

Blackpool, Fylde and Wyre Hospitals



NHS Trust

ANNUAL REPORT

ANNUAL REPORT AND SUMMARY OF ACCOUNTS 2006/07

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REVIEW OF THE YEAR BY THE CHAIRMAN

My review of the year must begin by thanking and congratulating everyone working in the Trust for the extremely mature and thoughtful way they have tackled the forecast deficit of £24m. When this was first revealed in April 2006 it seemed absolutely impossible to achieve. It was the choice of our clinicians and staff to do it in one year, rather than two which is the norm.

Our financial constraints actually became a positive force for change and were fully embraced by everyone. Divisions began to examine what they did, how they did it and how things could be done differently. This resulted not only in achievement of our aim but enormous improvement in patient care as set out in the Chief Executive's report. I sincerely thank everyone for their incredible hard work.



Another tremendous benefit to patients, not only on the Fylde Coast but also in South Cumbria and

Lancashire, was the

opening of the Lancashire Cardiac Centre in April 2006. This is going from strength to strength and we intend that the unit will be a national centre of excellence in cardiac services.

We also opened a state-of-the-art Day Surgery Unit. This is now in full swing and we are carrying out many more procedures as day cases, which patients clearly prefer. The unit has played a critical part in enabling us to improve length of stay and reduce our costs. Again thanks are due to everyone involved.

In the Healthcare Commission ratings we received "fair" for financial management and "good" for quality of services. This was a pleasing result but we are ambitious and aim to achieve an "excellent" rating in both categories in time.

We aim to be among the top 10 hospitals in the UK - and in some areas we are - but we seek to achieve this in all areas. Achieving Foundation Trust status will assist us to reach our goal.

I have no hesitation in commending this Annual Report to you and to say to our community that we should be the hospital of choice for you.

Beverly Lester
Chairman

REVIEW OF THE YEAR BY THE CHIEF EXECUTIVE

Looking back to where we were at the beginning of the year and where we are now, it is quite staggering to see all that has been achieved. I would firstly like to thank every member of staff for their magnificent efforts over the past 12 months in what has been the most challenging year in the Trust's history.

In April 2006 we faced the prospect of a £24m gap between income and expenditure. This represented around 12% of our total turnover. We drew up a radical series of cost reduction programmes, which were challenging and difficult to implement. These involved tough decisions and caused great anxiety to staff. One of the most impressive outcomes of the year's work has been the way that staff have responded to the challenge to look at ways to make savings through clinical services being more efficient and responsive. For example, the reduction

and protection of surgical in-patient beds has reduced the length of time patients stay in hospital, significantly reduced cancelled operations and saved valuable resources. By running our services more efficiently, it means we now need fewer beds so we have been able to successfully reduce the overall number of beds across the Trust by more than 200. This has also meant that we have needed fewer staff and we have successfully redeployed more than 400 staff into vacant posts.



Not only has the agenda been about cost reduction, we have also made a series of improvements to patient services. The

new Lancashire Cardiac Centre and Day Surgery Unit offer our patients modern, well-equipped environments and enable us to provide more effective care. In addition, a number of our clinical teams, supported by effective management, have demonstrated our ability to deliver improvements to patient care – shorter waiting times and significantly fewer cancellations whilst improving our efficiency.

There have been many similar achievements in a wide range of areas, which are highlighted in the pages of this Annual Report, that show it is possible to deliver both high quality and cost effective services for our patients.

We have also reduced waiting times in all areas and we are one of only 12

Trusts nationally selected to deliver the 18 weeks maximum waiting time by December 2007 – a year earlier than planned.

Looking to the future, we have an exciting but challenging time ahead as we prepare for Foundation Trust status, which gives every staff member the chance to become a member of the Trust and influence its development.

The on-going implementation of The Blackpool Way is vital in order to improve the levels of job satisfaction and effective management across our Trust. Our future success depends entirely on your continuing commitment, dedication and talent in giving our patients the best possible care.

Thank you for your efforts in 2006/07 and your continued commitment to the Trust as we aim to achieve even greater success in 2007/08.

Julian Hartley
Chief Executive

TRUST VISION

In April 2006 we launched our Trust's Vision and Values. The four pillars of our Vision are supported by detailed strategic and operational plans. The development of the Trust's Vision has been a participative process led by the Chief Executive involving more than 400 staff at all levels in the organisation. Support for the Vision was also received from our partner organisations at our fortnightly Joint Strategy Development Meetings.

OUR VISION

To offer 'best in NHS' care for our patients

To be the first choice for the residents of the Fylde Coast and beyond

To offer outstanding value for money for the taxpayer

To be a great place to work

OUR VALUES

We put patients at the heart of what we do

We respect each other and prize teamwork

We put our customers' needs first

We praise more than blame

We have a 'can do' attitude

We embrace change for the better

We communicate, communicate, communicate




TRUST VISION



TRUST VISION - PROGRESS TOWARDS REALISATION

GOALS	ACHIEVEMENTS	PLANS
Offer the 'best in NHS' care for our patients.	This goal is measured by achieving top 10% performance across the NHS for all Key Performance Indicators (KPIs). The Trust is already in the top 10% for waiting list size, A&E 4 hour target, and MRSA target achievement. We have been selected as one of 18 national sites to achieve 18 weeks wait by December 2007. Achieved 'good' for quality in the 05/06 Annual Health Check and 3 Star rating in 03/04 and 04/05. Lengths of stay have been reduced from among longest in NHS to CHKS Peer average. We are one of the cleanest hospitals in the NHS with top 10% PEAT ratings.	The Trust plans to achieve 18 weeks target by December 2007 with support of Blackpool PCT and North Lancashire PCT. We plan to reduce maximum A&E waits to three hours from four by December 2007 also. We aim to achieve an 'excellent' rating for quality of service in the next Annual Health Check. Lengths of stay and day case rates are planned to reach top 10% performance by September 2007.

