



SEPT
Annual Report and Accounts
2016/17



South Essex Partnership University NHS Foundation Trust

Annual Report & Accounts, 2016/2017

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

**From 1 April 2017 now known as Essex Partnership University NHS Foundation
Trust**

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This is the final annual report and accounts for SEPT. The images included in the main report chronicle our achievements.



Performance Report

Overview

Foreword by the Chair and Chief Executive

Welcome to our Annual Report and Accounts for 2016 – 2017

This year, we have moved from good to even better and now we are aiming for outstanding!

Following our comprehensive inspection by the CQC in the summer of 2015, SEPT received an overall rating of GOOD. However, the CQC's reports did indicate some areas for improvement. Our staff embraced the action plans to address these and have driven forward all the actions required to address the CQC's findings. A detailed assessment of our progress in September 2016 found that all actions bar one had been successfully implemented. Then we received the great news that the CQC were content that we had taken the necessary steps to implement the actions. This is a tremendous achievement and is due to our staff working together to bring about the improvements needed.

We couldn't have done this without our excellent staff. As well as bringing their expertise, experience and enthusiasm to the CQC action plans, this year more than 400 staff were recognised for their exceptional customer service - in public at our Board of Directors' meetings as part of the In Tune Awards scheme. Our annual staff recognition Star Awards event in February attracted more than 100 entries. Forty staff "stars" were shortlisted and 26 winners carried away trophies on the night.

We are delighted that this year's national Staff Survey portrayed an extremely positive picture of how our staff are feeling about their work and our Trust. This year, for the first time, we surveyed ALL staff to get a better picture of the level of their engagement. The results show that we continue to have a high level of engagement with our staff, we have a higher engagement score than the national average and:

- 91% of staff believe that there are equal opportunities for career progression
- Staff are satisfied with level of responsibility and involvement
- Staff agree that their roles make a difference to service users and patients
- Staff are satisfied with the level of resourcing and support
- Fewer staff are feeling stressed because of work pressures
- Staff think that we take positive action on staff health and wellbeing
- Staff feel valued by their managers and think that there is good communication between senior management and staff
- Staff are satisfied with the level of work and care they are able to deliver

We have also remained compliant consistently with the quality targets set by our external regulator Monitor (NHS Improvement) and we are not forecasting any risk to continuing to achieve these targets.

You will find more details of our quality targets and performance in the Quality Report on page 83 in this document.

Supporting our Staff

To ensure their safety and wellbeing, we continue to support our staff as much as possible. In addition to our staff counselling services, we have an anonymous 'I'm worried about' section on the intranet for staff to raise issues directly with the Trust's senior management team. This year we have further embedded the national 'Freedom to Speak Up' recommendations and supported our staff-elected Principal Guardian and the local guardians for staff to contact directly to help them raise any concerns. All these help our staff to feel supported and encourage them to speak out about any issues, concerns or challenges.

Looking Forward

In late March 2017 we announced the merger between SEPT and North Essex Partnership University NHS Foundation Trust (NEP) to form Essex Partnership University NHS Foundation Trust (EPUT). This is the first merger between two NHS Foundation Trusts under the current rules. It is a significant achievement by both Trusts to help secure the future provision of local mental health and community health services.

This merger is an excellent outcome for local people who rely on our services. We said from the start that we would be stronger together. Now we can harness the real enthusiasm we have to take the best from both organisations to deliver sustainable and transformative mental health, learning disabilities and community health services for the benefit of local people. This result has only been made possible through the tremendous amount of hard work by very many of our staff, service users, patients, carers and the support of our NHS and local authority partners and we are extremely grateful to everyone involved.

There will be no immediate changes to our services. It will be 'business as usual' for service users and carers for the foreseeable future. Clinicians from across the new Trust are working together with commissioners and people with lived experience to develop a proposed new clinical model for Essex-wide mental health services. Any changes to current services proposed by this model are likely to be subject to formal consultation.

In our planning for EPUT we involved our staff, service users, patients, carers and stakeholders in developing a new Vision and Values for EPUT. These are:

Vision: Working to improve lives

Values: Open
Empowering
Compassionate

Guided by these, we are confident that we will be able to look back at this merger with pride, knowing we helped create what we hope will become a truly outstanding new NHS Foundation Trust.

Ensuring continuity of quality

SEPT's Council of Governors and the Board of Directors, led by Lorraine Cabel, as Chair of the Trust, 'drove' the Trust, ensuring our staff continued to deliver services to the high standards to which we all aspire. We could not look back without noting the considerable contribution that Lorraine made to SEPT. In March 2017, Lorraine stepped down from her post as Chair after nine years. We would like to thank her publically for being an excellent leader and a very good friend to the Trust.

Listening and Acting on Feedback

One of the parts of my job that I enjoy the most is visiting our services personally. I do this as often as possible, during the day and the night. Sometimes staff know I'm due to visit, other times I just turn up unannounced. I get to hear first-hand what our patients and staff feel about our services and see for myself the care that is being delivered.

In 2016 – 2017, the Trust as a whole continued to recognise the importance of listening to, involving and engaging with the people who come into contact with our services. This has resulted in enhancements of our robust mechanisms for capturing feedback and also, and most importantly, acting on that feedback. We promote consistently 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 continued to support a number of smaller, service-focused forums where local issues are discussed. Feedback from these forums goes directly to our front line services and all actions are overseen by the Trust's Patient and Carer Experience Steering Group, chaired by myself.

Vote of Thanks

I hope you enjoy reading about SEPT, its services, systems, staff and our achievements which contribute to the health and wellbeing of the people we serve. I want to take this opportunity to say a huge thank you to our fantastic staff, our governors and members, partners, patients, carers, volunteers and fellow board members for their significant contribution to our success. Thank you all for your continuing support.



Sally Morris

Chief Executive

On behalf of the Interim Board, EPUT

Overview

Purpose of Overview

In this section we introduce South Essex Partnership University NHS Foundation Trust (SEPT). We tell you about our services, where we provide them, the population we serve and how many staff care for our patients and service users. We also highlight our vision and values, our history of how we got to where we are today and our performance and achievements for the past year.

Introduction

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	<i>Things can always be a little better tomorrow than today.</i>	<ul style="list-style-type: none"> • Being hopeful for ourselves and others • Interested in how to improve things • Noticing and appreciating good work
Empathetic	Welcoming	<i>Our behaviours set the tone for others – 'we get what we give'</i>	<ul style="list-style-type: none"> • Being friendly, courteous and calm • Being approachable and patient • Being responsive and on time
Respectful	Respectful	<i>Everyone has equal value. By thinking the best of people we respect them for who they are.</i>	<ul style="list-style-type: none"> • Respecting individuals and not judging • Respecting people's dignity and privacy • Speaking up if dignity is compromised
Involving Empowering	Involving	<i>People are more motivated when they are involved</i>	<ul style="list-style-type: none"> • Working together openly • Listening and communicating clearly • Sharing ideas, choices and decisions
	Kind	<i>We're here for the people we serve, and if we aren't serving a patient we serve someone who is</i>	<ul style="list-style-type: none"> • Being gentle and compassionate • Attentive, keeping our eyes and ears open • Being understanding and helpful
Accountable	Accountable	<i>Delivering safe, effective professional care is up to us, not down to someone else.</i>	<ul style="list-style-type: none"> • Prioritizing and speaking up about safety • Using best practice to get effective results • Being professional, aware we are <i>on stage</i>
	The outcome	The person I am serving right now is more important than me	<ul style="list-style-type: none"> • 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.

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 (NHS Improvement) 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 www.eput.nhs.uk

How we got to where we are today

2016 – 2017 The Trust Boards and Councils of Governors of South Essex Partnership University NHS Foundation Trust (SEPT) and North Essex Partnership University NHS Foundation NHS Trust (NEP) approved the proposed merger of the Trusts. Both Trusts will be dissolved on 31 March 2017 and will be replaced by the new Essex Partnership University NHS Foundation Trust (or EPUT, for short) from 1 April 2017.

This is the first merger between two NHS Foundation Trusts under the current rules. It is a significant achievement by both Trusts to help secure the future provision of local mental health and community health services.

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 2016 - 2017

During 2016 – 2017 SEPT was recognised by a number of external organisations as well as driving forward excellent services. Please see list below:

- Awarded the Skills for Health Quality Mark Award for education and training

- Family Food First – accreditation awarded for a number of local pre-school and nurseries in Bedfordshire
- Installed a state of the art X-ray machine at Saffron Walden Community Hospital
- Launched the Ask 3 Questions programme in west Essex
- Participated in the Essex hosted Diabetes Games and Family Fun Day
- Excellent PLACE (clinical environment) results – above average in all categories
- Received positive feedback following visit from Lord Bradley to our Liaison & Diversion Criminal Justice Service
- Launched 2017's Buddy Scheme for training in mental health services
- Dr. Ashish Patak, Consultant Psychiatrist, awarded Trainee Leader of the Year in the Health Education East Awards
- Psychiatrists, Dr David Ho, Dr Raman Deo and Dr Vivek Bisht, presented a symposium at the International Association of Forensic Mental Health Conference in New York (June 2016)
- Jacky Syme, practice development manager for the 0-19 service in Bedfordshire, received the runner up award for the Julie Crawford Award, given by the Baby Feeding Law Group (BFLG).
- Open Arts recognised again at the National Positive Practice in Mental Health Awards 2016

External and Internal Consultation on Trust Strategic Plan

In preparation for the merger of NEP and SEPT, both Trusts placed importance on investing time and energy in undertaking extensive engagement with stakeholders in planning for the future. The plans for 2017/18 for the merged Trust have been developed as a result of listening to the views of 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). Two joint consultation events were held in January 2017 where the drivers affecting EPUT in the coming year were considered and quality priorities identified.

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 2016/17 regular reports were provided the Executive Operational Sub Committee, the Quality Committee, Finance and Performance 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 reviewed July 2016 and has been further revised in preparation for the merger 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 23 corporate objectives including six transformation programmes for 2016/17 and assessed the potential risks that may have prevented their achievement. The Trust's Directors considered each risk in terms of its potential impact taking into account; financial, safety, and reputational risk and the likelihood of occurrence during the financial year.

The high and extreme risks to achieving the corporate aims if they were not achieved provided the basis for the Board Assurance Framework. Significant potential risks were monitored monthly by the Board of Directors in line with the Trust's approved Risk Management and Assurance Framework and governance systems. Fifteen potential significant risks were escalated to the Board Assurance Framework during the period 2016/17. 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;
- personalised care;

- maintaining staffing establishment and use of agency staff;
- delivery of transformation programmes;
- proposed merger between SEPT and NEP
- introduction of the Single Oversight Framework
- development of mortality review systems and processes

In line with existing risk management arrangements, the SEPT Board of Directors reviewed the BAF risks that remained open at March 2017 and identified those for carry forward to EPUT as legacy risks.

Going Concern Statement

The Directors have considered whether it is appropriate, taking into account best estimates of future activity and cashflow, and the ongoing service provision within the public sector via the establishment of Essex Partnership University NHS Foundation Trust, 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

We identified the strategic priorities that would drive our activities in 2014 and following a review as part of our comprehensive planning process, agreed that they remained pertinent to our plans for 2016/17 and these were confirmed in our Operational Plan agreed with our regulator.

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.

- **Strategic Priority 1:** Quality Services

Safe care

Positive experience of care

Effective, outcomes focused care

Well organised care

- **Strategic Priority 2:** Quality Leadership and Workforce

Right staff, right skills, right place

A culture of openness, honesty and transparency

- **Strategic Priority 3:** Sustainability of service provision

Financially sound

Clear strategy for securing success

- **Priority 4:** Innovative and transformational approach to efficiency and effectiveness

Six transformational programmes

Our Performance

Because we deliver a wide range of services commissioned by different Clinical Commissioning Groups and specialist commissioners, we have a great number and wide variety of mandated, contractual and locally identified key performance indicators (KPIs) that are used to monitor the performance and quality of services delivered.

In this section we have provided a summary of performance against the key operational metrics that NHS Improvement set out in its Single Oversight Framework.

In our Quality Report (section xx) we have provided further details on our performance against a range of mandated and locally agreed quality related performance metrics. Full details of performance against all KPIs were presented to the Finance & Performance Committee each month during 2016/17 and areas of under-performance were advised to the Board of Directors as "hotspots" each month.



Metric	Target	
Patients requiring admission have a gatekeeping assessment by CRHT	95%	ACHIEVED
Patients with a First Episode of Psychosis (FEP) begin treatment with a NICE recommended package of care within two weeks of referral	50%	NOT ACHIEVED Note that patients were seen within 14 days of referral and commenced treatment but the Trust was not commissioned to deliver a fully NICE compliant package of care
Ensure that cardio metabolic assessment and treatment for people with psychosis is delivered routinely in a) inpatient areas b) EIP services c) community MHS (people on CPA)	a)90% b)90% c)65%	PARTIALLY ACHIEVED a)90% b)93% c)50%
Complete and valid submission of metrics in the MHMDS a) identifier metrics b) priority metrics	a)95% b)85%	PARTIALLY ACHIEVED a)99.9% b) 75%
IAPT % moving to recovery	50%	NOT ACHIEVED 45% (BB CCG) 52% (CPR CCG) 38% (SOS CCG)
IAPT waiting time to begin treatment within six weeks	75%	ACHIEVED 99%
IAPT waiting time to begin treatment within 18 weeks	95%	ACHIEVED 100%

Important Events Since Year End Affecting the Foundation Trust

On the 31 March 2017 SEPT was dissolved as a result of merger with North Essex Partnership NHS Foundation Trust. Essex Partnership University NHS Foundation Trust was established as the new organisation licenced and registered to carry out the activities of the Trust going forward.

On Friday 12 May, the successor organisation to SEPT, namely the Essex Partnership University NHS Foundation Trust, was affected by the global cyber-attack. The Trust immediately took action to implement its major incident and business continuity plans. The plans which were put in place performed well and ensured that clinical services were not impacted. The Trust is continuing to investigate how the cyber-attack

was able to access the Trust's systems, and will review all internal controls going forwards in order to identify any areas of weakness which need to be addressed.

Overseas Operations

The Trust did not undertake any overseas operations during the year 2016/17.

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 deals with the Trust in any way.

SEPT last 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) workplan - 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 delivery against agreed objectives and priorities for 2016 – 2020.

The Trust's two overarching Equality Objectives are as follows:

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:

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

The Equality and Inclusion Steering Group is made up of senior management and frontline staff. It meets bi-monthly and is commissioned to steer the work needed to make progress towards our Equality Objectives, Equality delivery system (EDS) and public sector Equality Duties.

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 or Mental Capacity Act 2005); 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 these pieces of 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.

Each year, the Trust carries out an Equality and Diversity analysis of the workforce identifying trends patterns and hotspots which require action. We don't promise to get it right all the time, but our commitment is to follow up hotspot areas and to put plans in place to try and make improvements.

Staff do not have to declare their equality information. However, we try to encourage staff to share this with us to ensure we can reflect their needs at work.

During 2016/17 the Trust continued to implement and review the governance arrangements for managing the Trust's equality agenda with improved communication and better access to the equality discussions for staff.

Sustainability and Environmental Stewardship

Leadership and Engagement

SEPT has a Board approved Sustainable Development Management Plan (SDMP) that includes the good corporate citizenship (GCC) model. A revised SDMP has been drafted for 2017, and will be updated to incorporate the merged EPUT. It considers and incorporates recent guidance issued by the Sustainable Development Unit, which will set out the Trust's plan of action for Sustainable Development and implementation timetables up to 2020.

The main priorities of the plan are as follows:

- reduce our carbon footprint by a minimum of 2% year on year, through technical measures and staff behaviour change;
- embed sustainability into our core business strategy;
- work with our key contractors and stakeholders to deliver a shared vision of sustainability;
- comply with all statutory sustainability requirements and implement national strategy.

Progress against key performance indicators will continue to be monitored and updated on the Trust's website. Board level leadership is provided by the Trust's Executive Chief Finance Officer, who sponsors the Sustainable Development Steering Group. This group meets quarterly and has Terms of Reference 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 and 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.

A 'Switch Off' campaign over the Christmas period and a New Year's competition engaged staff and continues in the form of a web community and blog.

An environmental awareness training module and test is available in our online training site, and an environmental awareness section has been included in new staff inductions.

We constantly seek ways to engage the community and to encourage sustainable behaviour, and as such, we have installed solar heating on two large sites, and CO2 and financial savings are reported on dashboard screens in reception for the patients and visitors to witness.

Sustainability training is embedded in the induction of new staff and the Trust carries 'Investors in People' accreditation.

We work with our supply chain to reduce their impact on the environment and ask for proof of sustainability credentials and good practice when we request expressions of interest and tenders for capital projects.

We employ the Good Corporate Citizen assessment tool to indicate where we need to concentrate our efforts to improve our sustainability credentials. The trend currently remains static but it is envisaged that the recent merger and subsequent increase in the size of the estate will reposition the scores.

Resources

Energy

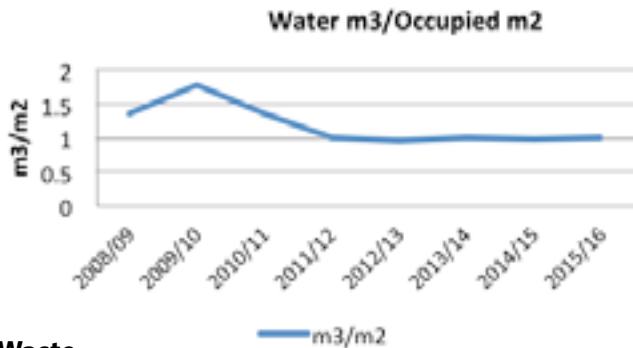
The Trust's energy usage over the last three years is detailed below:

The consumptions for 2015/16 were adversely affected by a cold winter and a change in ERIC reporting between single and aggregated sites. We purchase electricity which contains a renewable element via the Crown Commercial Service.

Collection	2013/2014	2014/2015	2015/2016
Occupied floor area (m ²)	123,463	123,463	91,433
Electricity consumed (kWh)	2,449,180	2,396,966	2,873,778
Gas consumed (kWh)	20,207,749	18,942,606	19,973,404
Oil consumed (kWh)	55,000	52,321	53,486
Coal consumed (kWh)	0	0	0
Electricity consumed - local (kWh)	1,370,747	1,316,463	
Steam consumed (kWh)	4,261,938	4,221,011	2,074,375
Hot water consumed (kWh)	100,833	69,905	26,257
Electricity consumed - third party owned renewable (kWh)	10,282,225	10,177,707	8,190,673
Site energy consumed per occupied floor area (kWh/m ²)	313.68	301.12	363.02

Water

Water consumption per occupied sq. metre has been kept stable over recent years supported by an increased vigilance in discovering and repairing water leaks.



Waste

Efforts to reduce waste and increase recycling are ongoing, and measures are in place to reduce further by the introduction of identified waste bins to encourage staff to separate waste. The recent merger and planned deregulation of the industry, will give an opportunity to review the process again in the coming year.

Travel

Our Staff Travel Plan requires updating, following the recent merger. The plan will be reviewed and expanded in due course.

Reductions from service delivery are through encouraging agile working where appropriate, with the issue of intranet enabled laptops, mobile phones, teleconferencing and 'Touchdown' hot desk offices in each facility.

Procurement

For each new request to tender, we include weighted questions on the tenderer's sustainable behaviour, working practices and aspirations.

The procurement team continues to seek ways to reduce the impact of emissions from the supply chain.

Adaptation

Adaptation to climate change poses a challenge to both service delivery and infrastructure in the future. It is therefore, 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. Adaptation is on the agenda of the Sustainable Development Steering Group, which meets quarterly and will include the new merged Trust in future.

Models of Care

The Trust will seek to develop ways to ensure that sustainability and the achievement of sustainable models of care become incorporated into the reduction of carbon emissions from service delivery.

General

With the recent merger and the increase in the size of the estate, the carbon footprint will also increase. It may, therefore, be difficult to demonstrate improvement in the next period. However, when the extent of energy measurement and sustainability improvements in the new estate are known, we will be in a stronger position to report and develop an inclusive sustainability plan and report.

Capital investment has slowed due to financial constraints. However a scheme has been specified for replacing existing old technology lighting with a more efficient LED equivalent in Rochford and Thurrock Hospitals and the specification and tender document will be issued in the second quarter of 2017.

The Trust has continued to invest in new plant, equipment and technology to improve efficiency and provide more with less.





Financial Review

Overview

This part of the Performance Report provides a commentary on the financial position of the Trust.

The Trust's annual report and accounts cover the period of 1 April 2016 to 31 March 2017, and have been prepared in accordance with directions issued by NHS Improvement 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 Trust submitted an operational plan to NHS Improvement for the 2016/17 financial year with a planned surplus of £0.2 million, and incorporating a recurrent efficiency requirement of £12.7 million.

Against this plan and the many challenges facing the Trust and the NHS as a whole, the Trust managed to deliver an underlying surplus of £0.1 million. This underlying surplus increases to a reported surplus of £3.7 million due to technical adjustments relating to the impairment of assets, revaluation of investment properties and receipt of Sustainability and Transformation Funding from the Department of Health.

The tables below provide a summary of the Trust's performance on its Statement of Comprehensive Income for the year and the Statement of Financial Position, together with comparator information for the 2015/16 financial year.

Table 1: Summary of Statement of Comprehensive Income

	2016/17	2015/16
	£m's	£m's
Operating Income (from Healthcare)	228.0	238.9
Other Operating Income	17.4	19.4
Operating Expenses	(236.5)	(251.0)
Finance Costs	(5.8)	(5.7)
Surplus / (Deficit)	3.1	1.6
Revaluation of Investment Properties	0.6	2.2
Transfers by Absorption	0.0	(36.8)
Reported Surplus / (Deficit) for the year	3.7	(33.0)

Table 2: Summary of Statement of Financial Position

Summary of Statement of Financial Position	2016/17	2015/16
	£m's	£m's
Non Current Assets	150.3	152.7
Current Assets (excluding cash)	14.0	19.5
Cash and Cash Equivalents	45.2	41.7
Current Liabilities	(26.5)	(34.2)
Non Current Liabilities	(34.1)	(34.7)
Total Assets Employed	148.9	145.0
Total Taxpayers Equity	148.9	145.0

Income from Health Care Activities

The Trust's income received for the purposes of the health service in England totalled £228.0 million in 2016/17, which is greater than the income received from the provision of goods and services for any other purposes of £14.8 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

The Trust provided an estates and facilities management service to East London NHS Foundation Trust up until the end of June 2016, and continued to provide an Estates and Facilities Management service to a number of other NHS organisations.

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 2016/17 was £235.4 million. The largest area of spend relates to employee expenses of £166.8 million.

Efficiency and Income Generation Initiatives

The Trust's planning process for 2016/17 identified a total efficiency requirement of £12.7 million. This was based on planning guidance issued by NHS Improvement, as well as a number of other local and national pressures which had been identified, including the underachievement on the 2015/16 efficiency programme of £4.8 million.

As in previous years, the Trust continues to try and minimise the impact of generating savings on front line services and where possible, maximise savings from corporate and back office functions and by identifying new income generation opportunities. However, given the scale of savings required to be delivered over recent years, it is now unavoidable that front line services are also impacted.

Against the total efficiency requirement for the year of £12.7 million, the Trust successfully delivered savings totalling £12.4 million. On a recurrent basis, the Trust has identified recurrent savings of £9.4 million, with the residual £3.3 million shortfall being factored into the 2017/18 financial planning process.

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 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 report received from the District Valuer showing an increase in the fair value of these properties of £0.6 million since the previous financial year. This increase is reported on the face of the Statement of Comprehensive Income, and increases the Trust's reported surplus.

Transfers by Absorption

During the 2016/17 financial year, the Trust has not been required to account for the transfer of any land, buildings or equipment as a 'transfer by absorption'. In the previous financial year, the Trust was required to account for the transfer of services to East London NHS Foundation Trust in this manner, which created a technical loss to the Trust's position of £36.8 million.

Capital Expenditure

Within non-current assets on the face of the Statement of Financial Position, the Trust held intangible assets, plus property, plant and equipment totaling £134.4 million as at the end of March 2017.

During the year, the Trust invested £2.8 million of funds on items of capital expenditure, of which £2.4 million was internally generated and £0.4 million was funded via receipt of new Public Dividend Capital. This included £1 million on the maintenance of Trust properties, £1 million on IT related projects £0.3 million on the purchase of new medical equipment, and £0.4 million on improvements to inpatient facilities.

Investment Property

The Trust holds a number of investment properties within the classification of non-current assets totaling £15.9 million. These properties are leased out to various organisations, including other NHS organisations, housing associations and private individuals.

Assets Held for Sale

As at the end of the 2016/17 financial year, the Trust did not hold any assets in preparation for disposal. During the year, the Trust disposed of one asset (Legrave Lodge) which was previously accounted for as an asset held for sale in the previous financial year.

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 £115k in 2016/17. 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 £32.7 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 2016/17, the Trust achieved an average of 90% of all trade invoices paid within 30 days, compared to a figure of 86% in 2015/16.



Taxpayers Equity

As at the end of 2016/17, the Trust holds Public Dividend Capital of £97.7 million, plus reserves relating to income and expenditure surpluses generated over the year, and from asset revaluations arising from the impact of the 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 2016/17 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 34 to 46.

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 Board of Directors 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 2017. A copy of the charities Annual Report and Accounts for 2016/17 will be available from January 2018 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 2016/17.

Financial Risk Management

The Trust's financial performance is assessed by NHS Improvement, based on the Single Oversight Framework. This measure includes five themes, of which one is the Trust's performance on finance and use of resources rating.

The Trust has a robust risk management process into which any identified financial risks are included and monitored on a regular basis.

Signed:



Sally Morris

Chief Executive

On behalf of the Interim Board, EPUT

Date 25 May 2017





Accountability Report

Directors Report

The Directors of South Essex Partnership University NHS Foundation Trust present their report for the period 1 April 2016 to 31 March 2017.

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 was reviewed during the year, including the appropriateness of current appointments particularly taking account of the skills and experience required to drive the Trust through the proposed merger discussions with North Essex Partnership University NHS Foundation Trust (NEP). 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 and significant experience with acquisitions, mergers and dissolutions. 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 Experience 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.

During the year Sally was appointed as Chief Executive on the Interim Board of Directors whose main responsibility was for all aspects of the delivery of the project to merger NEP and SEPT in accordance with NHS Improvement's transaction guidance including engagement with regulators and stakeholders, undertaking the necessary preparatory work to ensure continuity of services from the date of completion.

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 Nurse.

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

Andy has worked in the health service for over 40 years, the last 21 years at Executive Director Board level. His Executive Director experience has been a mixture of clinical leadership, operational and strategic management and policy development. Andy is a strong and effective leader locally within the organisations that he has worked within and also in his posts at regional and national level.

In previous posts Andy led the clinical workstream in the merger of two mental health trusts in Cheshire and Wirral, and supported the transfer of a mental health directorate from an acute trust to a mental health trust. More recently he has supported the Trust in the acquisition of the Bedfordshire and Luton Trust, the transition of Transforming Community Services and the disaggregation of services in Bedfordshire and Luton.

Andy has been heavily involved in National Leadership work being a founding member of the Mental Health Nurse Directors Group and participated in National Working groups including NICE Expert Reference, as a member of the National Intensive Care Group and he is currently one for the Nurse Directors on the Clinical Advisory Forum established by NHSI. His experience at national level has enabled him to gain valuable insights into development of national policy and how this is translated into operational practice.

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

- Clinical Governance (with Medical Director)
- Clinical Risk Management
- Clinical Audit Programme
- Nursing Leadership
- Safeguarding Children & Adults
- Infection Control
- Specialist Operational Services
- Patient Safety
- Learning Disabilities
- Psychology and Therapy Services
- Serious Incidences and Organisational Learning
- Clinical Quality
- Research Programme
- Workforce Planning
- Training and Development
- NICE Guidance Lead.

During the year, Andy was appointed as the Executive Director Mental Health and Deputy Chief Executive for the Interim Board of Directors. From January 2017 Andy provided support to NEP in the role of Director of Operations.



Dr Milind Karale, Executive Medical Director MRCPsych, MSc (Forensic Psychiatry), DNB, DPM, MBBS

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.

During the year, Milind was appointed as the Medical Director for the Interim Board of Directors.



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. During the year, Nigel was appointed as the Executive Director Corporate Governance & Strategy for the Interim Board of Directors

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

- Corporate Governance
- Planning and Strategy
- Performance
- Compliance
- Non-Clinical Risk Management
- Security Management (LSMS)

- Trust Secretariat
- Legal Services
- Communications
- Patient Engagement
- Complaints
- Public Health
- Human Resources.



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).

During the year, Mark was appointed as the Executive Chief Finance & Resources Officer for the Interim Board of Directors.



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 Executive Board level with all aspects of 'service provision' including mental health services including drugs and alcohol, the full range of community health services for adults, older people and children and primary care, and CEO experience as a commissioner.

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.

Since joining SEPT in June 2010 Malcolm led successful bids for the acquisition of multiple community health service contracts, subsequently managing those services acquired. He led the strategic and operational development of mental health services between 2012 and 2015, overseeing the transformation of services culminating in a 'Good' rating from the CQC.

Since July 2015, his executive portfolio has included strategic leadership and operational management of Adult and Children's Community Services in Bedfordshire and Essex, and Partnerships. The latter involves working collegiately with commissioning organisations, acute hospitals and local authorities, together with a range of third sector and other stakeholders. His portfolio includes:

- Adult and Older Adult's Community Health Services including community and inpatient services
- Children and Young People's Community Health Services
- Equality and Diversity
- Faith Communities
- Partnership Relations

During the year, Malcolm was appointed as the Executive Director Community Services & Partnerships for the Interim Board of Directors.

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 Deloitte. 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.

During the year, Janet was appointed as a Non-Executive Director and nominated Vice-Chair for the Interim Board of Directors.

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 non-executive 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 floatations 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 his experience to add some value to the many challenges that the Trust faces.

During the year Steve was appointed as a Non-Executive Director on the Interim Board of Directors.

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. He runs 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 and sits on two national safeguarding panels. He is also the nominated Non-Executive Director with responsibility for Security & Risk Management (LSMS). Steve also chairs the Mental Health Act Committee and oversees hospital manager panels for SEPT. During the year, Steve was appointed as the Trust's Freedom to Speak Up non-executive lead.

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.

During the year Steve was appointed as a Non-Executive Director on the Interim Board of Directors.



Alison Davis, Non-Executive Director

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 11 years across mental health, learning disability and community services, and a Non-Executive Director for 18 years. She has broad experience in governance, patient safety and quality, with a strong focus on service user, staff and stakeholder engagement.

Alison has a track record leading major organisational change. In 1998/1999 she led Bedford & Shires NHS Trust through a merger with South Bedfordshire Community NHS Trust, serving on the new Trust Board as Vice-Chair. In 2009/2010 she led Bedfordshire & Luton Partnership Trust (BLPT) successfully through the first competitive tendering process in the NHS. Following the acquisition of BLPT by SEPT, she chaired Luton Community Services through their transfer out of NHS Luton in April 2011 having set up a Board and committee structures to strengthen the organisation's governance before transfer. 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, end of life and learning disabilities. She was also appointed during the year as the Baby Friendly Guardian for the Trust.

Alison is a company director of Looking After Mum and Dad, a web-based community interest company, providing information, support and a forum for people caring for elderly relatives. She is also a Trustee of IMPACT Peer Support, a mental health social enterprise run by and for people who have experienced, or are experiencing mental ill health.

During the year Alison was appointed as a Non-Executive Director on the Interim Board of Directors.



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 joined the Trust in January 2015 and feels privileged to be able to continue to contribute to the NHS and the local community as a Non-Executive Director with SEPT.

During the year Mary-Ann was appointed as a Non-Executive Director on the Interim Board of Directors.

Contact Details

Board Directors can be contacted by telephone via the Trust's main switchboard on 0300 123 0808 or by email: firstname.lastname@eput.nhs.uk use relevant first and last names).

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

Post: Freepost RTRG–UCEC-CYXU
Trust Secretary Office
The Lodge
Lodge Approach
Wickford SS11 7XX

Email: epunft.membership@nhs.net

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, Lodge Approach, Wickford SS11 7XX or email epunft.membership@nhs.net

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 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 83 to 165) 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. In reviewing the Trusts performance, internal control and board assurance framework, the Directors have regard to NHS Improvements quality governance framework, and takes appropriate action to improve as necessary.

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 iv - ix 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 2016/17. A self assessment of our quality governance arrangements against the CQC 'Well Led' KLOES (Key Lines of Enquiry) and framework was carried out in year and actions to continually improve these was set out in a governance development plan that was monitored by the Finance & Performance Committee.

As part of our merger preparations, we appointed Grant Thornton as our Independent Reporting Accountants. They carried out a thorough review of our Quality Governance Reporting arrangements and provided positive feedback with few recommendations for improvement.

There are no material inconsistencies between our Annual Governance Statement (May 2017) and this Annual Report.



Sally Morris

Chief Executive

On behalf of the Interim Board, EPUT



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 NHS Providers' annual salary benchmarking survey analysis 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 (including the Chair), 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 survey 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 requirements.

During the year, the Board of Directors Remuneration Committee agreed:

- the name change and salary for the Director of Contracting & Business Development (VSM) – this was in line with the Trust's Directors' Salary Gateway framework
- the redundancy of the Director of Integrated Services for Adults & Older People in West Essex - this resulted in a payment for loss of office 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.
- the redundancy of the Director of Bedfordshire Community Health Services with effect from April 2017
- the two-year appointment to a joint position for a West Essex Director of Health & Social Care Delivery between the Trust and Essex County Council
- a 1% cost of living increase for Directors for 2016/17 in line with national pay negotiations for AfC contracted staff and in recognition of the contribution of the VSMs during the past year that had helped, in particular, the Trust to achieve a 'Good' rating following the CQC comprehensive inspection
- the Deputy Chief Executive role should receive a 7.5% uplift per annum in line with other Deputy Chief Executive salaries across the region
- the payment of outstanding leave for VSMs who were unable to take all the annual leave during 2016/17 due to the work undertaken in preparing for the merger.

Signed:



Mary-Ann Munford

Chair of the Board of Directors Remuneration Committee

On behalf of the Interim Board, EPUT

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. For the 2016/17 financial year, there are no instances of monies owed to or by the Trust in respect of Executive Directors.

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 Agenda for Change 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' service 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 and/or compensation.

In cases of termination due to organisational change, Executive Directors are covered by the national Agenda

for Change 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 twelve months or more. Limits are set on this payment which is currently £160,000. However we are aware that this is currently being consulted on in terms of the maximum limit, how the payment is calculated and restrictions to continue working in the Public Sector. The NHS is awaiting the final decision 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 and we have recently implemented 9 Box Talent Management tool for our senior managers to further support this.



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 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 Trust Secretary is the Committee Secretary. The Committee may commission independent professional advice if considered necessary. No consultants were commissioned during 2016/17.

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 3:

Name	Role	Meetings attended
Lorraine Cabel	Chair	6/7
Steve Currell	Non-Executive Director	5/7
Alison Davis	Non-Executive Director	7/7
Mary-Ann Munford	Non-Executive Director	1/1
Janet Wood	Non-Executive Director	7/7

In addition to the considerations by the Committee listed under the Annual Statement of Remuneration on page 34, the Committee also:

- reviewed the progress against the CEO's and Executive Directors' objectives for 2015/16 and agreed that appropriate assurance had been provided of their effectiveness
- agreed the objectives for 2016/17 for the CEO

- reviewed and agreed the Executive Directors' objectives and development plans for 2016/17 as they relate to their roles as Board members
- considered and agreed the Committee's handover and legacy report in preparation for the establishment of a new Trust following the merger between SEPT and NEP.

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 2016/17. The Trust Secretary is the Committee Secretary.

Members of the Committee and the number of meetings attended by each member during the year are set out below in Table 4:

Name	Role	Meetings attended
John Jones	Public Governor (Chair)	5/5
Roy Birch	Public Governor	5/5
David Bowater	Appointed Governor	4/5
Paula Grayson	Public Governor	3/5
Shurleea Harding	Public Governor	3/4
Pam Madison	Staff Governor	1/1
Sue Revell	Public Governor	1/4
Clive Travis	Appointed Governor	1/5

During the year the Council of Governors Remuneration Committee:

- reviewed and agreed for recommendation to the Council of Governors the terms and conditions of office for Non-Executive Directors
- unanimously agreed to recommend to the Council of Governors a 1% cost of living award for the Chair and Non-Executive Directors for 2016/17 in line with national pay negotiations for AfC contracted staff and with the increase awarded to the CEO and Executive Directors
- reviewed the progress against the Chair and Non-Executive Directors' objectives for 2015/16 and agreed to recommend to the Council of Governors that appropriate assurance had been provided that they continue to demonstrate they are effective Board members
- noted that appropriate objectives for 2016/17 for the Chair and Non-Executive Directors were in place
- in preparation for the merger with NEP, undertook a mid-year review for the Chair and Non-Executive Directors and noted the continued satisfactory performance
- reviewed and agreed for recommendation to the Council of Governors the remuneration and an increase in working day requirements to 12 per month for Janet Wood in her role as Acting Chair for the Interim Board of Directors effective from 7 February 2017
- considered and agreed the Committee's handover and legacy report in preparation for the establishment of a new Trust following the merger between SEPT and NEP.



Table 5: Service Contracts: Executive Directors

Name	Role	Contract Start Date
Sally Morris	Chief Executive	14 Jul 2006
Andy Brogan	Executive Nurse/Executive Director Mental Health/Deputy Chief Executive	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

Table 6: Service Contracts: Non-Executive Directors (including the Chair)

Name	Role	Period of Office	Start	End
Lorraine Cabel	Chair	4 years	1 March 2008	31 March 2018
Janet Wood	Vice-Chair	3 years	1 November 2006	31 October 2017
Randolph Charles	NED	3 years	1 October 2010	30 September 2017
Steve Cotter	NED	3 years	1 October 2010	30 September 2017
Steve Currell	NED/SID	3 years	1 June 2007	31 May 2018
Alison Davis	NED	3 years	1 January 2012	31 December 2017
Mary-Ann Munford	NED	3 years	5 January 2015	4 January 2018

Table 7: Non-Executive Directors Remuneration

Name	Role	Remuneration £000	Working Days	Additional Fees £000
Lorraine Cabel	Chair	45-50	3 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 Directors expenses incurred by the Trust during 2016/17 totalled £27,000 and were claimed by all 13 Directors in post during the year. During 2015/16, expenses totalling £28,000 were incurred.

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 £14,600 and were claimed 13 Governors out of a total of 26 in office. This compares to expenses of £9,300 in 2015/16 which were claimed by 17 Governors.

