

**SEPT
MINUTES OF PUBLIC BOARD OF DIRECTORS
PART 1**

**held on Wednesday 26 October 2016
at The Hawthorn Centre, Rochford Hospital, Union Lane, Rochford SS4 1RB**

Members present:

Janet Wood (JW)	Vice-Chair/Non-Executive Director [Chair of the meeting]
Sally Morris (CEO)	Chief Executive
Andy Brogan (AB)	Executive Director Mental Health & Executive Nurse
Randolph Charles (RC)	Non-Executive Director
Steve Cotter (SCo)	Non-Executive Director
Alison Davis (AD)	Non-Executive Director
Nigel Leonard (NL)	Executive Director Corporate Governance
Dr Milind Karale (MK)	Executive Medical Director
Mark Madden (CFO)	Executive Chief Finance Director
Malcolm McCann (MMc)	Executive Director Community Health Services & Partnerships
Mary-Ann Munford (MAM)	Non-Executive Director

In attendance:

Brian Arney (BA)	Public Governor
David Clark (DC)	Clinical Audit Facilitator, SEPT
Joy Das (JD)	Appointed Governor
Max Forrest (MF)	Associate Director Communications, SEPT
Paula Grayson (PG)	Public Governor
Colin Harris (CHs)	Public Governor
Steve Higgins (SH)	Information Analyst, SEPT
John Jones (JJ)	Public Governor
Cathy Lilley (CL)	Trust Secretary [Minute Taker]
Phil Wing (PW)	Integrated Service Manager, SEPT
Tony Wright (TW)	Public Governor

JW welcomed members of the public, staff and Governors to the meeting and reminded members of the Trust's vision: *providing services in tune with you.*

203/16 APOLOGIES FOR ABSENCE

Apologies for absence were received from:
 Lorraine Cabel (Chair) Chair
 Steve Currell (SCu) Non-Executive Director

CL confirmed that the meeting was quorate.

204/16 DECLARATIONS OF INTEREST

There were no declarations of interest.

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205/16 PRESENTATION:

The Board received a presentation from Phil Wing on a number of initiatives that are focused on supporting out of hospital care for West Essex population. This includes the proposed strengthened role and function of the Single Point of Access, the Integrated Hospital Discharge Service and Neighborhood model of care.

The Board was pleased to note the initiatives being developed and implemented that would result in improving patients' care and preventing unnecessary hospital admissions that would allow them to remain as independent as possible

On behalf of the Board, JW thanked PW for an interesting and informative presentation.

206/16 MINUTES OF THE MEETING HELD ON 28 SEPTEMBER 2016

The minutes of the meeting held on 28 September 2016 were agreed to be a correct record.

207/16 ACTION LOG AND MATTERS ARISING

The Board noted that there were no outstanding actions.

208/16 BOARD OF DIRECTORS QUALITY & PERFORMANCE SCORECARD

The CEO reminded the Board that its Board Committee efficacy review had identified some duplication of information considered by the Board and its standing committees, as well as inconsistent content of assurance reports from those committees. Following a detailed review, it was agreed that the Board would in future receive a Quality and Performance Scorecard to replace the Quality Report and the very detailed assurance report from the Finance & Performance Committee.

The Board considered the first its first Quality and Performance Scorecard that provided a summary of performance against quality priorities, safe staffing levels, financial performance and hotspots identified by the Executive Operational Sub-Committee as at the end of month 6 – September 2016.

The CEO reported there were seven hotspots, some of which had been reported in previous months, including early intervention in psychosis access, restrictive practices, falls, length of stay for mental health older people, bed occupancy mental health, PbR clustering and sickness absence mental health.

The Board noted that the Finance & Performance Committee continued to monitor the 94 performance indicators; a summary of which was included in the Scorecard.

JW commented that over time and through further development the graphs would support with identifying trends.

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Following a question by JW, the CEO confirmed that it was the intention to replace the current Public Quality Dashboard with this Quality and Performance Scorecard.

The CEO advised that the Scorecard was work in progress as the Trust continually reviewed ways to improve reporting to the Board and welcomed feedback. Further work would be undertaken on ensuring there was an improved narrative particularly for all quality priorities.