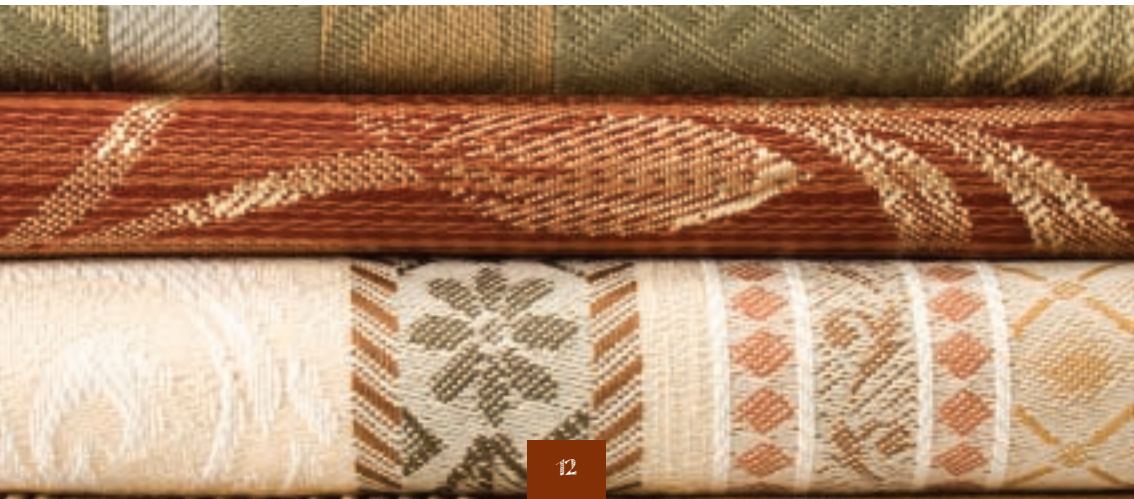
GOALS	ACHIEVEMENTS	PLANS
Be the first choice for the residents of the Fylde Coast and beyond.	Opening of new £52m Lancashire Cardiac Centre and Day Surgery Unit in spring 2006 has enabled us to provide state of the art facilities and environment for patients. New minimally invasive surgical techniques for heart patients place us at the forefront of innovation across a Regional footprint. Our performance against KPIs, particularly for access, put us in a strong position locally and regionally.	The Trust needs to improve its responsiveness to referrers, particularly discharge communication. A plan to tackle this is currently being implemented. The Trust has set a target of 10% increase in market share from key ward areas. The Trust is implementing a marketing and communications strategy to increase its profile and reach with referring practices and Practice Based Commissioners (PBC). Patient satisfaction needs to increase further and the Board has approved a plan to take us to top 10% performance by April 2008.



GOALS	ACHIEVEMENTS	PLANS
Offer outstanding value for money for the taxpayer.	The Trust's Reference Cost Index has improved from 110 in 04/05 to 88 in 05/06. The Trust has reduced its recurrent cost base by £17m to date. Lengths of stay have reduced significantly and, consequently, bed numbers have been reduced by 227. Clinical productivity has increased with a reduction in the total cost per spell from £2,609 in 04/5 to £2,247 in 06/7.	Delivery of the 2007/2008 cost improvement programme will enable the Trust to generate a surplus at the end of 07/08 with further, larger surpluses in 08/09 and 09/10. We are developing 'service line reporting' with help from Ernst & Young to develop a more commercial approach and support clinical divisions to operate as 'business units'.
Be a great place to work.	The Trust offers a full range of flexible working options for staff including an on-site nursery and on-site leisure club. We have achieved both Improving Working Lives and Investors in People. However, staff feedback indicates we have much work to do to improve staff morale, motivation and engagement.	The Trust is currently implementing a far reaching Organisational Development Programme called The Blackpool Way. Details of this project are outlined on page 60 of the Annual Report.



TRUST PROFILE



TRUST PROFILE

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

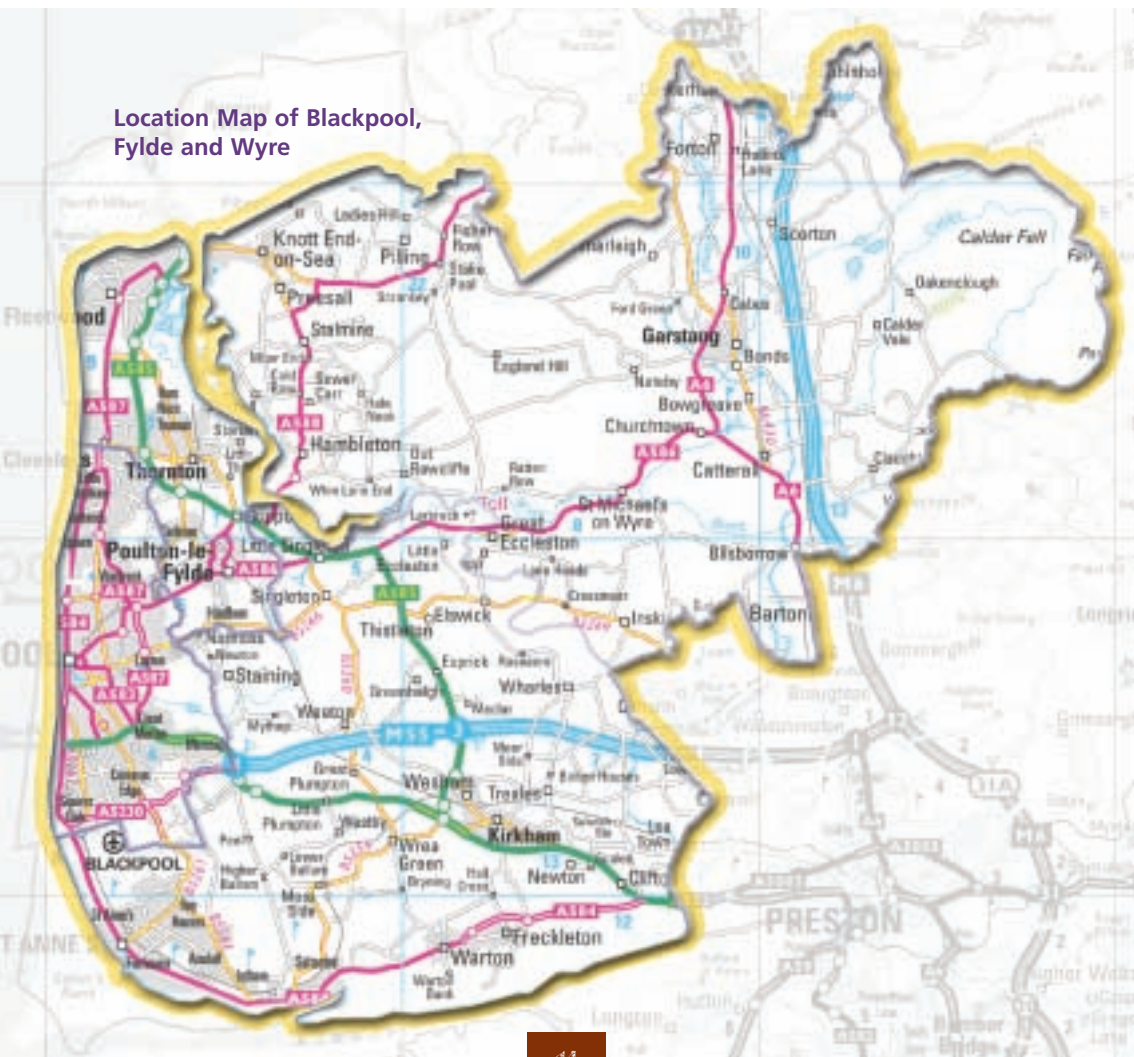
The Trust comprises Blackpool Victoria Hospital, which is the main District General Hospital for the Fylde Coast, and five other community hospitals, as well as the National Artificial Eye Service and the Blackpool Child Development Centre.

