

# Blackpool, Fylde and Wyre Hospitals NHS Trust



Annual Report  
2002/2003

## MISSION STATEMENT

*"To Provide Our Patients With  
The Highest Quality Healthcare  
In The Most Effective Way".*

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## REVIEW OF THE YEAR BY THE CHAIRMAN AND CHIEF EXECUTIVE

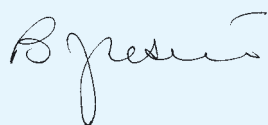
The joint management arrangements set up in 2001/2002 between the Blackpool Victoria Hospital Trust and the Community Health Services Trust laid the foundations for the establishment of the Blackpool, Fylde and Wyre Hospitals NHS Trust in April 2002. Despite the difficulties associated with major organisational change, the two Trusts integrated extremely well and the new Trust has had an exceptional year.

The Board has a clear strategy to improve continuously the quality of service we provide to meet the ever increasing needs of our community. To highlight two themes this year; improvement of the working environment and improvement of patient facilities, we are pleased to report that:-

- There are now more nurses working in the Blackpool, Fylde and Wyre area than ever before due, in part, to the successful scheme to employ nurses from abroad. The foreign nurses have made very positive comments about the working environment and the willingness of other staff to work with them.
- We have introduced a Performance Fund to recognise those departments who have made an exceptional contribution to meet national performance targets. The total prize money is £50,000, divided into a first prize of £30,000 and smaller prizes of £10,000 and £5,000.
- We have also introduced a Good Ideas In Practice Fund to reward individuals or small groups of staff who have implemented a good idea that has contributed to cost reduction, income generation, improving working lives or has made a difference to quality or patient care.
- "Talkback" is a new initiative whereby staff are invited to meet the Chief Executive. Forty members of staff are selected at random and invited to "talkback" which is held monthly at different venues across the Trust. A full report is placed on the Intranet and draws more staff interest than any other site.
- A Patient Advice and Liaison Service (PALS) was established in October 2002 which has contributed towards the reduction in the number of formal complaints received.
- The assessments for the Risk Pooling Scheme for Trusts (RPST) and the Clinical Negligence Scheme for Trusts (CNST) took place on 6th and 18th March respectively and the Trust achieved accreditation at Level 1 for a period of two years.
- The Trust achieved Practice Status for Improving Working Lives following an assessment by the Regional Accreditation Team in March and is now working towards Practice Plus Status.
- The Orthopaedic Out-Patient Department was upgraded in October 2002 and now provides much improved facilities, for example, increased consulting/examination rooms, a new play area for children and state-of-the-art x-ray and patient information systems.
- The new Macmillan Windmill Unit opened in January 2003 and was officially opened on 17th June 2003 by the Duke of Westminster who is the President of the Macmillan Windmill Appeal. This out-patient facility for cancer patients was desperately needed and we are very grateful for all contributions to the Appeal.
- Plans for the Cardiac Centre are progressing and it is anticipated that the project will commence in Autumn 2003 and be completed by Spring 2006.

This is by no means an exhaustive list but we believe it demonstrates our commitment to service improvement and development.

Our thanks to all the staff of the Trust, who have made an immeasurable contribution in a year when all the Government's key targets were achieved. We commend the Annual Report to you.



Beverly Lester  
Chairman



Roy Male  
Chief Executive

## THE TRUST

The Blackpool, Fylde and Wyre Hospitals NHS Trust was established on 1st April 2002 following the dissolution of the Blackpool, Wyre and Fylde Community Health Services NHS Trust and the Blackpool Victoria Hospital NHS Trust.

The benefits of establishing a single hospitals NHS Trust can be categorised under a number of headings:-

- To improve the health and well-being of the local population.
- To enhance the quality of care and use of resources.
- To increase access to services.
- To develop opportunities for staff.
- To improve organisational and management arrangements.

The key features of the Trust are:-

- Annual income of £165 million.
- Net assets of £148 million.
- Employment of 4,468 staff (3,670 whole time equivalents).
- 73,800 in-patients and day cases treated each year.
- 82,500 accident and emergency attendances each year.
- 236,600 out-patient attendances each year.
- Bed complement of 1,195.
- Regional Centre for Cardiac Services.
- Recognised Cancer Unit.

The Trust manages all the hospital sites on the Fylde Coast as follows:-

- Victoria Hospital
- Bispham Hospital
- Clifton Hospital
- Devonshire Road Hospital
- Fleetwood Hospital
- Lytham Hospital
- Rossall Hospital
- South Shore Hospital
- Wesham Hospital

Other services include:-

- National Artificial Eye Service
- Blenheim House Child Development Centre
- NHS Student Grants Unit

### Key

1. Fleetwood Hospital
2. Rossall Rehabilitation Unit
3. Bispham Rehabilitation Unit
4. National Artificial Eye Service
5. Student Grants Unit
6. Devonshire Road Hospital
7. Blenheim House
8. Victoria Hospital
9. South Shore Hospital
10. Clifton Hospital
11. Lytham Hospital
12. Wesham Rehabilitation Unit

## Hospital Sites on the Fylde Coast



**VICTORIA HOSPITAL** is a large acute hospital that treats more than 80,000 day-cases and in-patients and more than 200,000 out-patients from across Blackpool, Fylde and Wyre each year. The Accident and Emergency Department is one of the busiest in the country with more than 80,000 attendances every year. The hospital has 767 beds and employs more than 3,000 members of staff. It provides a wide range of services from maternity to care of the elderly, and from cancer services to heart surgery, and is one of four hospitals in the North West that provides specialist Cardiac Services to patients from Lancashire and South Cumbria.

**CLIFTON HOSPITAL** is a community unit that provides sub-acute and fast-stream in-patient and day hospital care for older people, rehabilitation and respite care for the disabled and an active out-patient service. The hospital has an underlying emphasis on rehabilitation with the ultimate aim of maximising the social, physical, psychological, emotional and spiritual well being of its patients.

**SOUTH SHORE HOSPITAL** is a community unit that serves residents from Blackpool, Wyre and Fylde who require in-patient or out-patient care. The hospital has 101 beds across five wards offering rheumatology, rehabilitation and orthopaedic surgery services. The hospital is home to the Trust's only dedicated rheumatology in-patient ward and the x-ray department has the Region's first Bone Densitometry Unit, complete with state-of-the-art equipment to scan bone density and measure the risk of fractures from osteoporosis.

**DEVONSHIRE ROAD HOSPITAL** is a centrally located community unit that offers both in-patient and out-patient facilities to residents of Blackpool and its surrounding areas. The hospital houses the Fylde Coast's leading centre for dermatology services and it also has a Renal Dialysis Unit and a Clinical Skills Laboratory.

**FLEETWOOD HOSPITAL** is a community unit that serves residents from Wyre and surrounding areas requiring in-patient and out-patient care. The unit has 27 beds across a number of surgical specialties. A major centre for out-patients was opened at the hospital in October 1997 and a number of beds are available for use by the GPs of Fleetwood to provide in-patient care for their own patients and those transferred following treatment from Victoria Hospital.

**LYTHAM HOSPITAL** is a community unit that serves residents from across the Fylde coast who require in-patient or out-patient care. The unit has 25 beds across two wards offering acute services for in-patients and day cases in a number of specialties. A number of beds are available for use by the GPs of Lytham St Annes to provide in-patient care for their own patients and those transferred following treatment from Victoria Hospital. The Fisher Unit also houses an endoscopy suite and accommodation for out-patient clinics has recently been increased.

**ROSSALL, BISPHAM AND WESHAM ELDERLY REHABILITATION UNITS** are three purpose-built 40-bedded units that provide rehabilitation, recovery and continuing care services to older people from across the Fylde Coast. Costing £3m each, the three units were built as part of an ambitious and successful private finance initiative in 2000.

