

**Blackpool Fylde and Wyre Hospitals
NHS Foundation Trust**

Annual Plan 2010 - 2011



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1 Past year performance

1.1 Chairman and Chief Executive's summary of the year

The last year has seen the Trust successfully negotiated the change in leadership with the departure of Julian Hartley and the appointment of Aidan Kehoe as our new Chief Executive. This change had the potential to distract the organisation however it is a sign of the commitment and drive within the Board of Directors and the organisation as a whole, that the change was achieved without a loss of momentum toward achieving our stated vision and in many areas of our business provided an impetus to drive further improvements in services for our patients.

Once again throughout the year we have used the four key themes of our vision to set organisational goals and measure our success. This has shown us making demonstrable progress over the last 12 months, towards achieving our vision. This is evidenced by both internal measures, set and agreed by the Board of Directors and external assessments through organisations such as the Care Quality Commission. Below is a summary of the progress we have made in each area during the year:

- **To achieve top 10% performance across the NHS for all key performance indicators**

During the year we were one of the best performing Trust's nationally for delivery of emergency care, consistently delivering the A&E 4 hour target and managing the flow of emergency medical patients into the hospital. This resulted in us being asked to lead a North West review of emergency care on behalf of the Strategic Health Authority and a series of recommendations being implemented. We also used the review to scrutinise our own systems and procedures and introduced a range of measures to support the ongoing delivery of emergency care within Blackpool.

We have now successfully delivered the 18 week national waiting time target since December 2007 and during the year made further progress to reduce waiting times in a number of specialties even further. Our systems for managing emergency flows, particularly the ring fencing of surgical beds for only surgical patients has supported 18 week delivery. It has also meant that only in rare instances have patients had their operations cancelled due to lack of an available bed.

Due to a concerted effort we made major advances during the year in reducing health care acquired infections. This saw the number of cases of MRSA Bacteraemia reduced by 12.5% and the number of cases of Clostridium Difficile reduced by 56.69% on 2008 figures. During the year we received national recognition from the Department of Health and the National Patient Safety Agency for our work in this area. We continue to seek ways to improve our performance and in December 2009 a purpose built isolation unit was opened which can cater for up to 8 patients who have communicable diseases.

- **To provide high quality care, as demonstrated by being a top 10% performing Trust**

Mortality and quality continue to be main areas of focus for the Board of Directors. We are participating in the Patient Safety First initiative and have focused on preventing avoidable harms and reducing in hospital mortality. The success of this initiative can be seen in a



reduction in our Hospital Standardised Mortality Rate from 103 (100 being the average) in 2008/9 to 74 for the period April 2009 to March 2010.

The Trust subscribes to an external benchmarking company, CHKS, in order to monitor quality of care we provide against other NHS providers. Each year CHKS use a range of quality measures to rate Trust in the area of quality and safety. During 2009 we were once again named as one of the Top 40 Hospitals. This was reinforced later in the year when the Trust received a rating of 'good' for Quality of Services in the Care Quality Commissions annual Health Care Ratings.

- **To achieve financial surplus to support future service investment and development**

In 2009/10 a deficit of £5.7m was incurred, this included an impairment charge of £8.5m resulting from a downward revaluation of assets at 31st March 2010. The surplus prior to the impairment was therefore £2.8m, and included a recurrent dividend reduction of £0.4m as a result of the revaluation and a recurrent depreciation reduction of £1.2m as a result of a change in accounting policy on component depreciation. This success has been based on reviewing the way we deliver services, in conjunction with staff, and redesigning patient pathways to remove waste, thereby delivering improved services for patients and reducing costs. This approach was instrumental in the Trust receiving a rating of 'excellent' for Use of Resources in the Care Quality Commissions annual Health Care Ratings.

In advance of the more challenging financial environment that the NHS will have to operate from 2010/11, the Trust has been working both internally and externally with partner organisations to ensure systems and processes are in place to reduce the cost of service provision whilst planning to improve the quality of service delivery.

- **To enhance staff involvement in the future direction of the Trust through implementation of the Blackpool Way**

During the year a review of the Blackpool Way was commissioned. John Oliver who supported the original design and launch of the programme undertook the review. He identified major progress in embedding the Blackpool Way into our culture and the contribution it has made to deliver our overall vision. Whilst the review identified areas for further work it also concluded that Blackpool had the potential to become an exemplar site for both public and private sector organisations in how to implement a staff engagement programme. This progress was reinforced in December 2009 when, following a week long assessment, the Trust received a Gold Award from Investors in People.

As a Foundation Trust we are keen to use our freedoms to work much more closely with the local community, through partnership working with our Council of Governors and our membership. The role of the Council of Governors was developed throughout the year through holding Governor workshops, development days focussing on specific topics and governor representation on committees, such as the Information Governance Committee. In addition a Governors QUIPP Board was also established to support our approach to continuous improvement.

During the year the Trust continued to invest in the development of services for our local population. In October 2009 the Board of Directors appointed ALERT Life Sciences as our partner to develop an electronic patient record. This will improve services for patients as it will give clinical teams access to evidence based treatment pathways anywhere in the hospital.



Implementation of the system will begin in December 2009 and complete in August 2012. In addition we have continued to develop our future investment plans with work progressing on the phased development of a Women's and Children's Unit and the Phase VI surgical development, due for completion in 2011.

Overall we view 2009/10 as a very successful year for the Trust. We continued to deliver a high level of operational performance and consolidated our financial position to ensure we can fund future planned developments. At the same time we have maintained and developed a focus on quality that will underpin service redesign and ensure that patients receive the level of care they expect and deserve. These achievements have moved us further towards our goal of delivering 'Best in NHS Care'.

1.2 Summary of financial performance

1.2.1 Income and Expenditure

Detailed below is a summary of the Trust's financial performance for the year. Please note that this is the first year of financial reporting following the adoption of International Financial Reporting Standards (IFRS).

The Trust incurred a deficit of £5.7m, which included an impairment charge of £8.5m resulting from a £24.0m downward revaluation of assets at 31st March 2010. The surplus prior to the impairment impact was therefore £2.8m against the plan of £2.7m.

In trading terms, 2009-10 proved challenging with, in some areas, lower than planned levels of activity performance. This was more than offset by centrally held reserves that have not been utilised across the financial year and action is being taken to ensure that the Trust continues to be in recurrent financial balance.

A financial risk rating of 3 has been achieved for the financial year.

The summarised, income and expenditure performance for the year is included in table 1.1 overleaf.



Table 1.1 2009/10 Statement of comprehensive income

	2008/09	2009/10
	£'m	£'m
Operating income	255.1	271.2
Operating expenses	<u>(233.5)</u>	<u>(255.6)</u>
Profit (loss) from operations / EBITDA	21.6	15.6
Depreciation and amortisation	(7.1)	(6.1)
Impairment losses (reversals) net	<u>(2.5)</u>	<u>(8.5)</u>
Operating surplus	12.0	1.0
Finance costs		
Interest income	1.1	0.2
Interest expense	(1.1)	(1.1)
PDC dividend expense	<u>(7.4)</u>	<u>(5.8)</u>
Surplus(Deficit) for the financial year	4.6	(5.7)
Other comprehensive income		
Revaluation losses on property, plant & equipment	(6.4)	(16.0)
Net Increase in donated asset reserve	0.2	0.0
Comprehensive income and expenses	<u>(1.6)</u>	<u>(21.7)</u>
EBITDA margin	8.5%	5.8%
I&E margin	1.8%	1.0%

The following table highlights the variances in financial performance to the 2009/10 Annual Plan as submitted to Monitor.



Table 1.2 2009/10 Income & expenditure performance – variance to plan

	Plan £'m	Actual £'m	Variance £'m
Operating income			
Clinical income	236.3	245.2	8.9
Non-clinical income	23.0	26.1	3.1
Total operating income	259.3	271.2	12.0
Operating expenses			
Pay expenses	(160.0)	(166.3)	(6.3)
Non-pay expenses	(82.1)	(89.3)	(7.2)
Total operating expenses	(242.1)	(255.6)	(13.5)
Profit (loss) from operations / EBITDA	17.2	15.6	(1.6)
Depreciation and amortisation	(7.3)	(6.1)	1.2
Impairments	0.0	(8.5)	(8.5)
Operating Surplus	9.9	1.0	(8.9)
Finance costs			
Interest income	0.2	0.2	0.0
Interest expense	(1.2)	(1.1)	0.1
PDC dividend expense	(6.2)	(5.8)	0.4
Surplus for the financial year	2.7	(5.7)	(8.4)
EBITDA margin	6.6%	5.8%	
I&E margin	1.0%	1.0%	

The following has driven the variances to plan:

- Clinical Income:
 - Lower than planned elective inpatient income across all divisions, partly offset by higher than planned same day and outpatient income;
 - Higher than planned non-elective income consistent with the national trend;
 - Higher than planned income relating to excluded drugs and devices income with the development and introduction of new technologies.
- Non-Clinical Income:
 - Additional income relating to the Trust hosting the NW Leadership Academy.
 - Increased income from provision of non patient care services to other organisations.
 - Additional income received to meet NHS initiatives such as same sex accommodation, productive wards and maternity matters.



- Pay Costs:
 - Higher than planned expenditure on medical pay due to the use of locum / agency doctors to cover absences / vacant posts and the use of additional consultant sessions to deliver activity and waiting times;
 - Non-medical pay is also ahead of plan with expenditure of on non-clinical agency staff partly driven by IT infrastructure upgrades.
- Non-Pay Costs:
 - Higher than anticipated costs relating to higher than planned activity levels and excluded drugs and devices;
 - Additional expenditure relating to the Trust hosting the NW Leadership Academy;
 - Net beneficial impact of £2.0 from balance sheet items.
- Depreciation:

Change in accounting for depreciation impact of component depreciation.

- Impairments:

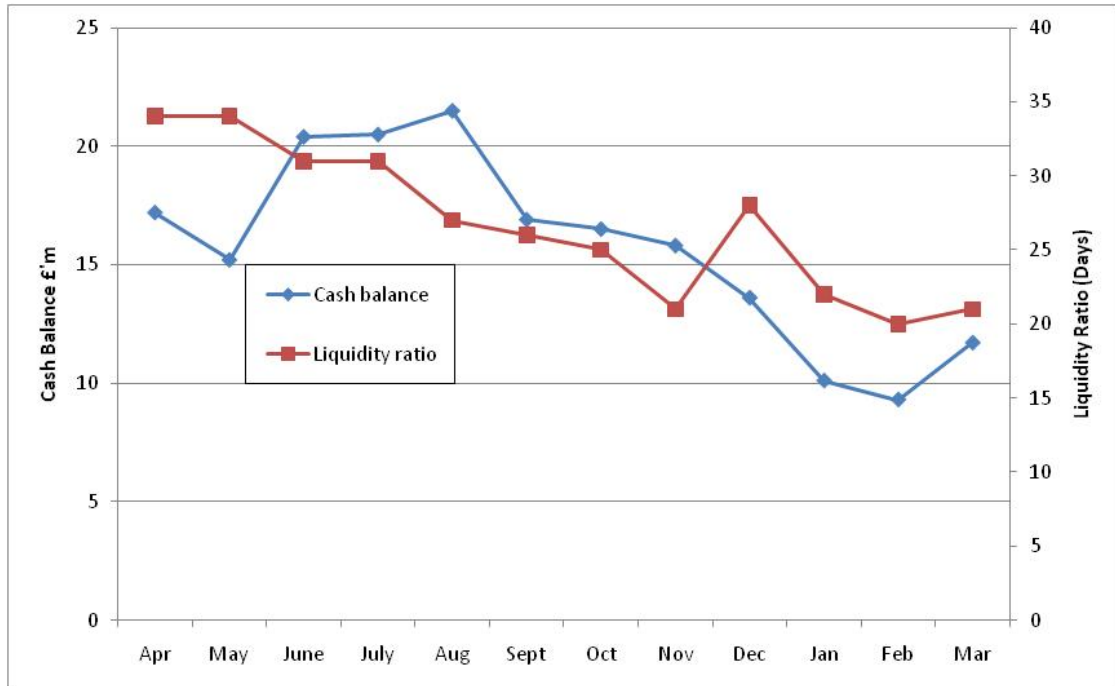
The Trust obtained a valuation of assets as at 31st March 2010, which resulted in a downward valuation of £24m predominantly as a result of the continued economic downturn. The financial impact resulted in an impairment charge to income and expenditure of £8.5m and a revaluation reserve reduction of £15.6m. As a direct result of this revaluation, dividend payable reduced by £0.4m.

1.2.2 Liquidity

The Trust's financial plans for the year were developed on the basis that it would not have to utilise the working capital facility agreed with Barclays Bank. The chart below demonstrates how the cash balance and liquidity ratio have varied across the year.



Chart 1.1 2009/10 Movement in cash balance and liquidity



The cash balance has fallen below plan by £1.3m, which is predominantly due to improved creditor payment performance with the majority of suppliers being paid within 10 days offset by capital slippage.

In line with the cash balances, the liquidity ratio has been more challenged in 2009/10 and reflects the Trust's significant capital plan from this year to 2012.

The cash flow statement overleaf summarises the key elements to the Trust's cash position.



Table 1.3 2009/10 Cash flow statement

	2008/09 £'m	2009/10 £'m
Profit (loss) from operations / EBITDA	21.6	15.6
Increase / (decrease) in working capital	0.2	(7.0)
Net cash inflow / (outflow) from operating activities	21.8	8.6
Interest received	0.9	0.4
Purchase of non-current assets	(10.4)	(29.0)
Investment	(5.0)	5.0
Net cash inflow / (outflow) before financing	7.3	(15.0)
Public dividend capital received	1.4	0.0
Loans received	0.0	10.0
Capital element of on-balance sheet PFI repaid	(0.1)	(0.1)
Interest paid	(1.0)	(1.1)
PDC dividends paid	(7.4)	(6.2)
Net increase / (decrease) in cash and cash equivalents	0.2	(12.4)
Opening cash and cash equivalents	23.9	24.1
Closing cash and cash equivalents	24.1	11.7

The underlying liquidity position remains healthy, although less so than in previous years following the continuation of the Trusts capital investment plans.

Liquidity has been strengthened in year following the agreement of a revised working capital agreement of £19m with Barclays with effect from 1st December 2009. This is a one year agreement and a new facility will be agreed in 2010.

1.2.3 Balance Sheet

The Trust continued to improve its infrastructure and invested £31m (of which £10m was funded through the Foundation Trust Loan Facility) in fixed assets during the year.

The summary statement of position for the year is included in table 1.4.



Table 1.4 2009/10 Statement of financial position

	2008/09 £'m	2009/10 £'m
Non-current assets		
Fixed assets	192.4	193.5
Trade and other receivables	1.8	1.9
Total non-current assets	194.2	195.4
Current assets		
Cash	24.1	11.7
Other current assets	16.7	13.5
Total current assets	40.8	25.2
Current liabilities	(27.1)	(24.5)
Non-current liabilities		
Borrowing	(8.0)	(17.8)
Provisions	(1.2)	(1.2)
Other liabilities	(1.6)	(1.6)
Total non-current liabilities	(10.8)	(20.6)
Total assets employed	197.1	175.5
Taxpayers equity		
Public dividend capital	141.0	141.0
Income & expenditure reserve	6.5	0.8
Other reserves	49.6	33.7
Total taxpayers equity	197.1	175.5

Table 1.4 is the equivalent of the UKGAAP Balance Sheet, the above statement of financial position is IFRS compliant. The main variation from UKGAAP in the above is the introduction of the Wesham/Rossall/Bispham PFI scheme onto balance sheet with an associated long term borrowing liability.

The year on year changes in the balance sheet reflect the following:

- A significant investment in capital of £30m, partially funded by a loan drawdown from the Foundation trust financing facility of £10m.
- A significant reduction in trade creditors driven by improved payment performance.
- A significant reduction in cash balances predominantly due to planned capital investment and improved creditor payment performance.
- The financial impact of the 31st March 2010 asset valuation which resulted in a downward valuation of fixed assets by £24m, resulted in an impairment charge to income and expenditure of £8.5m and a revaluation reserve reduction of £15.6m.



