

SEPT
MINUTES OF PUBLIC BOARD OF DIRECTORS
PART 1
held on Wednesday 22 February 2017
at The Lodge, Runwell Chase, Wickford SS11 7XX

Members present:

Lorraine Cabel (Chair)	Chair of the Trust
Sally Morris (CEO)	Chief Executive
Andy Brogan (AB)	Executive Director Mental Health & Executive Nurse/Deputy CEO
Randolph Charles (RC)	Non-Executive Director [part from agenda item 3]
Steve Cotter (SCo)	Non-Executive Director
Steve Currell (SCu)	Non-Executive Director
Alison Davis (AD)	Non-Executive Director
Dr Milind Karale (MK)	Executive Medical Director
Nigel Leonard (NL)	Executive Director Corporate Governance
Malcolm McCann (MMc)	Executive Director Community Health Services & Partnerships
Mary-Ann Munford (MAM)	Non-Executive Director
Janet Wood (JW)	Vice-Chair/Non-Executive Director

In attendance:

Brian Arney (BA)	Public Governor
Roy Birch (RB)	Public Governor
David Bowater (DB)	Appointed Governor
Nikki Brown (NB)	Deputy Chief Finance Officer
Sarah Browne (SB)	Acting Executive Nurse & Director of Clinical Governance
Max Forrest (MF)	Associate Director Communications, SEPT
Colin Harris (CH)	Public Governor
Paula Grayson (PG)	Public Governor
John Jones (JJ)	Public Governor
Cathy Lilley (CL)	Trust Secretary [Minute Taker]
Louise Summers (LS)	Clinical Unit Manager
Dr Joshua Westbury (JWe)	Consultant Child & Adolescent Psychiatrist
Tony Wright (TW)	Public Governor

LC welcomed members of the public, staff and Governors to the meeting and in particular welcomed Sarah Browne as Acting Executive Nurse & Director of Clinical Governance, Nikki Brown who was standing in for Mark Madden, and presenters Louise Summers and Dr Joshua Westbury. She reminded members of the Trust's vision: *providing services in tune with you.*

020/17 APOLOGIES FOR ABSENCE

Apologies for absence were received from:
 Mark Madden (CFO) Executive Chief Finance Director

CL confirmed that the meeting was quorate.

Signed Date

021/17 DECLARATIONS OF INTEREST

There were no declarations of interest.

**022/17 PRESENTATION: APPROACH TO RESTRICTIVE PRACTICE –
POPLAR ADOLESCENT INPATIENT UNIT**

The Board received a presentation from Louise Summers, Clinical Adult Unit Manager, and Dr Joshua Westbury, Consultant Child & Adolescent Psychiatrist, on the approach to restrictive practice in Poplar Adolescent Inpatient Unit.

LS and JW outlined the approach taken to positive, proactive and personalised care in the ward which was underpinned by a risk reduction action plan. The aims of the approach are to provide a better experience for patients by creating a more therapeutic environment, and to reduce the need for restrictive interventions and reduce the number of incidents associated with restrictive interventions.

The Board was pleased to hear the positive outcomes that included a reduction in incidents in all but one category; a reduction in complaints; successfully managing patients at higher risk when there were delays in transferring to more secure services; positive feedback from individual patients, relatives and visitors; and progress, rehabilitation and discharge of patients who appeared institutionalised or 'stuck'.

On behalf of the Board, the Chair thanked LS and JWe for an interesting and informative presentation, and acknowledged the excellent ongoing work in the ward.

023/17 MINUTES OF THE MEETING HELD ON 25 JANUARY 2017

Subject to the following amendment, the minutes of the meeting held on 25 January 2017 were agreed to be a correct record:

Page 3 006/17 Board of Directors Quality & Performance Scorecard to read Referring to the harm free care KPI, SCu suggested that ... additional narrative to explain the level of harm experienced should be included in the report.

024/17 ACTION LOG AND MATTERS ARISING

RC joined the meeting.

