations

Operating expenses	2015/16 £ 000	2014/15 £ 000
Services from NHS Foundation Trusts	1,023	1,131
Services from NHS Trusts	1,212	1,419
Services from CCGs and NHS England	101	51
Purchase of healthcare from non NHS bodies	918	1,007
Employee expenses - executive directors	1,228	1,299
Remuneration of non-executive directors	177	170
Employee expenses - staff Supplies and services - clinical (excluding drug costs)	175,970 8,019	229,902 8,472
Supplies and services - general	7,349	7,218
Establishment	6,274	5,103
Research and development - (not included in employee expenses)	52	56
Research and development - (included in employee expenses)	215	228
Transport (business travel only)	2,959	4,057
Transport (other)	227	352
Premises - business rates payable to local authorities	691	968
Premises - other	15,934	18,535
Increase/(decrease) in provision for impairment of receivables	385	2,305
Change in provisions discount rate(s)	0	210
Drug costs (non inventory drugs only)	489	2,311
Drugs Inventories consumed	1,650	1,771
Rentals under operating leases - minimum lease payments	14,213	12,907
Depreciation on property, plant and equipment	3,082	4,157
Amortisation on intangible assets	404	1,191
audit services- statutory audit	63	56
other auditor remuneration (external auditor only)	4	4
Clinical negligence - amounts payable to the NHSLA (premiums)	733	473
Loss on disposal of other property, plant and equipment	0	149
Legal fees	905	680
Consultancy costs	629	772
Internal audit costs - (not included in employee expenses) Training, courses and conferences	104 859	210 1,395
Patient travel	167	344
Car parking & security	476	701
Redundancy - (not included in employee expenses)	754	395
Redundancy - (included in employee expenses)	324	1,705
Early retirements - (not included in employee expenses)	1,227	181
Hospitality	27	43
Insurance	(126)	1,432
Other services, eg external payroll	2,419	3,346
Losses, ex gratia & special payments- (not included in employee expenses	(00)	14
Other	(96)	308
TOTAL	251,044	317,028

# Accounts

### 5.2 Operating leases

Minimum lease payments

Total

2015/16
£000
14,213
14,213

2014/15			
£000			
12,907			
12,907			

# 5.2.1 Arrangements containing an operating lease land & buildings

Future minimum lease payments due:

- not later than one year;
- later than one year and not later than five years;
- later than five years.

### Total

	7
2015/16	2014/15
£000	£000
10,453	8,775
5,360	6,978
32,843	34,855
48,656	50,608

### 5.2.2 Arrangements containing an operating lease other

Future minimum lease payments due:

- not later than one year;
- later than one year and not later than five years;
- later than five years.

### **Total**

2014/15	2015/16
£000	£000
1,764	1,562
1,367	1,562 1,070
	0
3,131	2,632
,	

Non cancellable operating leases are operating leases with a total committed cost at outset of at least £5,000.

### 6 Staff Costs

### 6.1 Analysis of staff costs

Salaries and wages
Social security costs
Pension cost - defined contribution plans
employer's contributions to NHS pensions
Pension cost - other
Termination benefits
Agency/contract staff **Total** 

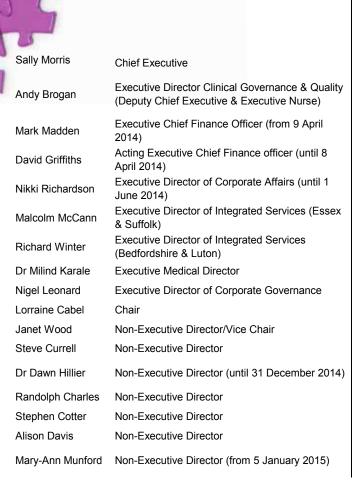
2015/16			
£ 000			
135,981			
9,515			
16,447			
0			
324			
15,470			
177,737			

2014/15			
£ 000			
177,788			
13,650			
19,924			
259			
1,705			
19,808			
233,134			

### 6.2 Directors remuneration

Sally Morris	Chief Executive
Andy Brogan	Executive Director of Mental Health / Executive Nurse
Mark Madden	Executive Chief Finance Officer
Malcolm McCann	Executive Director of Community Services and Partnerships
Richard Winter	Executive Director of Integrated Services (Bedfordshire & Luton) (until 31 October 2015)
Dr Milind Karale	Executive Medical Director
Nigel Leonard	Executive Director of Corporate Governance
Lorraine Cabel	Chair
Janet Wood	Non-Executive Director/Vice Chair
Steve Currell	Non-Executive Director
Randolph Charles	Non-Executive Director
Stephen Cotter	Non-Executive Director
Alison Davis	Non-Executive Director
Mary-Ann Munford	Non-Executive Director

