North Essex Partnership
NHS Foundation Trust

Annual Report and Accounts

1 April 2009 - 31 March 2010

Outstanding care

Transforming lives

Essex County Council

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

North Essex Partnership NHS
Foundation Trust

Annual Report and Accounts 2009-10

Contents

Foreword from the Chairman and Chief Executive

Welcome to our annual report. We present here our financial accounts, statements and other statutory requirements. This Annual Report and Accounts has been prepared in accordance with paragraphs 24 and 25 of schedule 7 to the 2006 Act. Included also is our Quality Report which is the dashboard summary about how we do things in this Trust and what it feels like to be treated here. So although we are particularly pleased to tell you about our achievements over the past year (and there are many) it is the improved patient experience that stands out in all the work we have done.

Our vision of 'Outstanding Care, Transforming Lives', is a continuous endeavour and judging by our performance over the past year we are already well down the road to make this the reality people experience, embracing the rights, pledges and responsibilities enshrined in the NHS Constitution.

We believe we have turned a corner and improved our performance. We are particularly pleased to have received a "double excellent" rating in the Care Quality Commission's annual health check for quality of services and financial management. We were the only NHS organisation in North Essex to receive this rating and one of only 37 nationwide. But it is the patient (and carer) view that will carry the most authority about our performance.

We would like to thank all our staff, governors, members, service users, carers and partners in helping us achieve one of the highest ratings in the country, and with your support we will continue to provide excellent services in North Essex and other communities we serve.

We cover a very large and varied area – from the last stops on the Central Line, through to the villages and towns of north Essex by way of a London Airport. To make sure our services adapt to the circumstances of their areas – high standards with a local flavour - we have developed local

operational autonomy. This gives staff more power to do their jobs according to what local people say, rather than just what the Trust HQ says. These local areas are now developing Clinical Boards to dig this development in.

An indicator that this is going well is the independent staff survey. The results show that we are amongst the top 20 percent of mental health employers in the country. Thank you to all our staff for their honest feedback and willingness to continue to help us to make this Trust a good place to work.

Our building programme is covered in this report as an example of improving services. However, we are very clear about this – whatever the buildings are like (and they should be the best) it is the staff working in them that makes them excellent.

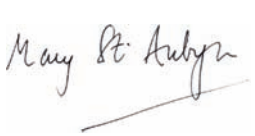
We are really proud of our staff, as they have shown dedication and commitment to outstanding care. We also promote a good work–life balance and staff benefit from flexible working arrangements and social events. The staff survey results, together with patient feedback shows that we are fulfilling our commitment to the NHS Constitution by creating environments that are good for service users, carers and staff.

Service user and carer involvement in our services – which is growing here - is a partnership for excellence. It takes the expertise and compassion of the staff and combines it with the expertise of people who use the services to make sure the right thing is done in the right way.

As in previous years, our staff, governors, members and partners continue to work hard to help us achieve "Outstanding Care, Transforming Lives". You will see examples of how we are transforming lives in this report. We spoke to some of our service users who told us about how we are helping them to turn their lives around. These will be found in later sections of this report.

Over the past year, we have had a series of successful partnerships. Former world heavyweight boxing champion Frank Bruno, MBE, opened our state-of-the-art older adult unit, the Crystal Centre. Colchester United Football Club, Rethink, NHS Mid Essex and Essex County Cricket Club supported our campaign to reduce stigma around mental illness.

We would like to thank our staff, governors, members, Essex County Council, local partners, NHS Mid Essex, NHS North East Essex, NHS West Essex and other stakeholders for their tremendous support over the past year. We look forward to continue working with you in the years ahead.



Mary St Abuyn **Andrew Geldard**

About Us

North Essex Partnership NHS Foundation Trust provides mental health and substance misuse services (inpatients, outpatients and community). We achieved NHS Foundation Trust status on 1 October 2007, building on our track record as one of the country's leading providers of mental health and substance misuse services.

As a Foundation Trust we are still part of the NHS and subject to NHS standards, but we are overseen by an independent regulator, Monitor, which ensures that we meet our obligations to patients, communities and taxpayers.

Our Foundation Trust status means we can:

- Use financial freedoms to improve our services
- Better design services that meet local needs
- Involve local people more in developing services
- Give staff a greater say in driving the organisation forward
- Through governors, give local people greater influence on how we are run
- Have more freedom to strengthen local partnerships

Our Trust is dedicated to making life better for those experiencing mental ill health and their families. As well as providing the very best care and treatments in hospital and community settings, we're also committed to providing information and support to people of all ages so they can maintain better mental wellbeing. We continue to support the Time to Change campaign to stamp out mental health stigma and discrimination for good.

We have 1,922 employees working across 238 teams from 51 sites serving a north Essex population of just under one million. We also provide some services to people living in Suffolk, east Hertfordshire and south Essex.

The broad range of mental health services and individual care we provide are for children, young people, working age adults and older adults.

Our Services for children and adolescents, adults and older people

- Inpatient care
- Community care
- Child and Adolescent Mental Health Services
- Out patients

- Psychology and psychological therapies

Other Services for adults and older people

- Dementia care services
- Substance misuse services

Our Vision, Purpose and Values – Outstanding Care, Transforming Lives

Our vision is:
to provide care that is outstanding in its quality, transforming the lives of individuals and families every day. Our communities will have total confidence in our services, our staff feel a strong sense of belonging and satisfaction, and our partners be proud to work purposefully with us.

Our purpose is:
For individuals and families
- to work together, building on strengths, to improve mental health and wellbeing

For our staff
- to value everyone individually, promote wellbeing, support involvement and encourage personal development and leadership

For our teams
- to support their role in the delivery of best value, innovation and excellence in local and Trustwide services

Our values underpin everything we do:
- promoting dignity, respect and compassion
- demonstrating openness, honesty and integrity
- building on individual strengths
- tackling stigma, promoting inclusion and valuing diversity
- listening, learning, and continuously improving to deliver quality and value

The Trust has a constitution as required by the National Health Service Act 2006. A copy of the constitution can be found on our website www.nepft.nhs.uk or requested from the Trust secretary, telephone 01245 546 429.

Letter from the Lead Governor Dan Kessler

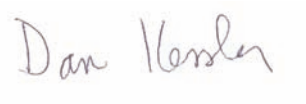
I am pleased to say that we have completed our second full year as an NHS Foundation Trust. On behalf of the Council of Governors, thank you to everyone who contributed to another successful year for the Trust. The Care Quality Commission has given the Trust a "double excellent" rating. This means that the Trust provides an excellent quality of services - scored against national standards, and manages its finances well.

Governors are proud of their contribution to the Trust's success and I extend my congratulations to our leadership teams and staff on a job well done. We all recognise that there are important new milestones to aim for in improving the patient experience, increasing our community engagement activity and continuing to develop as a truly community-led organisation.

Our Council of Governors brings an element of community regulation and this is a good thing.

The Council of Governors and other informal networks help greatly to strengthen our local knowledge of health and social care needs and inform our development of services. The Trust has adhered to the Code of Governance issued by Monitor and has ensured that elected public and staff governors can and do play active roles within the organisation.

The Council of Governors and the board have worked well together as a successful partnership and I look forward to working with you in the year ahead.



Dan Kessler

Operational Review of the Year

Strategic Objectives

This section of the report looks back on our achievements during 2009/10 and outlines our plans for the future.

We can confirm that as from 1 April 2010 the Care Quality Commission (CQC) has licensed North Essex Partnership NHS Foundation Trust to continue to provide Mental Health and Substance Misuse Services.

This registration is without conditions and it means that the Trust is meeting new essential standards of quality and safety, and respects the dignity and rights of patients.

In 2009/10, we have been focusing our resources on achieving our five key strategic objectives:

1. Providing high quality care that is effective, safe and as positive an experience as possible
2. Being a model employer
3. Achieving good governance, inclusive involvement and excellent partnerships
4. Providing value for money
5. Expanding our business

Patient Care

Objective 1: Providing high quality care that is effective, safe and as positive an experience as possible

Effective

Over the past 12 months, we have continued to provide high quality care for service users through our Care Programme Approach (CPA), improving access and reducing waiting. Our CPA policy is an essential tool in helping us to create personalised Care Plans that are tailored to the individual needs and aspirations of service users and their families.

Nick who uses our substance misuse service, NEEDAS in Colchester, said: "NEEDAS has been really good for me. If you're honest and open to the people who are there to help you, then they will help you. Now I'm starting to get my life back together again. Whenever I feel down, I would come and speak to someone at NEEDAS. They've always been there for me. They have never said go away and come back another day and I admire them for that."

1.1 Dementia Care: We successfully implemented new services, working closely with local Alzheimers' societies, to improve dementia care by giving earlier access, and improved information and support. More details are included in the area highlight section.

Ray said: "I had no idea that I had dementia. One of the early signs was that I was forgetting things. It was not just the normal forgetfulness – it was very quick. I would go to pick something up and a few seconds later, I would totally forget what I was going to do."

Jo-Anne Kasneci, Staff Nurse at Amethyst Day Hospital (Crystal Centre, Chelmsford) said: "I came up with the idea of the Time Capsule which is all about getting people with dementia to put items together from their past, such as photographs, diaries or maps which will act as prompts to aid their memory. The Time Capsule won the Positive Practice Awards and it has been so good for Ray because various items in his Time Capsule help him to remember the better times."

1.2 Reduced waiting times: We improved access and reduced waiting times in our child and

adolescent services. The Trust currently provides a Tier 3 and 4 Specialist Child and Adolescent Mental Health Service. Tier 3 covers North Essex and comprises seven community/outpatient teams, with staff also seconded into 3 Youth Offending Teams and a countywide Looked-After-Children Team. Tier 4 provides a 13-bed inpatient unit with 9 beds commissioned by Essex and 2 beds commissioned by Suffolk and 2 beds available for spot purchase. North Essex uses one bed as a crisis bed and is supported by a Crisis Outreach team which allows 24hour access to the service. Around 3,000 referrals are received annually (total caseload is approx 2,500 – 3,000) and approximately 350 young people are assessed each year in A&E departments following deliberate self-harm.

1.3 Access to Psychological Therapies: There is a great demand for talking therapies. The Trust has improved access to psychological therapies by:

- Providing information and self help material to everyone referred to psychological services
- Integrating psychological expertise in our teams and creating capacity for increased use and reduced waiting times. In 2009 we prioritised improvement for people receiving services from our inpatient units and Community Mental Health Teams
- Providing improved access to psychological services within our Early Intervention in Psychosis (EIP) service
- In North East Essex we are improving access for people with mild to moderate depression and anxiety through the Improving Access to Psychological Therapies service in a formal partnership with Rethink and Colchester MIND

1.4 Accessible services
The Green Light Group is responsible for making Mental Health Services more accessible to people with learning disabilities. The group was instrumental in developing the Joint Protocol 'Responding to people with a learning disability who need Mental Health care and treatment'.

1.5 Improved care for people with Mental Health / Substance Misuse in prison: NHS Mid Essex commissioned us to provide services for people in prison with substance misuse and mental health problems. A new team model of mental health care was also implemented in December 2009. The development of the model involved our staff as well as primary care services within the prison.

Safe

1.6 Infection control:
We have updated our Infection Control handbook ensuring that all staff follow our robust guidelines. This provides guidance on hand-washing and infection prevention and control issues, including Diarrhoea & Vomiting, Clostridium Difficile and MRSA.
Our forward looking and proactive approach to risk management enables us to identify both potential and actual risks to the services we provide and take corrective actions. In December 2009, the Trust introduced MRSA screening of all patients admitted to inpatient wards resulting in a higher number of MRSA infections reported and effectively treated. A programme of Hand Hygiene Training is in place for

all staff. Compliance with the protocol will be assessed through audit on a weekly basis from April 2010.

	April 2008/09	April 2009/10
Clostridium Difficile	1	4
Diarrhoea & Vomiting Outbreaks	9	17
MRSA colonisations	7	6
MRSA Infections	4	11

Dr Sue Champion, Associate Director of Nursing, said: "The outbreak of infections was not pleasant for the people involved but the increase reflects the national picture this year of large numbers of the public experiencing the Norovirus. We have acted fast whenever there is a D&V outbreak by closing wards very quickly (that is no new admissions) and restricting visiting to protect the patients, staff and the public."

"Did you know?
Each year 48,180 mops are used to clean the Crystal Centre. 60 toilets have to be cleaned twice a day, everyday, all year.

1.7 Improving medicines management
We made significant improvements in the way medicines are managed. We have strengthened existing pharmacy support agreements with the three local hospitals and begun the development of our own pharmacy team. Over the coming year we plan to set up a new pharmacy for the Trust so that we can provide an improved, patient-centred service ourselves. The pharmacy team will be able to provide more training, support and prescribing advice for staff, talk to service users and carers individually or in groups about medicines and make contributions to care plans as needed. In the longer term there may be opportunities to provide medicines management, pharmacy services and mental health expertise in other organisations.

1.8 Improving buildings
A new Estates Strategy was approved in July 2009, following a number of assessments and compliance related surveys. This strengthens the Trust's building investment program for the next 3-5 years. This Estates Strategy covers the current use of buildings, plans for development and investment.

The Crystal Centre
The Crystal Centre was officially opened in November 2009. The £13m centre has two inpatient wards for up to 34 patients as well as community and day services to meet the needs of residents over the age of 65 who have dementia or other forms of mental ill health. It is the first time locally that this range of services are under one roof. Also housed in the Crystal Centre is the non-age specific Memory Assessment and Support Service.

Refurbishment and re-provision of services at the Derwent Centre, Harlow
We consulted with service users, clinicians and stakeholders about improving services at the Derwent Centre. A business case for the long term development of the Derwent

Centre has been put together. A redeveloped centre will enable us to provide inpatient facilities on the ground floor with individual rooms, thereby improving privacy and dignity for all our service users.

1.9 Improving carer support

Carers play a vital role supporting service users, particularly those with severe mental illness. Providing help and support to carers reduces the risk of a crisis. Whilst caring can be stimulating and rewarding, the strains and responsibilities can also have an impact on the carer's own mental, emotional and physical health. The service that we provide enables the service user to remain at home for longer, promote recovery and further sustain the caring relationship. A Carers Assessment is the first step towards providing good quality support for carers. We have continued to develop our work with carers over the past year.

We have:

- Exceeded our targets for the number of carer assessments offered
- Provided improved advice and support for carers and voluntary organisations supporting carers
- Improved information for carers including our new information leaflet available from our website
- Continued to train staff to ensure good practice, legal and professional responsibility and recording issues and outcomes

We have commissioned a comprehensive survey of carers to be carried out by an independent organisation on our behalf. Feedback from the survey in 2010/11 will enable the Trust to develop its practice tailored to the needs of carers.

Positive experience:

A carer said: "Thank you for your very prompt response to my "cry for help"! I really appreciate your swift response."

Amy (not her real name) said: "I was adamant that the drug wasn't going to get hold of me. You can go on for a year or so and then you realise that you are addicted. By the time I realised that I was addicted, it was already too late. I was quite naïve believing that I was a strong person and that I could take it or leave it. That's where a lot of people get sucked in because they think that they are in control of the habit and they won't get addicted. When you use drugs, your memory gets really affected. I got to the point where my whole life had spiralled out of control. I could not keep anything going.

Because I was shoplifting to feed my habit, I was arrested and given a Drug Rehabilitation Requirement order, (DRR). The DRR didn't work and I ended up being put into prison. It was when I came out of prison and started to work with NEEDAS again and ended up staying clean. I could not have done it without NEEDAS. I've been clean now for just over two years."

1.10 Increasing the number of people receiving direct payments
The aim of direct payments is to promote independence, social inclusion and more choice for service users. Choice gives service users control over the social care they receive. It allows service users and carers to be creative with the types of support they use for personal, domestic, daily living needs and also in educational or leisure activities where these help meet the needs in their care plan. The success of this scheme shows that nationally, the Trust is amongst the highest performers within mental health services. Two training events were held in December 2009 and were well attended.

1.11 Piloting Self Directed Support (SDS)
We started a pilot project in January 2010, which builds on the success with direct payments. Self Directed Support will enable service users to plan for their support needs, taking all aspects of their social care into account and enabling them to have more control over the services they use. It is being piloted for 12 months and includes 16 clinicians and team managers across the Trust. We are working closely with Essex County Council and this groundbreaking project will be formally evaluated in conjunction with Anglia Ruskin University.

1.12 Supporting people into work
We demonstrated that it was still possible to assist service users in difficult economic circumstances. The Trust supported 211 people to achieve employment, education and voluntary work between April and December 2009. The outstanding quality of the employment service is recognised and acknowledged by the Sainsbury Centre for Mental Health who has awarded the Trust and its partners 'Centre of Excellence' status in the provision of supported employment services. As a Mindful Employer the Trust is actively challenging stigma associated with mental ill health and supporting other local employers to improve practice in relation to recruitment and staff health and wellbeing.

1.13 Physical health pathway
We are working to ensure that people receive better joined up physical and mental health care which can affect each other:

- Improved physical healthcare facilities in some of our units
- Increasing the number of people receiving physical health checks
- Reducing the number of inpatient falls

1.14 Listening and learning from patients
We received much more positive feedback in 2009 from people using our services through the national Annual Service User Survey. In addition service user representatives attend our local Acute Care Forums and they contribute and help develop high standards of care. We have concentrated on providing many more opportunities and have systems for getting feedback and using it to change what we do:

- Consistent follow-up of people leaving inpatient care for feedback on the quality of their stay
- Independent survey of people

using our community services
- Commissioning our first carer survey
- Continuing to improve our range of leaflets
- Supporting governors in local community events, meeting their constituency membership in order to inform us of views and priorities

Objective 2: Being a model employer
We continue to work towards being an organisation where everyone feels valued and has a strong sense of belonging with high levels of job satisfaction. We would like people to feel that they are able to shape how the organisation works, that their personal development and well-being is supported and they understand their essential role in providing outstanding care.

Staff Survey results
The Care Quality Commission – the independent health regulator - surveyed all NHS staff and our staff at North Essex Partnership NHS Foundation Trust have marked us amongst the best in the country.

Of 40 questions asked in the independent survey, 23 are ahead of the pack with 12 of our responses amongst the top 20% of all mental health Trusts. 22 areas have improved on the last year; none have gone backwards.

2.1 Appraisal for staff
Every member of staff receives meaningful appraisals that support our vision of outstanding care. All staff get annual appraisals with their manager and a personal development plan is agreed and followed up.

2.2 Developing people through training programmes and increasing how we use e-learning materials
We are promoting e-learning training programmes for Equality and Diversity, Care Programme Approach, Knowledge and Skills Framework and fire awareness. We continue to develop our e-learning resources and encourage all staff to make use of development opportunities.

2.3 Promoting initiatives that improve staff wellbeing
We are compliant with the European Working Time Directive and we continue to promote flexible working throughout the Trust.

2.4 Management development programmes
Leadership development for our staff is high on the agenda and a succession planning programme is supporting the development of future leaders. We have a number of development programmes for managers. These include managing performance, coaching and NVQs. We have rolled out a programme called "making connections", which is a customer care programme for all administrative and clerical staff. This programme is supporting the quality initiative related to improving the patient experience.

Objective 3: Good governance and excellent partnerships

3.1 Achieving a public membership of at least 6,300 people by 31 March 2010
Working closely with governors and volunteers at a number of community events, large and small, the membership

estimate was exceeded with a total public membership of 6416 achieved.

3.2 Working with governors, using the national Time to Change campaign and other initiatives to tackle stigma
Tackling the stigma of mental illness is an ongoing priority for us. Over the past 12 months, we have been working with governors, our partners, staff, local businesses and other stakeholders to help reduce stigma of mental illness. The "Time to Change" anti-stigma campaign was very well supported by Colchester United Football club and Essex County Cricket club. We were also supported by Rethink, Barclay Premiere League and NHS Mid Essex, who donated £9,000 among them toward raising awareness of mental illness.

3.3 Single Equality Scheme
The Single Equality Scheme was approved by the Board in March 2008 and reviewed in July 2009. This scheme responds to the Trust's statutory duties in relation to race, gender, disability, faith/belief, age and sexual orientation.

It deals with providing equitable and appropriate services to our service users. The Single Equality Scheme is underpinned by appropriate workforce and service user monitoring e.g. ethnicity and gender. We are working to reduce health inequalities, improving health outcomes and ensuring that our policies and practices are not discriminatory.

3.4 Improving local connections and planning with local partners
We work closely with Essex County Council, the primary care trusts of NHS Mid Essex, North East Essex and West Essex. We have strong partnerships with many other organisations in the health and social care sectors.

3.5 Strengthening communication with GPs, practice based commissioning groups
In January 2010, we started a new e-bulletin which is aimed at our stakeholders such as GPs, PCTs, local councils and other organisations. Area managers hold regular meetings with GPs in Mid Essex, North East Essex and West Essex. The IAPT programme works in many GP surgeries.

Objective 4: Providing value for Money
The Trust received an "excellent rating" from the Care Quality Commission on the quality of its financial management for 2008/09. We also achieved a small revenue surplus which was reinvested into the sizeable capital programme. The opening of the £13million Crystal Centre was the single largest capital development to date for the Trust. The Trust continues to work with partners to try and sell part of its site at Severalls, in Colchester. In March 2010 the Trust submitted a planning permission "reserved matters" application, to preserve the original planning consent for a period of 10 years.

The Trust's "reference cost index", which compares its overall costs with other NHS providers fell for the fifth successive year. It now stands at 93.7, which means that when compared to the national average of 100, the Trust returns approximately £2.4million of efficiency gain or increased activity to the North Essex health economy.

4.1 Reducing energy usage through improved building design
We are making progress toward reducing our carbon footprint. In December 2009 the Trust board approved its first Carbon Management Plan (CMP). The plan shows how we can build on our strengths, overcome threats and take opportunities to achieve the strategic goal of a 30% reduction in carbon emissions by implementing work streams to target emissions from buildings and travel.

4.2 Improved interaction between governors and their constituency using the functionality of the new database
The new database has enabled us to work more efficiently with governors in all of our eleven constituencies. Targeted communications means that we are able to interact with members better than before. Communication is much more streamlined and specific, depending on activity and relevance to the targeted constituency.

4.3 Implementing an electronic rostering system
Electronic rostering was implemented in the organisation in June 2009 using an initial pilot of four wards. We have continued rollout across the organisation and now cover 50% of the inpatient units across the Trust. The remaining wards will have an electronic roster by June 2010.

Early indications are that the electronic rostering process produces a more cost effective roster than that of its manual counterpart with additional benefits of agreed skill blend compliance and mandatory training compliance built in.

4.4 Pilot access to information held in other Trusts
We have developed an interface between the Trust's principal clinical systems and Essex County Council (ECC) social services system. This development is ensuring that appropriate information about service users are known by all those involved in their care. We are investigating how Connecting for Health can be used to enhance mental health services.

Objective 5: Expanding our business
We have been pursuing new opportunities to expand our business and provide more high quality services in North Essex. Where we can add value we will also consider providing services outside North Essex. Where it makes sense we have and will partner with third sector and other organisations. Any surplus we generate is used to improve services locally. We recognise that we are operating within a competitive health marketplace which requires excellent services to be provided at competitive prices for our commissioners.

Over the past year we have pursued a number of new projects and initiatives. Some of our successes are:

- Improving Access to Psychological Therapy (IAPT) services in North East Essex with Rethink and Colchester MIND
- The delivery of the Crystal Centre - a brand new state-of-the-art capital project for older adult mental health services
- A successful tender for Integrated Drug Treatment Services (IDTS)
- Additional services for people with alcohol problems
- Providing new Deprivation of Liberty (DoLs) services

Highlight by Area

Mid Essex

Adult psychiatric liaison service
We are providing psychiatric assessment to adults, at the Accident and Emergency department. The service is managed from the Crisis Resolution and Home Treatment service in Mid Essex.

Volunteer recruitment projects
The volunteer recruitment assisting Crisis Resolution Home Treatment (CRHT) in ecotherapy and home maintenance projects is a combined project between CRHT, Community day therapies team and volunteers. The service provides access to green space and activity using allotments in conjunction with supporting service users and families who are receiving home treatment. The benefits of the service include; increase in the quality of service, joint working between the Trust and the community, access to specialist skills and knowledge, increased public support and improved community relations.

Developments at the Linden Centre
The reception has been re-designed to improve the experience of receptionists and make the centre safer. This has assisted in reducing the number of patients exiting the unit without leave of absence. Additional closed circuit television has been installed in the waiting area.

Mother and Baby Unit
A Mother and Baby Unit with five beds is scheduled to open in July 2010. This unit will facilitate the inpatient treatment of women with babies who are experiencing mental health problems. The Mother and Baby Unit will have en-suite bathrooms, a nursery, an interview room, kitchen and dining area. The unit will be suitable for babies up to the age of 12 months and there will be facilities to accommodate fathers.

North East Essex

In North East Essex service users are benefiting from:

- Improved privacy and dignity at Peter Bruff ward
- Relocation of CMHT West and CMHT East to Reunion House in Clacton Halstead refurbishment and new reception
- Refurbished kitchens at Tower and McIntyre wards
- Refurbished wards at Kings Wood
- Improved privacy and dignity at the inpatient unit at the Lakes
- Refurbished reception at Oyster

Court CMHT
- Wheelchair access and refurbished reception in Martello Court
- Redevelopment of services at Oxford Road
- A new memory monitoring service at the Kings Wood Centre
- Paperless meetings introduced across the East Area
- Cleanest Unit in Trust Award – Kings Wood
- Art in the Community Project

We have also installed Pin Point alarm systems at All Saints House, Harwich CMHT. This allows staff who may be working alone with a patient to alert others that they need assistance.

Computers have been installed in the out-patient clinics in Martello Court so that medical staff can have immediate access to CareBase, intranet and internet.

West Essex

Derwent Centre review
A consultation on plans to redevelop the Derwent Centre was held in February 2010. It was attended by service users, carers, governors, commissioners and other stakeholders.

This is the most significant project to take place in West Essex over the past year. It will be a long term and innovative project which will significantly change the appearance and use of the present building and will enable us to provide better inpatient facilities.

Rapid improvement programme
The Derwent Centre is part of a Rapid Improvement Programme to help improve the quality and value of care by providing skills and expertise direct to NHS organisations. The NHS Institute for Innovation and Improvement has provided a project facilitator for personalised support and access to relevant resources from within the Institute to support the completion of the project. Links with other Trusts are developed to promote opportunities for networking, sharing and learning.

Recovery star pilot
In Harlow, the Assertive Outreach Team, covering West Essex and Day Services are continuing to pilot the Recovery Star approach, a tool for supporting and measuring change when working with adults who experience mental health problems.

The Recovery Star has 10 facets underpinning a social inclusion and recovery model: managing mental health, self care, living skills, social networks, work, relationships, addictive behaviour, responsibilities, identity/self esteem and trust/hope.

The Recovery Star is used as an outcomes tool, which enables us to measure and summarise change across a range of services and helps us plan future developments. It is also used for supporting the care of individual service users by working with them to plot and interpret progress and make care plans.

Self-Directed Support (SDS) pilot
The Loughton Community Mental Health Team are the local pilot site in the SDS project which is now being implemented across North Essex to look at the use of self-directed support

payments for service users who meet the eligibility criteria for social care commissioning.

Opening of new gym
The Trust supported local partners in funding a fitted gym at the Derwent Centre, Harlow which was officially opened by Bill Rammell, MP in July 2009.

Practice Development Unit
We have applied for the mental health unit at St. Margaret's Hospital to become a practice development unit. This project is in its early stages but is being assisted by colleagues from the Crystal Centre in Chelmsford who have already achieved this accreditation.

Dementia advisors
The Alzheimer's Society has been commissioned to provide 2.5 whole time equivalent dementia advisors at the Older Adult CMHT. They will work with individuals diagnosed with dementia and sign post them to services that can meet their needs.

Service redesign
We have reviewed the acute care pathways for adults of working age and older adults to ensure that we make best use of our resources and provide integrated care that effectively meet people's needs.

Rt Hon, Andrew Lansley, CBE MP, now Secretary of State for Health, reopened NHS service for young people

Trustwide Highlights

Child and Adolescent Mental Health Services (CAMHS)

Our vision for Child and Adolescent Mental Health Services (CAMHS) is to provide effective and efficient services which unite all professionals in putting the needs of children and young people at the heart of our services. Mental Health problems and disorders in children and adolescents are often linked to issues within the young person's social context and in society in general. We provide services for children and young people irrespective of gender, race, religion, ability, culture or sexuality.

The CAMHS has:

- A good track record of financial management
- Low staff turnover
- Low staff sickness
- Experienced and well trained staff
- Established Crisis team
- 24 hour access care pathway
- Creative workforce and innovative practice

During 2007/08 monies from the Department of Health were available for Mental Health Trusts to bid against in order to assist plans to eliminate the use of adult beds for young people aged under 18 years. We were successful in winning £2.5m from this CAMHS Capital Grant and have used this as the basis to assess current Tier 4 provision and its re-provision and possible expansion. Our aim is to routinely admit all young people under the age of 18 years and to ensure they are treated in age appropriate services.

We envisage any expansion of the service being a collaborative project with the local authority and Barnardos'. To this end, an outline business case was presented to the Trust Board in March 2009 for consideration of a range of options that included possible new business streams associated with Looked-After-Children and Psychiatric Care. The full Business Case was presented to the Board in October 2009 and permission was granted to progress to the next stage.