The Trust capital plan will see the continued investment in its infrastructure with £32m forecast for 2010/11 and £8m for 2011/12.

1.2.4 Private Patient Cap

In accordance with the terms of its Authorisation, the Trust must not exceed its predetermined private patient cap. The private patient cap is the proportion of income generated from treating private patients compared to total patient related income compared with the 2002/03 baseline level.

The table below summarises 2009/10 performance.

Table 1.5 Private patient cap

	2009/10	2002/03
Private patient income (£'m)	1.4	3.2
Total patient related income (£'m)	244.9	151.5
Private patient proportion (%)	<u>0.6%</u>	<u>2.0%</u>

The private patient cap was not breached in 2009/10. The Trust had £3.7m headroom before the cap would have breached.

1.3 Summary of operational performance

During 2009/10 the Trust maintained excellent operational performance against the range of national and local performance targets. The one area where performance fell below the required standard, in quarters 2 and 3, was in relation to the 62 day referral to treatment target for patients coming through the Bowel Cancer Screening Programme. The reasons for this and actions taken are set out below. Particularly pleasing was the Trust being asked to lead a North West review of emergency care on behalf of the Strategic Health Authority, as a result of our excellent performance in 2008/9. This was a positive experience and allowed us to use the review to scrutinize our own systems and procedures and introduced a range of measures to support the ongoing delivery of emergency care within Blackpool.

18 weeks Referral to Treatment

Since December 2007 the Trust has delivered the 18 week referral to treatment performance target month on month. During the year the rules on 18 weeks were tightened so that all specialties were required to deliver the 18 week target for both admitted and non admitted care. The Trust now delivers this standard to 95.56% of patients for admitted care and 97.4% of patients for non admitted care. This performance is well above the national standard and reflects the ongoing redesign of clinical pathways to support the delivery of timely and efficient patient care.



Emergency Access Targets

Blackpool has one of the busiest A&E departments in the country and throughout the year has achieved a performance well in advance of the national target of 98% of patients being seen and treated within 4 hours of arrival. During the year over 99% of patients were seen within 4 hours and treated, admitted or discharged. The department also delivered a local target of 70% of patients being treated, admitted or discharged within 3 hours of arrival.

Cancer Plan Access Targets

The new Going Further on Cancer Waits performance targets were introduced during 2009 and the Trust was well placed to deliver them. All performance targets were delivered with the exception of the 62-day Cancer Screening Target. This is dealt with in more detail below.

Health Care Acquired Infection

The Trust is now recognized nationally as a top performer in relation to the reduction in health care acquired infections, winning a national award from the National Patient Safety Agency for the comprehensive communications campaign introduced in early 2009. In addition the Trust was recognised by the European Parliament for work undertaken to screen all emergency patients being admitted to hospital. Action taken by the Trust has seen the number of cases of MRSA Bacteraemia have been reduced by 12.5% and the number of cases of Clostridium Difficile reduced by 56.7% over the last year. In the last year the Trust saw only 8 cases of MRSA Bacteraemia, of which only 3 were attributed to the hospital as opposed to infection acquired in the community. Work is continuing with our health community partners to tackle the community element of health care acquired infections.

Improving Patient Care

During the year the Trust has continued to work with healthcare partners to deliver on its commitment, to implement service changes approved as part of the public consultation, 'Improving Patient Care'. This has seen us redesigning clinical pathways to improve services for patients, reduce hospital length of stay and increased day case rates for hospital based procedures.

Building on the success of the mortality project undertaken in 2008 we have continued to focus on actions to reduce in hospital mortality. This has included the establishment of a Mortality Board, introduction of mortality reviews and regular specialty based mortality audits. The success of these initiatives is reflected in the reduction in our Hospital Standardised Mortality Rate from 103 (100 being the average) in 2008/9 to 74 for the period April – March 2010. The work undertaken has been recognised by our benchmarking company CHKS, who at their annual conference in February 2010 showcased the Trust as an example of good practice.



1.4 Other Major Issues

62-Day Cancer Screening Target

The screening target includes treatment of patients referred via the bowel breast or cervical screening programmes. In quarter 2 of 2009/10 the Trust failed to deliver the 90% performance target for patients being diagnosed with cancer through a screening programme. Root cause analysis showed that the primary cause for the breach of the target was the Bowel Cancer Screening Pathway. During quarter 3, a substantial action plan was developed with other Trusts, who form part of the Blackpool Screening Programme, to deliver the required level of performance. As part of this, discussions took place with the Hub at Rugby and it became evident that there had been some deviation from the original activity profile on which the service had been established, the Hub sending out almost double the number of screening tests in some months than had been planned. This resulted in a surge in demand which the screening centre had been unprepared for and unable to deal with. This situation has now been resolved and the Trust delivered the required performance in quarter 4.

Winter Planning

For the third successive year the Trust demonstrated that it had undertaken, in collaboration with out Health Community partners, robust winter planning. During the period of the winter plan we were able to maintain our A&E 4 hour wait performance, we had no cancellations of elective work due to bed availability and we accommodated all patients in recognised bed spaces which maintained their privacy and dignity. All staff within the Trust worked extremely hard to deliver the winter plan and there was a clear commitment to joint working across all areas. We believe that the principle that underpinned the success of the winter plan is that surgical beds are ring fenced and cannot be used to accommodate medical patients. This ensured that medical patients were cared for on medical wards, had robust treatment and care plans and had shorter lengths of stay than they would otherwise have had. This allowed flow to be maintained throughout the hospital.

Equality and Diversity

During the year the Trust took forward its duty to promote equality and diversity – both within its clinical services – with each division producing a portfolio of its equality and diversity work and with its workforce through work on the Staff Survey.

The Trust will continue to develop its commitment to equality and diversity under the Trust's Equality, Diversity and Human Rights Steering Group.



2 Future business plans

The Trust's strategic direction, as set out in the Annual Plan 2009/10 and our vision and values, as agreed by the Trust Board in April 2006, underpin the content of this Annual Plan. Over the last twelve months, we have undertaken a great deal of work to develop our approach to delivering our vision and this is reflected in the strategic and service developments set out in this document.

2.1 Strategic Overview

The Board of Directors recognise that the Trust operates in a changing environment and that a number of external factors impact upon our future business plans. These include the:

- Operating Framework 10/11
- The Comprehensive Spending Review, going forward
- NHS, Next Stage Review 'High Quality Care For All' and World Class Commissioning
- The local market context
- Patient choice and plurality of providers

We believe that the strategic direction of the Trust and our future business plans allow us to maximise the potential of these external factors and are aligned with the direction of travel for the wider NHS. This is described in more detail later in this section.

2.1.1 Trust Vision and Values

The Trust's vision statement was developed, with the support for our staff and healthcare partners, in early 2006 and was endorsed by the Board of Directors in April 2006. The Trust's vision is based on 4 key themes:

- Offer 'best in NHS care' for our patients
- Be the first choice provider for residents of the Fylde Coast and beyond
- Offer outstanding value for money for the taxpayer
- Be a great place to work

To deliver this vision a number of key actions, with outcome measures, were agreed by the Board of Directors in 2009. In summary they are:

- To achieve top 10% performance across the NHS for all key performance indicators such as health care acquired infections, length of stay and day case rates.
- To provide high quality care, as demonstrated by being a top 10% performing Trust and offer competitive waiting times for our population, through the delivery and maintenance of an 18 week pathway from referral to treatment.
- To achieve financial surplus to support future service investment and development, whilst delivering high quality accessible services through redesigning patient pathways to eliminate waste and reduce costs.



- To enhance staff involvement in the future direction of the Trust through implementation of the Blackpool Way. This will support a more team based approach to continuous improvement of patient pathways.

Whilst we believe our vision remains relevant to the current environment, the Board of Directors feel that the wording of the key themes should place more emphasis on the issues of patient safety and quality. A consultation exercise with staff is currently underway. It is not anticipated that any change will have a significant impact on the strategic direction of the Trust or our key goals however it will make more explicit our commitment to delivering high quality patient centred care. It is expected that a revised vision will be launched in June 2010.

Whole Health Community Vision

Between June and September 2006, the Health Community undertook a public consultation, titled 'Improving Patient Care' to ask patients about the future configuration of health services on the Fylde Coast. There was strong public support for the vision set out in the consultation document and this resulted in the following Health Community vision being agreed:

- Deliver excellence in patient and customer care
- Support the delivery of locally based community services, where appropriate
- Provide services from facilities that support the efficient delivery of patient care in the 21st century
- Support Blackpool, Fylde and Wyre Hospitals NHS Foundation Trust in providing high quality services that patients will choose to use
- Ensure that all locations are attractive places for patients and staff working there

Recent discussions with our healthcare partners have reinforced the above direction of travel. We believe that we must work together to deliver comprehensive changes to the way that services are delivered which focus on delivering best quality care for our patients. In some cases this will mean moving services from an inpatient into an outpatient setting and outpatient services out of hospital into a community setting. This will require all agencies to work in a coordinated and seamless way to maximise the benefits for patients. It is believed that by redesigning services in this way the cost of delivering healthcare will be optimised. A Memorandum of Understanding, which will underpin this approach, has been agreed with our Healthcare Partners.

The Trust views the approach above as being beneficial to its operations as it gives the opportunity to develop out of hospital services and in some instances will provide an opportunity to combine existing community services with services provided by the acute sector.

2.1.2 Strategic Developments

QUIPP

To achieve benefits for patients, 'High Quality Care for All' suggests that Trusts embed the principle of quality into their business as usual practices and focus on using innovation to drive up both the quality of patient care and the productivity of healthcare services. The principle being that better care and better value can be achieved through the reduction of waste and errors and the use of effective treatments. The Trust recognises that there is synergy between Quality,



Innovation, Productivity and Prevention (QulPP) and the strategic initiatives that are in place. These initiatives are about creating an environment in which change and improvement can flourish and providing leadership in a way that fosters a culture of innovation. It is about providing staff with the tools, techniques and support that will enable them to take ownership of improving both the quality of care and the patient experience.

To ensure maximum benefits accrue from the QulPP process the Trust has established a QulPP Programme Board consisting of the Executive Team and lead clinicians, to manage and coordinate system-wide improvement. The role of the Board is to:

- develop a benefits approach to service improvement
- coordinate service improvements through capital developments, the quality framework and pathway redesign,
- focus key QulPP enablers i.e. IM&T, business and clinical processes and skills where they will have the maximum benefit.



The QulPP Programme Board will have overall responsibility for managing the QulPP process and implementing the Trusts approach to managing benefits realisation. It underpins the organisations commitment to maximising benefits and to achieving best outcomes as set out below:

- The intended benefits of all change programmes will be agreed and monitored by the QulPP Board.
- The QulPP Board will coordinate benefits across the strategic change initiatives, ensuring that benefits are not double counted but also ensuring that the enabling programmes, such as the interim clinical management system, continuous improvement and Blackpool Way fully contribute to the Trust's vision for the future.



- Benefits management will require resourcing, similar to programme management, with appropriate funding, staffing and time to plan, monitor and realise benefits. Investment decisions will be overseen by the QulPP Board.
- Benefits management strategies will include the potential for re-skilling staff or for organisation change. Any constraints, such as Agenda for Change or funding limitations will be referred to the QulPP Board.

In addition the Trust is working very closely with its main commissioners and other partner agencies to ensure that sustainable solutions are delivered across the local health economy.

Interim Clinical System

In October 2009, following a rigorous procurement process using the Additional Supply Capability and Capacity (ASCC) framework contract, the Board of Directors appointed Alert Life Science as the Trusts strategic partner for the delivery of an interim clinical management system. The decision to procure a clinical management system, outside of the national programme, was taken as it was recognised that to support strategic initiatives such as the Quality Framework and QulPP process, that are designed to improve services by empowering staff and specifically clinicians, to make the necessary changes in clinical practice requires an information system that provides real time, high quality clinical information. The implementation of an interim clinical management system will allow clinical information to be recorded, collated, analysed and reported, with the focus on outcomes and the quality of the care being delivered. The system will also provide real time information to monitor and improve on the effectiveness and efficiency of care, thereby improving clinical quality. The clinical management system will provide the following benefits:

- Support patient care and clinical practice in every specialty. It will improve the system in which clinicians practice, enabling them to provide the best possible care. It does this by providing a more informed clinical environment to work in, with greater access to comprehensive patient information as well as reference data such as publications and evidence based guidelines.
- Provide a professional environment to work in. It will reduce the time clinicians spend on bureaucracy and paper-work, chasing results, arranging treatments and answering beeps and will provide effective productivity tools such as patient scheduling. This will enable more time to be spent with patients or in developing clinical practice.
- Encourage team working and decision making where all clinicians share the same information resource and decision support tools, reducing the incidence of isolated working.
- Provide real-time safety checks where decisions are evaluated against consultant approved.
- Guidelines before they are acted upon. Consultant advice and guidance will be available 24x7.
- Information will be available wherever patients are cared for and clinicians work. Clinicians will no longer need to go to the ward to access patient notes, nor to authorise changes in patient medication and / or treatment. Clinicians will know the location of their in-patients and the detailed status of every investigation ordered.
- Reduce the average and actual length of stay for individual patients by providing better access to information and investigations and enabling more rapid and informed clinical decisions.
- The system will improve patient safety by:



- providing all clinicians with shared access to the patient's history, diagnosis and treatment information
- ensuring only the most appropriate drugs are prescribed and administered
- monitoring and alerting clinically-critical situations
- scheduling diagnostics and treatments to best fit the patient's care and where possible offering a degree of patient choice
- reducing waste and improve efficiency by reducing length of stay, inappropriate use of drugs, clinical investigations and paper

A detailed implementation programme has been developed with installation beginning in December 2009 and completing in August 2012. The investment in the interim clinical management system is affordable over the lifetime of the contract, based on the estimated revenue costs, 'hard' revenue savings and revenue funding sources. The sensitivity analysis shows that the investment is sensitive to additional costs or loss of benefits. However the estimates ignore significant potential 'soft' benefits that the Trust will be focussing on through Service Development. The Information Governance Committee will monitor the project costs and benefits throughout the life of the programme.

Continuous Improvement

In July 2009 the Board of Directors appointed the Manufacturing Institute as the Trusts strategic partner, for the next three years, to develop a continuous improvement culture throughout the organisation. The programme will implement Lean Thinking as the continuous improvement methodology for the Trust and this will be integrated with the continuous improvement pillar of the Blackpool Way. The partnership will see rapid improvement events taking place throughout the three year programme, the development of continuous improvement champions to lead continuous improvement programmes and training for staff. The benefits of entering into a three year partnership for the delivery and management of a continuous improvement programme using lean methodologies are:

- Support for the continuous improvement pillar of the Blackpool Way.
- Consistency of approach to continuous improvement that focuses on the patient.
- A measurable efficiency gain to the organisation of 5% of turnover.
- Continuous improvement will have more of a focus on organisational priorities and there will be a more structured approach to targeting continuous improvement events and goal setting.
- A measurable change in organisational culture, to a culture of continuous improvement.
- Development of a cohort of lean leaders within the organisation who can support the spread and sustainability of lean methodologies.
- Over the life of the partnership there will be joint management of the programme and a transfer of skills to enable the Trust to be self sufficient going forward.
- Once embedded lean thinking will be self funding.

The development of a continuous improvement culture supports the QuIPP process by creating an environment in which a culture of innovation, change and improvement can flourish.

The Blackpool Way

The Blackpool Way is the Trusts programme for delivering best in NHS care through an enlightened approach to managing and leading people and developing a fully engaged workforce.



During 2009/10 a review of the Blackpool Way was commissioned. Professor John Oliver who supported the original design and launch of the programme undertook the review. He identified major progress in embedding the Blackpool Way into our culture and the contribution it has made to delivery of our overall vision. The review identified a number of real successes in relation to staff engagement, changes in organisational culture and continuous improvement. It also identified areas for further work in relation to staff recognition and further work in relation to management culture. Overall the review concluded that great progress had been made and Blackpool has the potential to become an exemplar site for both public and private sector organisations in how to implement a staff engagement programme. This progress was reinforced in December 2009 when, following a week long assessment, the Trust received a Gold Award from Investors in People.