The CFO presented the Finance section within the scorecard and pointed out that in future a narrative would be included. He highlighted that for month 6 the Trust was required to report against the 'old' Financial Risk Rating as well as the new Single Oversight Framework indicator (Use of Resources). From April to September the Trust received a rating of 4 (good performance) against a planned rating of 3. However, from September 2016 the Trust will be assessed against the UOR rating with good performance being rated as 1. The Trust's planned risk rating is 2; however, for month 6 the actual risk rating was 1.

The actual year to date operating surplus is £1,965k which is £133k ahead of plan. This is partly the result of some CIPs being ahead of plan. This is expected to reduce over the second half of the year to meet our control total of £257 at year end, and currently the Trust is forecasting achievement of the planned position.

The CFO highlighted the emerging risks which included Essex-wide sexual health contract and clinical support services at Princess Alexandra Hospital and Basildon Hospital. In addition, the potential implications of the junior doctors contract was being reviewed with MK as this would introduce significant cost pressures.

The CIP target for 2016/17 is £12.6m and at month 6 £10.6m savings have been identified and actioned, and a further £1.5m identified to be actioned during the remainder of the year. There remains £0.5m of unidentified CIPs.

The year to date expenditure for agency costs is below plan but the Board noted that the costs are increasing month on month and in order to remain within the cap, expenditure must be constrained at current levels.

The CFO reported that cash remains strong at £56.2m which is £10.8m more than plan. This is due to the slippage on the capital expenditure programme, lower than plan debtor balances and higher than plan creditor balances and the year to date income and expenditure surplus.

Referring to the Single Oversight Framework (SOF), the CEO advised that the Provider Shadow Segmentation had been published on 21 October 2016 which sets out the level of support NHS Improvement will provide to Trusts. She was pleased to advise that based on performance data and other information gathered before the SOF came into place on 1 October 2016 the Trust had been allocated a 1 which is defined as *'providers with maximum autonomy: no potential support needs identified. Lowest level of oversight; segmentation decisions taken quarterly in the absence of any significant deterioration in performance'*.

Members welcomed the new format and in particular the visual aspect of the report.

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The Board received and discussed the Quality and Performance Scorecard.**209/16 BOARD ASSURANCE FRAMEWORK (BAF)**

NL presented the Board Assurance (BAF) report and reminded the Board that the BAF was a living document which was subject to changes, which provided a comprehensive method for the effective management of the potential risks that may prevent achievement of the key aims agreed by the Board.

NL pointed out that the EOSC reviewed the BAF at its meeting on 18 October and was recommending the following changes:

- Reduce the scoring of the risk in relation to the implementation of NHSI Single Oversight Framework (R13: *there is a potential risk that the introduction of the new NHSI SOF results in increased intervention by regulators as a result of the Trust failing to meet new thresholds for financial and quality performance required to achieve maximum autonomy under the new monitoring regime*)
- Increase the scoring of the risk in relation to the proposed merger between NEP and SEPT (R7: *as a result of a number of risks relating to regulatory approval and delivery of a comprehensive and compelling business case, there is a risk that the merger will not be completed by April 2017, or at all, resulting in the benefits identified in the merger proposal not being delivered*).

NL confirmed that following discussions at the Finance & Performance Committee no hotspots or new risks had been identified for inclusion on the Corporate Risk Register or BAF.

The Board was reminded that as previously agreed, and as set out in the revised Risk Management Framework, the full BAF will be presented quarterly going forward and a summary of risks will be provided in the intervening months.

The Board reviewed the BAF and:

- 1 Approved the BAF at October 2016**
- 2 Did not identify any updates or changes required to the BAF**
- 3 Noted the review and approval of BAF action plans**
- 4 Agreed the reduction in risk rating of one risk: R13**
- 5 Agreed the increase in risk rating for one risk: R7.**

210/16 SUB-COMMITTEES**(i) Finance & Performance Committee**

JW as Chair of the Committee presented the report of the meeting held on 20 October 2016 and provided assurance that the performance and governance arrangements of the Trust as at September 2016 were subject to appropriate and robust scrutiny. She reminded members that an assurance report would now be provided following the changes to the quality and performance reporting arrangements.