The Trust serves a population of approximately 330,000 residents of Blackpool, Fylde and Wyre and approximately 12m holidaymakers who visit the area every year.

The key features of the Trust in 2006/07 are as follows:

- Income in excess of £200m.
- Employment of approximately 4,000 staff.
- Treatment of 56,938 in-patients and day case patients.
- Treatment of 252,053 out-patients.
- 91,446 accident and emergency attendances.
- 2,959 births.
- Total bed complement of 834.
- Regional Centre for Cardiac Services.
- Recognised Cancer Unit.

Location Map of Blackpool, Fylde and Wyre



The Trust provides a comprehensive range of services to the population of the Fylde Coast which include:-

- 24 Hour Accident and Emergency Facilities
- Anaesthetics
- Cardiac
- Child Health
- General Medicine, including Elderly Care
- Acute Medicine
- Specialist Medicine
- General Surgery and Urology
- Ear, Nose and Throat Surgery
- Ophthalmology
- Oral Surgery
- Orthopaedics
- Gynaecology
- Intensive, High Dependency and Coronary Care
- Maternity Services
- Support Services for diagnosis and treatment including Pathology, X-Ray, Physiotherapy, Occupational Therapy and Specialist Nurses

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

- Victoria Hospital – 612 beds
- Bispham Hospital – 40 beds
- Clifton Hospital – 102 beds
- Rossall Hospital – 40 beds
- Wesham Hospital – 40 beds
- Fleetwood Hospital – out-patient and diagnostic services

Other services include:-

- Blackpool Child Development Centre
- National Artificial Eye Service
- Poulton Office

A description of services on the Trust's hospital sites is given below:-

A description of services on the Trust's hospital sites is given below:-

Victoria Hospital is a large acute hospital that treats in-patients, day cases and out-patients from across Blackpool, Fylde and Wyre. The Accident and Emergency Department is one of the busiest in the country with more than 91,000 attendances during 2006/07. 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 tertiary centres in the North West that provides specialist Cardiac Services to patients from Lancashire and South Cumbria, a catchment population of 1.6m. A purpose built Day Surgery Unit opened in April 2006 and a new £52m Cardiac Centre opened in April 2006.

Clifton Hospital is a community unit that provides sub-acute and fast-stream in-patient 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. A purpose designed Renal Unit opened in May 2005 to replace the renal services previously provided at Devonshire Road Hospital. In addition, a new combined rheumatology and dermatology unit was opened on the site in January 2007.

Fleetwood Hospital is a community unit that serves residents from Wyre and surrounding areas. There is an Out-Patient Department which houses seven consulting suites, one of which has been adapted for audiology use and diagnostic radiology services on the site.

Rossall and Wesham Hospital Rehabilitation Units are purpose-built units that provide rehabilitation, recovery and continuing care services to older people from across the Fylde Coast. Rossall also provides day hospital facilities, which includes the

provision of a Falls Service for the Fylde Coast.

The Nurse Led Ward was transferred to the Bispham Hospital Rehabilitation Unit in May 2006, increasing the number of nurse-led beds available from 20 to 40. The Unit provides nurse led rehabilitation, recovery and continuing care services to older people from across the Fylde Coast.

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 Child Health Department. It aims to provide assessment, on-going intervention and family support for pre-school children in a friendly and informal environment. There are seven consultant clinics each month and a genetics clinic and paediatric neurology clinic every three months. In addition, orthoptic clinics take place as required.

The National Artificial Eye Service is managed and controlled by the Trust

but operates nationwide.

Approximately 30,000 patients are treated each year and approximately 1,000 new patients are referred each year. There are more than 70 clinics in England and the service provides on-going aftercare and maintenance for approximately 40,000 patients throughout the country.

Poulton Office is based at Furness Drive, Poulton, and includes Trust staff from various administrative departments, for example Management Accounts, Payroll, Recruitment and Information Management and Technology.

Following a public consultation, "Improving Patient Care", which took place from June to September 2006, a number of changes to the Trust's infrastructure have taken place. These include vacating the Lytham and South Shore Hospital sites to make way for Primary Care Centre developments and completion of the Trust's long term strategy of vacating the Devonshire Road Hospital site.



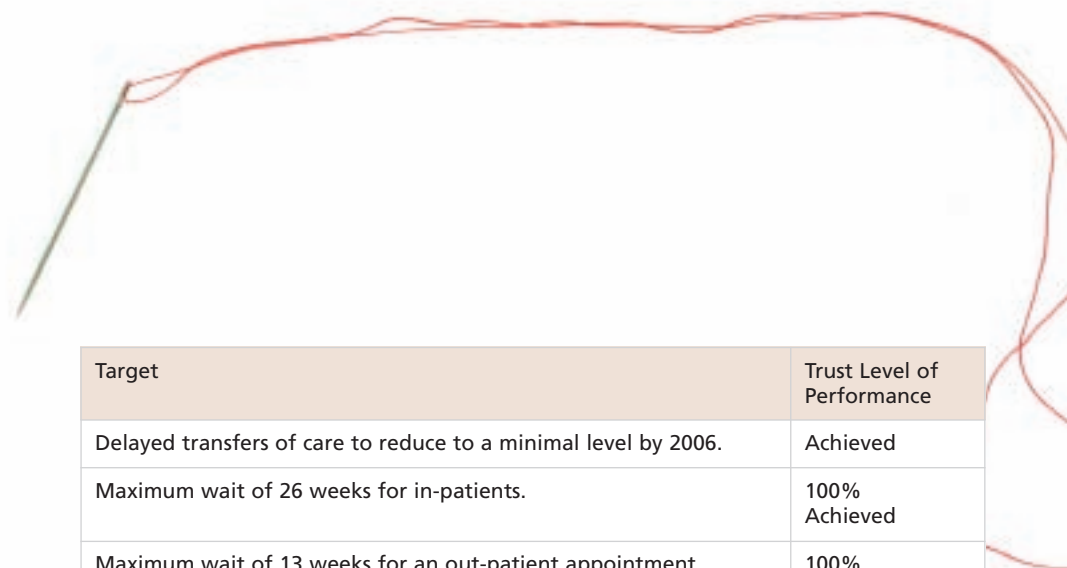
TRUST PERFORMANCE



TRUST PERFORMANCE

One of the key measures of performance for Health Care organisations, and their patients, is the Healthcare Commission Annual Health Check, which is published nationally. The table sets out each of the key areas surveyed and details the Trust's performance for 2005/2006.