The Board noted the updates on the actions due including:

- Nov 243/16: information on complaints upheld/partially upheld YTD comparison sent to Governor. Action closed
- Jan 019/17: assurance was provided that mitigating actions were in place in to manage the 90% target for patient hours/maximum stay of five days at Basildon Assessment Unit. Action closed.

Signed

Date

In the Chair, Board of Directors Meeting

Page 2 of 11

025/17 BOARD OF DIRECTORS QUALITY & PERFORMANCE SCORECARD

The CEO reminded the Board that the Board of Directors Scorecard presents a high level summary of performance against quality priorities, safer staffing levels, financial targets and NHSI key operational performance metrics and also confirms quality/performance hotspots (variance against target/ambition) agreed by the Finance & Performance Committee.

The CEO reported that there were 10 hotspots identified at the end of February 2017 four of which relate to key NHSI operational performance metrics. She provided assurance that where performance was under target action was being taken and is being overseen and monitored by the Board's standing committees. The hotspots included early intervention in psychosis access; bed occupancy rate (acute); PbR clustering; sickness absence (mental health); cardio metabolic assessment; vacancy rates; seven day follow up; IAPT % moving to recovery; and cancelled outpatient appointments.

In response to a question by SCu, the CEO confirmed that there were no financial implications linked to any of the hotspots identified.

SCu queried what the implications were in respect of PbR clustering if the Trust continues to not meet the target. The CEO explained that that this would be depend on the terms of the performance notice and in particular if the Trust was not able to deliver on the action plan. She provided assurance that mitigating actions were in place to address these issues and that an escalation process would be included in contracts.

Referring to IAPT % moving to recovery, SCu asked if the reasons and learning from those areas that are succeeding in the market were known and are being cascaded where appropriate. The CEO agreed to identify and share.

In response to a question by MAM regarding the pressure on bed occupancy, the CEO explained that this was as expected with 100% for the forensic wards. She stated that this was an ongoing challenge with commissioners and that the 95-100% occupancy rate does not allow for any fluctuations.

The Board received and discussed the Quality and Performance Scorecard.

026/17 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 reported that there were two changes recommended in this months' BAF following review by the EOSC at its meeting on 14 February 2017 in relation to a reduction in the risk relating to the merger and the removal of risk R11 where there is no currently no impact on capacity to manage the transformational programmes; both recommendations were approved by the Board.

Signed

Date

In addition, the Board noted that there were two risks escalated to the Corporate Risk Register (CRR) and that one hotspot was being assessed to determine allocation to the appropriate risk register.

In response to a question by RC, MMc confirmed that the Trust was working with the acute hospital in Bedfordshire to provide support with the challenges on admissions and bed capacity.

The Board reviewed the BAF:

- 1 Approved the removal of risk R11: significant pressure to achieve a number of transformational programmes creates increased demands on existing management and resource capacity that may impact on the delivery of the programme**
- 2 Approved the reduction in scoring for BAF risk: 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 (clinical and patient benefits, commissioner benefits and financial benefits) not being delivered**
- 3 Did not identify any updates or changes required to the BAF**
- 4 Noted the review and approval of the CRR by the EOSC including the two new risks escalated to the CRR.**

027/17 SUB-COMMITTEES

(i) Finance & Performance Committee

JW as Chair of the Committee presented the report of the meeting held on 16 February 2017 and provided assurance that the performance and governance arrangements of the Trust as at January 2017 (month 10) 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 reported that the Committee explored in detail the risks associated with the PbR and received assurance that mitigating actions were in place that should see a positive recovery within the next few months. She confirmed that commissioners are supportive of the actions being taken and will monitor the position. Discussions also took place on the new hotspot in relation to South East Mental Health contractual reporting. Assurance was provided that action was being taken in respect of all reported areas of under-performance and that a task and finish group will be established to identify if there are any underlying issues that need to be addressed.

JW advised that the Committee also discussed the challenges with restraints and had asked that the Quality Committee review the Sign Up To Safety ambitions and KPIs. Agency spend was also reviewed in detail as there is a risk that the agency cap with NHSI may be breached. The Committee received assurance that controls have been put in place to strengthen current systems and that a range of other actions were being taken forward by HR, operational teams and NHSI to support the reduction in the use and cost of agency staff.