Providing Partnership Services in Bedfordshire
Essex and Luton



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**Table 8: Senior Managers Pay (subject to audit)
2016/17**

Sally Morris	Chief Executive
Andy Brogan	Executive Director of Mental Health & Executive Nurse (Deputy Chief Executive)
Mark Madden	Executive Chief Finance Officer
Malcolm McCann	Executive Director of Community Services & Partnerships
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
Steve Cotter	Non-Executive Director
Alison Davis	Non-Executive Director
Mary-Ann Munford	Non-Executive Director

2015/16

Sally Morris	Chief Executive
Andy Brogan	Executive Director of Mental Health & Executive Nurse (Deputy Chief Executive)
Mark Madden	Executive Chief Finance Officer
Malcolm McCann	Executive Director of Community Services & Partnerships
Richard Winter	Executive Director of Integrated Services (Bedfordshire & Luton) (left 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
Steve Cotter	Non-Executive Director
Alison Davis	Non-Executive Director
Mary-Ann Munford	Non-Executive Director

Salary	Other Remuneration	Expense Payments (Taxable)	Annual Performance Related Bonuses	Long Term Performance Related Bonuses	All Pension Related Benefits	Exit Package	Total
£000	£000	£00	£000	£000	£000	£000	£000
185 - 190	0	0	0	0	37.5 – 40.0	0	225 -230
130 – 135	0	0	0	0	0	0	130 – 135
150 - 155	0	0	0	0	30.0 - 32.5	0	180 – 185
130 - 135	0	0	0	0	30.0 – 32.5	0	160 – 165
185 - 190	0	0	0	0	57.5 – 60.0	0	245 - 250
130 - 135	0	0	0	0	27.5 – 30.0	0	160 – 165
45 - 50	0	0	0	0	0	0	45 - 50
15 - 20	0	0	0	0	0	0	15 -20
15 - 20	0	0	0	0	0	0	15 -20
15 - 20	0	0	0	0	0	0	15 -20
15 - 20	0	0	0	0	0	0	15 -20
15 - 20	0	0	0	0	0	0	15 -20
15 - 20	0	0	0	0	0	0	15 -20

Salary	Other Remuneration	Expense Payments (Taxable)	Annual Performance Related Bonuses	Long Term Performance Related Bonuses	All Pension Related Benefits	Exit Package	Total
£000	£000	£00	£000	£000	£000	£000	£000
180 -185	0	0	0	0	27.5-30	0	210-215
130 -135	0	0	0	0	0	0	130-135
150-155	0	0	0	0	47.5-50	0	195-200
130-135	0	0	0	0	17.5-20	0	145-150
75-80	0	0	0	0	0	240-245	315-320
185-190	0	0	0	0	47.5-50	0	235-240
130-135	0	0	0	0	5-7.5	0	135-140
55-60	0	0	0	0	0	0	55-60
15-20	0	0	0	0	0	0	15-20
15-20	0	0	0	0	0	0	15-20
15-20	0	0	0	0	0	0	15-20
15-20	0	0	0	0	0	0	15-20
15-20	0	0	0	0	0	0	15-20
15-20	0	0	0	0	0	0	15-20

**Table 9: Total pension entitlement (subject to audit)
2016/17**

Sally Morris	Chief Executive
Andy Brogan	Executive Director of Mental Health & Executive Nurse (Deputy Chief Executive)
Mark Madden	Executive Chief Finance Officer
Malcolm McCann	Executive Director of Community Services & Partnerships
Dr Milind Karale	Executive Medical Director
Nigel Leonard	Executive Director of Corporate Governance

2015/16

Sally Morris	Chief Executive
Andy Brogan	Executive Director of Mental Health & Executive Nurse (Deputy Chief Executive)
Mark Madden	Executive Chief Finance Officer
Malcolm McCann	Executive Director of Community Services & Partnerships
Richard Winter	Executive Director of Integrated Services (Bedfordshire & Luton) (left 31 October 2015)
Dr Milind Karale	Executive Medical Director
Nigel Leonard	Executive Director of Corporate Governance

Real Increase/ (Decrease) in Pension & related lump sum at age 60	Total Accrued pension and related lump sum at age 60 at 31 March 2017	Cash Equivalent Value at 31 March 2016	Real Increase in cash equivalent Transfer Value	Cash Equivalent Value at 31 March 2017
£000	£000	£000	£000	£000
10.0 – 12.5	170 - 175	768	89	857
n/a	n/a	n/a	n/a	n/a
7.5 – 10.0	185 -190	867	74	941
0 – 2.5	175 -180	797	50	847
7.5 – 10.0	85 - 90	354	56	410
7.5 – 10.0	170 -175	758	61	819

Real Increase/ (Decrease) in Pension & related lump sum at age 60	Total Accrued pension and related lump sum at age 60 at 31 March 2016	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
7.5-10	160-165	704	56	768
N/A	N/A	N/A	N/A	N/A
10-12.5	185-190	836	63	910
0	175-180	767	21	797
0-2.5	155-160	738	0	0
5-7.5	80-85	310	40	354
2.5-5	160-165	724	25	758

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 banded remuneration of the highest paid Director in the Trust in the financial year 2016/17 was £185k to £190k (2015/16: £180k to £185k). This was 7.64 times (2015/16: 7.82 times), the median remuneration of the workforce, which was £24,531 (2015/16: £23,348).

In 2016/17, there were no employees (2015/16: nil) who received remuneration in excess of the highest paid Director.

Total remuneration includes salary, non-consolidated performance related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

Loss of Office Payments (subject to audit)

The Trust did not make any payments to Senior Managers for loss of office during 2016/17.

Payments to Past Senior Managers (subject to audit)

The Trust has not made any payments to past senior managers during the financial year.

Signed by:



Sally Morris

Chief Executive

On behalf of the Interim Board, EPUT

Date 25 May 2017



Staff Report

Our Staff

Staff Costs (subject to audit)

During 2016/17, the Trust incurred total staffing costs of £167.2 million which can be analysed as follows between permanent staff and other staff:

	Permanent Staff £000's	Other Staff £000's	Total Staff £000's
Salaries and Wages	127,692		127,692
Social Security Costs	11,587		11,587
Pension Cost (NHS defined contribution plans)	15,899		15,899
Pension Cost (other)	7		7
Termination Benefits	330		330
Temporary Staff – agency / contract		10,701	10,701
Gross Staff Costs	155,515	10,701	167,404
Recoveries from other bodies in respect of staff cost netted off expenditure	(231)		(231)
Total Staff Costs	155,284	10,701	167,173

Average Staff Numbers (subject to audit)

As at the end of 2016/17, the Trust employed 4,242 staff as follows:

	Permanent Staff (WTE)	Other Staff (WTE)	Total Staff (WTE)
Medical & Dental	105	13	118
Administration & Estates	873		873
Healthcare Assistants & Other Support Staff	843	10	853
Nursing, Midwifery & Health Visiting Staff	1,255		1,255
Nursing, Midwifery & Health Visiting Learners	12		12
Scientific, Therapeutic & Technical Staff	564		564
Social Care Staff	4		4
Agency & Contract Staff		121	121
Bank Staff		418	418
Other	24		24
Total Average Staff Numbers	3,680	562	4,242

Gender Analysis

Our workforce profile is similar to many Foundation Trusts, in that just over half of our staff are over the age of 45 and our workforce is predominantly female. This is detailed further in table xx below:

Table 10: Workforce Profile

Staff Group:	TOTAL 4377	Gender		Age			
		Female	Male	<25	26-45	46-65	>65
Board of Directors	13	5	8	0	0	11	2
Senior Managers	51	36	15	0	12	39	0
Doctors and Dentists	118	48	70	0	64	45	9
Nursing	1468	1314	154	44	632	780	12
Other healthcare staff	1596	1384	212	107	718	735	36
Support staff	1131	927	204	66	365	653	47
All Employees	4377	3714	663	217	1791	2263	106
All Employees %	100.00%	85%	15%	5%	41%	52%	2%

Sickness Absence

The average sickness absence rate for SEPT during the calendar year of 2016 was 10.5 days sickness per full time member of staff, which is an improvement on the previous years figure of 11.1 days of sickness.

Table 11: Sickness Absence

Figures Converted by DH to Best Estimates of Required Data Items

Statistics Published by NHS Digital from ESR Data Warehouse

Average FTE 2016	Adjusted FTE days lost to Cabinet Office definitions	Average Sick Days per FTE	FTE-Days Available	FTE-Days recorded Sickness Absence
3,767	39,715	10.5	1,374,902	64,427

In accordance with the Treasury guidance, all public bodies must report sickness absence data on a consistent basis per calendar year, in order to permit aggregation across the NHS. The Trust is required to use the published statistics which are produced using data from the ESR Data Warehouse. The latest publication, covering up to December 2016, can be found on the website of NHS Digital.

The number of Full Time Equivalent (FTE) Days Available of 1,374,902 has been taken directly from ESR, and has then been converted to Average FTE's for the year by dividing by 365 (and allowing for staff with less than 12 months data) to give 3,767.

The number of FTE days lost due to sickness of 64,427 has been taken directly from ESR, and has been converted to Adjusted FTE days due to sickness of 39,715 by taking account of the number of working days in the year to given the cabinet office measure of 39,715 days.

The average sick days per FTE of 10.5 days has then be calculated by dividing the adjusted FTE days as per the cabinet office measure, by the average FTE for the year.

The Trust is committed to placing high priority on tackling 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.

In addition, for the first time this year we introduced access to fast track physiotherapy for staff suffering from musculoskeletal conditions and as we gather more data we will be able to establish the effect this has had on staff sickness.

The Trust continually reviews its Sickness Absence Policy and Procedure and has implemented a further 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.

There are dedicated staff sickness advisers who continue to provide expert and advice to managers supporting staff who are off sick – or managing long term health conditions whilst at work.

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 and their own Sickness Adviser and an external Occupational Health provider to support with the management of health conditions and sickness absence. The Trust has an employee assistance program provided by Optum which is designed to provide staff with independent, free and confidential information, advice and support including counselling to help improve wellness and wellbeing.

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.

Disability

At present approximately 4% of our workforce consider themselves as disabled or living with long term conditions. We use a range of measures to ensure that disabled people are supported and treated fairly, both when seeking employment with us and during their employment with us. These include:

- robust recruitment processes that guarantee applicants with disabilities an interview if they meet the minimum criteria
- secure job offers before any health information is requested.
- support from an equality champions network that includes other staff with disabilities or long term conditions
- inclusion in all staff engagement initiatives and specific competitions and tasks for those with disabilities
- access to the Trusts Vocational Services Support Team and dedicated Absence Advisers for staff who need advice and support about their work role – especially those who become disabled during their employment.
- consultation of our disabled workforce on our

Equality and Diversity Training to ensure that it supports and truly reflects those in the workforce with disabilities.

- official holder of the Government's Disability Confident Badge and the signing up to a range of commitments to support people with disabilities to find and stay in work.



We also support staff who have a disability and have introduced 'disability' as a reason for absence for monitoring and support purposes. Where possible we support reasonable adjustments being made in the workplace to support staff's 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 Retention, Employee Wellbeing and Sickness Absence and Equality, Inclusion and Human Rights.

Staff Concerns

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

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.

This year we also implemented the Freedom to Speak Up Guardian and Local Guardians, which we have found to be very successful. This service was also recently mentioned on NHS Employers.

There are robust HR policies in place including Raising Concerns (Whistleblowing) and Grievance. Staff are also required to undergo e-learning training which covers how to raise concerns.

Our performance in the area of staff having confidence to raise concerns at work is extremely positive, year on year, with all Key Findings in the National Staff Survey either in line with or above the national average

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, implementation of 12 hour shift patterns, 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 transformation and 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.

Health & Safety

The Trust's 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.

We also have in place the following Policies:

- 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

We continue to 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.

Health and safety audits and fire risk assessments were carried out across the organisation in line with legislation and guidance is provided to staff in dealing with issues that require corrective action to reduce the risk of further incidents.

Occupational Health

The Trust has in place an external Occupational Health provider and a dedicated Staff Counselling service for staff to access. During 2016 we also made available to our staff a fast track MSK physio service to support staff in returning back to the workplace and identifying conditions at an early stage.

Workforce Equality and Inclusion

The Trust's workforce equality and inclusion objectives is that *'we will be a safe and inclusive place to work for staff with equal opportunities in respect of recruitment, staff development and progression.'*

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 the Trust's activities include:

- maintaining our equality champions scheme – and recruiting new members.
- completing our second year of the workforce race equality standard action plan – and seeing positive improvements across some of our metrics
- an increase in the proportion of staff who report incidents which they believe constitute bullying, harassment, violence or aggression
- the development of a new flexible working guide for staff to assist and encourage a positive work-life balance
- improvements in the proportion of staff who are declaring their equality status – and a reduction on the category 'unknown'.
- completion of migration across to the new 'disability confident' scheme in preparation for full accreditation in 2017.

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

- celebrating Equality and Diversity week in May 2017
- continued work to close the gap between white and BAME staff through the workforce race equality standard
- the growth and development of a newly formed BAME staff network which feeds into the Equality Steering Group

- continuing to meet our pledge towards pregnant women and new parents through the government's 'Working Forward' initiative.
- completing a new merged application as a 'Disability Confident' employer to replace our original disability two ticks symbol.
- preparatory work for next year's workforce disability equality standard.

Staff Health and Wellbeing

We have a well-established Health and Wellbeing Service which is endorsed through excellent staff survey results 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 to ensure our staff are as healthy as possible.

Each year we produce a dedicated plan which sets our priorities for the year and we were proud of our achievements during 2016/2017. We ran a wide range of events to encourage staff to take responsibility for their own wellbeing in and out of work. This year saw the introduction of fitness classes our most successful one being a Zumba Class at Thurrock Hospital which is still going strong even though it was only set up as a six week trial. Some of our key achievements were:

- the up-date and re-launch of a flexible working handbook for staff;
- a 'new year new you' health campaign with tangible results for staff;
- improved vaccination rates for the national flu campaign;
- the introduction of healthy eating spaces with healthy vending machines on key sites;
- noticeable improvements in wellbeing-related questions in the national staff survey;
- the continued investment in dedicated HR sickness advisers to support staff;
- the introduction of access to fast-track physiotherapy for staff with musculo-skeletal conditions preventing a return to work.

We continue to provide full occupational health and Employee Assistance Programmes for staff.

Building on this work we will prioritise on some key

areas including;

- a call to action on bullying and harassment with dedicated Board leads overseeing the work;
- heightened engagement levels for the new organisation;
- continuation into year two of the national CQUIN dedicated to staff health and wellbeing at work including Flu, Fast Track Physiotherapy, Healthy Food Options and improved staff experience in the area of wellbeing;
- to develop and implement a new health and wellbeing staff award as part of the new staff recognition scheme;
- the introduction of Mindfulness courses for staff supported by access to a range of on-line mindfulness tools.

All of this will be monitored through an agreed action plan which will be reported and updated each quarter.

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 are factored into the regular reviews of procedures.

Expenditure on Consultancy

During 2016/17, the Trust spent £2.2 million 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 University 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 12: For all off-payroll engagements as of 31 March 2017, for more than £220 per day and that last longer than six months

No. of existing engagements as of 31 March 2017	16
Of which...	
No. that have existed for less than one year at time of reporting	2
No. that have existed for between one and two years at time of reporting	4
No. that have existed for between two and three years at time of reporting	2
No. that have existed for between three and four years at time of reporting	3
No. 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 13: For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2016 and 31 March 2017, for more than £220 per day and that last longer than six months

No. of new engagements, or those that reached six months in duration, between 1 April 2016 and 31 March 2017	3
No. of the above which include contractual clauses giving the Trust the right to request assurance in relation to income tax and National Insurance obligations	3
No. for whom assurance has been requested	3
Of which...	
No. for whom assurance has been received	3
No. for whom assurance has been not received	-
No. that have been terminated as a result of assurance not being received.	-

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

Table 14: For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2016 and 31 March 2017

No. of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year	0
No. 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.	6

Staff Exit Packages (subject to audit)

During the year, the Trust has incurred total termination costs of £1,005k in respect of 31 individuals. These terminations arose from the requirement to deliver its efficiency target for the year.

	2016/17					
	Compulsory Redundancies		Other Departures Agreed		Total Termination Costs	
	Number	£000's	Number	£000's	Number	£000's
< £10,000	8	40	3	8	11	48
£10,001 - £25,000	7	115	1	21	8	136
£25,001 - £50,000	6	229	0	0	6	229
£50,001 - £100,000	3	208	1	64	4	272
£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	26	912	5	93	31	1,005

	2015/16					
	Compulsory Redundancies		Other Departures Agreed		Total Termination Costs	
	Number	£000's	Number	£000's	Number	£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

Staff Exit Packages – Non Compulsory Departure Payments

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

	2016/17	
	Number	£000's
Voluntary redundancies including early retirement contractual costs	0	0
Mutually agreed resignations (MARS) contractual costs	0	0
Early retirements in the efficiency of the service contractual costs	0	0
Contractual payments in lieu of notice	5	93
Exit payments following Employment Tribunals or court orders	0	0
Non-contractual payments requiring HMT approval	0	0
Total	5	93

	2015/16	
	Number	£000's
Voluntary redundancies including early retirement contractual costs	1	55
Mutually agreed resignations (MARS) contractual costs	0	0
Early retirements in the efficiency of the service contractual costs	0	0
Contractual payments in lieu of notice	6	49
Exit payments following Employment Tribunals or court orders	0	0
Non-contractual payments requiring HMT approval	0	0
Total	7	104





Staff Survey

Staff Engagement

We continue to place a high emphasis on staff engagement and communication – with a dedicated Employee Experience Team and Communications Team in place. We have seen our HR and Workforce Framework implemented across a range of areas and have made some pleasing progress in the area of staff engagement. Each year we develop a full set of actions based on our equality information, or staff survey and our health and wellbeing priorities. Quarterly updates are provided to ensure we remain on track to achieve our objectives for the year.

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. We use a wide range of engagement methods (the majority of which are anonymous) to reflect the needs of a workforce which is very widely geographically spread and providing a 24 hour – seven day a week service. These include:

- Staff Friends and Family Test Surveys;
- National Staff Survey;
- on line community Forums;
- articles which have the facility to comment and feed back;
- Survey Monkey;
- anonymous Suggestion boxes at events;
- evaluation questionnaires on learning events ;
- Staff Recognition Scheme and annual awards ceremony;
- Facebook and Twitter accounts for staff.

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

This year for the first time ever, SEPT used a full census approach to the survey – which meant that all eligible staff received a survey – rather than those in a selected sample size. This enabled us to ascertain a truer picture of workforce engagement levels and also ensured that no hard to reach groups were left out. Therefore even though we saw a slight reduction in our response rate – we still achieved 1800 responses compared to approximately 600 in the year before. We saw some very pleasing results – and as in previous years, work to improve staff experience is managed and monitored through an Engagement Action Plan covering staff engagement, health and wellbeing, and equality.

Table 15: SEPT Staff Survey Response Rate 2016/17 compared to 2015/16

Response Rate	2016/17		2015/16	Trust Improvement/ deterioration
	Trust	National Average*	Trust	
	43%	43%	45%	1% Improvement

*Benchmarking Group (combined mental health / learning disability and community Trusts average)

Table 16: SEPT Staff Survey Top Ranking Scores 2016/17 compared to 2015/16

Top 5 ranking scores	2016/17		2015/16	Trust Improvement/ deterioration
	Trust	National Average	Trust	
Key finding 8. Staff satisfaction with level of responsibility and involvement (the higher the score the better)	3.99	3.90	4.04	0.05 Decrease
Key finding 3. Percentage of staff agreeing that their role makes a difference to patients / service users (the higher the score the better)	93%	89%	92%	1% Increase
Key finding 14. Staff satisfaction with resourcing and support (the higher the score the better)	3.48	3.33	3.50	0.02 Decrease
Key finding 17. Percentage of staff feeling unwell due to work related stress in the last 12 months (the lower the score the better)	33%	39%	35%	2% Decrease
Key finding 2. Staff satisfaction with the quality of work and care they are able to deliver (the higher the score the better)	4.03	3.89	3.99	0.04 Increase

Table 17: SEPT Staff Survey Bottom Ranking Scores 2016/17 compared to 2015/16

Bottom 5 ranking scores	2016/17		2015/16	Trust Improvement/ deterioration
	Trust	National Average	Trust	
Key finding 18. Percentage of staff attending work in the last three months despite feeling unwell because they felt pressure from their manager, colleagues or themselves (the lower the score the better)	62%	55%	61%	1% Increase
Key finding 25. Percentage of staff experiencing harassment, bullying or abuse from patients, relatives or the public in last 12 months (the lower the score the better)	31%	28%	31%	No change
Key finding 22. Percentage of staff experiencing physical violence from patients, relatives or the public in last 12 months (the lower the score the better)	17%	15%	16%	1% Increase
Key finding 23. Percentage of staff experiencing physical violence from staff in last 12 months (the lower the score the better)	3%	2%	3%	No change
Key finding 20. Percentage of staff experiencing discrimination at work in the last 12 months (the lower the score the better)	12%	11%	8%	4% Increase

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:

- a call for action on violence bullying & harassment towards our staff from patients, the public and other staff - a task and finish group will address some of the issues – in particular encouraging more staff to recognise and report inappropriate behaviour from staff, patients and the public and how as an employer we can provide the appropriate support and advice.
- analysing a range of staff information including discipline, grievance and incident reporting to look for patterns and trends.
- surveying staff about their experiences of violence and harassment at work
- continued 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.
- more opportunity for staff to reflect on activity in the workplace

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 NHS Foundation Trust Code of Governance*, most recently revised in July 2014, 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 2016 to 31 March 2017.

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 re-appointment 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 four 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 accordance 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 Scheme of Reservation & Delegation and the Detailed Scheme of Delegation available at www.eput.nhs.uk 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. However, the Council of Governors will also consider the skills and experience required on the Board taking account of the Trust's current and future business needs, as well as continuity during any period of change.

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 2016/17.

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 annually reviews and agrees the Chief Executive's and Executive Directors' 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 2016/17 the Board undertook an internal self-evaluation that again reflected the domains and principal areas of enquiry in the framework set out in Monitor's *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 responses to the self-assessment review broadly indicated a very positive view of the effectiveness of the

Board of Directors; there were no questions where the respondent felt that the Trust did not meet or exceed expectations. There were a number of examples of good practice and positive feedback provided in the self-assessment and an action plan was developed to build on the Trust's position based on the feedback covering the four domains: strategy and planning, capability and culture, measurement, and processes and structures. All actions were completed during the year.

Board performance is evaluated further through focused discussions at Board Development 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. In March 2016 a comprehensive review of the board's standing committees' effectiveness was undertaken; this 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. 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 was 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.

During March 2017, all Board standing committees also produced an 'end of year' summary report as part of the handover and legacy arrangements to the new Trust that would be established following the merger between SEPT and NEP. This report included a draft work plan for 2017/18, an up to date action log, a note of any risks and outstanding mitigating actions, learning and/or good practice, and legacy issues.

Nominations Committee

The Trust has two Nominations Committees; the Board of Directors Nominations Committee and the Council of Governors 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, representation from HR will be invited to attend a meeting in an advisory capacity in relation to a specific agenda item. The Trust Secretary is the Committee Secretary.

The Committee met once during the year in March 2017 where it considered and agreed the Committee's handover and legacy report in preparation for the establishment of a new Trust following the merger between SEPT and NEP.

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

Name	Role	Meetings attended
Lorraine Cabel	Chair	1/1
Randolph Charles	Non-Executive Director	1/1
Steve Cotter	Non-Executive Director	1/1
Steve Currell	Non-Executive Director	1/1
Alison Davis	Non-Executive Director	1/1
Sally Morris	Chief Executive	1/1
Mary-Ann Munford	Non-Executive Director	1/1
Janet Wood	Non-Executive Director	1/1

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 four Non-Executive Directors – Randolph Charles, Steve Cotter, 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, specifically the proposed merger with NEPT and importance of ensuring stability and retaining skills and experienced on the Board during this critical

period, balanced against future skills and expertise as well as the views of the Board of Directors.

The Committee also led and delivered the process for the appointments of the Chair and Non-Executive Directors for the Interim Board of Directors that was established as part of the merger application process. A joint Council of Governors Nominations & Remuneration Committee that included Governor representatives from both SEPT and NEP.

At its last meeting, the Committee agreed the handover and legacy report to the new Trust that would be established following the merger between SEPT and NEP.

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

Name	Role	Meetings attended
Lorraine Cabel	Chair	2/2
Brian Arney	Public Governor	3/3
David Bowater	Appointed Governor	2/3
Bob Calver	Public Governor	3/3
Joy Das	Appointed Governor	2/3
John Jones	Public Governor	3/3
Tracy Reed	Staff Governor	2/2
Janet Wood	Vice-Chair	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:

Name	Role	Meetings attended
Janet Wood	Chair of Committee	7/7
Lorraine Cabel	Chair of Trust	1/7
Randolph Charles	Non-Executive Director	6/7
Steve Cotter	Non-Executive Director	4/7
Mary-Ann Munford	Non-Executive Director	7/7

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, was provided by Mazars LLP during 2016/17. The functions of the internal audit

service are to provide an *'independent, objective assurance and consulting activity designed to add value to an organisation's 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 2016/17 financial year are Ernst and Young, which is unchanged from the previous financial year. The Essex Partnership University NHS Foundation Trust Council of Governors will consider the external audit arrangements for the 2017/18 financial year at their meeting in September 2017. This will be based on the outcome of a market testing exercise to be undertaken by the Trust.

The value of the external audit contract for 2016/17 was £59,000 (excluding VAT). There was no non-audit work undertaken in the 2016/17 period.

Work of the Audit Committee

During the year, the Committee considered a number of significant issues. These included any potential impact on the accounts relating to the merger with North Essex Partnership NHS Foundation Trust on 1 April 2017, and ensuring the Committee were kept informed of the progress with the transaction.

In addition, further significant issues relating to the 2016/17 annual accounts which were discussed by the Committee were as follows:

- Revaluation of Investment Properties: the Committee discussed this issue and the technical increase in the Trusts surplus of £621k that arose from the requirement to revalue its investment properties;
- Impairment of Plant, Property and Equipment: the Audit Committee noted the impairment of several Trust properties that are currently surplus to requirements with no plans to bring them back into use;
- Change in Discount Rate: the Committee noted the impact of the change in discount rate announced by HM Treasury, on the Trust's reported surplus;
- Dilapidation Provision: the Committee noted the new properties for which a dilapidation provision has been included for the 2016/17 financial year;
- Sustainability and Transformation Funding: the Audit Committee noted the impact that the receipt of this funding from the Department of Health had on the Trusts reported surplus;
- Going Concern: the Audit Committee considered this issue and recommended that the Board could sign off the appropriate statements.



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.

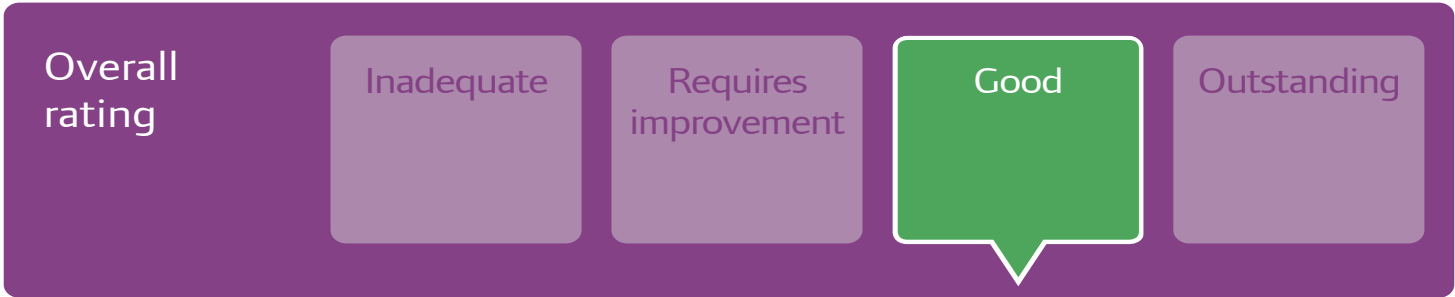
Steve Currell continued in his role as Senior Independent Director during 2016/17. He actively pursues an effective relationship between the Council and the Board.

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.

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.

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. This was particularly pertinent during 2016/17 with regular briefings in relation to the proposed merger between SEPT and NEP.

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.



Are services

Safe?	Requires improvement
Effective?	Good
Caring?	Good
Responsive?	Good
Well led?	Good

The table lists five service quality indicators and their corresponding ratings. 'Safe?' is rated 'Requires improvement', while 'Effective?', 'Caring?', 'Responsive?', and 'Well led?' are all rated 'Good'.

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.

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. The Board recognises the importance of ensuring the relations with stakeholders are embedded and in particular there is dialogue with members, patients and the local community. The Trust encourages quality engagement with stakeholders and regularly consults and involves Governors, members, patients and the local community through various routes. It also supports Governors in ensuring they represent the interests of the Trust's members and the public, through seeking their views and keeping them informed.

During the year there has been a wide-range of engagement mechanisms with Governors and members particularly in relation to the proposed merger with NEP;

- Attendance and/or agenda items/presentations at Council of Governor meetings by Directors including a report on the Trust's performance and finances, and quality;
- Holding Board and Council meetings in public;
- Informal Non-Executive Director and Governor discussion meetings held quarterly;
- Informal briefing sessions with the Chief Executive held quarterly;
- 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;

- The establishment of the Governor Significant Transactions Group working with Board's Investment & Planning Committee and Executive Director Corporate Governance specifically in relation to the merger with NEP;
- 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;
- 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;
- Public member meetings: SEPT on the Spot meetings were launched during 2016/17 with meetings being held in the August and December in all Trust constituencies. Members and the public were able to meet with the Chair, CEO, Directors, Senior Managers and Governors, and topics covered included safe services: protecting patients and staff, dementia, keeping people out of hospital, etc;
- Annual Members Meeting;
- Our website www.eput.nhs.uk

The Trust fosters an 'open door' policy where issues, queries and feedback can be raised with the Chair, the CEO and any Board member as appropriate either on a face to face basis or via email.

Feedback and views are captured and shared with the Board as described above and are also reported, for example, through:

- report from the Council in the Trust's Annual Report
- statement from the Council in Trust's Quality Report/Account
- Annual Members Meeting
- SEPT News (membership newspaper).

Staff members are also able to provide feedback and share concerns through various mechanisms in the Trust as part of the Trust's approach to being open. This

includes, for example, the 'I'm worried about' facility on the intranet and the Freedom to Speak Up initiative as well as through team, professional groups and directorate meetings and the Whistleblowing Policy and Procedure.

In addition, during 2016/17 there have been various mechanisms used to engage with Governors, members and local people specifically in relation to the merger with NEP;

- Progress with the merger plans have been presented at all public Trust Board and Council of Governor meetings since the merger options was agreed, as well as Part 2 meeting;
- The merger proposals have been discussed at all SEPT on the Spot locality-based meetings held throughout the year;
- Independently-facilitated cultural due diligence workshop was held with people who use mental health services in summer 2016;
- Presentations and detailed discussions have been held at meetings of the Stakeholder Reference Group which was established in September 2016 specifically to engage people with an interest in local services in the merger proposals and has met four times to date;
- Formal presentations have been made at the Annual Members' Meeting in October 2016 and questions taken from attendees at the event;
- Presentations and engagement activities on merger proposals were held at the stakeholder planning events for both community and mental health services in December 2016;
- A major public 'Question Time' event with the Interim Board was held in January 2017 where more than 100 people took part with detailed discussions and proactive engagement with the merger proposals and emerging clinical modelling;
- Detailed discussions on the progress with the merger have been held at three public meetings

with Essex Health Overview and Scrutiny Committee (HOSC) as well as with Thurrock HOSC, Southend HOSC and Basildon Community & Infrastructure Scrutiny Committee;

- Project Director has met with Healthwatch organisations across Essex to discuss in detail the merger proposals;
- Essex Healthwatch mental health ambassadors have attended meetings of the Stakeholder Reference Group and are now formally co-productively engaged in one of the proposed new Trust's clinical modelling workstreams;
- There have been joint Director/Governor Task & Finish Groups including the review of the constitution and constituencies in preparation for the merger.

In addition, with regards to the development of a vision and set of values for the new organisation the views of local people, members, service users/carers and staff were collected via face to face meetings and a widely promoted online survey. The collated feedback was provided to both SEPT and NEP Trust Boards for consideration during the decision-making process to agree a new vision and values for the proposed new Trust.

Staff members have been directly engaged via their team, professional groups and directorate meetings. In addition, a range of organisational development workshops and a programme of proposed merger Q&A sessions have been held in each locality with Interim Board Directors specifically to discuss the proposals and staff's ideas for the new organisation as well as via the stakeholder planning events, Trust's SEPT on the Spot meetings and Annual Members Meeting.

Council of Governors Committees

The following governance structure was introduced during 2015/16 following review. The framework is designed to ensure it is fit for purpose, robustly supports and enables the Council to fulfil its duties, roles and responsibilities effectively. 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 as follows:

CONSTITUENCIES		
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

Taking account of the proposed merger between SEPT and NEP no elections were held during 2016/17. Although vacancies remained on the Council the balance of Public, Staff and Appointed Governors remained in line with the Trust's constitution and all meetings held were quorate.

Governor Training and Development

The Governor Training & Development Committee is a standing committee of the Council that provides support in ensuring 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.

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.

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 2016/17 were the workshops to review and gain a better understanding of the Trust's Annual Finance Report and also the Trust's Operational Plan.

In addition, sessions were held on the role of the Governor, the statutory responsibilities and how this is valued by the Trust; this was complemented by a workshop on the purpose of the Governor Work Plan that sets out the expectations of how to fulfil the Governor role. Governors were also provided with access to the Trust's online training system that will be used to deliver some of the Governor Learning & Development Pathway modules including information governance, equality and diversity. A bespoke internal training session on the recruitment of NEDs by SEPT's HR team in preparation for the recruitment of the Chair and Non-Executive Directors of the Interim Board was also held.

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.

The Lead Governor is also the Deputy Chair and a member of the NHS Providers Governor Advisory Panel and provides quarterly updates to the Council

Although there was no requirement during 2016/17 for the Board of Directors to make a declaration as part of the annual self-certification statement relating to the training and development of Governors, the Council provided a comprehensive report that provided assurance of the training and development activities that had been offered to Governors during the year.

Table 19: Council of Governors Attendance at Meetings 2016-2017

Category	Constituency/ Appointing Organisation wef 1 October 2015	Name	Date of Appointment	Period Elected	1st / 2nd / 3rd Term of Office	In post as at 31 March 2017	Council of Governors		Governance Committee		Governors Nominations Committee		Remuneration Committee		Governors Membership Committee		Annual Meeting		
							attended	no of meetings	attended	no of meetings	attended	no of meetings	attended	no of meetings	attended	no of meetings	attended	no of meetings	
Public Governors	South Essex	Steve Alston	Sep-15	Sep 15 to Sep 18*	1	x	0	3											
		Roy Birch	Sep-14	Sep 14 to Sep 17	3	✓	7	9											
		Vacant																	
		Vacant																	
		Sue Revell	Sep-12	Sep 15 to Sep 18*	2	x	1	2											
		David Watts	Sep-14	Sep 14 to Sep 17	1	✓	0	9											
		Tony Wright	Sep-14	Sep 14 to Sep 17	1	✓	7	9	4	5									
		Shurleea Harding	Sep-09	Sep 14 to Sep 17	1	✓	6	9											
		Vacant																	
		Hannah Moore	Sep-15	Sep 15 to Sep 18*	1	x	1	9											
Thurrock	Vacant																		
	Vacant																		
Rest of Essex	Brian Arney***	Sep-14	Sep 14 to Sep 17	2	✓	9	9	5	5	3	3								
	Bob Calver	Sep-09	Sep 15 to Sep 18	3	✓	6	9												
	Colin Harris	Sep-14	Sep 14 to Sep 17	1	✓	8	9	5	5										
	Kresh Ramanah	Sep-14	Sep 14 to Sep 17	1	✓	8	9												
	Prof Sudi Sudarsanam	Sep-14	Sep 14 to Sep 17	1	✓	6	9												
	Jackie Gleeson	Apr-10	Sep 15 to Sep 18	3	✓	4	5												
Rest of England	Paula Grayson	Sep-12	Sep 15 to Sep 18	2	✓	8	9												
	John Jones**	Apr-10	Sep 15 to Sep 18	3	✓	9	9	5	5	3	3								
	Clive Travis	Apr-10	Sep 15 to Sep 18	3	✓	3	9												
	Vacant																		
		Vacant																	
		Vacant																	
		Vacant																	

Category	Constituency/ Appointing Organisation wef 1 October 2015	Name	Date of Appointment	Period Elected	1st / 2nd / 3rd Term of Office	In post as at 31 March 2017	Council of Governors		Governance Committee		Governors Nominations Committee		Remuneration Committee		Governors in Committee		Governors Membership Committee		Annual Meeting			
							Attended	No of meetings	Attended	No of meetings	Attended	No of meetings	Attended	No of meetings	Attended	No of meetings	Attended	No of meetings	Attended	No of meetings		
Staff Governor	Clinical	Tracy Reed	Dec-11	Sep 15 to Sep 18	3	✓	7	9	2	5	2	2	1	1	1	1	1	1	1	1	1	
		Vacant																				
Staff Governor	Non-Clinical	Pam Madison	Nov-15	Nov 15 to Sep 18	1	✓	8	9	4	5		2	1	1	1	1	1	1	1	1	1	
		Gill Toby	Nov-15	Nov 15 to Sep 18	1	✓	6	9														
Partnership	Anglia Ruskin University /Essex University	Vacant																				
		Vacant																				
Local Authority	Beds & Luton Service Users & Essex Service Users & Carers	Vacant																				
		Joy Das	Jun-12	Jun 13 to Jun 16	2	✓	6	9	1	3	1	1	1	1	1	1	1	1	1	1	1	
		Vacant																				
		Vacant																				
		Vacant																				
Local Authority	Central Bedfordshire	Vacant																				
		David Bowater	May-10	May 13 to May 16	2	✓	9	9	5	5	2	3	4	6	1	1	1	1	1	1	1	

*stood down during 2016/17

**Lead Governor from Nov 2015

***Deputy Lead Governor from Nov 2015

Annual Report of the Council of Governors

Your Council of Governors thought it would be helpful if we the outgoing Governors wrote an Annual Report to the members, to let you know what we have been doing on your behalf during 2016/17. We hope that it might stimulate some thoughts on how to progress the Council of Governors of Essex Partnership University Trust (EPUT) that will be established during June 2017.

We are pleased to report that the merger which featured heavily in our last Report has been completed and most importantly that we, the Governors, have been involved at every stage. We have taken our role as 'critical friend' seriously, questioning the directors regularly so as to satisfy ourselves that proper process has been undertaken and that the interests of the patients and carers have been uppermost in any decisions which have been made.

We recognise that the previous Foundation Trusts (of North and South Essex) each have much strength which can now be shared more widely, in order ultimately to create a better experience for our users across the Essex, Bedfordshire and Suffolk.

Those Governors who were 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, as well as an update on the merger position. This was very helpful, enhancing as it does the closer working relationship between the Governors and the Chief Executive. We are also pleased to note that Sally remains in post as Chief Executive of the Interim Board of Directors and that all the Interim Board Directors came from the constituent FTs with the majority being from SEPT. This provides important continuity such that patients should not notice any difference between 31 March and 1 April 2017.

We also had the opportunity to regularly meet with our Non-Executive Directors (NEDs) including the Chair 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.

During the year it has also been 'business as usual' and an important part of our role is undertaking Quality Visits which we have done regularly in the company of one of the Executive Directors and a NED. This gives us an opportunity to talk to service users/patients, 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 complied 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 met with the relevant Executive Director to discuss the Operational Plan and provide what we hope were 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 Executive Directors interact as well as to ask questions on your behalf. This is all in addition to the Public Member meetings ('SEPT on The Spot') which Governors attend.

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 EPUT maintain that position, particularly following the required Care Quality Commission inspection, scheduled for late 2017.

The annual Staff Survey has once again shown that SEPT maintained its position as one of the top performing Trusts in the country with many high scores across a wide variety of parameters. 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.

It would be remiss of us, as Governors, not to mention the outstanding role undertaken by our Chair, Lorraine Cabel. She has always been available to listen to our views, and to take action when appropriate. She has taken the decision that now is the time to move on after a long and very distinguished career in the NHS, and we wish her well in the future.

We welcome Janet Wood in her role as Acting Chair of EPUT. We have known and worked with Janet for many years and are confident that, in her, there is a safe pair of hands during the time when the Interim Board will be making many critical decisions for the new Trust.

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. We wish EPUT well and feel confident that it will continue to provide excellent services to the residents of Essex, Bedfordshire and Luton.



John Jones

Lead Governor (until 31 March 2017)



Brian Arney

Deputy Lead Governor (until 31 March 2017)



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 into constituencies using electoral boundaries. All people aged 12 and over and living in one of the following constituencies can become a member:

Public Constituency	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

Staff Members

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

Membership Size

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

As at 31 March 2017, the Trust had 18,394 members as follows:

Membership size and movements

Public constituency	Last year (2016/17)
At year start (April 1)	14,533
New members	40
Members leaving	658
At year end (March 31)	13,915

Staff constituency	Last year (2016/17)
At year start (April 1)	4,480
New members	0
Members leaving	1
At year end (March 31)	4,479

The breakdown of public membership by age, ethnic origin, socio-economic status and gender at 31 March 2017 was as follows:

Analysis of current membership

Public constituency	Number of members	Eligible membership
Age (years):		
0-16	5	161,054
17-21	185	43,982
22+	11,178	576,359
Ethnicity:		
White	10,466	691,207
Mixed	277	12,649
Asian or Asian British	1,036	21,376
Black or Black British	627	22,645
Other	48	2,882
Socio-economic groupings*:		
AB	3,285	44,291
C1	4,001	76,630
C2	3,079	52,211
DE	3,437	52,587
Gender analysis		
Male	5,240	382,015
Female	8,474	399,380

The analysis section of this report excludes:

- 2547 public members with no dates of birth, 1461 members with no stated ethnicity and 201 members with no gender
- 0 patient members with no dates of birth

General exclusions: Suspended Members, Inactive Members

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

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.

