

**SEPT
MINUTES OF PUBLIC BOARD OF DIRECTORS
PART 1
held on Wednesday 27 April 2016
at The Lodge, Runwell Chase, Wickford SS11 7XX**

Members present:

Lorraine Cabel (Chair)	Chair
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
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
Mark Madden (CFO)	Executive Chief Finance Director
Mary-Ann Munford (MAM)	Non-Executive Director
Janet Wood (JW)	Non-Executive Director

In attendance:

Brian Arney (BA)	Public Governor
Roy Birch (RB)	Public Governor
Elsbeth Clayton (EC)	Associate Director Learning Disabilities, SEPT
Colin Harris (CH)	Public Governor
John Jones (JJ)	Public Governor
Cathy Lilley (CL)	Trust Secretary [Minute Taker]
Tony Wright (TW)	Public Governor
Rob Winter (RW)	Patient Experience Manager, SEPT

The Chair 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.*

079/16 APOLOGIES FOR ABSENCE

None.

080/16 DECLARATIONS OF INTEREST

None.

081/16 PRESENTATION: LEARNING DISABILITIES TRANSFORMING CARE

The Board received a presentation from Elsbeth Clayton, Associate Director of Learning Disabilities at SEPT on the work being undertaken by all partners to transform care for people with learning disabilities as identified by the national agenda.

The Board was particularly pleased to note the work being undertaken by the Trust

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that would enable more people to live within their local communities and closer to home, which would result in a significant and permanent reduction in the number of people in inpatient care.

On behalf of the Board, the Chair thanked Elspeth for an interesting and informative presentation.

082/16 MINUTES OF THE MEETING HELD ON 30 MARCH 2016

The minutes were agreed to be a correct record.

083/16 ACTION LOG AND MATTERS ARISING

The Board reviewed the action log and noted:

- June 137/15: the progress report on the Workforce Race Equality Standard (WRES) would be presented by the June Board meeting to ensure appropriate internal governance processes were implemented.

There was an outstanding action in response to a question by JJ at the March meeting regarding sickness rates at Woodlea Clinic; AB agreed to send a reply.

Action:

- 1 **Correct figures in relation to the sickness rates quoted in the safer staffing report relating to Wood Lea Clinic to be confirmed to JJ (AB).**

084/16 FINANCE & PERFORMANCE COMMITTEE ASSURANCE REPORT

As Chair of the Committee, JW provided assurance that a full and robust debate and scrutiny had taken place on 24 March 2016 on all performance issues and that mitigating actions and monitoring processes had been requested where appropriate. She advised that the Committee also took the opportunity to reflect on the performance during the year, noting that it had been a successful time for the Trust with compliance with all indicators being maintained including the new NHS Improvement (NHSI) indicators. In addition, the Trust had received a ‘Good’ rating from CQC following its comprehensive inspection and as reported at last month’s Board meeting, the Trust had achieved excellent staff survey results. However, the Trust would not be complacent as there was always room for improvement.

JW advised that the Committee had received a report on the findings of the Board of Directors standing committees’ effectiveness review was also discussed. In addition a report on the Trust’s compliance with the provisions in NHSI’s *NHS Foundation Trust: Code of Governance July 2014* in preparation for the comply/explain principals and necessary disclosures as part of the Trust’s Annual Report 2015/16 submission was reviewed. The Committee agreed the following exception statement to be included in the Annual Report:

Code Provision B.7.1 Reappointment of Directors: *“In the case of re-appointment of Non-Executive Directors, the Chairperson should confirm to the Governors that following formal performance evaluation, the performance of the*

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individual proposed for re-appointment continues to be effective and to demonstrate commitment to the role. Any term beyond six years (e.g. two three-year terms) for a Non-Executive Director should be subject to particularly rigorous review, and should take into account the need for progressive refreshing of the Board. Non-Executive Directors may, in exceptional circumstances, serve longer than six years (e.g. two three-year terms following authorisation of the NHS foundation trust) but this should be subject to annual re-appointment. Serving more than six years could be relevant to the determination of a Non-Executive's independence”.

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

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

JW also drew the Board's attention to the progress with the CQUIN scheme where 96% of CQUIN funding had been achieved for 2015/16 amounting to approximately £4m which has contributed to a healthy year-end financial position and delivered significant quality improvements in services.