The core targets for CAMHS are to improve or implement:

24 hour access
- Access for young people with Learning Disabilities
- Access for 16 & 17 year olds
- 17 weeks referral to assessment
- Age appropriate accommodation by April 2010

We are building on our work on Care Bundles; the Colchester team are piloting a new way to access and treat young people with eating disorders.

We are reorganising our service for young people with Attention Deficit Hyperactivity Disorder by utilising the skills of behaviour Nurse Therapists in conjunction with Consultant Psychiatrists.

We are making progress on service user involvement. One of our Governors teamed up with a staff member to run a young persons' focus group. Lessons learned from this exercise have been cascaded through our Service Development and Audit Group. Within the "Youth Matters" work stream we are making links with the Young Essex Assembly and hope to raise awareness and reduce stigma around mental health services.

Specialist Services

A number of changes have shaped the delivery of Specialist Services in 2009/10. A key structural change occurred in 2009 which expanded our remit as part of a wider organisational change to include Drug and Alcohol Services, and rehabilitation alongside the existing Secure In-Patient, Court Diversion and prison In Reach services.

In December 2009, a new model of mental health care was implemented after a two year project in partnership with NHS Mid Essex, Her Majesty's Prison and Young Offender Institute in Chelmsford. This project includes all staff across primary care within the Prison and Trust staff.

Planning for the re-provision of the Trust's Low Secure service and North East area Psychiatric Intensive Care Unit (PICU) have made significant progress.

2009 also saw commissioning responsibilities for Low Secure Provision handed to the East of England Specialised Commissioning Group which aligns more closely with the arrangements for high and medium secure provision. Throughout the year the Trust has been closely involved with regional commissioners, continuing to build a positive relationship and contributing to the wider secure care agenda.

Specialist Services has also continued to maintain some provision of Psychiatric Intensive Care Unit (PICU) and Low Secure Unit (LSU) for Suffolk service users, an arrangement which has proved to be valuable and responsive for both parties.

Within HMP Chelmsford the Trust was successful in securing the contract for providing the Integrated Drug Treatment Service against competition from other providers. This crucial service strengthens the Trust's position with the prison and is delivering high quality care to this vulnerable group of service users.

Simon Burns, MP, now Minister of State for Health, visited Changes in Chelmsford

New unit for mental health

More than 300 people took part in a consultation about proposals to re-provide our inpatient adolescent unit with plans for an Adolescent Complex Care Unit in Colchester. The consultation was held in February at St Michael's Church Hall, Mile End Road, Colchester.

The proposal is to build a 25-place in-patient unit at the Boxted Road site (part of the former Severalls Hospital site. This would have 15 generic beds for inpatients, including the older teenage group (17 year olds) and 10 beds for more complex care.

Patient Advice & Liaison Service (PALS)

The function of PALS is to offer support, advice and information to service users, carers, family and friends, and members of the public regarding trust services

Summary of PALS activity for 2009-10

- 344 people contacted PALS during the year.
- 90% of calls were resolved within two days
- 225 (65%) of enquiries were made by telephone.
- 68 (20%) of enquirers contacted PALS by Email.
- Trust's website generated 54 (16%) enquiries
- On average, 4 actions were taken for each enquiry received
- PALS resolved 74% of enquiries it received. 3% were referred to the Making Experience Count team as moderate issue or concern. The remaining 23% were referred to other services and organisations.

Key issues

- Information, communication & choice
- Improvement in care
- Improvement in process
- Access to treatment
- Staff attitude
- Continuity of treatment

Learning outcomes

- Standardisation of timescales for responding to written letters
- Improved communication between staff and service users
- Improvement in process for specialist assessment
- Identified staff training issues

You can contact PALS by ringing: 01245 546433 emailing: pals@nepft.nhs.uk or writing to: PALS, Trust HQ, Stapleford House, 103 Stapleford Close, Chelmsford, Essex CM2

Art exhibition at Colchester Hospital

Art in the Community, an exhibition of drawings and paintings by people experiencing mental health difficulties was officially launched on 26 January 2010 by Andrew Geldard, Chief Executive, North Essex Partnership Foundation NHS Trust.

The exhibition was displayed in the Constable Wing at Colchester Hospital until March 2010.

One of the artists, Robert Pearce, 55, said: "I have suffered with mental health problems since I was 21 years old. I have always enjoyed sketching, particularly birds. Painting helps me to relax and I get totally enthralled with it."

Hospital staff celebrate carers' excellent work

More than 100 carers and service users, who use the day hospital in Clacton, were invited to the Freeland Court for a festive lunch, coffee and mince pies as a thank you from staff.

Staff Nurse Leigh Clark said, "Our Carers at Christmas event was designed to celebrate the fantastic work these people do. These remarkable, untrained individuals care for loved ones suffering from debilitating illnesses without praise or thanks and we wanted to put that right".

Accreditation for the Crystal Centre

Older Adult Services in Mid Essex received full Practice Development Unit (PDU) accreditation without condition from the Bournemouth University. The older adult team at Topaz Ward in The Crystal Centre were awarded PDU accreditation in 2008, and the accreditation for the three teams at Ruby Ward, Amethyst Day Hospital including the Memory Assessment and Support Service, and Enhanced Liaison Team now means that the majority of older adults services in Mid Essex are accredited to the same high standards.

Frank Bruno Opens Centre of Excellence in Chelmsford

The £13m Centre, which is nationally recognised as dementia services for Mid Essex, is the first major investment since the Trust achieved Foundation Trust status in 2007. Frank Bruno, who officially opened The Crystal Centre, said: "I've had a good look round The Crystal Centre and found my favourite room - the sensory room - which is a great room for chilling! I've enjoyed meeting and talking to lots of the staff who will be working here - what they do is wicked (good wicked of course!). The building is fantastic, it's really modern, bright, up-to-date and will really make patients and their families feel calm, relaxed and at home. It's the Rolls Royce of hospitals."

The Crystal Centre has two inpatient wards for up to 34 patients, as well as community and day services to meet the needs of residents over the age of 65 who have dementia or other forms of mental ill health. It is the first time locally that this range of services is available under one roof. Also housed in the Centre is the Trust's Memory Assessment Support Service, which provides services to all adults in the detection of memory impairment.

Double Excellent rating

We received a 'double excellent' rating

in the Care Quality Commission's Annual Healthcheck. North Essex Partnership NHS Foundation Trust is the only NHS organisation in North Essex to receive a double excellent rating, and one of only 37 trusts in the whole country.

The Trust is improving the patient experience, introducing a range of initiatives to make sure patients have the best possible experience when using its services.

A double excellent rating means that the Trust provides an excellent quality of services - scored against national standards and manages its finances well.

Shadow Secretary of State for Health reopened service for young people

The Rt Hon Andrew Lansley CBE MP, now Secretary of State for Health reopened the Trust's refurbished Mid Essex Early Intervention in Psychosis Team which helps 14 to 35 year olds cope with the early symptoms of psychosis. The unit, Pitfields, is based on Baddow Road in central Chelmsford but works out in the community with people who are experiencing, or are at risk of experiencing, a first episode of psychosis. It aims to identify and treat symptoms early to promote recovery.

The service seeks to reduce the stigma of mental illness, and to offer health promotion and education. It offers carer support and education groups as well as helping individuals and families cope with stress.

Mr Lansley said: "It was a great opportunity to meet staff providing mental health services which is a vital part of NHS care. The team's focus on 14 to 35 year olds is, I believe, an essential part of mental health services. I met an impressive team of highly qualified people, all of whom are committed to helping not only individuals, but also their friends, families and carers too. It has been a great pleasure to meet them".

Mind and Spirit Conference

More than 150 people attended the Essex Mind and Spirit conference in April 2009. This event was inspired by the success of previous conferences and is another example of partnership work with faith groups, voluntary sector and other local organisations. Former Director of Business Development for the Trust, Richard Walne, addressed the audience and played a key part in the organisation of this event.

Quality Report 2009/10

Part 1 Statement on Quality from the Chief Executive

This is my first Quality Report as Chief Executive and I am very pleased to be able to present it to the public, and I am genuinely proud of what it has to say about our Trust. To the best of my knowledge the information in the document is accurate.

The Care Quality Commission rated the quality of our services as 'excellent', an assessment we agree with. This is underpinned by our approach and achievements in the last year, highlighted in this report. In January 2010 we collected evidence against the new Care Quality Commission registration standards and were given registration without conditions from 1 April 2010.

I recall an old advert on the TV that used to end with "Quality Counts" and there is no better strap line than that; so for myself and the staff here quality really does count, all the time.

Lord Darzi's review of the NHS defined the elements of quality in the NHS under the three headings:

- Patient Safety (people being safe with us)
- Clinical Effectiveness (that our treatments and care work for people receiving our services)
- Patient Experience (how people feel about the treatment and care that we give them).

As a Foundation Trust we are totally committed to improving the quality of care given to the people who use our services. Patient experience of services is what often elevates a Trust towards excellence. Compliments are important because when people send a compliment they describe how staff show they care, or act kindly and with consideration, or finding time for them. These are all attributes I want this Trust to demonstrate to all people throughout their episodes of care and treatment with us.

Quality is an everyday activity for everyone. So we created a Quality, Risk and Patient Safety Department, effectively acting as the 'conscience' of the organisation. Our focus in the past year has been on involving our staff, service users and carers to develop local quality measures, patient reported outcome measures and uniquely, carer

reported outcome measures. This work will continue through phased development and implementation.

Our Risk and Governance Executive provides assurance to the Board on quality and audit matters in addition to the Trust's assurance framework and risk register. This group, with the Board, drives our quality programme.

In March 2010 the Medical Director became responsible for this work (previously the responsibility of the Director of Nursing).

Three geographical service areas have been set up as business units, together with Trust-wide units for Child and Adolescent Services and Specialist Services. Each has local responsibility for developing business plans with quality at their heart.

Closely associated with this is the creation of local clinical boards, as a means to clinical engagement and management of business plans, local quality improvement plans, audit plans, risk registers and improvement plans.

We agreed five areas for last year's key quality improvements. These were

- Developing systems and processes around Quality Accounts
- Developing, agreeing and implementing a set of outcome measures
- Implementation of Patient Reported Outcome Measures (PROMs)
- The promotion of mental health
- Improving medicines management

Progress on these is reported in part 2 of this report (pages 34 to 44)

Our vision and values talks about outstanding quality of care resulting in transformation of lives (these follow on directly after this introduction).

Our achievements during 2009/10 have been many, not least the opening of our new centre of excellence for older adults in Chelmsford, the Crystal Centre, and its continued accreditation as a Practice Development Unit.

We have continued to recruit members to the Trust and take the anti-stigma campaign to the population of north Essex.

We celebrated our achievements at an event in November 2009 where we acknowledged a wide range of high quality projects and innovative developments by teams in the Trust. We were once again represented in the finals of the Nursing Times Awards.

We have requested assurance on our Quality Report (Account) from our Commissioners through the host Primary Care Trust as well as the Local Involvement Network and Health Overview and Scrutiny Committee. Discussions have taken place with our lead Governor and a governors' sub-group was closely involved in assuring our core standards declaration. We have involved service users and carers throughout the year in our Implementation of Quality Accounts Steering Group, through a service user and carer workstream and wider workshops out in the community.

We have worked closely with our commissioners on CQUIN (Commissioning for Quality and

Innovation) goals, the achievement of which results in a one-off financial benefit to the organisation.

I would like to take this opportunity to thank all the staff here for what they do very well, but also as a reminder that at the end of the day, they are the people that truly make quality count.

My commitment to quality means I am always interested in what you think of our services. If you have any comments about anything you read here or any experiences you have had with us, I want to hear from you.

Andrew Geldard
Chief Executive

Statement of Purpose

'Outstanding care, transforming lives'

Our vision is to provide care that is outstanding in its quality, transforming the lives of individuals and families every day. Our communities will have total confidence in our services, our staff feel a strong sense of belonging and satisfaction, and our partners be proud to work purposefully with us.

Our purpose is:

For individuals and families

- to work together, building on strengths, to improve mental health and wellbeing,

For our staff

- to value everyone individually, promote wellbeing, support involvement and encourage personal development and leadership

For our teams

- to support their role in the delivery of best value, innovation and excellence in local and trustwide services

Our values underpin everything we do:

- promoting dignity, respect and compassion
- demonstrating openness, honesty and integrity
- building on individual strengths
- tackling stigma, promoting inclusion and valuing diversity
- listening, learning, and continuously improving to deliver quality and value

With a workforce of nearly 2000 staff we currently provide mental health and substance misuse services to a population of one million people in north Essex, serving around 17,000 people each year. We also provide some services to people living in Suffolk, east Hertfordshire and south Essex - this includes specialist inpatient care. Our services are delivered in community, outpatient and inpatient settings.

Our vision and values drive our approach and focus, building on individual strengths whilst delivering outstanding care and support that is empowering and promotes inclusion. We recognise that we can only achieve our vision through the strength of our partnerships with others in health and social care whether in primary or secondary care settings and whether in statutory, private or third sector services, and through ensuring an engaged and informed workforce.

Strategic Objectives and Key Priorities

We have reaffirmed out five strategic objectives and set out eight associated key priorities and these are:

Strategic Objectives	Key Priorities
1. To provide high quality care that is effective, safe and as positive an experience as possible	**Effective** 1. Improving access to services
	Safe 2. Improving patient safety and general wellbeing, ensuring all care and other environments are appropriate, safe and therapeutic
	Positive experience 3. Continuing to improve the experience of service users, families and carers, ensuring embedded systems for receiving and acting on feedback
2. To be a model employer	1. Creating positive experiences for staff within an efficient and effective workforce
3. To achieve good governance, inclusive involvement and excellent partnerships	1. Engaging widely with local communities and key stakeholders, developing productive partnerships with partner organisations and helping promote positive mental health
4. To provide value for money (economy, efficiency, effectiveness)	1. Ensuring an ongoing programme to ensure services are clinically and cost effective, use of estate is maximised and carbon footprint is reduced
	2. Realising development of, and benefits from, the Trust's information systems
5. To expand the business	1. Exploiting opportunities for organic growth and broader business development

Terms of Authorisation

As a Foundation Trust we work within our terms of authorisation laid down by Monitor. Our schedule of goods and services can be found together with further information about our terms of authorisation through the following link:

http://www.monitor-nhsft.gov.uk/home/about-nhs-foundation-trusts/nhs-foundation-trust-directory/north-essex-partnership-nhs-foundati

Regulated Activities

Our regulated activities are:

Treatment of disease, disorder or Injury
Assessment of medical treatment for persons detained under the 1983 (Mental Health) Act

Services and Locations

Our services and locations can be found on the Trust website through the following link:

http://www.nepft.nhs.uk/_uploads/documents/corporate-information/directory-of-services-quality-account-version-may-10.doc

The code in the third column identifies the 25 locations for our Care Quality Commission registration.

Part 2 Priorities for Improvement and Statement of Assurance from the Board

Review of 2009/10 Priorities for Improvement and Priorities for 2010/11

In our last Quality Report we identified five key priority areas for improvement. In this section we review the progress made against those areas during 2009/10 and state how we will take these forward as our key priority areas for improvement in 2010/11.

2.1 Developing Systems and Processes Around Quality Accounts

Review of 2009/10

We have made great progress over the past year with a multi-disciplinary Quality Accounts Implementation Steering Group driving forward a number of Trust quality initiatives.

The engagement of service users and carers has been paramount, with a significant amount of joint working. This resulted in high quality information from service users and carers. Some of this has contributed to the partnership working with Primary Care Trust (PCT) commissioners on a Trust Carers' Survey initiative. Some of it is being used to develop a unique and innovative set of Carer Reported Outcome Measures, or CROMs, in addition to Patient Reported Outcome measures (PROMs), another of our priorities for improvement.

The engagement of staff has also been paramount and a significant amount of joint working has resulted in a raft of information about what we do well, what the issues are for us in providing high quality services, how we can address them, and what might be our local team quality metrics. We moved from the idea of a pilot of local quality metrics to a number of early implementer sites and we now have a list of Trust local metrics to be used by these sites from April. In addition a common theme centred around staffing issues of one form or another and a local metric has been devised that will give us

information on the delivery of therapeutic engagement time.

We developed an interim Quality Strategy for 2009/10 as a fore-runner to a larger 3 year Quality Strategy to be developed with stakeholders shortly.

We have put in place a robust Quality, Risk and Patient Safety Department that embraces the essential standards of quality and safety and the concept of continuous quality improvement. Our initial work on a patient safety dashboard has evolved and is now part of a Quality Dashboard being presented through our Risk and Governance Executive. Our Trust local quality metrics will cover Patient Safety, Clinical Effectiveness and Patient Experience, and will be aimed at providing Risk and Governance Executive, and teams, with an early warning system and reduction in Serious Untoward Incidents and complaints.

The work of the Patient Experience Board has brought a significant and marked improvement in service users' perceptions of care.

Priorities for 2010/11

(Extracts from action plans)

Recommendation	Actions for Staff Engagement Workstream
1. Seventeen early implementer sites to commence using the one local quality metric and 9 Trust metrics	Agree rationale, standard & target for each metric ensuring that local quality metric adapted for early implementer sites Agree data collection and reporting methods/templates with local teams Commence data collection with early implementers Continue data reporting to Risk and Governance Executive (RGE) adapting templates (incorporating Patient Safety Dashboard) Ongoing evaluation of early implementers through monthly reporting to RGE
2. Commence roll out of local quality metric and 9 Trust metrics across the Trust	Each Quality Accountant to identify 6 additional teams per month and roll out 1 local metric and 9 Trust metrics
3. Commence reporting to Clinical Boards and local teams	Devise one reporting template to be used for all teams Implement bi-monthly reporting to teams and clinical boards

Recommendation	Actions for Staff Engagement Workstream
4. Using the framework of questions from engagement with service users and carers, develop a set of Carer Reported Outcome Measures	Develop a set of CROMs Present to Patient Experience Board & RGE Feedback to Carers
5. Develop and implement proposal for the implementation of CROMs Trust wide	Develop and present proposal to RGE Feedback to Carers Implement CROMs

Recommendation	Actions for Staff Engagement Workstream
6. Work closely with Quality and Audit (QAA) Team to implement local Trust Quality metrics and local Team Quality metrics	Meet regularly with QAA team Ensure Information Team is able to extract information from CareBase and provide to QAA Team for dashboard Engage Systems Manager to update CareBase reporting requirements as necessary
7. Ensure that the Information Management & Technology (IM&T) strategy meets the needs of the work on Quality Metrics	Liaise with IM&T Manager re IM&T Strategy Liaise on the procurement of data warehousing Build in any additional requirements into the IM&T Strategy
8. Provide accurate and timely information reports to the QAA team for dashboard	Ensure that the information team provides appropriate information for the quality dashboard

Recommendation	Actions for Datix Database Implementation Workstream
9. Set up new database for integrated analysis of incidents/Serious untoward incidents, claims, complaints.	Establish training programme with Datix for Quality, Risk and patient safety staff.
10. Work closely with QAA team to ensure roll out of web based reporting	Establish pilot inpatient teams for implementation of web based reporting Deliver training strategy for Datix web tailored to the Trust. Identify training champion on the identified units.
11. Provide monthly feedback to the teams to increase their engagement in the risk management process	Design format of report for the pilot teams in conjunction with the team and the manager.

Actions for Communications Workstream
12. Regular publications of QAA News (Questions and Answers about Quality and Audit – formerly CPG News) outlining progress made so far
13. The use of Trust publications to feedback to service users and carers that have participated but also to service users and carers in general
14. Complete the process of feeding back to all wards and commencing the task of developing refined local quality metrics in readiness for rollout in the new financial year
15. A launch of both Quality and Audit to include Pilot of Dr Suresh's QDOCS© initiative
16. Regular reports through the Trust's governance process
17. Development of a longer-term Quality Strategy
18. Presentations to Monitor, Commissioners, and others

2.2 Developing Outcome Measures

Review of 2009/10
A group has been working on the development of a set of outcome measures for the Trust. Whilst there are a number of outcome measures already being used in the Trust, for example Health of the Nation Outcome Scales (HoNOS) in Child and Adolescent Mental Health Services (CAMHS), and Core Outcomes for Routine Evaluation (CORE) by psychological therapies, HoNOS has been piloted in an adult low secure environment.

Priorities for 2010/11
In some ways this work has been superseded by the nationally mandated priority that all service users should have an individualised assessment of need and their care planned accordingly. One of the methods of measurement for adult services will be the number of service users assessed by HoNOS. As part of the block contract our trajectory for achieving 50% of service users assessed by HoNOS by 31 March 2011 is Q1 2% Q2 8% Q3 15% Q4 50%.

A watching brief has been kept on work started by the Foundation Trust Network with double excellent Mental Health Trusts to develop a specific set of outcome measures for mental health.

Extract from action plan

Recommendation	Actions for Staff Engagement Workstream
19. HoNOS are implemented and used for all patients	HoNOS requires all staff to be trained Training will be bought in to train the trainers Trainers will then train all other CareBase users
20. That outcome measures such as MOHO (Model of Human Occupation) and COPM (Canadian Occupational Performance Measure), or any other standardised measure recommended by the COT (College of Occupational Therapists), are evident in clients case notes when appropriate	To ensure that qualified staff are competent in using the tools

2.3 Implementation of Patient Reported Outcome Measures (PROMS)

Review of 2009/10
The service user and carer work stream has engaged with service users and carers to develop a framework for a set of Patient Reported Outcome Measures for the Trust. These are currently going through our Governance approval process

Priorities for 2010/11
Extract from action plan

Recommendation	Actions for Service User/Carer Workstream
21. Using the framework of questions from engagement with service users and carers, develop a set of PROMs	Develop a set of PROMs Present to Quality and Audit Group for approval Present to Patient Experience Board & RGE Feedback to Service Users
22. Develop and implement proposal for the implementation of PROMs Trust wide	Develop and present proposal to RGE Feedback to Service Users Implement PROMs

2.4 Promotion of Mental Health

Anti Stigma Campaigns and Engagement with the Community

Foundation Trust Membership strategy Review of 2009/10

The Trust's Membership Strategy includes specific plans for member engagement and future recruitment, including targets for growth in numbers and the representation of our communities by gender, age, ethnicity and socio-economic status.

We have 8413 members. Our estimate of 6,300 public members was exceeded as we reached 6416 by year end.

The Council of Governors has a Membership Marketing & Public Relations group (MMPR). This leads on membership strategy and engagement. Our new membership database helps us identify and target gaps in representative membership, allowing us to support governors in specific constituencies. MMPR reports directly to the Council of Governors.

The Trust constituencies are coterminous with the eight council boundaries. An additional three constituencies cover surrounding areas to which the Trust provides services: Suffolk, East Hertfordshire and South Essex.

Last year the Trust increased membership in Chelmsford, Colchester, South Essex and Suffolk. These successes took us over (total) target. Membership levels in Braintree (24% under), Epping (28% under), Harlow (23% under) and Uttlesford (38% under) are below target and drives will be conducted here in the next year. Maldon (9% under) and Tendring (3% under) will also have recruitment pushes. East Herts (55% under) has a small target of 39 people.

Recruitment has successfully improved representation from all ethnic minority categories although people from a mixed ethnic background remain the only group not to be above target across all constituencies. Epping and Uttlesford Governors will target some recruitment amongst Asian, Chinese and Black sections of the population to address some short falls. Staff membership overall has grown due to an increase in filled vacancies and a significant increase in staff recruited to the Trust's in-house bank system who have been on the bank for more than 12 months. There has been a reduction in social care members due to net leavers in the year.

Initiatives undertaken in the past 12 months to ensure a representative membership in each constituency include:

- Development of monthly membership reports that identify where the gaps are in recruitment by constituency, age, gender and ethnicity targets
- Translation of key statements in Polish, Bengali and Mandarin to ensure that local residents who's first language is not English are able to request information about the Trust.

Priorities for 2010/11

For recruitment we will be targeting:

- Large employers and those with strong links to the local community to reach a cross section of people
- Using established community networks
- Attendance at large community events and local shows that have a high footfall
- Work with partner organisations to promote membership, the Trust and awareness of mental well-being will continue, e.g. Essex Libraries.

Evaluation demonstrates that high profile events remain an excellent way to attract a large and diverse number of members. Analysis of the 'membership churn' of those who signed up during the Essex Cricket match showed that from the end of April 2009 to the end of January 2010, less than 10% of those members were

lost. High profile events will remain part of the recruitment strategy.

We continue to support the Time to Change anti-stigma campaign. It remains a highly effective starting point for recruitment activities as people respond well to its key messages. Over the past 12 months we have launched a Time to Change campaign targeting local hairdressers and barber shops across Essex.

Our estimate for 2010/11 year-end is 7,200 public members. Taking into account the current membership profile of the Trust, the strategy will help define and target recruitment approaches to:

- Men
- Young people
- People from Black and Minority Ethnic (BME) backgrounds
- Rural areas.

In addition, we will pursue niche recruitment using our database analysis by constituency, e.g. Tendring - people over 65.

Membership engagement

Review of 2009/10

Engagement with members has been delivered through initiatives including:

- Attendance at large summer shows in Harlow and Tendring
- A series of quarterly governor surgeries initiated in the Tendring and Uttlesford constituencies
- Launch and development of the new corporate website with additional areas for governors and members
- Stalls at Essex University and Anglia Ruskin University, and events for people from Black and Minority Ethnic backgrounds
- Members News sent out to all members 4 times a year either as a hard copy or as an e-zine (electronic magazine)
- Written to members in some constituencies on behalf of their Governors, asking how and when they want to hear from their Governor
- Annual Public Meeting.

Priorities for 2010/11

The MMPR group will review levels of member engagement, including benchmarking our 2010 election turnout results, against others. Plans to maintain and improve the level of membership engagement for 2010/11 include:

- Facilitating and further developing governor/member listening events and communications, to promote positive engagement, including constituency targeting where indicated by election turnout comparisons
- Continued comprehensive staff engagement programme
- Development of the members' newsletter and further improvements to the membership area of the Trust's website.

The Trust is supplying an information/ marketing pack to all Governors to support them in engaging with members and other organisations in their local communities.

The offer to be made to members in 2010/11 will be

1. Everyone one gets the magazine
2. Everyone is sent ballot papers and participates in the election process
3. Everyone is invited to the Trust Annual Public Meeting
4. Everyone will be invited to constituency meetings with their Governors; members can also email Governors
5. Members can become involved at a Trust patient location by

- Volunteering (at Trust sites and for others we are working with, e.g. Essex Libraries, see later)
- Fund raising for patient activities that the NHS dos not provide (like transport for taking patients to some events or trips)
- Offered to participate in the service user/carer involvement work and the new-build projects
- Volunteering for green groups that work on environmental issues at particular sites (wildlife audits, tree identification and so on)
- Participate in the public combating stigma campaign that is being run in each locality (Time to Change).

6. Join the media Rapid Reaction Team (to campaign about negative images of the Trust or mental illness in the media.)
7. Join discussion areas – mainly by email for people interested in particularly services or conditions or in art/culture and mental health.
8. A young people's structure. People can be members at 14 but can't stand for election as a governor until age 16. An informal structure will be developed that allows young people to be elected by other young members and one of the purposes would be to 'shadow' an existing governor. Its main function however will be to be part of the public campaign.
9. Public events (for World Mental Health Day) – based on Get Moving. We will aim for public events in parks in the three main areas of the Trust where people can learn about the benefits of exercise for good mental health but also as an act of solidarity with the cause.
10. On World Mental Health Day itself – Sunday 10.10.10 – we are working with Essex Libraries on Living Books. This is where a service user or carer talks about their condition – schizophrenia, bi-polar, addictions, depression, dementia, hearing voices etc – to a small group of people in the libraries (which are open on Sundays).
11. Essex Libraries are also looking to us to help recruit volunteers to their Feel Better with a Book groups. These are very popular. They are read aloud groups for people with a mental health problem. The reading aloud is to unleash the 'feeling better' part. Essex Libraries offer basic training but it is an opportunity for members to become really involved.
12. Schools – the Trust will launch a radio jingle competition. This will be based on a visit to the school (secondary school and colleges) to talk about mental health awareness, basic aspects of Mental Health First Aid training, perhaps a brief experience from a service user or carer.
13. We will approach the schools who respond the best with an invitation to write a play or perform something for

the Trust which would be featured in the school in the Trust. Colleges may be interested in eating disorders for their fashion students.
14. Approach youth groups - Essex Scouts (boys and girls) are considering a pilot with us. This would involve some troupes (who usually do a show) practising some songs etc at some of our inpatient areas (most likely older people's services). Some troupes are considering a badge on mental health.
15. Continuing dialogue with local BME Groups.
16. Promoting the Mindful Employer scheme to local businesses and trying to get a foothold in them where we can test opinion (on attitudes to mental health) do some activity there and then re-survey to show how it has gone.

2.5 Physical Healthcare Audits

Review of 2009/10

A number of audits have been undertaken as part of our two-year audit plan. An audit tool was developed by our Nurse Consultant in Physical Healthcare to establish the effectiveness of physical healthcare policy. Audits have been undertaken in the following wards: Ardleigh, Henneage, Bernard, and Peter Bruff. In addition audits have been undertaken on resuscitation in in-patient older adult units, in-patient facilities at Derwent Centre and Loughton Community Mental Health Team.