Target	Trust Level of Performance
Maximum waiting time of one month from diagnosis to treatment for all cancers by December 2005.	100% Achieved
Maximum waiting time of two months from urgent referral to treatment for all cancers by December 2005.	95% Achieved
Two week maximum wait from urgent GP referral to first out-patient appointment for all urgent suspected cancer referrals.	100% Achieved
From April 2002 all patients who have operations cancelled for non-clinical reasons to be offered another binding date within 28 days or fund the patient's treatment at the time and hospital of the patient's choice.	Underachieved
Ensure that by the end of 2005 every hospital appointment will be booked for the convenience of the patient, making it easier for the patients and their GPs to choose a hospital and consultant that best meets their needs. By December 2005, patients will be able to choose from at least four different healthcare providers for planned hospital care, paid for by the NHS (Convenience and Choice - provider information in place to support choice).	100% Achieved



Target	Trust Level of Performance
Delayed transfers of care to reduce to a minimal level by 2006.	Achieved
Maximum wait of 26 weeks for in-patients.	100% Achieved
Maximum wait of 13 weeks for an out-patient appointment.	100% Achieved
Three month maximum wait for revascularisation (open heart surgery) by March 2005.	100% Achieved
10 percentage point increase per year in the proportion of people suffering from a heart attack who receive thrombolysis within 60 minutes of calling for professional help.	100% Achieved
Four hour maximum wait in A&E from arrival to admission, transfer or discharge.	99% Achieved
Maximum two-week wait standard for Rapid Access Chest Pain Clinics.	100% Achieved

The one area where the Trust failed to achieve the required level of performance was the re-admission of patients to hospital who had had their operation cancelled. In response to this, more robust management arrangements have been introduced for patients who have had their operations cancelled at short notice. This has resulted in cancelled operations due to ward bed shortages reducing from 126 during the period April 2005 to January 2006, to three for the same period in 2006/07. In addition, measures are in place to ensure that patients who require re-admission to hospital are given a date within 28 days of the cancellation.

During the year the Trust delivered key patient access targets three months ahead of schedule and continued to maintain access targets in other areas as set out below:

Waiting Times	Target	Mar-07
Out-Patients	No patient waiting over 10 weeks for first out-patient appointment (Local Target)	Achieved & Maintained
Elective In-Patients & Day Cases	No patient waiting over 20 weeks (Local Target)	Achieved & Maintained
Revascularisation Surgery within Cardiac Services	No patient waiting over 3 months	Maintained
Cataract Surgery within Ophthalmology	No patient waiting over 3 months	Maintained

Waiting Times	Target	Mar-07
Diagnostics	Maximum waiting time of 13 weeks for diagnostics (excluding Nuclear Medicine).	Achieved
Cancer	1) Maintain a 2-week maximum wait from urgent GP referral to first out-patient appointment for 100% of urgent suspected cancer referrals.	100%
	2) A maximum waiting time of two months (62 days) from urgent referral to treatment for 95% of patients diagnosed with cancer from December 2005.	97%
	3) A maximum waiting time of one month (31 days) from diagnosis to treatment for 98% of patients diagnosed with cancer from December 2005.	100%

TRUST'S FINANCIAL PERFORMANCE

At the start of the financial year 2006/07 the Trust faced the prospect of a £24m gap between income and expenditure. At over 12% of our turnover this represented a significant potential debt that threatened the viability of both individual services and the Trust as a whole.

We had originally planned to manage this over a two year period, however, the NHS financial rules at the time would have resulted in a 'doubling up' of any deficit and potentially increased the problem year on year. After lengthy internal debate it was agreed that the Trust would plan to deliver the savings required in one year.

To achieve this the Trust developed a number of cost improvement initiatives with an overall target of

10% cost reduction in clinical departments and 12.5% in corporate areas. These plans were wide ranging across the whole organisation and included bed reductions of 250, reductions in headcount of around 400 and rationalisation of services from Lytham, Devonshire Road and South Shore Hospitals. In many areas, as highlighted in the clinical Divisional reviews, cost reduction has been achieved by making clinical services more efficient and responsive.

As a result of these processes the Trust delivered £19.1m of cost improvements and recovered an additional £4m of income from better recording of clinical activity. The Trust has now started 2007/08 in recurrent financial balance.



DIVISIONAL ACHIEVEMENTS
WOMEN'S AND CHILDREN'S DIVISION

WOMEN'S AND CHILDREN'S DIVISION

CHILDREN'S ASSESSMENT UNIT

We were delighted to open a new Children's Assessment Area on the Children's Ward at Blackpool Victoria Hospital in January 2007. The area has been created for children who need urgent assessment and comprises a three-bedded observation bay, three treatment cubicles and an open play area.

The unit is staffed by specialist paediatric nurses and doctors who can carry out any necessary tests, such as x-rays and blood tests and observations. As well as providing a more child-friendly environment for young patients, the assessment area aims to reduce any unnecessary admissions to hospital.



The unit is open from 8.30 am - 9.00 pm, Monday to Friday. Children who need medical investigations can be referred directly to the unit by their GP, via the admitting Senior House Officer, or from the Accident and Emergency Department.

Dr Kate Goldberg, Consultant Paediatrician, said: "Being in hospital can be distressing, particularly for children and their parents. We want to make sure that their visit to

hospital is as pleasant as possible and that they do not have to stay in any longer than is necessary.

"In the A&E Department there is a section for children but it is very small and there is no observation area. Previously children would often have to be admitted to the children's wards so that they could be observed for a few hours when sometimes this was not necessary. This will make a huge difference to families."

"I truly feel the staff on the Special Care Baby Unit were always there for any questions or problems. Without them I would have found my first weeks at home very difficult – they have all gone out of their way to help me when I've needed advice."

Sarah Tomlinson, Thornton Cleveleys.



CNST LEVEL 1

The Maternity Services Department was proud to achieve CNST (Clinical Negligence Scheme for Trusts) Level 1 in 2006 and at the end of the financial year the department was well on its way to achieving CNST Level 2. This recognises the importance that the Trust places in reducing risk and improving patient safety.

A team working on behalf of the NHS Litigation Authority visited the department to interview staff, review paper documentation and protocols and ensure all risk management systems had been implemented properly. The Trust received a glowing report.