		2015-16		
Salary	Other Remuneration	Benefits in Kind	Employers Pension Contribution	Exit Package
£000	£000	£000	£000	£000
180-185	0	0	20-25	0
130-135	0	0	0	0
150-155	0	0	20-25	0
130-135	0	0	15-20	0
75-80	0	0	10-15	240-245
185-190	0	0	15-20	0
130-135	0	0	15-20	0
55-60	0	0	0	0
15-20	0	0	0	0
15-20	0	0	0	0
15-20	0	0	0	0
15-20	0	0	0	0
15-20	0	0	0	0
15-20	0	Λ	0	0



		2014-15		
Salary	Other Remuneration	Benefits in Kind	Employers Pension Contribution	Exit Package
£000	£000	£000	£000	£000
180-185	0	0	20-25	0
130-135	0	0	N/A	0
145-150	0	0	20-25	0
0-5	0	0	0-5	0
20-25	0	0	0-5	260-265
130-135	0	0	15-20	0
130-135	0	0	15-20	0
175-180	0	0	10-15	0
130-135	0	0	15-20	0
50-55	0	0	0	0
15-20	0	0	0	0
15-20	0	0	0	0
10-15	0	0	0	0
15-20	0	0	0	0
15-20	0	0	0	0
15-20	0	0	0	0
0-5	0	0	0	0

### **6.3 Directors Pension Benefits**

		2	2015/16			
		Benefits In Kind	Real Increase/(Decrease) in Pension and related lump sum at pension age	Total Accrued pension and related lump sum at pension age at 31 March 2016	Cash Equivalent value at 31 March 2016	Real Increase in cash equivalent Transfer Value
			£000	£000	£000	£000
Sally Morris	Chief Executive	Nil	7.5-10	160-165	768	56
Andy Brogan	Executive Director Clinical Governance & Quality (Deputy Chief Executive & Executive Nurse)	Nil	N/A	N/A	N/A	N/A
Mark Madden	Executive Chief Finance Officer (from 9 April 2014)	Nil	10-12.5	185-190	910	63
Malcolm McCann	Executive Director of Integrated Services (Essex & Suffolk)	Nil	0	175-180	797	21
Richard Winter	Executive Director of Integrated Services (Bedfordshire & Luton)	Nil	0-2.5	155-160	0	0
Dr Milind Karale	Executive Medical Director	Nil	5-7.5	80-85	354	40
Nigel Leonard	Executive Director of Corporate Governance	Nil	2.5-5	160-165	758	25

		2	014/15			
		Benefits In Kind	Real Increase/(Decrease) in Pension and related lump sum at pension age	Total Accrued pension and related lump sum at pension age at 31 March 2015	Cash Equivalent value at 31 March 2015	Real Increase in cash equivalent Transfer Value
			£000	£000	£000	£000
Sally Morris	Chief Executive	Nil	10-12.5	150-155	704	70
Andy Brogan	Executive Director Clinical Governance & Quality (Deputy Chief Executive & Executive Nurse)	Nil	N/A	N/A	N/A	N/A
Mark Madden	Executive Chief Finance Officer (from 9 April 2014)	Nil	25-30	175-180	836	158
David Griffiths	Acting Executive Chief Finance officer (until 8 April 2014)	Nil	Nil	Nil	Nil	Nil
Nikki Richardson	Executive Director of Corporate Affairs (left 1 June 2014)	Nil	0	232.5-235	0	0
Malcolm McCann	Executive Director of Integrated Services (Essex & Suffolk)	Nil	0-5	170-175	767	31
Richard Winter	Executive Director of Integrated Services (Bedfordshire & Luton)	Nil	0-5	150-155	738	32
Dr Milind Karale	Executive Medical Director	Nil	0-5	70-75	310	21
Nigel Leonard	Executive Director of Corporate Governance	Nil	42.5-45	155-160	724	222

### 6.4 Analysis of Average Staff Numbers

Medical and dental
Administration and estates
Healthcare assistants and other support staff
Nursing, midwifery and health visiting staff
Scientific, therapeutic and technical staff
Social care staff
Agency and contract staff
Bank staff
Other
Total

2015/16	2014/15
Total	Total
131	220
912	1,109
892	923
1,290	1,725
656	842
5	103
230	250
428	598
35	51
4,579	5,821

### 6.5 Employee benefits

There are no non pay benefits which are not attributable to individual employees.

### 6.6 Retirement due to III Health

During the year ended 31 March 2016, there were 6 (2014/15: 16) 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 £435,377.45 (2014/15: £631,411).

### 6.7 Termination Costs

The cost analysis and bandings for the year ended 31 March 2016 are in the Staff Exit Packages section of the Annual Report.