One key recommendation is that although advance instructions relating to the application of resuscitation techniques are documented in clinical case notes, it is recommended that the pro forma piloted by the Resuscitation Council UK is made available for clinical staff to record this significant information clearly and concisely. The Practice Policy Group is undertaking a review of the Resuscitation Policy and the pro form, will be an appendix.

Priorities for 2010/11

Improving the Physical Healthcare of the service user will continue to be a major priority. This will involve reviewing policy and guidelines and delivering training to support physical health monitoring skills. There will be an overarching audit to review key aspects of a range of standards, which will assess compliance with a number of policies relating to physical health issues.

Promoting good physical and mental health will also be addressed through increased use of medication side effect rating scales and management of weight as a result of long term medication.

2.6 Improving Medicines Management

Review of 2009/10

The Trust is planning the development of a clinical pharmacy team that will meet the needs of the Trust's clinical services and the requirements of national bodies and commissioners. We are planning an in-house pharmacy supply service which will provide consistent, reliable, good quality and bespoke care for our service users at best value across the Trust. In addition, we will be able to develop the business potential for supplying pharmacy services and advice to other NHS and non-NHS organisations.

During the last year a number of additional national guidance documents have been issued, including National Institute for Clinical Excellence

(NICE) Patient Safety Guidance 01 Medicines Reconciliation (which is mandatory), NICE Clinical Guidance (CG) Schizophrenia, NICE CG Medicines Adherence, and the National Patient Safety Association's Safety in Doses, Lithium, and omitted/delayed medicines. These make additional specifications for improved medicines management and safety.

Improvement of the use of medicines is a specific goal for this year's Quality Account Report. Medicines have the potential to harm patients and reduce their quality of life if they are not prescribed and reviewed with care. This remains one of the highest risks in our organisation.

Medicines management was rated "substantial assurance" by Deloitte this year on the basis that there were plans in place, that funding would be available, and that the broad recommendations of the Care Quality Commission document "Talking about Medicines" were met. In-house pharmacy staff has increased to four this year, and will increase to 22.5 in the coming year as the Service Level Agreements with the acute Trusts are terminated.

Priorities for 2010/2011
Medicines Management and Pharmacy High-Level Project Development
The Trust Board has agreed to set up a full in-house pharmacy to supply medicines for inpatient areas, to provide expert advice to service users and clinical staff on the use and storage of medicines and to strengthen the management of medicines across all disciplines in Trust services. This is due to be completed by April 2011.

Assurance of safety and efficiency in the supply and use of medicines is essential to the Trust's overall quality assurance strategy.

The project will deliver:
- a new dedicated stand-alone pharmacy for the Trust
- an up-to-date Information Technology dispensing solution
- a better pharmacy service (procurement, dispensing, advice and management) provided by specialist staff
- a responsive transport and logistics system tied to pharmacy deliveries
- ward or unit-based clinical pharmacists and technicians to be part of the multi-disciplinary team
- input to the community units.

The expected outcomes of the project are:
- increased cost efficiency through better control of dispensing, stock control, reduction in wastage and use of patients' own medicines
- enhanced patient safety though better prescribing and medicines management
- more effective procurement
- increased care quality through improved training and advice for service users and clinical staff
- improved reliability, responsiveness and accountability of service
- potential for revenue generation.

3. Indicators of Quality Performance

Performance of Trust against selected metrics

We have chosen to measure our performance against the following metrics:

Safety measures reported
The charts that follow are an extract from our Patient Safety Dashboard, which we have had in place over the past year. For the first time we have been able to benchmark the figures over a two-year period. We have developed clear targets for the reports within the dashboard. We use National Patient Safety Agency national reports for benchmarking.

The Patient Safety Dashboard is in the process of being incorporated into a broader Quality Dashboard, which will encompass the three Quality headings of Patient Safety, Patient Experience and Clinical Effectiveness.

Chart 1 – Expected and unexpected deaths
Due to the nature of our services, for example older people services, inevitably some people will die in our care. Expected deaths are where patients have serious physical, life-threatening, illnesses. Unexpected deaths are those where no life-threatening illness has been known. For this Indicator, we have to count people in our direct care as well as those who were known to us but may have died in the community.

Chart 2 – Total Number of Incidents
An incident in the Trust is any adverse event that has the potential to cause harm to an individual. There is proactive reporting of incidents in the Trust. It is imperative that incidents are reported if we are to continue to learn from events. (High level of reporting is actively encouraged nationally).

Chart 3 – Total Number of Reported
Total Number of Reported Serious Untoward Incidents (SUIs) The number has again decreased by 9 from the previous year.

Chart 4 – Falls
This year we are reporting on Falls instead of patient personal accidents, most of which are falls. This is both observed and unobserved falls reported by staff. There has been a significant reduction in falls, and falls prevention remains a key priority.

Chart 5 – Patient to Patient Violent Incidents and Chart 6 – Total Number of Violent Incidents
Patient to Patient Violence incorporates aggression, harassment, actual assault and inappropriate behaviour towards another patient. Violence towards people and property is closely monitored and these two charts show the level of patient to patient violence/aggression that is being reported. It must be stressed that due to proactive reporting many of these incidents are verbal aggression rather than physical. Chart 6 relates to violence to property has been damaged or verbal aggression towards staff.

Chart 7 and 8 – Drug Errors and Pharmacy Interventions
We are exploring methods to improve drug error reporting in conjunction with the Trust pharmacist. The pharmacy interventions are monitored to ensure that correct prescribing practices are being followed and a high level in this area should be viewed as proactive medicines management.

Chart 9 – Rapid Tranquillisation Incidents
Rapid Tranquillisation incidents are where medication in line with the protocol has been administered to control behaviour usually precipitated by violence/ impulsivity. This chart looks at the number of rapid tranquillisations that have taken place. This level is low in the wider context of the number of violent incidents that have been reported in the Trust in the last year.

All the above Indicators are used by the Trust to support our drive for quality and achieve Outstanding Care Transforming Lives.
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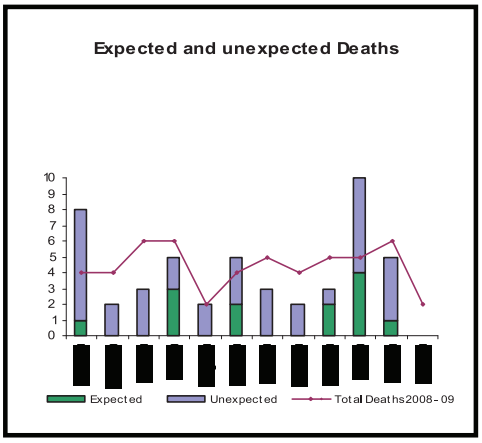
Extract from Patient Safety Dashboard (end March 2010)

Key Patient Safety Performance Indicators

1



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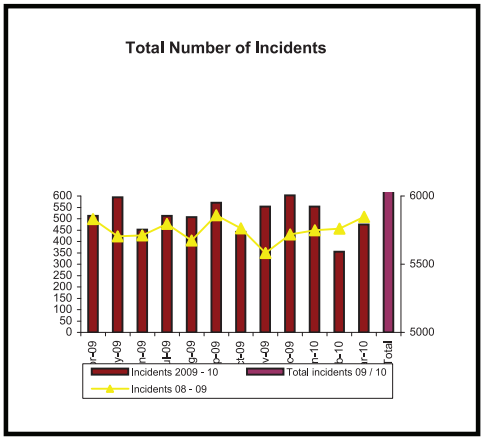

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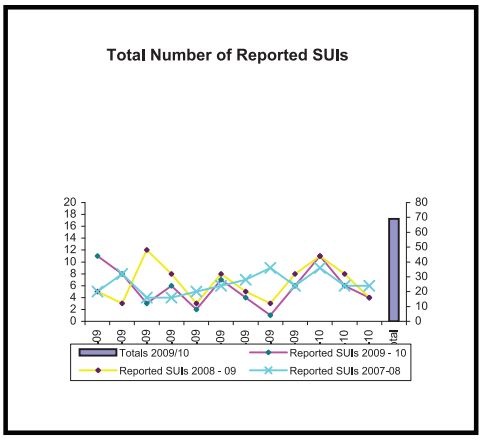

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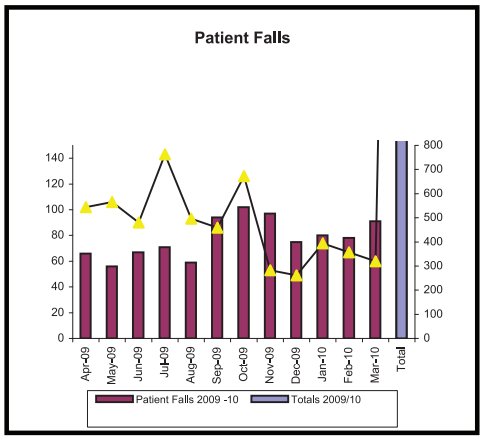

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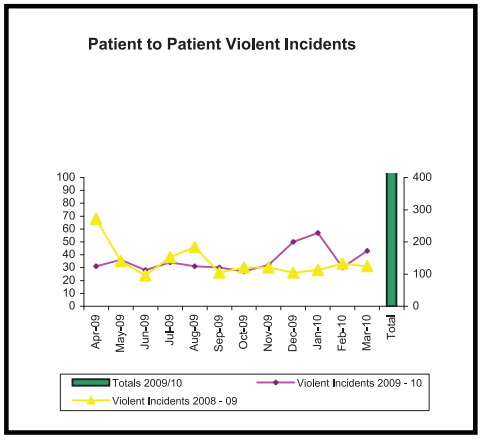

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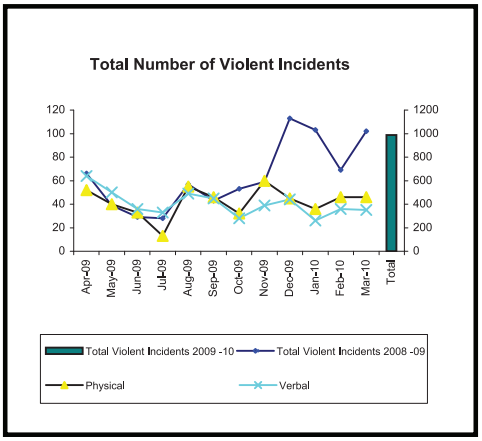

Key Patient Safety Performance Indicators

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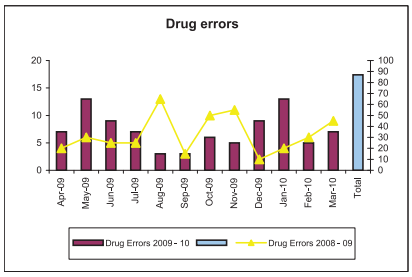

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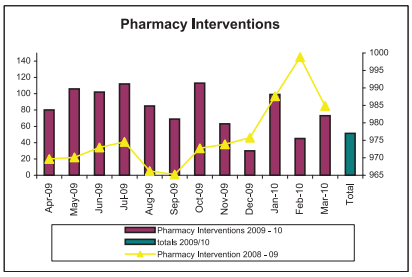

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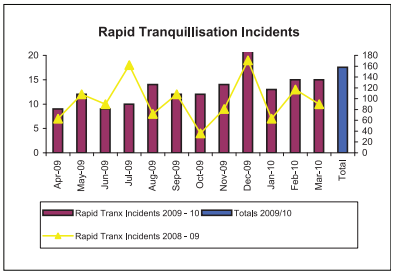


Clinical outcome measures

National Targets and regulatory requirements

Performance of Trust against selected metrics				
	2009/10	2008/09	2007/08	Comment
No of people who received an assertive outreach service	287	296	298	Target achieved - 277
Early intervention in psychosis (new cases)	166	116	108	Target achieved - 103
Carer assessments (completed and declined)	(Completed only) 1439	2540	1912	Target achieved - 1325
Crisis Resolution Home Treatment episodes of treatment	1822	1771	1626	Target achieved - 1595
4 hour wait for Accident & Emergency (target for acute Trusts)	2165 - 11	2271 - 17	1648 - 18	Figures: referrals – breaches (Mental health breaches remain very low)
Staff turnover (12month average)	12.23% (February 2010)	10.98%	10.52%	Within expected tolerances
Sickness absence (in months)	5.09% (February 2010)	4.51%	3.89%	Below NHS mean at year end
Inpatient data quality on ethnic group	100%	100%	100%	Excellent
Clients 18+ receiving a review	4199 - 67%	5016 - 70.4%	4731 - 70.1%	

	2009/10	2008/09	2007/08	Comment
Care Programme Approach 7 day follow up	99.2% CQC, 98.8% Monitor*	97.80%	98.00%	Excellent – well above Monitor threshold of 95% *CQC/Monitor criteria not aligned
Delayed transfers of care	0.30%	1.75%	-	Excellent – well below Monitor threshold of 7%
Admissions to inpatient services with access to CRHT	99%	Q2 = 95%, Q3 =100% Q4 = 97% N.B.Quarter 1 not measured	-	Q1 to Q4 performance = 99%. Excellent – well above Monitor threshold (90%)
18 week referral to treatment	100.00%	100.00%	97.21%	Target achieved
Methicillin-resistant Staphylococcus aureus (MRSA) & Infections	38	20	24	Reduction of people with imported (coming from outside the organisation) MRSA
Core Standards	100%)	100%	100%	

Patient experience measures

Since the introduction of the new Complaint Regulations on 1 April 2009, all concerns and complaints are now risk scored into Low/Moderate/High and Extreme. Previously all low risk concerns were not recorded and therefore numbers of complaints has risen due to the new process. The number of compliments received has decreased from the previous year.

We are delighted to report that we have enjoyed a significant improvement in the patient survey results compared to those disappointing ones we received for 2008/09. The improvements in our service users experiences and their perception of the Trust as a whole is a strong testimony to the enormous amount of energy, innovation and hard work that our staff have put in to improving what is important to the people that use our services. We will focus on the service user experience as a continuing priority and aim to build on these improvements year on year.

Performance of Trust against selected metrics			
	2009/10	2008/09	2007/08
Complaints	400**	81	106
Compliments	173	222	213
Patient Survey Q12 Were the purposes of the medications explained to you?* (yes definitely & yes to some extent)	97%	92%	82%
Patient Survey Q24 Do you understand what is in your care plan?* (yes definitely & yes to some extent)	87%	74%	65%
Patient Survey Q47 Overall, how would you rate the care you have received from Mental Health Services in the last 12 months?* (Excellent, Very Good, Good)	82%	76%	74%

*Quality Health Community Mental Health Service Users Survey Results
**Previously all low risk concerns were not recorded and therefore numbers of complaints has risen due to the new process.

4. Review of Services

During 2009/10 NEPFT provided a wide range of mental health inpatient, outpatient, community and day services to people of all ages. In addition it provided substance misuse services to adults. The Trust reviews activity and performance including quality through robust local performance reporting, monitored by a Risk and Governance Executive who provide assurance to the Board. In 2009/10 the Trust has worked with all teams and units to develop their own quality metrics to add to trustwide metrics and in 2010/11 is developing team/unit quality dashboards that aggregate upwards.

5. Participation in Clinical Audits and National Confidential Enquires

During 2009/10 19 national clinical audits (and 3 in development/piloting) and 1 national confidential enquiry covered NHS services that NEPFT provides.

During that period NEPFT participated in 9 national clinical audits (and 3 in development/piloting) 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 NEPFT was eligible to participate in during 2009/10 were as follows:

- Services for People who have Fallen – Royal College of Psychiatrists
- National Audit of Depression Screening and Management of Staff on Long-Term Sickness Absence by Occupational Health Services Round 2
- National Falls and Bone Health – Royal College of Psychiatrists
- Continence Care – Royal College of Psychiatrists.

Service Accreditation Programmes (RCPsych)

- ECT Clinics
- Working Age Adult Wards
- Psychiatric Intensive Care Wards
- Older People Mental Health Wards
- Memory Services
- Psychiatric Liaison Teams.

Service Quality Improvement Networks (RCPsych)

- Inpatient child and adolescent units
- Child and adolescent community Mental Health teams.

In development/piloting (RCPsych)

- Dementia
- Psychological Therapies
- Treatment Resistant Schizophrenia.

Multisource feedback for psychiatrists (ACP 360) (RCPsych)

Prescribing Observatory for Mental Health (POMH) Audits

- Topic 7 - Lithium
- Topic 8 - Medicines Reconciliation
- Topic 2 - Physical Healthcare
- Topic 1d and Topic 5 - High Dose and combined antipsychotics on acute wards
- Topic 6 – Assessment of side effects of depot antipsychotics on acute wards
- Topic 9a - Anti-Psychotics in Learning Disabilities.

National Confidential Inquiry

- National Confidential Inquiry into Suicide and Homicide by People with Mental Illness (and its various constituent studies into sudden explained deaths and victims of homicide).

The national clinical audits and national confidential enquiries that NEPFT participated in during 2009/10 were as follows:

- National Audit of Depression Screening and Management of Staff on Long-Term Sickness Absence by Occupational Health Services Round 2 (cases tagged Jan 2010)
- Psychiatric Intensive Care Wards
- Inpatient child and adolescent units
- National Falls and Bone Health (required to complete the organisational audit, which involves populating the electronic online database with organisation information regarding policy and training)
- Psychological Therapies – Royal College of Psychiatrists (in development/piloting)
- Multi-source feedback for psychiatrists (ACP 360)

- Prescribing Observatory for Mental Health (POMH) Audits listed above
- National Confidential Inquiry into Suicide and Homicide by People with Mental Illness (and its various constituent studies into sudden explained deaths and victims of homicide).

The national clinical audits and national confidential enquiries that NEPFT participated in, and for which data collection was completed during 2009/10, 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.

- Prescribing Observatory for Mental Health (POMH) Audits
- Topic 7 – Lithium (Trust 115 patients; all PCT patients 11.66%)
- Topic 8 - Medicines Reconciliation (86 patients 22.05%)
- Topic 2 - Physical Healthcare (63.53%)
- Topic 1d and Topic 5 - High Dose and Combination Therapy (Schizophrenia) (75%)
- Topic 6 - Depot Injections (10%)
- Topic 9a - Anti-Psychotics in Learning Disabilities (13.37%)
- Psychiatric Intensive Care Units (1 unit)
- Inpatient child and adolescent units (1 unit)
- Multisource feedback for psychiatrists (ACP 360) 9 psychiatrists
- National Confidential Inquiry into Suicide and Homicide by People with Mental Illness (and its various constituent studies into sudden explained deaths and victims of homicide).

6. Research and innovation

Research

Steve Davies has been appointed to the Trust Research & Development (R&D) Lead post. As a clinical psychologist with strong links to the University of Hertfordshire and experience in mental health research, he will use his expertise to revise the R&D strategy and improve the environment for research projects across the Trust. He represents the Trust on the board of the Essex and Hertfordshire Comprehensive Local Research Network (CLRN) and is the member responsible for mental health and learning disabilities work on the CLRN's Executive Team. The appointment of a full-time Research and Development Manager and Project support officer will take place shortly.

The Comprehensive Local Research Network for Essex and Hertfordshire (CLRN) provides administrative and governance support for studies that have been adopted as portfolio studies by the nationally organised Clinical Research Networks (e.g. the Mental Health Research Network (MHRN)). Within the Trust research projects are approved and information kept in accordance with the Risk Management & Governance Framework. Participation of patients in research projects is being recorded in the patients' clinical records.

Recently the R&D committee has been re-configured with revised Terms of Reference to include an authorisation process for non-portfolio studies, revision of the R&D strategy as a means to improve quality of the researcher, carer and patient experience. Links with the CLRN and a number of Institutions of

Higher Education in the region will ensure that the Trust's activities will be seen in the wider context which will open up improved opportunities to develop and conduct research projects.

The Trust has a number of researchers who continue to make good progress in developing the research profile and build on the number of National Institute for Health Research (NIHR) portfolio studies that we are actively involved in. Dr Zuzana Walker and her team have contributed to a large number of research studies. Dr. Syd Hiskey, Clinical Psychologist, is currently an NIHR Research Fellow. A number of Trust-based researchers continue to produce articles in peer reviewed journals and book chapters.

The number of patients receiving NHS services provided or sub-contracted by North Essex Partnership NHS Foundation Trust in 2009/10 that were recruited during that period to participate in research approved by a research ethics committee was circa 70.

Innovation

As can be seen from our key priorities for improvement we have been developing, with carers, Carer Related Outcome Measures (CROMs) and plan to implement these over the coming year. The work that we have done in engaging service users and carers in the implementation of quality accounts has also fed into discussions with our PCT commissioners on the format and content of a Trust Carers Survey. We envisage also that our Patient Experience Board will become a Patient and Carer Experience Board.

Another innovation around quality is QDOCS, developed by one of our Area Medical Directors, aimed at taking quality down to the individual. We will be undertaking a six month pilot of QDOCS in our Mid locality with a view to evaluating it and if appropriate rolling it out Trust wide.

Our lead Psychologist for CAMHS has produced books on assisting children with toilet activities; these have been published, won a positive practice award and placed at the Health Innovation awards, as well as being promoted at the recent Essex Book Festival

7. Use of CQUIN and Innovation Payment Framework

A proportion of North Essex Partnership NHS Foundation Trust income in 2009/10 was conditional on achieving quality improvement and innovation goals agreed between NEPFT and Mid Essex PCT, co-ordinating Commissioner (associate commissioners – West Essex, North East Essex, Suffolk, Redbridge, Waltham Forest, South East Essex and South West Essex PCTs). This was a pilot year, financially non-recurring and equated to 0.5% of contract value, £397,000.

We have negotiated with our commissioners a CQUIN framework for 2010/11 for Adult Mental Health and CAMHS Services on a non-recurring basis. The summary of this framework is as follows:

No.	Subject	Description of Goal
1	Medicines management	Improve the effectiveness of care to all inpatient service users with the introduction of a dedicated in-house Pharmacy service
2	Medical records	Improve availability, timeliness and security of medical records with the investment into scanning technology and a review into centralisation of medical records
3	Reduction in Patient Falls	Seek to reduce the incidence of falls and associated injuries
4	Data improvement	i. Records of autistic spectrum conditions ii. Improve/modernise activity collection for shadow tariff work and in readiness for Payment by Results.
5	Service transformation	To carry out service/process reviews into i. average length of stay and ii. first to follow-up ratios
6	Quality Metrics	To implement a set of (to be defined) carer reported outcome measures (CROMs) To implement a set of (to be defined) patient reported outcome measures (PROMs) To develop a service user survey for young people (CAMHS CQUIN)
7	CAMHS Gatekeeping	Ensuring gatekeeping of all Tier 4 CAMHS admissions to assess for home treatment options (CAMHS CQUIN)
8	Low Secure Services	Improving patient focus and engagement within Low Secure services (Low Secure CQUIN)

8. Statement From CQC

North Essex Partnership NHS Foundation Trust is not required to have registered with the Care Quality Commission in respect of the year ended 31st March 2010.

North Essex Partnership NHS Foundation Trust is required to register with the Care Quality Commission from 1 April 2010 and our registration status is 'Registered without conditions'.

NEPFT made an interim declaration of compliance with CQC Core Standards for the 7 month period April to October 2009. Following this declaration there have been no significant lapses, therefore, no exception report was required to be submitted to the CQC. The interim declaration of compliance extends to the end of March 2010.

NEPFT has not participated in any special reviews or investigations by the CQC during the reporting period.

9. Statement From PCT (Commissioners)

"This excellent Quality Accounts report has demonstrated your Trust's commitment to ensuring that 'Quality Counts'. NEPFT is commended not only for its comprehensive proactive approach but also for its adherence to national regulations. In particular the engagement with service users, carers and staff is welcomed. An ongoing demonstration of these robust engagement processes is expected with the anticipation that, as you wish, BME engagement continues to improve. You could think about the development of an accessible language version in due course as part of your publicity of the Accounts.

The introduction of a strategy and a development group devoted to quality issues is a critical part of your developing infrastructure. The patient safety dashboard is another excellent initiative summarising your position on key quality performance indicators. It is fully understood that high levels of reporting on incidents (including pharmacy issues) are to be encouraged. We have taken steps to check the accuracy of the data you have provided and consider the Account to contain accurate information on incidents and other issues. We look forward to hearing of progress against your work for 2010-2011 at our regular Quality Assurance meetings.

We have already complimented you on your newsletter on quality and expect further progress on implementation of the Health of the Nation Outcome Scores and over time a broader range of outcome measures. We are pleased that you are already requiring a broader range although this is not a contractual requirement. Ongoing work to promote the Mindful Employer scheme supporting staff who have mental ill health, improve medicines management, contributing to the anti stigma Time to Change campaign and improve physical healthcare are of particular interest. The re-emphasis on research is also important as a long term interest in research supports staff development and adds to the evidence base for developments in mental health. We are committed to assisting you in driving up quality through the quality incentive payments attached to the legal contract between us.

Quality Accounts are a new requirement. NHS Mid Essex (on behalf of all north Essex PCTs) see your Quality Accounts for 2009/2010 as accurate, accessible, fair and balanced. It is an exemplar report."

(May 2010 NHS Mid Essex on behalf of north Essex PCTs)

10. Data Quality

North Essex Partnership NHS Foundation Trust submitted records during 2009/10 to the Secondary Uses Services for inclusion in the Hospital Episode Statistics which are included in the latest published data.

The percentage of records in the published data which included the patient's valid NHS number was: [April 2009 – March 2010 inclusive]

- 99.21% for admitted patient care
- 99.25% for outpatient care

NEPFT's score for 2009/10 for Information Quality and Records Management, assessed using the Information Governance Toolkit was as follows (extract):

Initiative	Results (based on requirements version 7)	
Clinical Information Assurance	91% (GREEN)	401-408
Corporate Information Assurance	50% (AMBER)	601-604
Secondary Use Assurance	76% (GREEN)	501-511

NEPFT was not subject to the Payment by Results clinical coding audit during 2009/10 by the Audit Commission.

An internal audit was undertaken by Deloitte during 2009/10, designed to assess whether management have implemented adequate and effective controls over Data Quality. The areas covered were: policies and procedures, training, management responsibilities, access to and input of data, accuracy and consistency of data, board reporting and external returns. The audit achieved substantial assurance.

11. Publication

Our Quality Account will be published on NHS Choices in addition to the Trust website. The Quality Account will not include the additional Monitor reporting requirements.

Our Quality Report will be published as part of the Trust's Annual Report in accordance with the Monitor compliance framework. The Quality Report includes the additional statements required by Monitor but not legislated for in the Quality Account. Both documents will be published.

Sustainability / climate change

Statement of Compliance with Code of Governance

Sustainability / climate change

The NHS carbon reduction strategy for England (January 2009) states that the NHS should have a target of reducing its 2007 carbon footprint by 10% by 2015.

In December 2009 the Trust board approved its first Carbon Management Plan (CMP) which underpins a number of 'work in progress' elements to reduce carbon emissions. The plan demonstrates how the Trust can build on its strengths, overcome threats, take opportunities and reduce carbon emissions by 30% before March 2015 in its use of buildings and achieve the 10% overall reduction by the end of 2020. The plan proposes a mechanism to achieve these reductions by implementing work-streams to target its emissions from buildings, travel and procurement.

Carbon Emissions across NHS as a whole		
Travel	Procurement	Buildings
18%	60%	22%

A 30% total reduction of carbon emissions from buildings and related sources is required to achieve the 10% target for the Trust. Further savings in carbon emissions in procurement and travel would achieve total carbon emission savings in excess of 10%.

Summary performance

The Climate Change Act 2008 requires all public sector buildings with a useful floor area of over 1,000m^2 to display energy certificates which confirm performance against standards of good practice. The Trust already has Display Energy Certificates at relevant sites, these being the larger inpatient sites such as the Derwent Centre, Lakes, Kings Wood, Linden Centre, Crystal Centre and the Landermere Centre.

In addition, the Carbon Reduction Commitment (CRC) is mandatory for organisations with electricity

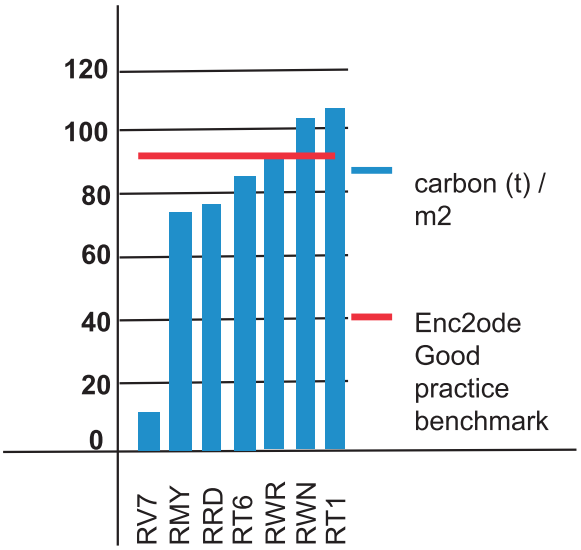
consumption greater than 6,000MWh per annum. These organisations will be required to deposit sums that can be reclaimed upon evidence of compliance with good practice standards from 2012/13.