During 2016, the SEPT on the Spot meetings were launched following review of how best to organise the meetings for members and the public to meet their needs but also how to manage the challenges on the Trust's capacity and resource particularly from senior and operational staff. Eleven meetings were held during August and December 2016 and were supported by the CEO, Chair, Executive and Non-Executive Directors, senior officers and the locality based Governors as well as operational staff. The format of the meeting provided the opportunity for the public and members to hear about local services/issues/topics

as well as the opportunity to ask questions of senior management in both open forum and on a one to one basis. The opportunity was also taken at all meetings to provide an update on the merger; attendees at the meetings in August were also able to share their views on the name of the proposed new Trust. Overall, the meetings were well attended and the presentations were well received with the majority of attendees agreeing that they had a better understanding of the presentation topic and the meetings were worthwhile attending. A variety of topics was presented at the meetings including 'keeping people out of hospital', South East Essex Recovery College, living with dementia, etc.

Members are also 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 the Annual Members Meeting held in October 2016 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 locality based patient/carer events;
- members were also able to contribute to the development of the Trust's Operational Plan by attending stakeholder planning events.

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; members can contact their Governors by any of the following methods:

Post: Freepost RTRG–UCEC-CYXU
Trust Secretary Office
The Lodge
Lodge Approach
Wickford SS11 7XX

Email: epunft.membership@nhs.net

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.



Sally Morris

Chief Executive

On behalf of the Interim Board, EPUT

Date 25 May 2017

NHS Improvement's Single Oversight Framework

Single Oversight Framework

NHS Improvement's Single Oversight Framework provides the framework for overseeing providers and identifying potential support needs. The framework looks at five themes:

- quality of care
- finance and use of resources
- operational performance
- strategic change
- leadership and improvement capability (well-led)

Based on information from these themes, providers are segmented from 1 to 4, where '4' reflects providers receiving the most support, and '1' reflects providers with maximum autonomy. A foundation trust will only be in segments 3 or 4 where it has been found to be in breach or suspected breach of its licence.

The Single Oversight Framework applied from quarter 3 of 2016/17. Prior to this, Monitor's Risk Assessment Framework (RAF) was in place. Information for the prior year and the first two quarters relating to the RAF has not been presented as the basis of accountability was different. This is in line with NHS Improvement's guidance for annual reports.

Segmentation

The first full segmentation rating was published by NHS Improvement in December 2016. This identified that the Trust had been rated as 2 which was the same as the 'shadow' segmentation published in October 2016 which provided an indicative outline of providers' support needs. On 7 April 2017 the latest segmentation rating was also 2.

Segmentation ratings are published/ updated on the NHSI website as and when individual providers' segments change in line with support needs.

Finance and Use of Resources

The finance and use of resources theme is based on the scoring of five measures from '1' to '4', where '1' reflects the strongest performance. These scores are then weighted to give an overall score. Given that finance and use of resources is only one of the five themes feeding into the Single Oversight Framework, the segmentation of the Trust disclosed above might not be the same as the overall finance score.

Area	Metric	2016/17	2016/17
		Quarter 3 Score	Quarter 4 Score
Financial sustainability	Capital Service Capacity	2	2
	Liquidity	1	1
Financial efficiency	I & E margin	1	1
Financial controls	Distance from financial plan	1	1
	Agency spend	1	1
Overall scoring		1	1





SEPT Quality Report 2016/17



Executive Summary

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

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PART 1:

Statement on quality from Sally Morris, Chief Executive of SEPT 2016/17

I am delighted to present this Quality Account for 2016/17, which shows how South Essex Partnership University NHS Foundation Trust (SEPT) met its quality commitments for the past year and outlines the quality priorities in 2017/18 for our new, merged organisation – Essex Partnership University NHS Foundation Trust (EPUT).

This was an exciting year for SEPT as we prepared to merge with North Essex Partnership University NHS Foundation Trust (NEP) to form EPUT in April 2017. The merger is an excellent outcome for the people who rely on our services. We said from the start that we would be stronger together. Now we can harness the real enthusiasm we have to take the best from both organisations to deliver sustainable and transformative mental health, learning disabilities and community health services for the benefit of local people.

However, we didn't allow the proposed merger to distract SEPT's continued firm focus on the provision of high quality services. Much of the good practice outlined in this statement and throughout this report has been carried forward into the new organisation, taking us from strength to strength. The formation of EPUT enables us to continue to drive forward these quality improvements and more.

The preparation of this Quality Account has been particularly complex this year as we are required to look back on 2016/17 as SEPT and to look forward to 2017/18 as EPUT. We have tried to make the report as easy to follow as possible. There are contact points at the end of the report – please do not hesitate to get in touch if you have any queries.

Some of SEPT's quality highlights

See below the quality highlights from the past year:

- Continuing high levels of achievement against the national safety thermometer, a national tool for measuring the achievement of harm free care.
- On-going reduction in the number of avoidable category 3 and 4 pressure ulcers acquired in our care, with two out of our three Community Health Services achieving no avoidable category 3 or 4 pressure ulcers across the entire year.
- Acceptance to be part of the NHS Improvement Falls Collaborative which is a 90 day programme, involving 21 volunteer Trusts, designed to improve the management of falls in an inpatient setting by ensuring that providers have the information, skills and tools to reduce injurious inpatient falls and improve reporting and care.
- On-going implementation of the Trust's Quality Academy with more than 65 quality champions being trained during the year and dates for training more quality champions scheduled.
- Development and implementation of a new "quality dashboard" for the Trust Board which provides the Board with an overview of key quality indicators, providing assurance and, where necessary, the opportunity for clarification and challenge.
- Implementation of a number of actions within the Sign up to Safety Initiative, with strong links to the national team supporting it.
- Awarded the Skills for Health Quality Mark Award for education and training.
- Family Food First – accreditation awarded for a number of local pre-school and nurseries in Bedfordshire.
- Installed a state-of-the-art X-ray machine at Saffron Walden Community Hospital.
- Launched the "Ask 3 Questions" programme in west Essex.
- Participated in the Essex-hosted Diabetes Games and Family Fun Day.
- Achieved excellent PLACE (clinical environment) results – above average in all categories.
- Received positive feedback following a visit from The Right Honourable the Lord Bradley to our Criminal Justice Liaison & Diversion Team.
- Achieved consistently excellent national Staff Survey results.
- Launched 2017's Buddy Scheme for training in mental health services.
- Dr. Ashish Patak, Consultant Psychiatrist, awarded Trainee Leader of the Year in the Health Education East Awards.
- Psychiatrists Dr David Ho, Dr Raman Deo and Dr Vivek Bisht, presented a symposium at the International Association of Forensic Mental Health Conference in New York (June 2016).
- Jacky Syme, practice development manager for 0-19 service in Bedfordshire, received the runner-up award for the Julie Crawford Award, given by the Baby Feeding Law Group (BFLG).
- Open Arts recognised again at the National Positive Practice in Mental Health Awards 2016.

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



Systems for ensuring quality at the highest levels throughout 2016/17

SEPT had a number of systems in place to ensure quality at the highest levels throughout the year. These systems have carried forward into EPUT and will continue to evolve as the new organisation develops.

As an NHS Foundation Trust, SEPT had a Council of Governors which included elected members of the public and staff, as well as a Board of Directors, both of which were led by the Chair of the Trust. Together they 'drove' the Trust, ensuring our staff were delivering services to the high standards to which we all aspire and they held me and my executive team to account for the day-to-day running of the Trust.

Our Board of Directors met in public and ensured proactively that we focused not only on national targets and financial balance, but also continued to place significant emphasis on the achievement of quality in our local services. Our performance was, therefore, monitored consistently and any potential areas for improvement addressed swiftly.

Robust quality governance systems were in place to safeguard patient safety and, ultimately, to provide assurance to the Board of Directors on the quality of SEPT services. These quality governance systems included production of comprehensive quality (including safety, experience and effectiveness) and performance dashboards on a monthly basis; undertaking compliance checks mirroring Care Quality Commission's (CQC) reviews and implementing any necessary remedial actions; an active national and local clinical audit programme; monitoring of patient experience and complaints and a robust risk management and escalation framework. Visits to services to assess quality and triangulate the information gained from these processes were made regularly by Non-Executive Directors, Executive Directors, Governors and commissioners.

I also place great importance on checking personally that things are as they should be in the Trust. I made unannounced visits to services at all times of the day and night throughout the year to observe the care provided and to hear directly from the people using the services at the time.

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

How others feel about our services

SEPT placed great importance on listening to, involving and engaging with the people who come into contact with our services – patients / service users, carers and our staff and volunteers. This will also be a key priority for EPUT. During 2016/17, we continued to enhance our robust mechanisms for capturing feedback and also, and most importantly, acting on that feedback and using it to improve and shape services. We have included details of some of the activities undertaken, the feedback gained and changes made as a result in section 3.5 of this report.

Listening to our staff and their views on the quality of services was equally important to SEPT and will continue to be so in the new organisation. During 2016/17, we continued to ensure that our staff felt supported and encouraged to speak out about any issues, concerns or challenges. There were robust policies in place to enable staff to do this and a number of mechanisms by which they could raise any concerns. This included the 'I'm worried about' intranet button for staff to raise issues anonymously directly with the senior leadership team, as well as the 'Freedom to Speak Up' initiative which gives staff the opportunity to speak to a 'Principal Guardian' about any concerns they might have.

Meeting the requirements of our external regulators

During 2015, we received an independent external assessment of the quality of our services under the CQC's comprehensive inspection national programme. SEPT's services were rated GOOD overall and GOOD for being effective, caring, responsive and well-led - a tremendous achievement. However, we were not complacent and the inspection reports indicated areas where we could improve further.

Since then, we have driven forward all the actions required to address the CQC's findings and undertook a detailed assessment of our progress in September 2016. As a result, the Board agreed that all actions with the exception of one had been implemented successfully. It was felt that whilst it was evident that action had been taken to improve access to psychology provision, further work was required. A thorough review of our service has been carried out and recommendations are being implemented. Further details are included in section 2.4.5 of this report. Our programme of internal inspections has continued to ensure that we have focused consistently and firmly on maintaining

high standards in our services and making further improvements going forward.

Until the end of quarter 2 of 2016/17, we were fully compliant with the 'Monitor' targets set by our external regulator. From 1 October 2016, NHS Improvement (which replaced Monitor as our external regulator from 1 April 2016) introduced new stretching targets for NHS organisations and the Trust has struggled to achieve some of these. Most are within our gift to achieve, and I am determined that we will improve our position in 2017/18.

Looking to the future

There is always opportunity for improvement. This is an exciting time for the Trust with the launch of our new Essex Partnership University NHS Foundation Trust from 1 April 2017. A significant amount of work was undertaken with NEP throughout 2016/17 to prepare for this merger and to ensure that the quality of services is maintained and continues to go from strength to strength. Section 2.2 of this report sets out the quality priorities we have agreed for the new organisation, based on the specific priorities within each of the predecessor organisations.

This merger brings significant opportunities to design and deliver new models of service. There will be no immediate changes to services. It will be 'business as usual' for service users and carers for the foreseeable future. Clinicians from both Trusts are working together with commissioners and people with lived experience to develop a proposed new clinical model for Essex-wide mental health services. Any changes to current services proposed by this model are likely to be subject to formal consultation.

Funding challenges may mean sometimes standards of service delivery have to be redefined to be affordable. 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.

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

Our staff are our greatest asset

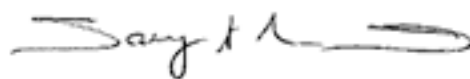
Our staff take pride in everything they do and provide consistently professional and high quality services. They work very hard to provide the highest quality care for our patients and I am immensely proud of them. Without each and every one of them, SEPT would not have been able to deliver the excellent services we and our patients expect.

We have a Staff Recognition Scheme and each month staff were nominated for In Tune Awards for their excellent customer service. On 1 February 2017 we held our annual SEPT Star Awards where more than 40 staff were recognised for their innovations and achievements with 26 proud winners taking home a trophy. Additionally, more than 400 staff were recognised for their excellent service throughout the year at our monthly Board Meetings.

After reading this Quality Report, I hope you will understand how seriously we all take quality and how hard 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

SEPT Chief Executive 2016/17

Chief Executive of the Interim Board of Directors, EPUT from 1 April 2017



PART 2:

Our quality priorities for improvement during 2017/18 and Statements of assurance from the board for 2016/17

Progress against the quality priorities for improvement for 2016/17, as set out in SEPT's 2015/16 Quality Report, is set out in Part 3 of this document.

What services did SEPT provide in 2016/17?

During 2016/2017, 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 as well as some specialist Children's Services Essex-wide.

How have we prepared this Quality Report?

This Quality Report has been prepared in accordance with the national legislation / guidance relating to the preparation of Quality Reports and Quality Reports in the NHS. From 1 April 2017, SEPT merged with North Essex Partnership University NHS Foundation Trust (NEP) to form Essex Partnership University NHS Foundation Trust (EPUT) and from this date responsibility for the finalisation of this Quality Report transferred to EPUT. The legislation / national guidance on Quality Reports and Accounts specifies mandatory information that must be reported within the Quality Report / Account 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 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 EPUT Quality Committee and the Board of Directors. The draft report was also sent to Clinical Commissioning Groups, Healthwatch organisations and Local Authority Health Overview and Scrutiny Committees 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. The draft report was also sent to Local Authority Health and Wellbeing Boards for consideration and comment should they wish. The Lead Governor for SEPT also provided a statement, on behalf of the SEPT Council of Governors, which is included in Annex A.

The report was sent in draft form to the Trust's external auditors in April 2017, in order to provide independent external 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 EPUT Board of Directors approved the final version of the Quality Report / Account 2016/17 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 in 2017/18

How have we developed our priorities for the coming year?

As part of the preparation for the merger, SEPT and NEP established a joint planning process that led to the development of aligned strategic priorities and action to be taken to achieve these. Two joint stakeholder planning events for EPUT were held in December 2016. Those in attendance included commissioners, representatives from statutory and voluntary partners, staff, governors and service users and carers.

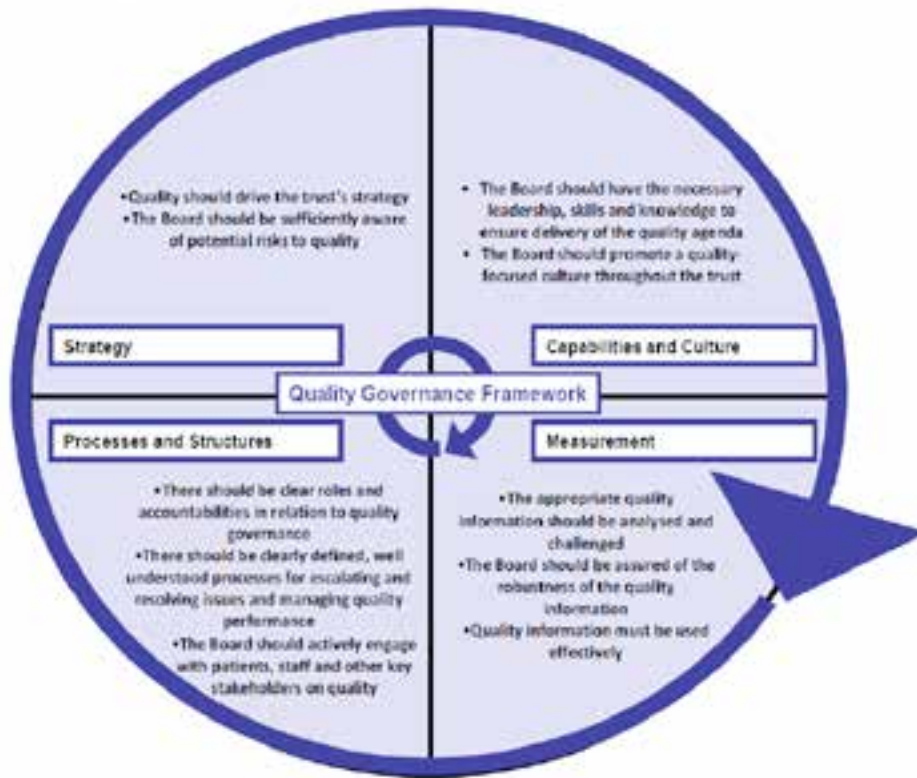
EPUT's vision commencing on 1 April 2017 is 'Working to improve lives'. The priorities for quality for our new organisation have been produced with input from the Board, the Trust's Leadership Team, health economy partners and the Council of Governors. In addition, a number of economy wide discussions have been held with partners at Board and Executive level on the delivery of the Five Year Forward View and system wide Sustainability and Transformational Plans (STPs).

A safe transition from two organisations to one is clearly the key priority. A detailed 'Post-Transaction Implementation Plan' (PTIP) was developed and scrutinised by NHS Improvement and by external auditors. A Quality Merger Workstream was put in place during 2016/17 and sub-workstreams established to oversee the review and harmonisation of systems, processes and policies associated with the management of quality in EPUT. Clear plans were put in place to establish harmonised processes required on day one of the new organisation (ie those most critical processes, for example adverse and serious incident reporting; complaints handling etc) and to understand those processes that could run in parallel until full harmonisation has taken place in a managed and safe way during the first 12 months post transaction.

In support of the above, harmonised written policies / procedures were developed for the critical processes for implementation on Day one; and a prioritised plan is in place to harmonise remaining policies over the coming 12 month period.

EPUTs approach to quality will be firmly aligned to the quality governance framework principles.

Figure 1: The Quality Governance Framework



The Interim Board, put in place in November 2016 to prepare for the merger, identified that achieving the highest quality standards would be one of the key benefits of merger. EPUT's ambitions in respect of quality are to achieve a "Good" CQC rating in the first comprehensive inspection post-merger; to achieve maximum autonomy in NHS Improvement segmentation ratings and to achieve top quartile ranking in the national transparency index.

Delivering quality services is one of the new Trust's four key strategic priorities, demonstrating that quality will drive the Trust's strategy. The following overarching quality priorities have been identified as a result of the planning process put in place to develop the 2017/18 annual plans and articulate the key actions that will deliver EPUT's strategic vision for quality. These quality priorities have been identified as corporate objectives to ensure that they are integral to the delivery of the Trust's strategic and operational plans and are as follows:

Implementation of a new mental health clinical model: the implementation of a new clinical model will be one of the key drivers and contributors to the strategic vision of the Trust in 2017/18. We aim to develop the proposed model and consult with stakeholders on it, with a view to implementation starting in 2018/19.

Continued reduction in harm: both NEP and SEPT have taken action under the 'Sign up to Safety' campaign to reduce harm. EPUT will align systems and processes and continue to reduce harm in the following areas:

- Pressure ulcers
- Avoidable falls
- Unexpected deaths
- Medication omission
- Physical health of mental health patients and early warning systems for deteriorating patients
- Restrictive practice

Record Keeping and Care Planning: both trusts experience on-going challenges associated with ensuring that high quality care records are maintained and that care plans are complete and personalised. Action will be taken to agree revised standards for record keeping and personalised care planning based on best practice and putting in place trust-wide training and practice development programmes to support excellence.

Mortality Review Processes: The CQC published the outcome of a comprehensive review of mortality review processes in December 2016. Both organisations have taken action in 2016 to establish local mortality review processes in response to the Southern Health report findings but these require review in light of CQC findings and recommendations (and the National Guidance on Learning from Deaths subsequently published by the National Quality Board in March 2017) and embedding in organisational systems and culture going forward.

Using Technology: utilisation of new electronic systems and tools and maximising the use of those in place already will be required as part of changing culture and creating efficiencies required to deliver the agreed financial plan.

Standardisation and reducing variation: there are some excellent examples of leading practice and high quality services in both predecessor Trusts but neither could demonstrate consistently high standards across their entire portfolio. The new Trust will utilise the obvious internal opportunity to strengthen the use of benchmarking to identify clinical variation within mental health services provided in north and south Essex and action will be taken to agree a standardised approach to recording outcomes and the metrics in place to monitor them.

Creating a culture of quality improvement will be a high priority for EPUT. The Trust will develop and roll out a unique systematic approach to quality, building on the Quality Academy that was in place in SEPT and the Star Quality initiative in NEP. The EPUT approach to quality will support delivery of the agreed quality strategy; providing staff with the tools and training to support

improvement activities and recognising and rewarding quality improvement as it takes place and makes a real difference to patient care.

The organisational development plan put in place to support merger identifies strong clinical leadership as integral to the Trusts' aims. Within the workforce plan, a commitment has been made to develop a talent management programme to grow effective clinical leaders and managers within the organisation to support sustainable improvement.

2.2 Quality priorities for 2017/18

In setting the specific Quality Report / Account priorities for 2017/18, the EPUT Interim Board of Directors considered the strategic context, their knowledge of the predecessor Trusts and feedback from staff and stakeholders during the planning cycle. The Interim Board of Directors believe that the quality priorities outlined below 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.

It is EPUT's intention to be ambitious with quality improvement and to set stretching targets. However, as a new organisation, it is the intention to undertake benchmarking and assessment of current position across the entirety of the new organisation in Q1 before setting appropriately ambitious and measurable improvement targets to be achieved through the remainder of the year. The priorities outlined below are therefore articulated to reflect this approach.



Priority 1 - Patient Safety – Continued reduction in harm

NEP and SEPT have taken action under the 'Sign up to Safety' campaign to reduce harm. EPUT will align systems and processes and continue to reduce harm.

Target: To continue to reduce harm across the organisation in the following key areas:

- Pressure ulcers
- Avoidable falls
- Unexpected deaths
- Medication omissions
- Physical health of mental health patients and early warning systems for deteriorating patients
- Restrictive practice

To achieve this, the Trust will deliver the following actions during 2017/18:

1) Pressure ulcers, avoidable falls, medication omissions and restrictive practice

- During Q1, the Trust will establish a baseline for the new organisation for each of the above areas and standardise processes and reporting where differences exist.
- At the end of Q1 when the baseline across EPUT has been established, the Trust will establish appropriate reduction targets for the remainder of the year.
- The Trust will monitor performance in each of the above categories during Q2 – Q4 and will have achieved an appropriate reduction against the new organisational baseline established in Q1 for the:
 - number of avoidable grade 3 and 4 pressure ulcers acquired in our care
 - number of avoidable falls that result in moderate or severe harm
 - number of omitted doses within services
 - number of prone restraints
- The Trust will achieve above 95% harm free care from the 'Safety Thermometer' every month throughout the year.

2) Unexpected deaths

- During Q1 the Trust will review the different suicide prevention training packages in place across the Trust and establish the organisational baseline for staff having completed suicide prevention training.
- At the end of Q1, the Trust will agree the training approach going forward and appropriate trajectories for completion of agreed suicide prevention training across the Trust.
- The Trust will monitor training completion during Q2 – Q4 and will have achieved the agreed completion rate by the end of Q4.

3) Physical health of mental health patients and early warning systems for deteriorating patients

- During Q1 the Trust will review the physical health monitoring tools in place across the Trust, standardise and deliver training on the agreed tool.
- During Q2, the Trust will undertake an audit of physical health and early warning systems for deteriorating patients and agree appropriate outcome measures to achieve by the end of Q4.
- At the end of Q4, the Trust will review performance against the agreed outcome measures.
- The Trust will consistently achieve the following targets in terms of patients with psychosis receiving a cardio metabolic assessment from Q1:
 - Inpatients 90%
 - Early Intervention in Psychosis patients 90%
 - Community Patients on CPA
- The Trust will consider how to implement a sustainable process which ensures that all patients with psychosis receive a cardio metabolic assessment and will set stretch targets for the remainder of the year at the end of Q1.

Priority 2 - Clinical Effectiveness – Record keeping and care planning

Both trusts experience on-going challenges associated with ensuring that high quality care records are maintained and that care plans are complete and personalised. Action will be taken to agree revised standards for record keeping and personalised care planning based on best practice and putting in place Trust-wide training and practice development programmes to support excellence.

Target: To develop and implement revised standards for record keeping and achieve an improvement in the quality of record keeping between Q1 and Q4.

To achieve this, the Trust will deliver the following actions during 2017/18:

- During Q1, the Trust will undertake a record keeping baseline audit and develop and launch revised standards for record keeping.
- At the end of Q1, the Trust will agree appropriate improvement targets to be achieved by Q4 against the established baseline.
- The Trust will undertake a further record keeping audit in Q4 and will have achieved a percentage improvement in the quality of record keeping.

Target: To ensure that all patients identified as on an 'end of life' care pathway have a personalised care plan in place.

To achieve this, the Trust will deliver the following actions during 2017/18:

- During Q1, the Trust will undertake an audit of the number of patients identified as on an 'end of life' pathway who have a personalised care plan in place.
- During Q4, the Trust will undertake another audit of the number of patients identified as on an "end of life" pathway who have a personalised care plan in place and will have achieved an increase in the number.

Priority 3 - Clinical Effectiveness – Mortality Review

The CQC published the outcome of a comprehensive review of mortality review processes in December 2016. Both organisations have taken action in 2016 to establish local mortality review processes in response to the Southern Health report findings but these require review

in light of CQC findings and recommendations and newly issued National Quality Board's 'Learning from Deaths' guidance (March 2017).

Target: To develop and implement organisational systems to deliver the National Quality Board's 'Learning from Deaths' Guidance issued in March 2017.

To achieve this, the Trust will deliver the following actions during 2017/2018:

- By September 2017, the Trust will have developed and approved an updated Mortality Review Policy in line with the 'Learning from Deaths' national guidance.
- From Q3 onwards, the Trust will report mortality information on a quarterly (and annual) basis in line with the requirements of the 'Learning from Deaths' national guidance (data to be published will be from April 2017 onwards). This will include the total number of the Trust's in-patient deaths and those deaths that the Trust has subjected to case record review; of the deaths subjected to review, an estimate of how many deaths were judged more likely than not to have been due to problems in care; and learning points.
- At the end of Q4, the Trust will undertake an audit of implementation of the Policy to assess whether processes have been embedded and are operating effectively.



Priority 4 - Patient Experience – Family And Carer Involvement In Mortality Review

The National Quality Board's 'Learning from Deaths' Guidance (March 2017) highlights the importance of engaging meaningfully and compassionately with bereaved families and carers in relation to all stages of responding to a death. As a starting point, the focus will be on all deaths which occur in in-patient services and those deaths occurring in a community setting which are classified as a 'serious incident'.

Target: To achieve high quality family and carer engagement and involvement after the death of an in-patient or the death of a patient in a community setting which is classified as a 'serious incident' in line with the national guidance on learning from deaths.

To achieve this, the Trust will deliver the following actions during 2017/18:

- By September 2017, the Trust will have developed a Family and Carer Engagement and Involvement Policy which will include how families and carers are involved after the death of a patient who died in in-patient services or the death of a patient in a community setting which is classified as a 'serious incident'.
- By September 2017, the Trust will design appropriate mechanisms of seeking feedback from families and carers in terms of their engagement and involvement following the death of a patient in in-patient services or the death of a patient in a community setting which is classified as a 'serious incident'.
- The Trust will implement these mechanisms and undertake an audit through Q3 – 4 to establish the position in terms of the effectiveness of engagement and involvement, aiming to achieve a target of 100% of families / carers of patients whose death was in in-patient services or classified as a serious incident indicating that they were satisfied with their engagement and involvement after the death.
- The outcomes of the Q3 - Q4 audit will be assessed and actions agreed that could be taken to achieve improvement for on-going monitoring.

All of the above quality priorities will be monitored on a monthly basis by the Executive Directors of the Trust as part of the routine quality and performance report and the Board of Directors will be informed of any slippage against agreed targets. EPUT will report on progress against these priorities in their Quality Report for 2017/18.

2.3 Stretching goals for quality improvement – 2017/18 CQUIN Programme (Commissioning for Quality and Innovation) for EPUT

Commissioners have incentivised Essex Partnership University NHS Foundation Trust (EPUT) to undertake 57 CQUIN projects in 2017/18 which aim to improve quality of care and encourage collaborative working.

The value of the 2017/18 CQUIN scheme for EPUT is £6,534,062 which equates to 2.5% of Actual Annual Contract Value, as defined in the 2017/18 NHS Standard Contract. In contrast to previous years, all are national CQUIN schemes with the single exception of one which is a local scheme negotiated in South East Essex community services to continue an existing 2016/17 area wide transformation scheme.

The CQUIN programme content is markedly different in 2017/18 in line with national NHS England guidance which explains *"The CQUIN scheme has shifted focus from local CQUIN indicators to prioritising system wide Sustainability and Transformation Plans (STP) engagement and delivery of financial balance across local health economies. It is anticipated that this approach will free up commissioner and provider time and resource to focus on delivering critical priorities locally."*

Given the financial and capacity challenges facing the NHS and the need to transform area-wide care pathways involving many service providers to effectively deliver care, the 2017/18 CQUIN programme contains seven CQUIN themes (total 14 projects) that incentivise providers to collaborate and deliver quality and efficiency through transformation.

There are five CQUIN themes (22 projects) that enable the embedding of existing project work from 2016/2017:

- Staff Health & Well-being (Year two) – a 3-part CQUIN applicable to community and mental health contracts that incentivises provision of a well-rounded programme of physical and mental health initiatives to support and promote staff wellness.



- Physical Health (Year four) – a 2-part CQUIN applicable to mental health contracts only that encourages physical health monitoring for patients with schizophrenia through consistent assessment and documenting of physical health and better partnership working with GP's.
- Neighbourhood Workforce Development (Year two) – rollout of the two pilot neighbourhoods to the remaining six areas will embed the integration and transformation work initiated during 2016/2017.
- Reducing Restrictive Practice (Year two) – exploration of staff and service user experience of restrictive practice is developing initiatives that support least restrictive practice.
- Recovery College (Year two) – successfully launched FRESH, our new Recovery College and objectives for this year will embed this initiative.

The commitment to rollout of national CQUIN programmes for a minimum of two years and five years in the case of Physical Health for People with Severe Mental Illness is very positive in our view. This acknowledges the length of time for real change to occur especially regarding change in health behaviour and supports embedding of change in practice.

In conclusion, the Trust 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. We are mindful of contextual events including transition within a newly merged organisation, and dependencies inherent in the progression of shared CQUIN schemes that may present risks but anticipate teams will ably meet the challenges for the coming year.

2.4 Statements of Assurance from the Board relating to SEPT 2016/17

2.4.1 Review of services

During 2016/17, SEPT provided and/or sub-contracted 156 relevant health services.

SEPT has reviewed all the data available to them on the quality of care in 156 of these relevant health services.

The income generated by the relevant health services reviewed in 2016/17 represents 96% of the total income generated from the provision of relevant health services by SEPT for 2016/17.

The data reviewed aimed to cover the three dimensions of quality – patient safety, clinical effectiveness and patient experience. During 2016/17 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 2016/17. 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. Further information in terms of data is included in section 2.4.6 below.

2.4.2 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 2016/17 12 national clinical audits and one national confidential enquiry covered relevant health services that SEPT provides.

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

The national Clinical Audits and national confidential enquiries that SEPT was eligible to participate in during 2016/17 are as follows:

National clinical audits:

- **Sentinel Stroke National Audit Programme Round 4 (SNAP) 2016/17**
- **National Diabetes Foot Care Audit Round 2**
- **NHS National Benchmarking**
- **National Chronic Obstructive Pulmonary Disease (COPD) Audit - Pulmonary Rehabilitation Workstream Round 2**
- **National Audit Of Parkinsons Disease**
- **POMH uk Topic 15a Prescribing for Bipolar Disorder - (2015/16 project completed in 2016/17)**
- **POMH uk Topic 14b Prescribing for substance misuse and alcohol detoxification – (2015/16 project completed in 2016/17)**
- **POMH uk Topic 11c Prescribing antipsychotic medication for people with dementia**
- **POMH uk Topic 7e Monitoring of patients prescribed lithium**
- **POMH uk Topic 16a Rapid tranquilisation**
- **POMH uk Topic 1g & 3d Prescribing high dose and combined antipsychotics on adult psychiatric wards –(data collection will complete in 2016/17)**
- **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 2016/17 are as above.

The national clinical audits and national confidential enquiries that SEPT participated in, and for which data collection was completed during 2016/17, 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 Round 4 (SSNAP) 2016/17	Data collection is on-going and continuous.
National Diabetes Foot Care Audit Round 2	Data collection is on-going and continuous.
National Audit of Parkinson Disease	100% of relevant cases had information provided to national organisers.
POMHuk Topic 11c Prescribing antipsychotic medication for people with dementia	100% of required cases had information provided to national organisers.
National Early Intervention in Psychosis Services	Organisational information provided to national organisers.
POMHuk Topic 7e- Monitoring of patients prescribed Lithium	100% of required cases had information provided to national organisers.
NHS National Benchmarking for: Community Services Community Hospitals Cardiac and respiratory Specialist Nursing	West Essex Community Services participation. All relevant cases included in the Benchmarking Process.
National Chronic Obstructive Pulmonary Disease (COPD) Audit - Pulmonary Rehabilitation Workstream Round 2	West Essex CHS 100% of relevant cases had information provided to national organisers.
POMHuk Topic 16a Rapid Tranquillisation	100% of required cases had information provided to national organisers.
POMHuk Topic 1g & 3d Prescribing high dose and combined anti-psychotics on adult psychiatric wards	100% of required cases had information provided to national organisers.
National Confidential Enquiry - Suicide and Homicide	100% of relevant cases were submitted with information to national organisers.

The reports of six national clinical audits were reviewed by SEPT in 2016/17 and we intend to take the following actions to improve the quality of healthcare provided (examples only are listed).

- A checklist (for prescriber and patient to sign off) regarding the risks posed during pregnancy using sodium valproate to be added to Section 3 Treatment of Bipolar Affective Disorder Mental Health Formulary and Prescribing Guidelines.
- Process put in place for patient leaflet (as identified in MHRA suite of resources from MHRA alert Jan 2015) to be issued to all relevant patients on sodium valproate.
- Letter template amended for GPs to be advised of risk factors for patient of child bearing age prescribed sodium valproate.
- Findings from national POMHuk Audits will be used by the Physical Health Implementation Group to identify key areas of concern for action planning and priorities.
- Following the audit into early intervention in psychosis the service is undergoing a review and resources are being negotiated to provide services as outlined in NICE QS80.
- Induction of Junior Doctors to include teaching on basic principles of taking a complete alcohol history when clerking patients.

(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 2016/17 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 oversee all priority clinical audits, facilitate clinicians to ensure high quality, robust audits and monitor and report 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 36 local clinical audits were reviewed by SEPT in 2016/17 and we have or intend to take the following actions to improve the quality of healthcare provided (examples only are listed).

- New suicide prevention awareness and response training commissioned which includes safety planning and risk management planning.
- Small group training on the handling of Controlled Drugs to be provided to all wards not achieving compliance with the standards.
- Changes made to Mobius Electronic Patient Record system to highlight if patient has a carer, therefore making it easier to include them in care decisions.
- Following the falls audit, posters and presentations have been implemented. Handouts included in doctors induction packs.
- Improving complaints processes to ensure they are also child friendly.
- Ensure new doctors are made aware of DVT risk assessment form (including need to prescribe anti-VTE stockings) at induction.
- Introduced Distress Thermometer (Holistic Assessment Tool) within Oncology and Palliative Care.
- Consideration to piloting the use of tablet computers in hospital teams.

2.4.3 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' is defined as health and social care research undertaken within the NHS and in NHS England this means research that has received Health Research Authority (HRA) approval. Information about clinical research involving patients is kept routinely as part of a patient's record.

For NHS research taking place in England there is a new process of approval via the HRA that brings together the assessment of governance and legal compliance, undertaken by dedicated HRA staff, with the independent Research Ethics Committee (REC) provided through the UK Health Departments' Research Ethics Service. HRA Approval replaces the need for local checks of legal compliance and related matters by each

participating NHS organisation in England. This allows participating NHS organisations to focus their resources on assessing, arranging and confirming their capacity and capability to deliver a study.

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 2016/17 that were recruited during that period to participate in research approved by a research ethics committee was 619.

2.4.4 Goals agreed with commissioners for 2016/17

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 2016/17 was conditional on achieving quality improvement and innovation goals agreed between SEPT and any person or body they entered into a contract, agreement or arrangement with for the provision of relevant health services, through the Commissioning for Quality and Innovation payment framework. Further details of the agreed goals for 2016/17 and the following 12 month period are available electronically at: <http://www.eput.nhs.uk>

The SEPT CQUIN programme for 2016/17 included 27 schemes negotiated with commissioners across the areas in which SEPT was commissioned to operate services. The CQUIN programme included a mix of local (1.5% of contract value) and national (1.00% of contract value) schemes and was valued at just under £4.4 million which represents 2.5% of contract value for the Trust. This compares to the 2015/16 CQUIN

programme which again represented 2.5% of contract value equating to £4.87 million.

The current forecasted achievement is 96% (£4.2 million income), reflecting strong operational performance within each of the five services in achieving a complex programme and challenging expectations of commissioners. Given the financial and operational challenges facing the NHS in 2016/17 overall we are pleased that collaboration to deliver shared CQUINs is helping to strengthen links with partners. There is clear evidence of improving quality for patients across the breadth of community, mental health and specially commissioned services run by SEPT over the last 12 months.

The Trust's CQUIN programme included the two national CQUINs applicable for Community Health Services and/or Mental Health Services. These are:

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

We implemented a total of 11 CQUIN schemes across the organisation under the above three national schemes. The remaining 16 out of the total of 27 CQUIN schemes were set locally in discussion with the Clinical Commissioning Groups based on local priorities.

Several locally negotiated CQUINs e.g. Workforce Development and Motivational Interviewing in West Essex and Care Packages and Pathways in South Essex were continued from 2015/16. Year two schemes ensured an opportunity to consolidate and embed earlier work.

See below notable schemes where commissioners have given very positive feedback.

- Payment by Results CQUIN – staff from SEPT including the CQUIN project lead, operational leads in Mental Health Services (MHS) and Performance worked closely with commissioners in South Essex developing a collaborative approach to review care pathways, cost care delivery and select appropriate outcome measures to evidence efficacy.
- Palliative Care Support (PCS) Register CQUIN – the PCS team and Modern Matrons in South East Essex Community Health Services (CHS) trialled

attending hospital based Multi-Disciplinary Team meetings aiming to identify patients and support hospital staff to be more confident in making referrals. They are now focussing on support for care home staff to increase referrals and support a greater number of patients to plan care at the end of their life and avoid unnecessary hospital admissions.

- The Care Home Multi-Disciplinary Team (MDT) CQUIN in West Essex Community Health Services (CHS) supported GP's to launch and embed new care home MDT's in order to encourage effective partnership working. The aim was to reduce the number of unplanned avoidable admissions from care homes into acute care in comparison to 2015/16 activity.
- The second year of the Workforce Development CQUIN in West Essex CHS successfully supported integrated working across west Essex through joint inductions, joint training and shadowing opportunities.
- The Nursing Home CQUIN in Bedfordshire Community Health Services provided an opportunity for the SEPT community health services to work collaboratively with nursing home staff aiming to improve skills and knowledge regarding the wound care formulary, SSKIN bundle for managing pressure ulcer risk and the diabetic foot attack pathway.
- There are three notable CQUINs in Specialist Services that launched during the year - a new carers evening for parents and carers in Child and Adolescent Mental Health Services (CAMHS); a Recovery College for adult inpatients in three locations within secure mental health services; and an initiative to understand and reduce restrictive practices through staff and service user involvement in secure mental health services.

In conclusion, the Trust has continued to be 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 continue to ably meet the challenges for the coming year.