The priorities for the Blackpool Way in 2010/11 are to ensure that an enlightened management culture is practiced across the whole of the organisation and that continuous improvement, in the form of Lean Methodologies are spread and embedded throughout the organisation to support the QulPP process.

Nurses 10x10

During 2009 the Trust launched its nursing 10x10 project with the aim of improving nurse staffing levels by the end of 2010. The aims of the project are to:

- Review all nursing establishments and agree staffing templates.
- Improve patient experience survey results.
- Reduce complaints regarding nursing staff attitude and communication.
- Improve Nursing Care Indicator scores.
- Remove dependency on the Nurse Bank.
- Reduce nursing sickness absence to less than 4.5%.
- Reduce nursing turnover to less than 10%.
- Improve staff morale, as evidenced by staff survey results.

The project was launched as there existed a significant number of nurse staffing vacancies within the Trust and it was felt that a shortage of nurses at ward level was directly affecting the workload and morale of staff and importantly was impacting on the quality of care delivered. The result of these vacancies was that the Trust was spending a significant amount on temporary nurse staffing which again it was felt impacted upon the quality of patient care.

Whilst nationally there is no definite guidance for setting nurse staffing levels, the Trust recognised that there was a need to review all ward establishments. Good delivery and good quality care does not depend exclusively on numbers of nursing staff in post however and hence it is important to ensure that a the type of patient, the clinical activity and patient numbers were taken into account when agreeing the staff numbers and skill mix for each area.

Good progress has been made during 2009 on improving staffing levels in clinical areas however recruitment has proved difficult and therefore over the last six months work has taken place with a recruitment agency to develop a brand for the Trust, 'The Place to Be', and a concerted recruitment campaign is now underway to fill all vacancies, including additional posts identified during the staffing review and eliminate the use of a nurse bank. As well as 'The Place to Be' campaign the Trust has actively recruited overseas, sourcing 27 additional experienced registered nurses for the medical divisions, due to commence in Autumn 2010.



Workforce Development

During 2009/10 the Trusts workforce strategy focussed on delivering against the seven factors outlined in the “World Class” HR model developed in conjunction with NHS North West. The seven factors are:

- Getting the basics right
- Supporting people management
- Achieving desired results for the business
- A Compelling Employee proposition
- Business alignment and integration
- Proactive leadership of the People Agenda
- Creating Value, innovating and demonstrating impact

The Trust has used this framework to deliver workforce improvements to ensure both increased patient satisfaction and deliver fully on ‘being a great place to work’ as set out in our vision. Progress on this can be measured in improvements in both patient and staff annual satisfaction surveys.

During the year there has been increased focus on employer branding and recruitment and retention of hard to fill posts. This will be the main focus of our recruitment drive in 2010.

The appraisal system was refined in 2009 and as a result over 90% of staff received an appraisal in the first 3 months of the year. Further improvements have been introduced for the coming appraisal round to ensure full and timely participation with a greater emphasis on delivery of plans for staff training and development.

Good progress was made through out the year in relation to the staff well-being agenda. This included the trust wide stress reduction project, reducing excessive working hours, taking action on the causes of long term as well as short term absence and full delivery of working time regulations. This work resulted in a reduction in sickness absence levels to 4.3% and work will continue in the coming year with the goal of reducing levels of sickness absence for the Trust to 3.9%.

Leadership and Management Development

During 2009 the Trust launched a series of development opportunities to enable managers and clinicians to lead their teams the Blackpool Way so that they bring out the best in people to optimise the services we provides to patients. These initiatives will continue in 2010/11 and include:

Leadership and Management Development at all Levels

- Thirty four Senior Clinical Leaders, including Consultants, Senior Nurses, Scientists and Allied Health Professionals, .have participated in a clinical leadership programme.
- Up to 200 managers have completed at least 1 day of the New and Junior Managers programme.



- Individuals have been appraised using 360 feedback, based on the NHS leadership qualities Framework.
- A number of clinical teams have participated in lean effectiveness development work.

Evaluation of the Senior Clinical Leaders Programme indicates that it has resulted in:

- significant improvements in patient care e.g. in the detection and treatment of Myocarditis.
- increased skill and confidence in leadership skills such as negotiation, influencing and team working.

Developing a Coaching Culture

The aim of this project is to bring about cultural change and to create an organisation where:

- everyone learns and develops and is supported to fulfil their potential.
- performance is enhanced.
- goals are achieved.
- we all act with dignity towards patients and each other.

Coaching involves listening, asking helpful questions and having quality conversations that:

- build confidence
- increase awareness of self and others
- improve performance
- recognise and appreciate achievement

We have embarked on training 22 in house Coaches who will be able to offer formal coaching to managers and in supporting Executive and Associate Directors to use coaching skills with their teams. Over the next 12 months a coaching skills for managers programme will be rolled out across the Trust.

Medical School Development

The first year of hosting student doctors from Liverpool University was a tremendous success. Resident on site for the entire 2008/9 academic year were 24 students in their fourth year of study during which time they rotated through all hospital specialties and into primary care. Testimony to the clinical opportunities available, the teaching provided and the students' diligence they all passed their final examinations.

Several of these students returned to the Trust in September 2009 to complete their fifth and final year of study in Blackpool. This is an important year for the students as they progress towards being qualified and apply for their first posts as doctors. It is anticipated that many of these students will apply to the Trust and be the first cohort of "home grown" junior doctors.

In addition to these students, as planned, 48 students arrived on site in September 2009 for their fourth year studies. The success and favourable feedback from the original group had led to all 48 choosing to come to Blackpool which was very rewarding for all who had been involved.

A new venture in September was the introduction of student dentists to the Trust. This is a collaboration with Liverpool University and the University of Central Lancashire with the Trust



providing clinical experience for third and fourth year dental students. During 2009/2010 there are 8 students present with 16 expected in 2010/11.

Given the involvement in both medical and dental education with large numbers of students the Trust aspires to achieve Teaching Hospital status. This will not only recognise the commitment to medical and dental education but also reinforce the Trust's commitment to delivering the highest standards of care, enhance the recruitment and retention of senior clinicians and open up other opportunities for development of research and teaching locally. It is hoped to complete the process of securing Teaching Hospital status by the end of 2010.

Fit for Foundation

In 2009, as part of the Trusts drive to support Clinical Divisions to pursue excellence by granting a degree of 'earned autonomy' based on performance, all Clinical Divisions achieved Fit for Foundation. On the 1st April 2009 the clinical divisions of Surgery and Cardiac were 'licensed' by the Board of Directors and in June 2009 the clinical divisions of Medicine, Women's and Children's and Clinical Support were 'licensed' by the Board of Directors. This means that they will enjoy a model of regulation similar to that of Foundation Trust's that works on the basis of risk ratings for governance, finance and mandatory services with a 'light touch' approach taken if key targets are met and strong planning and control is demonstrated. This will ensure that each Division is capable of handling a greater degree of autonomy in terms of its governance and controls, and that they received appropriate corporate support to allow them to manage their service effectively.

The Local Competitive Situation and Development of Commercial Opportunities

The competitive situation for the Trust has improved since Foundation Trust status was achieved. In June 2009 two major independent sector contracts, for cataract and magnetic resonance imaging services, came to an end and following negotiations with commissioners contracts were transferred to the Trust.

In 2009 the Trust also embarked on a Joint Venture arrangement with a local GP practice, bidding for two contracts for the provision of local integrated healthcare services. The result of the tender exercise was that both bids were successful. However only one contract was awarded as the second award was challenged. The timetable for the contract being retendered is awaited. The Trust recognises that any future development opportunities will be subject to open market competition and have developed expertise in this area.

Practice Based Commissioning continues to be developed on the Fylde Coast with consortiums now in place covering Blackpool and the remainder of the Fylde Coast. The Trust has been developing strong links with these consortia to support service change and influence patient flows.

The Trust continues to scan the horizon to identify potential competitors for the services it is providing. At present there are no competitive threats identified that are likely to have a significant influence or put at risk our forward plans.



Developing our Marketing and Competitive Capability

A Marketing Strategy was approved by the Trusts marketing group in March 2008 and this set out a number of marketing options for Divisions to consider for each of their services. These included:

- Maintenance of current market share
- Growth of market share within the current range of services
- Growth into new services or market
- Reduction of current services possibly to allow expansion into new markets

Over the last 12 months work has continued with Divisions in order to support them in developing their marketing approach along these lines.

At its meeting in December 2009 the Board of Directors received a report from the Marketing Sub Committee that reviewed the above strategy in the light of the new economic environment in which the NHS is operating. It was agreed by the Board that the current strategy would not be effective in the new economic climate as opportunities for market expansion and the introduction of new services will be limited. The marketing sub group were therefore asked to revise the current strategy with a focus on retaining existing core business and supporting the relocation of work into the community, where appropriate, with defined pathways that ensure that where patients flow between primary and secondary care, Blackpool Fylde and Wyre Hospitals NHS Foundation Trust is the secondary care provider.

The Marketing Sub Committee of the Board, Chaired by a Non Executive Director with representation by Governor members will continue to monitor the effectiveness of our marketing strategy ensure that we tailor our future plans and objectives to meet the known needs and wishes of patients, commissioners and general practitioners.

Contracting

The Trust has signed a legally binding contract with Blackpool PCT acting as Co-ordinating Commissioner. The activity levels set out in the contract reflect the activity levels expected by Commissioners and a number of areas of reduction as set out in their Commissioning Intentions for 2010/11 and beyond. Delivery of the capacity reductions required will be very challenging and to successfully implement these schemes the Trust will have to work very closely with partners and stakeholders to ensure that safe coordinated services are developed. This will include developing closer relationships between the Trust's senior clinicians and local GPs. Discussions with the Specialist Commissioner regarding Cardiac and Haematology activity have been concluded with activity levels being agreed to ensure maintenance of the 18 week performance target.

This year will be the second year of the Commissioning for Quality and Innovation (CQUIN) payment framework to support the vision set out in High Quality Care for All. The framework requires a proportion of providers' income to be made conditional on quality and innovation. Discussions have been concluded with commissioners regarding the linking of payment for this element of the contract to specific local quality goals.



Relationship with Commissioners and Stakeholders

As previously stated the Trust continues to build on the joint working that has taken place with Commissioners in recent years to develop a framework to deliver comprehensive changes to the way that services are delivered. This will focus on delivering best quality care for our patients. In some cases this will mean moving services from an inpatient into an outpatient setting and outpatient services out of hospital into a community setting. This will require all agencies to work in a coordinated and seamless way to maximise the benefits for patients. It is believed that by redesigning services in this way the cost of delivering healthcare will be optimised. The governance arrangements to oversee the implementation of QuIPP within our local health economy have been agreed with partner agencies. In addition to a Chief Executive led monthly review process, oversight is provided by a Non-Executive group that meets quarterly.

It is anticipated that a small number of changes to services may require public consultation. Should this be the case the Trust has an excellent record of undertaking joint consultations with our healthcare partners and this will ensure that the voice of our patients and public is heard and acted upon.

Corporate Citizenship

The Trust is committed to being a good corporate citizen. A continual review of our operations takes place to determine how we can minimize the environmental impact of our activities. During 2009 the Trust implemented a number of improvements, in particular:

- the Energy Grant Scheme was completed and is anticipated to save approximately 11,000 Tones of CO₂ in the first full year of operation.
- the appointment of an Energy Technician to implement the Carbon Reduction Strategy and a Waste Reduction officer to oversee the development and implementation of our Waste strategy.
- achievement of the Carbon Trust Standard as recognition of our work reducing carbon emissions from energy use in buildings and our owned transport over the last three years.
- implementation of a recycling scheme at Poulton Offices to test the feasibility of developing this across the trust.

In 2010/11 we will review our Carbon Reduction Strategy in the light of the achievements this year and will be joining the Carbon Trust's NHS Carbon Management Programme to ensure this process is robust.

We will also put in place measures to improve segregation of clinical waste and increase the proportion of our domestic waste that is recovered or recycled.

In November 2009 the Board of Directors held a seminar, hosted by, Forum for the Future - Action for a sustainable World. This identified a number of suggested actions for the Trust in 2010/11 including:

- Agree what role the board will play and use its influence to support a corporate approach.
- Incorporate sustainable development so that it is integrated into our procurement strategy.
- Establish carbon reduction targets and a coordinated action plan to achieve these.
- Make sustainability principles and criteria an integral part of planning new services.



Transforming Community Services

The Trust is currently in discussions with both local PCTs regarding the future of their Community Services. Unfortunately, at the time of submission, the decision-making process of PCTs had yet to conclude. This is now expected to be resolved across the next two months with a view to going live on 1st April 2011.

The Trust will liaise with Monitor regarding any regulatory consequences of these transactions as set out in the Compliance Framework.

2.2 Service Development Plans 2010/11

Improving Patient Safety

At a Board Seminar in November 2009 the Board of Directors considered their role and responsibilities in ensuring that patients in our hospital receive care that is safe, of an excellent standard and that they have the best possible clinical outcome and a positive experience. This was prompted by the Trusts participation in the NHS Institute's LIPS III programme and more recently the attendance of the Executive Team on the North West Strategic Health Authority 'Board on Board' Patient Safety event. In addition recent Health Care Commission Reviews of Stoke Mandeville and Mid Staffordshire Hospitals demonstrate how failures at Board level impact on essential aspects of patient care and safety. The Trust has a stated vision of delivering 'Best in NHS Care' as demonstrated by being in the top 10%. However learning from the Board on Board event highlighted the need for a cultural shift to create the right environment throughout the organisation for quality & safety improvement to flourish.

Our approach to safety and quality over the last few years has been largely structural rather than cultural. In November 2008 we launched our Quality Strategy with four main pillars for action:

- Reducing Hospital Mortality
- Reducing Harms
- Conformance to best practice
- Improving the patient experience

Sitting beneath this overarching strategy there have been a variety of projects and initiatives, as described below, that have delivered improvements in patient care. This is not a comprehensive list by any means, as there is much improvement work going on in individual specialist areas.

- The 100K lives project (central line infections, critical care outreach, surgical site infections, myocardial infarction care, medicines reconciliation, and ventilator associated pneumonia).
- Advancing Quality (hip & knee surgery, CABG, Myocardial Infarction, Community acquired pneumonia, heart failure)
- LIPS III programme (various projects including: pressure ulcers, falls, medication errors, night time care, sepsis management etc)
- HCAI (successful reduction of MRSA and C Diff)
- Nursing Care Indicators (a range of indicators including basic observations, nutrition, falls, pressure care etc)
- Being with patients
- Patient satisfaction surveys



- Mortality projects

Despite the above progress the view of the Board of Directors was that if we are to move to a position of sustained high performance we need to consider ownership and responsibility for improvement goals starting at Board level. There is a need to drive a cultural shift which recognises:

- Patient harms occurring in our hospital
- Many of them are avoidable
- Patient outcomes depends on teams not individuals
- Standardisation and conformance to best practice can improve outcomes
- In the same way as the HCAI agenda , it is everybody's business
- We don't always provide patient centred care
- The patients and public have a voice which we have not always heard
- When patients are harmed and when they complain we don't always learn the lessons from those events.
- The public have a right to know how we are performing in relation to patient safety.

Recommendations from the Board seminar will be implemented over the next 12 months and will include:

- A review of performance information being presented at Board meetings to ensure that the board is getting the right information about clinical quality and patient safety and there is sufficient time to discuss it.
- Patient story DVD's are played at Board meetings and are very powerful in conveying the patient experience. New ways to get the patient voice heard, such as inviting a patient to Board meetings will be considered, in order to bring 'rich', honest and open patient experiences to Board discussions.
- Management information on patient safety will be shared with the wider organisation. Following a period of validation this Information will be placed on the Trusts web site for the general public to access.
- A strategy for raising the profile of patient safety, in the same way the profile of infection prevention has been raised, will be developed and implemented.
- Senior medical and nursing leadership will be developed so that they take ownership and responsibility for patient safety. In the same way we have learned to challenge those who violate the infection control rules we want to develop a culture which takes pride in high quality and routinely challenges poor performance.