Dr Mary Johnson, Divisional Director for Women's and Children's Health, said: "This is a fantastic achievement and recognises all the hard work that staff from within the Women's and Children's Division and Clinical Governance Department have put in. We are totally committed to minimising risk, improving patient safety and delivering high quality care."

IMPROVED CARE FOR DIABETIC MUMS-TO-BE

A number of developments have led to improved care for pregnant women with diabetes. The Division appointed Alison Leyland as the first Diabetic Specialist Midwife whose role is to ensure women are better supported throughout pregnancy. Linked to this appointment was the launch of a new one-stop clinic which gives diabetic women access to a high level of specialist care and reduces the number of hospital appointments they need.

Pregnant women can now see their Consultant Physician, Consultant Obstetrician, Diabetes Specialist Midwife, Diabetes Specialist Nurse, Dietician and even have a scan in just one appointment. Historically the patient may have needed four separate appointments all in the same week.

NEONATAL OUTREACH TEAM

The Neonatal Outreach Team had cause for celebration when they scooped a national award for the work they do with premature babies and their families. The team was nominated in the Community Team of the Year category of the National BLISS Baby Charter Awards and won runner up prize.

The Neonatal Outreach Team makes home visits to babies who are born less than 36-weeks into pregnancy and have on-going nursing needs. They offer guidance and support for families if their baby is dependent on oxygen, or they need extra help with feeding, such as mums who are tube feeding or breastfeeding smaller babies.

ONE STOP URO- GYNAECOLOGY CLINIC

Women with bladder problems are benefiting from a new one-stop clinic which has not only reduced the time they wait for appointments but also reduced the amount of appointments they need.

Patients can now see an Uro-Gynaecology Consultant, a Gynaecology Nurse Practitioner, a Physiotherapist and have any investigative procedures carried out during one appointment. Patients can also be listed for theatre directly from the clinic if required. Prior to the clinic being developed the patient may have needed four separate appointments, each with their own waiting list.

TWO NEW CONSULTANTS

The Division has appointed two new consultants. Miss June Davies joined the Trust as a Consultant Obstetrician and Gynaecologist. She is the first female consultant to join this specialty. Dr Kate Goldberg joined the paediatric team as Consultant Paediatrician. The department also said farewell to Consultant Obstetrician, Mr Bedford, who retired after 25 years at Victoria Hospital.

"I cannot speak highly enough of every member of the team on Ward D. Thank you all sincerely for the care, attention and continued reassurance during my stay. Nothing was ever too much trouble and everything was done with a smile."

Mary Higgins, Thornton Cleveleys.





**DIVISIONAL ACHIEVEMENTS
MEDICAL DIVISION**

MEDICAL DIVISION

OPENING OF NEW RHEUMATOLOGY/ DERMATOLOGY UNIT

Dermatology and rheumatology patients are now receiving their care in bright and spacious facilities in a new purpose-built unit at Clifton Hospital. The new £1m unit replaces rheumatology services previously provided at South Shore Hospital and dermatology services previously provided at Devonshire Road Hospital.

The centre has 12-in-patient beds, an out-patient suite, a meeting room and a phototherapy suite providing specialist light therapy treatment for patients with skin conditions, such as psoriasis and eczema.

Dr John Kellett, Consultant Dermatologist, said: "We are



delighted with the new unit. The standard of accommodation is far better here than what patients have had previously. Devonshire Road is an old hospital and dermatology was housed in an open ward. The new development has single or double rooms with en-suite facilities, which will mean better privacy for patients and the risk of infection will be greatly reduced."

STROKE UNIT/EARLY SUPPORT DISCHARGE TEAM

Stroke patients across the Fylde Coast are benefiting from a new dedicated Combined Stroke Unit at Blackpool Victoria Hospital.


Previously, stroke patients were admitted to the Acute Stroke Unit at Victoria Hospital for their first phase of treatment and transferred to Clifton Hospital Gloucester Unit for their second phase of rehabilitation. Now stroke patients receive all of their treatment and rehabilitation from the dedicated Combined Stroke Unit.

The unit is supported by an Early



Supported Discharge Team (ESDT), who work with patients on the ward and at home following discharge. The multi-disciplinary team includes a Stroke Co-Ordinator, Physiotherapist, Speech and Language Therapist and Occupational Therapist.

Dr James McIlmoyle, Consultant in Stroke Medicine, said the development of the new unit was great news for staff and patients.



He said: "The biggest benefit is that patients can now start their rehabilitation early, which is critical in helping them to achieve maximum recovery."

The new 31-bedded unit has 4 four-bedded bays and 15 single rooms with en suite facilities, a gym and a kitchen where occupational therapists work with patients to regain their independence in daily activity for when they leave hospital.

"The kindness, caring, patience and dedication shown – not only to me but to all patients on Ward 19 - are a fine example of excellence and teamwork."

John Gower, Poulton-le-Fylde.

DVD HAEMATOLOGY

Staff and patients at Victoria Hospital have produced a DVD to educate patients undergoing chemotherapy about the warning signs of neutropenic sepsis. The condition can be potentially fatal if the symptoms are not picked up early. The aim of the DVD is to educate patients about what to look out for so that they can seek help early and recover quicker.

"Thank you to the staff on the Rehabilitation Unit at Rossall Hospital for the kindness in making my Dad's final weeks more bearable."

Doreen Robinson, Worsley.



REDUCED LENGTH OF STAY

Work has been on-going to ensure patients do not have to spend any unnecessary time in hospital. A number of initiatives have been brought in including the introduction of seven-day discharging. In the past patients who have been fit to go home over the weekend would have had to wait until Monday until a doctor had declared them medically fit for discharge.

Other schemes include Fit for Discharge where patients who are only waiting for tests to be done (such as a CT scan) can be discharged home

and given an appointment to come back for their test. This is better for the patient and frees up beds. By being more efficient we have been able to reduce the overall length of stay, meaning the division now needs fewer medical beds.

INTRODUCTION OF SHORT STAY WARD

A short-stay ward opened at Victoria Hospital in July 2006 for patients with medical conditions that require a hospital stay of no longer than 72 hours. This has enabled the division to focus on actively managing those patients with an anticipated short length of stay.

GASTRO WAITING TIMES FALL

Patients are benefiting from shorter waiting times for gastroenterology procedures. During the past 12 months, waiting times for colonoscopy and gastroscopy have fallen from nine months to six weeks and the waiting time for flexible sigmoidoscopy is now just one week. This is the result of a massive team effort from staff across the department. An additional consultant and associate specialist have been appointed to support the service.