### 7 Employee Retirement Benefit Obligations

### 7.1 Amounts recognised in the Statement of Comprehensive Income

Current service cost
Interest on pension obligations
Expected return on plan assets
Past service cost
Losses/(gains) on Curtailments and Settlements
Total pension cost recognised

2015/16	
£000	
0	
0	
0	
0	
0	
0	

2014/15
£000
(342)
(582)
441
0
0
(483)

7.2 Fair value of employer assets

		2015/	16	
	Quoted £000	Unquoted £000	Total £000	Percentage of total assets
Equity Securities				
Consumer	0.00	0.00	0.00	0%
Manufacturing	0.00	0.00	0.00	0%
Energy and Utilities	0.00	0.00	0.00	0%
Financial Institutions	0.00	0.00	0.00	0%
Health and Care	0.00	0.00	0.00	0%
Information Technology	0.00	0.00	0.00	0%
Other	0.00	0.00	0.00	0%
Debt Securities				
UK Government	0.00	0.00	0.00	0%
Real Estate				
UK Property	0.00	0.00	0.00	0%
Overseas Property	0.00	0.00	0.00	0%
Investment Funds and Unit				
Trust				
Equities	0.00	0.00	0.00	0%
Bonds	0.00	0.00	0.00	0%
Hedge Funds	0.00	0.00	0.00	0%
Commodities	0.00	0.00	0.00	0%
Infrastructure	0.00	0.00	0.00	0%
Other	0.00	0.00	0.00	0%
Cash and Cash Equivalents				
All	0.00	0.00	0.00	0%
Total	0.00	0.00	0.00	0%

	201	4/15	
Quoted £000	Unquoted £000	Total £000	Percentage of total assets
112.60	0.00	112.60	1%
99.90	0.00	99.90	1%
234.30	0.00	234.30	2%
247.20	0.00	247.20	2%
251.10	0.00	251.10	2%
189.90	0.00	189.90	2%
149.80	0.00	149.80	1%
0.00	1273.00	1273.00	11%
801.60	390.50	1192.10	10%
0.70	0.00	0.70	0%
234.50	4656.90	4891.40	41%
998.30	0.00	998.30	8%
0.00	0.00	0.00	0%
0.00	0.00	0.00	0%
0.00	0.00	0.00	0%
1650.00	0.00	1650.00	14%
749.70	0.00	749.70	6%
5719.60	6320.40	12040.00	100%

# Accounts

### 7.3 Principal actuarial assumptions at 31 March 2016

Rate of inflation/pension increase rate
Rate of increase in salaries
Discount rate

2015/16	201
%	(
0	
0	
0	

2014	/15
%	)
	2.4
	3.3
	3.2

### 7.4 Amounts recognised in the Statement of Financial Position

Present value of funded liabilities
Fair value of employer assets
Net liability

2015/16	2014/15
£000	£000
0	(16,336)
0	12,040
0	(4,296)

### 7.5 Change in benefit obligation during period to 31 March 2016

Defined benefit obligation as at 1 April
Current service cost
Past service cost
Interest on pension obligations
Member contributions
Remeasurements recognised in other comprehensive income
Benefits paid
Defined benefit obligation as at 31 March

2015/16	2014/15
£ 000	£ 000
16,336	13,510
0	342
0	0
0	582
0	95
(3,173)	2,198
0	(391)
13,163	16,336
	•

### 7.6 Change in fair value of plan assets during period to 31 March 2016

# Fair value of plan assets as at 1 April Expected return on plan assets Remeasurements recognised in other comprehensive income Settlements Employer contributions Member contributions Benefits paid Fair value of plan assets as at 31 March

2015/16	2014/15
£ 000	£ 000
12,040	9,800
0	441
(235)	841
0	0
1,358	1,254
0	95
0	(391)
13,163	12,040



## 7.7 Analysis of net liability as at 31 March 2016

	2015/16	2014/15
	£000	£000
Fair value of employer assets	13,163	12,040
Present value of funded liabilities	(13,163)	(16,336)
Net liability	0	(4,296)
Represented by:		
Opening defined benefit obligation 1 April	(16,336)	(13,510)
Current service costs	0	(342)
Contribution by members	0	(95)
Interest costs	0	(582)
Remeasurements recognised in other comprehensive		
income	3,173	(2,198)
Past service (costs)/gains	0	0
Estimated benefits paid	0	391
Closing defined benefit obligation 31 March	(13,163)	(16,336)
Opening fair value of plan assets 1 April	12,040	9,800
Expected return on plan assets	0	441
Remeasurements recognised in other comprehensive		
income	(235)	841
Employer contributions	1,358	1,254
Member contributions		95
Benefits paid		(391)
Closing fair value of assets 31 March	13,163	12,040
Total	0	(4,296)



There is no interest payment related to the late payment of commercial debts in the year ended 31 March 2016 (2014/15: £nil)

### 9 Finance Cost and Finance Income

### 9.1 Finance income

Interest on held-to-maturity financial assets Expected return on pension scheme assets **Total finance income** 