The Trust does not currently meet the criteria for 'carbon trading' but will need to make a 'declaration' and prepare itself should the qualifying criteria be amended. We are committed to the following carbon reduction work-streams:

- Integration of carbon management with Trust objectives and strategy
- Development of carbon reduction and energy saving policy
- Raise carbon reduction awareness to all stakeholders (staff, service users, commissioners)
- Develop strategic partnerships and Local Area Agreements to reduce the Trust's carbon footprint
- Develop performance indicators and monitor the baseline in our use of buildings, transport and procurement
- Identify and measure alternative energy and sustainability solutions for new and existing buildings, use of transport across the Trust, and the impact of its procurement activities
- Implement review process for all competed work-streams and measure the carbon reductions achieved.

Use of finite resources

The Trust performed well compared against other mental health trusts in the East of England. In summary, a comparison prepared by the East of England Strategic Health Authority of mental health trusts energy usage in buildings per occupied floor area (kg/m2) is provided below.



ERIC Code	Mental Health Trust
RV7	Trust A
RMY	Trust B
RRD	NEPFT
RT6	Trust C
RWR	Trust D
RWN	Trust E
RT1	Trust F

Electricity
During 2007/08 (the baseline year) the Trust had a total electricity consumption of 3,902,222 Kwh and in 2008/09 the Trust's total electricity consumption was 3,345,000 Kwh. This reduction is mainly due to the investments undertaken in more energy efficient plant and equipment, the temporary closure of some of the Trust's buildings and an increased awareness in the general 'media' of saving energy.

Water
In 2007/08 (the baseline year), the Trust used 39,568 m3 of water. In 2008/09 the Trust used 32,880 m3 of water. This reduction is due to a number of investments as part of refurbishment programmes where 'water saving' sanitary ware and other equipment were installed. The permanent closure of some buildings, alongside a more expedient approach to the repair of water leaks also contributed to our more efficient use of water.

Gas
During 2007/08 (the baseline year) the Trust used 9,458,097 Kwh of gas. In 2008/09 the Trust's total gas consumption was 8,411,111 Kwh. This reduction is mainly attributed to the investments undertaken in energy efficient boilers and heating equipment, along with Building Management System (BMS) controls replacing manual controls. The temporary / permanent closure of some of the Trust's buildings and some additional insulation in the roof spaces of older buildings also contributed to the reduction.

Oil
The Trust only uses oil for heating purposes in three of its buildings and during 2007/08 (the baseline year) the Trust had a total oil consumption of 792,777Kwh, and in 2008/09 the Trusts total oil consumption was 826,388 Kwh. This increase is due to no substantial investment in equipment and the exceptional cold winter experienced during that period.

There are 50 Trust registered gas meters and 13 sites which are prorated with other users.

There are 62 Trust Electricity meters and 12 sites which are 'prorated' with other users.

There are 42 Trust Water meters, 15 which are 'prorated' with other users and 5 units on 'rateable value'.

Consumption for 2009 - 2010.
Gas - 8,612,242 kwh. Electricity - 3,497,944 kwh. Water - 50,624 M3
Oil 789,439 kwh.

Consumption for 2008 - 2009.
Gas - 8,411,112 kwh. Electricity - 3,345,000 kwh. Water - 32,880 M3.
Oil 826,388 kwh.

Waste Minimisation and Management
During 2007/08 (the baseline year) the Trust had a total of 60.96 tonnes of clinical waste and 380.02 tonnes of domestic waste. In 2008/09 the Trust had 92.42 tonnes of clinical waste and 442.65 tonnes of domestic waste.

We have a robust waste management policy and procedures for the disposal of domestic, hazardous and clinical waste. During 2009 we procured a new clinical

waste contract, with a local waste management company to manage and dispose of clinical waste. In addition, we continue to manage a number of other contracts for the safe disposal of domestic and hazardous waste across our estate, and have a number of recycling schemes in place, both in buildings and as part of our contracts.

We recycle about 34% of waste through our waste contractor. However, recycling schemes in each building are not as visible or accessible as they should and could be, due to the nature of the service we provide.

The waste management for the Trust is undertaken by specialist waste contractors and/or the local authority (for general waste), the waste amounts disposed of during the last two years are:

Area		Non-financial data (applicable metric)	Non-financial data (applicable metric)		Financial data (£k)	Financial data (£k)
		2008/09	2009/10		2008/09	2009/10
Waste minimisation and management	Absolute values for total amount of waste. Methods of disposal (optional)	92.42 tonnes (clinical waste) 442.65 tonnes (general waste) 3.66 tonnes	100.71 tonnes (clinical waste) 92.42 tonnes (general waste) 4.00 tonnes	Expenditure on waste disposal.	85 X	78 X
		(WEEE waste)	(WEEE waste)			
Finite Resources	• Water • Electricity • Gas • Other energy consumption			• Water • Electricity • Gas • Other energy consumption	46 317 231 0	44 331 214 0

Future priorities and targets

We continue to review and develop our Carbon Management Plan and other existing policies that may impact upon our carbon reduction agenda. We will produce a comprehensive 'Sustainable Development Management Plan' (SDMP) which will include waste management policy, travel plans and energy policy.

The SDMP will include a set of performance measurement criteria against targets set in each of the Trust's specific carbon reduction sectors; buildings, travel and procurement. This will be linked with the strategic objectives of the Trust as part of its annual planning rounds and therefore flexible to respond to potential changing environments and business pressures.

The SDMP will be managed by a new Sustainable Development Committee, accountable to the Risk & Governance Executive, which will be chaired by the Director of Resources and will be made up of representatives from Estates and Facilities, Purchasing and Supplies, ICT, Corporate Communications, Risk Management, Human Resources, Finance and Clinical.

The Sustainable Development Committee will:

- Decide on an overarching sustainable development mission statement, which will be used as a guiding principle for the organisation.
- Review what good practice already exists within the organisation, set relevant targets for continuous improvement and reporting to the board, stakeholders and partners
- Identify new initiatives that build on and add to what already exists, monitor progress of those initiatives and assess results delivered against baseline data
- Ensure that the Trust remains focussed on delivering its carbon reduction targets as laid out in the SDMP, and in the NHS Sustainability Strategy *'Saving Carbon, Improving Lives'.*

Good Corporate Citizenship

We are using the Good Corporate Citizen Model as a major component of our Sustainable Development Management Plan.

We will be setting targets for carbon reductions, and this model covers a number of areas as demonstrated in the table below:

Transport

- Planning
- Low emission vehicles
- Car parking management
- Walking and cycling
- Service design/minimising travel

Facilities Management

- Energy/ Carbon emissions
- Waste
- Water
- Chemical use
- Biodiversity

Community engagement

- Local ownership
- Improving health and tackling health inequalities
- Local partnerships
- Community resources
- Communication

Procurement

- Tendering process
- Reducing packaging and waste
- Supporting local businesses
- Supplier management
- Healthy food choices
- Innovation
- Ethical trading

Employment and Skills

- Recruitment
- Childcare facilities/care support
- Training and skills
- Valuing staff
- Healthy work place
- Supporting suppliers

New Buildings

- Green spaces
- Community resources and engagement
- Construction waste
- Building materials
- Local labour force
- Design
- Energy/Carbon
- Regeneration and planning

We will continue to strive for creating a culture of prioritising sustainability and preservation of the earth's finite resources, in the delivery of mental health services to the population of north Essex.

Valuing people

Valuing people is essential to the continuous development of our Trust. We value our staff, stakeholders, members, Governors and partners. The Trust promotes a culture of respect amongst its staff and service users. We treat everyone with dignity and respect, promote wellbeing, support involvement and encourage personal development and leadership.

Investing in our people's development and wellbeing, involving them in the planning and delivery of services, valuing their diversity and their contribution and then empowering them to the full extent of their accountability, are all key foundation stones in our workforce strategy.

The annual Positive Practice awards recognise individual and team performances and innovation and offer the opportunity to publicise these to a wider audience across the Trust.

Long Service Awards offer recognition of staff who have been loyal employees of the Trust over many years.

Staff Engagement

We are making use of every opportunity to "engage staff in decisions that affect them and the services they provide, individually, through representative organisations and through local partnership working arrangements. All staff are empowered to put forward ways to deliver better and safer services for patients and their families." (NHS Constitution pledge 4).

Motivating staff and encouraging them to be enthusiastic ambassadors and promoters of what we do for patients is a priority for the Trust.

In 2009, we implemented the following initiatives:

- Achieving the best together (offering managers help in adopting management styles, encompassing engagement and involvement, practical support in getting the best out of their staff)
- Managing performance for success (a multi-module programme to help managers develop their skills)
- A programme for Doctors to improve their understanding of management techniques
- Listening initiative: these were a series of road-shows where staff are encouraged to offer ideas on improving their work experience at the Trust
- Reflections: individual staff were invited at random to talk openly with the Chief Executive.

Staff Survey

The Trust was very concerned at the results of the national NHS Staff Survey results for 2008, published early in 2009. We set out a range of actions designed not just to improve scores but to begin to change culture and behaviour at every level in the organisation beginning with the Trust Board.

These actions centred around a number of themes, which might be described as:

- Promoting a bottom-up rather than a top-down philosophy

- Developing mechanisms and a culture that promote staff engagement and involvement in every aspect of their working lives
- Increasing the levels of individual appraisal and personal development planning in the Trust
- Increasing the visibility of the Executive team
- Listening to the individual and collective views of staff about their perceptions of the Trust and how it might be improved
- Supporting managers through a range of substantial, effective and widespread training and development opportunities to improve management skills and help them get the best out of staff.

We specifically agreed to measure our annual performance in 6 areas

- Appraisal – the percentage of staff having an annual appraisal
- Feeling Valued
- Recognition of individual and team contribution
- Quality and style of line management
- Are we focussed on the patient experience?
- Would staff recommend us an employer?

The staff survey undertaken in 2009, shows dramatic improvement and suggests we have focussed our effort correctly, that managers have used the development opportunities to influence their style and behaviour and that overall we have engaged staff, demonstrated our willingness and intention to change.

The 2009 survey shows a complete turnaround and suggests that North Essex Partnership NHS Foundation Trust now sits above average in 2 out of 3 areas against the same performance criteria for the previous year.

Staff Survey Table

	2008/09		2009/10		Trust Improvement / Deterioration
Response Rate	NEPFT	National Average	NEPFT	National Average	Increase/decrease in % points
	59%	54%	53%	53%	

	2008/09		2009/10		Trust Improvement / Deterioration
Top 4 ranking scores	NEPFT	National Average	NEPFT	National Average	Increase/decrease in % points
Question: Percentage of staff reporting errors, near misses or incidents witnessed in the last month	98%	97%	99%	97%	1% improvement
Question: Availability of hand washing materials	90%	89%	71%	59%	19% decrease
Question: Percentage of staff reporting good communication between senior management and staff	29%	28%	41%	29%	No change
Question: Percentage of staff witnessing potentially harmful errors, near misses or incidents in last month	30%	31%	-	-	Question not in 2009 survey
Question: Percentage of staff experiencing physical violence from staff in last 12 months	-	-	0%	2%	Question was not in 2008 survey

	2008/09		2009/10		Trust Improvement / Deterioration
Bottom 4 Ranking Scores	NEPFT	National Average	NEPFT	National Average	Increase/decrease in % points
Percentage of staff appraised with personal development plans in last 12 months	46%	62%			Question not in 2009 survey
Percentage of staff appraised in last 12 months	55%	70%			Question not in 2009 survey
Percentage of staff using flexible working options	63%	72%			Question not in 2009 survey
Percentage of staff experiencing harassment, bullying or abuse from staff in last 12 months	22%	17%			Question not in 2009 survey

Note: There were different questions in the bottom four ranking scores in the 2009 survey, therefore the above table does not show a comparison between the bottom four ranking scores for 2008 and 2009.

Staff feedback

The Care Quality Commission – the independent health regulator - surveyed all NHS staff and our staff at North Essex Partnership NHS Foundation Trust have marked us amongst the best in the country.

Of 40 questions asked in the independent survey, 23 are ahead of the pack with 12 of our responses amongst the top 20% of all mental health Trusts. 22 areas have improved on the last year; none have gone backwards.

There has been a big improvement in reported stress levels and the experience of violence (staff on staff). It is of concern to the Trust that the percentage of staff who say they have experienced harassment or bullying from other staff is just above the national average. Some staff report being discriminated against, this was just above the national average.

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Investors in People

In 2007 we were marked in 39 areas - we had 12 'greens', 1 'amber' and 26 'reds', which was a serious situation. We have moved on from our position in 2007 and our recent Investors in people accreditation is evidence of this.

The assessors say we are actually performing above the level we were judged at, and this time we scored green in all 39 areas. This is a great achievement and also confirms the findings from the staff survey - both good indicators that we are travelling in the right direction at a good speed!

Identified strengths

- People have a sense of pride, care and a general positive attitude across the Trust
- Most people feel valued and have a good deal of job satisfaction
- The Trust has a clear vision, values and developed performance targets
- Strong leadership is apparent
- Useful information sent to teams on many key subjects.

- Good staff comments quoted, "it's more a case of talking with now rather than talking at".

"We feel we are very much involved in the way we run our service; we are constantly talking about it and our views are definitely taken on board."

Challenges

- Senior and middle managers need to acknowledge challenges staff face, to close the gap between strategy and day-to-day reality
- More engagement with operational staff needed
- Sometimes staff are discouraged when suggestions are made but not answered
- E-learning value questioned
- Website difficult to navigate
- Need material about all services and different patient groups
- Should celebrate success in all staff groups.

Equality & Diversity

Priorities and targets going forward

In June 2009 the Trust launched its Single Equality Scheme setting out its commitment to firmly embedding equalities into the organisation's priorities. The scheme is a comprehensive action plan which responds to the Trust's statutory duties in relation to race, gender, disability, faith/belief, age and sexual orientation. The aim of the scheme is to identify and address policies and practices that may be discriminatory and to ensure that consideration of equalities issues are at the mainstream of thinking and day-to-day practice.

The Trust is committed to ensuring equal access to services and employment and will challenge discrimination wherever and whenever it arises.

In developing the scheme, the Trust consulted widely with both staff and service users. The implementation of the scheme is overseen by the Trust's Equality Group and the Trust's Lead Director for Equality and Diversity ensures the Board are appraised of progress.

Equality and diversity table								
	Staff 2008/09	%	Staff 2009/10	%	Membership 2008/09	%	Membership 2008/09	%
Age 16 – 24 25 – 34 35 – 44 45 – 54 55 – 64 65+	83 357 610 634 488 69	3.70 15.93 27.22 28.29 21.78 3.08	119 436 671 683 507 87	4.75 17.42 26.81 27.29 20.26 3.48	55 290 526 556 399 34	2.96 15.59 28.28 29.89 21.45 1.83	69 336 540 587 421 44	3.46 16.83 27.04 29.39 21.08 2.20
Ethnicity White Mixed Asian or Asian British Black or Black British Other Not stated	1715 30 137 180 63 116	76.53 1.34 6.11 8.03 2.81 5.18	1857 37 171 265 67 106	74.19 1.48 6.83 10.59 2.68 4.23	1510 26 102 126 51 45	81.18 1.40 5.48 6.77 2.74 2.42	1612 26 115 154 49 41	80.72 1.30 5.76 7.71 2.45 2.05
Gender Male Female Transgender	636 1605 -	28.38 71.62 -	709 1794 -	28.33 71.67 -	507 1353 -	27.26 72.74 -	542 1455 -	27.14 72.86
Recorded Disability								

Regulatory Ratings

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

Foundation trusts were rated for 3 areas:

1) Finance
The rating from 1 (high risk) to 5 (lowest risk)

2) Governance
(achieving key measurable targets)

The rating was traffic lighted; red, amber or green. The key targets concern
a) Enhanced Care Programme Approach; patients receiving follow-up contact within 7 days of discharge from hospital
b) Minimising delayed transfers of care
c) Admissions to inpatient services having access to crisis resolution and home treatment teams
d) Maintaining the level of crisis resolution and home treatment teams.

3) Mandatory services
(the provision of core services)

The rating was traffic lighted; red, amber or green

These ratings are published by Monitor and are available for all foundation trusts. For this Trust the key ratings appeared as:

Risk ratings at a glance

Finance

Governance

For 2009/10 (and 2008/09) the Trust was a consistent high achiever:

Table of analysis					
	Annual Plan 2008/09	Q1, 2008/09	Q2, 2008/09	Q3, 2008/09	Q4, 2008/09
Financial risk rating	4	4	4	4	4
Governance risk rating	Green	Green	Green	Green	Green
Mandatory services	Green	Green	Green	Green	Green

Table of analysis					
	Annual Plan 2008/09	Q1, 2009/10	Q2, 2009/10	Q3, 2009/10	Q4, 2009/10
Financial risk rating	4	4	4	4	4
Governance risk rating	Green	Green	Green	Green	Green
Mandatory services	Green	Green	Green	Green	Green

For each quarterly monitoring period of 2009/10 (and 2008/09) the Trust achieved its planned rating. There were therefore no differences between the planned and actual rating, and no interventions from Monitor. These ratings were reviewed by the Board of Directors before being submitted to Monitor for validation and, following validation were reported to the Council of Governors.

Other Disclosures

As part of the Serious Untoward Incident reporting process, the Trust has reported 3 incidents whereby a Data Breach occurred. Each incident has been investigated as per our Trust policy and recommendations from the findings have been implemented.

Governance and Risk Management

Corporate Governance is the regulatory framework that provides assurance to the Board and stakeholders that the Trust through the management function are fulfilling their obligations and responsibilities to achieve strategic objectives in line with sound business principles.

The Trust must ensure that it has a forward looking and flexible approach to risk management that can identify both potential and actual risks to the Trust and the services its provides. This approach is centred around two key activities the early identification of risks and a robust system of internal control to enable the Trust to mitigate risks and seize opportunities in a changing economic environment whilst continuing to provide the highest possible care.

These two processes are subject to internal audit to ensure that they are robust and reviewed throughout the year.

The range of risks relevant to the Trust includes the impact of strategic development and changing requirements in the NHS. The Trust's strategic objectives are agreed with the council of Governors and Board of Directors and embedded in the review of the annual plan.

Our risk management framework incorporates clinical and non clinical risks and the Trust continues to prepare for assessment against the National Health Service Litigation Authority Level III risk management standards. The Risk Management Strategy covers a rolling three year cycle which is subject to annual review. The Board delegates operational responsibility to the Risk and Governance Executive, who implement the strategy and monitor performance on a monthly basis. Risk Management is embedded in the culture and activities of the Trust at all levels.

The Risk and Governance Executive assist the Board in identifying and reviewing the risk and control framework through the quarterly review of the Trust's risk register and assurance framework. The Audit Committee review these processes independently and are also subject to external assurance monitoring.

The Trust risk register ensures that risks are consistently evaluated, ranked and action plans are prioritised in relation to the risk score they have achieved. The Register covers all types of risks that have a Trust wide impact and the register has been revised to 63 risks this year. The Board monitors all significant risks (those that achieve a score of 16 or above).

The Trust provides risk management and risk assessment training to all levels of the Trust. This is part of building a culture of risk management rather than risk aversion. The aim is to ensure that all risks are identified and managed effectively to keep service users, staff

and members of the public safe and to reduce risks where possible to the lowest level.

The significant risks monitored by the Board this year include:

- Maintenance of home and market share in competitive economic environment and failure to manage within funding limits including the impact of the comprehensive spending review and a reduction in the size of the market.
- Compliance with clinical process both written and electronic documentation including implementation of Risk assessment and risk management plans
- Safeguarding children and adult functions and the delivery of capacity assessments to comply with the Trust's statutory responsibilities
- Achievement of patient safety, patient experience standards as well as individual patient outcomes
- Maintenance of a stable and resilient IT structure in the Trust
- Robust Contract Management systems to safeguard Trust business and enhance future service and business opportunities
- Develop further Quality Monitoring systems
- Deliver an effective care pathway between primary and secondary care and implement effective suicide and homicide prevention strategies
- Provision of effective Clinical leadership induct staff appropriately
- Provision of a robust and effective system for Medicines Management
- Implement CPA approach and care plans and carer's assessments
- Compliance with standards to maintain a clean and infection free environment
- Provision of appropriate physical healthcare including the necessary liaison with Acute trusts
- Provision of communications strategy to ensure key messages to service users, staff and all stakeholders are effective
- Compliance with the requirements of Information Governance toolkit including data protection and access to records requirements and develop a robust information Governance Strategy.

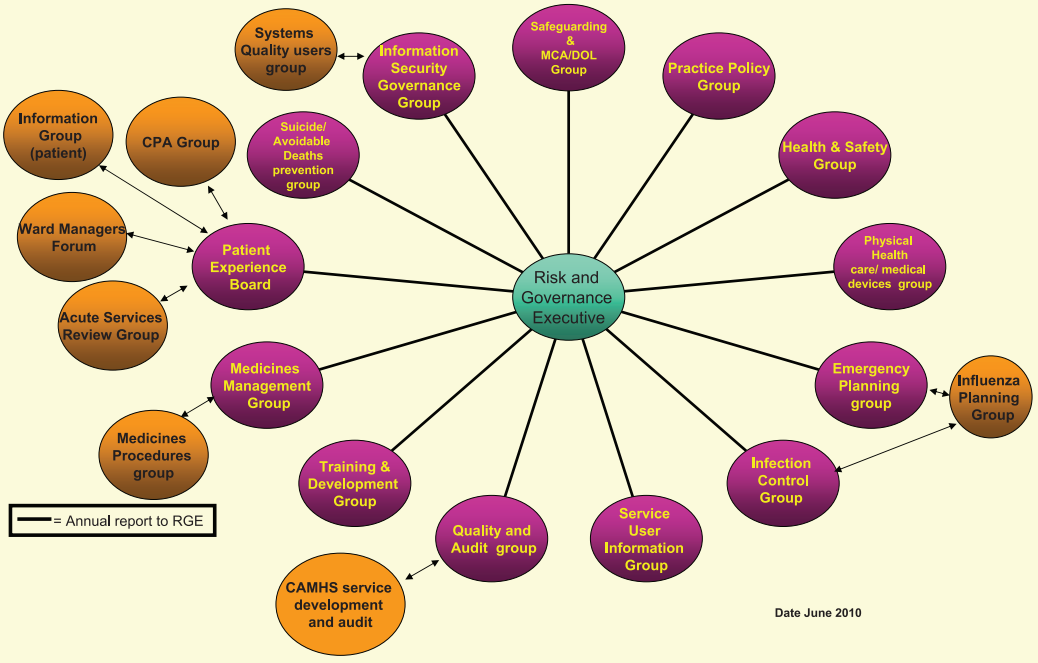
Over the past year, we have achieved the following key risk management objectives:

- Integration of the Quality, Risk and patient safety functions under one function
- Compliance with Standards for Better Health and Care Quality Commission's essential standards of safety and effectiveness
- Implementation of Quality accounts including the development of local metrics through staff, service user and carer engagement programme
- Further integration of the audit plan, risk register and assurance framework
- Further development of patient safety dashboard including benchmarked indicators
- Re- audit of privacy and dignity standards and improvement works for same sex accommodation
- Annual audit of patient safety environments
- Significant input into capital investment in patient environments
- Review of Major incident plan and

business continuity resilience
- Flu pandemic resilience tested
- Regular monitoring of statutory training provision
- Introduction of new complaints regulations and the successful integration into the existing complaints mechanisms in the Trust.
- Improvement in the monitoring of the process for Serious Untoward Incidents and ensuring learning is integrated into practice
- Strengthening of the monitoring arrangements to provide assurance for policy compliance and review of essential policies and procedures
- Strengthen the links between Risk and Governance executive and specialist groups to provide assurance to the Board.

The Specialist groups that report to Risk and Governance are illustrated below.

Corporate Assurance Reporting Arrangements



Directors' Report

Statement of Compliance with Code of Governance

The NHS Foundation Trust Code of Governance was published by Monitor on 29 September 2006, and updated on 10 March 2010. The purpose of the Code is to assist NHS Foundation Trusts in improving their governance practices. It is issued as best practice advice, but imposes some disclosure requirements. This Annual Report includes all the disclosures required by the Code.

The Board of Directors of the Trust support and agree with the principles set out in the NHS Foundation Trust Code of Governance, and to the best of their knowledge, information, and belief the Trust has complied with the Code throughout the year to the 31 March 2010 save in the following respect : -

"There is no formal process in place for the resolution of any dispute between the Board of Directors and the Council of Governors. The Chairman of the Board and the Chief Executive meet with the Lead Governor and the Deputy Lead Governor every month to discuss matters which are within the role and responsibilities of the governors, and to resolve any issues which there may be between them."

Operation of the Board and Council of Governors

The Chief Executive has responsibility for overseeing the day-to-day operations of the Trust. He exercises this responsibility through the Executive Management Team (EMT). EMT and the Board of Directors receive monthly reports detailing financial and other key performance indicators. The Board approves the quarterly compliance reports required by Monitor.

The governance documents of the Trust, which have been approved by the Board of Directors, include Powers Reserved to the Board, identifying the decisions which are required to be taken by the Board, and a Scheme of Delegation which has been drawn up by the Chief Executive and which identifies those decisions delegated to members of the Trust's management. The role and responsibilities of the Council of Governors are set out in the Code of Conduct for governors which has been agreed by the Board and the Council of Governors.

The Council of Governors

The Council of Governors must act in the best interests of the Trust and should adhere to its values and code of conduct. The Council is responsible

for representing the interests of Trust members and partner organisations and for communicating information about the Trust, its vision and values and its performance to the members of the Trust or stakeholder organisations which elected or appointed them. The minutes of meetings of the Council are considered at the following Board meeting in public. The Council is consulted on the development of forward plans for the Trust and approves the Trust's membership strategy.

The Council of Governors appoints and, if appropriate, removes the Chairman and other Non Executive Directors. The Council also decides the remuneration, allowances and other terms and conditions of office, of the Chairman and the other Non Executive Directors. The Council approves the appointment of the Chief Executive, appoints and, if appropriate removes, the Trust's auditor. In addition, the Council receives the Trust's annual accounts, any report of the auditor on them and the annual report.

The Council has four regular meetings in public every year and there was an additional meeting in July 2009 to approve the appointment of Andrew Geldard as Chief Executive. The annual public meeting took place on 9 September 2009. Meetings are publicised in local newspapers and on the Trust website.

During 2009/10 the Trust had 54 governors, 28 of which were publicly elected to represent districts both in and outside of north Essex. There were 11 public constituencies: Braintree, Colchester, Chelmsford, Epping Forest, Harlow, Maldon, Tendring and Uttlesford (all in north Essex), plus South Essex, Suffolk and East Hertfordshire. There were five elected staff governors and 21 appointed governors representing partner organisations.

Trust governors have opportunities to interact with their constituents and the public at events organised by the Trust throughout the year. Any Trust member age 16 or over can apply to become a governor when a vacancy becomes available.

Members are encouraged to communicate with governors through the Trust membership office by telephone – 01245 546400, by email: foundationtrust@nepft.nhs.uk or in writing to the Trust Secretary at the address below.

Trust Secretary,
North Essex Partnership
NHS Foundation Trust
Stapleford House,
103 Stapleford Close,
Chelmsford, Essex, CM2 0QX

Governors' Interests & Attendance

A register of Governor's interests is available and can be requested. The meeting attendance register for Governors appears below.