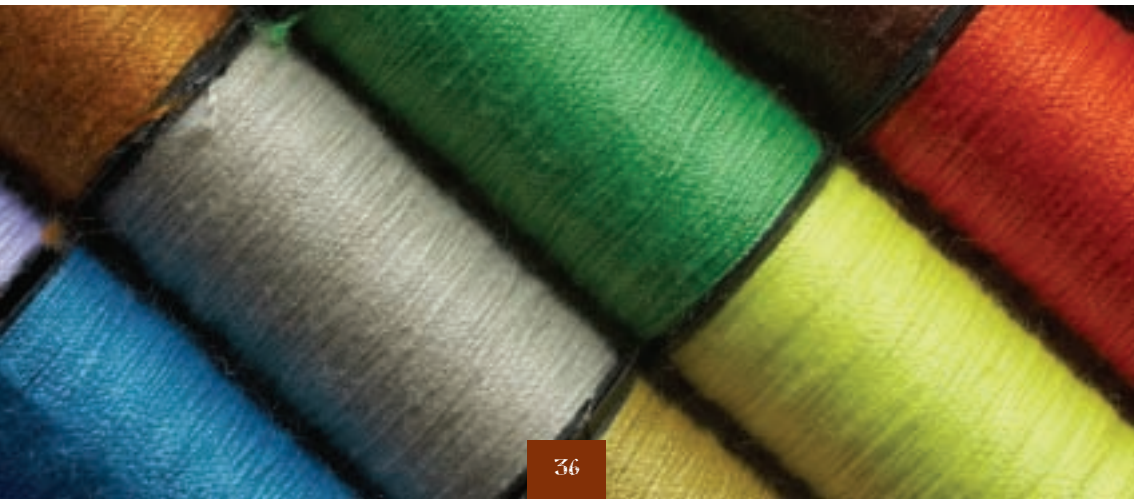
DEVELOPMENT OF OUT- OF-HOURS GI BLEED SERVICE

A new on-call rota has been set up with the Consultant Gastroenterologists to provide a service for patients who present to A & E with severe upper GI bleeding out-of-hours. The Trust is one of the first in the North West to develop such a service.





DIVISIONAL ACHIEVEMENTS
SURGICAL DIVISION



SURGICAL DIVISION

OPENING OF DAY SURGERY UNIT

A new £5.7m Day Surgery Unit opened at Victoria Hospital in April 2006. The new multi-million pound facilities have enabled the Division to increase the number and types of procedures carried out as day cases. This means more patients are able to have their surgery and go home the same day without the need for an overnight stay in hospital. The unit also provides a much-improved environment for staff and patients.

The Trust was delighted to welcome world famous Manchester United boss Sir Alex Ferguson to officially open the new day case facility in October.





OPENING OF SURGICAL HIGH CARE UNIT

Patients recovering from surgery at Victoria Hospital are benefiting from the development of a new and pioneering Surgical High Care Unit. Higher staffing levels ensure patients are given more intensive nursing care. It is hoped that the presence of the new unit will free up beds on the High Dependency Unit for patients with the greatest need, such as cancer patients.

Matron of the new Unit, Maggie Doughty, said: "We are not intending this unit to be a replacement for Higher Dependency but we recognise that the recovery of some patients would be helped by being more closely monitored. It is a really exciting development for all concerned.

Having all the post-surgery patients in one place means that we can cater for their needs more effectively and also take the pressure off other wards."

As the unit only takes post-operative patients, nursing staff do not have the same volume of paperwork as normal wards that deal with admissions. This means that nursing staff can dedicate more time to patient care.

TRANSFER OF ORTHOPAEDICS FROM SOUTH SHORE HOSPITAL

Orthopaedic patients are now being treated under one roof thanks to new spacious facilities which opened at Victoria Hospital in February 2007.

The unit, which includes a day case



ward, two new operating theatres and a 20 bedded ward area, replaces facilities on the South Shore Hospital site.

Patients who would previously have been treated at South Shore now benefit from the reassurance of having all the facilities of an acute hospital at their disposal. This includes an Intensive Care and High Dependency Unit in case they need more specialised care after their operation.

In addition, day case patients previously treated on our Day Surgery Unit for minor operations are now being treated in the Orthopaedic Unit meaning dedicated Orthopaedic staff are nearby to supervise the care of their patients more closely. The space freed up in the Day Surgery Unit will also have a beneficial impact on waiting times in other specialties.

Orthopaedic Matron Marjorie Holden said: "Staff are delighted with the new facilities; they are lovely and bright and the response from patients and their visitors has been very positive. It is better to have our whole Orthopaedic Team working together; not only can we give more specialised care to our patients but it also gives us greater opportunity for training."



OPENING OF SURGICAL ASSESSMENT UNIT

A new 24-hour Surgical Assessment Unit opened at Victoria Hospital in August 2006. A specialist area has been created on Ward 7 where patients who are referred by their GP or from A&E are surgically assessed by a dedicated doctor. If the patient needs to be admitted to hospital the doctor will admit them to the short-stay ward on Ward 7 or to a more appropriate ward depending on their specialist needs. Some patients are able to be assessed, go home, and come back on a later date for surgery, which is much better for the patient and frees up hospital beds. Between August 2006 and March 2007 the unit saw 2,050 patients, of which 1,800 were admitted and 250 were discharged.

ONE-STOP NURSE LED CATARACT SERVICES

Cataract patients are now being seen quicker and have fewer trips to hospital, thanks to the introduction of nurse-led cataract clinics. When consultants receive referrals from GPs or opticians they identify which cases they consider to be straight forward and refer them direct to the nurse-led clinic. The nurses examine the patients and do their pre-operative checks before listing them for surgery – meaning they don't have to wait for a further out-patient appointment with a doctor. This reduces waiting times and cuts down the number of hospital appointments patients need.

DIABETES EYE SCREENING

The Diabetes Eye Screening team is now offering annual screening for diabetic patients. Previously patients were only invited for screening every two years. Now, thanks to funding from the Primary Care Trust for additional staff, patients can attend once a year. It is vital that diabetic patients are screened regularly so that any complications can be picked up early and treatment can be started.

"Thank you to everyone on Ward 6 for your attention and help. You are all so wonderful – please stay as you are!"

Joyce Brent, Lytham.

"A huge and grateful thank you to everyone involved in making my stay on Ward 6 so pleasant. Your readiness to help me in any way, your lovely sense of humour, genuine warmth and friendly words have meant a great deal to me."

Jeff Chambers, Wesham.