2015/16
£000
164
-
164

2014/15
£000
152
441
593

### 9.2 Finance Costs - interest expense

Finance cost on PFI obligation
Contingent finance costs on PFI Obligation
Finance costs on pension scheme liabilities
Total finance cost

2015/16	
£000	
1,930	
593	
-	
2,523	

2014/15
£000
1,983
517
582
3,082

### 9.3 Finance costs - unwinding of discount

Unwinding of discount on pension provision

2015/16 £000
75
75

2014/1 £000	•
	60
	60

## 10 Intangible Assets

Cost at 1 April
Additions
Disposals / derecognition
Reclassifications
Cost at 31 March
Amortisation at 1 April
Provided during the year
Disposals / derecognition
Reclassifications
Amortisation at 31 March
Net book value at 1 April
Net book value at 31 March

2015/16				
Total	Software licences	Intangible Assets Under		
TOLAI		Construction		
£000	£000	£000		
8,236	8,236	0		
450	178	272		
0	0	0		
0	0	0		
8,686	8,414	272		
5,727	5,727	0		
404	404	0		
0	0	0		
0	0			
6,131	6,131	0		
2,509	2,509	0		
2,556	2,284	272		

2	2014/15 £000
	7,696 569 (29) 0
	8,236
	4,548 1,191 (12)
	5,727
	3,148 <b>2,509</b>

# Accounts

### 11 Property, Plant and Equipment

Cost or \	/aluation	at 1	Anril	2015
CUSLUI	vaiualiuii	al I	AUIII	2013

Transfers by absorption - NORMAL

Additions - purchased

Reclassifications

Revaluations

Transfers to/from assets held for sale and assets in disposal groups

Disposals / derecognition

Cost or valuation at 31 March 2016

### Accumulated Depreciation at 1 April 2015

Transfers by absorption - NORMAL

Provided during the year

Disposals / derecognition

### Accumulated depreciation at 31 March 2016

### **Net Book Value**

NBV - Purchased at 1 April 2015

NBV - Donated at 1 April 2015

NBV Total at 1 April 2015

### Net Book Value

NBV - Purchased at 31 March 2016

NBV - Donated at 31 March 2016

NBV Total at 31 March 2016

### Property, Plant and Equipment financing Net book value at 31 March 2016

Owned

On-balance-sheet PFI contracts and other service concession arrangements

Donated

Total at 31 March 2016

0003	Land 0003	Buildings control cont	000 Dwellings	පී Plant & ර Machinery	ക Transport 6 Equipment	සි Information ම Technology	ക Furniture & 6 Fittings	က္က Assets under ဓ Construction
194,444	59,155	112,677	591	5,421	118	12,808	3,636	38
(36,420)	(9,776)	(26,300)	(121)	(223)	0	0	0	0
1,098	0	168	0	310	0	145	0	475
(3,070)	(1,415)	(1,639)	0	0	0	0	0	(16)
218	35	183	0	0	0	0	0	0
415	135	280	0	0	0	0	0	0
(100)	0	0	0	(21)	(66)	0	0	(13)
156,585	48,134	85,369	470	5,487	52	12,953	3,636	484
18,838	0	0	0	3,527	118	11,564	3,629	0
(53)	0	0	0	(53)	0	0	0	0
3,082	0	2,324	23	304	0	424	7	0
(85)	0	0	0	(19)	(66)	0	0	0
21,782	0	2,324	23	3,759	52	11,988	3,636	0
175,475	59,155	112,546	591	1,894	0	1,244	7	38
131	0	131	0	0	0	0	0	0
175,606	59,155	112,677	591	1,894	0	1,244	7	38
134,686 117	<b>48,134</b> 0	<b>82,928</b> 117	<b>447</b> 0	<b>1,728</b> 0	<b>0</b> 0	<b>965</b> 0	<b>0</b> 0	<b>484</b> 0
134,803	48,134	83,045	447	1,728	0	965	0	484

134,803	48,134	83,045	447	1,728	0	965	0	484
117	0	117	0	0	0	0	0	0
30,885	0	30,885	0	0	0	0	0	0
103,801	48,134	52,043	447	1,728	0	965	0	484

### 11.1 The analysis of revaluation of property, plant and equipment

			2015/16		
	Total £000	Revaluation Reserve Surplus £000	Revaluation Reserve Impairment £000	Operating Income (Reversal of Impairment) £000	Operating Expenses Impairment £000
Land	35	35	0	0	0
Building	183	183	0	0	0
Total	218	218	0	0	0

During the year, the Trust revised its decision to sell one of the surplus properties previously held for sale, namely No 4 The Glade, Bedford. This property was therefore transferred to Property, Plant and Equipment from Assets Held for Sale and consequently revalued upon transfer, in accordance with accounting guidelines. The Trust appointed the District Valuer to complete this valuation as at 31 March 2016 and the valuation recorded a net increase in the value of the property of £218k.