2.4.5 What others say about the provider?

SEPT is required to register with the Care Quality Commission and during 2016/17 its registration status was 'Registered Without Conditions'. Please note that SEPT was de-registered with the Care Quality Commission on 31 March 2017 and the services were re-registered by EPUT on 1 April 2017.

The Care Quality Commission has not taken enforcement action against SEPT during 2016/17.

SEPT has participated in special reviews or investigations by the Care Quality Commission (CQC) relating to the following areas during 2016/17:

Safeguarding Children's Inspection for Southend (July 2016)

We intend to take the following action to address the conclusions or requirements reported by the CQC:

- develop a Think Family approach in Mental Health and Sexual Health Services;
- standardise the utilisation of alerts on mental health electronic systems;
- establish operational governance and quality assurance to support mental health staff delivering best safeguarding practice;
- develop liaison and communication pathways between Mental Health and STaRs;
- expedite transition to single electronic patient record system in sexual health services;
- ensure training, supervision and record keeping in sexual health services reflects national guidance;
- work with Commissioners to increase visibility of sexual health services into wider safeguarding networks;
- strengthen liaison between health visiting, school nursing and midwifery.

SEPT has made the following progress by 31 March 2017 in taking such action:

- Action plan in place and progress reported to Clinical Commissioning Group quarterly. There are no concerns in terms of the ability to complete the actions in accordance with the plan.

Please note, the Trust has completed all actions arising from the Inspections undertaken in 2015/16 reported in last year's Quality Report / Account.

The most recent Care Quality Commission (CQC) Inspection of SEPT was the Comprehensive Inspection of all Trust Services in June / July 2015 undertaken as part of its on-going comprehensive health inspection programme. This reviewed compliance against the Fundamental Standards and Key Lines of Enquiry (KLOE's). The feedback reports published by the CQC in November 2015 confirmed that the Trust had received an overall rating of 'Good'. The Trust received 16 reports which confirmed the overall rating for the Trust and a rating for each core service (as defined by the CQC) as at the point of Inspection in 2015 – these were as follows:



Are services



	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

As a result of this Inspection, the CQC identified four 'Must Do' and a number of 'Should Do' recommendations. Following the receipt of the final feedback reports in November 2015, the Trust developed a detailed action plan aimed at addressing the recommendations made by the CQC and bringing about real improvement within Trust services. The action plan was taken forward by a series of Task and Finish Groups, overseen by an Executive Task and Finish Group.

The Trust recognised that simply reporting progress with the agreed actions may not have provided sufficient assurance that there had been learning from the inspection and that actions taken had actually engendered change/improvement. It was agreed therefore that a robust compliance process would be implemented in order to provide the Executive Team, Quality Committee and ultimately the Board of Directors with the necessary assurance in respect of the position reported in September 2016.

The Compliance process implemented consisted of two separate assurance 'tests' carried out on each recommendation.

- **Test 1 Have the actions been completed as reported?** This was undertaken as a desktop audit to check the actions reported as being completed had in fact been completed. The audit involved checking every action identified and collating evidence of the action reported.

- **Test 2 Is there evidence that the action taken has engendered change/improvement?** A comprehensive programme of audit was undertaken by the Compliance Team to determine whether the recommendations made by the CQC had been addressed and if any improvement had been made as a result. The audits included data gathering, speaking with patients and staff, reviewing patient notes, undertaking observations and reviewing the environment.

The Trust's Compliance Team collated and analysed the results of both tests and presented these to the Executive Task and Finish Group. Further discussions were held collectively and individually with Executive Directors in order to agree the final position to be reported to the CQC.

The Trust reflected on the outcome of both Test 1 and Test 2 in order to agree the recommendation position overall for each CQC recommendation as at September 2016. The Trust concluded that there was sufficient assurance available to recommend closure of all but ONE CQC recommendation taking into account the action taken and the assurance available on the difference it had made.

The recommendation that it was felt could not be closed as a result of this process required the Trust to "ensure that all relevant patients have easy access to psychological therapies". The Trust was satisfied that some action had been taken but was not satisfied that this had led to change or improvement. The Director of Mental Health was therefore requested to take this action forward to improve the current provision and in March 2017 the Quality Committee received assurance that good progress was being made to improve the service and this will continue in 2017/18.

In drawing its conclusions, the Trust was clear the action plan submission to the CQC was not the end of the follow-up and implementation of the CQC recommendations. Where there was not full assurance that action taken had resulted in change / improvement, on-going action and appropriate monitoring arrangements were established. Sustainability / monitoring arrangements for 2017/18 will also be implemented to minimise the risk of issues identified by the CQC in 2015 being identified in any future inspection.



2.4.6 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.

2016/17 has been a challenging year within the Trust with the implementation of a new information system for Mental Health Services. The new system provides a unified patient summary database which houses all key inpatient and community mental health and learning disability information. This will ensure more robust information capture and reporting and provides facilities to respond to ever growing information requirements (both nationally and locally). The introduction of the new system has led to a change in a number of operational procedures for both inputting information and extracting information from the system. Due to the system change over, there were periods of time in 2016/17 where information was not available to support contractual and national reporting. Considerable work has been undertaken training staff and there has been ongoing data validation. An in-depth data quality audit was undertaken at the end of the financial year looking at data provided for 10 Key Performance Indicators. This involved the audit of over 750 records. Substantial assurance was achieved.

In addition to the system change the following key developments have been made:

- undertaking of an increased number of Data Quality Audits by internal audit to continue the focus on data quality in year;
- presentation of regular Data Quality Reports 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 and which showed the trust to be one of the highest for 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.

SEPT did not submit records during 2016/17 to the Secondary Uses Service for inclusion in the Hospital Episode Statistics which are included in the latest published data. Note: This was due to significant system upgrade running over 2016/2017 with submission due to re-commence with month 12 data which will be provided in April 2017.

The projected percentage of records in the published data:

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

- 99.15% for admitted patient care;
- 99.96% for outpatient care; and
- accident and emergency care – not applicable

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

- 98.96% for admitted patient care;
- 99.89% for outpatient care; and
- accident and emergency care – not applicable

SEPT's Information Governance Assessment Report overall score for 2016/17 was 74% and was graded Green (Level 2 or above (Satisfactory)).

SEPT was not subject to the Payment by Results clinical coding audit during 2016/17 by the Audit Commission.

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

- 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.



2.5 National Mandated Indicators of Quality

A letter from NHS England dated 6 January 2017 and guidance from NHS Improvement (previously Monitor) published in February 2017 outlined the reporting and recommended audit arrangements for Quality Accounts / Reports for 2016/17. 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 provided during 2016/17 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 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 only been retained in this section where

it has not proved possible to disaggregate the SEPT figures and such indicators are marked clearly.

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 NHS Improvement (formerly 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.

The letter from NHS England dated 6 January 2017 asked NHS Trusts to consider including in Quality Reports/Accounts again this year the results from the NHS Staff Survey indicators relating to the "percentage of staff experiencing harassment, bullying or abuse from staff" and the "percentage of staff believing their Trust provides equal opportunities for career progression and promotion". The results of these indicators are therefore included at the end of this section.

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

This target has been met consistently each quarter during 2016/17 and for the year as a whole.

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.

Data Source : DoH Unify2 Data Collection – MHPrvCom

National Definition applied: Yes

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 Quarter 4 the national dataset shows compliance level of 90.0%, comprised of 63 admissions gatekept out of a total of 70 admissions. The Board of Directors were informed that compliance was 95.7% because responsibility for gatekeeping was waived on 4 occasions. Unify are being contacted to update the national figures to bring into line with local reporting.

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.

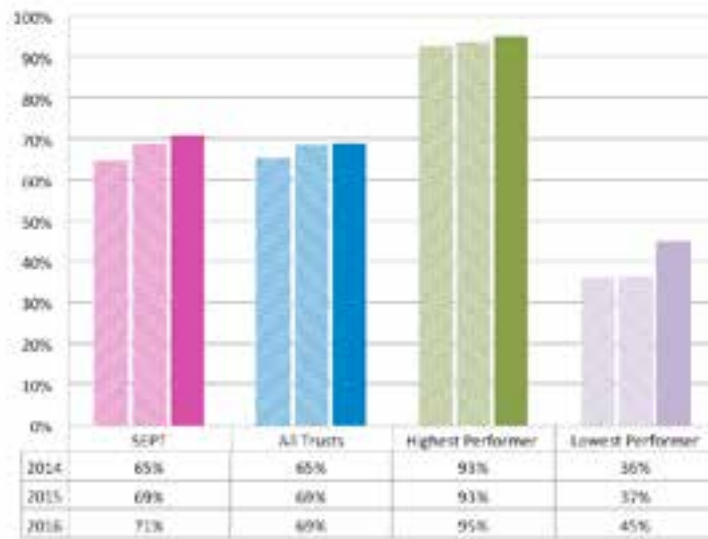


Data Source : DoH Unify2 Data Collection – MHPrvCom

National Definition applied: Yes



Staff who would recommend the Trust to their family or friends



Legend:					
2014		2015		2016	

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 organisation”.

This year ALL staff received a survey – instead of just a sample size as per previous years. 1800 surveys were returned giving a response rate of 43%. This is an excellent response rate and carrying out a full census survey means we are able to get a truer picture of the levels of engagement within the organisation.

Our response rate remains in line with other 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 continues to increase. Our level of satisfaction on this question is now above average nationally.

A full 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. This will focus on our lowest performing areas of the survey and those questions where we were below the national average (only five out of a total of 32 questions).

Please note that historical figures include Bedfordshire and Luton Mental Health Services which transferred out of SEPT in April 2015 as it is not possible to extract these from the data published nationally.

Data Source: National NHS Staff Survey Co-ordination Centre/ NHS Staff Surveys 2014, 2015, & 2016

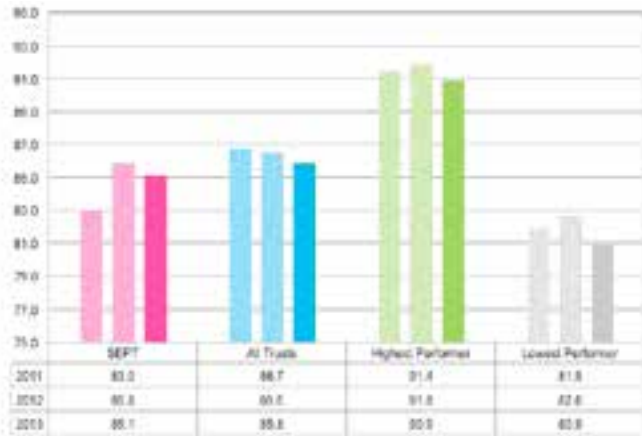
National Definition applied: Yes

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 section results of the Survey for 2014, 2015 and 2016 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>.

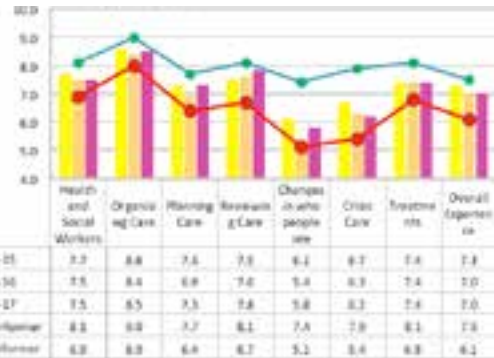
Please note that historical figures include Bedfordshire and Luton Mental Health Services which transferred out of SEPT in April 2015 as it is not possible to extract these from the data published nationally.



Legend:

2011		2012		2013	
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Survey of People who use Community Health Services



The results of the 2016/17 community mental health patient survey show that SEPT has scored 'About the Same' as the England average and our score is within the expected range of results.

The results of the 2016/17 are compared in the graph above to the two previous years by section score. Across the eight section scores, SEPT is showing improvement in four sections, remaining the same as last year in three sections. However patient experience of crisis care has deteriorated slightly from 6.3/10 in 2015-16 to 6.2/10 in 2016-17

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.

Please note that historical figures include Bedfordshire and Luton Mental Health Services which transferred out of SEPT in April 2015 as it is not possible to extract these from the data published nationally.

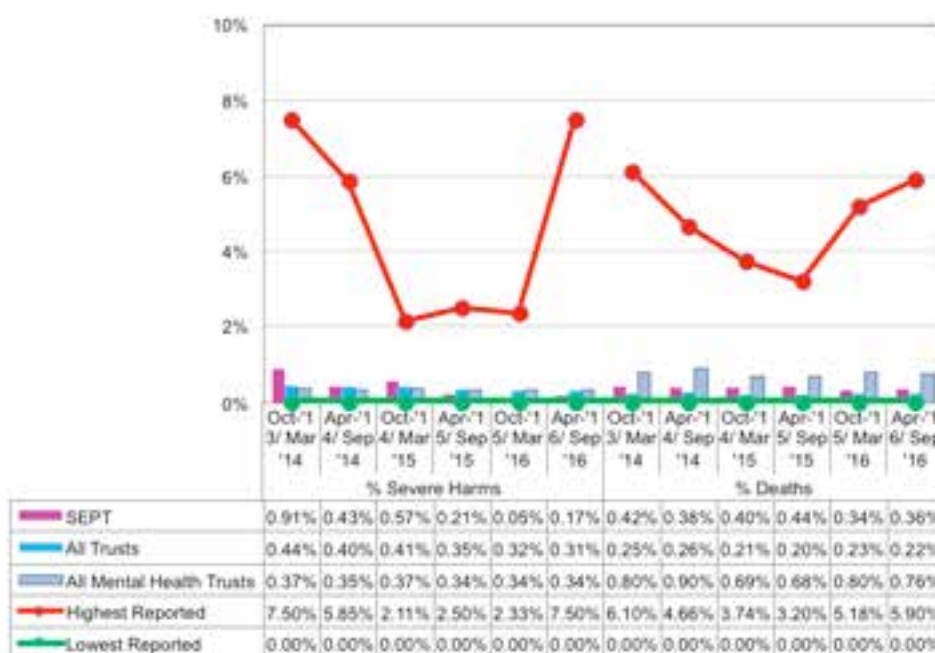
Data Source: HSCIC/Community Mental Health Services Surveys

National Definition applied: Yes

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

Reported Dates	1st October 2015 – 31st March 2016			1st April 2016 - 30th September 2016		
Organisation	All incidents	Severe harm	Deaths	All incidents	Severe harm	Deaths
All UK & Wales	906202	2875	2121	938314	2893	2032
SEPT	3807	2	13	3581	6	13

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 October 2015 to 31 March 2016 was published in September 2016. The report for the next six month period, ending 30 September was published in March 2017. The national collection of patient safety incident data for period 1 October 2016 to 31st March 2017 is due to be completed by the end of May 2017 and publication of reports is anticipated to be around September 2017.

The rate of incidents resulting in severe harm (detailed on the left-hand side of the above table/graph) which had previously shown a downward trend has increased in the final six months reported. These figures for the most recent period where national data is available show SEPT's % of severe harm (0.17%) remains below the national average for All Trusts (0.31%) 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 0.36% for SEPT for the latest reported period. Whilst higher than the national average for All Trusts (0.22%), this compares favourably with the national average of All Mental Health Trusts (0.76%) and the highest reported rates of death (5.90%).

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 harm; and work in this area will continue to be monitored closely by the Trust.

Please note that historical figures include Bedfordshire and Luton Mental Health Services which transferred out of SEPT in April 2015 as it is not possible to extract these from the data published nationally.

Data source: NRLS NPSA Submissions

National Definition applied: Yes

Workforce Race Equality Standard

Even though we remain under the highest levels nationally, this year shows a steady increase in the proportion of respondents that have experienced some form of harassment or bullying at work. A specific bullying and harassment action plan has therefore been developed to address this over the financial year 2017/18 and progress in implementation will be monitored.

We are very pleased at the level of perception that there are career opportunities and our scores in this area are within the top scoring bracket for trusts of our type.

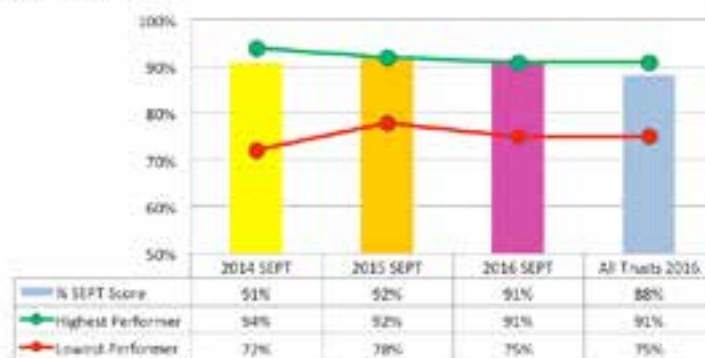
The work to improve the experience of our black, asian and minority ethnic workforce will be contained within its own Workforce Race Equality Standard (WRES) action plan which will be published with our full staff survey results in July 2017.

Please note that historical figures include Bedfordshire and Luton Mental Health Services which transferred out of SEPT in April 2015 as it is not possible to extract these from the data published nationally.

KF26 Percentage of staff experiencing harassment, bullying or abuse from staff in the last 12 months



KF21 Percentage of staff believing that trust provides equal opportunities for career progression or promotion



Data Source: National NHS Staff Survey Co-ordination Centre/ NHS Staff Surveys 2014, 2015, & 2016

National Definition applied: Yes

2.6 Implementing the Duty of Candour and “Sign up to Safety”

This year, NHS England have again asked Trusts to consider including information in their Quality Reports / Accounts relating to the implementation of the Duty of Candour and of the national Sign Up To Safety (SUTS) campaign. The following sections therefore outline the progress made by SEPT in 2016/17.

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 has considered such openness and transparency to be vital in ensuring the safety and quality of services; and has continued to drive forward work in this area.

Work undertaken in 2016/17 has included:

- mandatory online training courses for staff as follows:
 - short overview course for all clinical staff;
 - detailed course for managers/team leads and senior staff;

- Duty of Candor and Being Open session included within Trust induction;
- the identification of a Family Liaison Officer/Duty of Candour lead for all serious incidents and weekly reporting to the Executive Team;
- information and evidence in terms of meeting Duty of Candour requirements collated within Datix system;
- 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;
- the introduction of monthly reporting in the Trust's Performance Report of relevant incidents, with weekly progress chaser / situation reports sent to Directors and senior managers.

The Trust is confident that the ongoing work being taken is contributing to the on-going development of a culture which is open and transparent.

Implementing 'Sign up to Safety' (SUTS)

The Trust has been committed to "Sign Up To Safety" (SUTS), a national safety campaign, since its launch in June 2014. The mission of the national campaign 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 the 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

These align with the six Quality Priorities SEPT set for 2016/17 (progress reported in section 3.1 of this report) and with Quality Priority 1 set for the new merged Trust (EPUT) for 2017/18 detailed in section 2.2.

Leads have been assigned to each of the 'Sign up to Safety' workstreams to ensure the Safety Improvement Plan actions are taken forward and monthly meetings have been held with these workstream leads throughout the year to review progress. A regular update on each workstream is presented to the Quality Committee. Key actions delivered this year include:

- recruitment to Practice Educator posts with a focus on supporting staff with physical health skills;
- review of the early warning scoring system chart (MEWS) and incorporation of a hydration status and Glasgow Coma Scoring chart to encourage an integrated approach when monitoring vital signs;
- review of mandatory falls prevention training and implementation of a training package based on the national "Fallsafe" project;
- development and recruitment to a new post of Falls Co-ordinator with responsibility for the provision of support to nursing, therapy and medical staff to provide a systematic approach to falls prevention and management;
- investment in a wide range of falls prevention assistive technology and a digital reminiscence therapy system for older people's wards that helps clinical staff in the delivery of better care by tailoring meaningful activities for their patients.

The leads have continued to work with the national team to ensure best practice is implemented in the Trust and have also made links with a number of other organisations involved in the initiative with the aim of sharing best practice and learning. Work has taken place to align NEP and SEPT SUTS workstreams and actions; and a new SUTS action plan is to be developed for EPUT in 2017/18.



PART 3: Review of SEPT quality performance during 2016/17

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 SEPT Quality Report 2015/16. 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 2016/17 (which were outlined in our Quality Report / Account 2015/16) – we have included historic and benchmarking data, where this is available, to enable identification of whether performance is improving	34
3.2	Some examples of local service quality improvements and Trust workforce development initiatives delivered during 2016/17	46
3.3	Performance against SEPT Trust wide and service specific quality indicators	
	Trust wide quality indicators	55
	Community Health Services quality indicators	61
	Mental Health Services quality indicator	64
3.4	Performance against key national indicators and thresholds mandated nationally which are relevant to SEPT from the NHS Improvement Single Oversight Framework (as specified in the NHS Improvement Quality Reports Guidance for 2016/17)	66
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	69

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 2016/17

The SEPT 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 2016/17. These built on our quality priorities for 2015/16 and are 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.

-  RAG 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 was transferred to a new provider from 1 April 2015. Data for these services has therefore 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.

3.1.3 Effectiveness

Quality priority: To reduce the number of restrictive practices undertaken across the Trust of our services. Below is a summary of the progress made to date.

TARGET: *We said we would have less prone restraints in 2016/17 compared to 2015/16 (266 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.

During 2016/17 we have taken the following actions:

- worked to NICE guidance of Management of Violence and Aggression;
- reviewed and updated training programmes;
- built on existing networks across health to support best practice and learned from other trusts.

Has the target been achieved?

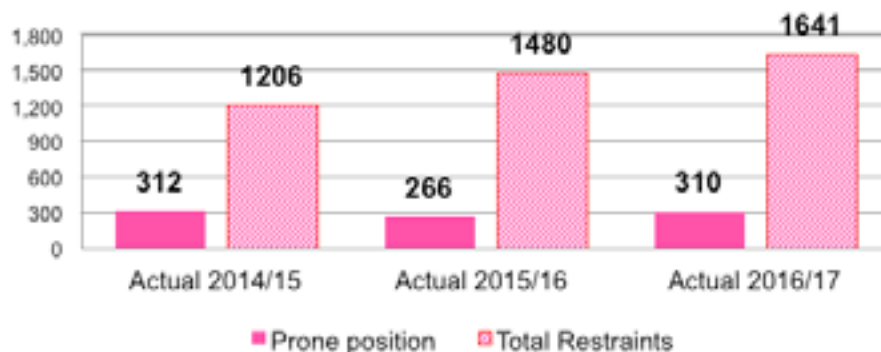
The Trust has not achieved this target. During 2016/17 the number of prone restraints was 310, which is an increase on the 266 reported in 2015/16. The table below also illustrates an increase in total reported restraints (from 1480 to 1641). These increases are considered likely to



be the result of increased awareness and reporting of restrictive practices due to the focused work in this area and also a rise in the number of patients who presented particularly challenging behaviours. Following the publication of the DOH benchmarking report on the use of restraints, further analysis of the use of restraints has been undertaken. The figures show that using the DOH benchmark of restraints per 10 beds, SEPT has a monthly average of 2.85 uses of restraint per 10 beds over the year to date. This is higher than the national average of 2.80.

Reduction in the number of restraints in in-patient areas has again been set as a quality priority for 2017/18 and monitoring processes are in place. A programme of work is in place with the aim of achieving a reduction; implementation progress and numbers of restrictive practices will be closely monitored through 2017/18. The Restrictive Practice Steering Group has also set a target for zero avoidable restraint which will be monitored.

Restrictive Practices



3.1.1 Safety

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 2016/17 compared to 2015/16.

A total of 17 avoidable pressure ulcers were identified following RCAs for 2015/16.



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.

During 2016/17 we have taken the following actions:

- continuation of Skin Matters groups within each community service;
- facilitated an independent review of Skin Matters panels to ensure robust procedures/scrutiny continue, and that learning identified during the review process is taken forward;
- learning from RCAs undertaken for category 3 and 4 pressure ulcers shared with teams;
- review of policy and procedures to ensure compliance with NICE Guidance and European Pressure Ulcer Advisory Panel (EPUAP) guidance;
- developed and embedded a process for reporting and managing Suspected Deep Tissue Injuries (SDTIs);
- 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
- Tissue Viability Nurse attendance at regional networking meetings, national and international conferences to ensure awareness of best practice developments and innovations are considered and implemented where appropriate;

Please note, one additional avoidable pressure ulcer identified in SEECHS in 2015/16 after publication of the Quality Report 2015/16 as a result of RCAs completed after preparation of the document.



- review of National Sign Up To Safety work streams regarding pressure ulcers;
- formulary reviews with pharmacy and wound management colleagues to ensure prescribing guidelines and product availability are in line with best practice;
- initiated a review of diabetic foot ulcer prevalence in south east Essex to consider the next steps in taking forward a work stream relating to this issue;
- confirmed our commitment to the NHSI relaunch of the ambition to reduce/eliminate avoidable pressure ulcers;
- formalised a reporting process for poor discharges for patients from acute trusts (in the context that pressure ulcer management has featured in a percentage of poor discharges).

Has the target been achieved?

The Trust has achieved this target. During 2016/17 the Trust has identified 10 avoidable grade 3 / 4 pressure ulcers, which is seven fewer than in 2015/16. In addition, it is very positive to note that two out of the three community health services have achieved zero avoidable pressure ulcers.

The variation in the number of pressure ulcers in South East Essex compared to other localities is attributed to different SEPT services being commissioned in each area, together with different operating practices within these services. The Trust has commissioned an analysis of the reporting of avoidable grade 3 / 4 pressure ulcers across localities to determine the root cause of the variation. In addition, the Skin Matters process has identified areas of learning required within the community teams and these are being addressed through formal and informal education sessions, enhanced supervision for staff (including reflective practice) and review of pathways for equipment provision to ensure they are clear and comprehensive.

The Trust also has 45 Root Cause Analyses underway at the end of 2016/17 and there is the potential for some of these to be classified as avoidable grade 3 / 4 pressure ulcers when the investigations are complete. As a comparator, last year the Trust had 115 Root Cause Analyses underway at the end of 2015/16 and only one additional avoidable grade 3 / 4 pressure ulcer was identified when the investigations were complete.



3.1.1 Safety

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

TARGETS:

1. We said we would have less avoidable falls that result in moderate or severe harm in 2016/17 compared to 2015/16.



2. We said we would have a reduction in the number of patients who experience more than one fall in 2016/17 compared to 2015/16 (203).



Data source: DATIX

National Definition applied: Yes

Why did we set this priority?

Across England and Wales, over 36,000 falls are reported from mental health units and 28,000 from community hospitals. Falls are a major cause of disability and the leading cause of mortality resulting from injury in people aged over 75 in the UK. Hip fracture is the most common serious injury related to falls in older people, resulting in an annual cost to the NHS of around £1.7 billion for England. Of this, 45% of the cost is for acute care, 50% for social care and long term hospitalisation, and 5% for drugs and follow up.

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, the Trust has 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.

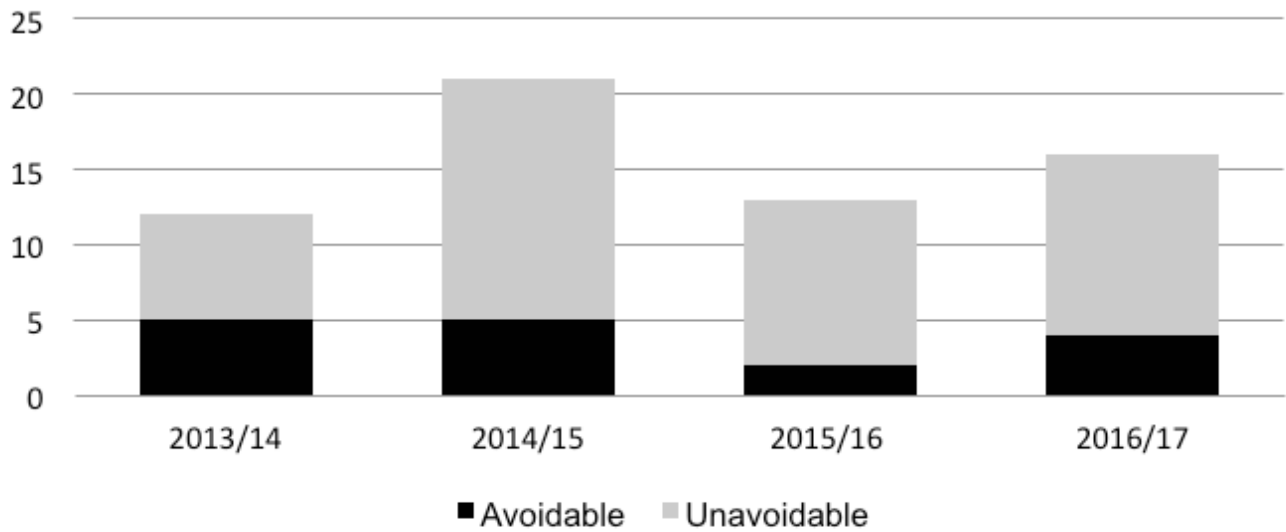
During 2016/17 we have taken the following actions:

- continuation of the Trust wide Falls Group with strengthened multi-disciplinary membership;
- introduced a training package for registered staff on older people's wards based on the national Fallsafe Project - this includes patient risk factors, environmental risk factors, the use of specialist equipment and actions to be taken following a fall;
- face to face training has also been delivered on older people's inpatient unit;
- further reviewed the Trust-wide risk assessment tool to ensure that the complex nature and causes of falls were captured and to support clinical decision making in the prevention and management of falls;
- refinement of the Root Cause Analysis tool;
- recruitment to a new post of Falls Co-ordinator – a physiotherapist with responsibility for taking a primary role in providing support to staff around falls prevention and management;
- purchase of a digital reminiscence therapy system for older people's wards.

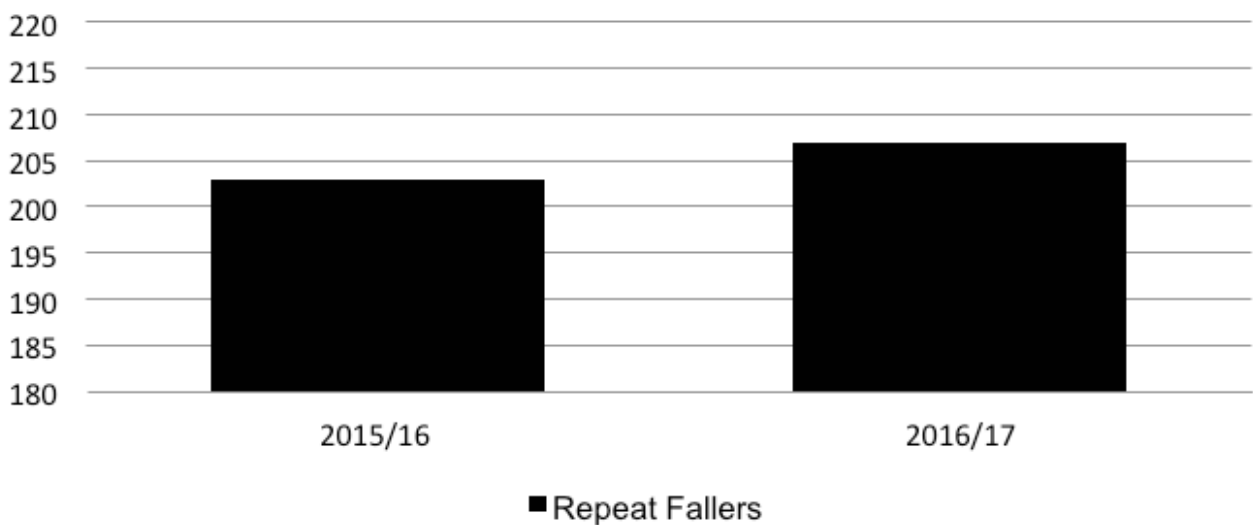
Have the targets been achieved?

The target to have fewer avoidable falls has not been met. During 2016/17 there was a total of four avoidable falls (out of a total of 16 falls classified as serious incidents). This is an increase of two against the total of two avoidable falls in 2015/16. However, this figure still represents a significant decrease from the baseline of 14 avoidable falls when falls work started in 2013/14 and the number of falls classified as serious incidents has decreased from 21 in 2014/15 to 16 in 2016/17.

Falls with Fractures



Patients with Repeat Falls



The target to reduce the number of patients who experience more than one fall has not been met. During 2016/17 there was a total of 207 patients who experienced more than one fall compared to 203 for 2015/16. This represents an increase of 2%. It is possible that increased awareness of repeat fallers and a concurrent improvement in reporting rates have contributed to the increase in the number of repeat fallers identified.

We continue with our commitment to provide a safe and therapeutic environment for all patients in our care. The Trust is one of 19 in the country to be part of the NHSI Falls Collaborative, of which only

three are mental health/integrated mental health and community health trusts. Participation in this important initiative will provide staff with vital quality improvement skills and create a system devoted to continuous learning and improvement.

We will continue work in this area through our Sign Up To Safety workstream. Further work will include targeted support to those areas where patients experience the greatest number of falls. This will include the introduction of Falls Care Bundles which are a set of interventions that, when used together, significantly improve patient outcomes.

3.1.2 Experience

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

TARGET 1: *We said we would increase the % of Modified Early Warning System (MEWS) scores recorded during 2016/17 from the baseline established in 2015/16 (70%).*

TARGET 2: *We said we would increase the % of MEWS scores greater than 4 (or a single score of 3) that are escalated appropriately (57%).*



Data source: Audit

National Definition applied: Yes

Why did we set this priority?

People with mental illness today have life expectancies as low as that of the general population of the UK in the 1950s and they account for more than a third of the 100,000 annual avoidable deaths from physical illnesses in the UK each year. They have three times the risk than the general UK population of dying from preventable coronary artery disease and are more likely than the general UK population to develop preventable and treatable long term physical health conditions (such as type 2 diabetes and hypertension) which, if unmanaged, are key causes of early preventable death. Physical healthcare assessment is a vital part of the holistic assessment and supports early detection of deteriorating patients. Current evidence suggests that early detection, timeliness of response and competency of the staff involved are vital to defining positive clinical outcomes.

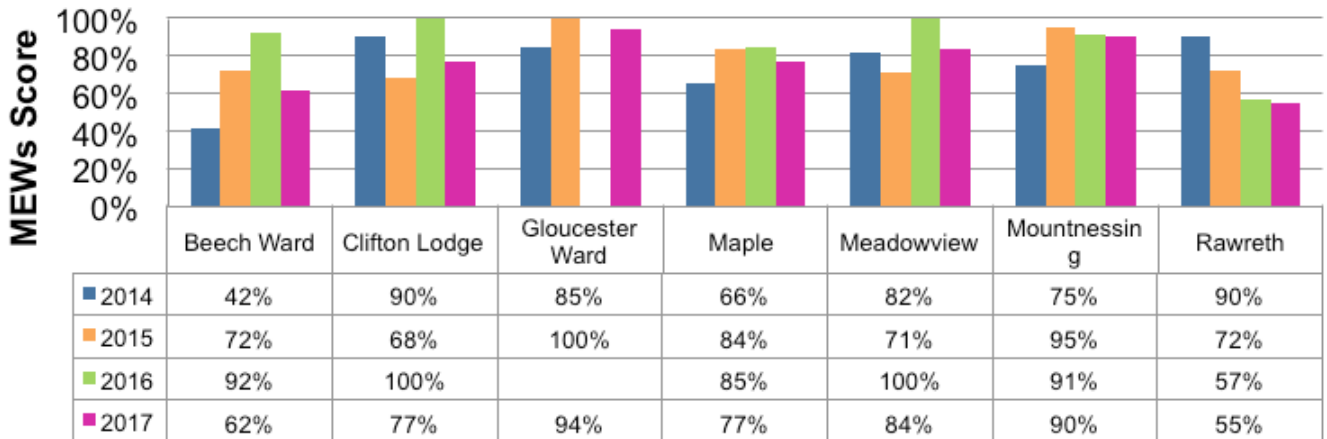
During 2016/17 we have taken the following actions:

- the observation chart used to monitor patients' physical vital signs and act as an early warning system (MEWS) has been reviewed and revised to support more effective reporting. The aim of the scoring system is to standardise assessment of the severity of acute physical illness so that patients who are deteriorating physically or at risk of deteriorating are identified and managed consistently;
- the trust recruited to two fixed term Practice Educator posts with a focus on supporting staff with physical health skills and in particular how to identify patients who are or may becoming acutely physically unwell;
- training in vital signs monitoring, interpretation and escalation of concerns continued and in order to maximise uptake, was delivered through a number of routes including being added to existing mandatory training - additionally staff were supported with training in the clinical environment using scenario based situations on detecting patients who were becoming acutely physically unwell;
- the audit on use of MEWS has been expanded to include a review of patients with a raised MEWS score who are escalated appropriately.

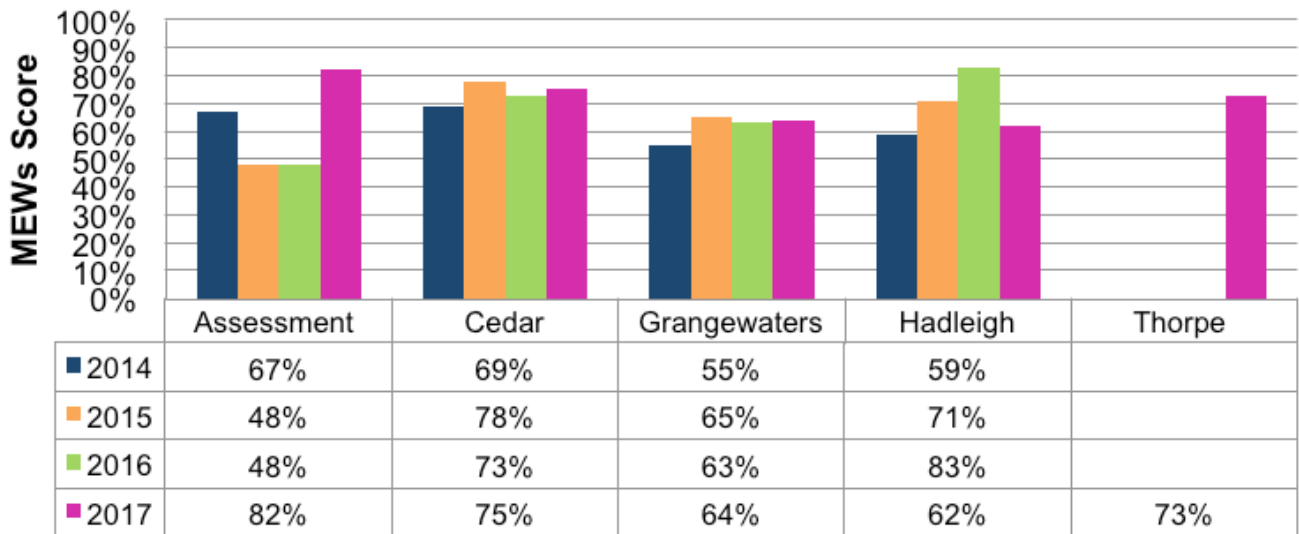
Has the target been achieved?

The target to increase the % of MEWS scores recorded has not been achieved. Audits have been undertaken during 2016/17 which have resulted in an overall figure of 70% of MEWS scores being recorded. This is the same as the baseline figure of 70% for 2015/16. Two audits are undertaken per year and it is disappointing to note that the improved results of the first audit in 2016/17 were not maintained throughout the financial year and evidenced in the final audit result of 70%. The graphs below demonstrate baseline findings and use of MEWS from the recent audit on both older peoples and adult wards.

% Mews Older Peoples



% MEWs Adult Wards



The target to increase the % of patients with a MEWS score greater than 4 (or a single score of 3) that are escalated appropriately has not been met. In 2016/17 the Trust escalated 22%, compared to the 2015/16 baseline of 57%. Inpatient staff have confirmed that they escalate following indications of deterioration and action is taken and discussions take place during handover. We will continue to ensure that our patients receive the safest and most effective care. This will be achieved through supporting staff working in mental health in the development of quality improvement skills and the knowledge and understanding required to recognise and respond to physical health deterioration. An action plan is being developed to address the decrease in escalation. Further work is underway to introduce the principles of the deteriorating patient to the annual mandatory Enhanced Emergency Skills training to increase coverage of training. In addition, on-site training has been delivered to the wards.