Signed Date

Referring to the deterioration of commissioning KPIs, SCu stated that at a recent Interim Board meeting Sam Hepplewhite, Chief Operating Officer of North Essex CCG, had commented on the importance of ensuring regular update meetings. The CEO advised that the current issues would not affect the merger.

MAM queried how many out of area patients were within the Trust. AB confirmed there were none for general services; there were 18 patients in Thorpe ward as this was a way of mitigating costs.

In response to a question by MAM, the CEO confirmed that the procurement of LD services covered all services. Timescale was not yet known but it was expected that the formal notice would be received in the next few weeks. It was anticipated that the tender would be to provide services with effect from April 2018.

In response to a question by SCo in relation to the agency cap, the CEO reiterated that actions were being put in place to meet the cap; however, it was recognised that this would, however, continue to be a challenge for 2017/18.

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

(ii) Quality Committee

As chair of the Committee, JW presented the report of the meeting held on 13 February 2017 and provided assurance that robust discussions were held on a number of issues some of which had already been covered by the Board as separate agenda items including the Board Performance, Quality & Finance Scorecard.

JW drew the Board's attention to the preparation and external audit of the Quality Report/Account for 2016/17 and highlighted the complexities associated with the production this year as a result of the proposed merger with NEP. The Committee also reviewed in detail the Mortality Review Framework and had requested that EOSC give consideration to the resourcing for delivering the Framework. She highlighted that a definition for an 'avoidable death' had also been agreed.

In response to a question by AD about the Trust's internal CQC intelligence monitoring system, the Chair explained that this was a way for the Trust to keep processes up to date with any changes required by CQC.

JW confirmed that no risks had been identified.

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

(iii) Audit Committee

JW as Chair of the Committee presented the report of the meetings held on 17 January and 14 February 2017 and provided assurance that robust discussions were held on a number of issues and that no risks were identified.

Signed

Date

The Committee reviewed the Internal Audit report on sickness absence that had received limited assurance; despite short term absence being high, sickness absence was being managed effectively.

JW advised that the Committee reviewed the Standing Financial Instructions, Detailed Scheme of Delegation and the Scheme of Reservation and Delegation for EPUT. The NEP Audit Committee would also be reviewing these documents and any comments would be incorporated as appropriate following which the documents would be re-presented for approval at the March meeting.

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

(iv) Investment & Planning Committee

The Chair presented the report of the meeting held on 7 February 2017 and provided assurance that robust discussions were held on a number of issues and that no risks were identified.

There were six tenders in progress and the Board was pleased to note that the Trust was currently the preferred provider for the Integrated Healthcare Services HMP Chelmsford subject to HMP Chelmsford's Board approval.

The Chair also advised that the draft corporate objectives for 2017/18 were approved.

SCo noted that the sale of Legrave Lodge and enquired the book value. NB agreed to provide this.

In response to a question by RC, NB confirmed that revenue from sales of properties are reinvested into the Trust and use to fund capital programme.

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

Action:

- 1 Legrave Lodge book value to be sent to SCo (NB)**

(v) Interim Board

As Acting Interim Chair, JW presented the report from the Interim Board to provide assurance that as a standing committee of both NEP and SEPT Boards is discharging its terms of reference and responsibilities effectively, and that the risks that might affect the achievement of its responsibilities are being managed effectively. She reminded the Board that prior to the completion of the merger, the Interim Board is constituted as a committee of both NEP and SEPT Board and has no delegated executive powers relating to statutory and regulatory powers of the Board.

The Interim Board met on 15 February 2017 where discussions included the governance arrangements in relation to the role of Acting Interim Chair. In addition the Interim Board received the Interim Executive Operational Sub-Committee minutes, reviewed the detailed report on expenditure and merger budget, discussed in detail the risk register and in particular the achievement of the control total, and noted the

Signed

Date

handover arrangements for tiers 1 and 2 committees. Confirmation was provided that all merger project milestones were progressing with no material slippage reported.