**THE NATIONAL ARTIFICIAL EYE SERVICE (NAES)** has almost 30,000 patient contacts each year, which result in 5,000 prostheses being manufactured, 1,000 of which are for new patients. The service is managed and controlled by Blackpool, Fylde and Wyre Hospitals NHS Trust but it operates nation-wide and has its own specialist large print web site that provides information about the service and guidance for artificial eye patients. This can be found at [www.naes.nhs.uk](http://www.naes.nhs.uk).

**BLenheim HOUSE** is a Child Development and Family Support Centre for children across Blackpool, Wyre and Fylde who have physical or learning needs. The Centre forms part of the Trust's Department of Child Health. It aims to provide assessment, on-going intervention and family support for pre-school children in a friendly and informal environment.

**NHS STUDENT GRANTS UNIT**, which is based at Plymouth Road, Blackpool, provides a national service processing bursary applications for Health Professionals. It ensures the prompt and accurate assessment, review and payment of NHS funded bursaries and clinical placement travel and accommodation expenses applied for by 80,000 NHS commissioned students enrolled on pre-registration health professional courses at universities in England.

## THE TRUST BOARD

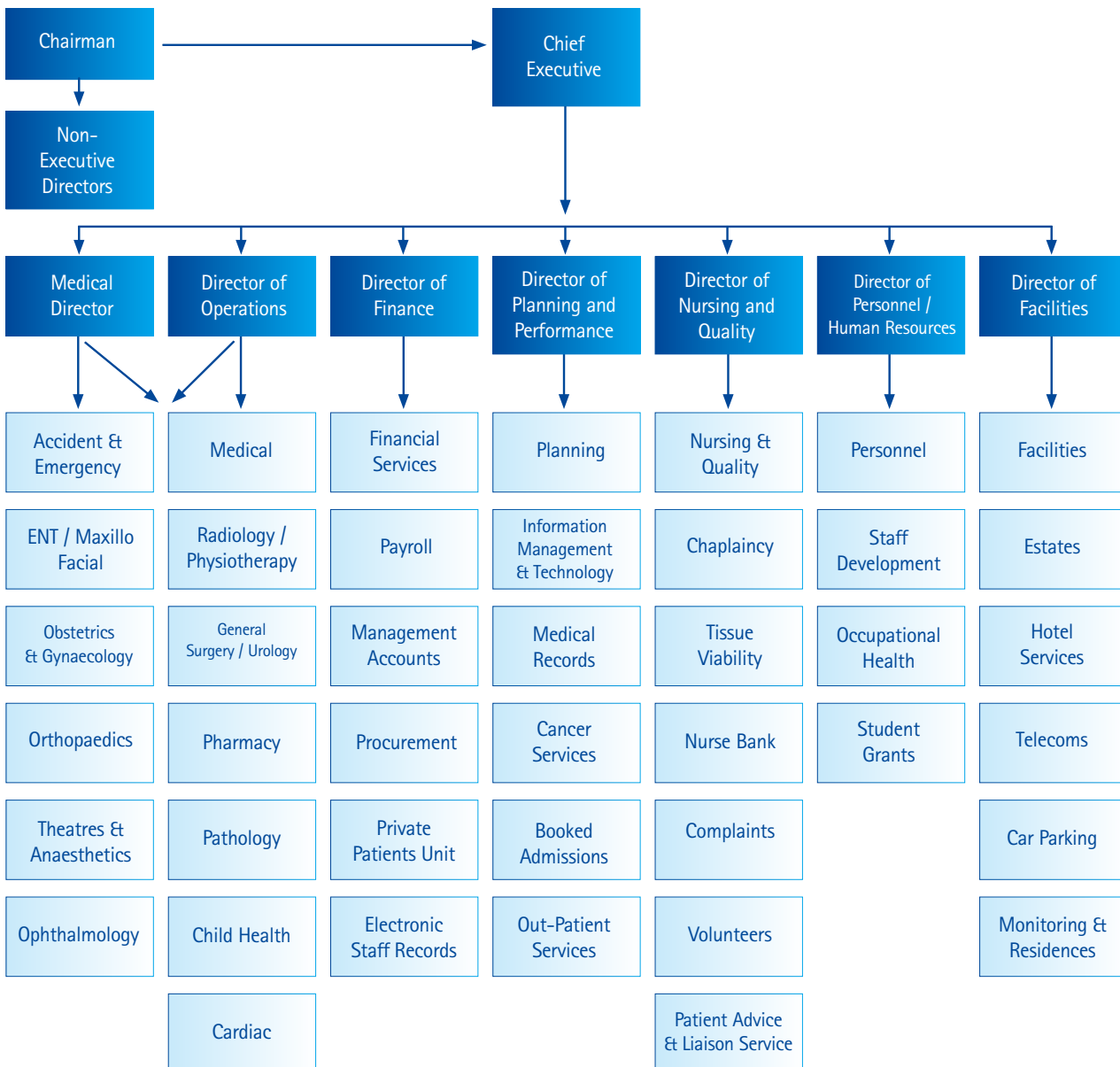
The Trust is managed by a Trust Board comprising a Chairman, five Non-Executive Directors and five Executive Directors.

The Chairman is appointed by the Secretary of State and is responsible for ensuring that the specific roles of the Non-Executive Directors and Executive Directors are brought together in a constructive partnership to take forward the business of the organisation.

The Non-Executive Directors are appointed by the NHS Appointments Commission on behalf of the local community and have a responsibility to ensure that the Board acts in the best interests of the public and that it is fully accountable to the public for the services provided by the organisation and the public funds it uses.

The Executive Directors are appointed through open competition and in accordance with the Trust's recruitment and selection policies and procedures and NHS Executive guidance.

### • TRUST STRUCTURE





Beverly Lester



Jimmy Armfield



Christine Breene



Michael Carr



Graham Essex-Crosby



Paul Olive



Roy Male



Tim Evans



Dr Peter Hayes



Mandie Sunderland



Peter Dewdney



Mike Gallagher



John Lyons



Tony Andrews

## MEMBERSHIP OF THE TRUST BOARD

**Beverly Lester – Chairman**, was previously the Chairman of the Community Trust for four years and a former Non-Executive Director of the Victoria Hospital Trust. She also works part-time as a Partner in a local firm of Solicitors and is a part-time Chairman in the Independent Tribunal Service.

**Jim Armfield, OBE – Non-Executive Director**, served as a Non-Executive Director of the Community Trust for nine years. He has enjoyed a long career in football, playing for England and Blackpool, and he currently works as a technical consultant for the Football Association.

**Christine Breene – Non-Executive Director**, was a manager for Marks and Spencer for more than 23 years, working in areas such as finance and human resources. She was a Non-Executive Director of the Community Trust for two years.

**Michael Carr – Non-Executive Director**, spent almost forty years working for British Rail before taking early retirement in 1993 and has served as a councillor for the Clifton Ward for Blackpool Borough Council since 1995. He was a Non-Executive Director of the Victoria Hospital Trust for nearly five years.

**Graham Essex-Crosby – Non-Executive Director**, has 35 years local government experience. He worked as Chief Executive of Blackpool Borough Council for eight years up to 2002 and, prior to this, was the Director of Finance and Assistant Borough Treasurer.

**Paul Olive – Non-Executive Director**, was the Finance Director of Stanley Leisure PLC from 1984 – 1998 and his responsibilities included internal audit, information and technology, and personnel and training.

**Roy Male, CBE – Chief Executive (from 30th September 2002)**, joined the Trust from Addenbrooke's NHS Trust where he was Chief Executive for four years. He has held many positions including Assistant Hospital Secretary, District Personnel Officer, Director of Personnel and Deputy Chief Executive.

**Tim Evans – Director of Finance (from 1st April 2002 – 16th May 2002 and 30th September 2002 to 31st March 2003) and Acting Chief Executive (from 17th May 2002 – 29th September 2002)**, was the Director of Finance at the Victoria Hospital Trust for five years. Prior to that he was Director of Finance in Barrow.