3.1.2 Experience

Quality priority: Reduction in unexpected deaths (suicides)

TARGET: *We said we would implement a bespoke training package for suicide intervention and train 50% of relevant mental health front line staff during 2016/17.*



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 diagnosed with a mental illness 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.

During 2016/17 we have taken the following actions:

- reviewed the training programme and implemented a bespoke training programme targeted at equipping staff with the knowledge and skills to deliver appropriate interventions with the aim of preventing suicide;
- purchased the “Connecting with People” suicide prevention training package consisting of three distinct modules. Seven clinicians have been trained to deliver the modules;
- in January 2017 it was recognised that more trainers were required to roll out the training and the Trust has therefore commissioned further “train the trainer” training for 8 more clinicians;
- training was initially targeted at CRHT, First Response and the Mental

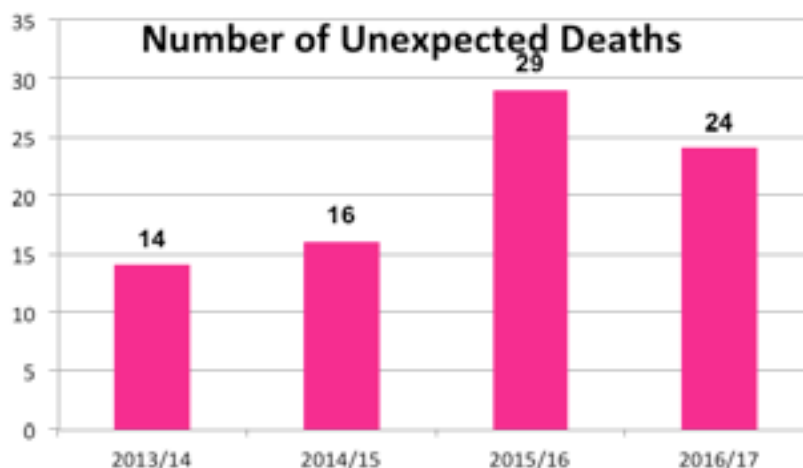
Health Assessment Unit staff, but any available places have been utilised for other clinical staff;

- engaged further with all members of the multi-disciplinary team to deliver suicide prevention culture across the Trust;
- undertaken 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;
- raised public awareness;
- purchased a range of self-help leaflets which complement the training and allow clinicians to make emergency safety plans with people in distress.

Has the target been achieved?

Training commenced at the end of quarter three and, as at the end of quarter four, 58 staff had been trained. This is below the target of 50% of frontline staff set. However, the requirement for additional trainer capacity to achieve the required roll out was identified in January 2017 and an additional eight trainers are to be trained which will improve the capacity to roll out training to front line staff. The training will be reviewed with colleagues from North Essex who have also been providing training as part of the NEP Sign up to Safety Suicide Prevention work-stream, with a view to agreeing the training approach to be adopted by EPUT into the future.

Although the training target has not been achieved, the graph below indicates that an overall reduction in the number of unexpected deaths from 29 in 2015/16 to 24 in 2016/17 has been achieved.





3.1.1 Safety

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 services in 2016/17, compared to 2015/16.*



Data source: Audit

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 tissue);
- 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.

During 2016/17 we have taken the following actions:

- continued with Medicines Task and Finish Group as part of the Sign up to Safety campaign;
- improved the reporting of omitted doses of medicines which occur within Community Health Services, especially community-based services; and
- reviewed omitted medicines incidents as part of quarterly review of medication-related incidents at both Medicines Management Groups.



Has the target been achieved?

The Trust has not achieved the target to reduce the incidence of omitted doses.

	Total doses to be administered during period	Total doses omitted	% Omitted Doses	% Omitted Doses adjusted for clinical omissions (inc patient refusal)
MH & LD	29,665	1,215	4.1%	0.8%
CHS	7,515	324	4.3%	1.3%
Total	37,177	1,539	4.1%	0.9%

The 2017 audit demonstrated a slight deterioration over the 2016 results (0.9% compared with 0.8% in 2016), but overall this regular audit demonstrates an improving trend over the previous six years (2016 0.8%, 2014 1.3%; 2013 1.5%; 2011 1.9%).

In **Mental Health Services**, 29,665 doses of medication were due to be administered during the audit period. 0.8% of doses were omitted without a valid clinical reason (including patient refusal) against 1.2% in the audit undertaken in 2015/16.

In **Community Health Services**, 7,512 doses of medication were due to be administered during the audit period. 1.3% of doses were omitted without a valid clinical reason (including patient refusal) against 0.4% in the audit undertaken in 2016.

The Trust has developed a Safety Improvement Plan to support its commitment to the national Sign up to Safety campaign. The Sign up to Safety launch was used as an opportunity for front-line staff to volunteer or be nominated to participate in the future work of this workstream. Further actions identified at present include:

- establishing the primary and secondary drivers for reducing the number of omitted doses which there is no clinically valid reason;
- continue DATIX reporting and identify any areas to link with further improvements;
- improving reporting of omitted doses of medicines which occur within Community Health Services, especially community-based services;
- develop a mechanism for providing feedback to teams & services on reported incidents;
- explore the use of a regular reporting tool, such as the NHS Medication Safety Thermometer to promote ownership at ward/team level;
- explore 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;
- explore whether advice is needed on how to approach patients who refuse medication.



Section 3.2: Examples of local service quality improvements and Trust workforce developments during 2016/17

Outlined below are some examples of quality improvements that have been achieved by SEPT services during 2016/17 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 (Adults)

- Adult services are working with Local Authority colleagues to discuss the **development of improved integrated discharge planning** and develop more robust communication and monitoring systems.
- **Health Care Assistants** working with Community Nursing teams are now **delivering Low Molecular Heparin injections** to increase registered nursing time available for other responsibilities.
- Palliative Care nurses have introduced **Advanced Care Planning** and are implementing an **Outcome Assessment Complexity and Collaboration (OACC) pilot**. Discharge planning support packs have been distributed to five local acute trust providers to improve discharge planning processes and to aim to reduce unsafe discharges.
- All specialist nursing services are now using **Peer Review processes to review patient documentation** in order to improve record keeping and care planning standards.
- **Community Matron caseload is now shared with both acute trusts weekly** to improve communication routes and provide the opportunity for patients to be turned around in emergency departments back into community services if appropriate.

Bedfordshire Community Health Services (Children)

- Collaboration to implement the **Asthma Friendly Schools** programme: all early years settings and schools staff have received training to manage emergency action on Asthma. School nurses are supporting the co-ordination of asthma champions in every school in Bedfordshire.
- **Future in Mind Schools project** is now in place where School Nurses offer emotional wellbeing support to young people and collaborate with Child and Adolescent Mental Health Service workers based in upper schools across Bedfordshire.
- Development of 11 **Perinatal and Infant mental health champions** across the 0-19 service who will train all partner agencies in detection and support of mothers with postnatal depression.
- Collaboration with ELFT to deliver the **Mums Matter's programme** for parents with perinatal mental health needs.
- Successful delivery of **25,263 vaccines** to school age children across Bedfordshire.
- Redesign of the **websites for both Health Visiting and School Nursing** to improve accessibility and information provision for families with children 0-19 years.
- Development and cascade of **Working Agreements** between Health Visiting and GP's and School Nurses and schools to enhance communication, relationships and working together.
- Development of the **Nurse Led Continence Pathway** including workshops for parents with children with complex needs.
- Roll out of **Health Passports** to improve communication between partners who work with children with complex needs.
- Development of an **Integrated Autism Pathway** including Nurse led clinics for post diagnosis follow up.

Bedfordshire Community Health Services (Specialist)

- The Nutrition and Dietetic Service undertook an **audit of obesity referrals** in to the service for Luton which they have presented to Luton Borough Council as part of obesity pathway redesign to influence future commissioning and service design for childhood obesity.
- The Nutrition and Dietetic adult services completed a service review following which **internal processes have been redesigned to create capacity and increase flexibility** within the service to meet unpredictable and fluctuating demands.
- Introduction of an **eligibility assessment telephone appointment** before booking a dietitian home visit (for both home visit referrals and home-enterally fed patients) in order to eliminate unnecessary home visits, therefore creating capacity to help cope with rising demands and complexity of referrals.
- **Redesign of nutrition and dietetic clinics** by amending sessions, timings of appointment slots, method of booking appointments and creation of letter writing guidelines within the department. This has led to a decrease in admin time for dietitians and administrative staff, decreased DNA rates and decreased waiting times from 12-14 weeks to 8-9 weeks for adults. In addition, paediatrics have reduced 18 week breaches by 80% despite a rising number of referrals.
- **Streamlining of triaging/coding of referral processes** including creation of standard letters within the nutrition and dietetic department. This has resulted in reduced dietitian administrative time as referrals can be processed more quickly therefore patients are waiting less time to receive referral acknowledgment.
- The Food First team have developed **referral criteria and a new referral form for older people care homes** to use. In addition, referrals which are declined are evaluated to ensure appropriateness and safety of the criteria.
- The Food First team have updated their **care home audit standards** to ensure a more objective and consistent approach when awarding a Food First Care Home Certificate.
- The Food First team have employed a **Data Analyst** to free up dietetic time for other responsibilities and

have employed a **Specialist Paediatric Dietitian** to support appropriate prescribing of infant formulas at primary care level.

- The Food First team have **designed and updated the Luton oral nutritional supplement prescribing guidelines.**
- The Food First team **presented at national events** - Food Matters Live and British Dietetic Association's BDA Vision.
- Paediatric Occupational Therapy has delivered **parent, carer and professionals workshops** for understanding sensory issues in children and young people.
- Development of a pilot project for the **prevention of foot ulcer in diabetic patients.** The project is designed to determine the efficacy of insoles, in deflecting the pressures from the vulnerable areas in diabetic feet and preventing plantar ulcers occurrences or relapse. This is an ongoing project and the records will be finalised by the end of November 2017.

Children's Services – South East and West Essex

- **FNP Adapt** - As part of the Southend 'A Better Start' programme we have been working with the Family Nurse Partnership (FNP) National Unit on FNP Adapt, which involves testing personalisation of the FNP programme. As part of this work we are extending the criteria for entry to the programme to ensure all the most vulnerable clients can access the service whilst enabling us to flex programme delivery to clients in order for us to meet their individual needs.
- **Partnership working with the Third Sector in Sexual Health Services** - We are working in partnership with Brook, a third sector organisation, who specialise in the delivery of sexual health services for young people with very positive outcomes. Brook have been delivering the My Life, My Way programme to young people in Southend. This is a programme that was co-produced with young people which enables individuals and groups of young people to 'take charge' in order to improve their own health and well-being by exploring skills, goal setting and becoming more emotionally resilient.

- **Launch of the Children, Young People & Families Strategy (2016-19)** - The Trust wide Children, Young People & Families strategy was launched June 2016. This has been well received as it sets out a clear direction amongst the highly complex and changing environment of services for children, young people and families.
- **Development of Quality Champions and increasing the use of technology** - Given the client group it was felt that the use of technology was potentially a missed opportunity to engage with our target client groups using ways that are popular, easily accessible and most likely to be preferred by children and young people. We have had two Quality Champions (one from Health Visiting and one from Paediatric Speech & Language Therapy) who have been working on a project in relation to the use of communication technology within children's services. A west Essex Community Health Visiting Facebook page is now active with followers beginning to sign up. The site contains information in relation to the local Health Visiting Service including well child clinic provision, group & health promotion activities and contact details for local teams. We also hope to post health promotion messages linking into national campaigns. Followers can post a message for routine enquiries and will receive a response from one of the dedicated team within three working days. For any urgent enquiries they are signposted to their GP or other local services. The local children centres are promoting the site within their settings to increase awareness which is positive. A dedicated team of staff in each locality led by one of the clinical leads is monitoring activity on the site and moving forward will ensure its content is kept current and relevant for our service users within West Essex.
- **Parent Talk Essex project** - Over the last two years Health Visitors in west Essex have continued to work with Essex County Council, FutureGov researchers and clients to develop an interactive app which can enable antenatal and new parents to engage with each other and services in a unique and supportive way. This project has now advanced to the level of piloting the app with a group of antenatal women in the west Essex area. The app is named 'Everymum'- meet other local mums to be. The development of this tool has been a true joint venture with clinicians, researchers, local authority and most importantly the women who will be using it and is based on what they valued in the current services and what would make services better for them.
- **Relationship Matters project** - Children's Services in west Essex have been supporting the relationship matters project being sponsored by Essex County Council focussed on the Waltham Abbey locality. One Plus One worked with frontline practitioners from Children's Centres, Health Visiting, Midwifery, Speech and Language Therapy and Family Solutions to test a professional development offer aimed at enhancing 'relational capability' through a mixture of activities and learning styles which included practitioner observations, specialist coaching, group learning and reflection. Alongside this they carried out research with families and professionals in Essex to gain a better understanding of why and how relationships matter, and what can hinder the development of trusting relationships. The results of this work have confirmed much of the hypothesis and identified 10 key steps to improve and develop relational working.

South East Essex Adult and Older People's Community Health Services

- The **Care Co-ordination Service for Castle Point & Rochford** was initially set up as a 12 month pilot in 2016/17 and will now be commissioned as a core service in 2017/18 and onwards. An independent assessment of the team's work carried out by CP&R CCG demonstrated a positive impact on acute activity reduction, a positive experience for patients and their carers, a saving on the prescribing spend and that more people had been supported to remain independent in their own homes. The core aim of the service is to identify frail patients at risk of decline and intervene at an early stage to assess patients, plan their care and provide support to ensure that they can remain healthy, independent and out of hospital for as long as possible.
- The **Complex Care Coordination Service for Southend** was launched as an 18 month pilot in January 2017 and is a proactive service improvement aimed at enhancing the user's quality of care and health and social wellbeing outcomes. The service focuses on appropriate case management with an emphasis on pre-empting the escalation of the user's health and social care needs to prevent or delay deterioration. The service has been commissioned by NHS Southend Clinical Commissioning Group (CCG) and will see health and social care staff from a number of agencies working side-by-side including local GP practices, social care and housing, community physical and mental health and substance misuse.

- South East Essex Diabetes Specialist Nurses and Podiatrists became part of the **Integrated Diabetes Service**, led by Southend University Hospital NHS Foundation Trust in September 2017, working alongside acute physicians and nurses and increasing the team to include Dietitians and Psychologists. The new service is designed to deliver a streamlined, cohesive and patient focused pathway that enables rapid access, when appropriate, to a comprehensive diabetes skilled team. A key component of the new service is strong multi-disciplinary working with weekly outpatients for patients in a community setting. The Integrated Diabetes Service covers both Southend and Castle Point CCG areas and will triage all referrals, determining appropriate clinical pathways, and provide specialist advice where requested or noted as clinically appropriate within 72 hours. The implementation of a pump service in the area will allow eventual repatriation of patients who are currently treated out of area.
- The **Community TB (Tuberculosis) Service** expanded in 2016/17 in respect of a further contract with Mid Essex providing risk assessments, TB screening, contact tracing and management along with patient education. This is for a resident population of 383,600 (covering Chelmsford, Braintree, Halstead and Maldon). The team already provide similar services to West Essex and South East Essex residents.
- From January 2017, a new proactive care model for **Neighbourhoods/Localities** went live on Canvey Island. Weekly proactive care MDTs take place, identifying and care co-ordinating people with moderate needs to prevent or delay a crisis or the need for more intensive health and social care services. This model of care is already demonstrating improvement in efficiency (e.g. quicker direct referrals) and improved individual outcomes (e.g. increased independence). We are also scoping co-location of health, social and third sector staff within the neighbourhood to further develop integrated working and maximise benefits. Our neighbourhood model is a blueprint which can be adapted to every area with local demographic tweaks. For example we have seen wholesale acceptance of this model in Southend. This will form the basis of future integrated models of care to be utilised within south east Essex, and aligns to the principles being applied as part of the Mid and South Essex Success Regime of building resilient Out of Hospital models of care.
- The **Adult Speech and Language Therapy Service** developed an integrated process across Southend and Castle Point & Rochford for the management of assistive technology devices communication aids. This included improved access to devices and streamlined processes for the management of stock, including recycling. The proposal for improving the process gained agreement and additional funding from commissioning colleagues, and this will mean much extended use of devices such as iPads, IPods and light writers for people with communication difficulties.
- The **Tissue Viability Service** marked the international 'Stop The Pressure' awareness day on 17th November 2016 through a number of initiatives. This included training in pressure ulcer management and prevention for carers, raising public awareness in local shopping centres and drop-in clinics at health centres in the area. The service has worked closely with colleagues in Podiatry to develop a new wound formulary which will assist all clinicians involved in wound care in the community.

South Essex Learning Disability Services

- The **Occupational Therapy Posture Service** is a collaborative project between Occupational Therapy, Speech and Language Therapy and Physiotherapy. Clinics are held with follow-up appointments, with the aim of improving the functional ability of those with complex postural needs; prevention/slowing down if further postural issues; improved collaboration between services in the management of an individual's posture; increased awareness of families and carers of the impact of postural issues.
- The LD Psychology Service has been working for a number of years to increase accessibility for people with LD who may require a dementia assessment. In 2016, the remit was extended to consider the **support offered by the LD Service to those with a diagnosis of dementia**. A multi-disciplinary group have produced a checklist that can be used as a guide for assessment, hence ensuring that a holistic approach is adopted and all possible interventions and forms of support are considered.
- The LD Psychiatrists have increased their role in **offering home visits** for those people with an LD who present with acute deterioration in mental health and/or challenging behaviour outside of planned clinics.

- The LD Health Facilitation Service has been **praised for the support given to those people with LD and their relatives/carers who were at the end of life care pathway and died due to physical health problems**. This praise was given to them following an independent review into the death of people with LD known to SEPT following a national report into the mortality of people with LD, specifically premature deaths.
- The LD community nursing service (Health Facilitation Service and Intensive Support Team) now offer a **daily duty system**. A Duty Person is allocated each day to ensure that all new referrals are screened in a timely manner and that assessments for new referrals are planned and undertaken. They also respond to crisis calls and ensure that, where indicated, an urgent home visit is made or regular telephone contact is maintained. If, following the call to duty, it is felt that the individual requires more intensive and consistent support then they are allocated to a member of the Intensive Support Team.

South Essex Mental Health Services

- **REACH (Recovery, Empowerment, Achievement, Community and Hope), the South East Essex Recovery College**, was launched in January 2017. The previous work done by SEPT mental health services to pilot a Recovery College set the foundation to develop South Essex Recovery Colleges and SEPT mental health have continued to be a key driving force in the development of REACH and continue to be an active consortium partner in REACH. REACH is an environment where people with lived experience support one another to a better way of life, creating opportunities to learn in a safe and supportive environment and to apply learning in daily life.
- South East Essex Community Perinatal Mental Health Services were successful in clinically leading a joint bid with North Essex Partnership Trust colleagues and Mental Health Commissioners for additional funding from 2016/17 to 2018/19 to **develop an Essex wide Specialist Community Mental Health Perinatal Service**. Significant progress has already been made to recruit the additional perinatal mental health staff required, draft out a service specification, begin to consult on a service model involving women with lived experience in all levels of the mobilisation plan, service design etc and ensure that effective links with all perinatal pathway partners are developed.
- Building on service user and focus group feedback, the **Therapy For You service has developed its on-line programme further**. This is now being re-filmed into shorter sections to meet the needs of the typical digital user of today to improve engagement. A social media campaign has been organised to operate alongside the new on-line programmes to also improve access to psychological therapies.
- The Trust has successfully run its first **cross specialties group with people from COPD, Cardiac and Stroke Services with support from IAPT**. The group was successful and the outcomes were positive both quantitatively and qualitatively. This **trans-diagnostic group** is run over five sessions and focuses on mood management, acceptance and change.
- Physiotherapists who are all trained as Postural Stability Instructors as an add-on skill and knowledge for **Falls Prevention and Management** have initiated balance and strength exercise programmes on wards at Rochford, Basildon MHU, Mountnessing Court and Meadowview. This has enabled the provision of strength and balance exercises classes for Older Adults in south Essex area as part of a multifactorial intervention programme as recommended by NICE Clinical Guidelines. The Physiotherapy department is currently developing a similar 12 week balance and strength exercise programme for older adults in the community who would have otherwise been admitted for falls and fractures that may impact negatively on their functional abilities and mental health.
- **Mindfulness Based Interventions (MBIs)** have a strong evidence base across a number of mental health diagnoses. A multi-disciplinary steering group produced a Mindfulness Strategy and, in order to ensure an appropriately trained workforce is available to deliver effective MBIs, 12 multi-disciplinary staff completed a nationally recognised teacher training course in Mindfulness Based Cognitive Therapy (MBCT). MBIs are now being delivered across IAPT, Recovery and Well-being, First Response and In-patient Teams.
- An **Intermediate Care Transformation Joint Partnership between SEPT and North East London NHS Foundation Trust** is being progressed to create a community based solution that is able to flex capacity to manage patients in their own home environment, supporting patients to achieve optimal independence and reduce dependence on health and care packages for as long as possible. The success of the new model will

be in part driven by a consistent and efficient referral pathway into the intermediate beds regardless of provider to ensure there are no avoidable delays in the discharge pathway. This will be achieved through a single referral pathway process for all intermediate care beds (both SEPT and NELFT) overseen through a bed screener.

- SEPT has been cited in the national Centre for Mental Health report on 'Carers Support – Mental Health Carers Assessments in Policy and Practice' published in January 2017 as '**a carer-focused organisation**'. The report includes examples of good practice in SEPT including the local authority funded carer link workers integrated into community mental health teams across Southend, Essex and Thurrock who have been integral to providing holistic and recovery focused care for people with mental health needs and their carers.

Specialist Mental Health Services

Secure services in Essex, Beds and Luton:

- Brockfield House has actively **increased patient participation in recruitment and local induction** for secure services. Patients now assess participants in pre-interview workshops, sit on the interview panel, and deliver components of the local induction programme. The feedback from both patients and staff has been very positive.
- A **peripatetic team of support workers** has been introduced at Brockfield House. The purpose of the team is to have fully inducted and trained members of staff who can be used flexibly within the service. The team reduces the use of bank and agency staff by flexibly filling gaps in the ward rota's due to annual leave, sickness, requirements for patient escorts or increased levels of observations.

- The SEPT **Criminal Justice Liaison and Diversion service**, which commenced as part of the wave one national pilot was **extended** in October 2016 to provide a whole Essex service. This has been achieved by working with NEP to ensure that Liaison and Diversion services deliver the national specification. Lord Bradley visited the Essex Liaison and Diversion Service in January 2017.
- Robin Pinto Unit in Luton introduced a **multi-disciplinary team (MDT) handover**. The handover gives the opportunity for all the MDT to be appraised about each patient at the start of the working day, allowing for a dynamic assessment of risk. The project received a SEPT star award for improving patient safety.

Child and Adolescent Mental Health Services (Tier 4 in-patients – Poplar Ward):

- The service has made significant headway in **reducing restrictive practice** on the unit. Just a few examples include, reviewing access to bedrooms, the introduction of mobile phone handsets and reduction in the number of restraints.
- Clinical leads on the unit have worked closely with counterparts in NEP CAMHS PICU to ensure there are **clear pathways in place** to assist with the smooth transition of young people from Poplar to PICU, and back out again, where a clinical need arises.
- The education unit for the service has achieved a **Good rating from OFSTED** at its recent inspection.



West Essex Adult and Older People's Community Health Services

- As part of the development of **community respiratory services**, the clinical liaison staff at the Single Point of Access have been trained to deliver a guidance pathway for patients known to the Community Respiratory Specialist Team so they can access agreed advice / pathways until 21.00 seven days per week. This enables patients to access the right support and advice to be able to self-manage during periods of exacerbation. This supports the delivery of out of hospital care and it is envisaged that this initiative will contribute to the system target for the reduction in non-elective attendances and admissions to hospital.
- As part of winter resilience initiatives, we identified that there was a need to improve the timeliness of streaming and treatment available to children at the front door of the **Urgent Care Centre, Whipps Cross**. Following discussion with the Clinical Commissioning Group and a successful funding bid, we piloted a GP with Special Interest (GPwSI) scheme, working across the urgent care centre and the emergency department. This has resulted in 680 children being seen in the service, with only 43 children being referred onto the paediatric emergency department, demonstrating the value of early and robust paediatric streaming and timely treatment.
- The **Care Home Multi-Disciplinary Team (MDT) CQUIN** has focused on the development of multi-disciplinary teams in care homes and SEPT has been a significant driver in both developing and delivering the model. This has resulted in better partnership working between care home staff, community matrons, District nurses and the MDT co-ordinator. Working together with the MDT coordinator and other partnership organisations ensures any barriers/actions identified at MDT meetings can be managed in a multidisciplinary forum which enables staff to work together in supporting the care homes to make change happen. Effective use of available capacity has also been demonstrated as the MDT co-ordinator can discuss the outcome of the MDT in relation to particular care home with relevant staff thereby reducing unnecessary overlapping activity between professionals. Community matrons are now calling the MDT co-ordinator proactively to ask advice regarding issues within the care homes.
- From 1 January 2017 the **Musculoskeletal (MSK) Physiotherapy Service** began to roll out a 'self-

referral' service for patients. This commenced in the Harlow locality on 1 January, Uttlesford on 1 February and completed with roll out in Epping in March 2017. Patients aged 18 and over can self-refer to the service either by completing a questionnaire on the SEPT website or by telephone. This service has been commissioned by the West Essex Clinical Commissioning Group and is aimed at enabling patients to access the service in a timely and convenient manner without having to see their GP. It will also reduce demand on primary care, ensuring the best use of healthcare resources across the system. The MSK team continue to work closely with the Clinical Commissioning Group in adapting and continuing to improve access to this service.

- SEPT has taken an active leadership role in the development and delivery of the **Neighbourhood Model of Care** across West Essex over the last year. The development of the neighbourhood model of care has provided the opportunity to work with colleagues across the health, social care and voluntary sector to be patient-centered, act as equals and empower staff on the front line to develop new ways of working and ensure ownership of out of hospital care targets. We have contributed to specific projects in all five West Essex neighbourhoods which aim to improve care closer to home for patients. These have included care home and domiciliary provider support, risk stratification and contributing to newly set up Frailty Clinics, care homes, care providers and risk stratification with which SEPT are fully involved, supporting the system targets around out of hospital care and avoiding unnecessary emergency admissions. We have recently aligned our clinical team leadership with that of social care and primary care to ensure robust governance and local neighbourhood leadership.

Participation in National Quality Improvement Programmes

In support of our objectives to continually improve the quality of our services, we participated in the following Royal College of Psychiatrists national quality improvement programmes in 2016/17:

Quality Network for Learning Disability Wards

Quality Network for Older Adults Mental Health Services

Accreditation for Inpatient Mental Health Services - Working Age Adult Wards

Electro Convulsive Therapy Accreditation Service

Early Intervention in Psychosis Self-Assessment
Quality Network for Forensic Mental Health Services
Quality Network for Inpatient CAMHS (Child and Adolescent Community Mental Health Services)
Accreditation for Inpatient Mental Health Services - Psychiatric Intensive Care Units
Home Treatment Accreditation Service
Accreditation for Inpatient Mental Health Services – Assessment Triage

Workforce Development

Having the right people, with the right skills, in the right roles, at the right time is absolutely critical to the delivery of our quality aims and priorities. This section therefore details some examples of workforce initiatives that the Trust has undertaken over the past year - these initiatives have been designed to help 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 patients and users now and into the future.

Progression Pathways and Apprenticeship

There have been some alterations to the progression paths that are offered in the Trust as the universities and Trust prepare for the implementation of the apprenticeship levy and the removal of grants for nurse training.

As Anglia Ruskin University (ARU) are no longer offering the Foundation Degree which has been used by the Trust for some years, a partnership arrangement has been formed with Essex University for the delivery of the Higher Apprentice in Health and Social Care. This is a Level 5 qualification and delivers a similar skill set to the previous training. Progression from the Higher Apprenticeship Associate Practitioner qualification (Level 5) on to qualified nurse status will continue to be offered via a 'top up' route but this will also have an apprenticeship standard attached to it so that it will be possible to pay for this from the apprenticeship levy from 2018. Currently, the Trust has five Mental Health Work based learning students who are nearing the end of their course and two Adult Nursing students who will complete later in 2017.

These programmes, combined with the Level 2 and Level 3 Health Care Support Worker apprenticeships enable the Trust to offer clinical progression routes for staff. The Trust has a large non-clinical workforce as well and is committed to ensuring that there are development pathways for these staff. Apprenticeships are currently being offered in Business Administration (and there are staff in the Trust on all levels up to Level 4/5), Customer Service and Education and Training. Further apprenticeship routes will be considered as the standards are developed.

Trailblazer Work

The changes to funding from Health Education England regarding nurse training, and the Government focus on apprenticeships, has meant that the Trust has started to prepare for apprenticeship nurses. SEPT has been involved in the development of the nursing standards and hopes to be one of the early implementers. The new standards will be ready for implementation from 2017 and the Trust will be working to find partner education providers.

The Trust is also the lead provider for development of the Psychological Well-being Practitioner apprenticeship standard. This has been an area of workforce that the Trust wanted to develop and it is felt that the apprenticeship route will promote recruitment from the local community which should aid retention. It is anticipated that this standard will be ready in early 2018.

Student Education Facilitators (SEF) and Assessors

The SEFs are continuing to develop their roles and support students across the Trust. They are developing a number of short teaching sessions on areas of particular interest to students in the Trust and they lead on the delivery of the Associate Practitioner course. They have promoted the monthly student forums which are now held in Rochford as this has easy access by train.

Two dedicated assessors have been recruited to support the apprenticeship programmes delivery across the Trust. They will be running the 'off-work' learning sessions and working with the learners in their work-base to assess their progress.

Leadership Development

The Trust has invested in leadership development to support the in-house programmes and extend the

access to NHS Leadership Academy courses. Additional optional modules have been added to the in-house management/leadership development programme with workshops on developing resilience and confidence building.

In addition, Health Education England has franchised delivery of the NHS Leadership Academy's 'Mary Seacole' Programme through local trusts and this is being offered to staff at Band 7. This is a six month leadership development programme designed by the NHS Leadership Academy in partnership with global experts, the Hay Group, to develop knowledge and skills in leadership and management.

Further progression is then offered via the Anglia Ruskin Health Partnership Integrated Leadership Programme. This programme focuses on developing strategic thinking and offers learners the opportunity to take up short placements in other organisations within the local health and social care economy.

Resources

The Trust has continued to upgrade training facilities and equipment. Further work will be undertaken on the training venues at Epping and Rochford to ensure maximum use is made of the rooms.

E-portfolio systems are now being investigated which will enable the Trust to eliminate the need for paper files of learners' work and will enable the assessors to access work without needing to meet directly with the students.

Student Placements

The Trust has introduced the new nursing curricula. This means that practice staff are working with students on different curricula but with the support of the student facilitators - this transition has gone very smoothly. Running two curricula does mean that there can be difficulties with allocation of placements as the placement timetables are not co-ordinated. However, the placement teams in the Trust and the universities have worked hard to ensure that all students have had a rewarding placement experience and the student feedback has been very positive.

Service User Co-Production – The Buddy Scheme and Course Evaluation

The Mental Health Buddy scheme, 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 has continued to be very well-received and was commended by the Multi-professional Deanery. Part of the Deanery Action Plan asked the Trust to consider extending the scheme to other professions. This is not quite as straightforward as other student groups tend to be smaller and tend to be on placement at different times. However, the workforce development team are working with the Occupational Therapy leads and plan to introduce this over the next year as a pilot.

The Trust has a very dedicated group of service users who assist with the Buddy Scheme and other projects within Workforce Development. In particular, over the past year they have been involved in evaluating many of the Trust's mandatory training courses and all revised courses will be signed off by the service user group before delivery.

Section 3.3: Overview of the quality of care offered in 2016/17 against selected local indicators

As well as progress with implementing the quality priorities identified in our Quality Report/Account last year, the Trust is required to provide an overview of the quality of care provided during 2016/17 based on performance against selected local 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.

Data for the services which transferred out of SEPT (Bedfordshire and Luton Mental Health on 1 April 2015, Suffolk Community Health Services from 1 October 2015 and Child and Adolescent Mental Health Services (CAMHS) from 1 November 2015) have been removed from this section to allow a representative comparison of 2016/17 performance with previous years.

Trust wide indicators

Hospital Acquired Infections

Patient Safety

Data source: Infection Control Dept

National Definition applied: Yes

There was one case of MRSA Bacteraemia reported. 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).

in west Essex. This was reported as a Serious Incident and areas of learning for both Plane Ward staff and the District Nursing Team were identified.

Infection Control Measure		2014/15 Outturn	2015/16 Outturn	2016/17 Target	2016/17 Outturn
Mental Health Services	Cases of avoidable C.Difficile	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	1

Safety Thermometer (Harm Free Care)

Patient Safety

National Definition applied: Yes

Safety Thermometer (Harm Free Care)

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

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

The graph below show the percentage of patients that

were visited or were an inpatient on the census date, who had not acquired any of the four harms whilst in SEPTs care. During 2016/17, SEPT successfully achieved above the 95% target. This information is reported to the Trust Board monthly as part of the Board of Directors' Scorecards.



Complaints (Patient Experience)

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 2016/17 a total of five complaints (2.4%) were referred to the Parliamentary & Health Service Ombudsman. This is six less than the 11 (5%) referred in the previous year.

One was partially upheld and the Trust was asked to acknowledge failings and apologise for the impact this had on the patient. The Trust was also asked to produce an action plan to describe the lessons learned and what the Trust will do to avoid a recurrence in the future.

The PHSO investigation has been discontinued for one referral and investigations are ongoing for the other three complaints.

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 99% for complaints closed within agreed timescale. This is an improvement on the 98% achieved in the previous financial year

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 2016/17, the NEDs reviewed 56 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:

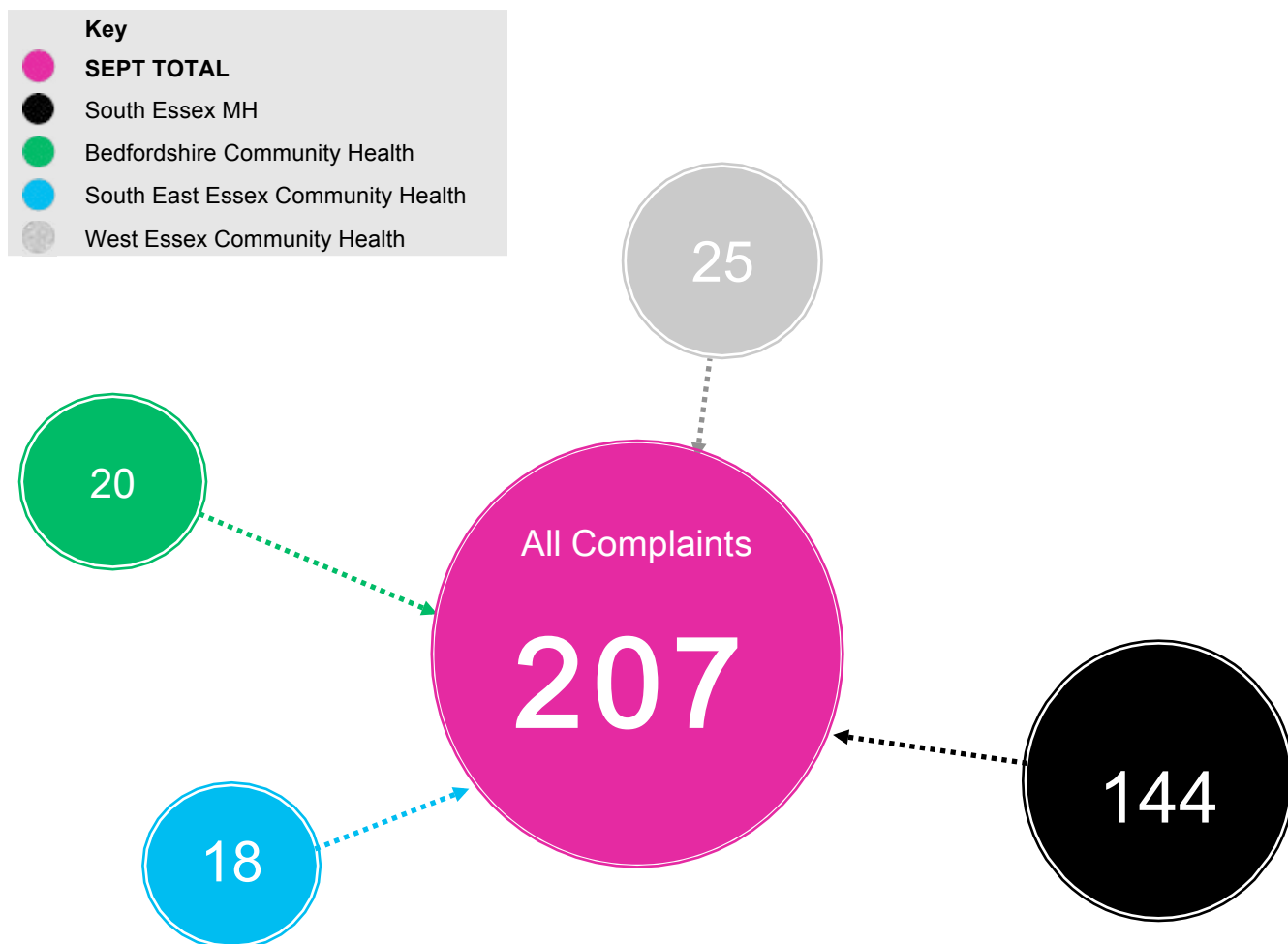
Performance Indicator	2014/15	2015/16	2016/17
Number of formal complaints received	377	237	207
<i>Comprising:</i>			
<i>Total received Mental Health Services</i>	<i>277</i>	<i>153</i>	<i>144</i>
<i>Total received Community Health Services</i>	<i>100</i>	<i>84</i>	<i>63</i>
Number of complaints withdrawn	12	5	3

*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.*

Complaints Received by Locality and Service

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

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



Number of active complaints at year-end: At year end, the number of active complaints was 22 which is a decrease from the position as at the end of March 2016 which was 23. All active complaints are on target to be responded to within their agreed timescale, by the end of May 2017.

Number of complaints upheld / partially upheld: A total of 208 complaints were closed during the year of which three were withdrawn.

Performance Indicator	2014/15	2015/16	2016/17
Number of complaints upheld	34	18	29
Number of complaints partially upheld	133	137	121
Number of complaints not upheld	69	74	47
Totals	236	229	197

The remaining 11 complaints closed in 2016/2017 comprise: five not investigated (consent not given), three withdrawn, two conduct and capability and one locally resolved.

Patient Advice and Liaison Service queries and locally resolved concerns:

In addition, the Trust received a total of 1154 Patient Advice and Liaison Service queries and 175 locally resolved concerns in 2016/17.

Nature of complaints received:

The top three themes for complaints for both mental health and community during 2016/2017 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 - 2015/16 figures are included for comparison.

Top Three Complaint Themes	Total Number of Complaints Received		Upheld		Partially Upheld		Total Upheld or Partially Upheld	
	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17
Unhappy with treatment	47	23	3	1	31	15	34	16
Staff Attitude	41	43	3	3	19	26	22	29
Communication	29	26	1	5	27	15	28	20

The remaining number were either not upheld, not investigated (no consent) or withdrawn.

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.



Compliments (Patient Experience)

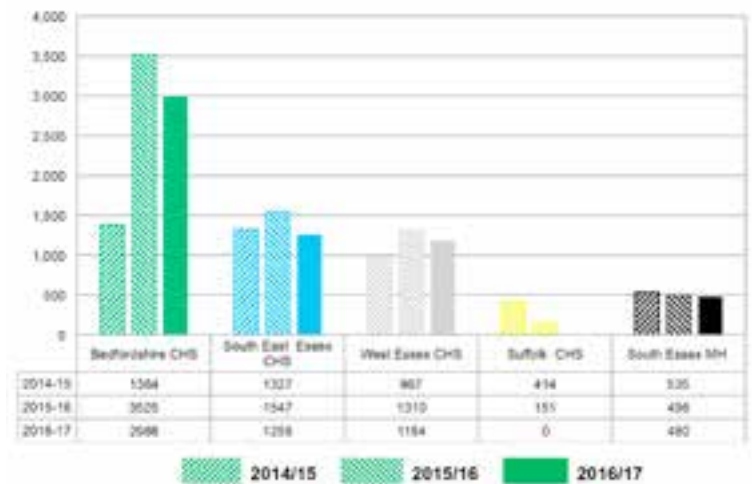
Data source: Datix

National Definition applied: N/A

"I just wanted to say a very big thank you to all the staff on Poplar Ward for all your work and efforts. You have given me my little girl back and I am so grateful."