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

(vi) Audit Committee

JW as Chair of the Committee provided a verbal update on the meeting held on 17 January 2017 and confirmed that a full written report would be presented at the February Board meeting.

JW advised that the Committee had reviewed the revised internal audit plan for the remainder of 2016/17 and had discussed the audit arrangements for the new Trust as well as for SEPT.

SCu sought assurance that there would not be a double cost for internal audit arrangements once the new Trust is established. JW confirmed there would not be a double cost for the new Trust as the internal audit function for 2017/18 will be provided by SEPT’s internal auditors and the LCFS requirements by NEP’s auditors. A tender process for the internal auditors would be undertaken in year with a view to commencing on 1 April 2018.

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

028/17 NEP/SEPT MERGER UPDATE

The Board received a progress report from NL on the proposed merger with NEP and pointed out that the critical B2B meeting between the Interim Board and NHSI took place on 21 February 2017. He reported that Grant Thornton has provided both SEPT and NEP Boards with a formal opinion on the proposed financial reporting procedures, quality governance processes and integration plans. Subject to both Boards being content with the opinion, this will be shared with NHSI and marks the end of the assessment process. NL advised that NHSI are expected to provide a formal risk rating for the merger transaction by Friday 17 March.

The Board received and noted the report.

029/17 NATIONAL AND LOCAL SYSTEM UPDATES

The CEO and MMc provided a verbal update on national and local systems activities. The Trust is actively involved with three STPs: Mid and South Essex (Success Regime); Herts and West Essex; and Bedford, Luton and Milton Keynes (BLMK) who were now focusing on more outcome based strategic influencing. The focus also remained on resolving acute hospital issues rather than a system wide approach. The closure of hospitals has featured in recent press coverage and she confirmed that the Trust was actively engaged in discussions on this, particularly in South Essex.

An overview was also provided on the Trust’s involvement with local systems, in particular West Essex and the ACP where there is a potential for the Trust to be lead

Signed Date

partner in the system to shape the delivery of integrated systems, as well as with Thurrock and South Essex where again the proposal is for the Trust to be the lead partner. It was noted that the activities in Bedfordshire had not progressed as quickly as in other STPs.

The Board received and discussed the verbal update report.

030/17	REVIEW OF LINKED CHARITIES AND GRANTING OF BEDFORD AND LUTON FUNDS TO ELFT
---------------	---

NB presented the report on the review of the SEPT linked charities and classification of charitable funds that concluded that of the 36 existing linked charities, 22 should be closed. Most of these had either a nil or below £5,000 balance at the end of December 2016. The Board noted the report and approved the recommendation to close these linked charities.

An update was also provided on the testing of charitable funds classifications with the aim of reducing the number of restricted funds and where appropriate making these unrestricted designated funds. The Board was advised that following review and in the absence of clear restriction at the point of receipt of relevant donations, it was being recommended the funds listed in the report should be unrestricted but designated to the respective services, wards or teams and assurance was provided that the funds would be regularly reviewed by the Finance Team.

AD enquired the ability to transfer funds from restricted to unrestricted. NB agreed to identify how this is being managed with the Charities Commission. On receipt of clarification, the Chair agreed to take Chair's action to approve the re-classification of funds.

NB also provided an update on the transfer of Bedford and Luton charitable funds to East London NHSFT (ELFT). She confirmed that the Department of Health (DoH) advised that the transfer can be undertaken by SEPT's Charity's own grant-making powers. The Board approved granting £620,888.95 to the Barts & The London who manage ELFT's charitable funds.

In response to a question by SCo, NB agreed to identify if there are any specific funds to be transferred to Robin Pinto or Woodlea.