JW advised that the Committee meets monthly and reviews 94 KPIs and highlighted there were seven hotspots identified by the Committee as reported in the Quality and

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Performance Scorecard. The Committee also received the Q2 NHSI Compliance Report which would be covered under a separate agenda item as well as an update on the Trust's transformation programme which is part of the CIP. In addition the progress achieved against the Trust's corporate and directorate objectives was considered and it was noted that at the end of Q2 18 corporate objectives were rated green and five rated as amber; there were no objectives rated as red. The Committee also received an update on the Trust's governance arrangements including the changes to the Trust's constitution, the review of the constitution for the new merged organisation and the Board's committee efficacy review.

The Board received and noted the report, and confirmed acceptance of assurance provided in respect of action identified.

(ii) Mental Health & Safeguarding Committee

On behalf SCu, Chair of the Committee, NL presented the report of the meeting held on 29 September 2016 and provided assurance that robust discussions were held on a number of issues and that no risks were identified. He highlighted that the Committee had received an update following the completion of an inspection by CQC on Safeguarding Children's and Looked After Children's services (LAC) in Southend in July 2016 and was pleased to note that there were no serious concerns across the NHS including SEPT.

The Committee also received updates on the Mental Health Act activities and issues. He pointed out that the Police & Crime Bill (February 2016) will become effective in April 2017 and will have legislative changes. There are concerns regarding the response time the new legislation will bring into force as it is openly recognised that there is insufficient capacity in relation to MHA assessment response out of hours. In addition, there is a need to increase s136 suite (health based places of safety) capacity across Essex. It was noted that street triage has been an effective initiative and has had a significant impact to prevent a further rise in s136 detentions. Following a review, one of the main recommendations is to extend the service to 24/7 with the suggestion that costs are shared between CCGs and local authorities as they are the main beneficiaries of s136 detentions being reduced.

The Board received and noted the report, and confirmed acceptance of assurance provided in respect of action identified.

211/16 SEPT/NEP MERGER UPDATE

The Board received an update report from NL on the progress of the SEPT/NEP merger proposals. He highlighted that the work and engagement on the new Trust's vision and values is now completed and will be reviewed and agreed by the Interim Board at its meeting in November. Feedback had been gathered from staff and stakeholders through a series of workshops and surveys.

NL reported that all three Essex-based local authority Health & Social Care Overview & Scrutiny Committees have received a briefing about the merger from AB and NL. This provided for some useful feedback and a request for further information once the FBC has been approved by the Trust Boards.

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NL reminded the Board that the Interim Board will have the responsibility for the merger process between NEP and SEPT, in particular in managing the final stages of the FBC process and especially liaising with NHSI once the FBC has been submitted. In addition, it will be responsible for the transitional governance of the new Trust until the appointment of the substantive Board. As the Interim Board is a standing committee of both NEP and SEPT, both Boards are required to approve the terms of reference.

The Board acknowledged the significant amount of work that has been undertaken by staff to date on the merger.

The Board:

- 1 Received and discussed the progress report**
- 2 Considered and approved the Terms of Reference for the Interim Board.**

212/16 NATIONAL AND LOCAL SYSTEM UPDATES

The CEO provided a verbal update on the national and local systems progress including Sustainability and Transformation Plans (STPs), West Essex ACO and the Essex Mental Health Strategy development.

The final STP plans had all been submitted and feedback will be provided following review. The plans do not include the control totals as it is believed that many providers will not accept these. It is expected that there will be several iterations of the plans before being approved and actions taken forward. The Board discussed the transformational funding issues within the STPs and noted that the aim was for all plans to be deliverable and savings achieved by 2021.

The Board also discussed the wider challenges of financial control from the centre and the impact that this would have on providers and the potential erosion of the autonomy associated with Foundation Trusts. There is an expectation that all providers will contribute to bringing the NHS into balance by 2021.

The Board noted the verbal update.