### 11.2 Remaining Economic lives of Property, Plant and Equipment

		Minimum	Maximum
		Useful Life (in	Useful Life (in
Main Asset Category	Sub Category	years)	years)
Buildings - owned	Structure	5	80
	Building finishes	5	67
	Engineering and installations	2	35
	Fixtures and fittings	5	67
	External works	5	80
Buildings - PFI schemes	Structure	57	61
	Building finishes	57	61
	Engineering and installations	24	27
	Fixtures and fittings	57	61
	External works	41	43
Plant, machinery and equipment	Medical and surgical equipment	0	10
	Office equipment	0	0
	IT Hardware	0	8
	Other engineering works	4	13
Furniture and fitting	Furniture	0	0
	Soft furnishings	0	0
Motor vehicles		0	0

2014/15 £000

3,695

14,893

18,588

### 11.3 Assets under PFI contract

Cost or valuation  Cost or valuation at 1 Ap  Additions during the year  Revaluation  Cost of valuation at 31 M	r
Accumulated depreciation Accumulated depreciation Provided during the year Revaluation Accumulated depreciation	on at 1 April r
Net Book Value at 1 Apri Net Book Value at 31 Ma	

2015/16	2014/15
£000	£000
2000	
32,083	29,324
67	,
_	0
0	2,759
32,150	32,083
538	1,090
728	715
0	(1,267)
1,266	538
31,545	28,234
30,884	31,545

### **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.

### 12 Investment Property

Carrying value at 1 April
Transfers by absorption - NORMAL
Reclassifications to/from PPE
Transfers to/from assets held for sale
Movement in fair value (revaluation or impairment)
Carrying value at 31 March

2015/16		
£000		
10,400		
(450)		
3,070		
0		
2,273		
15,293		

2014/15
£000
10,325
0
(466)
0
541
10,400

The Trust annually revalues its investment properties in accordance with accounting guidance. The revaluation provided by the District Valuer showed an increase of £2,273,000 during 2015/16.

### 13 Other Non-Current Assets

There were no other non-current assets held by the Trust as at 31 March 2016 (2014/15: £nil).



### 14 Trade and Other Current Receivables

NHS receivables - revenue
Other receivables with related parties - revenue
Provision for impaired receivables
Prepayments (non-PFI)
Accrued income
VAT receivable
PDC dividend receivable
Other receivables - revenue
Other receivables - capital
Total

2015/16	2014/15
£000	£000
11,132	8,874
2,752	564
(2,720)	(3,292)
1,793	2,614
3,467	1,142
925	604
322	0
963	986
0	0
18,634	11,492
	_

The Trust's final payment of Public Dividend Capital dividends is dependant on the closing balance sheet position for the Trust, and therefore either a creditor or debtor situation will exist in NHS organisations accounts at year end. This is subsequently amended via the next payment of dividends to HM Treasury by the Trust in September of each year.

### 14.1 Provision for impaired receivables

At 1 April Increase in provision Amount utilised Unused amount reversed **Total** 

2015/16
£000
3,292
2,139
(957)
(1,754)
2,720

2014/15
£000
1,043
2,305
(56)
0
3,292



### 14.2 Analysis of Impaired Receivables

Up to 30 days In 30 to 60 days In 60 to 90 days In 90 to 180 days Over 180 days **Total** 

2015/16
£000
1,355
180
87
227
871
2,720

2014/15 £000	
1,28	9
16	7
53	5
41	7
88	4
3,29	2

At 31 March 2016, the Trust had impaired debts totalling £2,720k 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.

### 14.3 Analysis of Non impaired receivables past their due dates

Up to 30 days In 30 to 60 days In 60 to 90 days In 90 to 180 days Over 180 days **Total** 

2015/16	
£	000
	3,468
	1,906
	394
	591
	2,254
	8,613

	2014/15	
	£000	
	2,257	
	452	
	234	
	1,177	
	530	
	4,650	
_	,	

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 Statement of Financial Position date, none of these debts were considered doubtful, with full settlement therefore expected.

### 15 Inventories

Drugs Wheelchairs

2015/16
£000
128
427
555

2014/15
<b>£000</b> 84
369
453



16 Assets held for sale

Land Building

2015/16 £ 000
325
0
325

2014/15	
£00	0
	460
	280
	740

As at 31 March 2016, £325,000 of property was classified as asset held for sale. This property had previously been deemed surplus to requirement in accordance with Monitor guidelines, and approved for sale by the Board of Directors.