DIVISIONAL ACHIEVEMENTS
CARDIAC DIVISION

CARDIAC DIVISION

NEW £52M LANCASHIRE CARDIAC CENTRE

The Lancashire Cardiac Centre opened its doors to its first patients in April 2006. The £52m unit, which is the biggest development Victoria Hospital has seen in its history, provides state-of-the-art cardiac care to heart patients across South Cumbria and Lancashire.

The Trust was delighted to welcome His Royal Highness the Duke of Gloucester to the hospital in October 2006 to officially open the new unit.

The unit's high tech facilities include 15 critical care beds, three operating theatres and three cardiac catheter laboratories (both with capacity to expand to five), around 90 in-patient and day case beds, x-ray facilities and an out-patient department.



The Cardiac Unit also houses an Education Centre featuring a lecture theatre, seminar rooms, a research laboratory and library which can be used by medical and nursing staff from across the Trust to keep them up-to-date with the latest technology and techniques.

The centre is kitted out with the most-up-to-date equipment and is staffed by experienced, dedicated clinicians who can offer complete cardiac care from diagnosis to treatment from the one location.

NEW EQUIPMENT FOR ULTRASOUND IMAGES OF THE HEART

Cardiac Anaesthetists at the Lancashire Cardiac Centre can now produce detailed images of the heart during surgery after completing a specialist qualification in Texas, USA.

Consultants Carl Humphries, Andy Knowles and Chris Rozario are amongst only a small number of Cardiac Anaesthetists in the UK to gain the Certificate of Special Competence in Perioperative Transoesophageal Echocardiography (TOE). They join Cardiac Anaesthetists Mike Hartley and Noel Gavin who completed the course last year.

TOE involves the anaesthetist inserting an ultrasound probe down the patient's oesophagus during heart



surgery, giving them and the surgeons a detailed view of the structure and movement of the whole of the heart. This enables surgeons to make decisions prior to, during and after surgery.

The operating theatres at the new £52m Lancashire Cardiac Centre have been kitted out with high-tech TOE equipment at a cost of £70,000 each and are now able to offer this state-of-the-art service to patients.

MINIMAL ACCESS VALVE SURGERY

The Division continued to develop minimal access surgery this year with the introduction of minimal access valve surgery. The benefit to patients is that the procedure involves less surgical trauma, patients recover more quickly, and they spend less time in hospital. The Division is also developing a new technique for minimal access vein harvesting for bypass surgery.

"I would like to express heartfelt thanks for the excellent, prompt emergency treatment my cousin received on the Coronary Care Unit. There is no doubt that the early emergency treatment he received saved his life."

Brian Kay, Blackpool.

APPOINTMENT OF FIVE VISITING CONSULTANT CARDIOLOGISTS

Patients waiting for coronary interventions such as angioplasties or stents are benefiting from shorter waiting times. Five visiting Consultant Cardiologists, three from Preston and two from Blackburn, now spend one day a week carrying out procedures in Lancashire Cardiac Centre's catheter laboratories. This has helped us to maximise capacity in the catheter laboratories and reduce waiting times for patients across Lancashire and South Cumbria.




WAITING TIMES FALL FOR ECHOCARDIOGRAPHY

Staff in the echocardiography department have been working extremely hard to tackle waiting times for echocardiography. At the beginning of April 2006 patients were waiting up to 20 weeks. Now, thanks to changes in the way the department works, together with funding from Blackpool PCT for an additional locum, waiting times have fallen to just two weeks.

PLANS TO INTRODUCE PRIMARY ANGIOPLASTY

At the end of March 2007 the Division was preparing for the introduction of a new technique for treating heart attack patients. From June, patients who are admitted as emergencies after suffering a heart attack will be given an angioplasty. The technique involves a small cylindrical tube called a stent being inserted in the artery and has a 25 per cent higher success rate than current treatment. The service will operate from 9am–5pm initially but will be rolled out to a 24-hour service later in the year.