**Dr Peter Hayes – Medical Director**, was the Medical Director at the Victoria Hospital Trust for eight years. He is a Consultant Physician at Victoria Hospital, a position he has held for more than 22 years.

**Mandie Sunderland – Director of Nursing and Quality**, was the Director of Nursing at the Victoria Hospital Trust from January 2001. She was previously the Director of Nursing at Halton General Hospital.

**Peter Dewdney – Director of Planning and Performance**, was the Director of Planning and Information at the Victoria Hospital Trust for four years, having previously worked in the Finance Department.

**Mike Gallagher – Director of Facilities**, was the Director of Facilities at the Victoria Hospital Trust for eight years and, prior to that, he was the Director of Estates for the Blackpool, Wyre and Fylde Health Authority from 1989 – 1994.

**John Lyons – Director of Personnel**, was the Director of Personnel for the Victoria Hospital Trust for eight years. Previously, he was Regional Head of Personnel for the North Western Regional Health Authority from 1984 – 1994.

**Tony Andrews – Director of Operations**, joined the Trust on 1st April 2003 from Norfolk, Suffolk and Cambridgeshire Health Authority. He moved into management after a successful clinical career in genetics. His principal responsibility is the day to day management of the Trust's operational services and resources.

## • DECLARATIONS OF INTEREST

### **Miss Beverly Lester – Chairman**

Partner – Cooper, Law & Lester Solicitors.  
Chairman (part-time) – Independent Tribunal Service.

### **Mr Jim Armfield – Non-Executive Director (Vice Chairman)**

President – Age Concern (Blackpool).  
Vice President – Lancashire Outward Bound Association.  
School Governor – Arnold School (Blackpool).  
Member – Cathedral Council.  
Sports Commentator – BBC Radio.  
Technical Consultant – Football Association.

### **Mrs Christine Breene – Non-Executive Director**

Vice Chairman – Blackpool, Fylde and Wyre Blind Society  
Employment Committee.

### **Mr Michael Carr – Non-Executive Director**

Chairman – Development Control (Planning) Committee.  
Member – Blackpool Borough Council (Clifton Ward),  
Lancashire Combined Fire Authority, Police Authority  
Community Safety and Consultation Committee, Police  
and Community Forum.

### **Mr Graham Essex-Crosby – Non-Executive Director**

Chairman of Governors – Blackpool and The Fylde College.  
Vice President – Blackpool, Fylde and Wyre Blind Society.

### **Mr Paul Olive – Non-Executive Director**

Nil.

### **Mr Roy Male – Chief Executive (from 30th September 2002)**

Nil.

### **Mr Tim Evans – Acting Chief Executive (17th May 2002 – 29th September 2002)**

**Director of Finance (1st April 2002 – 16th May 2002 and 30th September 2002 – 31st March 2003)**  
Nil.

### **Mr John Barton – Acting Director of Finance (17th May 2002 – 29th September 2002)**

School Governor – Christ the King RC Primary School,  
Blackpool.

### **Dr Peter Hayes – Medical Director**

Monthly Consultation Session at Fylde Coast Hospital.

### **Mrs Mandie Sunderland – Director of Nursing and Quality**

Nil.

### **Mr Peter Dewdney – Director of Planning and Information**

Nil.

### **Mr Mike Gallagher – Director of Facilities**

Patientline shares (915 in total).

### **Mr John Lyons – Director of Personnel**

Nil.



Macmillan Windmill Cancer Unit



## • TRUST OBJECTIVES

1. With our partners, improve the healthcare available to our local population by:
  - Working with PCTs, Social Services Departments and others to devise new ways of working and to provide high quality, timely and integrated services.
  - Stimulating collaboration with other Acute Trusts to optimise the provision of acute care in our area.
  - Achieving demonstrable benefit from the acute and community hospital resources within the new Trust.
2. Enhance our patient services by:
  - Implementing what we learn from consulting our patients and local population on their needs and preferences, and from seeking feedback on their experiences.
  - Seeking ways of improving procedures and approaches to work, which are original and radical.
3. Develop the new Board into a cohesive team and develop a shared vision and values through wide involvement of partners, patients and staff, leading to the publication of the Trust's Strategic Direction Statement.
4. Over the medium term, seek to achieve improved resourcing in infrastructure and to develop capacity – human and physical – to deliver the service targets within the NHS plan.
5. Focus on the development of staff and promote and develop an inclusive, supportive culture where staff can be proud of the care given to patients and can develop and be fulfilled.

## • TRUST ACHIEVEMENTS

The key targets that the Trust achieved in 2002/03 are as follows:-

- Achieved average performance of 95% of patients treated within 4 hours in the A&E Department.
- Achieved a maximum wait of 21 weeks for a routine out-patient appointment.
- Achieved a maximum wait of 12 months for all elective in-patient waiters.
- Worked towards every hospital appointment being booked for the convenience of the patient.
- Booked 80% of day cases under the Booked Admissions Programme and increased booking for in-patient elective admissions by 14%.
- Achieved the target for re-admission within 28 days for those patients whose operation was cancelled on the day of planned surgery.
- Ensured a maximum 62-day wait from urgent GP referral to first treatment for breast cancer.
- Achieved 99.9% compliance regarding the 2-week wait standard in cancer services for urgent GP referral to first out-patient appointment.
- Achieved 85% of eligible patients receiving thrombolysis within 30 minutes of arrival at the hospital.
- Achieved maximum 2-week wait for Rapid Access Chest Pain Clinic appointments.
- Achieved 9-month maximum wait for revascularisation and 12 month for all other procedures in cardiac surgery.

## • REMUNERATION COMMITTEE

The Trust's Remuneration Committee acts in relation to the following matters:-

- To determine, as delegated by the Trust Board, appropriate remuneration and terms of service for the Chief Executive, other Executive Directors and the Directors of Facilities, Operations and Personnel including:-
  - All aspects of salary (including any performance related elements).
  - Provisions of other non-pay benefits including pensions.
  - Arrangements for termination of employment and other contractual terms.
- To determine, as delegated by the Trust Board, the remuneration and terms of service of the Chief Executive, other Executive Directors and the Directors of Facilities, Operations and Personnel to ensure that they are fairly rewarded for their individual contribution to the Trust having proper regard to the Trust's circumstances and performance and to the provisions of any national arrangements for such staff where appropriate.
- To monitor and evaluate the performance of the Chief Executive (via the Chairman) and to monitor and evaluate the performance of other Executive Directors and the Directors of Facilities, Operations and Personnel (via the Chief Executive).
- To advise on and oversee appropriate contractual arrangements for the Chief Executive, other Executive Directors and Directors of Facilities, Operations and Personnel including the proper calculation and scrutiny of termination payments taking account of such national guidance as is appropriate.
- To report in writing to the Board the basis for its recommendations and the Board shall use the report as the basis for their decisions but remain accountable for taking decisions on the remuneration and terms of service of the Chief Executive, other Executive Directors and the Directors of Facilities, Operations and Personnel.

The Remuneration of Non-Executive Directors is determined by national guidance.

The remuneration of Executive Directors and other Directors is determined by the Remuneration Committee using salary survey information from other NHS Trusts. The remuneration is made up of an incremental scale which establishes a maximum and minimum for each post dependent upon experience and performance in post.

There are no other elements of remuneration such as 'bonuses' or additional pension contributions, with the exception of a lease car scheme or payment for business miles at Whitley rates.

The appointment of the Executive Directors (including the Chief Executive) are permanent and individuals are required to give six months notice to terminate their contract of employment. Similarly the Trust is required to give the Executive Directors (including the Chief Executive) six months notice of termination of their employment contract.