### 17 Cash and Cash Equivalents

	_0.07.0	
	£ 000	£000
Cash and cash equivalents at 1 April	50,911	38,622
Transfers by absorption - NORMAL	(55)	0
Net change during the year	(9,108)	12,289
Cash and cash equivalents at 31 March	41,748	50,911
Represented by;		
Cash at commercial bank and in hand	2,725	1,126
Cash at GBS (Government Banking System)	19,023	29,785
Other current investments	20,000	20,000
Total	41,748	50,911
		 •

### 18 Investments

There were no non-current investments held by the Trust as at 31 March 2016 (2015/16: £nil)

2015/16 2014/15

2015/16 2014/15

### 19 Trade and Other Current Payables

	2015/10	2014/13
	£ 000	£000
NHS payables - revenue	6,731	1,322
Amounts due to other related parties -		
revenue	2,778	2,857
Other trade payables - capital	223	136
Other trade payables - revenue	2,463	4,759
Social security costs	1,650	2,169
VAT payable	-	-
Other taxes payable	1,417	2,099
Other payables	-	-
Accruals	14,306	18,140
PDC dividend payable	-	204
Total	29,568	31,686

The Trust's final payment of Public Dividend Capital dividends is dependent on the closing Statement of Financial Position for the Trust, and therefore either a debtor or creditor situation will exist in NHS organisations accounts at year end. This is subsequently amended via the next payment of dividends to HM Treasury by the Trust in September of each year.





### 20.1 Other current liabilities

Deferred income

2015/16		
£000		
1,645		
1,645		

2014/15		
£000		
2,118		
2,118		

4,296 4,296

> 827 827

### 20.2 Other non current liabilities

Net Pension Scheme liability (Local Government Pension Scheme)

2015/16	2014/15
£000	£000
-	4,296
-	4,296

### **Borrowings**

### 21.1 Current liabilities

Obligation under PFI contract due within one year Total

2015/16 £000	2014/15 £000
828	827
828	827

### 21.2 Non current liabilities

Long term Obligation under PFI contract after more than one year Total

2015/16		
£000		
29,512		
29,512		

2014/15 £000		
30,339		
30,339		

### 21.3 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.

2015/16	2014/15
£ 000	£000
54,081	56,838
2,708	2,757
10,854	11,021
40,519	43,060
(23,741)	(25,672)
30,340	31,166
828	827
3,911	3,838
25,601	26,501
30,340	31,166

## 21.4 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

	2015/16	
Total	EMI Homes	Forensic
£000	£000	£000
1,021	549	472
4,219	2,269	1,950
17,429	8,240	9,189
22,669	11,058	11,611

2014/15 £000
995
4,074
17,555
22,624

# 21.5 Total future payments committed in respect of PFI

### Of which commitments are due

Within one year

2nd to 5th years (inclusive)

Later than five years

**Total** 

	2015/16	
Total	<b>EMI Homes</b>	Forensic
£000	£000	£000
4,611	1,072	3,539
16,641	4,360	12,281
72,604	14,617	57,987
93,856	20,049	73,807

2014/15 £000
4,549
18,122
75,734
98,405

# Accounts

### 21.6 Analysis of amounts payable to service concession operator

Interest charge
Repayment of finance lease liability
Service element
Capital lifecycle maintenance
Revenue lifecycle maintenance
Contingent rent

2015/16		
Total	<b>EMI Homes</b>	Forensic
£000	£000	£000
1,930	339	1,591
827	184	643
1,004	536	468
103	-	103
103	-	103
593	-	593
4,560	1,059	3,501

	2014/15 £000
	1,983
	853
	1,018
	66
ı	66
L	517
ſ	4,503

### 22 Provisions for Liabilities and Charges

### At 1 April

Change in the discount rate
Arising during the year
Utilised during the year - accruals
Utilised during the year - cash
Reversed unused
Unwinding of discount

### At 31 March

### **Expected timing of cash flows:**

- not later than one year;
- later than one year and not later than five years;
- later than five years.

### Total

Pensions Former Directors £000	Pensions Other Staff £000	2015/* Other Legal Claim £000	Redundancy £000	Other* £000	Total £000	2014/15 £000 Total £000
106	3,499	147	1,338	1,554	6,644	6,511
0	0	0	0	0	0	210
13	819	12	1,593	451	2,888	1,863
(2)	(76)	0	0	(21)	(99)	(102)
(6)	(228)	(46)	(1,201)	(64)	(1,545)	(1,329)
0	(53)	0	(515)	(44)	(612)	(569)
1	54	0	0	20	75	60
112	4,015	113	1,215	1,896	7,351	6,644
8	308	113	1,215	507	2,151	3,015
31	1,180	0	0	331	1,542	1,396
73	2,527	0	0	1,058	3,658	2,233
112	4,015	113	1,215	1,896	7,351	6,644

<sup>\*</sup> Other provisions consist mainly of provisions for Injury Benefit claims and dilapidation costs of leased buildings.