Performance

The CEO stated that the Committee reviews and monitors the financial, operational and organisational performance of the Trust, and assurance was provided to the Non-Executive Directors (NEDs) that action was being taken to mitigate risks where necessary.

The CEO reported that by the end of March 2016 the vacancy rate had improved to 9.9% from 11.7% at the end of 2014/15 and 13.4% in August 2015. This was a significant achievement particularly as Trusts both nationally and locally were continuing to find this a challenge.

There were four hotspots: % within cluster review periods (mental health); IAPT entering treatment; % outpatients not seen for over 12 months; and % users on CPA

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with a crisis plan in place. In addition there were several emerging risks including out of area placements; restraints; early intervention service – first episode of psychosis treated within two weeks of referral; and sickness absence.

Assurance was provided that mitigating actions were in place to address the hotspots and manage the emerging risks.

Following a question by RC, JW confirmed that assurance had been provided at the meeting that actions were being implemented to resolve the data capture and reporting issues by the end of May 2016.

In response to a question by MAM, AB confirmed that the ‘violence to patients’ as reported on page 5 of the main report under 2.3.4 restraints was ‘patient on patient violence’ and the report would be revised to provide more clarity.

Finance

The CFO advised that the Trust’s financial position at month 12 March 2016 was an operating provisional outturn position, excluding technical adjustments, of £197k surplus which was an improvement of £70k against the forecast surplus reported in month 11. This improvement is mainly attributable to the net impact of year-end adjustments. He pointed out that provisional outturn position is subject to statutory audit and the position may therefore change.

The Board was reminded that NHSI had previously asked the Trust to consider whether a further underspend on the capital programme would be possible during 2015/16. As a result the agreed reduced capital spend and subsequent adjustments improved the Trust’s year-end surplus and cash positions; the revenue benefit for 2015/16 is £1.4m.

The Cost Improvement Programme (CIPs) year-end deficit was £3.5m with a £4.8m recurrent net deficit against the 2015/16 plan. There continued to be a deterioration of the adverse variance in Operational Services (South Essex Mental Health) where the continued use of bank and agency staff was a significant contributor, as well as a deterioration for Specialist Services (Mental Health, Forensic, Learning Disabilities and Prison) where the underachievement of the CIP programme and income target at Robin Pinto and Wood Lea Clinics partly contributed to the deterioration.

The cash position remained strong with a year to date figure of £41,749k at the end of March compared to plan of £37,247k. The increase in cash is mainly due to lower capital spend than planned and non-payment of some NHS Property Services invoices where the invoice values are being disputed.

The Board was pleased to note that the Trust’s financial sustainability risk rating was at 4 which demonstrated the strong financial health of the Trust, and that working capital and cash balances remained strong and above plan.

The Board noted the performance and finance report and confirmed acceptance of assurance provided.

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085/16 QUALITY REPORT

AB presented the report which focused on aspects of care relating to three key categories: safety, experience and improvement, and highlighted that there was a further small increase to 98.94% of patients did not experience any of the four harms covering pressure ulcers, falls, blood clots and urine infections for those patients who have a urinary catheter in place. He pointed out that of the 2073 patients surveyed, 22 patients were identified as having one of the four harms with 19 patients within community services and three patients within mental health services.

The Board was pleased the Trust consistently continue to achieve a high rate against the national ambition of 95%.

AB reminded the Board that the ambition was to have zero avoidable pressure ulcers and good progress had been made with reducing the number particularly bearing in mind the acuity of patients. He pointed out that there had been 16 avoidable pressure ulcers for 2015/16 compared with 23 for 2014/15 and over 50 in 2010/11. There has also been a significant reduction in the number of patient safety incidents, i.e. falls that adversely affect patients. In 2014/15 there had been 21 falls classified as severe harm compared with 5 for 2015/16. AB pointed out that the figure for 2015/16 may change slightly as there were a few root cause analyses (RCAs) due to be completed.

AB advised that a detailed analysis was being carried out on the Omitted Doses of Medicines but was pleased to confirm there had been a significant reduction in omissions.

In response to questions by SCu and RC, AB confirmed that the increase in the use of restrictive practices could be partially attributed to the spike in the use of legal highs as well as the acuity of one or two inpatients.

The Board received and discussed the report, and confirmed acceptance of assurance provided.