Membership of the Remuneration Committee:-

- Mr G Essex-Crosby – Chairman
- Miss B Lester
- Mr J Armfield
- Mrs C Breene
- Mr P Olive
- Mr M Carr
- Mr J Lyons – Secretary

Two meetings of the Remuneration Committee took place during 2002/2003.

## • AUDIT COMMITTEE

The Trust's Audit Committee has the following responsibilities:-

- **To review the establishment and maintenance of an effective system of internal control and risk management, in particular, the adequacy of:**
  - All risk and control related disclosure statements, together with any accompanying Head of Internal Audit statement, prior to endorsement by the Board.
  - The structures, processes and responsibilities for identifying and managing key risks facing the organisation.
  - The policies for ensuring that there is compliance with relevant regulatory, legal and code of conduct requirements as set out in the Controls Assurance Standards and other relevant guidance.
  - The operational effectiveness of policies and procedures.
  - The policies and procedures for all work related to fraud and corruption as set out in Secretary of State Directions and as required by the Directorate of Counter Fraud Services.
- **Internal Audit**
  - Consider the appointment of the Internal Audit Service, the audit fee and any questions of resignation and dismissal.
  - Review the internal audit programme, consider the major findings of internal audit investigations (and management's response), and ensure co-ordination between the Internal and External Auditors.
  - Ensure that the Internal Audit function is adequately resourced and has appropriate standing within the organisation.
- **External Audit**
  - Consider the appointment of the External Auditor, as far as the Audit Commission's rules permit.
  - Discuss with the External Auditor, before the audit commences, the nature and scope of the audit, and ensure co-ordination, as appropriate, with other External Auditors in the local health economy.
  - Review External Audit reports, including value for money reports and annual audit letters, together with the management response.
- **To review the annual financial statements before submission to the Board, focusing particularly on:**
  - Changes in, and compliance with, accounting policies and practices.
  - Major judgmental areas.
  - Significant adjustments resulting from the audit.

The Trust's External Auditors are PricewaterhouseCoopers based at 101 Barbirolli Square, Manchester, M2 3PW.  
Membership of the Audit Committee:-

Mr P Olive – Chairman • Mr M Carr • Mr G Essex-Crosby • Miss J A Oates – Secretary

Three meetings of the Audit Committee took place during 2002/2003.

## • TRUST COMPLIANCE:

The Trust complied with national guidance/policies in the following areas:-

### Clinical Governance

#### Clinical Governance Arrangements

Following the formation of the new Trust, the arrangements for Clinical Governance were reviewed. The Director with lead responsibility was confirmed as the Medical Director. Agreement was reached that there should be a full time post for the facilitation of Clinical Governance as well as a full time Clinical Risk Manager, together with additional administrative support. Further discussion led to agreement in principle that a Directorate of Clinical Governance be formed, combining the Medical Director's Department and the Directorate of Nursing and Quality. The proposals for the development of Clinical Governance within the Trust, under the proposed new Directorate, formed part of the Local Development Plan for 2003/2004.

#### Reporting Arrangements

The Clinical Governance Report for the Blackpool Victoria Hospital NHS Trust and the Blackpool Fylde and Wyre Community Hospitals NHS Trust, for the period 2001/2002, was completed and forwarded to the Strategic Health Authority in September 2002.

The Trust complied with the requirements of CE Bulletin 143 and submitted the Clinical Governance Plan for 2003/2004 in early January 2003.

Copies of these documents can be obtained from Rose Anderson, Head of Clinical Governance, Blackpool, Fylde and Wyre Hospitals NHS Trust, Victoria Hospital, Whinney Heys Road, Blackpool, FY3 8NR.

#### Key Activities

A major activity in the early part of the year was the introduction of the new Consent Forms and Policy and Procedures. The Trust produced a Consent Resource Pack for all clinicians and clinical areas and a widespread training programme was carried out

The Trust achieved compliance with CNST Level 1 in March 2003 and was commended for its work on the introduction of the new Consent Policies and Procedures and on the arrangements for the training of staff in the handling of Blood and Blood Products for Transfusion. The Trust achieved Level 1 compliance with RPST in March

2003 and was also commended on achieving a high average score of 85.5% at the first attempt.

### Staff Involvement

The Trust has well established consultative and negotiating committees covering all staff and one specifically for consultants and non-consultant career grade doctors. Staff and their representatives are consulted whenever specific changes to service provision are proposed.

Staff involvement is one of the factors in the Improving Working Lives accreditation and increased involvement/participation is being developed within that area of work.

### Disability Discrimination Act

The Trust has approval to place the "two ticks" symbol on its adverts and notepaper. This requires the Trust to give an automatic interview to any disabled candidate who meets the person specification for a post. The Trust's Equal Opportunities Policy makes it clear that discrimination on the grounds of disability, along with other factors, is not acceptable.

### Equality Statement

The Trust has an Equality Statement which has been approved by the Trust Board. Again Equality and Diversity are part of the Improving Working Lives accreditation process and work to develop this area is on-going within this initiative.

The Trust employs staff from 53 nationalities and its workforce contains a higher proportion of staff from groups classified in the ethnic minority categories than the population as a whole.

The Trust is working with the Job Centre, Learning and Skills Council and Workforce Development Confederation to provide employment opportunities for local individuals who could be classified as disadvantaged for a variety of reasons and who would not normally be considered for NHS employment.

## Occupational Health

Activity Levels - the work performed by the Occupational Health Department has increased significantly during the past year with appointment activities overall increasing by 20% and pre-employment screens by 27%. Details of significant activities is provided below.

Activity	2001-2002	2002-2003	Increase
Pre-employment	3171	4038	27%
Vaccination	5611	6504	16%
Management Referrals	1623	1901	17%
Counselling	630	1081	72%

There has been a large increase in the use of the counselling service, which reflects an active publicity programme to make staff more aware of this provision. The Occupational Health Department also provides services to the local health economy and external organisations but the majority of the work is for the NHS.

Service Developments - a long awaited satellite clinic was opened at Victoria Hospital in December 2002 which makes it much easier for staff at the hospital to attend for advice and help. Following the local NHS re-organisation into Primary Care Trusts (PCTs), the Occupational Health Department now provides services to five Trusts instead of the previous two Trusts.

## Health and Safety

Overall the number of injuries suffered by members of staff has remained almost the same as last year (409 in 2001 compared with 414 in 2002). Needlesticks and sharps continue to be the single biggest cause of injury although these are reducing year on year. The second largest group of injury types relates to slips/trips and falls, usually in kitchens and food preparation areas, and the third highest incident in 2002 was injury whilst lifting/carrying.

In respect of violence and aggression, there has been a slight increase from 143 incidents in 2001 to 148 incidents in 2002. However, the more worrying trend that has emerged is the number of staff assaulted at work, the majority occurring on the Victoria Hospital site.

The disturbing trend that continues to emerge from these accident statistics is the percentage of staff being injured by a sharp or needle due to incorrect disposal by someone else. The Safety Committee is monitoring these trends and is producing a plan to help reduce the figures.

There has been an increase in security incidents across the Trust but it is pleasing to note that the Trust has again been awarded the Secure Car Park Award.

## Complaints

The Trust received 406 complaints in 2002/2003; a reduction of 28% on the same period in 2001/2002. The percentage of written complaints resolved within the specified timescales was 27%.

The Trust received 12 requests for Independent Review. Of these, two were accepted, three were referred for local resolution and seven were rejected. None have been concluded within the required timescales.

Whilst investigating complaints, many have highlighted the root cause as poor communication between staff and patients or their relatives. Discussions are taking place regarding the Trust wide implementation of the national "Essence of Care" Communications Standard.

The implementation of the new Patient Advice and Liaison Service (PALS) and Modern Matrons has helped to improve the level of service to our users and this will have contributed towards the reduction in the number of formal complaints received.

The Trust strives to meet complainants face to face, especially where the complaint covers more than one Directorate or covers a number of areas of concern. This is to try and avoid protracted communications between the Trust and the complainant.