Quality Framework

In response to Lord Darzi's Next Stage Review, 'High Quality Care For All' a consultation took place with staff and the result was a quality framework approved by the Board of Directors in November 2008. The Quality Framework sets ambitious targets for the next three years in relation to direct patient care, as set out below:

- Improve our hospital standardised mortality rate from 103 (100 being the average) to 73 by 2011/12
- Conform to best practice by fully implementing Advancing Quality, 100,000 Lives and Saving Lives interventions.
- Reduce avoidable harms by 50% by year 2011/12.



- Improve the patient experience, evidenced by improving our rating in the national patient satisfaction survey by 5 points per year, over the next 3 years.

Programmes of work have been implemented to deliver these goals and substantial progress has been made over the last 12 months. The content of the Quality Framework forms the basis of our Quality Accounts, which are a statement to our patients and public of the progress we have made on improving the quality of patient care. Quality Accounts are published as part of our annual report.

Infection Prevention

The Trust is now recognised nationally as a top performer in relation to the reduction in health care acquired infections, winning a national award from the National Patient Safety Agency for the comprehensive communications campaign introduced in early 2009. In addition the Trust was recognised by the European Parliament for work undertaken to screen all emergency patients being admitted to hospital. However the Board of Directors have identified Infection Prevention as the number one clinical priority for 2010/11 and challenging targets for further reduction in health care acquired infections have been agreed with local commissioners.

Action taken by the Trust has seen the number of cases of MRSA Bacteraemia reduce by 12.5% and the number of cases of Clostridium Difficile reduce by 56.7% over the last year. In the last year the Trust saw only 8 cases of MRSA Bacteraemia and 134 cases of Clostridium Difficile. Whilst we have in place excellent performance management arrangements for health care acquired infections we are not complacent and will continue to monitor the application of best practice and investigate as serious untoward incidents all cases of hospital acquired infections. Learning from these incidents will help us develop our practice and further reduce the number of infections. The eradication of health care acquired infections will not only provide a safer service for patients, it will also help us consolidate our position as first choice provider of healthcare on the Fylde Coast. Below are a number of the measures we have in place to as part of our 'zero tolerance' culture:

- Awareness and education of hospital acquired infections raised through monthly roadshows.
- Root Cause Analysis conducted on each new MRSA and Clostridium Difficile case and lessons learnt cascaded.
- Monthly Hand Hygiene audits completed aiming for 95% compliance.
- Saving Lives and 100,000 Lives audits conducted quarterly with the Hospital Infection Prevention and Control Committee monitoring the results.
- Introduction of MRSA Screening Operational Assurance Framework from the 31st March 2009.
- Compliance with Antibiotic formulary audited by Antibiotic Pharmacist.
- Introduction of an isolation ward facility.
- Monthly meetings take place with PCT's to discuss community acquired MRSA Bacteraemia and Clostridium Difficile infections, identifying areas for improvement and ways to reduce levels.

Phase VI – Surgical Development

Following consideration of a business case in June 2008 the Board of Directors approved the development of a new surgical block, Phase VI. It is important that this development is not seen



as merely a new building but as an opportunity to develop clinical practice and meet patient expectations. Therefore a clear set of objective have been set including:

- supporting the adoption of best practice surgical techniques
- optimising bed and theatre utilisation
- bringing together fragmented surgical services, to simplify the patient journey
- providing a high quality environment that promotes and protects patients privacy and dignity
- enhancing the Trust's infection prevention policy and procedures
- delivering services in a facility that meets patients expectations
- promoting the Trust as the provider of choice in the local health economy
- enhancing the Trust's ability to attract and retain high caliber staff from all disciplines
- facilitating flexible training and workforce models

Building work on the new development started in March 2009 with the building planned to be commissioned in the summer of 2011. The Surgical Division has begun to redesign services, both in terms of the way they are delivered and the setting in which they are delivered, in preparation for the move into the new accommodation.

Urgent Care Centre

The business case for the development of an Urgent Care Centre was approved in 2008 by the Acute Trust and the PCT's. The centre, to be sited on the Acute Hospital site, will bring together the existing Accident and Emergency Department (A&E), the GP Out of Hours services, Mental Health services and Primary Care services to one service location, operating 24 hours a day 365 days per year. It will deliver a more consistent and more integrated urgent care service by bringing services together, improving convenience, appropriateness and quality of care provision. Through a single point of access for patients, the service will channel patients to the right place and service, to meet their needs first time either by providing immediate treatment or arranging future appointments with the appropriate service. The business case sets out a proposal for radical redesign of unscheduled care services to deliver a service built around and responsive to the needs of patients.

The local population will see significant benefits by improving access to unscheduled care, by streamlining the process of care and by making the best use of the skills of all of the staff; this will improve access to appropriate services for patients.

- The key objective of the project is to give a single point of access for patients either face to face or via telephone.
- Triage, either face to face or via telephone, channelling patients to the right place and service, to meet their needs first time.
- Provide a service, by providing immediate treatment or arranging future appointments with the appropriate service.
- Bring services together, improving convenience, appropriateness and quality of care provision.

This scheme has been prepared to support the development of re modelling unscheduled care for the Fylde Coast Health Economy, by creating an Urgent Care Centre. Construction has been split in to 4 phases to ensure that A&E can continue to deliver high quality, safe clinical care and meet



the access targets. The Centre will open on 7th June 2010, with some internal re-design of A&E ongoing until summer of 2010.

Women's and Children's Development

In November 2008, work began on the phased development of an integrated Women's and Children's Unit. The work involves a capital scheme to consolidate outdated, paediatric services into a purpose built facility combined with the current Women's Unit and Neonatal Intensive Care Unit. This development will provide a catalyst to drive service change and efficiencies, as described below:

- Introduction of ambulatory gynaecology – this will see treatments offered in an ambulatory setting, creating opportunities to both grow market share and improve efficiency by reducing demand for expensive theatre capacity.
- Paediatric staffing – the bringing together of children's wards into one area will give efficiencies through economies of scale.
- Reduced length of stay for Women's and Children's services – this will mean a requirement for fewer inpatient beds.
- Provision of a dedicated Foetal Assessment and Triage Unit – this will be managed by midwives and will reduce the need for overnight stays.
- Compliance with NSF standards - the new facility provides the opportunity to move the majority of non-medical children's services into accommodation designed to meet the needs of children.
- Improved Postnatal Support through the development of a transitional care unit – this will allow mothers and babies to remain together whilst the baby undergoes treatments such as IV antibiotics or phototherapy.
- Provide an infrastructure to deliver one-stop services – this will cover assessment and treatments for Post Menopausal Bleeding, Foetal Assessment and Early Pregnancy Assessment.

Work is to undertaken in phases, over the next 36 months, to allow services to continue to be delivered. Full completion of the scheme is planned for 2012. The Women's and Children's Division have formulated plans to deliver redesigned services as each stage of the development is completed.

Out of Hospital Care

The proposal to move services from hospital into the community was tested during our public consultation, 'Improving Patient Care'. The outcome of the consultation was that patients and the public told us that they wanted to see services delivered in the community closer to their homes. The consultation put forward proposals to develop Primary Care Centres on the Fylde Coast to facilitate this change. The first of these centers opened in June 2009 and as agreed with our patients and public, during our public consultation, a wide range of services are now being provided from this new centre including a range of diagnostic services. A second centre, in Blackpool, was opened in September 2009. At present diagnostic services, including Magnetic Resonance Imaging are provided from the centre. Discussions are ongoing with commissioners regarding space available in the centre to provide out of hospital service. These developments and the Trusts response, give the opportunity to develop pathways across primary and secondary care and consolidate our position as the first choice provider of healthcare on the Fylde Coast.



Medicines Reconciliation

The Trust has made considerable improvements in medicines reconciliation, including the appointment of a lead pharmacist in emergency care, therefore doubling the pharmacy input available in the Clinical Decisions Unit.

The following strategies will continue during 2010/2011:

- Monthly audit of pharmacist led medicines reconciliation on admission, aiming for a target of 90% of medical patients to have their medicines reconciled by a pharmacist within 24 hours. The Trust have achieved a 75% target at present of all patients to have their medicines reconciled by a pharmacist within 24 hours)
- Induction training for all new medical staff on medicines reconciliation
- Promote the admission medicines reconciliation protocol

The challenges for 2010/11 are:

- Incorporating a formalised 'medicines list' in all patients notes (including surgical patients)
- Redesign of the discharge letter to encourage medicines reconciliation at discharge.
- Ratification and implementation of the discharge medicines reconciliation protocol.

Antibiotics and Infection Management

The Trust has made considerable progress in reducing the incidence of healthcare associated infections MRSA and *Clostridium difficile* as high-lighted in the Infection Prevention section of this plan.

The following strategies will continue in 2010/11 to ensure the prudent use of antimicrobials:

- Quarterly Antimicrobial Formulary compliance audits aiming for 90% compliance
- Quarterly Antimicrobial Usage Data reports using Defined Daily Doses (DDDs)
- Feedback of these results at Divisional Board level and ward level
- Promote the Antimicrobial Formulary and Antibiotic Stop/Review Policy
- Ensure that antibiotics such as gentamicin and vancomycin are prescribed and monitored appropriately
- Microbiology referral system to review complicated patients
- Induction training for all new medical staff on appropriate antibiotic use
- Medicines Management course for Nursing staff includes a session on safe and effective use of gentamicin and vancomycin

The challenges for 2010/11 are:

- To retain a high profile for the Antibiotics and Infection Management Group
- To engage clinicians in the prevention of *Clostridium difficile* infection using lessons learned in the Root Cause Analyses of *Clostridium difficile* infection
- To work with primary care to ensure prudent antibiotic use across the health economy
- To develop and implement an Outpatient/Home Antibiotic Therapy service (OPHAT)
- To provide further education and training to all doctors on appropriate antibiotic selection and monitoring
- To identify opportunities to utilise the non-medical prescribing qualification of the Antimicrobial Pharmacist to best effect in the management of infections
- To implement the Paediatric Antimicrobial Formulary
- To implement the guideline for Antimicrobial Prophylaxis for patients undergoing surgery



Falls Service

Patient Stories are a powerful media for staff and the Trust propose to increase the use of these and produce specific DVD's, which highlight the effect that a fall has on the patient, their family and the Trust's staff. The DVD's will be used to raise the profile of falls reduction and prevention and will be used as training aids.

A newsletter will be produced to highlight and share best practice between all staff groups and ensure that falls prevention is at the forefront of planning care for patients.

The Trust inputs falls data into the national database at the National Patient Safety Agency. The agency publishes the Trust's data on a quarterly basis. The data compares the Trust to other Trusts nationally. This information is shared with the Divisions and monitored by the Trust Board.

All the Divisions are provided with individualised data on a monthly basis which highlights the number of falls which have occurred. This data is presented at the Divisional Board meetings and disseminated to the clinical areas. The progress towards achieving the target of reducing falls by 30% Trust wide by 2011 is shared with the clinical areas and monitored by the Falls Steering Group.

Falls risk assessments and resultant care plans are audited on a monthly basis as part of the Nursing Care Indicators. The results of the audits are shared with the Divisions and monitored on a monthly basis by the Executive Directors and Trust Board.

Intensive support and training has been given to a particular area within the Medical Division to raise awareness of falls prevention. This has resulted in a 44% reduction in the number of falls from 25 to 11 in a 5 month period June – October 2009 compared to the same period last year. This intensive support is being rolled out across other areas within the Trust.

Mandatory Services

There are no proposed changes to the Trust's mandatory services as set out in appendix 1.



3 Operating resources required to deliver service development

3.1 Income and Expenditure

3.1.1 Overview

The Trust plans to continue to build upon the robust financial position and processes that were developed in the previous four years. To enable the development proposals set out in Section 2, the Trust's financial strategy requires that surpluses continue to be delivered across 2010/11 to 2012/13 supported by an appropriate level of borrowing.

The plans have been developed against the backdrop of the economic downturn with increased levels of efficiency required. Plans are currently being developed with commissioners to implement a significant reduction in activity from 2010/11.

The Trust plans for its financial risk rating not to fall below level 3 in totality, with the aim of strengthening performance across all financial criteria.

The financial values in the plan are inclusive of the Trust's investment plans and supporting borrowing. Further detail on the financial risks facing the Trust is outlined in section 4.

3.1.2 Clinical income

The basis for setting the clinical income plan is the activity projections agreed with PCTs as part of the contracting round for 2010/11.

The main assumptions underpinning forecast levels of activity include:

- 2009/10 forecast outturn is the baseline activity commissioned;
- Reductions in non-elective and A&E activity resulting from the Urgent Care Centre to begin on 1st June 2010;
- Consolidation of developments in Adult Critical Care and Cardiology services to meet clinical quality; and
- A number of commissioning intention schemes to reduce the overall financial burden on the health economy. Examples of such intentions are:
 - reduction in length of stay and therefore reduction in excess bedday payments;
 - reduction in the provision of low clinical procedures;
 - reduction in new to follow up activity; and
 - reduction in 14 day emergency readmissions.

The Trust is working closely with the stakeholders to develop and implement Health Economy plans to deliver the financial plans associated with the commissioning intentions.

Only service developments that have Commissioner Approval have been included in the Trust's proposals although they may not be implicitly included in the contracts.



The impact of the above assumptions are included in table 3.1 which summarises the Trust's clinical activity forecasts for 2010/11 to 2012/13 as agreed with the Trust's Commissioners.

Table 3.1 Clinical activity forecasts

	Plan 2009/10 000's	Actual 2009/10 000's	2010/11 000's	Current Plan 2011/12 000's	2012/13 000's
Elective spells	60.7	62.8	50.2	50.2	50.2
Non-elective spells	42.7	44.6	40.7	40.7	40.7
Outpatients attends	349.5	349.5	249.2	249.2	249.2
A&E attends	92.1	91.9	74.2	74.2	74.2

The NHS Operating Framework, published in December 2009, sets out the framework within which the income from the above activity levels will be priced. Income projections will therefore need to be revised to take these into account.

The Operating Framework has introduced Tariffs priced using the 2010-11 National Tariff activity classification system and the Trust has worked closely with its commissioners to ensure that this is successfully introduced. In particular the following significant changes have been agreed:

- Daycase and elective tariffs have been re-aggregated and outpatient procedure prices have been aligned to outpatient procedure tariffs. This change has resulted in approximately 7,000 outpatient procedure attendances being reclassified from elective spells to outpatients.
- Diagnostic imaging has been re-bundled from the outpatient tariff, with the publication of non-mandatory tariffs. This change has resulted in 74,000 diagnostic attendances being removed from the outpatient classification.
- Introduction of the marginal tariff for non-elective activity enabling a financial risk share of non-elective admissions in future financial years.

Tariff inflation has now been reduced from last year's plan of 1.7% to 0% although a further 1.5% is available if the Trust delivers against Commissioning for Quality and Innovation (CQUIN) payment framework targets. These have been agreed with the Trust's Commissioners.

Beyond 2010-11, the Trust has modelled deflationary pressures on clinical income of 1% annually in the planning period. All inflationary pressures therefore, are expected to be met internally in the future.

Non-PbR services have been priced using locally agreed prices including the appropriate inflationary uplift as above.



Table 3.2 Clinical income projections

	Plan 2009/10 £'m	Actual 2009/10 £'m	2010/11 £'m	Current Plan 2011/12 £'m	2012/13 £'m
Elective	60.1	57.7	57.3	56.7	56.1
Non-elective	74.8	78.6	71.0	70.3	69.6
Outpatients	31.5	32.0	28.4	28.1	27.8
A&E	7.6	7.4	6.4	6.4	6.3
Other	58.8	63.9	58.9	58.2	57.6
NHS clinical income	232.7	239.6	222.1	219.7	217.5
Non-NHS clinical income	3.6	3.0	4.7	4.7	4.6
Total clinical income	236.3	242.6	226.8	224.4	222.1

The above values are incorporated into the contract agreed with Blackpool PCT (who acts as the Trust's host PCT).