086/16 SAFER STAFFING REPORT

AB presented the Safer Staffing report for nursing, midwifery and care staff that contained details and a summary of planned and actual staffing on a shift-by-shift basis as part of the *Hard Truths* commitment. He highlighted that the majority of wards in LD, Secure Services and Community Health Services were above 95%. He pointed out that some of the data relating to the percentage of bank and agency staff used and are known was showing as greater than 100% and confirmed that the reason for this was being investigated.

The Board noted the increase in the number of hotspots and emerging risks relating to fill rates but was assured that there were no concerns with regards to the safety and quality of care on the wards and that mitigating actions were in place. The Board noted that whilst recruitment was being undertaken, site managers on wards were being utilised to provide support alongside ward managers and matrons to ensure wards remained safe.

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AB confirmed that the information in the report had been triangulated with the Quality Dashboard and confirmed that there had been no changes from the previous month. He advised that that the Trust was seeking clarity on whether the Trust was required to take account of the new reporting guidance issued by NHS Improvement (NHSI) relating to care hours which appeared to be for acute trusts.

In response to a question by SCu, AB confirmed that no concerns had been raised through the Trust's feedback mechanisms and Datix reporting by staff in areas where the fill rates were down.

The Board approved the report.

087/16	BOARD ASSURANCE FRAMEWORK (BAF)
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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 advised the BAF reflected the strategy as set out in the Trust's Operational Plan for 2016/17 and the report identified those risks to be carried forward, revised or closed from 2015/16 as well as four new risks.

Referring to R13 NEP/SEPT merger, SCo asked if there was a monitoring process for managing any escalation in costs. NL confirmed that the budget and costs will be managed through the Merger Project Board which is acting on behalf of both organisations; regular reports will be presented to both Boards and any concerns would be escalated accordingly. Both organisations have agreed to make a contribution of £1m each towards financing the merger and this will be set out in the Heads of Agreement to be signed by both Trusts.

In response to a question by SCo, NL and MMc provided assurance that the consideration is being given to the capacity required to support the merger process.

The Board reviewed the BAF and:

- 1 Approved the BAF at April 2016**
- 2 Approved the BAF action plans for those risks to be carried forward**
- 3 Did not identify any potential risks to be escalated to the Corporate Risk Register (CRR) and/or BAF**
- 4 Did not identify any updates or changes required to the BAF.**

088/16	SUB-COMMITTEES
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(i) Quality Committee

The Chair presented the report of the meeting held on 14 April 2016. She 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 Quality and Safer Staffing reports. The Chair also extended an invitation to Directors who were not members of the Committee to attend a future meeting as an observer.

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The Chair highlighted:

- As the meeting was not quorate, agenda items that required full debate/decisions were deferred to the next meeting; Chair's action was taken on those items discussed which required approval
- The patient story that demonstrated the complexity of the case of a patient in Tier 4 CAMHS services after a prolonged stay at an acute hospital and the negotiation of additional support services, which resulted in a positive outcome
- the excellent work of the Suicide Prevention work stream to reduce avoidable suicides in the Trust's mental health services and achieve the ambition to have zero avoidable suicides by 2017
- The review of the Quality Report/Account for 2015/16
- The approval to the extensions to the CQC comprehensive visit action plan
- No hotspots or significant risks were identified to be escalated to the Board.

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

(ii) Investment & Planning Committee

The Chair presented the report of the extraordinary meeting held on 6 April 2016 where the only agenda item was a review of the updated Operational Plan 2016/17 following presentation at the Board of Directors' meeting on 30 March 2016. Subject to a few minor amendments, the Committee approved the Operational Plan.

The Chair extended an invitation to Directors who were not members of the Committee to attend a future meeting as an observer.

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

(iii) Audit Committee

JW presented the report of the meeting held on 16 March 2016 and provided assurance that the duties of the Committee which include governance, risk management and internal control had been appropriately complied with.

JW highlighted that the Committee had focused on the internal audit plan for 2016/17 and the external auditors report on the Bedfordshire and Luton disaggregation, in particular relating to the asset and Local Government Pension Scheme (LGPS) transfers.

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

089/16	SEPT/NEP MERGER PROPOSALS UPDATE
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NL presented a detailed update report on the progress of the SEPT/North Essex Partnership University NHS FT (NEP) merger proposals. He confirmed that a Merger Project Board had been established and held its first meeting on 18 April where it reviewed a revised timetable for the merger transaction which had been updated following further discussion with NHSI with regards to the governance processes described in the Outline Business Case (OBC).