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 5908 compliments, which represents a decrease of 1121 for the same services in 2015/16. The Community Health Services have experienced the biggest decrease, however, it should be noted that many of their compliments are taken from the Friends and Family Tests and various audits and they can therefore fluctuate accordingly over the year.

Compliments Received	2014/15	2015/16	2016/17
Bedfordshire CHS	1384	3525	2896
South Essex MH	535	496	480
South East Essex CHS	1327	1547	1258
West Essex CHS	967	1310	1184
Suffolk CHS	414	151	N/A
SEPT	4627	7029	5908
SEPT Ex Suffolk	4213	6878	5908



Rate of Complaints and Compliments per 1000 patient contacts

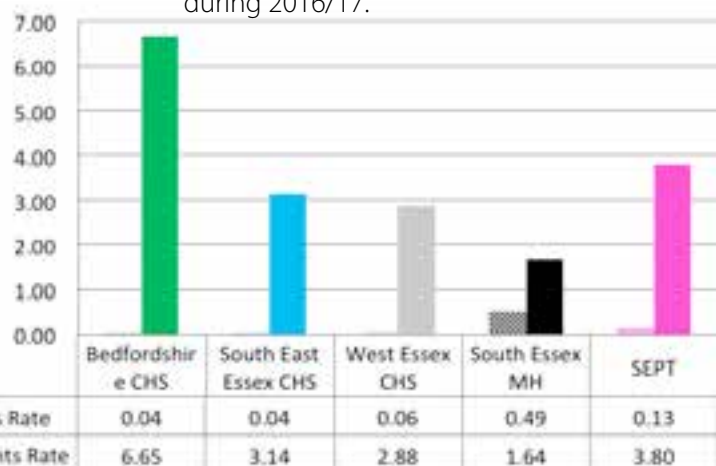
Data source: SEPT systems (Datix and FFT)

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 2016/17.

 **Complaints Rate**

 **Compliments Rate**



Unified Friends and Family Test

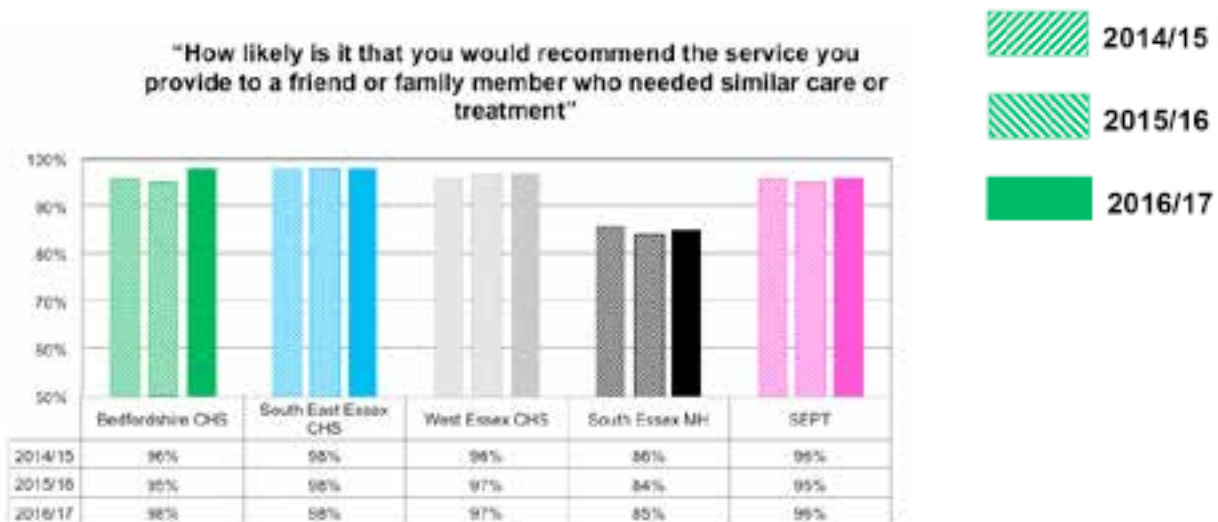
Patient Experience

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 questions 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.



96% of the 10,081 responses to the FFT received from service users in 2016/17 indicated that they would be either 'likely' or 'very likely' to recommend the Trust's services. The Trust continues to maintain a high recommendation percentage while seeking to increase the actual number of responses received and taking action on the feedback received.

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

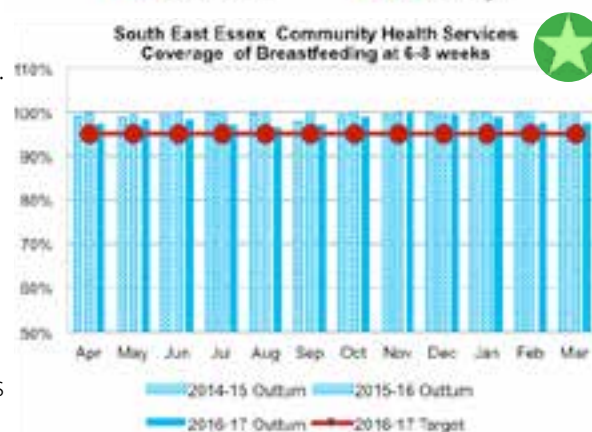
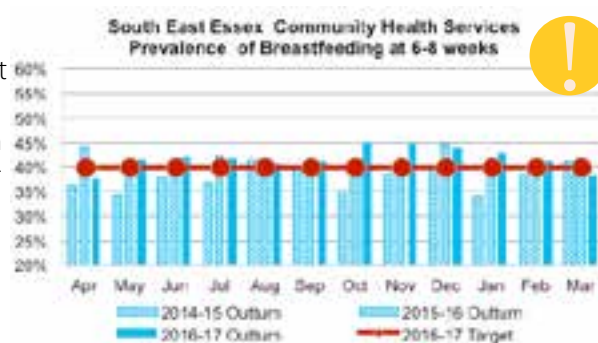
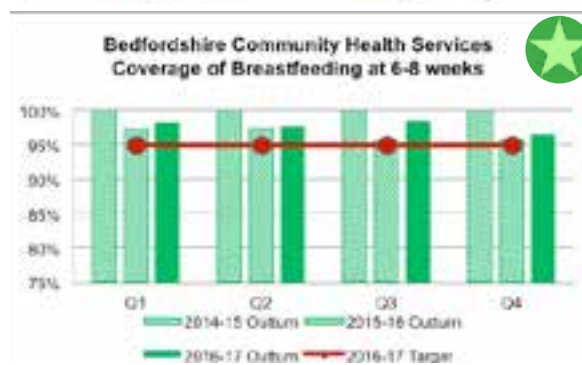
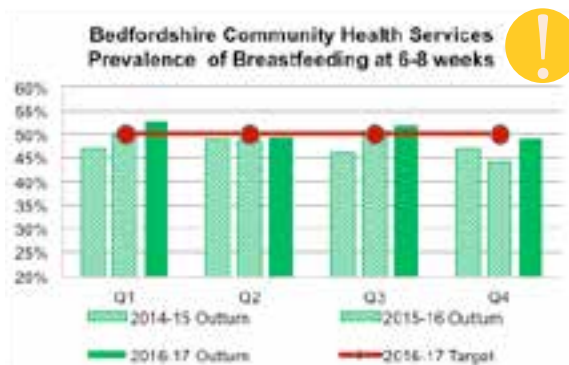
In this section of the report a selection of Key Quality Indicators are presented to show performance for the community health services of Bedfordshire, south east Essex and west Essex over the past 12 months and where possible up to the past 36 months.

Breastfeeding Clinical Effectiveness

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

In Bedfordshire Community Health Services (BCHS) during 2016/17 the coverage of breastfeeding has exceeded 95% in every quarter and therefore provided good data quality. As in other previous years breastfeeding prevalence continues to increase in both Bedford Borough and Central Bedfordshire and this year reached its highest overall rate of 50%. The service is working on maintaining that high rate through a number of evidence based methods known to support mothers and babies. BCHS was re-accredited as UNICEF Baby Friendly in 2015 and is now working towards the Baby Friendly Gold Award. BCHS has been identified as a centre of excellence in the delivery of antenatal information about breastfeeding. The Baby Friendly Team has developed a specialist service supporting mothers and babies and received 100% positive feedback following analysis of patient experience submitted by families. Breastfeeding Buddies who volunteer to support across Bedfordshire have grown in number and provide a unique mother to mother support for breastfeeding mothers.

In South East Essex Community Health Services there has been a significant improvement in the 6-8 week breastfeeding rate in the second half of the year. The target of 40% prevalence was achieved for 10 months over the past year with two months just missing the target by less than 3%. There is a demographic difference between the two Local Authorities with the breastfeeding rate in Southend at 44.5% for the whole of 2016/17. To support and improve breast feeding rates we have invested in the Unicef Baby Friendly accreditation. In south east Essex we have achieved Level 3 the highest level of achievement. Breast feeding targets are not solely the responsibility of the health visiting service but shared with other providers such as maternity services and children's centres. In Southend we are working with children's centres to offer appropriate support and training for parents and we have worked with the local maternity services to support them with their Unicef Baby Friendly Accreditation.



Data source: SystmOne
National definition applied: Yes

18 Week Referral to Treatment

Patient Experience

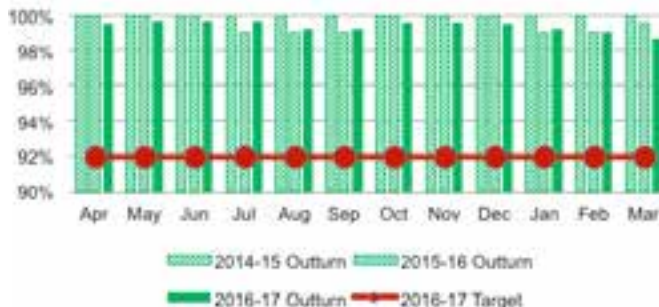
18 week referral to treatment performance measures the length of time in weeks between referral into the service and the end of each month. This is an important measure as it describes the length of time patients are waiting for treatment.

Community Health Services in all three localities consistently achieved the target of 92% every month in 2016/17.

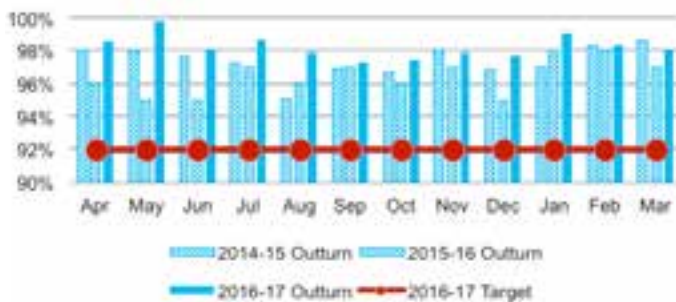
Data source: SystemOne

National definition applied: Yes

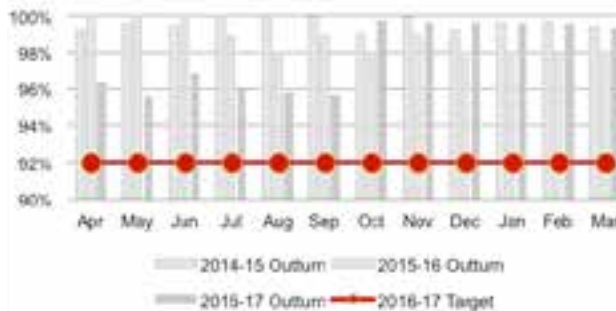
Bedfordshire Community Health Services
18 Week Performance



South East Essex Community Health Services
18 Week Performance



West Essex Community Health Services
18 Week Performance



Serious Incidents

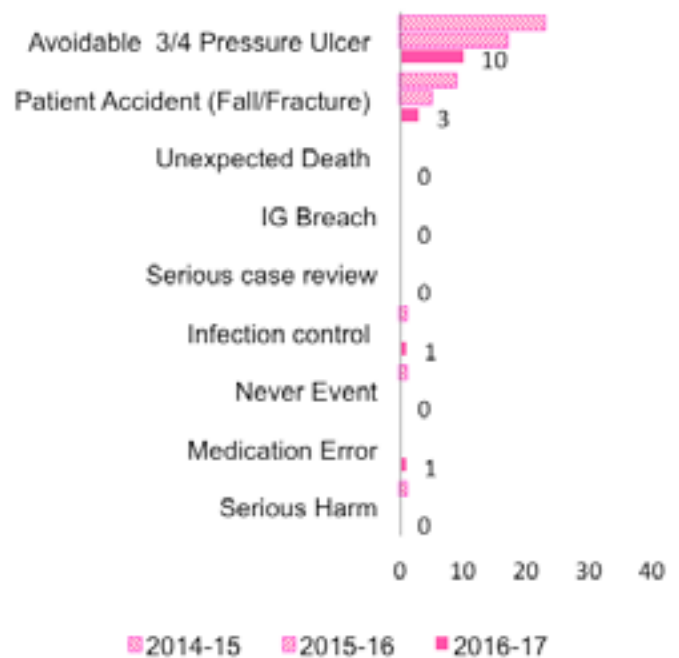
Patient Safety

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.

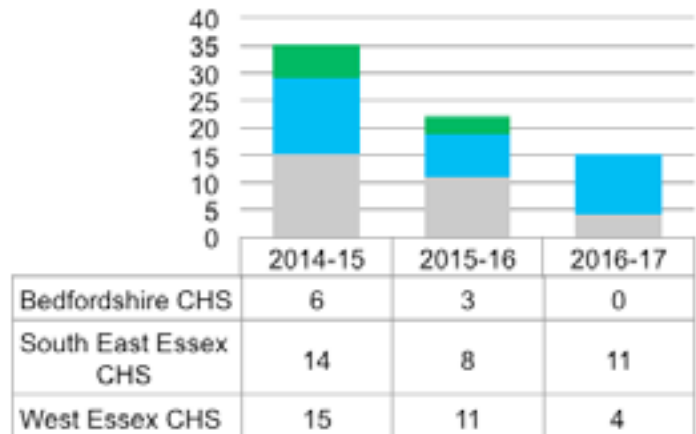
The Trust reported 15 serious incidents in Community Health Services in 2016/17 compared to 22 during 2015/16. Three of these incidents were falls leading to fractures, a decrease (improvement) of two on last year. The continued decrease in the number of Serious Incidents in the community is a major 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 : One additional SI reported for SEECHS in 2015-16 following identification of an avoidable grade 3/ 4 pressure ulcer following RCA after preparation of last year's Quality Report / Account.

Serious Incidents Occurring in Community Health Services



Serious Incidents by Locality



Mental Health- Local Quality Indicators

Serious Incidents

Patient Safety

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.

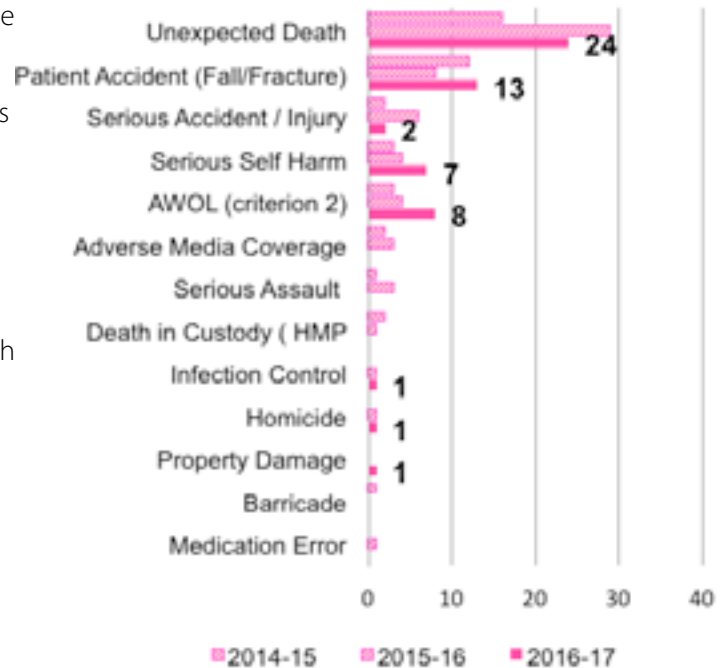
The Trust reported 57 serious incidents (SIs) in Mental Health Services in 2016/17 compared to 61 during the previous year.

It is pleasing to note that the number of unexpected deaths has decreased from 29 last year to 23 in Mental Health Services and one in Specialist Mental Health Services in 2016/17.

The number of Serious Incidents in Specialist Services has decreased from 16 last year to 11 in 2016/17. In Specialist Services, although the number of AWOLS has increased from four to eight, there has been a decrease in the number of Serious Incidents from six last year to two in 2016/2017 and reductions in other categories of Serious Incidents.

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 organisations' understanding and attitudes towards suicide prevention.

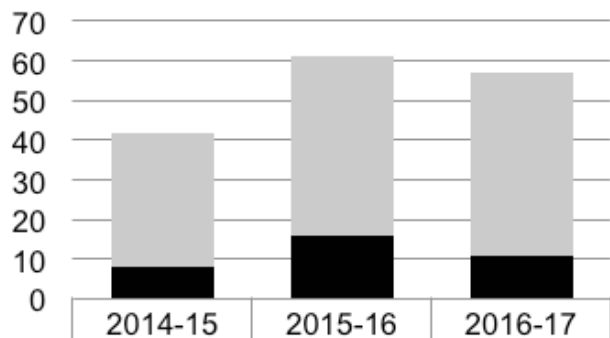
Serious Incidents Occurring in Mental Health Services



Serious Incidents by Locality

Data source: Serious Incident Database

National definition applied: EoE and Midlands definition applied



	2014-15	2015-16	2016-17
South Essex MH	34	45	46
Specialist Services	8	16	11

Readmissions

Clinical Effectiveness

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 2015/16 NHS Benchmarking Club (further information can be found at www.nhsbenchmarking.nhs.uk). In the graphs below, good performance is illustrated by levels of activity below the target line.

Data source: SEPT System (IPM)

National definition applied: Yes

The target % for Adults Re-Admitted

within 30 days has been achieved in the first and third quarters and for the year as a whole. However the target has been breached in the second and fourth quarter. Elderly Re-admissions achieved the target in the first and fourth quarters, but have breached the target in the second and third quarters and for 2016/17 as a whole. This % for Elderly Readmissions represents 11 readmissions out of a total of 244 discharges. Due to reporting challenges associated with the implementation of a new information system for Mental Health Services in 2016/17 (outlined in section 2.4.6), this data has only recently been available to the Trust and action is now being taken to follow up the reported performance.

Adult Patients Re-Admitted Within 30 Days (Mental Health)



Elderly Patients Re-Admitted Within 30 Days (Mental Health)



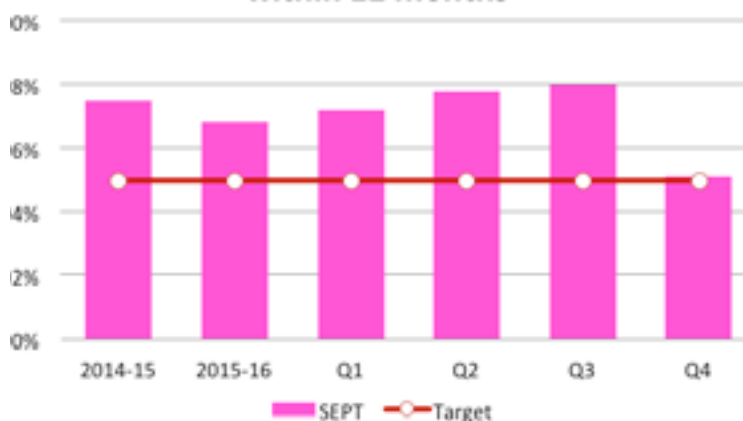
Section 3.4: Performance against key national priorities

In this section we provide an overview of performance in 2016/17 against specified key national targets relevant to SEPT's services contained in NHS Improvement's (NHSI) Single Oversight Framework. The Single Oversight Framework was introduced on 1 October 2016 to replace the Monitor 'Risk Assessment Framework' and the NHS Trust Development Authority 'Accountability Framework'. It is designed to help NHS providers attain, and maintain, Care Quality Commission ratings of 'Good' or 'Outstanding'. NHS Improvement specified in their national guidance for Quality Reports 2016/17 which of these indicators should be reported within Quality Reports for 2016/17. Data for two targets from the Single Oversight Framework required to be included in Quality Reports / Accounts (ie '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') has been reported in the national mandated indicators section of this report (section 2.5). SEPT is pleased to report that, with the exception of one indicator ('Early Intervention in Psychosis referrals treated within two weeks of referral with NICE compliant care packages'), compliance has been achieved across all indicators reported below throughout 2016/17.

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 NHS Improvement (formerly 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 2016/17.

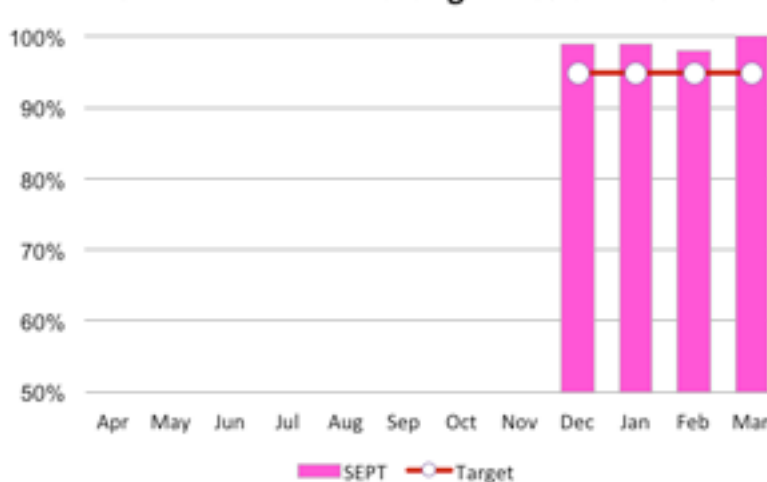
Patients on CPA having a formal review within 12 months



A & E: Maximum waiting times of four hours

The NHSI compliance threshold is for 95% of patients to be admitted/ transferred or discharged from A & E within four hours of arrival. In November 2016 SEPT commenced management of the Urgent Care Centre in west Essex and has achieved this target during the remainder of 2016/17.

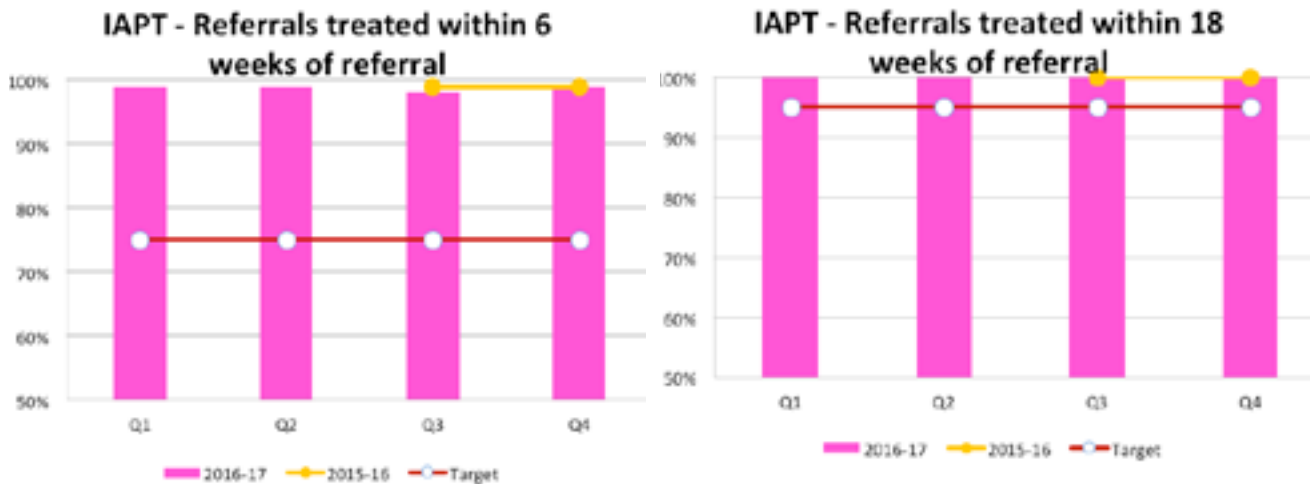
A & E : Maximum Waiting Times of 4 Hours



Improving Access to Psychological Services: Referrals treated within six weeks and 18 weeks of referral

These indicators were introduced from Q3 2015/16 to measure the time between referral and treatment by IAPT services.

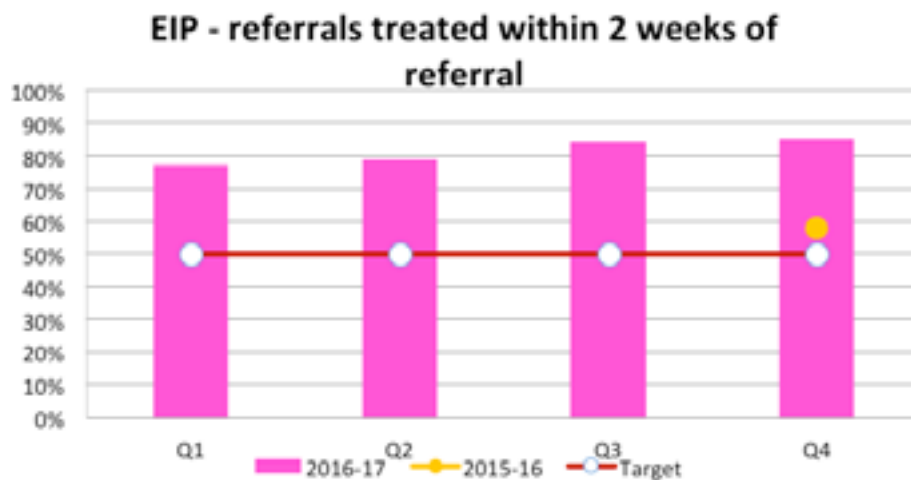
Compliance with both of these targets has been achieved consistently throughout 2016/17



Early Intervention in Psychosis: Referrals treated within two weeks

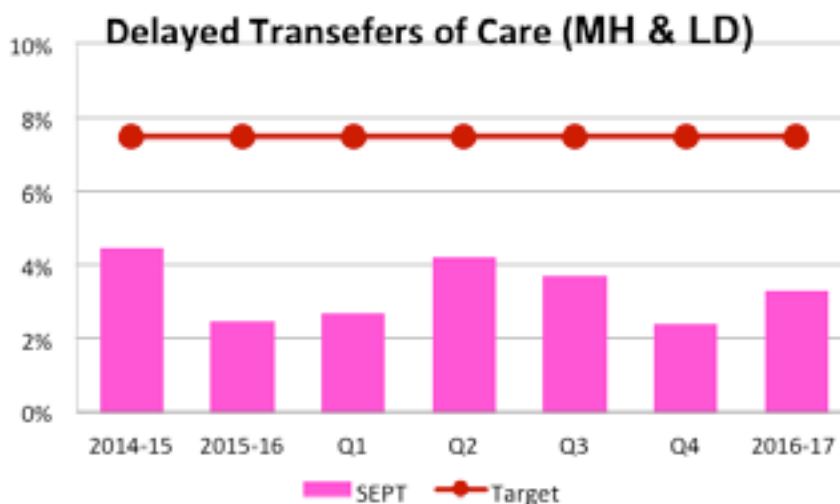
This indicator was introduced in Q4 2015/16 to measure the percentage of referrals for people with a first episode of psychosis who are treated within two weeks. From Q1 2016/17 it was enhanced to include compliance with NICE packages of care.

South Essex Mental Health Services are not currently commissioned to provide NICE compliant packages of care.



Delayed Transfers of Care (DTOCs) (MH & LD)

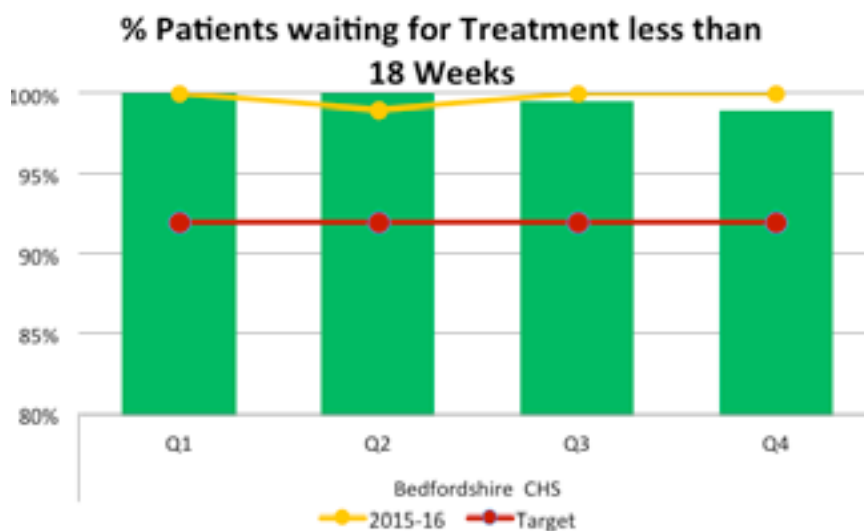
This indicator is calculated as the % of inpatient beddays lost to DTOCs due to either NHS or Social Care related issues for both mental health and learning disability services. The target which has been carried forward from the NHSI Risk Assessment Framework is less than 7.5%. This target has been achieved consistently throughout 2016/17.



% Patients waiting for treatment less than 18 weeks

This indicator measures the treatment waiting times for patients 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 2016/17.

Only Bedfordshire CHS has a GP to consultant referral pathway for Paediatrics.



Section 3.5: Listening to our patients and service users

We believe that receiving and acting on feedback from our service users is crucial to maintain the high quality standards we have set ourselves and work continues 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

The Trust has in place a unified patient survey. This draws together the national NHS Friends and Family Test (FFT) and a further series of local questions around key areas we identified together with people who use our services. 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 are also asked to complete the survey for those unable to fill it in themselves.

The Patient Experience Team provides team managers with regular reports which detail the results from the Surveys for their team. Managers review the content of these reports and discuss the feedback with their team or individual where appropriate, using it as an opportunity to reflect on practice and look for improvements. Managers are encouraged to use positive feedback to share and reinforce good practice, as well as encourage further participation in the survey.

Question	SEPT Overall Scores 2015/16	SEPT Overall Scores 2016/17	Increase / decrease between 2015/16 and 2016/17 scores
To what extent did you feel you were listened to?	9.3	9.3	→
To what extent did you feel you understood what was said?	9.4	9.4	→
To what extent were staff kind and caring?	9.6	9.6	→
To what extent did you have confidence in staff?	9.5	9.5	→
To what extent were you treated with dignity and respect?	9.6	9.6	→
To what extent did you feel you were given enough information?	9.4	9.4	→
How happy were you with the timing of your appointments?	9.3	9.3	→
How would you rate the food?	6.7	6.9	↑
To what extent would you say the ward/clinic was comfortable?	8.8	8.8	→
To what extent would you say the ward/clinic was clean?	9.3	9.3	→

A total of 10,081 responses were received to the Survey in 2016/17. The results of the answers to the local questions are detailed in the table above (figures denote average score out of 10).

Food continues to show the lowest satisfaction rating although this has increased over the year. It should be noted though that responses in this particular category are very low. The Food Task & Finish Group originally set up last year developed a Food Strategy for the Trust - as part of that, another complete audit of the food service (including tasting) was undertaken by the Patient Experience Team. Further audits continue to be undertaken and will continue into the future.

Other Key Patient Experience Engagement Activities

Mystery Shopper Programme: Mystery Shoppers are patients and carers who give anonymous feedback about their actual experiences of using 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.

SEPT On the Spot: These events were set up last year to incorporate the previous “Take it to the Top” and “Let’s Talk About” events that took place across the Trust. The aim of these events was to give service users, carers, members of the Trust and governors as well as the public a chance to speak directly to the Chief Executive about the services provided by SEPT. These were held across all localities, and included different presentations from teams relevant to the locality as well as updating everyone on the Trusts planning process and the merger with NEP. Feedback was generally positive although attendances did vary considerably from locality to locality.

Stakeholder Forums: Service users, carers and staff are invited to discuss services in their area and share feedback with the Trust. Forums are chaired by an associate locality director who is supported by operational staff. These are well received and some smaller forums were also held more as discussion groups. These all include patients, carers and local voluntary organisations.

Service User/Carer Involvement: One of the Trust’s priorities has been to involve service users and carers more to play a meaningful role not only in current services but also the future of Trust services. A service user and carer reference group was set up to discuss the merger and begin co-production work on the clinical model for the new Trust.

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 over the past year.

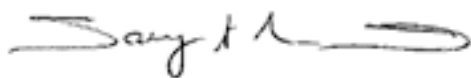
- Specific changes on how we communicate with patients and service users (eg appointment letter content, answerphone messages);
- Clearer information leaflets regularly updated;
- Staff introducing themselves appropriately continuing the “Hello my name is” campaign;
- Greater involvement of carers in the care of those they look after;
- Service user involvement in staff training giving the lived experience viewpoint;
- Adaptations to clinical areas;
- Varying the number and location of local forums in response to those who were either experiencing difficulties to attend or who had not been engaged with before;
- Strengthening and expanding the “Buddy” scheme, where service users and carers are ‘buddied’ up with a student nurse ensuring the lived experience contributes to the trainees learning.

Closing Statement From Sally Morris, Chief Executive

I am proud to present our quality achievements for 2016/2017 in our final year as SEPT. I am grateful to you for taking the time to read this report and I hope it has been presented in a clear and useful way for you.

As I mentioned earlier, SEPT merged with NEP on 1 April 2017 to become Essex Partnership University NHS Foundation NHS Trust (EPUT). Throughout the year, our Interim Board of Directors will receive monthly reports on progress against the new organisation's quality goals. These meetings, as well as various other Trust meetings, are open to the public. I would like to encourage you to attend our monthly Board 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 <https://eput.nhs.uk/>

2017/2018 will be an exciting time for the new Trust, and I hope that you will be able to come to future meetings to be involved. We look forward to seeing you.



Sally Morris

SEPT Chief Executive 2016/17 /

Chief Executive of the Interim Board of Directors, EPUT from 1 April 2017

If you have any questions or comments about this Quality Report or about any service previously provided by SEPT (now provided by Essex Partnership University NHS Foundation Trust), please contact:

Faye Swanson
Essex Partnership University NHS Foundation Trust
The Lodge
Lodge Approach
Runwell
Wickford
Essex SS11 7XX

Email: faye.swanson@eput.nhs.uk

ANNEXE 1 – Comments on the Quality Report / Account

We sent the SEPT 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 21st May 2017

Statement from Bedfordshire Clinical Commissioning Group (BCCG) to South East Essex Partnership Trust (SEPT) Quality Report 2016 – 2017

Bedfordshire Clinical Commissioning Group (BCCG) has received the Quality Reports 2016/17 from SEPT NHS Trust. BCCG has been informed of the merger of SEPT and North Essex Partnership NHS Foundation Trust (NEP) on 1st April 2017 to form Essex Partnership University NHS Foundation Trust (EPUT). It is recognised as a result of the merger EPUT will be responsible for undertaking the process post-merger to publish the SEPT Quality Report 2016/2017.

SEPT's Quality Report was shared with BCCG's Non-Executive director (lead for patient safety), Executive Directors, Performance, Quality Team and systematically reviewed by key members of the CCG's Integrated commissioning and Quality, as part of developing our statement.

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/EPUT have conducted in discussion with stakeholders in developing the Trusts Quality reports, its identified priorities for 17/18 and equally recognised that as a new organisation the need to benchmark current position in Q1 17/18, aligning these results to priorities for the remainder of the year.

It is recognised that within the Trusts commitment to "No avoidable Harm" that some of the quality priorities set for 2017/18 are a continuation of the priorities identified for 16/17. For Bedfordshire Community Health Services these priorities relate to 3 areas only (reductions in the following areas: Falls, Pressure Ulcers, Medication Omission, care planning, record keeping and family involvement in mortality reviews).

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 16/17 and looks forward to EPUT's further quality improvement work through 17/18 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 previously had 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 EPUT demonstrates a positive service user experience in their service areas. Friends and family involvement in mortality review, aligns appropriately with the principles outlined in duty of candour. BCCG support this advanced engagement and will work with EPUT on assurance of delivery in particular with our community beds in Bedfordshire (Archer Unit).

Effectiveness: BCCG acknowledge the Trusts priority on care planning and record keeping. We will work with EPUT following the Q1 baseline work in establishing current Trust performance and support the Trust in their improvement and assurance plans for the remainder of 17/18

SEPT is required to include Trust performance against national quality indicators. The Trust has included this data. BCCG recognises performance relevant to Bedfordshire on staff friends and family, serious incidents and staff survey. BCCG acknowledges the zero reported serious incidents in Bedfordshire for the whole 16/17. For assurance of patient safety this is an important measure and we will continue to work with EPUT in 17/18 in ongoing assurances of keeping patients safe.

People who use community services survey has noted a slight overall drop in response of overall experience of care and so BCCG welcomes the Trusts response to a developed action plan to address this. BCCG also recognises the improved Staff Friends & family (F&F) position to previous years and will work with EPUT over 17/18 to understand the Trust approach to their current position on staff survey response KF26 bullying and harassment.

BCCG recognises the improvement work over 16/17 against the identified priorities relevant to Bedfordshire. In particular the reduction of grade 3&4 avoidable pressure ulcers to zero is commendable. Within this the CCG recognises the Trusts on going work covering areas such as “sign up to safety” “skin matters group” and dedicated work from tissue viability teams. To progress this work into 2017/18 we welcome collaboration from EPUT across other stakeholders to gain value from shared learning and expertise and to identify potential impact in enabling patients and carers in their own homes to recognise the importance of good skin management.

Over the course of 16/17 the Trust has delivered against its local CQUIN schemes, aimed at integration of services delivering health care to vulnerable groups at risk of admission to Acute care. Specific work on care plan development and sharing arrangements with Acute providers has led to developed position on integration with ability to share care records (with patient consent) and enable clinicians to plan patients care away from an unnecessary acute position.

In addition SEPT delivered some valuable training to care home staff on identification of Diabetic foot attack (injury to a foot which has reduced feeling or reduced blood circulation). A reasonable number of care home staff in Bedfordshire had specific training in recognising diabetic foot attack at early stages, supporting potential for improved patient outcomes.

BCCG recognises the additional work SEPT have delivered on around advanced care planning for palliative patients, enabling patients to die in their preferred place of death.

Specific areas of improvement work in children’s services over 16/17 has supported BCCG children’s commissioning with advances in “Futures in Mind” work programme across Bedfordshire. The emotional wellbeing work is in early stage and BCCG welcomes the ongoing work with EPUT in 17/18 to further enhance this.

BCCG also welcomes the learning from previous child health reviews in Bedfordshire and the links to Asthma friendly schools programme.

As a CCG we are also pleased to see the approach to workforce utilisation, the development of new roles and enhancing the scope of other roles. Specifically the Trusts commitment to apprentice nurse’s roles and the Trusts involvement in the development of the nursing standards on the programme (also the use of Care assistants in advanced roles). Other apprentice opportunities for care and admin staff in a geography that can be challenging to recruit care staff is welcomed approach.

BCCG recognises the specific additional service improvement work in nutrition and dietetics over 16/17. Enabling additional service capacity by streamlining processes. In particular the work on FOOD First for older people in care homes building on a previously recognised awarded service.

Over the course of 16/17 SEPT have been supportive in delivery of pathway changes around Stroke and anticoagulation services. BCCG have been supported by SEPT in its ability to assure ongoing safe provision of services to people on these specific pathways during service transition.

Working with the transitioned provider to EPUT over 17/18, 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 the coming year.