The private patient proportion remains constant and will continue not to breach the 2.0% cap.

3.1.3 Non-clinical income

The basis for setting the non-clinical income plan is the 2009/10 recurrent income outturn maintained into the future but adjusted for planned levels of non-recurrent income.

All non-clinical income has been uplifted by the appropriate inflation rate as outlined above.

Table 3.3 Non-clinical income forecast

	Plan 2009/10 £'m	Actual 2009/10 £'m	2010/11 £'m	Current Plan 2011/12 £'m	2012/13 £'m
Education	10.5	13.9	10.9	10.9	10.9
Research & Development	0.7	0.7	0.6	0.6	0.6
Other	11.8	13.7	11.0	10.8	10.8
Total	22.9	28.3	22.5	22.3	22.3



3.1.4 Pay

Over two thirds of the Trust's operating costs relate to the workforce. The main increases in pay costs are due to:

- pay award of 1.00% for non-consultant medical staff and 2.25% for all other staff equating to £3.3m;
- incremental drift costs of £2.1m;
- discretionary points of £0.2m;
- consultant contract £0.2m;
- working time directive compliance of £0.5m; and
- agenda for change average pay £0.2m.

In addition, resources have also been identified to support the achievement and maintenance of the access targets and improve the quality of provision including an investment in nurse staffing of £1.0m related to the Blackpool Nurses 10 x 10 Project.

Where possible the assumed impact of these increases has been applied directly to budgets for the start of the financial year. If this is not possible specific reserves have been developed.

3.1.5 Non-pay

The Trust has a well established non-pay review process. Resources have been identified to support forecast additional costs including those relating to drugs, the impact of the introduction of NICE recommendations, the CNST premium and business rates.

Other non-pay cost increases have also been provided for (and are not inflation related). These include providing for the costs associated with the continued investment in the Trust's IM&T infrastructure, in particular the implementation of an Interim clinical system (£1.4m).

Table 3.4 summarises the Trust's operational expenditure forecast for the period of this Annual Plan.

Table 3.4 Operating expenditure forecast

	Plan 2009/10 £'m	Actual 2009/10 £'m	2010/11 £'m	Current Plan 2011/12 £'m	2012/13 £'m
Pay costs	(160.0)	(166.3)	(158.2)	(156.1)	(154.2)
Drug costs	(17.4)	(17.2)	(15.7)	(17.1)	(18.6)
Other operating costs	(64.7)	(71.7)	(57.2)	(54.1)	(50.8)
Total	(242.1)	(255.3)	(231.1)	(227.3)	(223.6)

Included within the forecast operational expenditure position above, are reductions in resources to match reductions in planned levels of activity and the impact of the Urgent Care Centre.



3.1.6 Other

In addition to the pay and non-pay reviews non-operational costs have been reviewed. Interest payable will continue to be incurred in 2010/11, and relates to the drawdown of the £25m of approved borrowing to finance major capital investment. The interest receivable forecast reflects current market conditions.

The expenditure profile includes the impact of the Trust's development proposals, although the full impact of these plans will not be incurred until 2011/12.

3.1.7 Efficiency and QuIPP plans

The NHS Operating Framework, Financial Planning Guidance and National Tariff for 2010/11 incorporate 0.0% uplift in the national tariff and an efficiency requirement of 3.5% offsetting the inflationary impacts of pay and prices. In order to ensure that the Trust can continue to invest in its infrastructure and services the Trust is planning to deliver a 5% QuIPP contribution in 2010/11 and further year on year additional QuIPP contributions of 5% for the following two years.

The Trust has an excellent track record of delivering efficiency savings. During the last three years the Trust has delivered savings of £6.5m in 2007/08, £6.6m in 2008/09 and £6.7m in 2009/10.

Significant progress has already been made in the identification and delivery of efficiencies for 2010/11. Proposed efficiencies have been identified by Divisions as per the following table.

Table 3.5 Efficiency / QuIPP forecast

	Plan 2009/10 £'m	Actual 2009/10 £'m	2010/11 £'m	Current Plan 2011/12 £'m	2012/13 £'m
Medical	1.3	1.3	2.3	2.4	2.4
Surgical	1.2	1.2	2.2	2.2	2.3
Cardiac	1.0	1.0	1.9	2.0	2.0
Women's & Children's	0.5	0.5	0.8	0.9	0.9
Clinical Support Services	1.1	1.1	1.9	1.9	2.0
Facilities	0.9	0.9	1.5	1.5	1.5
Corporate	0.8	0.8	1.0	1.0	1.1
Total	6.7	6.7	11.7	12.0	12.2
% of operating costs	3%	3%	5%	5%	5%

The Trust will continue to develop the schemes required to deliver this level of efficiency identified above, with particular focus on delivering the Quality Framework, implementation of an interim clinical information system and the Trust's continuous improvement strategy as outlined in section 2.



Efficiencies from procurement initiatives and implementation of the workforce strategy will continue to be pursued.

In addition, the impact of the commissioning intentions schemes detailed in paragraph 3.1.2, needs to be managed by the Trust, in order to maintain the planned level of surplus and cash balances for investment.

The Divisions are developing operational plans to reduce capacity and costs however, this agenda represents a significant challenge and a financial risk which will need to be managed proactively.

3.1.8 Continuing to develop a business culture

In 2007/08, the Trust developed Service Line Reporting to support the development of a business culture across the organisation. EBITDA trading performance is now the primary financial indicator by which Divisional performance is assessed.

To support decision making at the most appropriate level within the Trust, systems will continue to be developed to provide corporate performance (financial and non financial) for clinical teams utilising the Medi-analytics system.

In addition the Trust, as part of the shared service which provides its financial ledger, is leading on the introduction of more comprehensive financial reporting software (Hyperion) and this will support the continued improvements in the timelines of reporting.

3.2 Investment and disposal strategy

The Trust will continue to invest in its infrastructure through the delivery of a robust capital programme that will support its business requirements.

For each of these schemes business cases have been developed and the financial implications considered both individually and together in order to determine the level of borrowing required. To confirm that all the financial consequences of these projects have been identified the financial modeling has been extended beyond the three years of the Annual Plan.

Detailed descriptions of these schemes are included in section 2 of the Annual Plan, with the financial consequences outlined below:

- **Phase VI – Surgical Centre**

The Surgical Centre scheme total cost is £39.8m (including equipment costs) the investment commenced in 2008/09 with scheduled completion in 2011/12. The current proposals will have a £1.5m impact upon the Trust's Income & Expenditure position, although the full impact of this will only be incurred in 2011/12. The Division has developed proposals to ensure that these increased costs are recovered.



- **Urgent Care Centre**

The Urgent Care Centre scheme investment will be commissioned in 2010/11. The scheme will reduce both A&E and non-elective activity and plans have been developed to ensure that there is no impact upon the Income & Expenditure performance of the Trust.

The additional revenue cost of capital has been met by Commissioners. Blackpool PCT provided £1.5m to support the investment in 2007/08; this income has been deferred and will be released during the life of the asset once commissioned.

Women & Children

The Women & Children's business case pulls together a number of schemes that will result in the investment of £10.0m across 2008/09 to 2013/14. Through forecast additional income and operational efficiencies the proposal will deliver a small surplus by 2013/14.

- **Interim Clinical Information System**

The implementation of the Interim Clinical Information System commenced in 2009/10 following a comprehensive procurement and competitive tendering process and approval by the Board of Directors in November 2008.

The solution is planned to be fully operational in 2012/13, the capital plan reflects the investment in the solution.

The following table summarises the Trust's capital investment plans for the next three years.

Table 3.6 Capital investment

	Plan 2009/10 £'m	Actual 2009/10 £'m	2010/11 £'m	Current Plan 2011/12 £'m	2012/13 £'m
Investment in new infrastructure					
Surgical Centre	18.6	12.0	18.4	6.5	
Urgent Care Centre	3.0	1.5	1.3	0.0	
Women & Children	4.8	5.7	2.4	1.1	
Interim EPR	5.3	3.9	4.6	0.7	
Investment to improve existing infrastructure					
	7.0	8.3	6.8	0.8	5.0
Total	<u>38.7</u>	<u>31.4</u>	<u>33.5</u>	<u>9.1</u>	<u>5.0</u>

It has been assumed that no Public Dividend Capital will be available and that any additional resource required, above internally generated resources, will be met from external borrowing.



The Trust is utilising a £25m borrowing capacity agreed with the Foundation Trust Financing Facility. £10m has been drawn in 2009/10, the balance of £15m will be utilised in 2010/11.

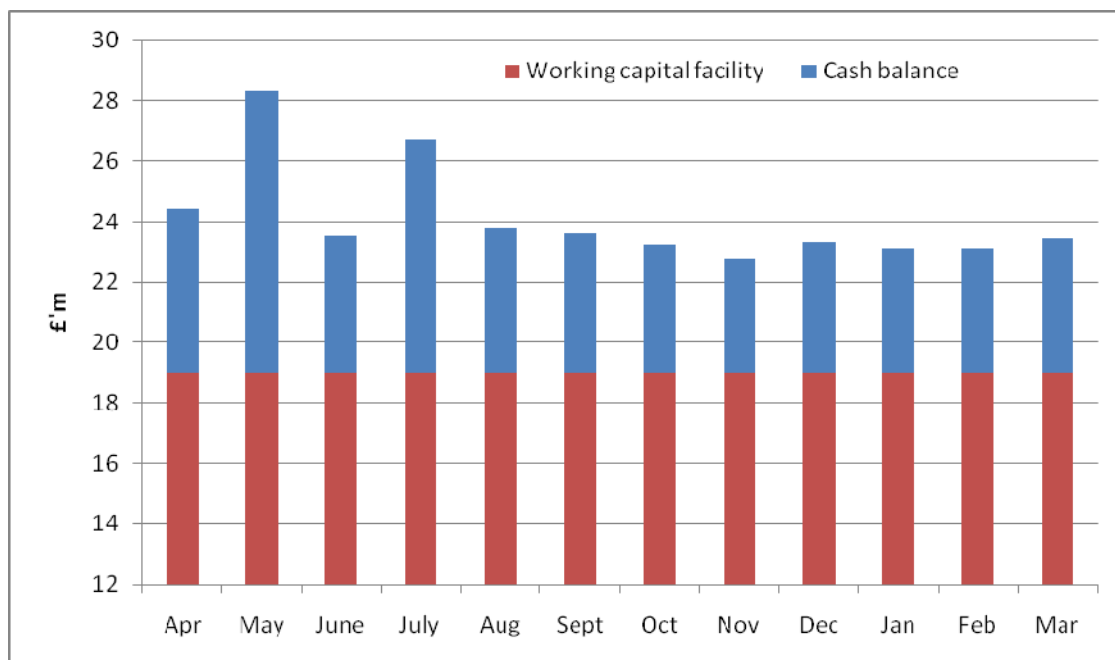
3.3 Financing and working capital strategy

The Trust plans to maintain sufficient liquidity across the period to ensure that the Trust does not fall below 10 liquidity days. The Trust plans to have a cash balance at 31st March 2011 of £4.5m.

In addition the Trust has a committed working capital facility of £19m in place with Barclays. The Trust does not plan to utilise this borrowing facility.

A summary of cash balances and available liquidity headroom for 2010/11 is shown in the chart below.

Chart 3.2 Liquidity forecast 2010/11



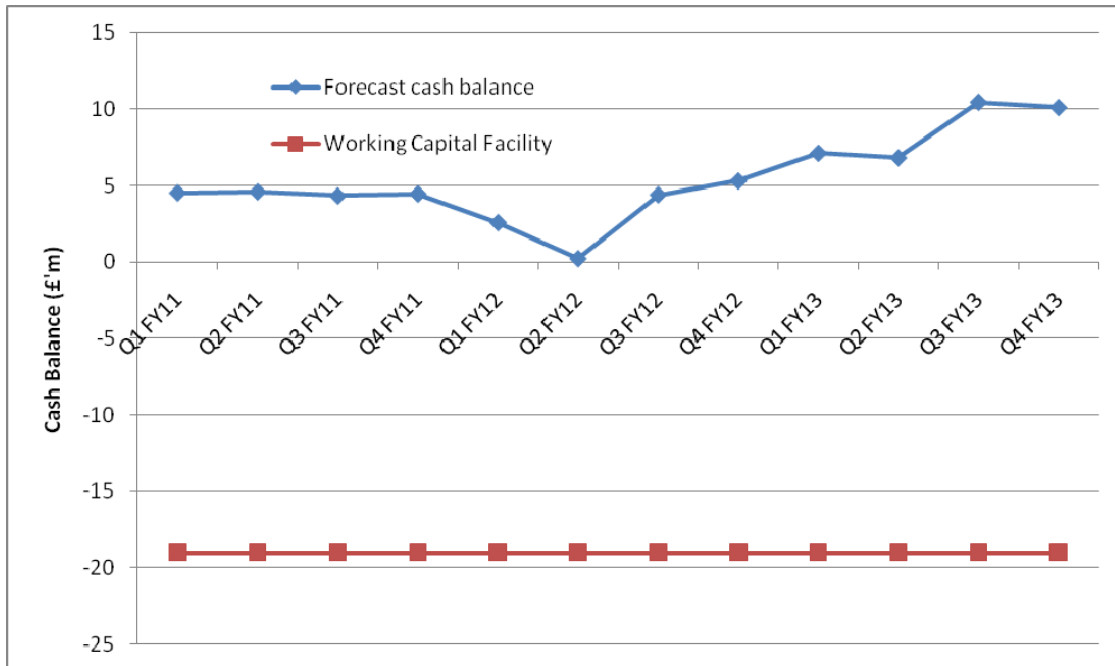
In order to maintain this balance additional borrowing of £15m will be required in 2010/11, this is the residual balance of an agreed £25m loan with the Foundation Trust Financing Facility. The initial drawdown was in the third quarter of 2009/10 and will be repaid across 25 years.

As can be seen from Chart 3.2 the forecast cash balances across 2009/10 are relatively low in comparison to prior periods. Consequently the Trust's cash position will be actively managed on a daily basis, with particular emphasis on the profiling and managing of capital investment. This will include a monthly assessment of cash forecasts against potential downsides and formal reporting to the Board of Directors as part of the Trust's quarterly assurance processes.

The next chart demonstrates the cash balance across the three years of the Annual Plan after the impact of the proposed investment in the Phase VI development.



Chart 3.3 Liquidity forecast 2010/11 to 2012/13 including the impact of phase VI investment



The increase in liquidity forecast from FY13 reflects the fact that the Trust has not committed additional investment proposals above those already identified earlier in this plan. A number of proposals are being developed and these will be reviewed through the Trust's established governance processes.



3.4 Summary of key assumptions

A summary of the key financial metrics is provided in the table below.

Table 3.7 Summary key financial plans

	Current plan		
	2010/11	2011/12	2012/13
	£'m	£'m	£'m
Income	249.2	246.6	244.3
Operating costs	(231.0)	(227.3)	(223.6)
EBITDA	18.2	19.3	20.7
Depreciation	(7.3)	(8.2)	(8.7)
Net interest	(1.8)	(2.0)	(2.0)
Other	(5.8)	(6.0)	(5.9)
Net surplus	3.3	3.1	4.1
EBITDA margin %	7.3%	7.8%	8.5%
Change in working capital	2.8	1.2	(0.2)
Cash flow from operations	20.7	20.2	20.3
Capital expenditure	33.5	9.1	5.3
Year end cash balance	4.5	5.3	10.1
Efficiency / QuIPP plans	11.7	12.0	12.2

Full income statement, statement of position and cash flow statements are presented in the attached appendices.

3.5 Financial risk rating

The Trust's forecast performance is measured against Monitor's Compliance Framework. In terms of financial risk performance is assessed against four major criteria and associated metrics and assesses the likelihood of a breach in authorisation. The rating system is scored 1 to 5 with one being the lowest rating (most risk) and five being the best or least risk rating.

The following table summarises the Trust's forecast performance against the metrics. In 2010/11, 2011/12 and 2012/13 the Trust is forecast to achieve the requirement for a level 3 rating.