The total value of clinical negligence provisions carried by the NHS Litigation Authority (NHSLA) on the Trust's behalf as at 31 March 2016 was £ 14,551,066 (2014/15: £7,855,343).



### 23 Movements in Taxpayers Equity

Tax payers equity at 1 April

Surplus/(deficit) for the year

Revaluations - property, plant and equipment

**Impairments** 

Remeasurements of defined net benefit pension

scheme liability / asset

Public dividend capital received

Public dividend capital repaid

Other recognised gains and losses\*

Other reserve movements

Tax payers equity at 31 March

24 Public Dividend Capital
----------------------------

Public dividend capital at 1 April New public dividend capital received Public dividend capital repaid

Public dividend capital at 31 March

	_
2015/16	2014/15
£ 000	£000
176,201	157,454
(32,946)	1,316
218	18,955
0	(367)
2,938	(1,357)
2	200
(1,400)	0
0	0
(2)	0
145,011	176,201
	_

2015/16
£ 000
98,737
2
(1,400)
97,339

2014/15
£000
98,537
200
0
98,737

### 25 Movements on Reserves

At 1 April 2015

Surplus/(deficit) for the year

Transfers by NORMAL absorption: transfers

between reserves

Transfers between reserves

Impairments

Revaluations - property, plant and equipment

Revaluations - intangible assets

Transfer to retained earnings on disposal of assets

Remeasurements of defined net benefit pension scheme liability / asset

Other reserve movements

At 31 March 2016

Revaluation Reserve	Income and Expenditure Reserve	Total	
£000	£000	£000	
60,981	16,483	77,464	
0	(32,946)	(32,946)	
(14,739)	14,739	0	
(1,110)	1,110	0	
0	0	0	
218	0	218	
0	0	0	
(4)	4	0	
0	2,938	2,938	
0	(2)	(2)	
45,346	2,326	47,672	
		_	

The Trust had no Government Grant or Other Reserves during the year.



### 26 Notes to the Statement of Cash Flows

### Reconciliation of net cash flow to movement in net cash

Net increase/(decrease) in cash for the period

Net change in the year Net cash at 1 April Net cash at 31 March

<b>2015/16</b> £ <b>000</b> (9,163)
(9,163)
50,911
41,748

<b>2014/15</b> <b>£000</b> 12,289
12,289
38,622
50,911

### 26.1 Analysis of net cash

Commercial cash at bank and in hand Cash with the Government Banking Service Deposits with the National Loan Fund Cash and cash equivalents

At 1 April	Cash	At 31	
2015	Change in	March 2016	
	the year		
1,126	1,599	2,725	
29,785	(10,762)	19,023	
20,000	0	20,000	
50,911	(9,164)	41,748	

### 27. Capital Commitments

The value of the capital commitments under expenditure contracts at 31 March 2016 was nil (2014/15: £366,305).

### 28. Events after the Reporting Period

### 28.1 Authorising Accounts for Issue

In accordance with IAS 10, the Trusts Annual Accounts were authorised for issue by the Chief Executive / Accounting Officer at a meeting of the Board of Directors held on 25 May 2016.

### 29. Contingencies

As at 31 March 2016, the Trust had contingent liabilities in respect of the liabilities to third parties scheme totaling £71,402 (2014/15: £81,000).

### 30. 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 2016 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:

			2015/16		
Organisation	Income	Expenditure	Receivables	Payables	Provision for bad debt
	£000	£000	£000	£000	£000
Health Education England (NDPB from 1/04/15)	2,697	1	33	1,058	-
NHS Property Services	2,888	10,215	1,440	7,071	-
NHS England	38,209	155	2,071	291	104
NHS Luton CCG	3,906	- 150	83	-	- 150
East London NHS Foundation Trust	8,022	- 54	2,979	157	272
NHS Thurrock CCG	17,172	14	316	-	14
NHS Basildon and Brentwood CCG	27,233	7	400	-	7
NHS Bedfordshire CCG	27,836	- 223	453	762	- 287
NHS Southend CCG	32,393	69	114	33	- 22
NHS West Essex CCG	32,507	- 68	714	-	- 80
NHS Castle Point and Rochford CCG	32,604	522	711	-	517

			2014/15		
Organisation	Income	Expenditure	Receivables	Payables	Provision for bad debt
	£000	£000	£000	£000	£000
Health Education England	4,806	1	257	757	0
NHS Thurrock CCG	18,358	7	227	0	4
NHS Luton CCG	26,278	116	80	24	161
NHS Basildon And Brentwood CCG	29,875	233	603	81	19
NHS Castle Point And Rochford CCG	30,326	11	0	622	0
NHS West Essex CCG	32,375	245	512	3	380
NHS Southend CCG	32,729	213	57	516	39
NHS England	42,071	909	781	1017	460
NHS Bedfordshire CCG	64,835	744	1034	726	277