Name		Attendance	Possible	Notes
Mary	St Aubyn	6	6	
Clare	Aitken	0	1	Resigned June 2010
Dr. Qadir	Bakhsh	6	6	
David	Bamber	4	6	
Angela	Barnes	5	6	
David	Barron	4	6	
Dr. Andries	Bisdee	6	6	
Gail	Blackwell	1	3	Resigned September 2009
Nicola	Colston	2	3	Resigned October 2009
Roger	Cull	3	4	Resigned October 2009
Robert	Davis	2	6	
Pippa	Ecclestone	5	6	
David	Fairweather	4	6	
Gaye	Farrar	2	4	Resigned December 2009
Graham	Field	5	6	
Hazel	Fox	4	6	
Ian	Griggs	4	5	Appointed August 2009
Patrick	Hamilton	6	6	
Mikey	Henderson	6	6	
Trevor	Ingrouille	4	6	
Sheila	Jackman MBE	6	6	
Ian	Jackson	2	6	
Tom	Kelly	6	6	
Dan	Kessler	6	6	
Keith	Lever	6	6	
Jayne	Marshall	5	6	
Dr. Julie	McGeachy	4	6	
Matthew	Mills	5	6	
David	Monk	2	6	

Name		Attendance	Possible	Notes
Alexander	Morris	4	6	
Steven	Pruner	6	6	
Dr. Miranda	Roberts	2	6	
Derek	Robinson	2	6	
Hazel	Ruane	3	6	
Margaret	Shackell	3	6	
Nazir	Shivji	5	6	
Andrew	Smith	6	6	
Brian	Spinks	5	6	
Jackie	Tizzard	5	6	
Michael	Waller	6	6	
Clive	White	5	6	
David	Williams	4	6	
Steve	Wood	3	6	
Harry	Young	6	6	

Names of Governors for the twelve months to 31 March 2010

Public			Staff	
Constituency	Name	Elected Until	Constituency	Name
Braintree	Roger Cull (resigned October 2009)	31 March 2012	Medical	Dr Andries Bisdee
	Mikey Henderson	31 March 2012	Non-clinical	Nicola Colston (resigned October 2009)
	Matt Mills	31 March 2010	Nursing	Nazir Shivji
	Vacancy	-	Other clinical	Hazel Fox
Chelmsford	Trevor Ingrouille	31 March 2010	Social Care	Graham Field
	Alexander Morris	31 March 2010	Appointed	
	Steven Pruner	31 March 2010	Constituency	Name
	Vacancy	-	PCTS	Vacancy
Colchester	Jackie Tizzard	31 March 2010		David Baron, Chairman, Mid Essex PCT
	Vacancy	-		Qadir Bakhsh, Non Executive Director, West Essex PCT
	Harry Young	31 March 2012	Colchester Borough Council	Vacancy
	Jayne Marshall	31 March 2012	Essex County Council	Vacancy
East Hertfordshire	Michael Waller	31 March 2010		Cllr. Derek Robinson
Epping Forest	Sheila Jackman MBE	31 March 2010	Anglia Ruskin University	Steve Wood, Head of Department, Mental Health and Learning Disability
	Andrew Smith	31 March 2010	Voluntary Organisations	MIND (Children & Young People), Clive White, Chair, Colchester MIND

Public			Appointed	
Constituency	Name	Elected Until	Constituency	Name
	Brian Spinks	31 March 2012		Involving Essex (Adults), Ian Griggs (appointed August 2009)
Harlow	David Bamber			
	Ian Jackson			
	Tom Kelly			
	David Williams			
	Angela Barnes			
	Dan Kessler			
	Gail Blackwell (resigned September 2009)	31 March 2012	Essex Drug & Alcohol Team	Clare Aitken, Strategic Manager (resigned June 2009)
	Keith Lever	31 March 2010	Princess Alexandra Hospital NHS Trust	Vacancy
South Essex	David Fairweather	31 March 2010	HM Prison & Young Offenders' Institute Chelmsford	Rob Davis, Governor
Suffolk	Maggie Shackell	31 March 2010	Essex Police	Vacancy
Uttlesford	Pippa Ecclestone	31 March 2012	BBC	Dave Monk, BBC Essex
	Patrick Hamilton	31 March 2010	Essex Racial Equality Council	The right of Essex Racial Equality Council to appoint a governor was suspended until further resolution of the Council of Governors

The revised Constitution of the Trust came into effect on the 1 April 2010, and one of the revisions included changes to the Partnership Organisations entitled to appoint Governors. In addition, elections were held for a large number of the Governors for the Public Constituencies and for all classes of the Staff Constituency. Details of the Governors in office from the 1 April 2010 are available on the Trust's website.

The Board of Directors

The names of the Directors of the Trust are as follows:

Mary St Aubyn	Andrew Geldard
Charles Abel Smith	Geoff Scott
Ray Cox	Paul Keedwell
John Gilbert	Rick Tazzini
Sarah Phillips OBE DL	Malte Flechtner
Mark Simpson	Mike Chapman
	Lisa Anastasiou

The Chief Executive of the Trust is Andrew Geldard, who was appointed in July 2009. The other Executive Directors of the Trust are:

Dr Malte Flechtner – Medical Director
Paul Keedwell –
Director of Operations and Nursing
Geoff Scott – Director of Strategy
Rick Tazzini – Director of Resources

The Chairman and Non Executive Directors of the Trust and the expiry dates of their terms of office are as follows:

Name	Role	End date of appointment
Mary St Aubyn DL	Chairman	30/11/10
Non Executive Directors		
Charles Abel Smith	Non Executive Director	30/09/10
Ray Cox	Non Executive Director	30/11/12
John Gilbert	Non Executive Director	31/05/11
Tracey Graily	Non Executive Director	Resigned on 30 June 2009
Sarah Phillips OBE DL	Non Executive Director	30/11/12
Mark Simpson	Non Executive Director	07/12/12

Each of them is an independent Non Executive Director.

Ray Cox is the Deputy Chairman and Sarah Phillips is the Senior Independent Director of the Trust. They were nominated by the Board at its meeting in February 2010 for indefinite terms, but always subject to review by the Board, and in the case of Ray Cox, also subject to formal appointment by the Council of Governors. This appointment was made at the Council's meeting on 2 March 2010.

Profiles of Board Members

Mary St Aubyn DL, Chairman
Reappointed December 2008

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

Experience
- Appointed Deputy Lieutenant of the County in 2004
- 1999-2001 Vice Chairman, Mid-Essex Hospitals NHS Trust
- 1996-1999 Vice Chairman, North Essex Health Authority
- 1993-1996 Non Executive Director, North Essex Health Authority
- 1992-2005 magistrate in Chelmsford and Witham
- Member of the Parole Board at Her Majesty's Prison Highpoint

Andrew Geldard, Chief Executive
Appointed July 2009
Acting Chief Executive, North Essex Partnership NHS Foundation Trust 2008 – 2009

Responsibilities
- Trust Accounting Officer
- Leading strategic development, corporate and clinical governance

Experience
- 2002-2008 Director of Resources, North Essex Mental Health Partnership NHS Trust (from October 2007, North Essex Partnership NHS Foundation Trust)
- 2000-2002 Director of Finance and Performance, Southend Primary Care Trust
- 1996-2000 Deputy Director of Finance, Surrey and Sussex Healthcare NHS Trust
- 1992-1996 Deputy Finance Manager, Brixton Healthcare NHS Trust
- 1986-1992 South East Thames Regional Health Authority

Qualifications
- BSc Hons (Geography and American Studies), MA (Geography)
- Member of Chartered Institute of Public Finance and Accountancy

Executive Directors

Dr Malte Flechtner, Medical Director
Appointed February 2005

Responsibilities
- Medical leadership
- Caldicott Guardian
- Research and Development
- Pharmacy
- Medical education

Experience
- 2002 Elected as member of the Royal College of Psychiatrists
- 2002 Associate Medical Director for the Mid Essex area, North Essex Mental Health Partnership NHS Trust
- 2001 Consultant Psychiatrist, North Essex Mental Health Partnership NHS Trust
- 1993-2001 Deputy Head of the Department for Social Psychiatry, Free University of Berlin

Qualifications
- MD, MRCPsych (Psychiatry and Neurology)
- Specialist training in Psychodynamic Psychotherapy

Paul Keedwell,
Director of Operations and Nursing
Appointed March 2010 as Director of Operations and Nursing
Appointed February 2005 as Director of Nursing

Responsibilities
- Nursing leadership and healthcare standards
- Child and Adolescent Mental Health Service (CAMHS)
- Clinical/practice governance
- Risk management
- Safeguarding children and vulnerable adults
- Infection control
- Complaints and serious untoward incidents

Experience
- 2003-2005 Area Director for central area, North Essex Mental Health Partnership NHS Trust
- 2001-2003 Service Manager, North Essex Mental Health Partnership NHS Trust
- Experience in psychiatric intensive care, rehabilitation, aggression management, criminal justice and prison in-reach, day services and community care

Qualifications
- RMN
- BSc (Hons) Health Studies

Geoff Scott, Director of Strategy
Appointed April 2001

Responsibilities
- Strategic service planning and organisational development
- Communications
- Patient and public involvement
- Strategic lead for services for older adults
- Social work and social care leadership

Experience
- 1999-2001 Lead for Essex County Council on the project team and project board for the creation of the North Essex Mental Health Partnership NHS Trust
- 1996-2001 County Manager, mental health and substance misuse, Essex County Council, responsible for both commissioning and provision of relevant social care services
- 1980-1995 Various posts, Essex County Council, Social Services
- Four years management experience in the paints/coatings industry

Qualifications
- BSc (Hons) Polymer Science
- Certificate of Qualification in Social Work (CQSW)
- Diploma in Management Studies (DMS)

Rick Tazzini, Director of Resources
Appointed November 2009

Responsibilities
- Finance, Estates, Facilities, IT, Information Performance Management, Procurement

Experience
- 2004 –2009 Director of Finance & Admin, Essex Police
- 2002 –2004 Assistant Director of Finance, Essex SHA
- 1998 –2002 Head of Finance, Essex Police
- 1994 –1998 Deputy Director of Finance, BHB Community Healthcare NHS Trust
- Prior to this, various posts with Essex County Council and Colchester Borough Council

Qualifications
- Chartered Institute of Public Finance & Accountancy
- Masters in Business Administration
- UK Police Strategic Command Course
- Institute of Directors – Certificate in Company Direction

Non Executive Directors

Charles Abel Smith
Appointed October 2006

Responsibilities
- Audit Committee
- Remuneration Committee
- Liaison with governors
- Estates, financial controls, budgets and investment development
- Assurance Framework implementation

Experience
- Currently Head of PPP Advisory with the consulting firm Arup. Clients include the National Audit Office which has appointed Arup as one of the eight strategic partners to assist in the preparation of Value for Money reports
- 1998-2005 Head of Public Private Finance with BNP Paribas with responsibility for arranging the funding for a wide range of PFI projects including major hospitals
- 1981-1998 Kleinwort Benson Ltd. Wide range of banking responsibilities including role as a director in the PFI Advisory Team.

Qualifications
- MA Geography, Cambridge University
- Certificate of Securities and Financial Derivatives

Ray Cox
Reappointed December 2009

Responsibilities
- Deputy Chairman
- Chairman of the Audit Committee
- Takes an overview for older adults' services

Experience
- 1998-2001 Chairman of the Audit Committee, North East Essex Mental Health Partnership NHS Trust
- 1986-1997 Director of Finance, Tendring District Council
- Prior to this, Deputy Borough Treasurer, Colchester Borough Council

Qualifications
- Chartered Member, Chartered Institute of Public Finance and AccountancyAccountancy

Sarah Phillips OBE, DL
Reappointed December 2009

Responsibilities
- Senior Independent Director
- Chairs the Remuneration Committee
- Patient Experience Board
- Nominations Committee

- Takes an overview of CAMHS and specialist services

Experience
- Chairman, Multiple Sclerosis International Federation
- Chairman, Victim Support
- Awarded OBE in 2005 for services to disabled people
- Appointed Deputy Lieutenant of the County in 2005
- Commissioner of the Royal Hospital, Chelsea
- Sits on/chairs the Registration and Conduct Committees of the General Social Care Council
- 1998-2005 Chairman of the Multiple Sclerosis Society

John Gilbert
Appointed June 2008

Responsibilities
- Audit Committee
- Nominations Committee
- Risk and Governance Executive
- Liaison with governors
- Overview of clinical services
- Special interests in investment bids and partnerships
- Assurance Framework implementation

Experience
- Career includes director level posts with Essex County Council and various management and senior executive posts with Barclays Bank plc
- Member, Finance and Sustainability Committee, Scope
- Fellow of Royal Society for Encouragement of Arts, Manufactures and Commerce (FRSA)
- Fellow of Chartered Institute of Bankers

Mark Simpson
Appointed December 2009

Responsibilities:
- Nominations Committee
- Charitable Fund Forum
- Liaison with Governors
- Marketing
- Assurance Framework Implementation

Experience:
- 2008 to date Marketing Director Ford Motor Company Limited
- 2004-2008 Marketing Communications Director Ford of Europe
- 2003-2004 Interactive Communications Manager Ford of Europe
- 2002-2003 Vehicle and Derivative Programming Manager, Ford of Europe
- 2000-2002 Regional Manager Lincoln Mercury
- 1998-2000 Global Commercial Vehicle Produce Marketing Manager Ford Motor Company

Qualifications:
- BA in Marketing (Engineering)
- Masters Diploma in Marketing Management

Evaluation of the Board's effectiveness

An evaluation of the Board's effectiveness for the year 2009/10 was carried out through a self-assessment completed by every member of the Board. An independent external evaluation will take place during 2010/11. The Board is confident that it has an effective balance and appropriateness of skills and experience, evidence of which can be seen in the Profiles of Board Members. Evaluation of the effectiveness of the Chairman is conducted by the Non Executive Directors, led by the Senior Independent Director. The effectiveness of the Non Executive Directors and the Chief Executive is evaluated by the Chairman, while that of the Executive Directors is evaluated by the Chief Executive.

Meetings of the Board of Directors - Attendance Record

(12 meetings held 1 April 2009 – 31 March 2010)

	Name		Attendance	Possible
Non Executive Directors	Mary	St Aubyn	11	12
	Charles	Abel Smith	9	12
	Ray	Cox	12	12
	John	Gilbert	11	12
	Tracey	Graily	2	3
	Sarah	Phillips	12	12
	Mark	Simpson	2	3
Executive Directors	Andrew	Geldard	11	12
	Malte	Flechtner	12	12
	Paul	Keedwell	11	12
	Geoff	Scott	12	12
	Rick	Tazzini	5	5
	Rob	Yeomans	6	7
Other Directors	Andy	Mattin	10	11
	Colin	Moore	10	11
	Richard	Walne	6	6
	Mike	Chapman	6	6
	Lisa	Anastasiou	0	1

Directors attend Council of Governors meetings in order to develop their understanding of the views of Governors and members, as well as attending other community engagement events (see pages 41 to 43 for more information on the Trust's engagement programme).

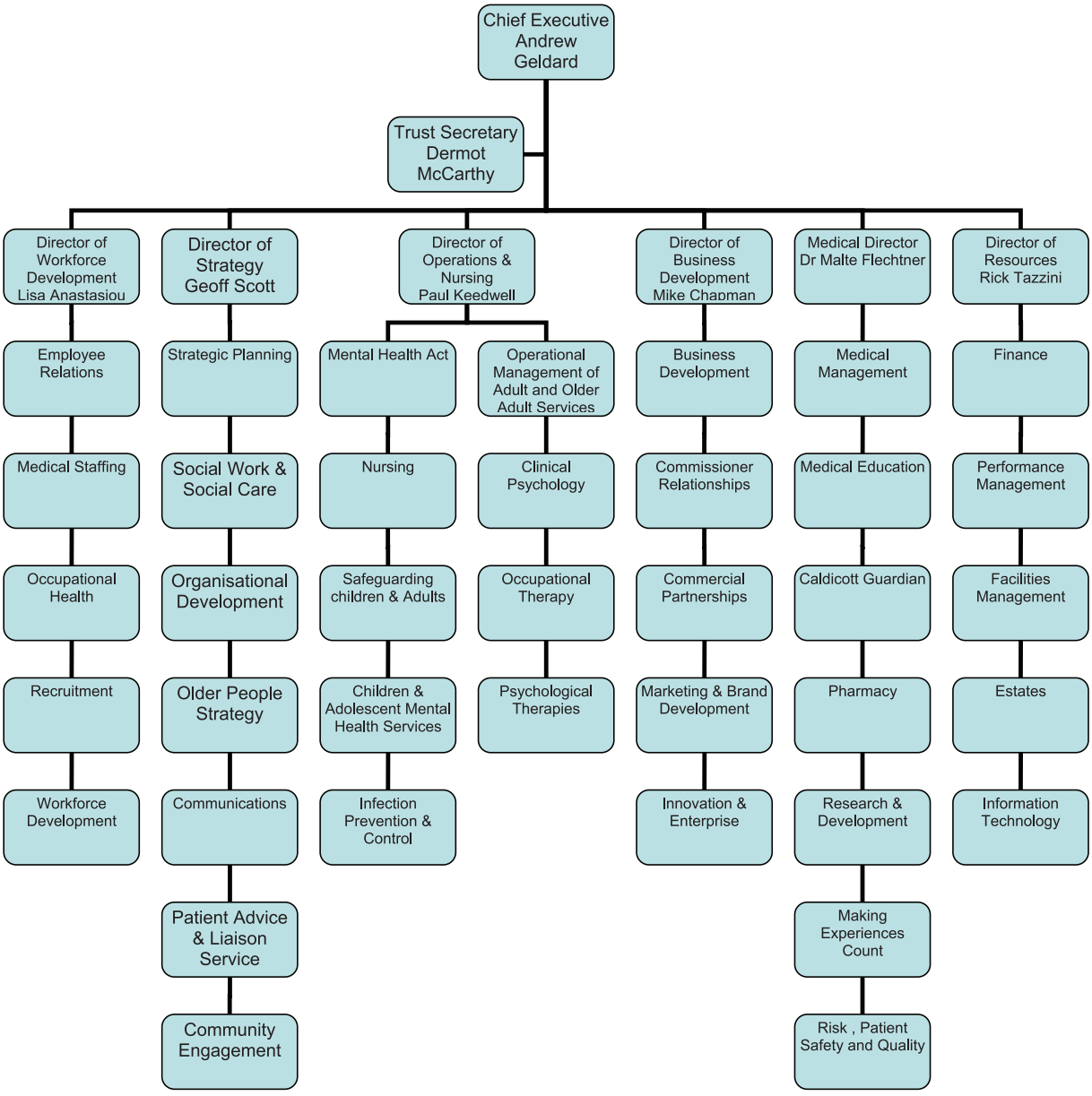
Attendance of Directors at Council of Governors meetings

(6 meetings held, including the Annual Governors Meeting, 1 April 2009 – 31 March 2010)

	Name		Attendance	Possible	*Executive Directors did not attend the meeting held on 29/07/09 as its purpose was to appoint the Chief Executive.
Non Executives	Mary	St Aubyn	6	6	
	Charles	Abel Smith	1	6	
	Ray	Cox	5	6	
	John	Gilbert	6	6	
	Tracey	Graily	1	1	
	Sarah	Phillips	3	6	
	Mark	Simpson	1	1	
Executives*	Andrew	Geldard	5	6	
	Malte	Flechtner	4	6	
	Paul	Keedwell	5	6	
	Geoff	Scott	5	6	
	Rick	Tazzini	2	2	
	Rob	Yeomans	1	3	
Directors	Andy	Mattin	5	6	
	Colin	Moore	2	6	
	Richard	Walne	2	3	
	Mike	Chapman	2	3	
	Lisa	Anastasiou	0	0	

Executive Structure

The Chief Executive has responsibility for overseeing the day-to-day operations of the Trust. He exercises this responsibility through the Executive Management Team (EMT). EMT and the Board of Directors receive monthly reports detailing financial and other key performance indicators. The Board approves the quarterly compliance reports required by Monitor.


Chief Executive Andrew Geldard
Trust Secretary Dermot McCarthy
Director of Workforce Development Lisa Anastasiou
Director of Strategy Geoff Scott
Director of Operations & Nursing Paul Keedwell
Director of Business Development Mike Chapman
Medical Director Dr Malte Flechtner
Director of Resources Rick Tazzini
Employee Relations
Medical Staffing
Occupational Health
Recruitment
Workforce Development
Strategic Planning
Social Work & Social Care
Organisational Development
Older People Strategy
Communications
Patient Advice & Liaison Service
Community Engagement
Mental Health Act
Nursing
Safeguarding children & Adults
Children & Adolescent Mental Health Services
Infection Prevention & Control
Operational Management of Adult and Older Adult Services
Clinical Psychology
Occupational Therapy
Psychological Therapies
Business Development
Commissioner Relationships
Commercial Partnerships
Marketing & Brand Development
Innovation & Enterprise
Medical Management
Medical Education
Caldicott Guardian
Pharmacy
Research & Development
Making Experiences Count
Risk , Patient Safety and Quality
Finance
Performance Management
Facilities Management
Estates
Information Technology

Audit Committee Report

The members of the Audit Committee are:

Name	Role	Meetings Attended
Ray Cox	Chairman	5/5
Charles Abel Smith	Non Executive Director	4/5
John Gilbert	Non Executive Director	5/5

The Audit Committee is chaired by the deputy chairman, Ray Cox. The Audit Committee produces an Annual Report for the Board which follows.

Annual Report of the Audit Committee 2009/10

This report provides a brief overview of the activities of the Audit Committee for 2009/10.

The responsibilities of the Committee are set out in its Terms of Reference and its main objective is to

- ensure that the Trust establishes and maintains effective systems of integrated governance, risk management and internal control that support the achievement of the organisation's objectives, and
- bring to the attention of the Chief Executive any concern which it may have regarding those systems.

Overview of Activities

During 2009/10 the Audit Committee spent a significant amount of time in overseeing the activities and standards of internal audit and in setting standards for and monitoring the implementation by the Trust of agreed recommendations.
In addition the Committee reviewed all external audit reports and the annual audit letter prior to their submission to the Board.

The Committee continues to examine its own role and responsibilities within the Trust's wider governance arrangements whilst overseeing the maintenance of the Trust's Standing Orders, Financial Regulations and Scheme of Delegation.

Other activities in the year included:

- The appointment process for External Audit services
- The appraisal of the Counter Fraud Service
- Monitoring the arrangements and associated risks in securing the longer term future of the shared services organisation
- Progressing the integration of assurance between the Audit Committee and the Risk and Governance Executive.

The activities of the year illustrate that the Committee has made further steps forward in supporting the Board by overseeing the financial and corporate governance agenda. It has provided positive assurance to the Board with regard to the effectiveness of the overall internal control system.

Summary of Activities

The Committee held four scheduled meetings and two special meetings in respect of the appointment of external auditors. The main activities of the Committee during the year are detailed below:

a) Establishment and Duties

The Committee continues to use the 'Audit Committee Handbook' and 'Self Assessment Checklist' as a guide to reviewing its own activities and operation. Agreed Terms of Reference have been approved by the Board and these are formally reviewed each year.

The Committee continues to be fully supported by the Executive, who facilitate the attendance of members of staff to present and discuss audit reports and other issues of interest.

Members of the Audit Committee have attended seminars and other training opportunities aimed at maintaining and extending their awareness and knowledge of current finance and audit processes. In addition the Committee's agenda regularly contains items of information, which allows members to update their knowledge and understanding of issues potentially affecting the Trust.

The Chairman has established useful links and gained wider insight into audit matters through meetings with other audit committee chairmen. This will be continued in the future particularly with other Foundation Trusts.

b) Compliance with Law and Regulations

The Committee always includes a standing item on its meeting agenda to consider, where appropriate, issues of a legal or regulatory nature. The most significant issue to be dealt with is the accounting changes resulting from the International Financial Reporting Standard (IFRS), which has a relatively small but significant impact on the Trust's accounts.

c) Internal Control and Risk Management

The Committee continues to monitor the Trust's progression of the Assurance agenda, with a particular emphasis upon financial governance, and the "Statement on Internal Control" (SIC).

During the year there has been a continuation of the risk based internal audit programme, aimed at those higher risk control systems that have had limited exposure in recent years. This process confirms the Trust's commitment to improving its control systems, and has contributed to enabling the Chief Executive to issue a SIC for 2007/08 with a 'significant' level of assurance. For 2009/10 a number of 'limited assurance', and one 'no assurance' opinions were issued by Internal Audit on individual reports. This matter was immediately taken very seriously by the Executive who implemented corrective action immediately. This illustrates the Trust's openness in identifying and overcoming risks, and the strength of this response. This, together with substantial assurance in risk management and the assurance framework, is expected to enable the

significant assurance Head of Internal Audit Opinion to be retained for the 2008/09 Annual Report and Accounts.

d) Internal Audit

The Committee has agreed and overseen the implementation of the Internal Audit programme for the year. As a matter of course the Committee receives all the detailed final and 'follow-up' reports from the executive and these are scrutinised carefully.

Following the year end, the Committee will receive an annual report on their overall findings. This annual report and the resultant 'Head of Internal Audit's Opinion' on the Trust's internal control system is a cornerstone of the Trust's overall assurance processes.

The Chair of the Audit Committee has also been involved in the North Essex wide procurement process for Internal Audit Services which will come into effect on 1 April 2009, and which resulted in the reappointment of Deloitte LLP as the Trust's Internal Auditors.

The committee can confirm that the work of the Internal Auditor has been satisfactory throughout the year.

e) External Audit

Whilst the External Auditors have direct access to the Chairman of the Trust, Chief Executive and Director of Resources, the Audit Committee acts as their formal lines of communication with the Trust Board.

The Committee received regular updates and reports from the External Auditors and considered the draft audit letters for the 2008/09 accounts at the May 2009 meeting.

For 2008/09, the External Auditors issued unqualified opinions in respect to both sets of part-year accounts. The opinions covered both the content of the financial statements and also "Conclusion on arrangements for securing economy, efficiency and effectiveness in the use of resources".

During the year arrangements were put in place for the appointment of External Auditors. This was carried out in accordance with the various Codes relating to the Council of Governors (who make the appointment) and the Audit Committee (who advises the Governors). There was considerable interest by the main accountancy companies in the tender, and following a rigorous, exacting and unanimously agreed process, the Council of Governors appointed the Audit Commission as the Trust's External Auditors with effect from 2009/10.

There are no significant issues arising from the work of the External Auditor, which has been satisfactory throughout the year.

f) Annual Accounts

The timetable for the completion of the Trust's Annual Report and Accounts has been brought forward significantly for 2009/10. As a result, the Audit Committee will be receiving the drafts for scrutiny and approval for recommendation to the board, on the 26 May 2010.

The Committee also keeps a brief but watchful eye on the Charitable Funds Accounts.

g) Other

The Committee has regularly reviewed counter fraud issues and the activities of the Trust's Local Counter Fraud Specialist (LCFS). During the year there have been concerns about the timeliness of completing the plan, but this has now been rectified.
In 2009/10 the LCFS was carried out by Deloitte LLP, who also won the contract for internal audit.

In the year, the Trust received and improved "Compound Inidcator" score for its counter fraud arrangements to "adequate performance".

h) Looking Forward to 2010/11

The Audit Committee will continue to explore ways in which it can add value to the organisation by monitoring the adequacy and effective operation of the Trust's overall internal control system.

Looking forward, the Committee will establish an effective relationship with the Trust's newly appointed External Auditors and continue to maximise the benefit the Trust receives from this assurance process.

Members of the Committee will continue to develop their knowledge, understanding and competencies by attending appropriate training, and will consider issues drawn to their attention or initiated by them in an effective and independent manner.

Conclusion
The committee is grateful to the Director of Resources and his Secretary, and the Trust Secretary for their support and guidance.

As required by paragraph 7 of the Audit Committee Terms of Reference, the Committee can report positively to the Board in respect of the Assurance Framework, Risk Management, Governance arrangements and the self assessment against Standards for Better Health.

Statement from External Auditors about their responsibilities

The responsibility of the external auditor is to audit the financial statements in accordance with statute, the Audit Code for NHS Foundation Trusts and International Standards on Auditing (UK and Ireland).

The external auditor reports: an opinion as to whether the financial statements give a true and fair view in accordance with the accounting policies directed by Monitor as being relevant to NHS Foundation Trusts; whether the financial statements and the part of the Remuneration Report that is subject to audit have been properly prepared in accordance with the accounting policies

directed by Monitor as being relevant to NHS Foundation Trusts; whether the information which comprises the commentary on the financial performance included within the Directors' Report and the Financial Review of the year, included in the Annual Report, is consistent with the financial statements.

The external auditor: reviews whether the Accounting Officer's Statement on Internal Control reflects compliance with the requirements of Monitor contained in the NHS Foundation Trust Annual Reporting Manual 2009/10; reports if it does not meet the requirements specified by Monitor or if the statement is misleading or inconsistent with other information from the audit of the financial statements. The external auditors are not required to consider whether the Accounting Officer's statement on internal control covers all risks and controls, nor to form an opinion on the effectiveness of the Trust's corporate governance procedures or its risk and control procedures.

The external auditors read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises the Foreword from the Chairman and Chief Executive, Operational Review of the Year, Directors' Report, Audit Committee Report, Nomination Committee Report, section on the Board of Governors, membership and public interest disclosures, and the un-audited part of the Remuneration Report. The implications for the report are considered if the external auditors become aware of any apparent misstatements or material inconsistencies with the financial

Name	Role	Meetings attended	
Mary St Aubyn	Chairman	4/4	The chairman did not attend one meeting as her own appointment was being discussed.
Ray Cox	Non Executive Director	1/1	Appointed to the committee as a substitute member in the absence of the chairman.
John Gilbert	Non Executive Director	5/5	Joined the Committee in-year
Tracey Graily	Non Executive Director	2/2	Left the Trust in-year
Sarah Phillips	Non Executive Director	3/3	Joined the Committee in-year
Mark Simpson	Non Executive Director	1/1	Appointed in-year

statements. The external auditors responsibilities do not extend to any other information.

Nominations Committee Report

During the year 1 April 2009 to 31 March 2010, the Nominations Committee of the Board of Directors met on five occasions.

The nominations committee consists of the above named Non Executive Directors. The duties of the nominations committee centre on keeping the size, structure, and composition of the Board of Directors under regular review and making recommendations to the chairman of the Trust regarding the executive directors, and to the Council of Governors regarding the non executive directors, for any change which the committee may consider to be desirable.

The Committee met on 22 April 2009 in order to consider its recommendation in relation to the reappointment of two Non Executive Directors Ray Cox and Sarah Philips, neither of whom was present at the meeting. The general principles of the process which had been approved by the Council of Governors, were,

- an evaluation of Board skills by the Committee and of each Non Executive Director by the Chairman. She confirmed that both Directors continued to be effective and committed to the role
- consideration by the Remuneration and Appointments Committee of the Council of Governors, of the Committee's findings, and the Chairman's report on each Director in order to decide whether to recommend to the Council of Governors whether each Director should be reappointed without a competitive process.

The Council of Governors met on 2 June and after considering the Remuneration and Appointments Committee's recommendations, unanimously decided to reappoint each Non Executive Director for a further term without a competitive process.