Table 3.8 Financial risk rating

Criteria	Metric	Target	2010/11	2011/12	2012/13
Achievement of plan	EBITDA % Achieved	>70%	100%	100%	100%
Underlying performance	EBITDA Margin	>5%	7.3%	7.8%	8.5%
Financial efficiency	Rate of Return on Assets	>3%	4.7%	4.5%	4.8%
	I&E Surplus Margin	>1%	1.3%	1.3%	1.7%
Liquidity	Liquidity Ratio	>15 days	12 days	14 days	23 days
	Risk Rating Forecast		3	3	3



3.6 Prudential Borrowing Code

Monitor has developed the Prudential Borrowing Code (PBC) to determine the extent of borrowing that can be made by a Foundation Trust. This is known as the Prudential Borrowing Limit (PBL).

The PBC was updated, as at 1 April 2009, to take into account the adoption of IFRS by Foundation Trusts as this potentially adds to the balance sheet additional long-term borrowing such as finance leases and PFI financing.

There will now be two tiers to the long-term borrowing limit, a tier 1 limit set by Monitor based on our Annual Plan and as per the ratios in the table below and a tier 2 limit for affordable major investments. To access a Tier 2 limit a Foundation Trust must formally apply to Monitor and comply with the conditions set out in the PBC.

Based on the table below the Trust is within the tolerances for a Tier 1 Borrowing Limit.

Table 3.9 Prudential borrowing code ratios forecast performance.

Table 3.9 Prudential borrowing code ratios

	Threshold	2010/11	2011/12	2012/13
Minimum Dividend Cover	>1x	2.8x	2.9x	3.2x
Minimum Interest Cover	>3x	9.0x	9.5x	10..3x
Minimum Debt Service	>2x	5.6x	5.9x	6.3x
Maximum Debt Service to Revenue	<2.5%	1.3%	1.3%	1.3%

As shown in table 3.9 the Trust meets all the PBC ratios after the impact of the proposed borrowing.



4. Risk Analysis

4.1 Governance Risk

Consideration has been given to the potential areas of risk which face the organisation over the next three years under three main headings:

- Governance risk
- Mandatory services risk
- Financial risk

Discussion has taken place with the Board of Directors to assess the key strategic risks and identify the measures that are being taken to mitigate these risks. These risks are reviewed by the Board of Directors on a quarterly basis by way of the Board Assurance Framework.

4.1.1 Governance commentary

The Board of Directors is confident that the Trust will remain compliant in 2010/11 with the compliance framework. In recognition of the fact that no organisation can afford to be complacent, delivery of infection prevention targets is seen as the highest risk area for the Trust. Despite delivering all performance targets in relation to hospital acquired infections in 2009/10 measures to improve performance are continually being sought and therefore a new isolation unit was opened in December 2009 and consideration is being given to further screening of patients for infections other than MRSA and Clostridium Difficile. In addition the Trust has chosen to focus on four specific areas that fall within our Quality Framework which have specific targets for improvement. These four areas are in relation to improved hospital mortality rates, conformance to best practice, reducing avoidable harms and improving the patient experience.

In relation to the seven elements of compliance in respect of governance the position is as follows:

Legality of constitution

The legality of the constitution remains and there are no planned changes to the constitution.

Growing representative membership

The Trust has continued to evaluate the membership in terms of size and constituency since gaining authorisation on 1st December 2007. The Trust has an effective membership strategy, as set out in section 6, which includes plans to maintain and increase the membership of the Trust for 2010/11. This is not considered an area of risk for the organisation.

The Council of Governors continue to work enthusiastically and cohesively. It has been proactive in developing membership and reflecting on ways to enhance its operation and effectiveness.



Board roles and structures

The Board of Directors is satisfied that its working and governance arrangements are appropriate and effective in undertaking its role. Revised risk management procedures by way of an updated risk management strategy and associated documents have been developed which define and clarify the Board of Directors direct role in ensuring compliance.

The membership of the Board of Directors changed during 2009/10 with the appointment of Aidan Kehoe as Chief Executive and Harry Clarke as Director of Operations. Peter Hosker will not be offering himself for re-election in his position of Non-Executive Director in June 2010. The process for replacing this post is now underway. No further change to the Board of Directors is anticipated in 2010/11.

Service performance against targets and essential quality and risk standards

The Board is confident that its systems for managing performance against targets and the new Care Quality Commission essential quality and risk standards are robust and will promptly identify potential problems and take appropriate action to respond. A plan is in place to ensure that the Trust will remain compliant with the new essential quality and risk standards within the Care Quality Commission Framework and performance management arrangements are in place to deliver all national targets.

The Board receives a monthly Business Monitoring Report, covering all aspects of quality, patient safety and operational performance, as part of the Performance Management Framework.

Clinical quality

The Trust received a rating of 'Good' for quality of services from the Healthcare Commission for the year 2008/09. Since this assessment the Trust has strengthened its performance management structure in relation to Healthcare Commission standards and has maintained progress towards deliver of top 10% performance for clinical quality. Over the next 12 months the Trust will focus on the quality of services we are offering to our patients and implementation of our quality framework. The Quality Framework sets out the approach this will take and the measures the Board of Directors have identified as being key to delivering quality care and how success in these areas will be measured.

The Trust registered with the Care Quality Commission on 6th February 2009, making a statement about our current and future compliance with the new healthcare associated infection (HCAI) regulations and arrangements for meeting the compliance criteria of the hygiene code. The CQC Registration Panel granted our application for registration unconditionally on 1st April 2009. On the 25th November 2009 the Care Quality Commission undertook an unannounced visit to the Trust to assess our compliance and reported full compliance with the Hygiene Code.

The Trust has continued to implement the MRSA Screening Operational Assurance Framework since the 31st March 2009.



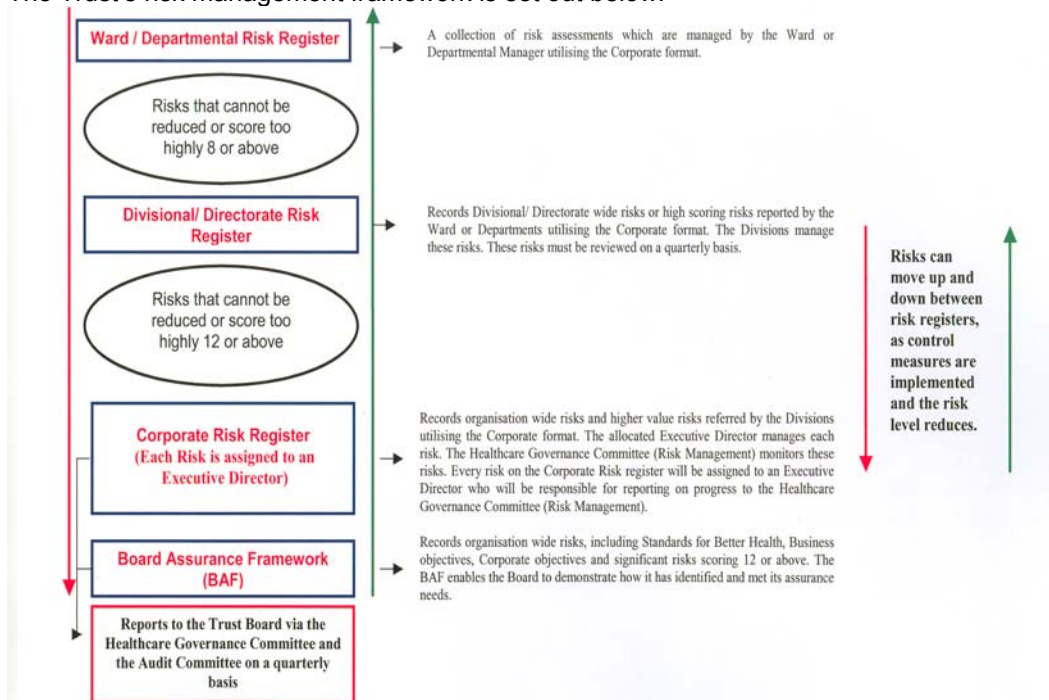
Effective risk and performance management

The Trust was not successful in achieving Clinical Negligence Scheme for Trusts (CNST) Maternity Level 2 award on the 26 February 2010, however, was awarded Level 1 compliance under revised standard. The Trust has developed an action plan to maintain Level 1 and achieve Level 2. Progress towards compliance with the clinical CNST standards will be monitored on a quarterly basis by the Healthcare Governance Committee and the Board of Directors. The NHS Foundation Trust achieved NHSLA Level 2 in September 2008 and an action plan has been developed to achieve Level 3 in 2011.

The Trust was successful in re attaining level 2 National Health Service Litigation Authority (NHSLA) General Risk Management standards in September 2008. Work is ongoing to embed existing risk management systems across the Trust and to achieve level 3 compliance in June 2011.

Effective risk assessment arrangements are in place. Divisional, Directorate and Departmental Risk Registers have been developed and are reflected within the Corporate Risk Register. Risks are regularly reviewed and quantified by the Divisional Boards and the Healthcare Governance Committee on a quarterly basis. The Corporate Risk Register and the Board Assurance Framework are considered and presented to the Audit Committee and Board of Directors on a quarterly basis. Key strategic risks, controls assurance and gaps in assurance are identified.

The Trust's risk management framework is set out below:





Co-operation with NHS bodies and local authorities

The Trust continues to work closely with key commissioners, stakeholders and Local Authorities. Alliances have been made with Blackpool and Lancashire Local Involvement Networks (LINKs). Regular meetings are held with our main commissioners of NHS Blackpool and NHS North Lancashire in relation to the monitoring of in year performance.

Information Governance and Identifying and Managing Risks

The Information Governance Committee identifies and manages information risks, which reports to the Healthcare Governance Committee. The Deputy Chief Executive, who is also the nominated Board Lead for Information Governance Risk and the Senior Information Risk Owner for the Trust, chairs the Information Governance Committee. There has been 0 serious untoward incident classified at a severity rating of 2 in line with the information governance untoward incident classification, which involved data loss.

The Trust achieved 87% compliance with the Information Governance Toolkit assessment for 2009/10 and the Trust has in place measures to improve further in 2010/11.

4.1.2 Significant Governance Risks

The most challenging issue for the Trust remains the elimination of Health Care Acquired Infections; Reducing Mortality Rates; Failure to implement Interim Clinical Information System; Failure to recruit sufficient RGN's to meet basic establishment needs; maintaining robust financial performance and compliance with health and safety regulations. A range of initiatives have been implemented by the Trust to mitigate these risks. These risks are included on the Board Assurance Framework which is monitored on a quarterly basis by the Healthcare Governance Committee; Audit Committee and the Board. These significant risks are outlined in further detail in section 4.5.

4.2 Mandatory Services Risk

There are no foreseeable service changes that threaten the delivery of mandatory services provided by the Trust, nor are there any issues of accreditation that threaten the viability of a service in 2010/11.

The Trust has developed a robust set of business continuity and contingency plans to ensure that services can continue to be provided in the event that a catastrophic event takes place which impacts upon patient services. These plans have been cascaded throughout the organisation and where appropriate have been fully tested. There is also a major incident plan in place, including the eventuality of a flu pandemic, which dovetails with regional major incident plans. This plan has been thoroughly tested, through a regional exercise in September 2009.

4.3 Financial Risk

The Trust, as part of the wider NHS and Public Sector, will be entering a period of potentially considerable financial volatility across the next three years and beyond.

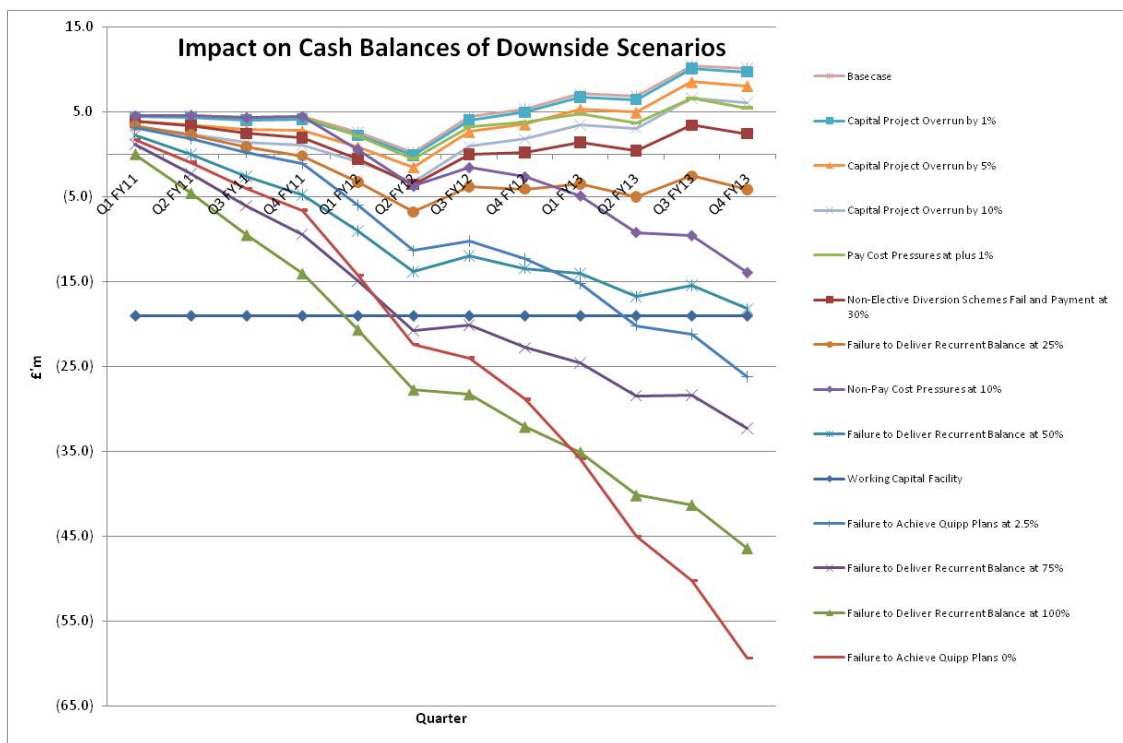


There are a number of risks to the financial stability of the Trust and, whilst this is not an exhaustive listing, options modelled include:

- a. Non elective diversion schemes fail and payment at 30%
- b. Failure to deliver plans to return to recurrent balance (inclusive of the commissioning intentions impact) from 1 April 2010:
 - 100%
 - 50%
 - 25%
 - 0%
- c. QuIPP programme fails to deliver cost reduction required:
 - 2.5% achieved
 - No cost reduction delivered
- d. Cost side pressures:
 - Pay cost pressures at plus 1%
 - Non pay cost pressures at 10%
- e. Capital projects overrun:
 - 1%
 - 5%
 - 10%



Chart 4.1 Stress test of cash forecast



4.3.1 Managing Financial Risk

The Trust has a robust approach to risk management, and the Board Assurance Framework ensures that the Board is clear on the principle risks facing the organisation and how these are being managed. The Board Assurance Framework incorporates financial risks, key controls and further progress will be updated on an ongoing basis to reflect the risks to the financial stability of the Trust, the key controls and the further progress actions.

The performance management regime has also been enhanced to provide the Board with improved assurance that organisational and divisional financial plans are being delivered and where appropriate control action is being taken and is delivering the required level of performance.

4.4 Risk of other non-compliance with Terms of Authorisation

The Board of Directors is not aware of any non-compliance issues within the terms of Authorisation.