The Board:

- 1 Received and discussed the report**
- 2 Approved the closure of the linked charities identified in the report**
- 3 Subject to clarification on the transfer of funds from restricted to unrestricted, approved the re-classification of funds**
- 4 Approved the grant of £620,888.95 to the Barts & The London Charity plus any transactional movements that arise by the grant date of not more than £10,000**
- 5 Delegated authority to the Financial Trustee and either CEO or Deputy CEO to agree and sign the final letter that will accompany the grant.**

Signed

Date

Action:

- 1 Advise position on the ability to transfer funds from restricted to unrestricted (NB)**
- 2 Chair's action to be taken following clarification of above (Chair)**
- 3 Identify if there are any specific funds to be transferred to Robin Pinto or Woodlea (NB).**

031/17	SFIs: APPROVAL OF HIGH VALUE INVOICE
---------------	---

The Board received a report from NB that sought approval for a high value invoice of £2m to NHS Property Services (NHSPS). She reminded the Board of the long running dispute with NHSPS over the level of charging for properties occupied primarily for the delivery of community services. Whilst agreement had been reached on the payments due for 2015/16, no invoices have been paid relating to 2016/17 as NHS Property Services proposes to change the basis for charging, and this has not yet been agreed by SEPT and no payment made to date.

NB stated that in November 2016 the Board approved a payment on account of £4m in respect of Q1 and Q2 to ease NHSPS's cash flow issues. However, whilst progress was being made on agreeing charges for 2016/17 these have not yet been finalised and NHSPS have requested a further payment on account in respect of Q3 whilst negotiations take place.

The Board approved the payment of £2m in line with the Trust's SFIs that require the Board to approve payment of any invoice in excess of £1.

The Board:

- 1 Received and discussed the report**
- 2 Approved the payment of £2m on account to NHS Property Services.**

032/17	BOARD GOVERNANCE UPDATE
---------------	--------------------------------

NL presented the update report on a range of governance and procedural issues. He drew the Board's attention to the new guidance on managing conflicts of interest in the NHS that comes into force from 1 June 2017 and confirmed that a detailed report outlining the implications for the Trust will be provided at a future Board meeting.

NL also highlighted that the first ever costing standards have been published in draft format for mental health and ambulance providers and that an updated Hospital Food Standards Panel report has been issued that includes recommendations for a set of food standards that should become routine practice across NHS hospitals

The Board received and noted the report.

Action:

- 1 Report on conflicts of interest to be presented at future Board meeting (NL).`**

Signed

Date

033/17 USE OF CORPORATE SEAL

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

034/17 CORRESPONDENCE TO THE BOARD SINCE THE LAST MEETING

None.

035/17 NEW RISKS IDENTIFIED THAT REQUIRE ADDING TO THE TRUST RISK REGISTER OR REMOVED FROM THE REGISTER

The Board noted no new risks had been identified.

036/17 ANY OTHER BUSINESS

None.

037/17 DATE AND TIME OF NEXT MEETING

The next meeting will take place on place on Wednesday 29 March 2017 at 10:30 at The Lodge, Runwell Chase, Wickford SS11 7XX.

038/17 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.

039/17 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 12:30.

Signed

Date

In the Chair, Board of Directors Meeting

Page 10 of 11

Appendix 1: Governors/Public Query Tracker (Item 039/17)

Governor /Member of Public	Query	Assurance provided by the Trust	Actions
RB	Referring to STPs, asked if this was an opportunity for MH services	CEO advised that it was not possible to provide assurance that mental health services would not be affected as it is widely recognised that the financial challenge faced by the NHS will not be met by acute trusts and this would inevitably impact on mental health trusts. Also acknowledged that mental health has not received the same level of investment from commissioners	-
JJ	Noted Pressure Ulcers had increased in January by 33%	SB stated that avoidable PU had decreased. Continued focus on the management of PU across community health services through the PU work stream; in addition an independent review has been commissioned to ensure there is consistency across the three service areas. MMc advised that the discrepancy is being analysed – possible explanation is that in SE foot ulcers are recorded as pressure sores and this will inflate the figures. CEO commented that the Trust is investing in pressure-relieving equipment.	-
DB	Queried when a detailed update on the B2B meeting would be provided	Chair confirmed that a detailed briefing would be provided to the Council of Governors at the meeting on 22 March 2017	-
RB	Queried if the Trust's business rates were known particularly in the light of the merger as cognisant there had been an increase	CEO confirmed that the strategy was to reduce reliance of rented properties as well as to reduce the number of properties. The figures from the district valuer were awaited.	-

Signed

Date