The Committee met on 15 May to discuss the process and timetable for the appointment of a Chief Executive. The general principles of the process which had been approved by the Council of Governors were

- the appointment of Veredus as independent external adviser
- the approval with its advice, of the job description and person specification by the Committee
- advertisement of the role nationally
- the nomination of the interview panel, which comprised the Chairman and three Non-executive Directors of the Trust, the Lead Governor and another governor, and the chief executive of another Trust as an independent assessor
- the shortlisting and subsequent interview of candidates by the interview panel, with governors also having the opportunity

to meet candidates informally before interviews
- a recommendation of the interview panel to the Committee.

This process was followed, and the Committee met on the 28 July. After considering the report of the interview panel on its interviews, the Committee recommended that Andrew Geldard, the acting Chief Executive, should be appointed to the post of Chief Executive of the Trust on a permanent basis. At their meeting the same day, the Chairman and Non Executive Directors unanimously agreed that recommendation, subject to the approval of the Council of Governors, which was put to, and also unanimously accepted by the Council at a formal meeting the following day.

The Committee met on 24 July 2009 to discuss the process and timescale for appointing a Non Executive Director. The general principles of the process which had been approved by the Council of Governors were

- the appointment of Veredus as independent external adviser
- the approval with its advice, of the job description and person specification by the Committee
- advertisement of the role nationally
- the nomination of an interview panel which comprised the Chairman of the Trust, the Lead Governor, and the chairman of another Trust as an independent assessor
- the shortlisting and then the interview of candidates by the interview panel, with governors also having the opportunity to meet candidates informally before the interviews
- a recommendation from the interview panel to the Remuneration and Appointments Committee of the Council of Governors.

This process was followed, and following its interviews of applicants, the interview panel recommended to the Remuneration and Appointments Committee, that Mark Simpson should be appointed to fill the advertised position of Non Executive Director of the Trust. This recommendation was considered in detail by the Remuneration and Appointments Committee and accepted unanimously by the Council of Governors at its meeting on 8 December.

The Committee met on 4 February 2010 to consider the appointment of the Chairman of the Trust. Mary St Aubyn, the present Chairman, was not present and Sarah Phillips took the chair for the Committee meeting. The Trust Chairman's term of office comes to an end on 30 November 2010, and meetings of the Nominations Committee and the Remuneration and Appointments Committee on 4 February 2010 proposed the following process for the appointment of a chairman. After wide consultation, and receiving a report from the Senior Independent Director on her annual appraisal of the present Chairman, the Nominations Committee will decide upon the job description, person specification and the terms and conditions of the proposed appointment, which it will put forward to the Remuneration and Appointments Committee for recommendation to the Council. The Nominations Committee will also decide whether to recommend to that committee that the present

Chairman should be reappointed unopposed or to recommend that the position should be advertised. The Remuneration and Appointments Committee will then decide what recommendation to make to the Council of Governors which will make a decision at its meeting on 1 June 2010.

If the Council decides that the position should be advertised, there will be further meetings of the Nominations Committee and the Remuneration and Appointments Committee with external advisers to agree the terms of the advertisement, and the composition of the panel, on which the Governors will be in a majority, for the short listing and interview of candidates. The panel will interview candidates, select two alternatives and report on them both for consideration by the Remuneration and Appointments Committee which will then make its recommendation for a final decision by the Council in October. This process was approved by the Council of Governors on 2 March 2010.

Remuneration Report

The Remuneration Committee members are:

Name	Role	Meetings Attended
Sarah Phillips	Committee Chairman	4/4
Charles Abel Smith	Non Executive Director	2/4
Ray Cox	Non Executive Director	4/4

Details of payments made for retirements due to ill-health are set out in note 8 to the Annual Accounts and details of the salaries, benefits in kind, and pensions entitlements of Senior Managers are set out in Note 9 to the Annual Accounts.

Policies about remuneration of Senior Managers are to be developed.

The Committee met 4 times during the year.

15 April 2009. The Trust Chairman briefed the Committee on retirement negotiations with Richard Coleman, the Chief Executive, in view of his ongoing ill health. This was supported by a detailed paper from the HR Director. The Committee was unanimous in its agreement to accept the package recommended.

27 May 2009. The Board Directors' Remuneration was discussed and agreed.

27 July 2009. The Committee discussed and agreed the range of salary which would be available for the appointment panel for the new Chief Executive.

24 February 2010. This meeting discussed a letter received by the Committee Chairman from the Chief Executive stating that the Executive Directors would seek no pay increase for 2010/2011 to reflect the current economic climate. This example was welcomed by the Committee and a message of appreciation relayed back to the Directors.

The Terms of Reference have been reviewed and no alterations are recommended.

Andrew Geldard
Chief Executive

Membership Report

A report about membership and activities is included on pages 40 to 43.

To be a member of the Trust a person has to be 14 years old or over and live in one of the eleven public constituencies (see table below). Staff are automatically members (unless they opt out) provided they have a contract of employment with no fixed term, or a fixed term of more than 12 months (or if employed under a contract for at least 12 months). The list of staff constituencies is also included in the table below,

Table of members	
Constituency	Members (at 31.03.10)
Braintree	676
Chelmsford	1382
Colchester	1142
Epping	596
Harlow	404
Maldon	369
Tendring	903
Uttlesford	284
South Essex	399
Suffolk	229
East Herts	32
Total	6416

Staff Membership	
Constituency / Work Group	Members as at 31.03.10
Nursing	1040
Medical	93
Social Care	103
Other Clinical	205
Non Clinical	556
Total	1997

Members are encouraged to communicate with governors through the Trust membership office by telephone – 01245 546400, by email: foundationtrust@nepft.nhs.uk or in writing to the Trust Secretary at the address below.

The Trust Secretary
North Essex Partnership NHS
Foundation Trust
Stapleford House
103 Stapleford Close
Chelmsford
Essex, CM2 0QX.

Financial Statements

This section provides a commentary on the Trust's financial performance. For the full financial statements please see pages 117 to 164

The period 1 April 2009 to 31 March 2010 was the Trust's second full year as an NHS Foundation Trust. Our financial position continued to strengthen, producing a net operating surplus, before impairments of £1.540m, which was £90,000 better than planned. The surplus was reinvested in the capital programme to enhance patient experience, quality and safety. After account is taken of the "technical" asset impairments of £3.842m, the recorded revenue position is a deficit for the year of £2.302m.

Based on our revenue performance and liquidity, we have retained a financial risk rating (FRR) level 4 and warranting 'significant assurance' in the Trust's internal audit. The FRR 4 should result in a continued "excellent" rating for the CQC's "quality of financial management" indicator. The Trust has achieved the financial targets set by the Board and performance requirements set by Monitor and the Care Quality Commission. The Board has agreed the Trust's financial plan for 2010/11.

Income

Total income for the year was £97.077m. Income of £86.366m was received from block contracts with the three north Essex Primary Care Trusts and Specialist Commissioners. Clinical partnership income of £8.694m included the Essex County Council section 75 agreement (£7.683m). Other protected non-clinical income of £1.891m included the Eastern Development Centre (£1.002m).

Spend

Operating spend, excluding Public Divided Capital dividends totalled £104.949m. The sum comprised pay (£77.424m), non pay (£21.495m), impairment charges (£3.842m) and depreciation (£2.188m). Finance spend of £2.577m included PDC dividends of £2.493m.

External Auditors

The Audit Commission is the Trust's appointed external auditor for the three years through to 31 March 2012. The Trust incurred audit fees during the year of £60,000.

Internal Auditors

Internal audit is overseen by the Audit Committee and by independent auditors, Deloitte LLP.

Capital Developments

The capital programme for 2009/10 was managed within plan including the opening in November 2009 of our showcase Crystal Centre, the older adult mental health facility in Chelmsford. During the year £10.679m was spent on capital developments, mainly for the Crystal Centre, purchase of land at The Lakes in Colchester, refurbishment of clinical areas, IT and networks as well as on-going security and planning costs associated with the planned disposal of the Severalls Hospital site in Colchester.

The refurbishments included reception areas in Kings Wood and Landermere, community team bases and privacy and dignity works for single sex accommodation.

Plans are progressing for further strategic investment, including new buildings and services in three mandatory services; CAMHS, low secure and psychiatric intensive care. The purchase of the Derwent Centre freehold completed on 30 April 2010.

New contracts

2009/10 included new investment of £1.1m for CAMHS service across north Essex, a partnering arrangement with Rethink for psychological therapy services in north east Essex, new Integrated Drug Treatment Services, a memory assessment pilot and Deprivation of Liberty (DoLs) services.

For 2010/11, new service contracts have been agreed with commissioning partners for £0.4m investment to expand services for children and adolescents in west Essex. Over the coming year we will be exploring a number of potential opportunities including: a bid to provide Improving Access to Psychological Therapy (IAPT) services in West Essex; the potential for providing community provider services if or when they are tendered; developing and expanding Child and Adolescent Mental Health Services (CAMHS) and development of low secure services.

Financial reporting

The Trust has continued to improve reporting to the board to include service-line activity, performance, quality and financial issues. Reference costing data was submitted to the Department of Health, improving the Trust's reference cost index for the fifth consecutive year to 93.7.

Work will be on-going in 2010/11 to introduce Health of the Nation Outcome Scales (HoNOS) for service users and linking, in due course to the future "payment by results" framework.

Creditor payment

The Trust follows the Better Payment Practice Code. The Trust has delivered improvements in both the 30-day and 10-day targets.

Better Payment Practice Code – Measure of Compliance

	Year Ended 31 March 2010
	Number
Total Non-NHS Trade Invoices paid in the year	22,162
Total Non-NHS Invoices paid within target	18,545
Percentage of Non-NHS Trade Invoices paid within target	84%

	Year Ended 31 March 2009
	Number
Total Non-NHS Trade Invoices Paid in the Year	20,227
Total Non-NHS Invoices Paid Within Target	14,894
Percentage of Non-NHS Trade Invoices Paid Within Target	74%

The Better Payment Practice Code requires the NHS Foundation Trust to aim to pay all undisputed invoices by the later of:

- the due date;
- 30 days from the receipt of the goods or service;
- 30 days from the receipt of a valid invoice.

The above payment times are recorded using invoice date to payment date, and include those invoices which have been disputed. The figures provided therefore show a lower percentage of invoices paid in accordance with the Better Payment Practice Code than would be the case if the date of receiving the goods or invoice were used and disputed invoices were excluded. The system has now been updated to record the time taken from receipt of invoice to payment date, and this data will be available for 2010/11.

The Late Payment of Commercial Debts (Interest) Act 1998

There are no amounts included within interest payable arising from claims under the above legislation.

No amounts of compensation were paid for debt recovery costs under the above legislation.

Counter fraud arrangements

The Trust is committed to providing and maintaining the highest standards of honesty and integrity in dealing with assets and uses best practice as recommended by the NHS Counter Fraud and Security Management Services, CFSMS. The policies and related materials are available on the trust's intranet and counter-fraud information is prominently displayed on the Trust's premises.

Counter fraud specialist services are provided by Deloitte LLP. The Trust's local counter-fraud specialist (LCFS) reports to the Director of Resources and performs a programme of work designed to provide assurance to the board in regard to fraud and corruption. The LCFS attends Audit Committee meetings at which she presents the programme and the results of her work. The LCFS gives regular fraud awareness sessions for the Trust's staff. She investigates concerns reported by staff and, if they are substantiated, the trust takes appropriate criminal, civil or disciplinary measures.

The Trust improved its Counter Fraud compound indicator from level "1" (limited outputs) to level "2" (evidence of a range of outputs) for 2008/09. The Trust expects to maintain this score for 2009/10, once the results of the qualitative assurance are known. Plans are in place to deliver improve the score to "3" (performing well) for the financial year 2010/11.

Balance sheet and cash flow

The Trust's net worth increased by £4.161million during the year, with total net assets standing at £88.734million at 31 March 2010. The Trust's cash balances increased by £4.634million during the period and had a £18.289million cash balance at year-end. The Trust drew down £4million of its £8million loan facility, with the balance to be drawn down in 2010/11. In the year the Trust also received £8.5million Public Dividend Capital from the Department of Health to fund future strategic schemes. The Trust was not required to call upon its £7.5million working capital facility during the year.

Outlook for 2010/11

Revenue

Like all NHS providers, the Trust received a zero percent uplift on contract prices for 2010/11. A modest sum of 1.5% has been provided by Commissioners as a one-off reward for the delivery of quality initiatives. Meeting the 2010 national pay award of 2.25% and other unavoidable inflation means that the Trust must secure cash releasing efficiency savings of almost £3million / 3%.

Capital

The capital programme comprises three elements: operational capital (£3.3m), loan repayment (£0.4m) and strategic capital. Three strategic business cases have been prepared and are in a process of prioritisation for low secure, child and adolescent and psychiatric intensive care services. A business case to improve facilities at the Derwent Centre as well as preparatory plans to replace our care records system will be forthcoming in 2010/11.

Accounting policies

The Financial Statements are prepared in accordance with Monitor guidance and International Financial Reporting Standards. The Board of Directors has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the Financial Statements. Accounting policies for pensions and retirement benefits are in Note 1 of the Financial Statements.

Senior employees' remuneration

Details of senior employees' remuneration, including pension entitlements, is disclosed in the annual accounts on pages 138 to 141.

Post balance sheet events.

On 31 March 2010 the Trust Board approved the purchase of the freehold of the Derwent Centre for £3.6million. The Trust previously had sole occupation of the building under a lease from the Princess Alexandra Hospital NHS Trust. The purchase was completed on 30 April 2010.

Charitable Funds

Registered Charity 1053509 is a charitable fund for the benefits of patients, research, training and staff welfare. The fund is administered by North Essex Partnership NHS Foundation Trust as the sole trustee. Full details can be obtained from the Director of Resources by writing to Trust headquarters.

The Trust's Charitable Funds Forum has taken a pro-active role in 2009/10 The Forum then met 8 times during the year to assess the 80 bids received. Bids totalling £28,000 were approved all of which focused on improving the patient experience, including, flat screen televisions with Wii games, pictures for open areas and garden improvements.

Management Costs

	Year Ended 31 March 2010	Year Ended 31 March 2009
	£000s	£000s
Management costs	8,216	7,230
Income	105,224	100,959
Management costs as a percentage of income	7.8%	7.2%

Management costs are defined as those on the Department of Health website at www.dh.gov.uk

Statement of the Chief Executive's Responsibilities as the Accounting Officer of North Essex Partnership NHS Foundation Trust

The National Health Service Act 2006 states that the Chief Executive is the Accounting Officer of the NHS Foundation Trust. The relevant responsibilities of Accounting Officer, including their responsibility for the propriety and regularity of public finances for which they are answerable, and for the keeping of proper accounts, are set out in the Accounting Officers' Memorandum issued by the Independent Regulator of NHS Foundation Trusts ("Monitor").

Under the National Health Service Act 2006, Monitor has directed the North Essex Partnership NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The financial statements are prepared on an accruals basis and must give a true and fair view of the state of affairs of North Essex Partnership NHS Foundation Trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

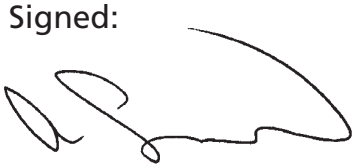
In preparing the financial statements, the Accounting Officer is required to comply with the requirements of the NHS Foundation Trust Annual Reporting Manual, and in particular to:

- observe the Accounts Direction issued by Monitor, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the NHS Foundation Trust Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on a going concern basis.

The Accounting Officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the NHS Foundation Trust and to enable him to ensure that the financial statements comply with requirements outlined in the above mentioned Act. The Accounting Officer is also responsible for safeguarding the assets of the NHS Foundation Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in Monitor's *NHS Foundation Trust Accounting Officer Memorandum.*

Signed:



Andrew Geldard
Chief Executive

Date: **26 May 2010**

Statement of Directors' Responsibilities in Respect of the Accounts

The Directors are required under the National Health Service Act 2006 to prepare financial statements for each financial year. The Secretary of State, with the approval of the Treasury, directs that these financial statements give a true and fair view of the state of affairs of the NHS Foundation Trust and of the income and expenditure of the NHS Foundation Trust for that period. In preparing those financial statements, the Directors are required to:

- apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of Treasury;
- make judgements and estimates which are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the NHS Foundation Trust and to enable them to ensure that the financial statements comply with requirements outlined in the above mentioned direction of the Secretary of State. They are also responsible for safeguarding the assets of the NHS Foundation Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

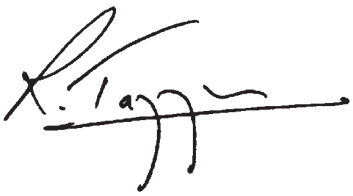
The Directors confirm to the best of their knowledge and belief that they have complied with the above requirements in preparing the financial statements.

Each Director is not aware of any relevant audit information that has not been made available to the Auditors and has taken all steps that he or she ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the NHS Foundation Trust's Auditor are aware of that information.

By Order of the Board

Andrew Geldard
Chief Executive

Date: **26 May 2010**



Rick Tazzini
Director of Resources

Date: **26 May 2010**

Statement on Internal Control

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 North Essex 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 North Essex Partnership NHS Foundation Trust for the year ended 31 March 2010 and up to the date of approval of the annual report and accounts.

Capacity to Handle Risk

North Essex Partnership NHS Foundation Trust has established a risk management framework in order to effectively manage risks within all areas of the Trust's operations.

The responsibility for overseeing the management of organisational hazards is defined within the Risk Management Strategy 2009-2012. The Board of Directors retains strategic responsibility for the risk management agenda with operational responsibility being delegated to the Risk and Governance Executive. The risk register, which defines actions and sources of assurance, has been established and approved by the Board of Directors. Within this Trust wide approach, arrangements have been embedded to manage appropriate risks at a local level.

The Board of Directors has adopted an Assurance Framework.

All staff within the Trust are included within the risk management process including the identification of risks and hazards at all levels of the Trust and participate in the risk assessment training programmes. Local risk registers have been developed as a result of this, with actions identified to mitigate those risks. Appropriate local risk management structures are being identified to ensure capacity exists to undertake assessments, identify hazards and to create and maintain local risk registers. As part of the Trust's training programme for managers and team leaders, training is provided to identify, prioritise and ultimately control operational hazards and reduce levels of risk to which staff, service users and visitors are exposed.

The Risk and Control Framework

The Risk Management Strategy sets out the Trust's approach to risk, including the ways in which risk is identified, evaluated and controlled.

The Board of Directors oversees the risk management agenda within the Trust receiving periodic updates from the Risk and Governance Executive. The Risk and Governance Executive, has adopted an integrated approach to risk management.

The Trust has in place policies and procedures for the identification of hazards and the subsequent assessment and prioritisation of risks. Risk assessments are supported by risk treatment plans in order to create a planned approach in the reduction or elimination of all risks.

Departments and services are undertaking hazard identification and risk assessments of operational hazards identified through working groups or by undertaking safety inspections of the workplace or task.

Risk registers are subject to annual and systematic review. This is assisting in embedding the risk management culture and activity throughout the Trust. The Risk Register details the sources of independent assurance. This document is subject to continuous review and is considered a live, dynamic management tool. The Trust actively uses the sources of independent assurance contained within this framework to underpin this statement on internal control.

The Risk and Governance Executive is responsible for the monitoring of the framework. Where possible we update our stakeholders on our management of risk, paying particular attention to our Council of Governors who are constituted to represent the public in the constituencies we serve, as well as to reflect the views of our key stakeholders.

Information Security is fundamental to the operation of all NHS bodies including the North Essex Partnership NHS Foundation Trust due to the sensitive and confidential patient data it captures and the reliance on information systems to process, and transition of, any patient information.

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

The Information Governance & Security arrangements take into account statutory arrangements and good practice, Information Governance provides a framework for managing information about patients and employees, with a particular emphasis on personal and sensitive information.

The Trust has reviewed its compliance with the Standards for Better Health and the Clinical Negligence Scheme for Trusts (CNST)/NHS Litigation Authority Risk Management Standards. The Trust is fully compliant with the core Standards for Better Health.

The Trust has successfully obtained a Level 2 assessment under the NHSLA Risk Management Standards for Mental Health Trusts.

As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are complied with. This includes ensuring that deductions from salary, employer's contributions and payments into the Scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.

Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with.

Review of Economy, Efficiency and Effectiveness of the Use of Resource

The Executive Team has responsibility for overseeing the day-to-day operations of the Trust and for ensuring that resources are being used economically, efficiently and effectively. To inform them in these matters the Team receives regular monthly finance and performance reports, which highlight any areas of concern.

Additionally, the Board of Directors receives monthly finance and performance reports and approves the quarterly compliance reports, which are required by the independent regulator, Monitor.

Internal Audit conducts a review of the Trust's systems of internal control processes as part of an annually agreed audit plan. This review encompasses the committee structure, the flow of information pertaining to risk and associated assurances throughout the organisation. The focus of the work is to ensure that systems are appropriate, are in place and can be evidenced by a range of documents available within the organisation. Audits performed by internal audit have reviewed the governance arrangements within the organisation over a range of financial functions and activities to ensure that there is an appropriate and robust approach to the use of resources.

The Quality Report

The Quality Report:

- is overseen by the Director of Operations and Nursing and has been produced following joint guidance from the East of England Strategic Health Authority, Monitor and the Department of Health;
- reports performance against the priorities set out in the Department of Health's Operating Framework and National Core Standards, the relevant indicators and performance thresholds of Monitor's Compliance Framework;
- draws together quality data collated through clinical audit, service reviews, National audits; monitoring of clinical policies, surveillance, participation in clinical research and assessments of compliance against core standards presented throughout the year to the operational and working groups in the Trust, the Risk and Governance Executive and the Board of Directors.

The risk and control framework is supplemented by assessment and

inspection from external stakeholders including Regulators.

Review of Effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the NHS Foundation Trust who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of my review of the effectiveness of the system of internal control by the board, the audit committee and the risk and governance executive, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

During the year Internal Audit issued 18 "final" audit reports and 1 "draft" report. Six of the final audits resulted in "limited assurance" opinion, defined as "weaknesses in the system of controls are such as to put the system's objectives at risk". These were reported to the Executive Management Team for review and detailed action plans have been implemented to address these weaknesses. Plans have also been put in place to address other, less significant, weaknesses and ensure continual improvement in systems of internal control.

The Assurance Framework itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed, and evidence from Deloitte LLP as Internal Auditors and local counter fraud service provider, the Audit Commission as External Auditors, the NHS Litigation Authority and the Care Quality Commission also inform my view of the Trust. This evidence is supplemented by views from our stakeholders through Staff and Service User Opinion Surveys and through views from our Council of Governors. The Head of Internal Audit provides me with an opinion on the overall arrangements for gaining assurance through the Assurance Framework and on the controls reviewed as part of the internal audit work. The Head of Internal Audit Opinion for the year ended 31 March 2010 is as follows:

"Significant assurance can be given that there is a generally sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently."

The Internal Audit Plan in 2009/10 challenged a number of areas, and controls were further enhanced by management action.

The following information summarises some of the key activities that allow the Board to review the effectiveness of the system of control:

i) The Board of Directors
The Board of Directors receives performance, safety, quality and financial reports at each of its meetings and receives reports of its Sub Committees to which it has delegated powers and responsibilities.

The Board has reviewed the Assurance Framework and receives regular information from the Audit Committee and the Risk and Governance Executive. In 2009/10, the Board reviewed a number of significant policies and strategies during the period including Investment Policy, single equality scheme, policy and procedure writing policy, Nursing strategy, Estates strategy and interim quality strategy.

Executive Directors have clear responsibilities for risk management within their area of control. Executive Directors also have corporate responsibility as Board members.

ii) Area and Assistant Directors
The second tier of management also has responsibility for risk management and the effective management and deployment of their staff and other resources to maximise the efficiency of their Directorates and service lines.

iii) The Audit Committee
A Non-Executive Director chairs the Audit Committee, which representatives of the internal and external auditors attend. The Annual Internal Audit Plan is a core means by which the Board of Directors are assured that key internal financial controls and other matters relating to risk are regularly reviewed. It has reviewed internal and external audit reports, and reviewed progress on the implementation of recommendations.

iv) The Risk and Governance Executive
Operational management of the risk management agenda sits with the Risk and Governance Executive, which has responsibility for implementing the Risk Management Strategy. The group is also responsible for developing the Trust's Clinical/Practice Governance Strategy.

v) Internal Audit
Deloitte LLP was appointed 1 August 2004 to provide Internal Audit services, and re-appointed for a further three years in March 2009.

vi) Care Quality Commission (CQC)
The CQC awarded the Trust an "excellent" rating for both Quality of Services and Quality of Financial Management in its annual performance rating published in October 2009.

In March 2010, the Trust received a "without conditions" registration from CQC, demonstrating that the Trust meets the CQC's essential standards of quality and safety across the full range of services provided. It relates to important aspects of care such as:

- involvement and information
- personalised care and treatment
- safety and safeguarding

Conclusion

Based upon available guidance and requirements from the regulator Monitor, the CQC, the Trust's internal auditors and external auditors' views, the Board of Directors has not identified any significant internal control issues at this time.

Signed

Andrew Geldard, **Chief Executive**
Date: 26 May 2010

The Audit Commission's

Trust Practice

Independent Auditor's report to the Board of Governors of North Essex Partnership NHS Foundation Trust

I have audited the financial statements of North Essex Partnership NHS Foundation Trust for the year ended 31 March 2010 under the National Health Service Act 2006. The financial statements comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Taxpayers' Equity, the Statement of Cash Flows and the related notes. These financial statements have been prepared under the accounting policies set out within them.

This report is made solely to the Board of Governors of North Essex Partnership NHS Foundation Trust as a body in accordance with paragraph 24(5) of Schedule 7 of the National Health Service Act 2006. My work was undertaken so that I might state to the Board of Governors those matters I am required to state to it in an auditor's report and for no other purpose. In those circumstances, to the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Foundation Trust as a body, for my audit work, for the audit report or for the opinions I form.

Respective responsibilities of the Accounting Officer and auditor

The Accounting Officer's responsibilities for preparing the financial statements in accordance with directions made by the Independent Regulator of NHS Foundation Trusts (Monitor) are set out in the Statement of Accounting Officer's Responsibilities.

My responsibility is to audit the financial statements in accordance with statute, the Audit Code for NHS Foundation Trusts and International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view in accordance with the accounting policies directed by Monitor as being relevant to NHS Foundation Trusts. I report whether the financial statements have been properly prepared in accordance with the accounting policies directed by Monitor as being relevant to NHS Foundation Trusts. I also report to you whether, in my opinion, the information which comprises the commentary on the financial performance included within the Directors' Report and the Financial Review of the year, included in the Annual Report, is consistent with the financial statements.

I review whether the Accounting Officer's Statement on Internal Control reflects compliance with the requirements of Monitor contained in the NHS Foundation Trust Annual Reporting Manual 2009/10. I report if it does not meet the requirements specified by Monitor or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered, whether the Accounting Officer's statement on internal control

covers all risks and controls. Neither am I required to form an opinion on the effectiveness of the Trust's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises Introduction – Foreword from the Chairman and Chief Executive, Operational review of the year, Patient Care, Quality, Sustainability, Valuing People, Equality and Diversity, Regulatory Ratings, Other Disclosures, Governance and Risk Management, Statement of Compliance with the Code, Governors Interests and Attendance, Audit Committee report, Statement from External Auditors, Nominations Committee Report, Remuneration Report and Membership Report.

I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinion

I conducted my audit in accordance with the National Health Service Act 2006 and the Audit Code for NHS Foundation Trusts issued by Monitor, which requires compliance with International Standards on Auditing (United Kingdom and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Trust's circumstances, consistently applied and adequately disclosed.
I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that:

- the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error; and
- the financial statements have been properly prepared.

In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion:

- the financial statements give a true and fair view of the state of affairs of North Essex Partnership NHS Foundation Trust as at 31 March 2010 and of its income and expenditure for the year then ended in accordance with the accounting policies adopted by the Trust;
- the financial statements have been properly prepared in accordance with the accounting policies directed by Monitor as being relevant to NHS Foundation Trusts; and
- information which comprises the commentary on the financial performance included within the Directors' Report and the Financial Review of the year, included in the

annual report, is consistent with the financial statements.

Certificate

I certify that I have completed the audit of the accounts in accordance with the requirements of the National Health Service Act 2006 and the Audit Code for NHS Foundation Trusts issued by Monitor.

Mark Hodgson

1 June 2010.

Mark Hodgson
Officer of the Audit Commission

Audit Commission,
Regus House,
Cambourne,
Cambridge, CB23 6DP

Foreword to the Financial Statements

These financial statements for the year ended 31 March 2010 are prepared in accordance with paragraphs 24 and 25 of Schedule 7 to the National Health Service Act 2006.