4.5 Risk Register

The Trust has a robust approach to risk management, and the Board Assurance Framework ensures that the Board is clear on the principle risks facing the organisation and how these are being managed. The top risks, in the area of governance, mandatory services and finance are set out below:

Board Assurance Framework Reference	Key Controls	Further Progress
<p>BAF 01</p> <p>To achieve Health and Social care Hygiene Code Standards</p>	<ul style="list-style-type: none"> • Infection Control Policy incorporating Isolation precautions. • Structured Educational programmes for all health care workers. • Rolled out Clean your hands campaign Year one to three. Year Four - Hand Hygiene Champions in place conducting auditing monthly. • The Health and Social Care Policy (2008) action plan • Annual Ward Audits. • Monthly Ward Audit Tool • Saving Lives HII audits conducted quarterly. • MRSA Bacteraemia reported to Divisional Meetings on monthly basis. Root Cause Analysis conducted on all new MRSA Bacteraemia. • Incident Reporting Meeting convened following any MRSA Bacteraemia. • Hand hygiene policy/procedure • MRSA, Clostridium Difficile and Hand Hygiene leaflets • MRSA Policy, Clostridium Difficile Guideline in place. • Regular contact with bed management daily. • Daily review of MRSA patients admitted to the Trust. • Outbreak Management. • Input Healthcare Associated Infection data to relevant bodies. 	<ul style="list-style-type: none"> • Rolled out Clean your hands campaign, Year one, two and three. Commenced roll out Year four. • Hand Hygiene Champions in place. • Each of the Divisions undertakes Infection Prevention and control risk assessments locally and investigate against identified local risks. • Introduction of an isolation ward facility. • Infection Prevention and Control Action Plans developed and are assessed quarterly or bi-annually. • Clean Your Hands campaign has been implemented for the fourth year and is constantly promoted by the hand hygiene champions auditing hand hygiene. • Hand Hygiene training is provided for all clinical staff. • Extra Hand Hygiene boxes are situated in areas to enable the Wards to do the spot checks on hand washing competency. • Wards and Departments are conducting monthly hand hygiene audits and the results are provided for the Divisions. • Hand Hygiene compliance is performance monitored, any Division which has two consecutive months in red, to provide an action plan which is presented to the Board. • MRSA Bacteraemia results and



	<ul style="list-style-type: none"> • Annual PEAT Inspections 	<p>Clostridium Difficile results are presented to each Division on a monthly basis, these results, are closely monitored by each Division and the Board.</p> <ul style="list-style-type: none"> • An Incident Reporting Meeting is arranged following each MRSA Bacteraemia to. A Route Cause Analysis is undertaken on all MRSA Bacteraemia. • A RCA is also conducted on a patient who newly acquires MRSA • Universal screening has been adopted within the Trust on all patients including day cases, in line with DH recommendations. • The Trust is compliant with the Health and Social Care Act (2008) and an action plan is in place and reviewed and monitored every six months. • The Matrons Charter has been updated and is now a quarterly standing item on the agenda at the Matrons Meeting and the Matrons review it quarterly. • Saving lives HII are implemented across the Trust and action is plan is formulated following the findings. • The MRSA Trajectory for 2009/2010 was 26, we completed the year with 8 MRSA Bacteraemia. • Infection Prevention and Control Team have close contact with the Bed Management Team, and attend daily bed management meetings.
<ul style="list-style-type: none"> • BAF 59 • Reduce the Risk of Acquiring an MRSA Bacteraemia 	<ul style="list-style-type: none"> • MRSA Policy and Procedure in place. Screening of High risk Groups as per MRSA Policy. • Treat known positive patients with MRSA decolonization treatment on admission. • Isolate and barrier nurse patients who are known MRSA positive. • Universal screening of all emergency admissions barrier nursed when known to be positive result. 	<ul style="list-style-type: none"> • Auditing the outcome, and review risk assessments on a quarterly basis. • To continue monthly meetings with PCT's to discuss MRSA Bacteraemia • MRSA Bacteraemia reported to Divisional Meetings on a monthly basis. • Root Cause Analysis conducted on each new MRSA Bacteraemia and lessons learnt cascaded. • Incident Reporting Meetings to be



	<ul style="list-style-type: none"> • Polymase Chain Reaction 2 hour test for MRSA Universal Screening of all in-patient elective surgery. • Screening of High-risk patients for day case. • Aseptic Technique Training and Competencies Package. • Aseptic Non Touch Technique commenced, currently being successfully rolled out across the Trust. Over 1000 clinical staff have been trained. • Central Line Insertion Procedure adopted across the Trust. • Blood Culture Procedure to be rolled out across the Trust. • New skin disinfection now on all wards and departments to decontaminate the skin prior to blood cultures being taken, peripheral line insertion and central line insertion. • Teaching and Education through Mandatory Training, Clinical Updates and Link Personnel Programme. • Saving Lives Programme adopted and Implemented. • MRSA Bacteraemia data inputted onto the HealthCare Associated Infection Data Capture System on a monthly basis. • MRSA Policy and Procedure in place. Screening as per DH guidance implemented across the Trust and incorporated into the MRSA Policy. • Treat known positive patients with MRSA decolonization treatment on admission. • Isolate and barrier nurse patients who are known MRSA positive. • Universal screening of all emergency admissions barrier nursed when known to be positive result. 	<p>held with relevant parties following any MRSA Bacteraemia</p> <ul style="list-style-type: none"> • Monthly Hand Hygiene audits completed aiming for 95% compliance. • Hand Hygiene Compliance presented to each Division on a monthly basis. • All day cases as stipulated by the Department of Health screened for MRSA prior to admission. • Saving Lives audits are conducted quarterly. The Hospital Infection Prevention and Control Committee monitor the results. • Introduction of MRSA Screening Operational Assurance Framework from the 31st March 2009. • MRSA Bacteraemia data inputted onto the HealthCare Associated Infection Data Capture System on a monthly basis. • Blood Culture taking packs have been successfully introduced into the Trust. • Central Line site in place to assess number of lines inserted to allow for robust measurement of line infections. • All MRSA Bacteraemia are reported to the ward, Head Nurse, Director of Nursing and Director of Infection Prevention and Control (DIPC). A critical Incident form is completed a root cause analysis is completed by the Clinical Team in conjunction with the Infection Prevention Nurse. • An Incident Meeting is called to which the Consultant, Head Nurse, and Ward Manager will attend to discuss the actions that led up to the Bacteraemia, an action plan is to be formulated. • Hand Hygiene audits conducted monthly, Divisions receive monthly reports on compliance with Hand Hygiene. • Saving Lives audits conducted quarterly and data to be presented
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	<ul style="list-style-type: none"> • Universal Screening of all elective surgery including daycares. • Screening of elective patients for day case as per DH guidance since 31st March 2009. • Monthly Hand Hygiene audits completed aiming for 95% compliance. • Aseptic Technique Training and Competencies Package. • Aseptic Non Touch Technique successfully rolled out across the Trust. • Over 1000 clinical staff have been trained. • Post roll-out audit indicates improvement in practice, ANTT incorporated into Audit and Surveillance Nurse Post to maintain best practice. • Blood Culture Procedure and packs rolled out across the Trust. • Central Line Insertion Procedure adopted across the Trust. • New skin disinfection now on all wards and departments to decontaminate the skin prior to blood cultures being taken, peripheral line insertion and central line insertion. • Teaching and Education through Mandatory Training, Clinical Updates and Link Personnel Programme. • Saving Lives Programme adopted and Implemented. • MRSA Bacteraemia data inputted onto the HealthCare Associated Infection Data Capture System on a monthly basis. • Antibiotic formulary available on the wards and intranet. 	<p>at the Infection Prevention and Control Committee.</p> <ul style="list-style-type: none"> • Infection Prevention Nurse attends each Divisional / Divisional Meeting to report monthly MRSA Bacteraemia results. • Monthly meetings continue with the Primary Care Trusts to discuss MRSA Bacteraemia rates and to identify trends and issues across the health economy. • Annual updates for Infection Prevention for all staff. • Quarterly Audits of compliance with the MRSA Policy, Treatment and Screening policy. • Universal screening of all emergency admissions by MRSA Polychain Reaction (PCR) a 2 – 4 hour test, topicals and barrier nursed when positive known result. • Universal screening of all elective surgery including daycases.
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<ul style="list-style-type: none"> • BAF 60 Reduce the Risk of Acquiring a Clostridium Difficile. 	<ul style="list-style-type: none"> • The Clostridium Difficile Policy and Procedure have been reviewed and the Clostridium Difficile Guidelines are in place available on the intranet. • Patients who have positive faecal specimens to be barrier nursed in a side room or cohorted in a bay. • Antibiotic 5-Day Stop Policy in place from November 2007. • Clostridium Difficile Action Plan is currently reviewed and monitored quarterly. • Teaching and Education through Mandatory Training, Clinical Updates and Link Personnel Programme. • Clostridium Difficile data inputted onto the Health Care Associated Infection Data Capture System on a monthly basis. • Clostridium difficile Guidelines are available on the Intranet. • Patients who have positive faecal specimens to be barrier nursed in a side room or cohorted in a bay. • Antibiotic 5-Day Stop Policy in place. • Antibiotic Formulary in place. • Daily and weekly cleaning rotas in place to ensure cleaning is completed. • Awareness and education of Clostridium Difficile has been raised within the Trust, this needs to continue. • Importance of cleaning of equipment and the environment re-enforced • Also the need to use soap and water when decontaminating hands. • Commode audits are completed for each Division. • All staff to use of Vernacare 	<ul style="list-style-type: none"> • Monthly Clostridium Difficile data inputted on to Health Care Associated Infection Data Capture System • Monthly meetings continue with the PCT's to discuss Clostridium difficile particularly those who have had shared primary and secondary care to establish antibiotic usage. • Clostridium difficile figures are monitored by the Hospital Infection Prevention and Control Committee, to ensure progress is maintained in accordance with the Trajectory. • An Infection Prevention Nurse attends Monthly divisional meetings to discuss Clostridium Difficile rates. • Daily cleaning rotas in place to ensure environmental cleaning is maintained at a high level. • Hand Hygiene Audits completed monthly. Annual updates for Infection Prevention delivered to all staff. • Vernacare tape used as an indication of a clean commode and is utilized on all wards for staff to sign and date when equipment especially commodes have been cleaned. • Clostridium Difficile Policy and Procedure are currently being reviewed in line with new government directives. • Spot checks for PEAT inspections are undertaken bi-monthly by Infection Prevention, Facilities, Domestic Services, Monitoring and a Patient representative. Annual Ward Environment Audits conducted. • Clostridium Difficile results presented to the Divisions on a monthly basis. Actions to be taken to reduce Clostridium Difficile levels are discussed and monitored by each Division and the Board. • Isolation facility opened in
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	<p>tape on all equipment but especially commodes to ensure cleaning has occurred, is dated and signed. Wards informed of results immediately. Any concerns raised, with the relevant Matron. Matrons receive a monthly report.</p> <ul style="list-style-type: none"> • Monthly meetings, with the PCT's to discuss and identify issues around Cdiff - discussing ways in which to reduce levels. • Clostridium Difficile results presented to the Divisions on a monthly basis. • Actions to be taken to reduce Clostridium Difficile levels are discussed and monitored by each Division and the Board. • Clostridium Difficile Action Plan is currently reviewed and monitored quarterly. • Teaching and Education through Mandatory Training, Clinical Updates and Link Personnel Programme. • Clostridium Difficile data inputted onto the HealthCare Associated Infection Data Capture System on a monthly basis. • Tuffie 5 Sporacidal wipes for decontamination of equipment across the Trust. • Isolation facility opened to facilitate the management and care of patients with clostridium difficile 	<p>December 2009, in the first instance to manage patients with clostridium difficile to reduce the risk of environmental contamination.</p> <ul style="list-style-type: none"> • Root Cause Analysis completed on all Clostridium difficile patients by the Clinicians responsible for the patient management in conjunction with Infection Prevention and Microbiology for a two month trial period.
<ul style="list-style-type: none"> • BAF 70 To Reduce the Mortality Rates Within The Trust 	<ul style="list-style-type: none"> • High Mortality rates are discussed at the Trust Board and actions are taken. • 100,000 lives campaign, Saving Lives Campaign, and Pay for Quality initiatives. • Mortality rates are tracked and discussed at performance meetings. • Average time for fractured neck 	<ul style="list-style-type: none"> • Monitor mortality rates at Performance Meetings and the Board. • Present three month Audit Data to the Board, ensure that an action plan is developed and actions monitored. • Mortality Board, chaired by the Medical Director introduced. • Regular reviews of mortality in



	<p>of femur patients to attend Theatre has been reduced to 42 hours, thus reducing the mortality rate.</p> <ul style="list-style-type: none"> • Acute Myocardial Infarct patients are managed within the Cardiac Division thus providing quicker access to services. The Trust is a pilot site for primary angioplasty. • A three-month Mortality Audit has been undertaken to review the death rate within 48 hours of admission to Medicine. • The Liverpool Care Pathway for the dying is being rolled out; this will ensure that patients are given the option of spending their last days in a familiar home environment. 	<p>place.</p> <ul style="list-style-type: none"> • All Divisions to review and understand their mortality rates and develop action plans and share good practice. • Improved communication and working between Clinicians and Clinical Coders. • Continue to build on the 100,000 Lives campaign and use other National initiatives to improve performance.
<ul style="list-style-type: none"> • BAF 75 Implementation of Clinical Information System 	<ul style="list-style-type: none"> • Information Governance Committee is acting as the Project Board. • Project linked to Quality Agenda. • Medical Director is the Project Executive. • Proper Project Management in place. 	<ul style="list-style-type: none"> • Implementation Team comprises lead clinicians from across the Trust. • Agreement reached with Trade Unions on redesign of key posts affected by the project. • Road shows taking place for staff to set out benefits for patients and the impact on staff groups.
<p>BAF 48 Compliance with current Health and Safety Regulations</p>	<ul style="list-style-type: none"> • Managers comply with current H&S Law. H&S policy signed by CEO Annually • Health and Safety policy and procedures exist for all staff to follow. RM systems supported by NHS LA requirements. • RIDDOR procedure in place. Training delivered to all relevant Staff grades. • RIDDOR reportable incidents reported to Health and Safety Executive (HSE). RIDDOR reports related to untoward incident forms • All staff have a legal duty to comply with the Law and all information, instruction and Health and Safety training delivered. Training delivered to all new starters at Corporate Induction, followed by Local 	<ul style="list-style-type: none"> • To continue to comply with current H&S Law with existing training, monitoring and Management of Staff. • Existing Staff Management systems in place. • Health and safety performance targets are monitored through Health and Safety Committee and Healthcare Governance Committee. • To continue to report any Health and Safety breaches including Fire, Moving and Handling etc. • All MHRA and RIDDOR HSE reportable incidents and ensure investigations are undertaken. • To report any Health and Safety incident on StEIS and investigate accordingly in line with the Untoward Incident Investigation procedure.



	<p>Induction and On-going training requirements identified from training needs analysis following appraisals.</p> <ul style="list-style-type: none"> • Management systems are in place to supervise how Employees work, to train individuals, and discipline those who breach Health and Safety procedures or put others at risk. Training from Ward/Department Staff in various disciplines, depending on job role and responsibilities. RM training delivered on a rolling programme. • Local risk registers show how Health and safety risks are controlled. Risk Registers populated from local risks passed up the risk management ladder as risks increase, finally to be managed at Board level if above 12. • Health and Safety training delivered - on-going. Dates and venues on trust Intranet. • Untoward Incident and serious incident reporting procedure in place. 	<ul style="list-style-type: none"> • To undertake Health and Safety Audits and inspections disseminate findings and implement actions. • To ensure staff compliance with the Health and Safety policy through monitoring Key Performance Indicators through established committees. • To continue to monitor the action plan following the enforcement notice.
<p>BAF 74 Inadequate support for staffing levels.</p>	<ul style="list-style-type: none"> • Bank shifts requested to cover peak periods whilst establishment is reviewed and business case prepared. • Staff trained to prioritise workload. Contact Head Nurse in hours, 002 out of hours. Staff moved within the division where and when possible. • Cross divisional cover is arranged where possible via the Director of Nursing & other Head Nurses. • Use of Sickness absence policy. • Ongoing recruitment drive. Use of bank staff and overtime payments to staff authorised. 	<ul style="list-style-type: none"> • Continue to monitor workload. • Prioritise treatment and care, move staff within the division when appropriate. • To monitor incidents and manage complaints appropriately. • Alternatives and incentives to recruitment have been explored via Human Resources & Recruitment. This is also being looked at organisationally as an issue. • Support processes implemented from the Blackpool Nurses 10 x10 nurse Staffing Project, which link in to Recruitment workforce Planning, Learning and Development, Temporary Staffing, Clinical Practice and Environment. • Continue promoting work



	<ul style="list-style-type: none"> Staff levels for each ward area is now provided via the Bed Managers Capacity and Patient Flow update which highlights areas of any concern linked into emergency patient activity. 	<p>developed under the five workstreams on the intranet site and regular updates given at team briefs.</p> <ul style="list-style-type: none"> Participation in place to be campaign and corporate recruitment process. Undertaking over seas recruitment process to Philippines with projected number of 30 nurses to be recruited. Recruitment process to commence April 2010. Support of e-rostering process to ensure optimum rostering to equally cover all shifts and reduce unnecessary over lap. Delay in opening of Ward 1 Clifton to utilize staff in vacant posts around the division.
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5. Declarations and self-certification

5.1 Board Statements

In the event that an NHS Foundation Trust is unable to fully self certify, it should not tick the relevant tickbox. It must provide a commentary (using the section provided at the end of this declaration) explaining the reasons for the absence of full self certification and the action it proposes to take to address it. Monitor may adjust the relevant risk rating if there are significant issues arising and this may increase the frequency and intensity of monitoring for the NHS foundation trust.