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The Board noted that the process of creating an interim Board from the establishment of a shadow membership, a shadow Council of Governors and the appointments of a Chair, Non-Executive Directors and Executive Directors had been clarified following a meeting with NHS Improvement, and in particular recognised the challenging timeline.

NL advised that a legal firm and external advisory support to the Merger Project Board had been appointed following two procurement exercises. In addition, a comprehensive due diligence process reflecting NHSI’s guidance has commenced, and the communication and engagement plan for the merger was being implemented.

Discussions took place on the process for the appointment of the shadow Board of Directors of the new merged organisation. NL outlined the process and clarified that it would be for the shadow Council of Governors through its Nominations Committee to decide whether to externally market test for the appointment of the Chair and Non-Executive Directors as they are not employees. However, as Executive Directors are employees TUPE arrangements would apply. The Chair requested that arrangements should be made as soon as possible to ensure that the Executive Directors of both Trusts understand their rights under TUPE.

Following a question by the Chair, NL confirmed that both Boards would receive reports from the Merger Project Board if there were any issues or risks identified following the due diligence.

In response to a question by MAM, NL confirmed that he was the Merger Project Director Lead.

The Board:

- 1 Received and noted the progress report**
- 2 Noted the revised timeline for the merger transaction.**

090/16 BOARD OF DIRECTORS COMMITTEES ANNUAL EFFECTIVENESS REVIEW 2016/17

The Board received an update report from NL on the findings of the Board of Directors standing committees’ effectiveness following a comprehensive review that had taken account of the individual standing committees’ reviews, the findings of a supplementary questionnaire completed by Board members for committees where they were not a member and the independent committee governance structure reviews undertaken in June 2015 and more recently 2016.

NL confirmed that the reviews have indicated there is an extremely positive view that the Board standing committees are operating in line with their terms of reference and demonstrate assurance, challenge, scrutiny and monitoring in respect of supporting the effective working of the Board. The Board noted that this was particularly pleasing taking account of the positive feedback from the CQC following the comprehensive inspection which rated the Trust as ‘good’ for being well-led, as well as the external independent review undertaken by KPMG in 2015 which had also confirmed that the Trust was well-led.

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An action plan that reflects the suggestions/recommendations to enhance the Board committee structure effectiveness has been developed and grouped into key themes covering terms of reference and risk management; this will form part of the Trust's Governance Development Plan which will be monitored by the Finance & Performance Committee. Recommendations falling under 'operational management' will be taken forward by the individual standing committees.

The Chair thanked NL and CL for the comprehensive work undertaken.

The Board received and noted the report.

091/16 BOARD GOVERNANCE UPDATE

NL advised that the Board would in future be receiving a report that highlighted a range of governance and procedural issues that require the Board's attention. The former Legal & Policy Update Report would continue to be produced and reviewed by the Executive Operational Sub-Committee; copies of the report would, however, be available on request from the Trust Secretary.

NL reported that the Board of Directors Register of Interests had been updated for 2015/16 and confirmed that all Board Directors have completed the annual Fit and Proper Persons test declarations and passed the relative tests that the Trust has put in place. He also confirmed that the Trust is not required to hold a PSC (people who exercise significant control over the entity) register. However, as included on the Trust's Register of Interests, Sally Morris as CEO of the Trust is also a Director of Anglia Ruskin Health Partnership Limited. The requisite information for ARHP's PSC register has been sent to ARHP and there is no further action required by the Trust.

The Board noted that there would a period of purdah as a result of the local government elections in England, commencing 30 March 2016, and the EU referendum, commencing 27 May 2016. The Trust has put in place appropriate actions.

The Board:

- 1 Received and noted the report**
- 2 Noted the Board of Directors Register of Interests for 2015/16 for inclusion in the Annual Report and publication scheme.**

092/16 OPERATIONAL PLAN 2016/17

NL presented an update report on the Trust's Operational Plan for 2016/17 which was submitted to NHS Improvement on 18 April 2016. He highlighted that despite an extension by NHS Improvement to allow for contract negotiations to be concluded, these were proving problematic to resolve. Reflecting the previous Board's discussion, the Operational Plan retained a forecast deficit of £1.2m although the control total remained at £2.8m.