213/16 BOARD OF DIRECTORS STANDING COMMITTEES ANNUAL EFFECTIVENESS REVIEW 2016 UPDATE

NL presented the report on the progress made with the action plan that had been developed to enhance the Board committee structure effectiveness following an extensive efficacy review.

The Board was reminded that the comprehensive review indicated that there is an extremely positive view that the committees are operating in line with their terms of reference and demonstrate assurance, challenge, scrutiny and monitoring in respect of supporting the effective working of the Board.

An action plan reflecting the recommendations to enhance the Board committee structure effectiveness was developed following the review and grouped into key themes covering terms of reference, risk management, reporting and operational

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management. Good progress has been made with the implementation of the action plan with 90% (17) of the actions completed and with two actions still in progress but are expected to be completed by the end of December 2016.

NL advised that the planned merger with NEP will require the establishment of a new governance structure. Initially the new Trust will adopt SEPT's governance structure and further work will be undertaken in establishing this as well as ensuring there is appropriate harmonisation with NEP's governance structure. This work will in the first instance be reported in to the Interim Board.

Taking account of the impending merger, the Board agreed that there will not be a requirement to undertake the annual effectiveness review for its standing committees which would be due in March 2017 as provided for in each committee's terms of reference.

In addition, the Board approved the amended terms of reference for the Finance & Performance, Investment & Planning, Quality and Remuneration Committees.

The Board:

- 1 Received and noted the report**
- 2 Agreed that there will not be a requirement to undertake an annual effectiveness review in 2017 due to the impending merger**
- 3 Approved the amended terms of reference for:**
 - **Finance & Performance Committee**
 - **Investment & Planning Committee**
 - **Quality Committee**
 - **Remuneration Committee.**

214/16 Q2 NHSI COMPLIANCE REPORT

NL presented the Q2 NHSI Compliance Report for 2016/17. He reminded the Board that the introduction of the Single Oversight Framework (SOF) on 1 October 2016 introduced changes to the way in which providers are monitored and rated going forward which affect the compliance report and statements.

There is no longer a requirement to submit the governance return which includes quality metric and exception reporting for Q2. In addition, there have been changes to the financial reporting and monitoring regime; however, as the Trust has always provided a commentary, there is no additional requirement associated with this new request. There is also three additional significant data request covering monthly agency spend, list of the 20 highest earning agency staff and a list of agency staff that have been employed for more than six consecutive months. A new protocol for changes to an in-year forecast has also been introduced.

NL pointed out that NHSI expect that revisions to forecast outturns are subject to more rigorous governance processes, including provision of an Assurance Statement to be signed by the Trust Director of Finance, CEO, Chair and Chair of the Audit Committee. NHSI has also advised that it will be publishing Trust level financial and performance information in its quarterly report. Trusts are also required to clearly post quarterly finance and performance reports on the Trust website in a transparent and timely

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manner. The new monthly Quality and Performance Scorecard will meet this requirement subject to adding information regarding the financial forecast.

NL advised that based on the performance of the Trust at the end of Q2, the predicted financial sustainability rating is 4; the Trust has achieved all of its NHSI KPIs at the end of Q2 with performance against the EIP access target caveated; and there were no matters that required exception reporting to NHSI during Q2 and there are none that require reporting that have occurred since.

The Board:

- 1 Received and noted the report**
- 2 Agreed that as there has not been a change to the in-year financial forecast, the Board of Directors is not required to submit a Board Assurance Statement.**

215/16	OPERATIONAL PLAN 2017/18 and 2018/19
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The Board received an update report from NL on the proposed structure for the operational plan narrative identifying the information to be included and how the plan will reflect the merger as well as the position should the Trust remain a stand-alone organisation.

NL pointed out that the planning guidance from NHSI mirrors the contracting timetable which also completes on 23 December 2016. In addition, the STP submission dates occur in the same quarter. Both requirements further complicate the development of the operational plan due to alignment issues. He therefore advised that a number of changes and iterations would be required to the operational plan as both STP work and contract negotiations develop.