Andrew Geldard
Chief Executive

Date: **26 May 2010**

North Essex Partnership NHS Foundation Trust Statement Of Comprehensive Income For The Year Ended 31 March 2010			
	Note	2009/10	2008/09
		£'000	£'000
Operating Income from Continuing Activities	3,4	105,224	100,959
Operating Expenses of Continuing Activities	5	(104,949)	(96,755)
Operating Surplus/(Deficit)		**275**	**4,204**
Finance Costs			
Finance Income	10	72	602
Finance Expense – Financial Liabilities	12	(108)	-
Finance Expense – Unwinding of Discount on Provisions		(48)	(26)
PDC Dividends Payable		(2,493)	(2,191)
Net Finance Costs		(2,577)	(1,615)
Share of Profit/(Loss) of Associates/Joint Ventures Accounted For Using the Equity Method		-	-
Corporation Tax Expense		-	-
Surplus/(Deficit) From Continuing Operations		**(2,302)**	**2,589**
Surplus/(Deficit) of Discontinued Operations and the Gain/(Loss) on Disposal of Discontinued Operations		-	-
SURPLUS/(DEFICIT) FOR THE YEAR		**(2,302)**	**2,589**
Other Comprehensive Income:			
Share of Comprehensive Income From Associates and Joint Ventures		-	-
Revaluation Gains/(Losses) and Impairments on Intangible Assets		-	-
Revaluation Gains/(Losses) and Impairments On Property, Plant And Equipment		**(2,049)**	**(15,478)**
Revaluation Gains/(Losses) and Impairment Losses Arising From Classifying Non Current Assets as Assets Held For Sale		-	-
Additions/(Reductions) in 'Other Reserves'		-	-
Other Recognised Gains and Losses		-	-
Actuarial Gains/(Losses) on Defined Benefit Pension Schemes		-	-
TOTAL COMPREHENSIVE INCOME AND EXPENSE FOR THE YEAR		**(4,351)**	**(12,889)**

The notes on pages 121 to 164 form part of these Financial Statements.

North Essex Partnership NHS Foundation Trust
Statement of Position As At 31 March 2010

	Notes	31 March 2010 £'000	31 March 2009 £'000	1 April 2008 £'000
NON-CURRENT ASSETS:				
Intangible Assets	14	234	1	4
Property, Plant and Equipment	13	84,659	82,383	92,231
Investment Property		-	-	-
Investments In Associates (And Joint Controlled Operations)		-	-	-
Other Investments		-	-	-
Trade And Other Receivables	17	610	732	962
Other Financial Assets		-	-	-
Tax Receivable		-	-	-
Other Assets		-	-	-
Total Non-Current Assets		**85,503**	**83,116**	**93,197**
CURRENT ASSETS				
Inventories		-	-	-
Trade And Other Receivables	17	2,256	1,618	1,818
Other Financial Assets		-	-	-
Tax Receivable		-	-	-
Non-Current Assets For Sale And Assets In Disposal Groups		-	-	-
Cash and Cash Equivalents	18	18,289	13,655	14,858
Total Current Assets		**20,545**	**15,273**	**16,676**
CURRENT LIABILITIES				
Trade And Other Payables	19	(7,496)	(7,976)	(8,791)
Borrowings	20	(445)	-	-
Other Financial Liabilities		-	-	-
Provisions	22	(302)	(260)	(253)
Tax Payable		(1,468)	(1,398)	(1,395)
Other Liabilities	21	(1,767)	(1,988)	(285)
Liabilities In Disposal Groups		-	-	-
Total Current Liabilities		**(11,478)**	**(11,622)**	**(10,724)**
TOTAL ASSETS LESS CURRENT LIABILITIES		**94,570**	**86,767**	**99,149**
NON-CURRENT LIABILITIES				
Trade And Other Payables	19	-	-	-
Borrowings	20	(3,333)	-	-
Other Financial Liabilities		-	-	-
Provisions	22	(1,997)	(2,194)	(2,387)
Tax Payable		-	-	-
Other Liabilities	21	(506)	-	-
Total Non-Current Liabilities		**(5,836)**	**(2,194)**	**(2,387)**
Total Assets Employed		**88,734**	**84,573**	**96,762**
TAXPAYERS' EQUITY				
Minority interest		-	-	-
Public Dividend Capital		29,087	20,575	19,875
Revaluation Reserve		32,096	35,193	50,298
Other Reserves		-	-	-
Pensions Reserve		-	-	-
Income And Expenditure Reserve		27,551	28,805	26,589
TOTAL TAXPAYERS' EQUITY		**88,734**	**84,573**	**96,762**

The financial statements on pages 117 to 164 to were approved by the Board on **26 May 2010** and signed on its behalf by Andrew Geldard, **Chief Executive**

North Essex Partnership NHS Foundation Trust Statement Of Changes in Taxpayers' Equity				
	Public Dividend Capital	Revaluation Reserve	Income And Expenditure Reserve	Total
	£'000	£'000	£'000	£'000
Taxpayers' Equity At 1 April 2008	**19,875**	**50,298**	**26,589**	**96,762**
Surplus/(Deficit) For The Year	-	-	2,589	2,589
Revaluation Gains/(Losses) And Impairment losses on Property, Plant and Equipment	-	(15,478)	-	(15,478)
Other Recognised Gains and Losses:				
Public Dividend Capital Received	700	-	-	700
Other Transfers Between Reserves	-	373	(373)	-
Taxpayers' Equity At 31 March 2009	**20,575**	**35,193**	**28,805**	**84,573**
Taxpayers' Equity At 1 April 2009	**20,575**	**35,193**	**28,805**	**84,573**
Surplus/(Deficit) For The Year	-	-	(2,302)	(2,302)
Revaluation Gains/(Losses) And Impairment losses on Property, Plant and Equipment	-	(2,049)	-	(2,049)
Other Recognised Gains and Losses:				
Public Dividend Capital Received	8,512	-	-	8,512
Other Transfers Between Reserves (see Note 13)	-	(1,048)	1,048	-
Taxpayers' Equity At 31 March 2010	**29,087**	**32,096**	**27,551**	**88,734**

North Essex Partnership NHS Foundation Trust
Cash Flow Statement For The Year Ended 31 March 2010

	Note	2009/10 £'000	2008/09 £'000
Cash Flows From Operating Activities			
Operating Surplus/(Deficit) From Continuing Operations		**275**	**4,204**
Operating Surplus/(Deficit) From Discontinued Operations		-	-
Operating Surplus/Deficit			
Depreciation and Amortisation		2,188	2,157
Impairments		3,842	53
(Increase)/Decrease in Trade and Other Receivables		(516)	430
Increase/(Decrease) in Trade and Other Payables		(480)	(815)
Increase/(Decrease) in Other Liabilities		285	1,703
Increase/(Decrease) in Provisions		(155)	(186)
Increase/(Decrease) in Tax Payable/Receivable		70	3
Other Movements in Operating Cash Flows		115	(26)
NET CASH GENERATED FROM/ (USED IN) OPERATIONS		**5,624**	**7,523**
Cash Flows From Investing Activities			
Interest Received		72	602
Purchase of Property, Plant and Equipment		(10,679)	(7,837)
Disposals Of Property, Plant and Equipment		(70)	**-**
Net Cash Generated From/ (Used In) Investing Activities		**(10,677)**	**(7,235)**
Cash Flows From Financing Activities			
Public Dividend Capital Received		8,512	700
Loans Received		4,000	-
Loans Repaid		(222)	-
Interest Paid		(108)	-
PDC Dividends Paid		(2,495)	(2,191)
Net Cash Generated From/(Used In) Financing Activities		**9,687**	**(1,491)**
Increase/(Decrease) In Cash And Cash Equivalents		**4,634**	(1,203)
Cash And Cash Equivalents At 1 April 2009	18	**13,655**	14,858
Cash And Cash Equivalents At 31 March 2010	18	**18,289**	**13,655**

Notes To The Accounts For The Year Ended 31 March 2010

1.Accounting policies and other information

Monitor has directed that the Financial Statements of NHS Foundation Trusts shall meet the accounting requirements of the *NHS Foundation Trust Annual Reporting Manual* which shall be agreed with HM Treasury. Consequently, the following Financial Statements have been prepared in accordance with the *2009/10 NHS Foundation Trust Annual Reporting Manual* issued by Monitor. The accounting policies contained in that manual follow International Financial Reporting Standards (IFRS) and HM Treasury's *Financial Reporting Manual* to the extent that they are meaningful and appropriate to NHS Foundation Trusts. The accounting policies have been applied consistently in dealing with items considered material in relation to the Financial Statements.

1.1 Income

Income in respect of services provided is recognised when, and to the extent that, performance occurs and is measured at the fair value of the consideration receivable. The main source of income for the NHS Foundation Trust is contracts with Commissioners in respect of healthcare services. Where income is received for a specific activity which is to be delivered in the following 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.

1.2 Expenditure on Employee Benefits

Short-term Employee Benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the Financial Statements to the extent that employees are permitted to carry-forward leave into the following period.

Pension costs

NHS Pension Scheme

Past and present employees are covered by the provisions of the NHS Pensions Scheme. Details of the benefits payable under these provisions can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions

The scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the Scheme is accounted for as a defined contribution scheme: the cost to the NHS Body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

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

a) Full actuarial (funding) valuation

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

In order to defray the costs of benefits, employers pay contributions at 14% of pensionable pay and most employees had, up to April 2008, paid 6%, with manual staff paying 5%. Following the full actuarial review by the Government Actuary undertaken as at 31 March 2004, and after consideration of changes to the NHS Pension Scheme, taking effect from 1 April 2008 his Valuation Report recommended that employer contributions could continue at the existing rate of 14% of pensionable pay, from 1 April 2008, following the introduction of employee contributions on a tiered scale from 5% up to 8.5% of their pensionable pay depending on total earnings. On advice from the Scheme Actuary, scheme contributions may be varied from time to time to reflect changes in the scheme's liabilities.

b) Accounting valuation

A valuation of the scheme liability is carried out annually by the Scheme Actuary as at the end of the reporting period by updating the results of the full actuarial valuation.

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

The valuation of the scheme liability as at 31 March 2010, is based on detailed membership data as at 31 March 2008 (the latest midpoint) updated to 31 March 2010 with summary global member and accounting data.

The latest assessment of the liabilities of the scheme is contained in the scheme actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Resource Account, published annually. These accounts can be viewed on the NHS Pensions website. Copies can also be obtained from The Stationery Office.

c) Scheme provisions

In 2008-09 the NHS Pension Scheme provided defined benefits, which are summarised below. This list is an illustrative guide only, and is not intended to detail all the benefits provided by the Scheme or the specific conditions that must be met before these benefits can be obtained:

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

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

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

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

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

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

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

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

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

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

1.3 Expenditure on other goods and services

Expenditure on goods and services is recognised when and to the extent that they have been received, and is measured at the fair value of those goods and services. Expenditure is recognised in Operating Expenses

except where it results in the creation of a Non-Current Asset such as Property, Plant and Equipment.

1.4 Property, Plant and Equipment

Recognition

Property, Plant and Equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential be provided to, the NHS Foundation Trust;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- the assets
  - individually have a cost of at least £5,000; or
  - form a group of assets which individually have a cost of more than £250 and collectively have a cost of at least £5,000, are functionally interdependent with broadly simultaneous purchase dates and are under single managerial control with anticipated simultaneous disposal dates; or
  - are furniture and equipment which forms part of the initial setting-up cost of a new building or refurbishment of a ward or unit, irrespective of their individual or collective cost.

Where a large asset, for example a building, includes a number of components with significantly different asset lives e.g. Plant and Equipment, then these components are treated as separate assets and depreciated over their own useful economic lives.

Measurement

Valuation

All Property, Plant and Equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. All assets are measured subsequently at fair value. Fair value is the lower of replacement cost and recoverable amount.
The carrying value is reviewed for impairment in the period if events or changes in circumstances indicate the carrying value may not be recoverable.

Valuations are carried out by professionally qualified valuers in accordance with the Royal Institution of Chartered Surveyors (RICS) *Appraisal and Valuation Manual.* Valuations are carried out primarily on the basis of modern equivalent asset cost for specialised operational and non-specialised operational property. For non-operational properties, including surplus land, the valuations are carried out at open market value.

An interim valuation was carried out and accounted for on 31 March 2009. The valuation was carried out by the Valuation Office Agency, an independent organisation of Chartered Surveyors.

Assets in the course of construction are initially valued at cost. Where there is an indication that the initial cost is significantly different to the fair value

of the asset when it is first brought into use, it is valued by professional valuers. Otherwise, the asset is valued as part of the next five or three-yearly valuation.

Subsequent expenditure
Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is added to the asset's carrying value. Where subsequent expenditure is simply restoring the asset to the specification assumed by its economic useful life then the expenditure is charged to Operating Expenses.

Depreciation
Items of Property, Plant and Equipment are depreciated over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

Freehold land is considered to have an infinite life and is not depreciated.

Buildings, installations and fittings are depreciated on their current value over the estimated remaining life of the asset as assessed by the NHS Foundation Trust's professional valuers.

Leaseholds are depreciated over the primary lease term.

Equipment is depreciated on current value evenly over the estimated remaining life as follows:

Medical equipment and engineering plant and equipment	5 – 15 years
Furniture	10 years
Mainframe information and technology equipment	8 years
Soft furnishings	7 years
Office and information technology equipment	5 years
Set up costs in new buildings	10 years
Vehicles	7 years

Property, Plant and Equipment which has been reclassified as 'Held for Sale' ceases to be depreciated upon the reclassification. Assets in the course of construction are not depreciated until the asset is brought into use or reverts to the NHS Foundation Trust, respectively.

Revaluation and impairment
Increases in asset values arising from revaluations are recognised in the Revaluation Reserve, except where, and to the extent that, they reverse an impairment previously recognised in Operating Expenses, in which case they are recognised in Operating Income.

Decreases in asset values and impairments are charged to the Revaluation Reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to Operating Expenses.

Gains and losses recognised in the Revaluation Reserve are reported in the Statement of Comprehensive Income as an item of 'Other Comprehensive Income'.

De-recognition

Assets intended for disposal are reclassified as 'Held for Sale' once all of the following criteria are met:

- the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
- the sale must be highly probable i.e:
  - management are committed to a plan to sell the asset;
  - an active programme has begun to find a buyer and complete the sale;
  - the asset is being actively marketed at a reasonable price;
  - the sale is expected to be completed within 12 months of the date of classification as 'Held for Sale'; and
  - the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged and the assets are not revalued, 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.

1.5 Intangible assets

Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the NHS Foundation 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 NHS Foundation 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.

Internally generated intangible assets

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets.

Expenditure on research is not capitalised.

Expenditure on development is capitalised only where all of the following can be demonstrated:

- the project is technically feasible to the point of completion and will result in an intangible asset for sale or use;
- the 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.

Software
Software which is integral to the operation of hardware e.g. an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware e.g. application software, is capitalised as an intangible asset.

Measurement
Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.

Subsequently intangible assets are measured at fair value. Increases in asset values arising from revaluations are recognised in the Revaluation Reserve, except where, and to the extent that, they reverse an impairment previously recognised in Operating Expenses, in which case they are recognised in Operating Income. Decreases in asset values and impairments are charged to the Revaluation Reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to Operating Expenses. Gains and losses recognised in the Revaluation Reserve are reported in the Statement of Comprehensive Income as an item of 'Other Comprehensive Income'.

Intangible assets held for sale are measured at the lower of their carrying amount or 'fair value less costs to sell'.

Amortisation
Intangible assets are amortised over their expected useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

1.6 Government grants
Government grants are grants from Government bodies other than income from Primary Care Trusts or NHS Trusts for the provision of services. Grants from the Department of Health are accounted for as Government grants, as are grants from the Big Lottery Fund. Where the Government grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure. Where the grant is used to fund capital expenditure the grant is held as deferred income and released to Operating Income over the life of the asset in a manner consistent with the depreciation charge for that asset.

1.7 Inventories
Inventories are valued at the lower of cost and net realisable value.

1.8 Financial instruments and financial liabilities
Recognition
Financial assets and financial liabilities which arise from contracts for the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the NHS Foundation Trust's normal

purchase, sale or usage requirements, are recognised when, and to the extent which, performance occurs i.e. when receipt or delivery of the goods or services is made.

All other financial assets and financial liabilities are recognised when the NHS Foundation Trust becomes a party to the contractual provisions of the instrument.

De-recognition

All financial assets are de-recognised when the rights to receive cashflows from the assets have expired or the NHS Foundation Trust has transferred substantially all of the risks and rewards of ownership.

Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

Classification and Measurement

Financial assets are categorised as Loans and receivables.

Financial liabilities are classified as 'Other Financial liabilities'.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments with are not quoted in an active market. They are included in current assets. The NHS Foundation Trust's loans and receivables comprise: cash and cash equivalents, NHS debtors, accrued income and 'other debtors'.

Loans and receivables are recognised initially at fair value, net of transactions costs, and are measured subsequently at amortised cost, using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

Interest on loans and receivables is calculated using the effective interest method and credited to the Statement of Comprehensive Income.

Other financial liabilities

All financial liabilities are recognised initially at fair value, net of transaction costs incurred, and measured subsequently at amortised cost using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash 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 Position date, which are classified as long-term liabilities.

Interest on financial liabilities carried at amortised cost is calculated using the effective interest method and charged to Finance Costs. Interest on financial liabilities taken out to finance property, plant and equipment or intangible assets is not capitalised as part of the cost of those assets.

Impairment of financial assets

At the Statement of Position date,

the NHS Foundation Trust assesses whether any financial assets are impaired. Financial assets are impaired and impairment losses are recognised if, and only if, there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cashflows 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 directly.

1.9 Leases

Operating leases

All leases are regarded as operating leases and the rentals are charged to Operating Expenses on a straight-line basis over the term of the lease. Operating lease incentives received are added to the lease rentals and charged to Operating Expenses over the life of the lease.

Leases of land and buildings

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately. Leased land is treated as an operating lease.

1.10 Provisions

The NHS Foundation Trust provides for legal or constructive obligations that are of uncertain timing or amount at the Balance Sheet date on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rate of 2.2% in real terms.

Clinical negligence costs

The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the NHS Foundation Trust pays an annual contribution to the NHSLA, which, in return, settles all clinical negligence claims. Although the NHSLA is administratively responsible for all clinical negligence cases, the legal liability remains with the NHS Foundation Trust. The total value of clinical negligence provisions carried by the NHSLA on behalf of the NHS foundation trust is disclosed at note 22.

Non-clinical risk pooling

The NHS Foundation Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the NHS Foundation Trust pays an annual contribution to the NHS Litigation Authority and in return receives assistance with the costs of claims arising. The annual membership contributions, and any 'excesses' payable in respect of particular claims are charged to Operating Expenses when the liability arises.

1.11 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as

assets, but are disclosed in note 23 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 23, unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

- possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

1.12 Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS Trust. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

A charge, reflecting the forecast cost of capital utilised by the NHS Foundation Trust, is paid over as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the NHS Foundation Trust.

Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for donated assets and cash held with the Office of the Paymaster General. Average relevant net assets are calculated as a simple mean of opening and closing relevant net assets.

1.13 Value Added Tax

Most of the activities of the NHS Foundation Trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable.

Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.14 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the financial statements since the NHS Foundation Trust has no beneficial interest in them.

However, they are disclosed in a separate note to the accounts in accordance with the requirements of HM Treasury's *Financial Reporting Manual.*

2. Operating Segments

The operating segments disclosed here are those significant segments reported upon internally to the NHS Foundation Trust Board of Directors. The NHS Foundation Trust does not allocate income to each healthcare segment (see table below).

Year Ended 31 March 2010					
	Income	Operating Expenditure	Operating Surplus/ (Deficit)	Net Surplus/ (Deficit)	Total Assets Employed
	£'000	£'000	£'000	£'000	£'000
Healthcare Activity	99,394	(99,119)	275	(2,302)	88,734
Eastern Development Centre Activity	5,830	(5,830)	-	-	-
Total	**105,224**	**(104,949)**	**275**	**(2,302)**	**88,734**

During the year 2009/10, income totalling £74,964,000 was received from NHS Mid Essex

Year Ended 31 March 2009					
	Income	Operating Expenditure	Operating Surplus/ (Deficit)	Net Surplus/ (Deficit)	Total Assets Employed
	£'000	£'000	£'000	£'000	£'000
Healthcare Activity	94,950	(90,746)	4,204	2,589	84,573
Eastern Development Centre Activity	6,009	(6,009)	-	-	-
Total	**100,959**	**(96,755)**	**4,204**	**2,589**	**84,573**

During the 2008/09 year, income totalling £80,190,000 was received from NHS West Essex

3.Revenue from Patient Care Activities

Income from activities by income source:

	Year Ended 31 March 2010	Year Ended 31 March 2009
	£'000	£'000
NHS Foundation Trusts	131	843
NHS Trusts	41	102
Strategic Health Authorities	232	538
Primary Care Trusts	87,012	82,273
Local Authorities	8,699	7,774
Department of Health	502	6
Non-NHS – Other	460	110
Total Income from Patient Care Activities	**97,077**	**91,646**

£500,000 (2009: £6,000) of Income from the Department of Health is income received by the Eastern Development Centre.

North Essex Partnership NHS Foundation Trust did not have any Private Patient Income during the year (2009: £nil). The 'Private Patient Cap' for the year ended 31 March 2010 is £1,456,000 (2009: £1,375,000).

Income from activities by type of income:

	Year Ended 31 March 2010	Year Ended 31 March 2009
	£'000	£'000
Block Contract Income	86,366	83,050
Clinical Partnerships Providing Mandatory Services (Including S75 Agreements)	8,694	7,774
Other Clinical Income from Mandatory Services	126	196
Other Non-Protected Clinical Income	1,891	626
Total Income from Patient Care Activities	**97,077**	**91,646**

£7,683,000 (2009: £7,589,000) of Income from Clinical Partnerships Providing Mandatory Services relates to Section 75 Agreements with Essex County Council.

£1,002,000 (2009: £185,000) of Income from Clinical Partnerships Providing Mandatory Services is income received by the Eastern Development Centre.

Other Non-Protected Clinical Income includes £447,000 (2009: £nil) for Improving Access to Psychological Therapies.

4. Other Operating Revenue

	Year Ended 31 March 2010	Year Ended 31 March 2009
	£'000	£'000
Patient Transport Services	-	-
Education and Training	2,312	2,312
Research and Development	-	-
Charitable and Other Contributions to Expenditure	1,451	-
Non-Patient Care Services to Other Bodies	747	1,327
Income Generation	-	-
Rental Revenue	-	-
Other Revenue	3,637	5,674
Total Other Operating Revenue	**8,147**	**9,313**

Other Revenue includes income to the Eastern Development Centre from the Big Lottery Fund and various projects.

£2,426,000 (2009: £5,280,000) of Other Revenue is income received by the Eastern Development Centre to fund their work.

5. Operating Expenses

	Year Ended 31 March 2010	Year Ended 31 March 2009
	£'000	£'000
Services from Other NHS Foundation Trusts	660	395
Services from NHS Trusts	3,112	3,730
Services from Other NHS Bodies	1,116	801
Purchase of Healthcare from Non-NHS Bodies	68	481
Executive Directors' Costs (see Note 7)	2,560	2,668
Non Executive Directors' Costs (see Note 7)	113	116
Staff Costs (see Note 7)	74,751	70,464
Drugs	1,828	1,805
Supplies and Services – Clinical (Excluding Drugs)	347	289
Supplies and Services – General	2,056	1,787
Establishment	2,727	3,020
Research and Development	-	-
Transport	809	734
Premises	3,964	3,966
Increase in Bad Debt Provision	51	200
Depreciation and Amortisation	2,188	2,157
Fixed Asset Impairments and Reversals (see Note 13)	3,842	53
Loss on disposal of Property, Plant and Equipment (see Note 11)	162	-
Audit Fees	60	91
Other Auditor's Remuneration	-	9
Clinical Negligence	-	-
Other	4,535	3,989
Total Operating Expenses	104,949	96,755

Other operating expenses includes £2,291,000 (2009: £2,288,000) of expenditure for the Eastern Development Centre.

There is no specified limit on auditor liability.

6. Operating Leases

Payments recognised as an expense:

	Year Ended 31 March 2010	Year Ended 31 March 2009
	£'000	£'000
Minimum Lease Payments	2,572	2,565

Future minimum lease payments:

	Year Ended 31 March 2010	Year Ended 31 March 2009
	£'000	£'000
On leases that expire:		
Not later than one year	492	907
Between one and five years	423	149
After five years	89,944	75,007
Total	**90,859**	**76,063**

Included within minimum lease payments on leases that expire after five years is £74,085,000 (2009: £57,427,000) relating to the Derwent Centre. On 30 April 2010, the NHS Foundation Trust purchased the freehold to the Derwent Centre (see Note 27).

7. Employee Costs and Numbers

	Year Ended 31 March 2010			Year Ended 31 March 2009
	Permanently Employed	Other	Total	Total
	£'000	£'000	£'000	£'000
Salaries and Wages	54,554	8,258	62,812	58,017
Social Security Costs	4,303	615	4,918	4,817
Employers' Contribution to NHS Pension Scheme	6,526	157	6,683	6,410
Other Pension Costs	-	799	799	840
Agency Costs	-	2,099	2,099	3,048
Total	65,383	11,928	77,311	73,132

Included within Employers' Contribution to NHS Pension Scheme is £84,000 for contributions to Directors' pensions.

Average Number of Persons Employed

	Year Ended 31 March 2010			Year Ended 31 March 2009
	Permanently Employed	Other	Total	Total
	Number	Number	Number	Number
Medical and Dental Staff	123	-	123	122
Administration and Estates	419	17	436	397
Healthcare Assistants and Other Support Staff	394	101	495	423
Nursing, Midwifery and Health Visiting Staff	629	86	715	702
Scientific, Therapeutic and Technical Staff	72	-	72	61
Social Care Staff	-	136	136	145
Bank and Agency Staff	-	45	45	86
Total	**1,637**	**385**	**2,022**	**1,936**

8. Retirements Due To Ill Health

During the year ended 31 March 2010 there were five (2009: four) early retirements from North Essex Partnership NHS Foundation Trust on the grounds of ill health. The estimated additional liabilities of these ill health retirements are £294,000 (2009: £274,000). This information has been supplied by NHS Pensions. The cost of these ill health retirements will be borne by the NHS Business Services Authority – Pension Division.

9. Directors' Remuneration

Year Ended				
Name and Title	**Salary (bands of £5,000)**	**Other Remuneration (bands of £5,000)**	**Benefits in Kind (to the nearest £100)**	**Annual real increase in pension at age of 60 (bands of £2,500)**
M St Aubyn, Chair	40,001-45,000	-	-	-
C Abel-Smith, Non Executive Director	10,001-15,000	-	-	-
J Gilbert, Non Executive Director	10,001-15,000	-	-	-
R Cox, Non Executive Director	10,001-15,000	-	-	-
T Graily, Non Executive Director (1)	1-5,000	-	-	-
S Phillips, Non Executive Director	10,001-15,000	-	-	-
M Simpson, Non Executive Director (2)	1-5,000	-	-	-
R Coleman, Chief Executive (3)	20,001-25,000	-	-	5,001-7,500
M Flechtner, Medical Director (4)	175,001-180,000	-	-	2,501-5,000
A Geldard, Director of Resources (5)	145,001-150,000	-	-	5,001-7,500
R Yeomans, Interim Director of Resources (6)	145,001-150,000	-	-	-
R Tazzini, Director of Resources (7)	40,001-45,000	-	-	1-2,500
C Moore, Director of Human Resources (8)	55,001-60,000	-	-	-
P Keedwell, Director of Operations and Nursing	95,001-100,000	-	-	1-2,500
A Mattin, Director of Operations (9)	95,001-100,000	-	-	1-2,500
R Walne, Director of Business Development (10)	100,001-105,000	-	-	-
M Chapman, Director of Business Development (11)	40,001-45,000	-	-	20,001-25,000
G Scott, Director of Strategy (12)	95,001-100,000	-	-	-

1 T Grailly left on 30 June 2009
2 M Simpson was appointed on 8 December 2009
3 R Coleman took early retirement on 30 April 2009
4 M Flechtner receives a salary for his role as Medical Director and a salary as a Consultant. The information in this table reflects his total salary for both positions
5 A Geldard was appointed Chief Executive on 29 July 2009
6 R Yeomans appointment as Interim Director of Resources completed on 18 December 2009. All amounts are paid to a third party
7 R Tazzini was appointed on 23 November 2009

31 March 2010					
Pension value at 31 March 2010 (bands of £5,000)	Annual real increase in related lump sum at 60 (bands of £2,500)	Lump sum value at 31 March 2010 (bands of £5,000)	Cash Equivalent Transfer Value at 31 March 2009 £'000s	Annual real increase in cash equivalent transfer value £'000s	Cash Equivalent Transfer Value at 31 March 2010 £'000s
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
60,001-65,000	15,001-17,500	185,001-190,000	1,340	(1,407)	-
15,001-20,000	12,501-15,000	55,001-60,000	271	94	378
40,001-45,000	17,501-20,000	130,001-135,000	632	157	820
-	-	-	-	-	-
1-2,500	-	-	-	7	7
-	-	-	-	-	-
25,001-30,000	2,501-5,000	85,001-90,000	446	47	469
30,001-35,000	2,501-5,000	95,001-100,000	476	49	548
-	-	-	-	-	-
20,001-25,000	70,001-75,000	70,001-75,000	-	440	440
-	-	-	-	-	-

8 C Moore retired on 24 February 2010
9 A Mattin left on 11 March 2010
10 R Walne left on 7 October 2009
11 M Chapman was appointed as Director of Business Development on 22 October 2009. He was employed prior to this, but the information above reflects only his remuneration as a Director.
12 G Scott is a member of the Local Government Pension Scheme. This Scheme is fully funded with all liabilities resting with the pension fund and not the employer.