## Key Quality Improvements

### Patient and Carer Information

A range of quality information for patients in a variety of formats has been developed in the last year:-

- The Trust Internet Website has been updated and re-launched.
- The Bereavement Booklet has been very well received.
- Cancer Services and Cardiac Services have developed new information for patients and the Cancer Unit has a pleasant and well used information centre, run by volunteers.
- Work has been undertaken in the Pain Management Service.

There are many more examples of good practice throughout the Trust.

### Patient Satisfaction

The Trust ensures extensive local involvement through its extensive volunteer workforce. Over 700 local people regularly participate in Trust activity in a variety of ways. The Volunteer Survey Team has this year been involved in:

- Evaluation of patient's views on the proposed Trust Website.
- Evaluation of patient's views on the Housekeepers pilot.
- Development and undertaking the Essence of Care Audits for Privacy/Dignity and Food/Nutrition.
- Assessing patient and carer views of mixed sex wards. This also involves verifying compliance with the policy.

The Trust has also participated in the National Patients Survey for Accident and Emergency and Out -Patient Departments. The results are now available and a team will develop action plans to enable changes to take place where appropriate.

### Collaboration with Other Agencies/Services

- The Patient Advice and Liaison Service (PALS) was launched in October 2002 and works across the whole health economy. The service is seamless and deals with issues relating to Blackpool, Fylde and Wyre Hospitals Trust, Blackpool PCT, Fylde PCT, Wyre PCT and Lancashire Care Trust. The officers are in regular contact with local voluntary groups, Social Services, and other PALS across the North West.
- Agreement has been obtained to develop an Information Centre, managed by PALS, and work is underway to recruit and train volunteers. Access to accommodation for a variety of local voluntary Health and Benefits Groups has been agreed.
- Macmillan volunteers operate within the new Cancer Unit.

### NHS Plan Standards

The Trust is making good progress towards achieving the standards of the NHS Plan. It achieved all nine key NHS Plan targets which are:-

- A & E emergency admission waits (12 hours).
- Cancelled operations not admitted within 28 days.
- Financial management.
- Hospital cleanliness.
- Improving Working Lives.
- Number of in-patients waiting longer than the standard.
- Number of out-patients waiting longer than the standard.
- Total time in A & E.
- Two week cancer waits.

In addition, the Trust achieved the 30 minute wait target in out-patient clinics for 89% of patients.

The Trust has also achieved the requirements for the provision of single sex accommodation. Approximately £200,000 has been invested to introduce a comprehensive programme of adaptations throughout Trust premises to ensure that non-emergency patients are admitted to single sex wards or single sex bays/rooms within mixed wards. The Trust is now fully compliant with these requirements and will carry out regular audits to ensure that these standards are maintained.

### Waiting Lists

The Trust achieved the national standards for waiting lists which are:-

Overall in-patient and day case waiting list size:

Target: Achieve an overall reduction in the number of patients waiting.

Total as at March 02	Total as at March 03	
7772	7306	Target Achieved

For all operations:

Target: No patient waiting over 12 months for their operation by 31 March 2003.

Main Specialty	Number waiting over 12 months as at March 02	Number waiting over 12 Months as at March 03	
General Surgery	4	0	Target Achieved
Urology	0	0	
Orthopaedics	46	0	
ENT	4	0	
Ophthalmology	4	0	
Oral Surgery	0	0	
Cardiothoracic Surgery	23	0	
Anaesthetics	0	0	
General Medicine	0	0	
Haematology	0	0	
Cardiology	104	0	
Dermatology	0	0	
Rheumatology	0	0	
Gynaecology	4	0	
TOTAL	189	0	

For first out-patient appointment:

Target: No patient waiting over 21 weeks for their first out-patient appointment.

Main Specialty	Number waiting over 21 weeks as at March 02	Number waiting over 21 weeks as at March 03	
General Surgery	3	0	Target Achieved
Urology	1	0	
Orthopaedics	14	0	
ENT	6	0	
Ophthalmology	0	0	
Oral Surgery	10	0	
Orthodontics	1	0	
Neurosurgery	0	0	
Plastic Surgery	0	0	
Cardiothoracic	0	0	
Anaesthetics	16	0	
General Medicine	26	0	
Haematology	0	0	
Cardiology	4	0	
Dermatology	0	0	
Nephrology	3	0	
Neurology	1	0	
Rheumatology	0	0	
Paediatrics	0	0	
Obstetrics	0	0	
Gynaecology	1	0	
Total	86	0	

## Partnership Arrangements

The Trust operates as part of a wider health and social care community. Our key partners include:-

- Patients
- General Practitioners
- Primary Care Trusts
- Local Authorities
- Voluntary Bodies
- All our staff

The Trust delivers its ambitious plans for patients and staff through a range of important partnerships both within and outside the NHS as follows:-

- With Patients – the Trust works closely with patient's carers and the local community to develop services and ensures they are involved and participate in the decision making process.
- With Primary Care Trusts – the Trust collaborates closely with the Primary Care Trusts to ensure a joint view of the necessary investment and priorities for services.
- With Other Hospitals – the Trust works closely with neighbouring hospitals who provide services not represented within Blackpool and the Fylde Coast to ensure local delivery of services where appropriate and speedy referral to specialist centres.
- With Education Providers – the Trust continues to develop partnerships to promote the general education and development of all staff.
- With the Strategic Health Authority – the continued development of close partnership working to ensure essential capital investment in services and infrastructure.
- With Staff – the creation of a culture which values openness, integrity, staff participation, respect for others and a commitment to the success of the Trust.

The Trust is committed to working in partnership with Local Authorities in order to strengthen the links between health, education, employment and other causes of social deprivation.

The Trust has effective working relationships with Lancashire County Council and Blackpool Borough Council and effective arrangements are in place for the transfer of care provided by joint Local Authority/Trust funding.

An Integrated Discharge Team was set up in February 2002, comprising Social Workers and Senior Nurses, jointly funded by Lancashire County Council, Blackpool Borough Council and the Trust. The Trust's Patient Care Manager manages the team, with Social Workers remaining professionally accountable to Social Services Managers.

The activities include the management of all discharge arrangements with all team members, including Senior Nurses, being able to arrange five day packages of care for patients. The key benefits of this services are a reduction in delayed discharges and timely provision of packages of care. The future developments include an out-of-hours service and an expansion of the service to include Mental Health Liaison, with the Lancashire Care Trust joining the Team as a fourth partner.

## Local Health Strategy

Blackpool, Fylde and Wyre Hospitals NHS Trust provides acute, general medical and elderly services for:

- An increasing population.
- A significantly higher than average elderly population.
- A lower than average ethnic mix.
- Above average mortality rates.
- An average (but varied) socio-economic status.
- High, scattered, deprivation levels.
- A high annual influx of visitors.
- An above average number of seasonal workers.

The main health problems of the population include ischemic heart disease, strokes and chronic obstructive pulmonary disease.

The local delivery plan focuses on: -

- Improving access to all services.
- Improving services and outcomes in cancer, coronary heart disease and older people.
- Reducing health inequalities.

## Code of Practice on Openness

Published information is readily available to the public regarding the services offered by the Trust. Such documents include:-

- Annual Report
- Business Plan
- Information Leaflets

Other Specific Requirements for the Trust:-

- Personal Health Records
- Complaints
- Provision of Information
- Charging for Information

## Public Meetings

The Trust holds an Annual Public Meeting to discuss the Annual Report and Accounts. Details of the next meeting can be obtained from the back of this report.

Eleven Trust Board Meetings have been held in public during 2002/2003.