Both North Essex University NHS Foundation Trust (NEP) and SEPT as sovereign organisations will need to complete an operational plan covering the next two years. With the forthcoming merger application seeking approval of a single entity from 1 April 2016 the NEP and SEPT plans will need a high degree of commonality; the long term financial model (LTFM) has been developed on the basis of individual organisations but further work on workforce and quality will be required.

There is close working with the planning and workforce teams in NEP to ensure the operational plans complement rather than contradict the merger Full Business Case (FBC) documentation.

The Board noted that the timetable is unhelpful as it does not reflect the Trusts' Board meetings schedules so there is a greater reliance on delegated authority, planned extraordinary Board and Investment & Planning Committee sessions previously identified for merger as part of the approval and assurance processes for the operational plan.

In response to a question by MAM, NL confirmed that there is a Workforce Planning Group that reports into the EOSC.

The Board:

- 1 Received and discussed the report**

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- 2 Noted the changes to the timetable
- 3 Approved delegated authority to the Executive Chief Finance Officer, and Executive Director Corporate Governance with final sign off of the draft operational plan from the CEO prior to submission on 24 November 2016 following the Investment & Planning Committee on 23 November 2016.

216/16 USE OF CORPORATE SEAL

The Board noted that the seal had not been used since the last meeting.

217/16 CORRESPONDENCE TO THE BOARD SINCE THE LAST MEETING

The Board noted that there had not been any correspondence to the Board since the last meeting

218/16 NEW RISKS IDENTIFIED THAT REQUIRE ADDING TO THE TRUST RISK REGISTER OR REMOVED FROM THE REGISTER

The Board noted there were no new risks identified.

219/16 ANY OTHER BUSINESS

Visit by Lord Bradley

The CEO advised that Lord Bradley who is involved in the CJS would be visiting Brockfield House and meeting with stakeholders and staff on 20 November 2016.

STAR Awards

The CEO advised that the STAR Awards evening has been arranged for 1 February 2016; this evening celebrates the hard work, commitment and dedication of staff.

220/16 DATE AND TIME OF NEXT MEETING

The next meeting will take place on place on Wednesday 30 November 2016 at 10:30 at The Lodge, Runwell Chase, Wickford SS11 7XX.

221/16 RESOLUTION TO EXCLUDE MEMBERS OF THE PUBLIC & PRESS

In accordance with provision 14.20.2 of the Constitution and paragraph 18E of Schedule 7 of the NHS Act 2006, the Board of Directors resolves to exclude members of the public from Part 2 of this meeting having regard to commercial sensitivity and/or confidentiality and/or personal information and/or legal professional privilege in relation to the business to be discussed.

The Board noted and agreed the resolution.

222/16 STAFF RECOGNITION SCHEME

JW and the CEO were delighted to present certificates to:

Signed Date

- **Individual ‘In Tune’ Awards**
 - Wendy Burnham, Nursing Assistant, Rawreth Court
 - Cathy Eve, Paediatric Diabetes & Paediatric Continence Admin
 - Neil Gallagher, Alpine and Lagoon Wards, Brockfield House
 - Jacqueline Hayward, Reception Team, Taylor Centre

- **Team ‘In Tune Awards’**
 - Locality Managers & Leads (Basildon):
 - Ann Fielding
 - Georgia Shee
 - Kelly Shortall
 - Locality Managers & Leads (Rochford):
 - Rachel Lee
 - Sharon Moore
 - Matthew Phillips
 - Locality Managers & Leads (Thurrock):
 - Maureen Baverstock
 - Chris Hawkins
 - Sue Hall
 - Jenny Kersey
 - Wendy White

223/16 MEMBERS OF THE PUBLIC/STAFF/GOVERNORS QUESTIONS

Questions from member of the Public, Staff and Governors are detailed in Appendix 1.

The meeting closed at 12:20.

Signed

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Appendix 1: Governors/Public Query Tracker (Item 223/16)

Governor /Member of Public	Query	Assurance provided by the Trust	Actions
JJ	Quality & Performance Scorecard: commented that this was an excellent and informative report. He queried the significant variance in the average length of stay scores	The CEO advised that there are a number of factors that can affect the figure some of which are not in the Trust's control but confirmed that this was being reviewed. A programme board is being established to manage this	-

Signed

Date