During the year and at the period end, Trust had the following material transactions with other public sector bodies:

		2015/16		Provision
Income	Expenditure	Receivables	Payables	for bad debt
£000	£000	£000	£000	£000
4,976	27	172	210	17
4,538	263	2,271	220	4
3,280	671	72	609	1

Central Bedfordshire Unitary Authority Essex County Council Southend-on-Sea Borough Council

Central Bedfordshire Council
Essex County Council
Luton Borough Council

2014/15 Provision							
Income	Expenditure	Receivables	Payables	for bad debt			
£000	£000	£000	£000	£000			
4,160	34	0	98	0			
3,142	192	403	0	0			
3,183	179	223	24	1			

Other than those disclosed under note 30.1, 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 Governors appointed to the Council of Governors may also be members of Boards and Committees of local stakeholder organisations. Local stakeholder organisations can nominate an individual as a Governor on the Council under the following arrangements:

Five Local Authority Governors, one each appointed by Essex County Council, Thurrock Council, Southend on Sea Borough Council, Bedford Borough Council and Central Bedfordshire Council.

Three 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;
- Service User & Carer Group (Essex) one Partnership Governor;
- Service User & Carer Group (Rest of England) 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 2016, 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 (2014/15: £27,240 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.

### 30.1 Director's Interests

Sally Morris is a Director of the Anglia Ruskin Health Partnership (ARHP) through her role as the Chief Executive of the Trust. The Trust is a partner organisation of the ARHP whose Board comprises the Chief Executives or equivalent positions of the partner organisations. The Trust total income received from ARHP in 2015/16 was £12,712 relating to staff backfill for services to ARHP. There was no expenditure to ARHP during this period.

### 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 Clinical Commissioning Groups and the way those Clinical Commissioning Groups 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.

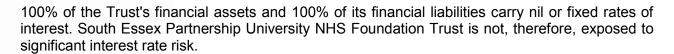
### Liquidity risk

The Trust's net operating costs are incurred under annual service agreements with local Clinical Commissioning Groups, which are financed from resources voted annually by Parliament. The Trust also largely finances its capital expenditure from cash made available from prior year surpluses; and Public Dividend Capital funding that may be available from the Department of Health to fund particular projects. The Trust has also funded two of its buildings through Private Finance Initiative scheme. South Essex Partnership University NHS Foundation Trust is not, therefore, exposed to significant liquidity risks.

At 31 March 2016 the Trust had no financial liabilities represented by provisions under contract.

### Interest-rate risk





### Foreign currency risk

The Trust has negligible foreign currency income and expenditure.

### 32 Financial Assets and Financial Liabilities

### 32.1 Financial assets

Trade and other receivables Cash and cash equivalents (at bank and in hand)

Loans and				
Receivables				
2015/16				
£000				
15,916				
41,748				
57,664				

Loans and Receivables			
<b>2014/15</b> <b>£000</b> 8,274			
50,911			
59,185			

### 32.2 Financial liabilities

Obligations under PFI contract Trade and other payables Provisions under contract

Other		
Financial		
Liabilities		
2015/16		
£000		
30,340		
24,351		
7,351		
62,042		

Other					
<b>Financial</b>					
Liabilities					
2014/15					
£000					
31,166					
23,870					
7,335					
62,371					

### 33. 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.

	201	5/16	2014/	<b>'15</b>	
	Book Value £000	Fair Value £000	Book Value £000	Fair Value £000	Basis of Fair Valuation
Financial Assets					
Other Non Current receivables	0	0	0	0	Note A
	0	0	0	0	
Financial Liabilities					
Provisions	5,200	5,200	3,629	3,629	Note B
	5,200	5,200	3,629	3,629	

The Trust's financial liabilities as at 31 March 2016 comprise provision for early retirement, but do not include public dividend capital. As a Foundation Trust, 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. There were no non-current receivables held by the Trust as at 31 March 2016 (2014/15: £nil)
- 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 1.37% in real terms.

### 34. Third Party Assets

The Trust held £246,269 cash at bank and in hand at 31 March 2016 (2014/15: £390,684) 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.



### 35. Losses and Special Payments

### Losses

Losses of cash due to:

Theft, fraud etc

Damage to buildings, property etc. (including stores losses) due to:

### **Total Losses**

### **Special Payments**

Compensation under legal obligation Loss of personal effects

Personal injury with advice

**Total special payments** 

**Total losses and special payments** 

201	5/16
Number	£000
2	0
_	
0	0
2	0
1	0
13	2
0	0
14	0 2 0 <b>2</b>
16	2

2014/15				
Number	£000			
12	1			
0	0			
12	1			
5	9			
5 15	9 3 0			
0	0			
20	12			
32	13			