## FINANCIAL REVIEW

The newly formed NHS Trust met all of the financial duties set for it by statute or by direction of the Secretary of State for Health in its first year of operation. We:

- attained "Break Even" on our Income and Expenditure account by achieving a small surplus of £62 thousand after meeting all costs from an income of £165 million;
- made the required rate of return on the land, buildings, and equipment we use to provide healthcare by achieving a 5.7% return against a target of between 5.5% and 6.5%;
- operated within our net cash limit of £4.858 million by using external financing of exactly £4.858 million in the year;
- invested £9.223 million in new capital assets which was within our allowed Capital Resource Limit of £9.255 million.

These targets were achieved in a difficult financial environment and in the wake of organisational change. This demanded a significant effort by all staff in the Trust. Indeed it was necessary to implement a planned programme of cost control measures in the last quarter of the year in order to hit our financial targets. Care was taken to consult widely on the measures proposed before implementation and to ensure that they did not adversely affect patient care.

"Phase V" Blackpool Victoria Hospital

Looking to the future, the majority of income is received from the three local PCTs – Blackpool, Fylde and Wyre. The Trust has plans to increase capacity and is working with PCTs to achieve this within funding priorities. The Trust has also identified the need for a cost improvement programme to ensure its financial targets continue to be achieved.

The Trust recognises its challenges and has set high standards with the aim to "provide patients with the highest quality healthcare in the most effective way" and to work and engage effectively with stakeholders and partners to provide integrated services and optimise the patient's journey through the healthcare system.

The key priorities will be to:-

- Create capacity to facilitate increasing demand by investing in new facilities and by making more effective use of existing facilities.
- Focus on support services by identifying improvements required and investing in infrastructure.
- Make the best use of the community hospitals to generate the greatest possible benefit for patients.
- Work with our Primary Care Trust colleagues to break down the boundary between primary and secondary care and work jointly to implement new services.
- Develop existing cardiac services and seek the location of additional specialist services based on existing clinical excellence.



## Capital Investment

We spent £9.2 million on capital projects and equipment over the year. This capital was invested as follows:

Capital Item	Spend £ Million
Phase V Capital Scheme	0.24
Cardiac Centre	3.10
Central Sterile Supplies Department	0.92
Orthopaedic Out-Patients	0.52
Delivery Suite	0.34
Hydrotherapy Pool Refurbishment	0.12
Admissions & Discharge Lounge	0.52
Reducing Mixed Sex Wards	0.15
Fleetwood Hospital	0.12
New Blood Bank	0.12
Information Technology	0.22
Health & Safety and Fire Precautions	0.12
Second Nuclear Imaging System ("Gamma Camera")	0.31
Other Medical Equipment	1.01
Other Capital	1.41
<b>Total Spend</b>	<b>9.22</b>

The completion of the major "Phase V" project which replaced our Accident & Emergency Department, our Intensive Care Unit, and many of our Medical Wards led almost seamlessly into the commencement of a major new cardiac project.

The Phase V scheme moved much of our core District General Hospital service from outdated and inappropriate buildings into a bright and modern environment. The cardiac development will provide a new stand-alone Cardiac Centre. This will broadly double our capacity for cardiac work and confirms the Trust's role as the Specialist Cardiac Centre for the Lancashire and South Cumbria area for the medium to long term.

The Trust is currently undertaking a study to determine the feasibility of relocating renal services from dilapidated accommodation at Devonshire Road Hospital into a purpose built development. This study will consider a range of funding options for the development including a Private Finance Initiative (PFI) arrangement. The PFI is a means by which the private sector can provide services

and facilities to the public sector. It involves the transfer of risk to the private sector and the funding of NHS facilities by private capital. It does not extend to the employment or management of clinical professionals by the private sector.

The new Cardiac Centre will be funded largely from Treasury monies although the Project Team is currently exploring opportunities to purchase major items of equipment through a PFI partner.

The capital funding available to the Trust originates from one of two sources:-

- Unconditional or 'block' allocation (the Trust has discretion to spend this funding on capital schemes of its choice).
- Conditional allocation (this sum is for expenditure on specific schemes only).

## Financial Efficiency

Over the financial year we achieved a Cost Improvement Programme of £2.1 million, representing 1.4% of our opening income budget.

Our external auditors carried out a portfolio of diagnostic reviews to highlight comparative performance and identify risk areas. The topics for 2002/03 were Bed Management, Theatres, Waiting Times, and Out-Patients. The report on these areas was generally positive and no significant concerns were identified in this process.

A national exercise is carried out annually to collect information on the relative costs of NHS Trusts. This "Reference Cost" exercise shows procedure by procedure how our costs compare to other providers but also gives us an "index" number. The index number expresses our actual total costs in comparison to costs that could be expected of an average hospital for the activity we generate. In 2002 we were attributed an index number of 95. This index is 5 points lower than the expected index for an average performance of 100, showing that, overall, we are remarkably cost effective.

## Prompt Payment

The Better Payment Practice Code requires the Trust to aim to pay all valid invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later. We were able to pay 92.8% of our invoices within the Government's prompt payment target. No claims were made against the Trust for the late payment of commercial debt. Details of compliance with the code are given on page 25.

## Senior Managers Pay

The radical reorganisation of health organisations on the Fylde Coast meant that a year on year comparison of Senior Manager's pay is not possible. There is no baseline against which to measure change. However, the inflationary uplifts of senior manager's pay (including Executive Directors of the Trust) was limited to 3.6%. This figure was in line with the inflationary increase in nursing salaries in the year. It also complies with Sir Nigel Crisp's letter dated 11th April 2002. Details of senior manager's remuneration are given on page 24.

## Indemnity Insurance

The Trust has issued appropriate indemnity to the Non-Executive Directors of the Trust in accordance with Health Service Circular 1998/010. The Trust carries appropriate liability cover with the NHS Litigation Authority for Directors and Officers in respect of action brought against the Board or its Directors.

## Management Costs

Details of management and administration costs are given on page 25. Revised management structures have been implemented in the first year of operation of the Trust. Monitoring against the revised budgets has continued.

## Local Pay Bargaining

Work has continued on the harmonization of the pay rates operated by the two predecessor Trusts. The Trust is also progressing towards national initiatives; Agenda for Change and the Consultants Contract.

## Separate Businesses of the Trust

In addition to providing health services we host the National Artificial Eye Service (NAES) and the Student Grants Unit (SGU).

The NAES provides a healthcare service nationally. Its income, spend and assets are included in figures given in our key financial statements.

In contrast, the SGU provides a non-healthcare service albeit to student health professionals. Only the £4 thousand net surplus of the SGU is included in our financial statements. The table below shows the very high value of the SGU's income and spending. The SGU is a relatively small operational organisation which calculates entitlement and pays student grants for all student nurses, all Allied Health Professionals in training, and also pays medical tuition fees. The great bulk of expenditure recorded below (£331.3 million out of £333.8 million) represents the flow of these grants to students. The SGU effectively acts as an agency receiving this money from the Department of Health and paying it to the students. This also differentiates the SGU from the rest of our services where money is predominantly spent directly on operating activity.

The segmental analysis below indicates the scale of this operation:

	Health Care £000	Student Grants Unit £000	Total £000
Income	164,857	332,795	497,652
Expenditure	157,691	332,791	490,482
Surplus	58	4	62
Net assets	148,070	0	148,070

We are currently discussing alternative organisational and financial models for the future management of the Student Grants function with the Department of Health.

## SUMMARY FINANCIAL STATEMENTS 2002/2003

The following Summary Financial Statements are extracted from the 2002/2003 Annual Accounts of the Blackpool, Fylde and Wyre Hospitals NHS Trust. Information on obtaining a full set of accounts is available on page 30.


### INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 March 2003

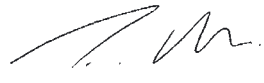
	<b>2002/03 £000</b>
<b>Income from activities:</b>	151,547
<b>Other operating income:</b>	
Continuing operations	13,313
<b>TOTAL INCOME</b>	<b>164,860</b>
<b>Operating expenses:</b>	
Continuing operations	(157,599)
<b>OPERATING SURPLUS</b>	
Continuing operations	7,261
Loss on disposal of fixed assets	(91)
<b>SURPLUS BEFORE INTEREST</b>	<b>7,170</b>
Interest receivable	192
Interest payable	0
Other finance costs - unwinding of discount	(35)
<b>SURPLUS FOR THE FINANCIAL YEAR</b>	<b>7,327</b>
Public Dividend Capital dividends payable	(7,265)
<b>RETAINED SURPLUS FOR THE YEAR</b>	<b>62</b>

**BALANCE SHEET AS AT  
31 March 2003**

	31 March 2003	1 April 2002
	£000	£000
<b>FIXED ASSETS</b>		
Intangible assets	0	0
Tangible assets	148,419	127,346
<b>CURRENT ASSETS</b>		
Stocks and work in progress	2,396	2,066
Debtors	5,923	5,365
Investments	0	
Cash at bank and in hand	179	179
	<b>8,498</b>	<b>7,610</b>
<b>CREDITORS : Amounts falling due within one year</b>	<b>(7,688)</b>	<b>(9,081)</b>
<b>NET CURRENT ASSETS</b>	<b>810</b>	<b>(1,471)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>149,229</b>	<b>125,875</b>
<b>CREDITORS:</b>		
Amounts falling due after more than one year	0	0
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	<b>(1,159)</b>	<b>(1,212)</b>
<b>TOTAL ASSETS EMPLOYED</b>	<b>148,070</b>	<b>124,663</b>
<b>FINANCED BY:</b>		
<b>TAXPAYERS' EQUITY</b>		
Public dividend capital	127,655	122,797
Revaluation reserve	17,039	0
Donated Asset reserve	3,419	1,971
Government grant reserve	0	0
Other reserves	0	0
Income and expenditure reserve	(43)	(105)
<b>TOTAL TAXPAYERS' EQUITY</b>	<b>148,070</b>	<b>124,663</b>

The financial statements were approved by the Board on 23rd July 2003 and are signed on its behalf by:

Signed  Chief Executive

 Finance Director

Date: 23rd July 2003

Date: 23rd July 2003

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE YEAR ENDED  
31 March 2003

	<b>2002/03</b>
	<b>£000</b>
Surplus for the financial year before dividend payments	7,327
Fixed asset impairment losses	0
Unrealised surplus (deficit) on fixed asset revaluations / indexation	17,148
Increase in the donated asset and government grant reserve due to receipt of donated and government grant financed assets	1,769
Reduction in the donated asset and government grant reserve due to the depreciation, impairment and disposal of donated and government grant financed assets	(430)
<b>Total recognised gains and losses for the financial year</b>	<b>25,814</b>
Prior period adjustment - Pre-95 early retirement	(105)
<b>Total gains and losses recognised in the financial year</b>	<b>25,709</b>

**CASH FLOW STATEMENT FOR THE YEAR ENDED  
31 March 2003**

	<b>2002/03</b>	<b>2002/03</b>
	<b>£000</b>	<b>£000</b>
<b>OPERATING ACTIVITIES</b>		
<b>Net cash inflow(outflow) from operating activities</b>		<b>11,424</b>
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE:</b>		
Interest received	184	
Interest paid	(35)	
Interest element of finance leases	0	
	<hr/>	
<b>Net cash inflow from returns on investments and servicing of finance</b>		<b>149</b>
<b>CAPITAL EXPENDITURE</b>		
Payments to acquire tangible fixed assets	(9,166)	
Receipts from sale of tangible fixed assets	0	
(Payments to acquire) / receipts from sale of intangible assets	0	
	<hr/>	
<b>Net cash outflow from capital expenditure</b>		<b>(9,166)</b>
<b>DIVIDENDS PAID</b>		
		<hr/> <b>(7,265)</b>
<b>Net cash outflow before management of liquid resources and financing</b>		<b>(4,858)</b>
<b>MANAGEMENT OF LIQUID RESOURCES</b>		
Purchase of investments	0	
Sale of investments	0	
	<hr/>	
<b>Net cash inflow from management of liquid resources</b>		<b>0</b>
<b>Net cash outflow before financing</b>		<hr/> <b>(4,858)</b>
<b>FINANCING</b>		
Public dividend capital received	4,858	
Public dividend capital repaid	0	
Loans received	0	
Loans repaid	0	
Other capital receipts	0	
Capital elements of finance lease rental payments	0	
Cash transferred to / from other NHS bodies	0	
	<hr/>	
<b>Net cash inflow from financing</b>		<b>4,858</b>
<b>Increase (decrease) in cash</b>		<hr/> <b>0</b>

### Salary and Pension Entitlements of Senior Managers

Name	Title	Age	Salary	Other Remuneration	Benefits in kind	Real increase in pension at age 60	Total accrued pension at age 60 at 31st Mar-03
							**
			£000	£000	£000	£000	£000
B J Lester	Chairman	*	20-25				
D M Gill (Note 1)	Chief Executive	*	10-15		4	*	*
P R Male (Note 2)	Chief Executive	*	50-55			*	*
T H Evans (Note 3)	Acting Chief Executive	*	5-10			*	*
T H Evans	Director of Finance	*	70-75		4	*	*
J W Barton (Note 4)	Acting Director of Finance	*	5-10			*	*
P J Hayes	Medical Director	*	25-30	90-95		*	*
P J Dewdney	Director of Planning & Information	*	60-65		5	*	*
A Sunderland	Director of Nursing & Quality	*	60-65		3	*	*
J Lyons	Director of Human Resources	*	60-65			*	*
M J Gallagher	Director of Facilities	*	60-65		3	*	*
J C Armfield (Note 5)	Non Executive	*	0-5				
C Breene (Note 6)	Non Executive	*	0-5				
M Carr	Non Executive	*	5-10				
G E Essex-Crosby (Note 7)	Non Executive	*	0-5				
P A Olive (Note 6)	Non Executive	*	0-5				

Note 1. D M Gill resigned as Chief Executive on 16/5/02

Note 2. P R Male was appointed Chief Executive on 30/9/02

Note 3. T H Evans acted as Chief Executive from 17/5/02 until 29/9/02

Note 4. J W Barton acted as Director of Finance from 17/5/02 until 29/9/02

Note 5. J C Armfield was appointed on 16/5/02

Note 6. C Breene and P A Olive were appointed on 23/5/02

Note 7. G E Essex-Crosby was appointed on 20/5/02

\* Permission to disclose withheld.

\*\* This represents the accrued pension per annum as at the Balance Sheet date payable at normal retirement age. The Executive Directors have stated that they feel the basis of this calculation to be hypothetical and therefore potentially misleading. All Executive Directors are members of the NHS pension scheme and readers are referred to Note 1.10 of the full Accounts for details of the operation of the scheme. Further details can be obtained from the NHS Pensions Agency, Hesketh House, Broadway, Fleetwood, Lancashire, or from the Agency's website at [www.nhs.gov.uk](http://www.nhs.gov.uk).

Under the terms of the resignation of D M Gill, the former Chief Executive, the Trust continues to pay amounts equivalent to the terms of his salary until the end of the underlying employment contract on 31st March 2004. This amounts to annual payments of £96,348.



Management Costs	2002/03
	£000
Management costs	6,158
Income	164,856
Retirements Due to Ill Health During 2002/03 there were 12 early retirements from the Trust agreed on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £960,262 The cost of these ill-health retirements will be borne by the NHS Pensions Agency.	

Public Sector Payment Policy		
Better Payment Practice Code - Measure of Compliance		
	2002/03	2002/03
	Number	£000
Total bills paid in the year	57,507	73,230
Total bills paid within target	52,926	67,935
Percentage of bills paid within target	92.03%	92.77%
The Better Payment Practice Code requires the Trust to aim to pay all valid invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later.		