Bedford Clinical Commissioning Group supports the Trust’s rationale and indicators for quality priorities for 2017/18 and looks forward to working with EPUT to achieve good quality outcomes for the people of Bedfordshire.

Matthew Tait

Accountable Officer

Bedfordshire Clinical Commissioning Group

CCG's in South Essex (CCGs) Co-ordinated and Collaborative Response to SEPT QUALITY REPORT 2016/17

CCG MANDATED SUMMARY STATEMENT

The South Essex Partnership NHS Foundation 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 to inform this collaborative summary statement. The information contained within the report was reviewed and considered an accurate summary reflection of the Trust's performance during 2016/17; as per the CCG contractual Quality Monitoring processes.

The Quality Report clearly articulates where SEPT has achieved good progress and identifies areas where further improvements are required. The CCG acknowledges the open and transparent approach that the Trust has demonstrated in all aspects of quality monitoring. In the commissioner/provider relationship there is a focus on making quality the organising principle of NHS services, by embedding quality at the heart of commissioning practice.

During 2016/17 the Trust has merged with North Essex University Partnership Trust to become Essex Partnership University Trust (EPUT) and the CCGs look forward to developing a collaborative working arrangement with the newly formed Trust.

Commissioners note that EPUT has designated delivering quality services as one of the Trusts four key strategic priorities, commissioners fully endorse this approach. Whilst the overarching quality priorities for EPUT are articulated in the Quality report commissioners note the plan is to undertake benchmarking and assessment of current provision in Quarter 1 before finalising and setting the measurable quality improvements target for 2017/18 and commissioners look forward to receiving these when finalised.

It is notable that across the Trust there has been a consistent achievement of a good standard of concordance with the National Patient Safety tool. Whilst the National benchmark of 95% has not always been achieved the Trust overall consistently achieves over 90%.

Commissioners are supportive of the planned developments of the new mental health clinical model of service delivery and expect this to deliver enhanced services and outcomes to the patients, carers and the community.

The CCG endorses the commitment within the Quality Report to addressing the challenges that record keeping and care planning present to Trust. The planned action to agree revised standards for record keeping and personalised care planning, putting in place trust-wide training and practice development programmes to cultivate excellence is unconditionally supported by the CCG and we look forward to the outcomes.

The continued commitment to the National Sign up to Safety campaign is recognised by the CCG. The Trust reported a variable level of achievement. The CCG appreciates that this type of sustainable transformation does take time. The Quality Report details significant quality improvement plans for the domains of the sign up to safety, where it is required and the CCG will continue to monitor the progress going forward. The CCGs would expect that a % target is added to the cardio metabolic assessment for Community Mental Health Teams as this is a critical indicator in determining the Trust achievement going forward and this has been left off from the report.

The Trust commitment to zero suicides detailed in the report is linked to the "Sign Up to Safety" domain for "unexpected deaths" and commissioners concur with the comprehensive forward looking action plan developed to deliver transformational change to how staff assess and plan for safety within service, with the additional plan for the Trust to commission specific suicide training for all staff aligned with and underpinned by a cultural review of the organisations understanding and attitudes towards suicide prevention. Commissioners are optimistic that this will achieve the ambitions of reducing unexpected deaths.

The growth of the Trusts engagement in the Mortality Review (including the National Quality Board – “Learning from Deaths” guidance March 2017) and the schedule of achievements expected across the year demonstrates the Trust commitment to improving their organisational systems. In particular it is pleasing to read the planned strengthening of the family and carer engagement in the review and feedback process. The CCG would have hoped to have seen the inclusion of the LeDer programme development included within this section of the report.

The CCG would concur with the reported view of the challenges for the Trust in achieving the data submission and reporting requirements due to the implementation of a new Information technology system. The CCG recommend that this is utilised as a learning opportunity in the newly formed Trust for any future plans to merge systems to build an assurance process prior.

As the challenges with data collection are resolving commissioners are keen to focus on the re-admission rates and gain greater knowledge around the pathway and alternative options that may assist with reducing readmission rates.

Commissioners note that the highest number of complaints was received in Mental Health Services and that the lowest number was received in South East Essex Community Health Services. The report identifies the top three themes and commissioners would be interested in any planned focus work particularly within the highest numerical area for complaints.

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 2016/17.

The Trust is to be commended for the Mental Health Buddy Scheme which pairs all second year Mental Health Students with a service user. It is notable that this scheme has also been commended by the Deanery Action plan.

The CCG welcome SEPT’s commitment last year towards our transformative plans for Locality/ Neighbourhood integrated teams. The Care Coordination and emerging Complex Care services are core foundations of these models and we acknowledge SEPT’s commitment to making these plans successful. We look forward to working with EPUT to enhance these models in 2017/18.

Conclusion

Overall the feedback has been positive and the CCGs are satisfied 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. The CCGs hope that this feedback is helpful and look forward to continuing our productive collaborative working relationship with the Trust in 2017/18.

Tricia D’Orsi

Chief Nurse

Castle Point and Rochford Clinical Commissioning Group

West Essex Clinical Commissioning Group – received 8th May 2017

Statement from West Essex Clinical Commissioning Group

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 report that are specific to west Essex patients.

The Quality Report for this year is a review of SEPTs performance in 2016/17 and plans for the quality priorities of the new merged organisation of SEPT and North Essex Partnership NHS Foundation Trust, known as Essex Partnership University NHS Foundation Trust (EPUT). The EPUT priorities for 2017/18 are clearly articulated and include priorities that were not achieved last year.

SEPT achieved one priority completely in 2016/17 two were rated at amber with partial achievement, three were red, not achieved. We would like to congratulate the Trust on reducing grade 3 and 4 pressure ulcers for patients in their care.

For the three priorities not achieved the Trust has identified discreet elements within them that were successful and those that were not. The reasons why these priorities were not achieved has not been explained. It would have been helpful to understand

the factors that prevented success and whether a revised approach will be taken in the coming year.

In terms of the care for patients in west Essex SEPT have taken an active role in the neighbourhood model of care, which has resulted in bringing care closer to home. The community staffs have also been an integral part of the care home multidisciplinary team CQUIN. Both pieces of work have improved staff relationships across organisational boundaries and lead to improved quality of care for patients.

The CCG fully support the new Trust EPUTs quality priorities for 2017/18. It is useful to see how patients and staff have been involved and how the priorities are part of the new organisations strategic vision, "working to improve lives".

We are grateful that the Trust has included the governance arrangements for producing the quality report; this makes it clear to patients and families how this complex document has been created.

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.

Whilst the element of care that SEPT provide 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 deliver.

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 18th May 2017

Due to the timing of committee meetings, Bedford Borough Adult Services Health Overview and Scrutiny Committee are unable to provide a statement for the Quality Report / Account 2016/17.

Jacqueline Gray

Service Manager (Scrutiny and Member Support) & Designated Scrutiny Officer

Central Bedfordshire Social Care Health and Housing Overview and Scrutiny Committee – received 19th May 2017

Central Bedfordshire comment on the South Essex Partnership Trust (SEPT) QUALITY REPORT 2016/17

At the Social Care Health and Housing Overview and Scrutiny Committee meeting held on Monday 15 May 2017, the Committee considered the SEPT Quality Report 2016/17. Members thanked the Director present and were reassured that the Trust had provided good quality services with the right interventions in place and had listened and responded to patients' needs and the views of their staff.

Paula Everitt

Scrutiny Policy Adviser

Essex County Council Health Overview and Scrutiny Committee – received 10th April 2017

The Essex HOSC discussed its approach to Quality Reports at its last meeting on 20 March 2017. Due to imminent county council elections, the Essex Health Overview and Scrutiny Committee does not intend to comment individually on NHS Quality Reports this year. 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. Specifically in relation to SEPT, your organisation has assisted the HOSC throughout the last year in its discussions on the strategic issues facing mental health services in Essex and the progress of merger preparations.

The Committee is aware that local Healthwatch also reviews Quality reports and is content that they can represent the patient and public voice and comment accordingly.

Graham Hughes

Scrutiny Officer

Southend Borough Council People Scrutiny Committee – received 18th May 2017

The draft Quality Report / Account has been shared with the Chairman and members of the People Scrutiny Committee at Southend-on-Sea Borough Council, which acts as the health Scrutiny Committee.

No comments were received from the Committee members on the draft document.

However, during 2016/17, the Committee engaged with the Trust in particular about the merger proposals with NEP. Directors from SEPT provided an all members briefing in early October 2016 which was attended by 9 Councillors. A detailed update was also reported to the Scrutiny Committee at its meeting on 11th April 2017.

Fiona Abbott

Principal Democratic Services Officer, Health Scrutiny Lead Officer & Statutory Scrutiny Officer

Thurrock Council Health Overview and Scrutiny Committee – received 19th May 2017

Due to the timing of committee meetings, Thurrock HOSC are unable to provide a statement for the Quality Report 2016/17.

Jenny Shade

Senior Democratic Services Officer

Healthwatch Bedford Borough – received 19th May 2017

Quality Report 2016/2017

Thank you for giving Healthwatch Bedford Borough the opportunity to comment accordingly.

We recognise that Quality Account 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 aware that SEPT has sought feedback from members of the public so that they can respond positively to suggestions. The use of Browsealoud translation software on the EPUT website will continue to facilitate this participation for the diverse population of Bedford: the last census showed that 28.5% of the population was from a black or minority ethnic community (non-‘White British’).

Further information on how SEPT monitors and evaluates the results of patient participation by protected characteristics would be useful. For instance within the Mystery Shopper programme the Quality Report states that feedback is sought regarding problems which relate to the Equality and Diversity protected characteristics in accessing or using SEPT services. Yet no examples are given of how SEPT have successfully used such feedback to improve their services.

Healthwatch Bedford Borough believes that listening to the voices and the perspective of patients, service users and carers within our diverse community, is a vital component of providing good quality care. We have supported the work of SEPT in this regard and will continue to support EPUT.

I do hope that this commentary is useful to your organisation

A Bustin

Chair Healthwatch Bedford Borough

SEPT Council of Governors’ Statement on the Quality Report 2016/17 (prepared by former Lead Governor of SEPT) – received 8th May 2017

SEPT Council of Governors’ Statement on the Quality Report 2016/17

Although the Council of Governors has been dissolved following the merger between NEP and SEPT to form EPUT, Governors were keen to continue the practice of reviewing the draft Quality Report for 2016/17. This has been undertaken by the former Lead Governor of SEPT coordinating thoughts and ideas from former Governor colleagues. The review provides an opportunity to assure members of our Trust that quality is at the heart of what SEPT does and will not be compromised. We ensure that the priorities which were set for 2016/17, and which we highlighted in last year’s report, have been met and are continuing to be taken forward.

In writing this I quote from the report, “There is clear

evidence of improving quality for patients across the breadth of community, mental health and specially commissioned services run by SEPT over the last twelve months."What evidence is there to support this?

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. Governors 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 merger with North Essex Partnership Trust now completed, we can report that 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. We anticipate that the new Council of Governors will be regularly seeking assurance that this is indeed the case. We note that NHS Improvement has given the merger a 'Green' rating, indicating that there are no concerns about the enlarged Trust. We also note that the Care Quality Commission will, as is normal practice, undertake an inspection during the first year of the new Trust's existence and this should in any event provide assurance to the Governors about whether standards have been maintained.

We congratulate the Directors and senior staff on achieving a very difficult outcome on time, to budget and without compromising the services provided to patients.

The Trust has worked towards reducing all forms of restrictive practice and to eliminate all prone (face down) restraints. We note that this has not been achieved. When compared to last year's downward trend total restraints in 2016/17 are back up to 1641 (1480 in 2015/16) and prone restraints in 2016/17 are 310 (266 in 2015/16). Looking at the extended target dates for improving the physical health outcomes of service users with mental health issues and for early warning systems for deteriorating patients, while the Q1 specific targets are appropriate, the plan for wider improvements by Q4, has markedly slowed down from earlier discussions with Governors. We would urge the next Council of Governors to consider maintaining pressure on the Board of Directors to improve on

these targets, in line with the Department of Health objectives.

We note that the annual Staff Survey results show the Trust is in general maintaining an above national average for Trusts of our type. We have been assured that the Board is striving to improve these 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, uses the occasion of each of the Council meetings to address the Governors on an issue of interest. Her close involvement with the Council is much appreciated.

We feel it is important to report to Members of our Trust on the outstanding leadership provided by the Chair, Lorraine Cabel. Her 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 wish her well in her future endeavours.

We have been pleased to continue, on your behalf, to undertake Quality Visits to a wide range of Trust facilities. These have enabled us to talk to staff as well as patients and to listen to any concerns there may be about quality. We can report that when these have been raised they have been immediately addressed.

A basic tenet for any Trust is that a service user's clinical 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. It shows a Trust which continues to be high performing. The Directors of the Interim Board of EPUT have agreed a set of priorities which will continue to support the essential requirement that safety and quality comes first.

John Jones

Former Lead Governor

May 2017

ANNEXE 2 - Statement of Directors' Responsibilities for the Quality Report / Account

Please note, due to the timing of the Quality Report production and the merger of SEPT and NEP to form EPUT, this statement has been signed by the Board of Directors of EPUT in May 2017.

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.

NHS Improvement 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 2016/17 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 2016 to May 2017
 - papers relating to quality reported to the board over the period April 2016 to May 2017
 - feedback from commissioners received on 8, 17 and 21 May 2017
 - feedback from governors received 8 May 2017
 - feedback from local Healthwatch organisations received 19 May 2017
 - feedback from Overview and Scrutiny Committees received 10 April and 18 and 19 May 2017
- the Trust's complaints report (*appertaining to 2016/17*) published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009 dated May 2017 and presented to the Board of Directors in May 2017

- the 2016 national patient survey published on 15 November 2016
- the 2016 national staff survey published on 7 March 2017
- the Head of Internal Audit's annual opinion over the trust's control environment dated May 2017
- CQC inspection report dated 19th November 2015
- 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 NHS Improvement'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.

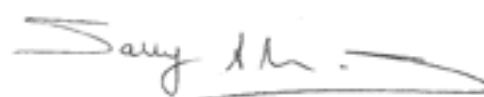
By order of the board

Date: 25 May 2017



(Acting Chairman of the Interim Board of Directors, EPUT)

Date 25 May 2017



(Chief Executive of the Interim Board of Directors, EPUT)

ANNEXE 3 - Independent Auditor's Report to the Council of Governors on the Annual Quality Report

Limited assurance report on the content of the quality reports and mandated performance indicators

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 2017 (the 'Quality Report') and certain performance indicators contained therein.

Scope and subject matter

The indicators for the year ended 31 March 2017 subject to limited assurance consist of the national priority indicators as mandated by NHS Improvement:

- Maximum time of 18 weeks from point of referral to treatment (RTT) in aggregate – patients on an incomplete pathway (referred to as '% patients waiting for treatment less than 18 weeks' in the Quality Report)
- Delayed Transfer of Care (DTC)

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 NHS Improvement.

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 guidance;
- the quality report is not consistent in all material respects with the sources specified in 'SEPT Quality Report 2016/17'; 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 supporting guidance, and consider the implications for our report if we become aware of any material omissions.

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

- Board minutes for the period April 2016 to the date of signing of the limited assurance opinion
- papers relating to quality reported to the Board over the period April 2016 to the date of signing of the limited assurance opinion
- feedback from Commissioners, dated 8th, 17th and 21st May 2017
- feedback from Governors, dated 8th May 2017
- feedback from local Healthwatch organisations, dated 19th May 2017
- feedback from Overview and Scrutiny Committee dated 10th April 2017, 18th and 19th May 2017
- the Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated May 2017 and presented to the Board of Directors in May 2017
- the latest national patient survey, dated 15/11/2016
- the latest national staff survey, dated 07/03/2017
- Care Quality Commission inspection, dated 19/11/2015 and
- the Head of Internal Audit's annual opinion over the Trust's control environment, dated May 2017

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 2017, 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' and supporting guidance. 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 2017:

- 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 2016/17; 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 & Young LLP

Luton

26 May 2017

The maintenance and integrity of the South Essex Partnership University NHS Foundation Trust web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the Quality Report since it was initially presented on the web site.

Legislation in the United Kingdom governing the preparation and dissemination of the Quality Report may differ from legislation in other jurisdictions.

GLOSSARY

CAMHS	Child and Adolescent Mental Health Service
CIPs	Cost Improvement and Income Generation Plan
CCG	Clinical Commissioning Group
CHS	Community Health Services
COPD	Chronic Obstructive Pulmonary Disease
CPA	Care Programme Approach
CQC	Care Quality Commission
CRHT	Crisis Resolution Home Treatment
CQUIN	Commissioning for Quality and Innovation
DoH	Department of Health
DTOC	Delayed Transfer of Care
DVT	Deep Vein Thrombosis
EIS	Early Intervention Service
EPUT	Essex Partnership University NHS Foundation Trust
FEP	First Episode of Psychosis
FT	Foundation Trust
GP	General Practitioner
HOSC	Health Overview and Scrutiny Committee
HRA	Health Research Authority
IAPT	Improved Access to Psychological Therapies
IT	Information Technology
KLOE	Key Lines of Enquiry
KPI	Key Performance Indicator
LD	Learning Disabilities
LTC	Long Term Condition
MDT	Multi-Disciplinary Team
MEWS	Modified Early Warning System
MHS	Mental Health Services
MHRA	Medicines and Healthcare Products Regulatory Agency
MHU	Mental Health Unit
MRSA	Type of bacterial infection that is resistant to a number of widely used antibiotics
MSK	Musculoskeletal
NCAPOP	National Clinical Audit Patient Outcome Programme
NCB	National NHS Commissioning Board
NEP	North Essex Partnership NHS Foundation Trust
NHS	National Health Service
NICE	National Institute for Clinical Excellence
NIHR	National Institute for Health Research
NHSI	NHS Improvement (previously Monitor), the health sector regulator
NPSA	National Patient Safety Agency
NRLS	National Reporting and Learning System
NRES	National Research Ethics Service
PICU	Psychiatric Intensive Care Unit

POMH UK	Prescribing Observatory for Mental Health UK
QIPP	Quality Innovation Productivity and Prevention
RCA	Root Cause Analysis
REC	Research Ethics Committee
SEPT	South Essex Partnership University NHS Foundation Trust
SI	Serious Incident
SUTS	Sign Up To Safety national campaign
UTI	Urinary Tract Infection
VTE	Venous Thromboembolism – blood clots

South Essex Partnership University NHS Foundation Trust
ANNUAL ACCOUNTS 2016/2017
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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 NHS Improvement.

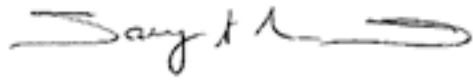
NHS Improvement, in exercise of the powers conferred on Monitor by the NHS Act 2006, has given Accounts Directions which require South Essex Partnership University NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. 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 Department of Health Group Accounting Manual and in particular to:

- observe the Accounts Direction issued by NHS Improvement, 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 (and the Department of Health Group Accounting 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 the NHS Foundation Trust Accounting Officer Memorandum.



Signed:.....

25 May 2017

Date:

Sally Morris
Chief Executive
On behalf of the Interim Board, EPUT

ANNUAL GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 MARCH 2017

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 University Partnership NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in NHS Foundation Trust for the year ended 31 March 2017 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, 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 Finance and Performance Committee on behalf of the Trust's Board of Directors in July 2016. 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 and 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 its most significant current and future potential risks through a Board Assurance Framework. During 2016-17 this has included potential quality and financial risks. Risks associated with quality have included learning from serious incidents, quality of records, implementing recommendations from the Southern Health review, maintaining CQC compliance, recruitment of staff and reliance on agency staff due to sickness. Risks associated with finance have included achievement of the Financial Plan and Monitor's control total, delivery of the cost improvement programme and transitional programmes, achievement of the SEPT and NEP merger and the introduction of the Single Oversight Framework.

Future significant potential risks have been considered for the merged organisation (EPUT) as a result of considering legacy risks identified by both predecessor Trusts, risks identified in the merger business case, risks identified in the operational plans of each of the former trusts, risks identified by NHSI relating to the financial plan and risks identified in the Post Transaction Integration Plan. For 2017-18, 24 potential risks to achieving EPUTs' strategic priorities have been identified for inclusion on the BAF. These include delivery of the Trust's financial plan (and cost improvement plan), implementing the post transaction integration plan, maintaining CQC compliance, delivering key national performance metrics, ensuring the estate is compliant, staff vacancies and reducing agency staffing.

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 and approved by the Executive Operational Sub Committee on a quarterly 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 and supporting workstreams continued to be implemented during 2016-17 including the implementation of the Trusts Quality Academy.

As part of the merger preparation process, Grant Thornton were appointed as Independent Expert Opinion/Reporting Accountants. Their final report regarding the transaction was approved by the Board of Directors on 22nd February 2017. Grant Thornton provided both Trust Boards **with an unqualified opinion with regard to EPUT's proposed financial reporting procedures and quality governance processes**. This allowed both Trust Boards to submit the required Board statements and certification to NHSI on 27th February 2017.

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 and the Information Governance & Security (D) - 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 Trust reported 2 level 2 incidents to the Information Commissioners Officer (ICO); the ICO did not issue any enforcement action.

On Friday 12th May, the successor organisation to SEPT, namely the Essex Partnership University NHS Foundation Trust, was affected by the global cyber-attack. The Trust immediately took action to implement its major incident and business continuity plans. The

plans which were put in place performed well and ensured that clinical services were not impacted. The Trust is continuing to investigate how the cyber-attack was able to access the Trust's systems, and will review all internal controls going forwards in order to identify any areas of weakness which need to be addressed.

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. A system is in place to ensure weekly monitoring of moderate harm incidents and further investigation is undertaken as required. Issues are escalated as necessary to the Board or its sub committees.

Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with. 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. This process has been further reviewed during 16-17 and equality impact assessments have been undertaken for all critical policies required post-merger. All Cost Improvement Programmes are subject to a Quality Impact assessment and on-going monitoring to ensure that efficiencies do not adversely materially on the quality of service delivery.

Public stakeholders, including Clinical Commissioning Groups and Local Authorities are involved in managing key shared risks through well established contract management and partnership committee structures that oversee the operational delivery of and potential threats to services delivered in partnership. In addition, the Council 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 essential standards of quality and safety. Assurance on compliance with the standards is obtained through service reviews undertaken by the Compliance Team. A system of regular quality visits by Non-Executive, Executive Directors and Governors also take place. Actions from reviews and visits are monitored until completed.

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.

The foundation trust has a Sustainable Development Management Plan which includes the good corporate citizen and adaptation reporting requirements, in accordance with guidance issued by the Sustainable Development Unit.

Review of economy, efficiency and effectiveness of the use of resources

The Executive Operational Sub Committee has responsibility for overseeing the day-to-day operations of the Trust and for ensuring that resources are being used economically, efficiently and effectively. The Finance and Performance and Quality Committees scrutinise quality, clinical (including workforce) and financial performance each month and provides the Board with assurance that performance is acceptable or that risks are being managed.

Information Governance

Two information governance breaches were notified to the Information Commissioner's Office (ICO) in December 2016, which in their own right did not meet level 2 reporting requirements. However, as they were both of the same nature, cumulatively the incidence did meet level 2 reporting requirements. The ICO advised in January 2017 that no further action would be required by the Trust or to be taken by the ICO, as there were no negative consequences of the breaches and there was evidence that processes had been changed as a result of learning from the reporting incidence.

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. NHS Improvement (in exercise of the powers conferred on 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/ Report presents a balanced view of quality and that there are appropriate controls in place to ensure the accuracy of data that it contains. The Deputy Chief Executive / Executive Director Mental Health & Executive Nurse has led the continual development of the Quality Account/ 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 Account/ Report in year and for ensuring that the Quality Account/ Report is consistent with reports received in year.

The Quality Account/ Report is circulated to our key stakeholders (commissioners, health overview and scrutiny committees and Healthwatch) 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 the response to the recommendations of the Southern Health Review; our Nursing Strategy and Quality Strategy.

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.

During 2016/17 the Trust experienced some issues with data quality / reporting of mental health information used by the Board to monitor quality performance as a result of implementing three new patient record and administration information systems. The Finance & Performance Committee was kept fully briefed on the issues and actions being taken and a critical review of the system implementation process was undertaken and lessons identified to prevent similar issues occurring in future. Internal Audit carried out a data quality audit on 10 randomly selected KPIs during February 2017 and has advised that there is “substantial assurance” on the controls that are in place. The Internal Audit Plan for 2017/18 has identified additional resources for data quality audit and the Information Assurance Framework will be refreshed and updated.

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 Account/ Report and of the quality of data that supported reporting of performance against three of the KPIs reported within it.

Review of effectiveness

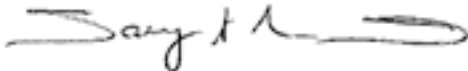
As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS 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 2017. 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 internal control issues have been identified



Signed:.....
Sally Morris
Chief Executive
On behalf of the Interim Board, EPUT

Date: 25 May 2017
.....

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 affairs as at 31 March 2017 and of its income and expenditure and cash flows for the year then ended; and
- have been prepared in accordance with the Department of Health Group Accounting Manual 2016/17 and the directions under paragraphs 24 and 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 32.

The financial statements have been prepared in accordance with the Department of Health (DH) Group Accounting Manual (GAM) 2016/17. 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 misstatement	<ul style="list-style-type: none">• Risk of fraud in revenue recognition• Risk of management override• Merger with North Essex Partnership Trust
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Audit scope	<ul style="list-style-type: none"> We have performed a full audit on the Trust's financial statements.
Materiality	<ul style="list-style-type: none"> Overall Trust materiality of £4.72 million which represents 2% of gross operating expenditure.

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

Risk	Our response to the risk	Key observations communicated to the Audit Committee
<p>Risk of fraud in revenue recognition</p> <p>Under ISA240 there is a presumed risk that revenue may be misstated due to improper recognition of revenue. In this 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.</p>	<p>In order to address this risk we carried out a range of procedures including:</p> <ul style="list-style-type: none"> Reviewing and testing revenue and expenditure recognition policies; Reviewing accounting estimates including provisions, depreciation, and valuation of investment property for evidence of management bias; Testing a sample of revenue and expenditure transactions based on our established testing threshold for reasonableness; Performing cut-off testing of transactions both before and after year-end to ensure that they were accounted for in the correct year; and Reviewing Department of Health agreement of balances data and investigated differences in line with our testing thresholds. 	<p>Our testing has not identified any material misstatements with respect to revenue and expenditure recognition.</p> <p>Overall our audit work did not identify any material issues or unusual transactions which indicated that there had been any misreporting of the Trust's financial position.</p>

<p>Risk of management override of controls</p> <p>As identified in ISA 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.</p>	<p>In order to address this risk we carried out a range of procedures including:</p> <ul style="list-style-type: none"> • Testing the appropriateness of journal entries recorded in the general ledger (using our data analytics tool to search on specific phrases in the journal narrative, or other criteria such as days of the week posted); • Reviewing significant accounting estimates for evidence of management bias. This includes reviewing the methodology used to calculate the year-end estimate as well as post year-end information; • Evaluating the business rationale for any significant unusual transactions; and • Gaining an understanding of the oversight given by those charged with governance of management's processes and controls in respect of fraud. 	<p>We have not identified any material weaknesses in controls or evidence of material management override.</p> <p>We have not identified any instances of inappropriate judgements being applied.</p> <p>We did not identify any other transactions during our audit which appeared unusual or outside the Trust's normal course of business</p>
<p>Merger with North Essex Partnership Trust</p> <p>The Trust merged with North Essex Partnership Trust on 1 April 2017.</p> <p>Although this will not directly impact on the entries in the FT's 2016-17 financial statements, as the FT will no longer exist from 1 April 2017, there will be an impact on the process for the production, approval and audit of the accounts.</p>	<p>In order to address this risk we carried out a range of procedures including:</p> <ul style="list-style-type: none"> • Testing of areas such as journals in advance of year end; and • Reviewing the adequacy of the governance structures for the production and approval of the accounts. 	<p>We have not identified any material weaknesses in the process for the production and approval of the accounts.</p>

In the prior year, our auditor's report included a risk of material misstatement in relation to Bedfordshire and Luton demerger. This was a specific risk related to the demerger that was completed in 2015/16, there are no accounting entries in 2016/17 that are effected by this demerger and therefore no risks raised for this in the 2016/17 audit report.

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 £4.72 million (2015/16: £5.02 million), which is 2% (2015/16: 2%) 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% (2015/16: 75%) of our planning materiality, namely £3.54 million (2015/16: £3.765 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 £0.236 million (2015/16: £0.251 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.

Auditors work on value for money arrangements

We are required to consider whether the Trust has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. This is based on the overall criterion that "in all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people".

Proper arrangements are defined by statutory guidance issued by the National Audit Office and comprise the arrangements to:

- Take informed decisions;
- Deploy resources in a sustainable manner; and
- Work with partners and other third parties.

In considering your proper arrangements, we draw on the requirements of the guidance issued by NHS Improvement to ensure that our assessment is made against a framework that you are already required to have in place and to report on through documents such as your annual governance statement.

We are only required to determine whether there are any risk that we consider significant within the Code of Audit Practice which defines as:

“A matter is significant if, in the auditor’s professional view, it is reasonable to conclude that the matter would be of interest to the audited body or the wider public. Significance has both qualitative and quantitative aspects”.

Our risk assessment supports the planning of sufficient work to enable us to deliver a safe conclusion on arrangements to secure value for money and enables us to determine the nature and extent of further work that may be required. If we do not identify any significant risk there is no requirement to carry out further work. Our risk assessment considers both the potential financial impact of the issues we have identified, and also the likelihood that the issue will be of interest to local taxpayers, the Government and other stakeholders.

We report by exception if we conclude that we are not satisfied that the audited body has in place proper arrangements to secure value for money in the use of its resources.

We did not identify any significant risks in relation to these criteria.

We considered the Trusts arrangement to manage the implementation of the merger with North Essex Partnership University NHS Foundation Trust as part of our assessment and concluded that this was being appropriately managed and did not represent a significant risk.

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 applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board’s Ethical Standards for Auditors.

This report is made solely to the members of the Governing Body of South Essex Partnership University NHS Foundation Trust, as a body, in accordance with Part 5 of the Local Audit and Accountability Act and the National Health Service Act 2006. Our audit work will be undertaken so that we might state to the Board of Governors of the Trust, as a body, those matters we are required to state to them in an auditor’s report and for no other purpose. In those circumstances, to the fullest extent permitted by law, we will not accept or assume responsibility to anyone other than the Trust and the Trust’s Governors as a body, for our audit work, for the audit report, or for the opinions we form.

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 2016/17.

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 the regulator 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 2016/17 and ISAs (UK and Ireland) reporting	<p>We are required to report to you if, in our opinion, information in the Annual Report is:</p> <ul style="list-style-type: none"> • materially inconsistent with the information in the audited financial statements; or • 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 • otherwise misleading. <p>In particular, we consider if:</p> <ul style="list-style-type: none"> • we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the annual 	We have no exceptions to report.
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	<p>report is fair, balanced and understandable; or</p> <ul style="list-style-type: none"> • whether the annual report appropriately discloses those matters that were communicated to the Audit Committee which we consider should have been disclosed. 	
Code of Audit Practice issued by the NAO	<p>We are required to report to you if we have been unable to satisfy ourselves that:</p> <ul style="list-style-type: none"> • 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 2016/17 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
Luton
26 May 2017

The maintenance and integrity of the South Essex Partnership University NHS Foundation Trust web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

FOREWORD TO THE ACCOUNTS

South Essex Partnership University NHS Foundation Trust

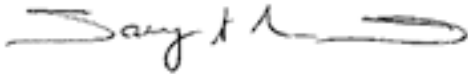
These accounts, for the year ended 31 March 2017, have been prepared by South Essex Partnership University NHS Foundation Trust in accordance with paragraphs 24 & 25 of Schedule 7 to the National Health Service Act 2006 and are presented to Parliament pursuant to Schedule 7, paragraph 25 (4) (a) of the National Health Service Act 2006.

If you require any further information on these accounts please contact:

The Executive Chief Finance Officer
Essex Partnership University NHS Foundation Trust
Trust Head Office
The Lodge
Lodge Approach
Runwell
Wickford
Essex SS11 7XX

Telephone: 01268 366000

Signed:.



Date: 25 May 2017
.....

Sally Morris
Chief Executive
On behalf of the Interim Board, EPUT

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED
31 MARCH 2017**

	NOTE	2016/17 £000	2015/16 £000
INCOME FROM ACTIVITIES			
Operating income from continuing operations	2	227,990	238,901
Other operating income from continuing operations	3	17,423	19,473
Total operating income from continuing operations		245,413	258,374
Operating expenses of continuing operations	4	(236,470)	(251,044)
Operating surplus (deficit) for the year		8,943	7,330
FINANCE COST			
Finance income	7	115	164
Finance expense - financial liabilities	7	(2,494)	(2,523)
Finance expense - unwinding of discount on provisions	7	(14)	(75)
PDC dividends		(3,432)	(3,301)
Net finance cost		(5,825)	(5,735)
Movement in fair value of investment property	10	621	2,273
*Gain/ (loss) from transfer by absorption		0	(36,816)
Gains/(losses) of disposal of assets	9	(30)	2
SURPLUS/(DEFICIT) FOR THE YEAR		3,709	(32,946)
OTHER COMPREHENSIVE INCOME (LOSSES)			
Impairments	9	(416)	0
Revaluations	9	187	218
Other recognised gains and losses		0	0
Remeasurements of net defined benefit pension scheme		0	2,938
Other reserve movements		0	(2)
TOTAL COMPREHENSIVE INCOME (EXPENSES) FOR THE YEAR		3,481	(29,792)

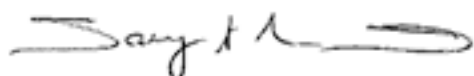
* 2015/16 Transfer of Bedfordshire and Luton Mental Health services: - £36,816k was the technical net loss recognised in the 2015/16 financial year upon transfer of the relevant non-current assets i.e. land, building and equipment with a net book value of £36,816k to the receiving NHS body, in line with the Transfer by Absorption accounting guidelines.

The notes on pages 6 to 50 form part of these accounts. All income and expenditure is derived from continuing operations.

**STATEMENT OF FINANCIAL POSITION AS AT
31 MARCH 2017**

	NOTE	2016/17 £000	2015/16 £000
NON CURRENT ASSETS			
Intangible assets	8	2,120	2,556
Property, plant and equipments	9	132,247	134,803
Investment property	10	15,914	15,293
Total non-current assets		150,282	152,652
CURRENT ASSETS			
Inventories	13	561	555
Trade and other receivables	12	13,437	18,634
Assets held for sale	14	0	325
Cash and cash equivalents	15	45,169	41,748
Total current assets		59,167	61,263
CURRENT LIABILITIES			
Trade and other payables	17	(21,511)	(29,568)
Borrowings	19	(1,058)	(828)
Provisions	20	(2,531)	(2,151)
Other current liabilities	18	(1,412)	(1,645)
Total current liabilities		(26,512)	(34,192)
TOTAL ASSETS LESS CURRENT LIABILITIES		182,937	179,723
NON CURRENT LIABILITIES			
Borrowings	18	(28,453)	(29,512)
Provisions	19	(5,597)	(5,200)
Other non current liabilities	20	0	0
Total non-current liabilities		(34,050)	(34,712)
TOTAL ASSETS EMPLOYED		148,887	145,011
FINANCED BY: TAX PAYERS EQUITY			
Public dividend capital	22	97,735	97,339
Revaluation reserve	23	44,866	45,346
Income and expenditure reserve	23	6,286	2,326
TOTAL TAX PAYERS EQUITY		148,887	145,011

The Financial statements on pages 6 to 50 were approved by the Board on 25 May 2017 and signed on its behalf by,



Signed:.....

Date: 25 May 2017
.....

Sally Morris
Chief Executive
On behalf of the Interim Board, EPUT

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY AT 31 MARCH 2017

	Total £000	Public Dividend Capital £000	Revaluation Reserve £000	Income and Expenditure Reserve £000
TAXPAYERS EQUITY AT 01 APRIL 2016	145,011	97,339	45,346	2,326
Surplus/(deficit for the year)	3,709	0	0	3,709
Transfers by NORMAL absorption: transfers between reserves	0	0	0	0
Impairments	(416)	0	(416)	0
Transfers between reserves	0	0	0	0
Transfer to retained earnings on disposal of assets	0	0	(251)	251
Revaluations - property, plant and equipment	187	0	187	0
Remeasurements of defined net benefit pension scheme liability / asset	0	0	0	0
Public Dividend Capital received	396	396	0	0
TAXPAYERS EQUITY AT 31 MARCH 2017	148,887	97,735	44,866	6,286

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY AT 31 MARCH 2016

	Total £000	Public Dividend Capital £000	Revaluation Reserve £000	Income and Expenditure Reserve £000
TAXPAYERS EQUITY AT 01 APRIL 2015	176,201	98,737	60,981	16,483
Surplus/(deficit for the year)	(32,946)	0	0	(32,946)
Transfers by NORMAL absorption: transfers between reserves	0	0	(14,739)	14,739
Impairments	0	0	0	0
Transfers between reserves	0	0	(1,110)	1,110
Revaluations - property, plant and equipment	218	0	218	0
Remeasurements of defined net benefit pension scheme liability / asset	2,938	0	0	2,938
Transfer to retained earnings on disposal of assets	0	0	(4)	4
Public Dividend Capital received	(1,400)	(1,400)	0	0
Other reserve movements	0	2	0	(2)
TAXPAYERS EQUITY AT 31 MARCH 2016	145,011	97,339	45,346	2,326

STATEMENT OF CASH FLOWS AS AT 31 MARCH 2017

NOTE	2016/17 £000	2015/16 £000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating surplus/(deficit) from continuing operations	8,943	7,330
Non-cash income & expenses		
Depreciation and amortisation	3,419	3,486
Net Impairments	2,072	0
On SoFP pension liability - employer contributions paid less net charge to the SOCI	0	(1,358)
(Increase)/decrease in trade and other receivables	5,052	(7,073)
(Increase)/decrease in inventories	(6)	(102)
Increase/(decrease) in trade and other payables	(8,189)	(2,001)
Increase/(decrease) in other liabilities	(233)	(220)
Increase/(decrease) in provisions	763	632
Other movements in operating cash flows	(135)	59
Net cash generated from/(used in) operations	11,687	752
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	115	175
Purchase of intangible assets	(122)	(425)
Purchase of property, plant and equipment and investment property	(2,588)	(1,029)
Sales of property, plant and equipment and investment property	296	2
Net cash generated from (used in) investing activities	(2,300)	(1,277)
CASH FLOWS FROM FINANCING ACTIVITIES		
Public dividend capital received	396	0
Public dividend capital repaid	0	(1,400)
Capital element of PFI, LIFT and other service concession payments	(775)	(830)
Financing element of PFI, LIFT and other service concession obligations	(2,310)	(2,526)
PDC dividend paid	(3,278)	(3,827)
Net cash generated from (used in) financing activities	(5,967)	(8,583)
Increase (decrease) in cash and cash equivalents	3,420	(9,107)
Cash and cash equivalents at 1 April	41,748	50,911
Cash and cash equivalents transferred by normal absorption	0	(55)
CASH AND CASH EQUIVALENTS AT 31 MARCH	45,169	41,748

NOTES TO THE ACCOUNTS

1. Summary of Accounting Policies and Other Information

1.1 General Information

NHS Improvement, in exercising the statutory functions conferred on Monitor, is responsible for issuing an accounts direction to NHS foundation trusts under the NHS Act 2006. NHS Improvement has directed that the financial statements of NHS foundation trusts shall meet the accounting requirements of the Department of Health Group Accounting Manual (DH GAM) which shall be agreed with the Secretary of State. Consequently, the following financial statements have been prepared in accordance with the DH GAM 2016/17 issued by the Department of Health. The accounting policies contained in that manual follow IFRS and HM Treasury's Financial Reporting Manual (FRoM) to the extent that they are meaningful and appropriate to the NHS. 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 Going concern

These accounts have been prepared on a going concern basis. For non-trading entities in the public sector, the anticipated continuation of the provision of a service in the future, as evidenced by inclusion of financial provision for that service in published documents, is normally sufficient evidence of going concern.