Clinical quality

The board of directors is required to confirm the following:

The board is satisfied that, to the best of its knowledge and using its own processes (supported by Care Quality Commission information and including any further metrics it chooses to adopt), its NHS foundation trust has, and will keep in place, effective arrangements for the purpose of monitoring and continually improving the quality of healthcare provided to its patients; and

The board will self-certify annually that, to the best of its knowledge and using its own processes, it is satisfied that plans in place are sufficient to ensure ongoing compliance with the Care Quality Commission's registration requirements.

The board will self-certify that processes and procedures are in place to ensure all medical practitioners providing care on behalf of the trust have met the relevant registration and revalidation requirements.



Mandatory services

The board is satisfied that it expects its NHS foundation trust to be able to continue to provide the mandatory services specified in Schedule 2 and Schedule 3 of its Authorisation.

Service performance

The board of directors is required to confirm the following:

The board is satisfied that plans in place are sufficient to ensure ongoing compliance with all existing targets (after the application of thresholds) and a commitment to comply with all known targets going forwards.

Other risk management processes

The board of directors is required to confirm the following:

Issues and concerns raised by external audit and external assessment groups (including reports for NHS Litigation Authority assessments) have been addressed and resolved. Where any issues or concerns are outstanding, the board is confident that there are appropriate action plans in place to address the issues in a timely manner;

All recommendations to the board from the audit committee are implemented in a timely and robust manner and to the satisfaction of the body concerned;

The necessary planning, performance management and risk management processes are in place to deliver the annual plan;

A Statement of Internal Control (“SIC”) is in place, and the NHS foundation trust is compliant with the risk management and assurance framework requirements that support the SIC pursuant to the most up to date guidance from HM Treasury (see <http://www.hm-treasury.gov.uk>); and

The Trust has achieved a minimum of Level 2 performance against the requirements of their Information Governance Statement of Compliance (IGSoC) in the Department of Health’s Information Governance Toolkit; and

All key risks to compliance with its Authorisation have been identified and addressed.



Compliance with the Authorisation

The board of directors is required to confirm the following:

- The board will ensure that the NHS foundation trust remains at all times compliant with their Authorisation and relevant legislation;
- The board will ensure that the NHS foundation trust will, at all times have regard to the NHS Constitution;
- For an NHS foundation trust engaging in a major joint venture, or any Academic Health Science Centre, the board is satisfied that the NHS foundation trust has fulfilled, or continues to fulfil, the criteria in Appendix D4 of the Compliance Framework;
- The board has considered all likely future risks to compliance with their Authorisation, the level of severity and likelihood of a breach occurring: and
- The board has considered appropriate evidence to review these risks and has put in place action plans to address them where required to ensure continued compliance with their Authorisation.

Board roles, structure and capacity

The board of directors is required to confirm the following:

- The board maintains its register of interests, and can specifically confirm that there are no material conflicts of interest in the board;
- The board is satisfied that all directors are appropriately qualified to discharge their functions effectively, including setting strategy, monitoring and managing performance, and ensuring management capacity and capability;
- The selection process and training programmes in place ensure that the non-executive directors have appropriate experience and skills;
- The management team has the capability and experience necessary to deliver the annual plan; and



The management structure in place is adequate to deliver the annual plan objectives for the next three years.

Signature

A. Kelwe

In capacity as Chief Executive and Accounting Officer

Signature

PA Stwi

In capacity as Chairman

Signed on behalf of the Board of Directors, and having regard to the views of the Governors.



6. Membership

6.1 Membership Report

This report looks at the work done between 1st April 2009 and 31st March 2010 to build and retain the membership of the Trust.

6.1.1 Analysis of Current Membership

Table 6.1 Analysis of current membership

Membership Report for Blackpool Fylde and Wyre Hospitals from 01/04/2009 to 31/03/2010

Public constituency		Last year (2009/2010)
As at start (April 1)		5,049
New Members		788
Members leaving		222
At year end (March 31)		5,615
Staff constituency		Last year (2009/2010)
As at start (April 1)		4,821
New Members		374
Members leaving		328
At year end (March 31)		4,867
Patient constituency		Last year (2009/2010)
As at start (April 1)		0
New Members		0
Members leaving		0
At year end (March 31)		0
Public constituency		Number of members
Age(years):		
0 - 16		8
17 - 21		259
22+		4,733
Ethnicity:		
White		4,614
Mixed		17
Asian		62
Black		14
Other		15
Socio-economic groupings:		
ABC1		4,427
C2		694
D		101
E		313
Gender analysis:		
Male		3,066
Female		2,429
Patient constituency		Number of members
Age(years):		
0 - 16		0
17 - 21		0
22+		0



6.2 Membership Commentary

Over the past year, the Trust has seen its membership continue to prosper and grow.

Public Members

All members of the public who are 16-years-old or over and who live within the boundaries of Blackpool, Fylde and Wyre Borough Councils, or the wider catchment area of Lancashire and South Cumbria, for which we provide tertiary cardiac and haematology services, are eligible to become members. Other members of the public who do not fall into these categories, either due to age or place of residence, are eligible to become affiliate members of the Trust.

Staff Members

Staff who work for the Trust automatically become members unless they choose to opt out. These include:

- Staff who are employed by the Trust under a contract of employment which has no fixed term or has a fixed term of at least 12 months, and
- Staff who have been continuously employed by the Trust under a contract of employment

Trust volunteers are eligible to become members under the public constituency.

Growth of Public Members

The number of public members has grown steadily over the last 12 months, with 788 being recruited in total. The public membership now stands at 5615. In our Membership Strategy, we highlighted that we would have 8,000 public members in total within the first three years of becoming a Foundation Trust and we are on target to achieve this.

Recruitment of Members

A number of initiatives have taken place throughout the year to encourage new public members. These include:

- Recruitment stands at events for the public and community meetings.
- Radio and newspaper advertising campaigns.
- Further development of the online membership section of the website
- Distribution of recruitment posters and leaflets to GP surgeries throughout the Fylde Coast.
- A re-design of recruitment materials to make them more attractive and user friendly to encourage people to return them.
- Presentations at meetings of community groups about the benefit of membership.



Over the next 12 months we will continue to look at new ways of promoting the benefits of membership in order to achieve our target of 8,000 public members within the first three years of being a Foundation Trust. These include:

- Further direct mailshots to the geographical areas where our membership is currently under-represented
- Extending the number of membership stands and membership boards around the hospital sites
- Attending meetings in the community to discuss membership.
- Considering the use of social networking sites such as Facebook and Twitter to attract new members, in particular young members
- Encouraging members of the public to see the benefit of being part of the Trust, through bigger and more varied recruitment events.

Retention of Members

It is particularly important to the Trust to not only build its membership, but to ensure that the membership is being fully utilised. When people become members they are sent a welcome pack with information on members, their discount card and a copy of the previous newsletter.

Numerous initiatives have taken place throughout the last year to retain our existing members. We have continued to produce and expand the newsletter 'Your Hospitals', which keeps members informed on current developments within the Trust, gives information on the Council of Governors, asks members their opinions on a wide range of topics and details the wide variety of local services and businesses that they can get discount from with their membership card.

Regular membership seminars have been held which have been popular and have included a range of topics from liver disease, familial breast cancer, the alcohol liaison nurse specialist service and obstructive sleep apnoea.

A section of the newsletter has been named 'Consultation Corner' and this gains valuable opinions from members on a wide variety of topics. The information is collated and used to influence decisions that are made about the Trust services. Consultations have been held on membership, the PALS service, privacy and dignity and the role of the Governors.

The Membership Committee, which consists of a group of Governors from staff, public and appointed constituencies, has been discussing and actioning ideas to involve our current membership and make members feel an influential part of the Trust.

A dedicated membership hotline is in place which allows the Membership Office to interact with members directly and answer enquiries and ideas.

All members were invited to the Annual Members' and Public Meeting which was a formal meeting to discuss the Trust, its developments, future services and membership. This was attended by around 300 staff and public members.

The Governors have also held several "Meet Your Governors" meetings which have been attended by public members.



Membership Representation

One of the key elements that we want to bring to our membership is that it is representative of the community that we serve. We have in particular been looking at ways of growing our young membership, as this is under-represented. A series of presentations have been held in colleges and schools across the Fylde Coast. We have also signed up several young people as a result of the health and social care taster sessions held at our hospitals. Under age members can now become affiliate members, which will turn to full membership on their sixteenth birthday.

6.3 Council of Governors

The Trust's Constitution sets out the following composition for the Council of Governors:

APPOINTED GOVERNORS	ROLE
Principal Commissioning Primary Care Trusts 2 NHS Blackpool (1) NHS North Lancashire (1)	To represent main Trust commissioners and key NHS economy partners.
Principal Local Councils 2 Blackpool Council (1) Lancashire County Council (1)	To represent key local non-NHS Local Health Economy partners.
Principal University 1 University of Central Lancashire	To ensure strong teaching and research partnership and to represent other University interests.
Principal Patient Representative Body 1 Previously the Patient and Public Involvement Forum and in future LINKS	To reinforce the representation of patients' views and interests.
Voluntary Sector 1	To engage and assist the Trust in identifying needs of local community.
Lancashire Care Trust 1	To ensure representation of partner organisation providing mental health services on many of our sites.
Lancashire Business Link 1	To engage and assist the Trust in dialogue with local developments and businesses.
Blackpool Regeneration Project 1	To engage and assist the Trust in dialogue with local developments and businesses.
Total Appointed Governors 10	

It is proposed to make some changes to the composition of the Council of Governors in relation to the Appointed Governors and discussions have taken place with a subgroup of the Council of Governors to review the composition.



STAFF ELECTED GOVERNORS		ROLE
To represent:		
Class 1 - Medical Practitioners	1	To assist the Trust in developing its services and ensure active representation from those who deliver the services.
Class 2 - Nursing and Midwifery Staff	2	As above.
Class 3 - Clinical Support Staff	1	As above.
Class 4 - Non-Clinical Staff	1	As above.
Total Elected Staff Governors	5	

PUBLIC ELECTED GOVERNORS		ROLE
To represent:		
Constituencies specified in Annex One of the Constitution and consisting of:		Representing an estimated 93% of patients who are resident in the shaded area of Annex One.
Area 1 Blackpool	8	
Area 2 Wyre	4	
Area 3 Fylde	3	
Area 4 Lancashire & South Cumbria	1	Representing approximately 4% of patients who are resident in the wider environs of Cumbria and Lancashire.
Total Public and Patient Elected Governors	16	

Total Membership of Council of Governors	
Appointed Governors	10 (currently one vacancy)
Staff Governors (elected)	5
Public and Patient Governors (elected)	16 (currently one vacancy)
Total	31

Last year's Annual Plan outlined two changes to the Council of Governors since the creation of the Foundation Trust. There have been five further changes during the year as follows:

- Cerise Fleming (Elected Governor - Blackpool Constituency) – resigned
- Canon Godfrey Hirst (Elected Governor - Fylde Constituency) - resigned
- Mike Hodgkinson (Elected Governor - Blackpool Constituency) – resigned



- Eileen Martin (Appointed Governor - University of Central Lancashire) – resigned and was replaced by Christine Sconce, Associate Dean.
- Denise Wilson (Appointed Governor – Lancashire Care Foundation Trust) – resigned and a replacement nomination is awaited from Lancashire Care Foundation Trust.

Elections will take place during 2010 to replace Cerise Fleming, Godfrey Hirst and Mike Hodgkinson in accordance with the election rules, as set out in the Foundation Trust's Constitution.

The Term of Office for Governors is 2 years or 3 years.



Membership of the Trust's Council of Governors is set out below:

Name	Constituency/Organisation	Term of Office
Public Governors		
John Butler	Blackpool	3 years
Vacant Position	Blackpool	3 years
Vacant Position	Blackpool	3 years
Clifford Chivers	Blackpool	3 years
Hannah Harte	Blackpool	2 years
Chris Thornton	Blackpool	2 years
Eric Allcock (from April 2009)	Blackpool	2 years
Arthur Roe (from April 2009)		
Carol Gradwell	Fylde	2 years
Vacant Position	Fylde	3 years
Anne Smith	Fylde	3 years
Peter Askew	Wyre	3 years
Ramesh Gandhi (from April 2009)	Wyre	3 years
Jean Marsh	Wyre	2 years
Austin McNally	Wyre	3 years
Bill Holmes	Lancashire and South Cumbria	2 years
Staff Governors		
Dr Tom Kane	Medical and Dental	3 years
Sam Woodhouse (from August 2008)	Nursing and Midwifery	3 years
Andrew Goacher (from April 2008)	Nursing and Midwifery	2 years
Tina Daniels	Non-Clinical Support	3 years
Richard Day	Clinical Support	2 years
Appointed Governors		
Councillor Ivan Taylor	NHS Blackpool	N/A
Brian Rowe (from April 2009)	NHS North Lancashire	N/A
Councillor Roy Haskett	Blackpool Council	N/A
County Councillor Paul Rigby (from July 2009)	Lancashire County Council	N/A
Doug Garrett	Re Blackpool	N/A
Vacant Position	LINKs (formerly Patient & Public Involvement Forum)	N/A
Councillor Chris Lamb (from May 2009)	Council for Voluntary Service	N/A
Vacant Position	Lancashire Care Trust	N/A
David Slater	Business Link North West	N/A
Christine Sconce (from December 2009)	University of Central Lancashire	N/A

Formal meetings of the Council of Governors are held on a quarterly basis and the scheduled meeting dates are as follows:

- 15th February 2009



- 19th May 2009
- 20th August 2009
- 15th November 2009

There are currently two Governor Sub-Committees, namely the Nominations Committee and the Membership Committee, comprising 3 and 10 Governors respectively.

Governors are also involved in a number of Trust Committees, namely the Marketing Strategy Group, Information Governance Committee, Charitable Funds Committee, Patient Environment Action Team, Healthy Transport Committee, Equality and Diversity Committee, Patient Experience Committee and Phase VI Reference Group.

Two Governor Workshops took place during the year (31st July 2009 and 8th December 2009).

Governors also attended the following events throughout the year:-

- North West Governors Meeting – 28th April 2009
- North West Staff Governors Meeting – 6th July 2009
- Equality and Diversity Conference – 28th September 2009
- North West Governors Meeting – 15th October 2009
- Foundation Trust Governors Association Development Event – 19th October 2009
- North West Staff Governors Meeting – 14th January 2010

During the year the Trust joined the Foundation Trust Governors' Association (FTGA). The FTGA is a national body that brings together all Governors so that they can understand their role, learn from one another and become more effective. It offers Governors the opportunity to feel more confident in their position by bringing insight and informed points of view in a varied, fast moving and challenging environment. Three of our Governors attended the FTGA Development event in October 2009.



7. Supporting Schedules

7.1 APR Template – 2010-11

7.2 APR Governance and Performance Template

7.3 APR Additional Information

7.4 Schedule 2 – Mandatory Goods and Services

7.5 Schedule 3 – Mandatory Education and Training Services