The Late Payment of Commercial Debts (Interest) Act 1998	2002/03
	£000
Amounts included within Interest Payable arising from claims made under this legislation.	0
Compensation paid to cover debt recovery costs under this legislation	0

Profit (Loss) on Disposal of Fixed Assets		
Profit/loss on the disposal of fixed assets is made up as follows:		
	2002/03	
	£000	
Profit on disposal of land and buildings	0	
Loss on disposal of land and buildings	0	
Profits on disposal of plant and equipment	0	
Loss on disposal of plant and equipment	(91)	
	(91)	

Interest Payable		
	2002/03	2001/02
	£000	£000
Finance leases	0	
Other	0	
	0	0

## Related Party Transactions

Blackpool, Fylde and Wyre Hospitals NHS Trust is a body corporate established by order of the Secretary of State for Health.

During the year none of the Board Members or members of the key management staff or parties related to them has undertaken any material transactions with Blackpool, Fylde & Wyre Hospitals NHS Trust.

Mr MJ Gallagher, Director of Facilities for Blackpool, Fylde & Wyre Hospitals NHS Trust, has a minor shareholding in Patientline Ltd. All transactions in the year between the Trust and Patientline Ltd were conducted as arms length transactions under normal commercial terms.

The Department of Health is regarded as a related party. During the year, Blackpool, Fylde & Wyre Hospitals NHS Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department.

These entities are listed below:

	Payments to Related Party	Receipts to Related Party
	£000	£000
Morecambe Bay PCT	624	339,592 *
Blackpool PCT	1,066	126,558
Preston PCT	51	3,753
Lancashire Care Trust	0	3,535
Greater Manchester Workforce Development Confederation	0	3,327
NHS Logistics	2,817	0
Chorley & South Ribble PCT	0	3,535

In addition, the Trust has had a number of material transactions with other Government Departments and other central and local Government bodies. Most of these transactions have been with Blackpool Borough Council in respect of business rates and council tax.

The Trust has also received revenue and capital payments from a number of charitable funds, certain of the Trustees for which are also members of the NHS Trust Board.

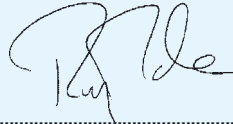
\* Receipts from Morecambe Bay PCT include £332,795,000 in respect of funding for the activities of the NHS Student Grants Unit.

## DIRECTORS' STATEMENTS

### Statement of the Chief Executive's responsibilities as the Accountable Officer of the Trust

The Secretary of State has directed that the Chief Executive should be the Accountable Officer to the Trust. The relevant responsibilities of Accountable Officers, including their responsibility for the propriety and regularity of the public finances for which they are answerable, and for the keeping of proper records, are set out in the Accountable Officers' Memorandum issued by the Department of Health.

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in my letter of appointment as an Accountable Officer.



23rd July 2003 Date ..... Chief Executive

### Statement of Directors' Responsibilities in respect of the Accounts

The directors are required under the National Health Services Act 1977 to prepare accounts for each financial year. The Secretary of State, with the approval of the Treasury, directs that these accounts give a true and fair view of the state of affairs of the Trust and of the income and expenditure of the Trust for that period. In preparing those accounts, the directors are required to:

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

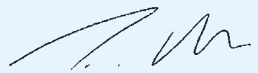
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and to enable them to ensure that the accounts comply with the requirement outlined in the above mentioned direction of the Secretary of State. They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

The directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the accounts.

By order of the Board



23rd July 2003 Date ..... Chief Executive



23rd July 2003 Date ..... Finance Director

## STATEMENT OF DIRECTORS' RESPONSIBILITY IN RESPECT OF INTERNAL CONTROL

The Board is accountable for internal control. As Accountable Officer, and Chief Executive Officer of this Board, I have responsibility for maintaining a sound system of internal control that supports the achievement of the organisation's objectives, and for reviewing its effectiveness. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve these objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an on-going risk management process designed to identify the principal risks to the achievement of the organisation's objectives; to evaluate the nature and extent of those risks; and to manage them efficiently, effectively and economically. The system of internal control is underpinned by compliance with the requirements of the core Controls Assurance standards:

- Governance
- Financial Management
- Risk Management

As Accountable Officer, I also have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control has taken account of the work of the executive management team within the organisation who has responsibility for the development and maintenance of the internal control framework, and of the internal auditors. I have also taken account of comments made by external auditors and other review bodies in their reports.

### Statement

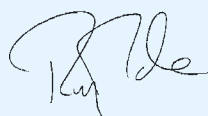
The assurance framework is still being finalised and will be fully embedded during 2003/04 to provide the necessary evidence of an effective system of internal control.

The actions taken so far include:

- The organisation has undertaken a self-assessment exercise against the core Controls Assurance standards (Governance, Financial Management and Risk Management). An action plan has been developed and implemented to meet any gaps.
- The organisation has in place arrangements to monitor, as part of its risk identification and management processes, compliance with other key standards, including relevant Controls Assurance standards covering areas of potentially significant organisational risk.

In addition to the actions outlined above, in the coming year it is planned to:

- fully embed the Board Assurance Framework. Quarter 1 2003/04
- extend Risk Management training to all relevant staff. Quarter 4 2003/04



Signed ..... Chief Executive Officer      Date 23rd July 2003  
(on behalf of the board)

## INDEPENDENT AUDITORS' REPORT

### INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF BLACKPOOL, FYLDE & WYRE HOSPITALS NHS TRUST ON THE SUMMARY FINANCIAL STATEMENTS

We have examined the summary financial statements set out on pages 20 to 26.

This report is made solely to the Board of Blackpool, Fylde & Wyre Hospitals NHS Trust in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 54 of the Statement of Responsibilities of Auditors and of Audited Bodies, prepared by the Audit Commission.

#### Respective responsibilities of directors and auditors

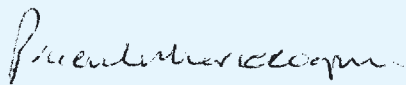
The directors are responsible for preparing the Annual Report. Our responsibility is to report to you our opinion on the consistency of the summary financial statements with the statutory financial statements. We also read the other information contained in the Annual Report and consider the implications for our report if we become aware of any misstatements or material inconsistencies with the summary financial statements.

#### Basis of opinion

We conducted our work in accordance with Bulletin 1999/6 'The auditor's statement on the summary financial statements' issued by the Auditing Practices Board for use in the United Kingdom.

#### Opinion

In our opinion the summary financial statements are consistent with the statutory financial statements of the Trust for the year ended 31 March 2003 on which we have issued an unqualified opinion.



Signature:.....

Date: 24th July 2003

PricewaterhouseCoopers LLP  
Manchester

## Notice of the Trust's Annual Public Meeting

The Annual Public Meeting of the Blackpool, Fylde & Wyre Hospitals NHS Trust will be held on Tuesday, 23rd September, 2003, at 6.00 pm in the Lecture Theatre, Health Professionals Education Centre, Victoria Hospital.

## Obtaining the Trust's Full Accounts

A copy of the Trust's full set of Accounts can be obtained by writing to:-

Miss J A Oates  
Secretary to the Trust  
Blackpool, Fylde & Wyre Hospitals NHS Trust  
Trust Headquarters  
Blackpool Victoria Hospital  
Whinney Heys Road  
Blackpool, FY3 8NR

The supply of a full set of Accounts will be subject to an administrative fee of £5.00.

If you have any comments on our Annual Report or would like any further information, please write to:-

Mr R Male  
Chief Executive  
Blackpool, Fylde & Wyre Hospitals NHS Trust  
Trust Headquarters  
Blackpool Victoria Hospital  
Whinney Heys Road  
Blackpool  
Lancashire. FY3 8NR





Blackpool, Fylde & Wyre Hospitals **NHS**  
NHS Trust