The Board complimented the Operational Plan Summary 2016/17 which was succinct and well-designed.

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The Board received and noted the report.

093/16 Q4 MONITOR COMPLIANCE REPORT

Referring to the performance and finance updates reported under agenda item 5(a), CFO presented the Q4 Monitor Compliance Report relating to the Trust's financial position, governance and performance for the Board's review and approval.

The Board agreed to delegate authority to the CFO to make any small changes, i.e. non-material, to the final finance position as necessary prior to submission to Monitor.

The Board:

- 1 Received and noted the report**
- 2 Approved the submission of the following statements to Monitor:**
 - **The Board is satisfied that plans in place are sufficient to ensure: ongoing compliance with all existing targets (after the application of thresholds) as set out in appendix A of the Risk Assessment Framework (RAF); and a commitment to comply with all know targets going forwards**
 - **The Board anticipates that the Trust will continue to maintain a financial sustainability risk rating of at least 3 over the next twelve months**
 - **The Board anticipates that the Trust's capital expenditure for the remainder of the financial year will not materially differ from the amended forecast in this financial return**
 - **The Board confirms that there are no matters arising in the quarter requiring an exception report to Monitor (per table 3 of the RAFT) which have not already been reported**
- 3 Delegated authority to the CFO to make any non-material changes to the final finance position as necessary prior to submission to Monitor.**

094/16 USE OF CORPORATE SEAL

The Board noted that the seal had been used on two occasions since the last meeting:

- The Crescent, Colchester Business Park, Colchester
- Deed of Covenant, 311 Whipperley Ring, Luton.

095/16 CORRESPONDENCE TO THE BOARD SINCE THE LAST MEETING

The Chair confirmed that Chair's action had been taken in relation to the proposed action the Trust was putting in place to manage services safely during the junior doctor industrial action on Tuesday 26 April. This information was required to be approved by the Board and sent to NHS England by 13 April 2016.

Details had been circulated in an email to Board Directors on 12 April 2016. Chair's action was therefore taken to expedite the urgent action, i.e. that the Board approves the number of cancelled clinics for junior doctors: *9 junior doctor clinics for adult services and 2 junior doctor clinics in LD services to be cancelled which will lead to*

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four patient cancellations (follow-up) in LD services and 51 patient cancellations (48 follow-up and 3 new assessments) in adult services.

The Board noted the Chair’s action taken.

09616 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.

097/16 ANY OTHER BUSINESS

None.

098/16 DATE AND TIME OF NEXT MEETING

The next meeting will take place on place on Wednesday 25 May 2016 at 10:30 at The Lodge, Runwell Chase, Wickford SS11 7XX.

099/16 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.

100/16 STAFF RECOGNITION SCHEME

The Chair and CEO were delighted to present certificates to:

- **Individual ‘In Tune’ Awards**
 - Mark Baden, Estates Manager – Pride House
 - Shoenagh Mackay, Clinical Lead Nurse - Learning Disabilities, Heath Close
 - Michelle O’Hanlon, Community Psychiatric Nurse - Assertive Outreach Team, Southend
 - Ryan Smithers, Portering Services - Basildon MHU.

101/16 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 12:30.

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Appendix 1: Governors/Public Query Tracker (Item 100/16)

Governor /Member of Public	Query	Assurance provided by the Trust	Actions
JJ (ref Mar 078/16)	Safer Staffing Report: referring to Woodlea Clinic, queried the sickness rates of between 15.2–19.9% bearing in mind agency rate is 30%	Following the April Board meeting, AB confirmed that a check of the safer staffing report for the period identified there was an error in that the details for Robin Pinto and Wood Lea Clinic had been transposed; however, the data was correct for the month	-
JJ	BAF R13 NEP/SEPT Merger: JJ suggested that following the agreed significant transactions approval process which included regular meetings of the Significant Transactions Group would help with mitigating the risk of ... <i>Governors failing to approve the merger proposal, there is a risk that the merger will not be completed by April 2017 ... benefits not being delivered</i>	NL confirmed that the significant transactions process would be followed with regular meetings of the Significant Transactions Group as part of the overall merger process	-
JJ	Monitor Q4 Compliance Report: referring to page 7 of the main report, asked if the seven suicides were inpatients or patients in the community	AB agreed to confirm	AB to confirm if the seven suicides conclusions following coroner inquests related to patients in the community or whether they were inpatients

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