M Chapman and P Keedwell both held non executive directorships in other organisations during the year. No remuneration was received for these.

	Year Ended			
Name and Title	**Salary (bands of £5,000)**	**Other Remuneration (bands of £5,000)**	**Benefits in Kind (to the nearest £100)**	**Annual real increase in pension at age of 60 (bands of £2,500)**
M St Aubyn, Chair	40,001-45,000	-	-	-
C Abel-Smith, Non-Executive Director	10,001-15,000	-	-	-
J Gilbert, Non-Executive Director	5,001-10,000	-	-	-
R Cox, Non-Executive Director	10,001-15,000	-	-	-
T Graily, Non-Executive Director	10,001-15,000	-	-	-
S Phillips, Non-Executive Director	10,001-15,000	-	-	-
R Coleman, Chief Executive *	145,001-150,000	25,001-30,000	-	20,001-22,500
M Flechtner, Medical Director **	170,001-175,000	-	-	2,501-5,000
A Geldard, Director of Resources ***	125,001-130,000	-	-	27,501-30,000
R Yeomans, Interim Director of Resources ****	105,001-110,000	-	-	-
Colin Moore, Director of Human Resources	55,001-60,000	-	-	-
P Keedwell, Director of Nursing	95,001-100,000	-	-	1-2,500
A Mattin, Director of Operations	95,001-100,000	-	-	2,501-5,000
R Walne, Director of Business Development	80,001-85,000	-	-	1-2,500
G Scott, Director of Strategy *****	95,001-100,000	-	-	-

* R Coleman took early retirement and left on 30 April 2009.

** M Flechtner receives a salary for his role as Medical Director and a salary as a Consultant. The information in this table reflects his total salary for both positions.

*** A Geldard was Acting Chief Executive from 10 September 2008 and therefore an Interim Director of Resources was appointed.

**** All amounts are paid to a third party.

***** G Scott is a member of the Local Government Pension Scheme. This Scheme is fully funded with all liabilities resting with the pension fund and not the employer.

P Keedwell held a non executive directorship in another organisation during the year. No remuneration was received for this.

31 March 2009					
Pension value at 31 March 2009 (bands of £5,000)	Annual increase in lump sum at 60 at 31 March 2009 (bands of £2,500)	Lump sum value at 31 March 2009 (bands of £5,000)	Cash equivalent transfer value at 31 March 2008 £'000s	Annual real increase in cash equivalent transfer value £'000s	Cash equivalent transfer value at 31 March 2009 £'000s
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
55,001-60,000	220,001-222,500	165,001-170,000	861	457	1,340
10,001-15,000	57,501-60,000	40,001-45,000	193	73	271
35,001-40,000	142,501-145,000	105,001-110,000	390	233	632
-	-	-	-	-	-
-	-	-	-	-	-
25,001-30,000	107,501-110,000	80,001-85,000	341	97	446
25,001-30,000	117,501-120,000	85,001-90,000	345	123	476
1-5,000	1-2,500	-	-	7	7
-	-	-	-	-	-

10. Investment Revenue

	Year Ended 31 March 2010	Year Ended 31 March 2009
	£'000	£'000
Interest Revenue:		
Bank Accounts	72	602
Total Investment Revenue	**72**	**602**

11. Other Gains and Losses

	31 March 2010	31 March 2009
	£'000	£'000
Gain/(Loss) on Disposal of Property/Plant and Equipment	(162)	-
Total Other Gains and Losses	**(162)**	**-**

12. Finance Costs

	31 March 2010	31 March 2009
	£'000	£'000
Interest on Loans	108	-
Interest on Late Payment of Commercial Debt	-	-
Other Interest Expense	-	-
Total Finance Costs	**108**	-

13. Property, Plant and Equipment

Year Ended	Land	Buildings, Excluding Dwellings	Dwellings
	£'000	£'000	£'000
Cost or Valuation			
At 1 April 2009	35,634	37,279	918
Additions	858	1,242	41
Impairments Charged to Revaluation Reserve	(974)	(1,075)	-
Impairments Charged to Operating Expenditure	(654)	(117)	-
Reclassifications	-	9,084	-
Disposals	-	(190)	-
At 31 March 2010	**34,864**	**46,223**	**959**
Depreciation			
At 1 April 2009	-	968	-
Charged During the Year	-	1,638	56
Impairments	-	-	-
Reversal of Impairments	-	-	-
Reclassifications	-	-	-
Revaluation	-	-	-
Reclassified as Held for Sale	-	-	-
Disposals	-	(100)	-
At 31 March 2010	-	**2,506**	**56**
Net Book Value			
At 31 March 2010	**34,864**	**43,717**	**903**
At 31 March 2009	35,634	36,311	918

A charge for historic cost depreciation of £1,048,000 is made to the revaluation reserve. This reflects the historic cost element of the depreciation charged on revalued assets in the Statement of Comprehensive Income. The charge is an adjustment to reserves (see Statement of Taxpayers' Equity).

31 March 2010					
Assets Under Construction	Plant and Machinery	Transport Equipment	Information Technology	Furniture and Fittings	Total
£'000	£'000	£'000	£'000	£'000	£'000
7,837	1,240	449	2,870	1,477	87,704
7,275	383	39	24	525	10,387
-	-	-	-	-	(2,049)
(3,060)	-	-	-	(11)	(3,842)
(9,084)	-	-	-	-	-
-	-	-	-	-	(190)
2,968	**1,623**	**488**	**2,894**	**1,991**	**92,010**
-	1,017	437	2,004	895	5,321
-	75	3	269	89	2,130
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	(100)
-	**1,092**	**440**	**2,273**	**984**	**7,351**
2,968	**531**	**48**	**621**	**1,007**	**84,659**
7,837	223	12	866	582	82,383

Year Ended	Land	Buildings, Excluding Dwellings	Dwellings
	£'000	£'000	£'000
Cost or Valuation			
At 1 April 2008	48,755	39,750	905
Additions	-	1,290	-
Reclassifications	-	-	-
Revaluation	(13,121)	(3,761)	13
Reclassified as Held for Sale	-	-	-
Disposals	-	-	-
At 31 March 2009	**35,634**	**37,279**	**918**
Depreciation			
At 1 April 2008	-	657	9
Charged During the Year	-	1,612	28
Impairments	-	-	-
Reversal of Impairments	-	-	-
Reclassifications	-	-	-
Revaluation	-	(1,301)	(37)
Reclassified as Held for Sale	-	-	-
Disposals	-	-	-
At 31 March 2009	**-**	**968**	-
Net Book Value			
At 31 March 2009	35,634	36,311	918
At 31 March 2008	48,755	39,093	896

31 March 2009					
Assets Under Construction	Plant and Machinery	Transport Equipment	Information Technology	Furniture and Fittings	Total
£'000	£'000	£'000	£'000	£'000	£'000
1,781	1,223	449	2,443	1,430	96,736
6,056	17	-	427	47	7,837
-	-	-	-	-	-
-	-	-	-	-	(16,869)
-	-	-	-	-	-
-	-	-	-	-	-
7,837	**1,240**	**449**	**2,870**	**1,477**	**87,704**
-	928	434	1,700	777	4,505
-	89	3	304	118	2,154
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	(1,338)
-	-	-	-	-	-
-	-	-	-	-	-
-	**1,017**	**437**	**2,004**	**895**	**5,321**
7,837	223	12	866	582	82,383
1,781	295	15	743	653	92,231

All Property, Plant and Equipment are purchased and owned.

	Land	Buildings, Excluding Dwellings	Dwellings	Assets Under Construction	Plant and Machinery	Transport Equipment	Information Technology	Furniture and Fittings	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Net Book Value									
Protected Assets	31,078	29,183	-	-	-	-	-	-	60,261
Unprotected Assets	3,786	14,534	903	2,968	531	48	621	1,007	24,398
Total at 31 March 2010	**34,864**	**43,717**	**903**	**2,968**	**531**	**48**	**621**	**1,007**	**84,659**
Net Book Value									
Protected Assets	30,915	30,370	-	-	-	-	-	-	61,285
Unprotected Assets	4,719	5,941	918	7,837	223	12	866	582	21,098
Total at 31 March 2009	**35,634**	**36,311**	**918**	**7,837**	**223**	**12**	**866**	**582**	**82,383**

Protected Assets are those required for the mandatory provision of healthcare services. None of the assets disposed of during the current and preceding year were protected assets.

The minimum and maximum useful expected lives are as follows:

	Buildings, Excluding Dwellings	Dwellings	Transport Equipment	Information Technology	Furniture and Fittings
Minimum Useful Expected Life	2	2	2	1	5
Maximum Useful Expected Life	78	64	7	5	10

14. Intangible Assets

	Software	Total
	£'000	£'000
Cost		
At 1 April 2009	12	12
Revaluation	-	-
Additions Purchased	292	292
Disposals	-	-
At 31 March 2010	**304**	**304**
Amortisation		
At 1 April 2009	11	11
Revaluation	-	-
Impairments	-	-
Reversal of Impairments	-	-
Charged During the Year	59	59
Disposals	-	-
At 31 March 2010	**70**	**70**
Net Book Value		
At 31 March 2010	**234**	**234**
At 31 March 2009	**1**	**1**

	Software	Total
	£'000	£'000
Cost		
At 1 April 2008	12	12
Revaluation	-	-
Additions Purchased	-	-
Disposals	-	-
At 31 March 2009	12	12
Amortisation		
At 1 April 2008	8	8
Revaluation	-	-
Impairments	-	-
Reversal of Impairments	-	-
Charged During the Year	3	3
Disposals	-	-
At 31 March 2009	11	11
Net Book Value		
At 31 March 2009	1	1
At 31 March 2008	4	4

All intangible fixed assets are purchased.

15. Impairments

Tangible Assets		
	31 March 2010	31 March 2009
	£'000	£'000
Changes in Market Price	-	53
Other	3,842	-
Total	**3,842**	**53**

£3,060,000 of other impairments relate to the valuation of an asset which was brought into use during the year. The remainder relates to a piece of land purchased during the year, and some assets which are no longer used by the NHS Foundation Trust.

In addition to the above charge to the Statement of Comprehensive Income, there are additional impairments to assets contiguous with those impaired described above. These have been charged to the Revaluation Reserve during the year. The total charge to the Revaluation Reserve for reduction in the value of assets is £2,049,000 (2009: £15,478,000).

16. Capital Commitments

Commitments under capital expenditure contracts at the Balance Sheet date were:

	31 March 2010	31 March 2009	1 April 2008
	£'000	£'000	£'000
Property, Plant and Equipment	-	6,595	-

17. Trade and Other Receivables

	31 March 2010	31 March 2009	1 April 2008
	£'000	£'000	£'000
Current Assets:			
NHS Receivables	691	901	1,175
Other Trade Receivables	1,155	820	590
Provision for the Impairment of Receivables	(484)	(451)	(251)
PDC Receivable	2	-	-
Prepayments	324	348	304
Accrued Income	568	-	-
Total Current Trade and Other Receivables	**2,256**	**1,618**	**1,818**
Non-Current Assets:			
NHS Receivables	585	711	956
Other Trade Receivables	25	21	6
Total Non-Current Trade and Other Receivables	**610**	**732**	**962**
Total Trade and Other Receivables	**2,866**	**2,350**	**2,780**

The majority of trade is with Primary Care Trusts, as commissioners for NHS patient care services. As Primary Care Trusts are funded by the Government to buy NHS patient care services, no credit scoring of them is considered necessary.

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

Provision for Impairment of Receivables

	31 March 2010	31 March 2009	1 April 2008
	£'000	£'000	£'000
Balance at 1 April 2009	451	251	-
Increase in Provision	345	436	251
Amounts Utilised	(18)	-	-
Unused Amounts Reversed	(294)	(236)	-
Total	**484**	**451**	**251**

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

Receivables Past Their Due Date but Not Impaired

	31 March 2010	31 March 2009	1 April 2008
	£'000	£'000	£'000
Up to three months	472	172	193
In three to six months	-	1	1
Over six months	36	16	18
Total	**508**	**189**	**212**

Impaired Receivables Past Their Due Date

	31 March 2010	31 March 2009	1 April 2008
	£'000	£'000	£'000
Up to three months	145	124	179
In three to six months	90	20	-
Over six months	249	307	72
Total	**484**	**451**	**251**

18. Cash and Cash Equivalents

	31 March 2010	31 March 2009	1 April 2008
	£'000	£'000	£'000
Balance at 1 April 2009	13,655	14,858	12,042
Net Change in Year	4,634	(1,203)	2,816
Balance at 31 March 2010	**18,289**	**13,655**	**14,858**
Made up of:			
Cash with Office of Paymaster General	**18,264**	13,624	14,827
Commercial Banks and Cash in Hand	25	31	31
Current Investments	-	-	-
Cash and Cash Equivalents	18,289	13,655	14,858
Bank overdraft	-	-	-
Cash and Cash Equivalents as in Cash Flow	**18,289**	**13,655**	**14,858**

19. Trade and Other Payables

	31 March 2010	31 March 2009	1 April 2008
	£'000	£'000	£'000
Current Liabilities:			
Interest Payable	-	-	-
NHS Payables	2,592	2,239	3,927
Non-NHS Payables – Revenue	2,563	2,416	2,177
Non-NHS Payables – Capital	941	1,625	1,474
Accruals	1,400	1,696	1,213
Total Trade and Other Payables	**7,496**	**7,976**	**8,791**

Non-NHS Payables - Revenue includes £835,000 (2009: £803,000; 2008: £745,000) outstanding pensions contributions at 31 March 2010.

20. Borrowings

	31 March 2010	31 March 2009	1 April 2008
	£'000	£'000	£'000
Current Liabilities			
Bank Overdrafts	-	-	-
Loans from:			
Department of Health	445	-	-
Other Entities	-	-	-
Other	-	-	-
Total Current Borrowings	**445**	-	-
Non-Current Liabilities			
Bank Overdrafts	-	-	-
Loans from:			
Department of Health	3,333	-	-
Other Entities	-	-	-
Other	-	-	-
Total Non-Current Borrowings	**3,333**	**-**	**-**
Total Borrowings	**3,778**	**-**	**-**

Borrowings are made up of a single currency term loan from the Secretary of State for Health. The interest rate is 5.33% per annum, and the loan will be repaid in full by 30 September 2018. The NHS Foundation Trust is responsible for ensuring that the Prudential Borrowing Limit set by Monitor is not exceeded.

21. Other Liabilities

	31 March 2010	31 March 2009	1 April 2008
	£'000	£'000	£'000
Deferred Income	1,767	1,988	285
Other	-	-	-
Total Current Other Liabilities	**1,767**	**1,988**	**285**
Deferred Income	506	-	-
Other	-	-	-
Total Non-Current Other Liabilities	**506**	**-**	**-**
Total Other Liabilities	**2,273**	**1,988**	**285**

£1,617,000 (2009: £1,617,000) of deferred income relates to the Eastern Development Centre. £172,000 relates to a capital grant which has been deferred to be credited to the Statement of Comprehensive Income at the same rate as the depreciation on the items purchased with the capital grant.

22. Provisions

	Current		Non-Current	
	31 March 2010	31 March 2009	31 March 2010	31 March 2009
	£'000	£'000	£'000	£'000
Pensions Relating to Former Directors	7	-	48	57
Pensions Relating to Other Former Staff	181	174	1,538	1,689
Legal Claims	69	43	-	-
Other	45	43	411	448
Total	**302**	**260**	**1,997**	**2,194**

	Pensions Relating to Former Directors	Pensions Relating to Other Former Staff	Legal Claims	Other	Total
	£'000	£'000	£'000	£'000	£'000
At 1 April 2009	57	1,863	43	491	2,454
Arising During the Year	-	-	65	-	65
Utilised During the Year	(3)	(181)	(30)	(45)	(259)
Reversed Unused	-	-	(9)	-	(9)
Unwinding of Discount	1	37	-	10	48
At 31 March 2010	**55**	**1,719**	**69**	**456**	**2,299**

Expected Timing of Cashflows:					
Within One Year	7	181	69	45	302
Between One and Five Years	29	717	-	180	926
Between Five and Ten Years	19	504	-	199	722
After Ten Years	-	317	-	32	349
Total	**55**	**1,719**	**69**	**456**	**2,299**

Pension costs are calculated in accordance with NHS Pension Scheme rules, based on age, salary and length of service of employees.
Other provisions relate to operational claims.
Expected reimbursement from Primary Care Trusts under back to back cover is £690,000 (2009: £816,000). This amount is included as an asset to the North Essex Partnership NHS Foundation Trust under Trade and Other Receivables (see note 17).

£4,016,150 (2009: £3,723,000) is included in the provisions of the NHS Litigation Authority at 31 March 2010 in respect of clinical negligence liabilities of the North Essex Partnership NHS Foundation Trust.

23. Contingencies

23.1 Contingent Liabilities

	31 March 2010	31 March 2009
	£'000	£'000
Employment Claims	20	23
Public Liability Claims	2	-
Total Contingent Liabilities	**22**	**23**

Contingent liabilities relate to seven (2009: seven) employment claims and one (2009: zero) public liability claims.

The NHS Foundation Trust is in the process of disposing of the non-operational land and buildings at the Severalls site in Colchester. This is a major site for future residential development and the NHS Foundation Trust has entered into agreements to contribute towards road and education infrastructure, together with other third parties.

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

Tripartite Agreement dated
20 March 2006
Bipartite Agreement dated
25 January 2007
S106 Agreement dated
21 March 2006.

Legal advice has been obtained on the agreements to the effect that the Trust has no liability that needs to be recorded in the accounts. The documents do not however reflect the intentional requirements of the parties, and require amending that could result in financial obligations for the Trust. At present this financial obligation is not quantifiable.

23.2 Contingent Assets

There are no contingent assets as at 31 March 2010 or as at 31 March 2009.

24. Lottery Fund

	31 March 2010	31 March 2009
	£'000	£'000
Deferred income brought forward	6	171
Grant income received in year	1,710	934
Project expenditure	(1,187)	(977)
Management expenditure	(127)	(122)
Deferred income carried forward	402	6

During the year, grants were received from the Big Lottery Fund to deliver "Well-being in the East", a portfolio of projects which aims to increase physical activity and improve healthy eating and mental well-being throughout the East of England. The grant is restricted for this purpose. Less than 10% of the grant was incurred on the costs of managing the portfolio, with the remainder being disbursed to the portfolio's projects. The portfolio commenced on 1 October 2007 for a period of three years.

At 31 March 2010, there was unutilised grant income of £402,000 (2009: £6,000), of which £13,000 (2009: £2,000) relates to grants yet to be disbursed to projects.

25. Prudential Borrowing Limit

North Essex Partnership NHS Foundation Trust is required to comply with, and remain within, a prudential borrowing limit. This is made up of two elements:

i) The maximum cumulative long term borrowing limit. This is set by reference to the four ratio tests set out in Monitor's *Prudential Borrowing Code*. The financial risk rating set up under Monitor's *Compliance Framework* determines one of the ratios and therefore can impact on the long term borrowing limit

ii) The amount of any working capital facility approved by Monitor.

Further information on the *NHS Foundation Trust Prudential Borrowing Code* and *Compliance Framework* can be found on the website of Monitor, the Independent Regulator of Foundation Trusts.

North Essex Partnership NHS Foundation Trust had a prudential borrowing limit of £26,700,000 in 2009-10 (2008-09: £27,100,000).

	2009/10	2008/09
	£'000	£'000
Maximum Cumulative Long Term Borrowing Limit set by Monitor	19,200	19,600
Working Capital Facility	7,500	7,500
Prudential Borrowing Limit	**26,700**	**27,100**

North Essex Partnership NHS Foundation Trust utilised £4,000,000 of the long term borrowing limit during the year (2009: £nil) as a source of finance for capital schemes.

	2009/10		2008/09	
	Actual PBL Ratios	Approved PBL Ratios	Actual PBL Ratios	Approved PBL Ratios
Minimum Dividend Cover	2.6	1	2.9	1
Minimum Interest Cover	29.6	3	-	3
Minimum Debt Service Cover	9.7	2	-	2
Maximum Debt Service to Revenue	0.6%	2.5%	-	3%

Details of these calculations can be found at http://www.monitor-nhsft.gov.uk/home/our-publications/browse-category/guidance-foundation-trusts/mandatory-guidance/prudential-borro

26. Financial Instruments

26.1 Financial Assets

	Loans and Receivables	Total
	£'000	£'000
NHS Receivables	1,035	1,035
Cash at Bank and in Hand	18,289	18,289
Other Financial Assets	565	565
Total at 31 March 2010	**19,889**	**19,889**
NHS Receivables	1,377	1,377
Cash at Bank and in Hand	13,655	13,655
Other Financial Assets	475	475
Total at 31 March 2009	**15,507**	**15,507**

All financial assets are held at book value. Book value is considered to be fair value.

26.2 Financial Liabilities

	Other Financial Liabilities	Total
	£'000	£'000
Borrowings	3,778	3,778
Other Financial Liabilities	7,496	7,496
Total at 31 March 2010	**11,274**	**11,274**
Borrowings	-	-
Other Financial Liabilities	7,976	7,976
Total at 31 March 2009	**7,976**	**7,976**

All financial assets are held at book value. Book value is considered to be fair value.

26.3 Financial Risk Management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the year in creating or changing the risks a body faces in undertaking its activities. Because of the continuing service/provider relationship that North Essex Partnership NHS Foundation Trust has with Primary Care Trusts and the way those Primary Care Trusts are financed, the NHS Foundation Trust is not exposed to the degree of financial risk faced by business entities. Also, financial instruments play a more limited role in creating or changing risk than would be typical of listed companies, to which these standards mainly apply. The NHS Foundation Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the NHS Foundation Trust in undertaking its activities.

The NHS Foundation Trust's treasury management operations are carried out by ESSA Finance, within parameters formally stated within the NHS Foundation Trust's Standing Financial Instructions and policies agreed by the Board of Directors. The NHS Foundation Trust's treasury activity is subject to review by the NHS Foundation Trust's internal auditors.

Currency Risk

The NHS Foundation Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and Sterling based. The NHS Foundation Trust has no overseas operations. North Essex Partnership NHS Foundation Trust therefore has low exposure to currency rate fluctuations.

Interest Rate Risk

All of the NHS Foundation Trust's assets and liabilities carry nil or fixed rates of interest. North Essex Partnership NHS Foundation Trust is not therefore exposed to significant interest rate risk.

Credit Risk

The majority of the NHS Foundation Trust's income is from legally binding contracts with other public sector bodies. North Essex Partnership NHS Foundation Trust therefore has low exposure to credit risk. The maximum exposure as at 31 March 2010 is in receivables from customers as disclosed in Note 17.

Liquidity Risk

The NHS Foundation Trust's net operating costs are incurred under contracts with Primary Care Trusts, which are financed from resources voted annually by Parliament. The NHS Foundation Trust largely funds its capital expenditure from funds made available from Government under an agreed Prudential Borrowing Limit. North Essex Partnership NHS Foundation Trust is therefore not exposed to significant liquidity risk.

26.4 Maturity of Financial Liabilities

	31 March 2010	31 March 2009
	£'000	£'000
In one year or less	7,941	7,976
In more than one year but not more than two years	445	-
In more than two years but not more than five years	1,335	-
In more than five years	1,553	-
Total	**11,274**	**7,976**

27. Post Balance Sheet Events

On 31 March 2010, the NHS Foundation Trust Board approved the purchase of the Derwent Centre for £3.6million. The NHS Foundation Trust previously had sole occupation of the building under a lease from The Princess Alexandra Hospital NHS Trust. The purchase completed on 30 April 2010.

28. Related Party Transactions

North Essex Partnership NHS Foundation Trust is a body corporate established by order of the Secretary of State for Health.

During the year none of the Board Members, members of key management staff, Governors or parties related to them has undertaken any material transaction with North Essex Partnership NHS Foundation Trust.

During the year, North Essex Partnership NHS Foundation Trust had significant transactions (greater than £250,000) with the following NHS bodies:

	For the Year Ended 31 March 2010		As At 31 March 2010	
	Payments to Related Party	Receipts from Related Party	Amounts Owed to Related Party	Amounts Due From Related Party
	£'000	£'000	£'000	£'000
Cambridgeshire and Peterborough NHS Foundation Trust	252			20
Colchester Hospital University NHS Foundation Trust	1,325		73	
East Of England Ambulance Services NHS Trust	878			49
Mid Essex Hospital Services NHS Trust	874	41	60	35
The Princess Alexandra Hospital NHS Trust	1,701		3	5
Department of Health	59	502	4	3,778
East of England Strategic Health Authority	14	1,332		202
NHS Mid Essex	7	74,964	22	358
NHS North East Essex	263	248		280
NHS Redbridge		334		
NHS South East Essex		1,562		13
NHS Suffolk	73	1,255		
NHS West Essex	1,106	7,911		(222)
NHS Business Services Authority	651	5		4
NHS Purchasing & Supply Agency	307		11	
Essex County Council		8,369		303
Improvement East – Regional Partnership	75	870		

	For the Year Ended 31 March 2009		As At 31 March 2009	
	Payments to Related Party	Receipts from Related Party	Amounts Owed to Related Party	Amounts Due From Related Party
	£'000	£'000	£'000	£'000
East Midlands Strategic Health Authority		538		
East of England Ambulance Service NHS Trust		4,787	34	64
NHS Mid Essex	83	569	35	452
NHS North East Essex	334	43	390	330
NHS Redbridge		327		
NHS Suffolk		1,692		5
NHS West Essex	716	80,190	482	267

In addition, the NHS Foundation Trust had a number of transactions with other Government Departments, Central and Local Government Bodies. Most of these have been with Essex County Council.

29. Third Party Assets

North Essex Partnership NHS Foundation Trust held £263,846 cash at bank and in hand at 31 March 2010 (2009: £295,659) which relates to monies held by the NHS Foundation Trust on behalf of patients. This has been excluded from the cash at bank and in hand figure reported in the financial statements.

30. Losses and Special Payments

There were 64 cases of losses and special payments (2009: 24 cases), totalling £83,000 (2009: £48,000). These amounts are disclosed on an accruals basis, excluding provisions for future losses.

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

	31 March 2010		31 March 2009	
	Number	£'000s	Number	£'000s
Losses				
Loss of Cash	25	20	-	-
Fruitless Payments	-	-	-	-
Bad Debts and Claims Abandoned	6	3	7	5
Damage to Buildings, Property, etc	5	2	-	-
Special Payments				
Compensation Under Legal Obligation	20	56	13	43
Extra Contractual to Contractors	-	-	-	-
Ex Gratia Payments	8	1	4	-
Extra Statutory and Regulatory	-	-	-	-

31. Reconciliation of UK GAAP to IFRS

The impact of the change from accounting under the UK GAAP to International Financial Reporting Standards (IFRS) is minimal.
The details are set out below:

IAS 16

There has been an increase in the Revaluation Reserve due to a change in the way impairments on property, plant and equipment are treated under IFRS.

	Property, Plant and Equipment	Income and Expenditure Reserve	Other Reserves	Revaluation Reserve
	£'000	£'000	£'000	£'000
Opening Balance As At 1 April 2008 under UK GAAP	92,260	27,969	(57)	49,004
Adjustment due to IAS 16	(29)	(1,380)	57	1,294
Opening Balance As At 1 April 2008 under IFRS	92,231	26,589	-	50,298

	Income and Expenditure Reserve	Other Reserves	Revaluation Reserve	Public Dividend Capital
	£'000	£'000	£'000	£'000
Closing Balance As At 31 March 2009 under UK GAAP	30,185	(57)	33,899	20,575
Closing Balance As At 31 March 2009 under IFRS	28,805	-	35,193	20,575

Notes

Notes

Contact Us
We care about what you think.
Whether you are a Foundation Trust member, a service user, a carer or a local resident, your opinions and comments are vital to us. Your feedback, whether good or bad, helps us improve the services we offer and develop new ones.

By Post
North Essex Partnership NHS Foundation Trust
Stapleford House
103 Stapleford Close
Chelmsford
Essex, CM2 0QX

Tel: (Switchboard) 01245 546 400
Email: foundationtrust@nepft.nhs.uk
Website: www.nepft.nhs.uk

Making Experiences Count
Contact our customer care team if you want to compliment or make a complaint about our services.
Tel: 01245 546 400

Members Queries
Contact our Foundation Trust Office with any membership comments or enquiries. You can also contact your Governor via the Foundation Trust Office.

Tel: 01245 546 443

Patient Advice and Liaison Service
Contact PALS about any queries or concerns regarding our services.
Tel: 01245 546 433

Emergencies
If you, or the person you are concerned about, are already being seen by our services and you feel emergency treatment is required, support is available from your local team at any time.

For people living in the following areas
Harlow, Epping Forest and Uttlesford:
01279 827 268
Chelmsford, Maldon and Braintree:
01376 308 100
Colchester and Tendring:
01206 287 303

If you are not in contact with our services
If you, a friend or relative are experiencing mental health problems for the first time and need emergency treatment, you should contact your GP. To search for a GP in your area, visit **www.nhs.uk**

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