Following Monitor's approval of the merger of the South Essex Partnership University NHS Foundation Trust and the North Essex Partnership University NHS Foundation Trust from the 1st of April 2017, South Essex Partnership University NHS Foundation Trust ceases to exist from the 1st of April 2017. However, its services, along with North Essex Partnership University NHS Foundation Trust's services will continue to be provided using the same assets from both entities, by the new merged public sector entity namely Essex Partnership University NHS Foundation Trust from the 1st of April 2017.

1.4 Income

Income in respect of services provided is recognised when, and to the extent that, performance occurs and is measured at the fair value of the consideration receivable. The main source of income for the Trust is contracts with commissioners in respect of healthcare services.

Where income is received for a specific activity which is to be delivered in the following financial year, that income is deferred.

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.

1.5 Expenditure on Employee Benefits

Short-term employee benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following period.

Pension costs

NHS Pension Scheme

Past and present employees are covered by the provisions of the NHS Pensions Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of Secretary of State, in England and Wales. It is not possible for the NHS Foundation Trust to identify its share of the underlying scheme liabilities. Therefore, the scheme is accounted for as a defined contribution scheme.

Employer's pension cost contributions are charged to operating expenses as and when they become due. The current year's contributions are in note 5.1 below.

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.

NEST Pension Scheme

A small number of employees are members of the NEST (National Employment Savings Trust) Scheme. NEST is a defined contribution scheme. This means that the contributions paid in by the employer, the employee and anyone else are invested and used to build up the employee's own pension pot in accordance with the Scheme's policies.

The contributions are managed by a trust, NEST Corporation, representing the employees and the employer shares no gain or loss on those funds. The employer is responsible only for its pension cost contributions and nothing else and does not bear the risks related to the plan rather those risks are borne by employees.

Employer's pension cost contributions are charged to operating expenses as and when they become due. The current year's contributions are in note 5.1 below.

1.6 Expenditure on Other Goods and Services

Expenditure on goods and services is recognised when, and to the extent that they have been received, and is measured at the fair value of those goods and services. Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment

1.7 Property, Plant & Equipment

Recognition

Property, plant and equipment is capitalised where:

- It is held for use in delivering services or for administrative services
- It is probable that future economic benefits will flow to, or service potential be provided to, the Trust;
- It is expected to be used for more than one financial year; and
- The cost of the item can be measured reliably and
- the item has cost of at least £5,000, or
- collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, 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.

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

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

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 re-valued and depreciation commences when they are brought into use.

Until 31 March 2008, fixtures and equipment were carried at replacement cost, as assessed by indexation and depreciation of historic cost. From 1 April 2008 indexation ceased. The carrying value of existing assets at that date will be written off over their remaining useful lives and new fixtures and equipment are carried at depreciated historic cost as this is not considered materially different from fair value.

Subsequent expenditure

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.

Main Asset Category	Sub Category	Minimum Useful Life (in years)	Maximum Useful Life (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

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

In accordance with the DH GAM, impairments that arise from a clear consumption of economic benefits or of service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an

amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment that arises from a clear consumption of economic benefit or of 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.

Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains.

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, together with an equivalent finance lease liability. Subsequently, the assets are accounted for as property, plant and equipment and/or intangible assets as appropriate.

The annual contract payments are apportioned between the repayment of the liability, a finance cost and the charges for services. The finance cost is calculated using the effective interest rate for the scheme.

The service charge is recognised in operating expenses and the finance cost is charged to Finance Costs in the Statement of Comprehensive Income.

1.8 Intangible Assets

Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the Trust's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the Trust and where the cost of the asset can be measured reliably. Where internally generated assets are held for service potential, this involves a direct contribution to the delivery of services to the public.

Intangible assets are capitalised when they are capable of being used in Trust activities for more than one year; they can be valued; and have a cost of at least £5,000.

Internally generated intangible assets

Internally generated goodwill, mastheads, publishing titles, consumer lists and similar items are not capitalised as intangible assets.

Expenditure on research is not capitalised.

Expenditure on development is capitalised only where all the following can be demonstrated:

- the project is technically feasible to the point of completion and will result in an intangible asset for sale or use;

- the Trust intends to complete the asset and sell or use it;
- the Trust has the ability to sell or use the asset;
- how the intangible asset will generate probable future economic or service delivery benefits e.g. the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset;
- adequate financial, technical and other resources are available to the Trust to complete the development and sell or use the asset; and
- the Trust can measure reliably the expenses attributable to the asset during development.

The Trust does not have any internally-generated intangible assets.

Software

Software which is integral to the operation of hardware e.g. an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware e.g. application software, is capitalised as an intangible asset.

Measurement

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it 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. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. 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 of 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

1.9 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.

1.10 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.

1.11 Inventories

Inventories are stated at lower of cost and net realisable value.

1.12 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 Trust's normal purchase, sale or usage requirements, are recognised when, and to the extent which, performance occurs i.e. when receipt or delivery of the goods or services is made.

Regular way purchases or sales are recognised and de-recognised, as applicable, using the settlement date.

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

De-recognition

All financial assets are de-recognised when the rights to receive cash flows from the assets have expired or the Trust has transferred substantially all the risks and rewards of ownership.

Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

Classification and measurement

Financial assets are categorised as Fair Value through Income and Expenditure and Loans and Receivables.

Financial liabilities are classified as Fair Value through Income and Expenditure and Other Financial Liabilities.

Financial assets and financial liabilities at Fair Value through Income and Expenditure

Financial assets and financial liabilities at "fair value through income and expenditure" are financial assets or financial liabilities held for trading. A financial asset or financial liability is classified in this category if acquired principally for the purpose of selling in the short-term.

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 and cash equivalents, NHS receivables, accrued income and other receivables.

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. 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 rate method and credited to the Statement of Comprehensive Income.

Other 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 Statement of Financial Position 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 finance costs.

Impairment of financial assets

At the Statement of Financial Position date, the trust assesses whether any financial assets, other than those held at “fair value through income and expenditure” are impaired. Financial assets are impaired and impairment losses are recognised if, and only if, there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset’s carrying amount and the present value of the revised future cash flows discounted at the asset’s original effective interest rate. The loss is recognised in the Statement of Comprehensive Income and the carrying amount of the asset is reduced directly, or through a provision for impairment of receivables.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the Statement of Comprehensive Income to the extent that the carrying amount of the receivable at the date of the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Provision for debtor impairment

A provision will be provided against the recovery of debts, where such a recovery is considered doubtful. Where the recovery of a debt is considered unlikely, the debt will either be written down directly to the Statement of Comprehensive Income, or charged against a provision to the extent that there is a balance available for the debt concerned, and thereafter charged to operating expenses.

1.13 Provisions

The NHS foundation trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources 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 the discount rates published and mandated by HM Treasury.

Clinical negligence costs

The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the NHS foundation trust pays an annual contribution to the NHSLA, which, in return, settles all clinical negligence claims. Although the NHSLA is administratively responsible for all clinical negligence cases, the legal liability remains with the NHS foundation trust. The total value of clinical negligence provisions carried by the NHSLA on behalf of the NHS foundation trust is disclosed at note 20 but is not recognised in the NHS foundation trust's accounts.

Non clinical risk pooling

The NHS Foundation Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the 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.

1.14 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 27 where an income of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 27, unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

- Possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- Present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

1.15 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.

1.16 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 2017, is based on valuation data as 31 March 2016, updated to 31 March 2017 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.

The next actuarial valuation is to be carried out as at 31 March 2016. This will set the employer contribution rate payable from April 2019 and will consider the cost of the Scheme relative to the employer cost cap. There are provisions in the Public Service Pension Act 2013 to adjust member benefits or contribution rates if the cost of the Scheme changes by more than 2% of pay. Subject to this 'employer cost cap' assessment, any required revisions to member benefits or contribution rates will be determined by the Secretary of State for Health after consultation with the relevant stakeholders.

1.17 Taxation

South Essex Partnership NHS Foundation Trust is a Health Service body within the meaning of s519A ICTA 1988 and accordingly is exempt from taxation in respect of income and capital gains within the categories covered by this. There is a power for the Treasury to dis-apply the exemption in relation to specified activities of a Foundation Trust (s519 A (3) to (8) ICTA 1988). Accordingly, the Trust is potentially within the scope of corporation tax in respect of activities which are not related to, or ancillary to, the provision of healthcare, and where the profits there from exceed £50,000pa. There is no tax liability arising in the current financial year.

1.18 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.

1.19 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.

1.20 Capital commitments

For ongoing capital projects at the balance sheet date, the value of capital commitments will be based on the value of contracted work not yet completed at the balance sheet date. The value of the capital commitment is disclosed at note 25.

1.21 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.

1.22 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).

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

1.23 Key Sources of Judgment and Estimation Uncertainty

The following are assumptions about the future and other major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Provisions

Provisions have been made in line with management's best estimates and in line with IAS 37: Provisions, Contingent Liabilities and Contingent Assets.

The Trusts post-employment benefits are rebased periodically subject to life expectancy assumptions as issued by Government Actuary Department. The real discount rate issued by the HM Treasury annually is also applied to the provision to determine the provision required as at the end of the financial year. The real discount rate applicable on 31 March 2017 was 0.24% (the previous year's rate was 1.37%). The total provisions relating to post-employment benefits as at the end of the financial year was £6,007k

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 Investment Properties

The Trust's 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*.

The following are the judgements, apart from those involving estimations (see below) that management has made in the process of applying the NHS foundation trust's accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

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 about 1% 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 Directors have noted and approved that the Charity Accounts will not be consolidated into the main Trust Accounts for 2016/17. This will be subject to an annual materiality review each financial year.

1.24 Change in Accounting Estimate

The Trust reviews the useful lives of its non-current assets, including IT assets to identify assets where the expectations of the length of useful lives of the assets exceed previous estimates. Where this is the case, the carrying amounts of the relevant assets are adjusted as a result of the adjustment of their useful lives, in line with current expectations of the future benefits associated with the assets.

1.25 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.

1.28 Accounting standards that have been issued but have not yet been adopted

The DH GAM does not require the following Standards and Interpretations to be applied in 2016/17. These standards are still subject to HM Treasury FReM adoption, with IFRS 9 and IFRS 15 being for implementation in 2018/19, and the government implementation date for IFRS 16 still subject to HM Treasury consideration.

- IFRS 9 Financial Instruments – Application required for accounting periods beginning on or after 1 January 2018, but not yet adopted by the FReM: early adoption is not therefore permitted
- IFRS 15 Revenue from Contracts with Customers — Application required for accounting periods beginning on or after 1 January 2018, but not yet adopted by the FReM: early adoption is not therefore permitted
- IFRS 16 Leases – Application required for accounting periods beginning on or after 1 January 2019, but not yet adopted by the FReM: early adoption is not therefore permitted.
- IFRIC 22 Foreign Currency Transactions and Advance Consideration – Application required for accounting periods beginning on or after 1 January 2018.

2 Operating Income from continuing operations

2.1 Provision of Healthcare Services

	2016/17	2015/16
	£ 000	£ 000
Cost and volume contract income	22,850	22,103
Mental Health Block contract income	82,971	84,291
Other clinical income from mandatory services	7,074	9,108
Community Income from CCGs and NHS England	93,957	90,163
Community Income from other sources	16,645	20,060
Additional income for delivery of healthcare services	-	1,400
Other clinical income	4,492	11,776
	227,990	238,901

2.2 Source of Income from Activities

	2016/17	2015/16
	£ 000	£ 000
NHS Foundation Trusts	2,430	3,430
NHS Trusts	308	266
CCGs and NHS England	203,867	210,843
Local authorities	19,872	14,123
Department of Health - other	-	8
Additional income for delivery of healthcare services	-	1,400
Non NHS: Other	1,513	8,831
	227,990	238,901

2.3 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,

	2016/17	2015/16
	£ 000	£ 000
Commissioner Requested Services	223,498	227,125
Non Commissioner Requested Services	4,492	11,776
	227,990	238,901

3 Other Operating Income from continuing operations

3.1 Other Operating Income

	Note	2016/17 £ 000	2015/16 £ 000
Research and development		269	266
Education and training		3,033	2,717
Received from NHS charities: Other charitable and other contributions to expenditure		28	27
Received from other bodies: Other charitable and other contributions to expenditure		3	16
Non-patient care services to other bodies		1,998	5,864
Sustainability and Transformation Fund income		5,040	-
Other **	3.3	4,886	8,464
Rental revenue from operating leases - contingent rent		1,680	1,667
Income in respect of staff costs where accounted on gross basis		486	452
Total		17,423	19,473

3.2 Operating leases Income

	2016/17 £000	2015/16 £000
Minimum lease receipts	1,680	1,667
Total	1,680	1,667

3.2.1

Future minimum lease receipts due land & building

	2016/17 £000	2015/16 £000
Future minimum lease payments due:		
- not later than one year;	653	686
- later than one year and not later than five years;	1,702	1,656
- later than five years.	570	272
Total	2,925	2,614

3.2.2 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

2016/17 £000	2015/16 £000
499	559
350	383
0	0
849	942

3.3 Other Income

Estates recharges
IT recharges
Pharmacy sales
Staff accommodation rentals
Catering
Other
Total

2016/17 £ 000	2015/16 £ 000
2,453	3,851
1,283	4,375
1	1
81	75
93	144
975	18
4,886	8,464

4 Operating expenses of continuing operations

4.1 Operating expenses

	2016/17 £ 000	2015/16 £ 000
Services from NHS Foundation Trusts	1,351	1,023
Services from NHS Trusts	1,456	1,212
Services from CCGs and NHS England	63	101
Purchase of healthcare from non NHS bodies	1,983	918
Employee expenses - executive directors	1,166	1,228
Remuneration of non-executive directors	165	177
Employee expenses - staff	165,451	175,970
Supplies and services - clinical (excluding drug costs)	7,764	8,019
Supplies and services - general	5,820	7,349
Establishment	4,909	6,274
Research and development - (not included in employee expenses)	2	52
Research and development - (included in employee expenses)	226	215
Transport (business travel only)	2,343	2,959
Transport (other)	306	227
Premises - business rates payable to local authorities	658	691
Premises - other	13,908	15,934
Increase/(decrease) in provision for impairment of receivables	836	385
Change in provisions discount rate(s)	526	0
Drug costs (non inventory drugs only)	469	489
Drugs Inventories consumed	1,902	1,650
Rentals under operating leases - minimum lease payments	12,891	14,213
Depreciation on property, plant and equipment	2,992	3,082
Amortisation on intangible assets	427	404
Net impairments of property, plant and equipment	2,072	0
Audit services- statutory audit	63	63
Other auditor remuneration (external auditor only)	7	4
Clinical negligence - amounts payable to the NHSLA (premiums)	806	733
Legal fees	128	905
Consultancy costs	2,190	629
Internal audit costs - (not included in employee expenses)	125	104
Training, courses and conferences	894	859
Patient travel	174	167
Car parking & security	419	484
Redundancy - (not included in employee expenses)	376	754
Redundancy - (included in employee expenses)	330	324
Early retirements - (not included in employee expenses)	264	1,227
Hospitality	41	27
Insurance	(179)	(126)
Other services, eg external payroll	1,082	2,419
Losses, ex gratia & special payments- (not included in employee expenses)	28	10
Other	35	(110)
TOTAL	236,470	251,044

4.2 Operating leases

	2016/17	2015/16
	£000	£000
Minimum lease payments	12,891	14,213
Total	12,891	14,213

4.2.1 Arrangements containing an operating lease land & buildings

	2016/17	2015/16
	£000	£000
Future minimum lease payments due:		
- not later than one year;	10,482	10,453
- later than one year and not later than five years;	3,905	5,360
- later than five years.	30,536	32,843
Total	44,923	48,657

4.2.3 Arrangements containing an operating lease other

	2016/17	2015/16
	£000	£000
Future minimum lease payments due:		
- not later than one year;	1,294	1,562
- later than one year and not later than five years;	908	1,070
- later than five years.	0	0
Total	2,202	2,632

Non cancellable operating leases are operating leases with a total committed cost at outset of at least £5,000.

5 Employee Benefits

5.1 Analysis of employee benefits

	2016/17	2015/16
	£ 000	£ 000
Salaries and wages	128,880	135,981
Social security costs	11,587	9,515
Pension cost - defined contribution plans employer's contributions to NHS pensions	15,899	16,440
Pension cost - other	7	7
Termination benefits	330	324
Temporary staff - agency/contract staff	10,701	15,470
Total	167,404	177,737

There are no non pay benefits which are not attributable to individual employees.

5.2 Retirement due to Ill Health

During the year ended 31 March 2017, there were 4 (2015/16: 6) 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 Business Services Authority - Pensions Division, is estimated to be £289,182.37 (2015/16: £435,377.45).

5.3 Director Remunerations and Staff Costs

The analysis of directors' remunerations and pension benefits for the year ended 31 March 2017 are in the Remuneration Report section of the Annual Report.

The analysis of staff costs, average staff numbers and staff exit packages for the year ended 31 March 2017 are in the Staff Report section of the Annual Report.

6 The Late Payment of Commercial Debts (interest) Act 1998.

There is no interest payment related to the late payment of commercial debts in the year ended 31 March 2017 (2015/16: £nil)

7 Finance Cost and Finance Income

7.1 Finance income

Interest on held-to-maturity financial assets
Total finance income

2016/17 £000	2015/16 £000
115	164
115	164

7.2 Finance Costs - interest expense

Finance cost on PFI obligation
 Contingent finance costs on PFI Obligation
Total finance cost

2016/17 £000	2015/16 £000
1,879	1,930
615	593
2,494	2,523

7.3 Finance costs - unwinding of discount

Unwinding of discount on pension provision

2016/17 £000	2015/16 £000
14	75
14	75

8 Intangible Assets

	2016/17			2015/16 £000
	Total £000	Software licences purchased £000	Intangible Assets Under Construction £000	
Cost at 1 April	7,516	7,244	272	7,066
Additions	97	88	9	450
Disposals / derecognition	(105)	0	(105)	0
Cost at 31 March	7,508	7,332	176	7,516
Amortisation at 1 April	4,961	4,961	0	4,557
Provided during the year	427	427	0	404
Amortisation at 31 March	5,388	5,388	0	4,961
Net book value at 1 April	2,556	2,284	272	2,509
Net book value at 31 March	2,120	1,945	176	2,556

9 Property, Plant and Equipment

	Total £000	Land £000	Buildings excluding dwellings £000	Dwellings £000	Plant & Machinery £000	Transport Equipment £000	Information Technology £000	Furniture & Fittings £000	Assets under Construction £000
Cost or Valuation at 1 April 2016	148,355	48,134	85,369	470	3,969	52	7,835	2,042	484
Additions - purchased	2,745	0	1,300	0	378	0	882	0	185
Impairments charged to operating expenses	(2,160)	(1,275)	(885)	0	0	0	0	0	0
Impairments charged to the revaluation reserve	(434)	(309)	(125)	0	0	0	0	0	0
Reclassifications	0	0	402	0	0	0	0	0	(402)
Revaluations	182	132	50	0	0	0	0	0	0
Disposals / derecognition	(35)	0	0	0	(34)	0	0	(1)	0
Cost or valuation at 31 March 2017	148,653	46,682	86,112	470	4,313	52	8,717	2,041	266
Accumulated Depreciation at 1 April 2016	13,552	0	2,324	23	2,241	52	6,870	2,042	0
Provided during the year	2,992	0	2,315	24	279	0	374	0	0
Impairments charged to operating expenses	(88)	0	(88)	0	0	0	0	0	0
Impairments charged to the revaluation reserve	(18)	0	(18)	0	0	0	0	0	0
Revaluations	(5)	0	(5)	0	0	0	0	0	0
Disposals / derecognition	(27)	0	0	0	(26)	0	0	(1)	0
Accumulated depreciation at 31 March 2017	16,406	0	4,528	47	2,494	52	7,244	2,041	0
Net Book Value									
NBV - Purchased at 1 April 2016	134,686	48,134	82,928	447	1,728	0	965	0	484
NBV - Donated at 1 April 2016	117	0	117	0	0	0	0	0	0
NBV Total at 1 April 2016	134,803	48,134	83,045	447	1,728	0	965	0	484
Net Book Value									
NBV - Purchased at 31 March 2017	132,135	46,682	81,472	423	1,819	0	1,473	0	266
NBV - Donated at 31 March 2017	112	0	112	0	0	0	0	0	0
NBV Total at 31 March 2017	132,247	46,682	81,584	423	1,819	0	1,473	0	266

Property, Plant and Equipment financing

Net book value at 31 March 2017

Owned	101,780	46,682	51,117	423	1,819	0	1,473	0	266
On-balance-sheet PFI contracts and other service concession arrangements	30,355	0	30,355	0	0	0	0	0	0
Donated	112	0	112	0	0	0	0	0	0
Total at 31 March 2017	132,247	46,682	81,584	423	1,819	0	1,473	0	266

	Total £000	Land £000	Buildings excluding dwellings £000	Dwellings £000	Plant & Machinery £000	Transport Equipment £000	Information Technology £000	Furniture & Fittings £000	Assets under Construction £000
Cost or Valuation at 1 April 2015	186,214	59,155	112,677	591	3,903	118	7,690	2,042	38
Transfers by absorption - NORMAL	(36,420)	(9,776)	(26,300)	(121)	(223)	0	0	0	0
Additions - purchased	1,098	0	168	0	310	0	145	0	475
Reclassifications	(3,070)	(1,415)	(1,639)	0	0	0	0	0	(16)
Revaluations	218	35	183	0	0	0	0	0	0
Transfers to/from assets held for sale and assets in disposal groups	415	135	280	0	0	0	0	0	0
Disposals / derecognition	(100)	0	0	0	(21)	(66)	0	0	(13)
Cost or valuation at 31 March 2016	148,355	48,134	85,369	470	3,969	52	7,835	2,042	484
Accumulated Depreciation at 1 April 2015	10,608	0	0	0	2,009	118	6,446	2,035	0
Transfers by absorption - NORMAL	(53)	0	0	0	(53)	0	0	0	0
Provided during the year	3,082	0	2,324	23	304	0	424	7	0
Disposals / derecognition	(85)	0	0	0	(19)	(66)	0	0	0
Accumulated depreciation at 31 March 2016	13,552	0	2,324	23	2,241	52	6,870	2,042	0
Net Book Value									
NBV - Purchased at 1 April 2015	175,475	59,155	112,546	591	1,894	0	1,244	7	38
NBV - Donated at 1 April 2015	131	0	131	0	0	0	0	0	0
NBV Total at 1 April 2016	175,606	59,155	112,677	591	1,894	0	1,244	7	38
Net Book Value									
NBV - Purchased at 31 March 2016	134,686	48,134	82,928	447	1,728	0	965	0	484
NBV - Donated at 31 March 2016	117	0	117	0	0	0	0	0	0
NBV Total at 31 March 2016	134,803	48,134	83,045	447	1,728	0	965	0	484

Property, Plant and Equipment financing

Net book value at 31 March 2016

Owned	103,801	48,134	52,043	447	1,728	0	965	0	484
On-balance-sheet PFI contracts and other service concession arrangements	30,885	0	30,885	0	0	0	0	0	0
Donated	117	0	117	0	0	0	0	0	0
Total at 31 March 2016	134,803	48,134	83,045	447	1,728	0	965	0	484

9.1 The analysis of revaluation of property plant and equipment

	2016/17					2015/16 £000
	Total £000	Revaluation Reserve Surplus £000	Revaluation Reserve Impairment £000	Operating Income Reversal of Impairment £000	Operating Expenses Impairment £000	
Land	(1,451)	133	(309)	0	(1,275)	35
Building	(849)	55	(108)	0	(797)	183
Total	(2,300)	187	(416)	0	(2,072)	218

In accordance with the DH GAM 2016/17, where assets are surplus to requirement and do not meet the accounting standards IAS 40 and IFRS 5 criteria, these assets are surplus and should be valued at fair value using accounting standard IFRS 13. The Trust therefore appointed the District Valuer to complete a revaluation of its surplus properties as at 31st March 2017 and the revaluation recorded a net decrease in the value of the properties of £2,300k.

9.2 Remaining Economic lives of Property, Plant and Equipment

Main Asset Category	Sub Category	Minimum Useful Life (in years)	Maximum Useful Life (in years)
Buildings - owned	Structure	6	80
	Building finishes	6	66
	Engineering and installations	1	34
	Fixtures and fittings	6	66
	External works	8	80
Buildings - PFI schemes	Structure	56	60
	Building finishes	56	60
	Engineering and installations	23	26
	Fixtures and fittings	56	60
	External works	40	42
Plant, machinery and equipment	Medical and surgical equipment	1	9
	Office equipment	0	0
	IT Hardware	1	7
	Other engineering works	3	12
Furniture and fitting	Furniture	0	0
	Soft furnishings	0	0
Motor vehicles		0	0

9.3 Assets under PFI contract

	2016/17 £000	2015/16 £000
Cost or valuation		
Cost or valuation at 1 April	32,150	32,083
Additions during the year	199	67
Cost of valuation at 31 March	32,349	32,150
Accumulated depreciation		
Accumulated depreciation at 1 April	1,266	538
Provided during the year	728	728
Accumulated depreciation at 31 March	1,994	1,266
Net Book Value at 1 April	30,884	31,545
Net Book Value at 31 March	30,355	30,884

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.

10 Investment Property

Carrying value at 1 April
 Transfers by absorption - NORMAL
 Reclassifications to/from PPE
 Movement in fair value (revaluation or impairment)
Carrying value at 31 March

2016/17 £000	2015/16 £000
15,293	10,400
0	(450)
0	3,070
621	2,273
15,914	15,293

The Trust annually revalues its investment properties in accordance with accounting guidance. The revaluation provided by the District Valuer showed an increase of £621,000 during 2016/17.

11 Other Non-Current Assets

There were no other non-current assets held by the Trust as at 31 March 2017 (2015/16: £nil).

12 Trade and Other Current Receivables

	2016/17	2015/16
	£000	£000
NHS receivables - revenue	5,443	11,132
Other receivables with related parties - revenue	857	2,752
PDC dividend receivable	168	322
Provision for impaired receivables	(2,026)	(2,720)
Prepayments (non-PFI) - revenue	1,630	1,793
Accrued income	6,286	3,467
VAT receivable	739	925
Other receivables - revenue	331	963
Other receivables - capital	9	0
Total	13,437	18,634

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.

12.1 Provision for impaired receivables

	2016/17	2015/16
	£000	£000
At 1 April	2,720	3,292
Increase in provision	2,026	2,139
Amount utilised	(1,530)	(957)
Unused amount reversed	(1,190)	(1,754)
Total	2,026	2,720

12.2 Analysis of Impaired Receivables

	2016/17	2015/16
	£000	£000
Up to 30 days	1,297	1,355
In 30 to 60 days	175	180
In 60 to 90 days	124	87
In 90 to 180 days	82	227
Over 180 days	348	871
Total	2,026	2,720

At 31 March 2017, the Trust had impaired debts totalling £2,026k 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.

12.3 Analysis of Non impaired receivables past their due dates

	2016/17	2015/16
	£000	£000
Up to 30 days	2,999	3,468
In 30 to 60 days	465	1,906
In 60 to 90 days	477	394
In 90 to 180 days	211	591
Over 180 days	54	2,254
Total	4,206	8,613

Debts are past their due date if payment is not received within the settlement terms. The standard settlement terms of the Trust is 30 days from the date on which the invoice is issued. At the balance sheet date none of these debts were considered doubtful, with full settlement therefore expected.

13 Inventories

	2016/17	2015/16
	£000	£000
Drugs	90	128
Wheelchairs	471	427
	561	555

14 **Assets held for sale**

	2016/17 £ 000	2015/16 £000
Land	0	325
	0	325

The property which was held for sale in the previous financial year was sold during the year 2016/17. As at 31 March 2017, there was no property classified as asset held for sale.

15 **Cash and Cash Equivalents**

	2016/17 £ 000	2015/16 £000
Cash and cash equivalents at 1 April	41,748	50,911
Transfers by absorption - NORMAL	0	(55)
Net change during the year	3,421	(9,108)
Cash and cash equivalents at 31 March	45,169	41,748
Represented by;		
Cash at commercial bank and in hand	728	2,726
Cash at GBS (Government Banking System)	44,441	19,023
Other current investments	0	20,000
Total	45,169	41,748

16 Investments

There were no non-current investments held by the Trust as at 31 March 2017 (2015/16: £nil)

17 Trade and Other Current Payables

	2016/17	2015/16
	£ 000	£000
NHS payables - revenue	2,124	6,731
Amounts due to other related parties - revenue	2,361	2,778
Other trade payables - capital (including capital accruals)	355	223
Other trade payables - revenue	2,450	2,463
Social security costs	1,934	1,650
Other taxes payable	1,359	1,417
Accruals	10,928	14,306
Total	21,511	29,568

18 Other Liabilities

18.1 Other current liabilities

	2016/17 £000	2015/16 £000
Deferred income	1,412	1,645
	1,412	1,645

19 Borrowings

19.1 Current liabilities

	2016/17 £000	2015/16 £000
Obligation under PFI contract due within one year	1,058	828
Total	1,058	828

19.2 Non current liabilities

	2016/17 £000	2015/16 £000
Long term Obligation under PFI contract after more than one year	28,453	29,512
Total	28,453	29,512

19.3 PFI obligations

	2016/17 £ 000	2015/16 £000
Gross liabilities	51,373	54,081
Of which liabilities are due		
- not later than one year;	2,886	2,708
- later than one year and not later than five years;	10,759	10,854
- later than five years.	37,728	40,519
Finance charges allocated to future periods	(21,862)	(23,741)
Net liabilities	29,511	30,340
- not later than one year;	1,058	828
- later than one year and not later than five years;	4,057	3,911
- later than five years.	24,396	25,601
	29,511	30,340

19.4 PFI commitments in respect of the service element

	2016/17			2015/16 £000
	Total £000	EMI Homes £000	Forensic £000	
Of which commitments are due				
Within one year	1,138	584	554	1,021
2nd to 5th years (inclusive)	4,814	2,412	2,402	4,219
Later than five years	20,791	8,032	12,759	17,429
Total	26,744	11,029	15,715	22,669

19.5 Total future payments committed in respect of PFI

	2016/17			2015/16 £000
	Total £000	EMI Homes £000	Forensic £000	
Of which commitments are due				
Within one year	4,759	1,106	3,653	4,611
2nd to 5th years (inclusive)	20,923	4,503	16,420	16,641
Later than five years	101,308	13,887	87,421	72,604
Total	126,990	19,496	107,494	93,856

19.6 Analysis of amounts payable to service concession operator

	2016/17			2015/16
	Total £000	EMI Homes £000	Forensic £000	£000
Interest charge	1,879	328	1,551	1,930
Repayment of finance lease liability	829	194	635	827
Service element	1,021	549	472	1,004
Lifecycle maintenance	267	-	267	206
Contingent rent	615	-	615	593
	4,611	1,071	3,540	4,560

20 Provisions for Liabilities and Charges

	2016/17					2015/16
	Pensions- Early departure costs £000	Other Legal Claim £000	Redundancy £000	Other* £000	Total £000	£000 Total
At 1 April	4,127	113	1,215	1,896	7,351	6,644
Change in the discount rate	346	0	0	180	526	0
Arising during the year	0	6	1,005	857	1,868	2,888
Utilised during the year - accruals	(74)	0	0	(26)	(100)	(99)
Utilised during the year - cash	(227)	(26)	(811)	(73)	(1,137)	(1,545)
Reversed unused	0	0	(299)	(95)	(394)	(612)
Unwinding of discount	10	0	0	4	14	75
At 31 March	4,182	93	1,110	2,743	8,128	7,351
Expected timing of cash flows:						
- not later than one year;	316	93	1,110	1,012	2,531	2,151
- later than one year and not later than five years;	1,246	0	0	378	1,624	1,542
- later than five years.	2,620	0	0	1,353	3,973	3,658
Total	4,182	93	1,110	2,743	8,128	7,351

* 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 2017 was £ 16,112,340 (2015/16: £14,551,066).

21 Movements in Taxpayers Equity

Tax payers equity at 1 April

Surplus/(deficit) for the year	3,709
Revaluations - property, plant and equipment	187
Impairments	(416)
Remeasurements of defined net benefit pension scheme liability / asset	0
Public dividend capital received	396
Public dividend capital repaid	0
Tax payers equity at 31 March	148,887

2016/17 £ 000	2015/16 £000
145,011	176,201
3,709	(32,946)
187	218
(416)	0
0	2,938
396	0
0	(1,400)
148,887	145,011

22 Public Dividend Capital

Public dividend capital at 1 April	97,339
New public dividend capital received	396
Public dividend capital repaid	0
Other reserve movements	0
Public dividend capital at 31 March	97,735

2016/17 £ 000	2015/16 £000
97,339	98,737
396	0
0	(1,400)
0	2
97,735	97,339

23 Movements on Reserves

At 1 April 2016

Surplus/(deficit) for the year	0	3,709	3,709
Impairments	(416)	0	(416)
Revaluations - property, plant and equipment	187	0	187
Transfer to retained earnings on disposal of assets	(251)	251	0
At 31 March 2017	44,866	6,286	51,152

Revaluation Reserve £000	Income and Expenditure Reserve £000	Total £000
45,346	2,326	47,672
0	3,709	3,709
(416)	0	(416)
187	0	187
(251)	251	0
44,866	6,286	51,152

The Trust had no Government Grant or Other Reserves during the year.

24 Notes to the Statement of Cash Flows

Reconciliation of net cash flow to movement in net cash

	2016/17 £ 000	2015/16 £000
Net increase/(decrease) in cash for the period	3,420	(9,107)
Net change in the year	3,420	(9,107)
Net cash at 1 April	41,748	50,911
Cash and cash equivalents transferred by normal absorption	0	(55)
Net cash at 31 March	45,169	41,748

24.1 Analysis of net cash

	At 1 April 2016	Cash Change in the year	At 31 March 2017
Commercial cash at bank and in hand	2,726	(1,998)	728
Cash with the Government Banking Service	19,023	25,418	44,441
Deposits with the National Loan Fund	20,000	(20,000)	0
Cash and cash equivalents	41,748	3,421	45,169

25. Capital Commitments

The value of the capital commitments under expenditure contracts at 31 March 2017 was £167,961 (2015/16: £nil).

26. Events after the Reporting Period

26.1 Authorising Accounts for Issue

In accordance with IAS 10, the Trusts Annual Accounts were authorised for issue by the Chief Executive / Accounting Officer on 25 May 2017.

26.2 Foundation Trust Merger

Following Monitor's approval of the merger of the South Essex Partnership University NHS Foundation Trust and the North Essex Partnership University NHS Foundation Trust from the 1st of April 2017, South Essex Partnership University NHS Foundation Trust ceases to exist from the 1st of April 2017. However, its services, along with North Essex Partnership University NHS Foundation Trust's services will continue to be provided using the same assets from both entities, by the new merged public sector entity namely Essex Partnership University NHS

Foundation Trust from the 1st of April 2017. The forecast total income of the merged organisation is £330 million.

27. Contingencies

As at 31 March 2017, the Trust had contingent liabilities in respect of the liabilities to third parties scheme totaling £88,579 (2015/16: £71,402).

28. Related Party Transactions

South Essex Partnership University NHS Foundation Trust is a body corporate established by the Secretary of State. The Independent Regulator of NHS Foundation Trusts ("Monitor") and other Foundation Trusts are considered related parties. The Department of Health is regarded as a related party as it exerts influence over a number of transactions and operating policies of the Trust. During the year ended 31 March 2017 the Trust had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department of those entities.

During the year and at the period end, Trust had the following material transactions with other NHS bodies:

Organisation	2016/17				
	Income	Expenditure	Receivables	Payables	Provision for bad debt
	£000	£000	£000	£000	£000
NHS Waltham Forest CCG	2,311	-	351	61	-
NHS England - Core (including sustainability & transformation fund)	5,041	40	3,968	19	0
Health Education England	2,966	8	25	900	-
NHS England - East Local Office	3,815	1	251	-	1
NHS Luton CCG	3,861	170	37	29	170
NHS Thurrock CCG	15,398	13	155	-	13
NHS England - East of England Specialised Commissioning Hub	23,806	-	391	220	-
NHS Basildon and Brentwood CCG	27,386	154	270	6	148
NHS Bedfordshire CCG	29,138	211	556	368	243
NHS Southend CCG	31,869	14	1,947	1	32
NHS Castle Point and Rochford CCG	31,972	312	162	20	312
NHS West Essex CCG	32,737	440	82	47	383

Organisation	2015/16				
	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 - Central Midlands Local Office (Geography. Merger of Q58 & Q59)	3,754	51	125	51	-
NHS Luton CCG	3,906	-	83	-	0
East London NHS Foundation Trust	7,750	-	2,979	157	-
NHS England - East Local Office (Geography. Merger of Q56 & Q57)	11,556	343	1,400	240	343
NHS Thurrock CCG	17,172	4	316	-	4
NHS England - East Commissioning Hub	22,846	-	494	-	-
NHS West Essex CCG	32,507	21	714	-	9
NHS Castle Point and Rochford CCG	26,462	506	711	-	500
NHS Basildon and Brentwood CCG	27,233	-	400	-	-
NHS Bedfordshire CCG	27,836	65	453	762	-
NHS Southend CCG	32,393	91	114	33	-

During the year and at the period end, Trust had the following material transactions with other public sector bodies:

	2016/17					Provision for bad debt
	Income	Expenditure	Receivables	Payables		£000
	£000	£000	£000	£000		£000
Southend-on-Sea Borough Council	4,686	541	341	585	-	1
Essex County Council	6,351	415	291	260	-	4
Central Bedfordshire Unitary Authority	8,251	-	11	-	26	-

	2015/16					Provision for bad debt
	Income	Expenditure	Receivables	Payables		£000
	£000	£000	£000	£000		£000
Essex County Council	10,680	260	2,271	220		-
Central Bedfordshire Unitary Authority	4,976	27	172	210		17
Southend-on-Sea Borough Council	3,280	994	72	609		-

Other than those disclosed under note 28.1, during the year none of the Board Members, Governors or members of the key management staff or parties related to them has undertaken any material transactions with South Essex Partnership University NHS Foundation Trust.

The 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 2017, 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 (2015/16: £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 Trustees are also members of the South Essex Partnership University NHS Foundation Trust Board.

28.1 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 2016/17 was £7,715 relating to staff backfill for services to ARHP. There was no expenditure to ARHP during this period.

Steve Cotter is a Town Councillor of the Leighton-Linslade Town Council. The Trust incurred expenditure of £3,120 on community group room hires and did not receive any income from the Council in 2016/17.

29. 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 Trust's 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 2017 the Trust had no financial liabilities represented by provisions under contract.

Interest-rate risk

100% of the Trust's financial assets and 100% of its financial liabilities carry nil or fixed rates of interest. South Essex Partnership University NHS Foundation Trust is not, therefore, exposed to significant interest rate risk.

Foreign currency risk

The Trust has negligible foreign currency income and expenditure.

30. Financial Assets and Financial Liabilities

30.1 Financial assets

	Loans and Receivables	Loans and Receivables
	2016/17 £000	2015/16 £000
Trade and other receivables	11,068	15,916
Cash and cash equivalents (at bank and in hand)	45,169	41,748
	56,237	57,664

30.2 Financial liabilities

	Other Financial Liabilities	Other Financial Liabilities
	2016/17 £000	2015/16 £000
Obligations under PFI contract	29,511	30,340
Trade and other payables	16,119	24,351
Provisions under contract	2,121	1,750
	47,751	56,441

31. Third Party Assets

The Trust held £244,652 cash at bank and in hand at 31 March 2017 (2015/16: £246,269) 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.

32. Losses and Special Payments

	2016/17		2015/16	
	Number	£000	Number	£000
Losses				
Losses of cash due to:				
Theft, fraud etc	1	0	2	0
Overpayment of salaries etc.	17	15	17	5
Bad debts and claims abandoned	46	9	13	3
Total Losses	64	24	32	8
Special Payments				
Compensation under legal obligation	0	0	1	0
Loss of personal effects	12	3	13	2
Total special payments	12	3	14	2
Total losses and special payments	76	28	46	10