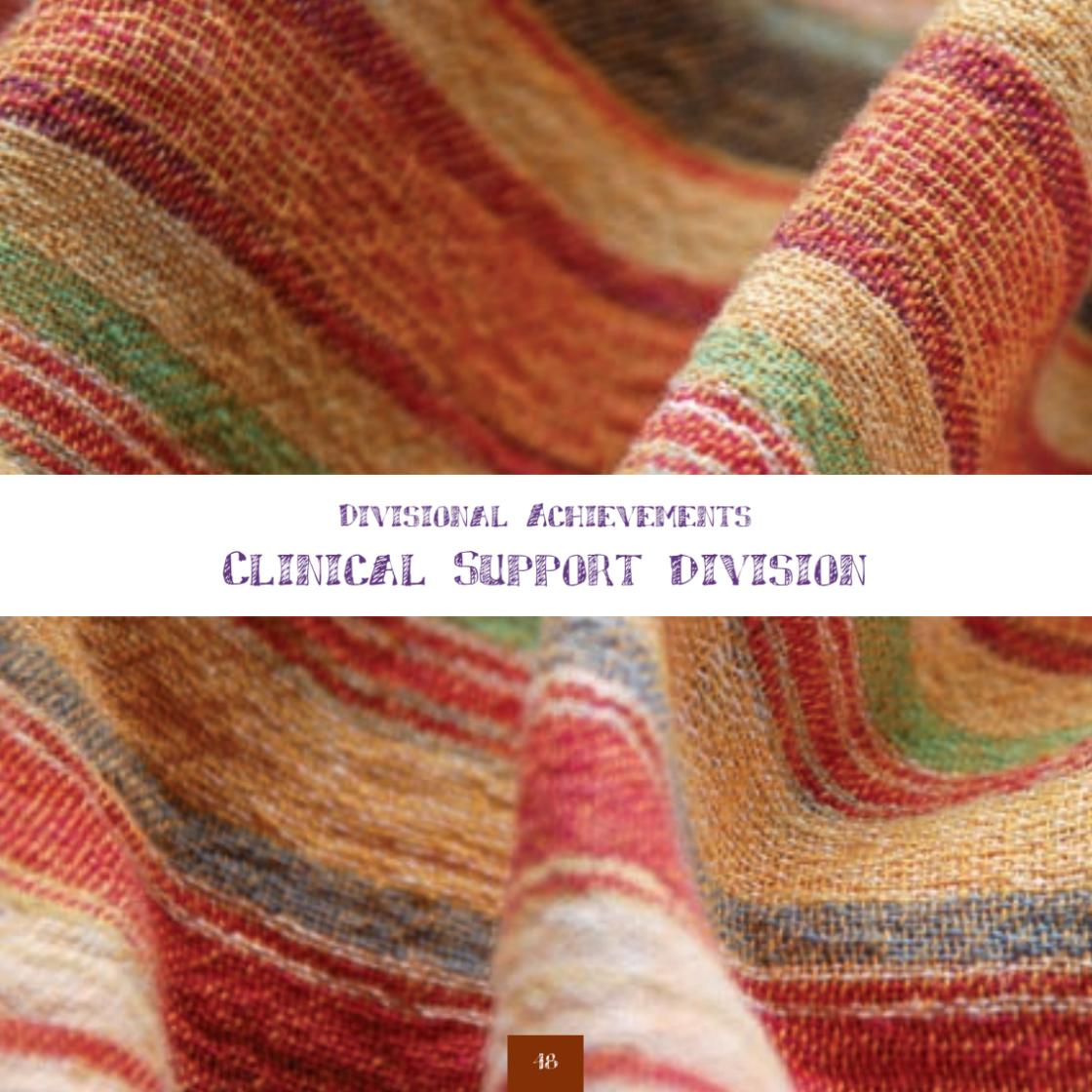


"The staff on the Cardiac Day Care Ward went out of their way to make me feel comfortable and reassured in a spotlessly clean environment and in all aspects of a procedure which not having gone through before I was very grateful for. Whilst I obviously hope I will never have to return to any hospital – if I have to, and have any choice in the matter, I will have far fewer fears being re-admitted to your facility."

Paul Hayden, Morecambe.

NEW CORONARY CARE UNIT

At the end of March 2007 the Division was preparing for the transfer of the Coronary Care Unit from the main Victoria site to the Lancashire Cardiac Centre, bringing together all cardiac services under one roof.



DIVISIONAL ACHIEVEMENTS
CLINICAL SUPPORT DIVISION

ONE-STOP DISPENSING

The Pharmacy Department has piloted a one-stop dispensing service on seven wards at Victoria Hospital. The pilot has been extremely successful and has helped to reduce delays in patients being discharged from hospital and reduced the volume of medication that is wasted.

Louise Sadler, Senior Pharmacy Technician, said: "When patients were admitted to a ward, the staff would use the ward stock for medication and anything that wasn't available on the ward, Pharmacy would give a 14 day supply for that patient. When it was time for the patient to be discharged, Pharmacy would dispense another supply of medication for the patient to take home. This was duplicating work in Pharmacy and was creating waste."



"Now we have dedicated Pharmacy Technicians on the wards. They visit the patients when they are admitted to look at what medication they have and if the technician thinks it appropriate the patient's own medicine is used. Pharmacy then dispenses whatever other medication the patient needs to last them throughout their hospital stay and when they leave hospital. This means that we dispense drugs once and there is no delay in the patients being discharged while they are waiting for their medication to be dispensed. This benefits the ward staff, the Pharmacy staff but most importantly the patient."

The Division will be rolling the system out to other wards later this year.

"What wonderful care I have received from all the staff in the Pathology Lab. The doctors, nurses and clerical staff are very efficient workers, delivering their care with kindness and understanding. I certainly appreciate the standard of care which has enabled my general health to improve."

Sheila Sharratt, Thornton Cleveleys.

ASEPTIC UNIT

Work is well underway on a £500,000 refurbishment of the Aseptic Unit. This is in preparation for when the Trust becomes a Tertiary Haematology Unit later this year. Haematology patients will be referred to Blackpool from all over Lancashire and Cumbria for the initial stages of their chemotherapy. This means that the workload within the Aseptic Unit is likely to triple. The Trust has invested £500,000 to allow a full refurbishment of the existing facilities. The facilities will include a new air-handling unit and dedicated ultra clean rooms and isolator cabinets for the preparation of sterile medicines. The suite has four isolate rooms (two for chemotherapy and two for a Central Intravenous Additive Service (CIVAS)) and total parental nutrition.

A&E PERFORMANCE

Patients needing treatment at Blackpool's Accident and Emergency Department are benefiting from shorter waiting times. Staff have worked tirelessly to ensure patients are seen, treated and either admitted or discharged as quickly as possible. The department has consistently exceeded the Government target of 98% and is amongst the top performing Trusts in the country.

Nigel Kidner, A & E Consultant, said: "This is a fantastic achievement and is down to the hard work and commitment of staff, not only in A & E but throughout the whole hospital. It has been a huge team effort and staff should be proud of the progress they have made in cutting waiting times and improving the experience of patients attending our A & E Department."

Blackpool has one of the busiest A & E departments in the country with more than 91,000 attendances last year.



"To the staff on the Accident and Emergency Department... Never have I felt so humbled. Thanks to your skill, dedication and amazing caring abilities, I am alive to write this card. I owe you all an immense dept."

Doreen Robinson, Worsley.

INTERNATIONAL RECOGNITION FOR ADAS SERVICE

Fylde patients who require regular blood tests are needing fewer appointments and their treatment is more stable, thanks to the work of the Anti-Coagulant Dosing Advisory Service. The department has been recognised in an international report, which compared the performance of its service with that of 81 others worldwide. The Blackpool service received special recognition for its success in stabilising the treatment of patients who use warfarin.

Around 4,500 patients on the Fylde Coast use warfarin (a blood thinning drug) which reduces the risk of

thrombosis and strokes. Patients who use the drug need to be monitored regularly to ensure that the medication is keeping their blood at a suitable consistency. Fifteen clinics are held each week around the Fylde coast conducting over 70,000 blood tests a year.

URGENT CARE CENTRE

Plans are underway to develop an Urgent Care Centre at Victoria Hospital, bringing together the existing A&E and GP out-of-hours service under one roof. This is a joint venture across the whole of the health economy, which will improve access for patients needing unplanned treatment and will reduce inappropriate admissions to hospital.

REDUCTION IN WAITING TIMES FOR MRI SCANS

The Radiology Directorate has developed a tele-radiology service in conjunction with Eurad Consult, a Belgian group of Radiologists, for the reporting of MRI scans. This partnership has enabled around 900 patients awaiting a routine MRI investigation to have their scan, which otherwise would not have been possible. It allows for MRI sessions to be held flexibly to suit the needs of patients and radiographers.

At the end of March 2007 the maximum waiting time for a routine MRI scan was 15 weeks with the majority of patients being seen in less than 10 weeks.

RADIOGRAPHY LED REPORTING

Radiographer reporting was introduced to the Trust over six years ago and has continued to develop during the year. More than 30,000 radiographs are reported in this way allowing for a timely and quality assured review of plain films. An audit of radiographer reporting has shown combined report variances to be significantly better (2%) than the target gold standard for Radiologists (3%).

Daily multi-disciplinary meetings are held in A&E to discuss any missed fractures/pathology that require further treatment and management. More than 500 patients per year see their treatment improve following this process.



SOCIAL AND COMMUNITY SERVICES



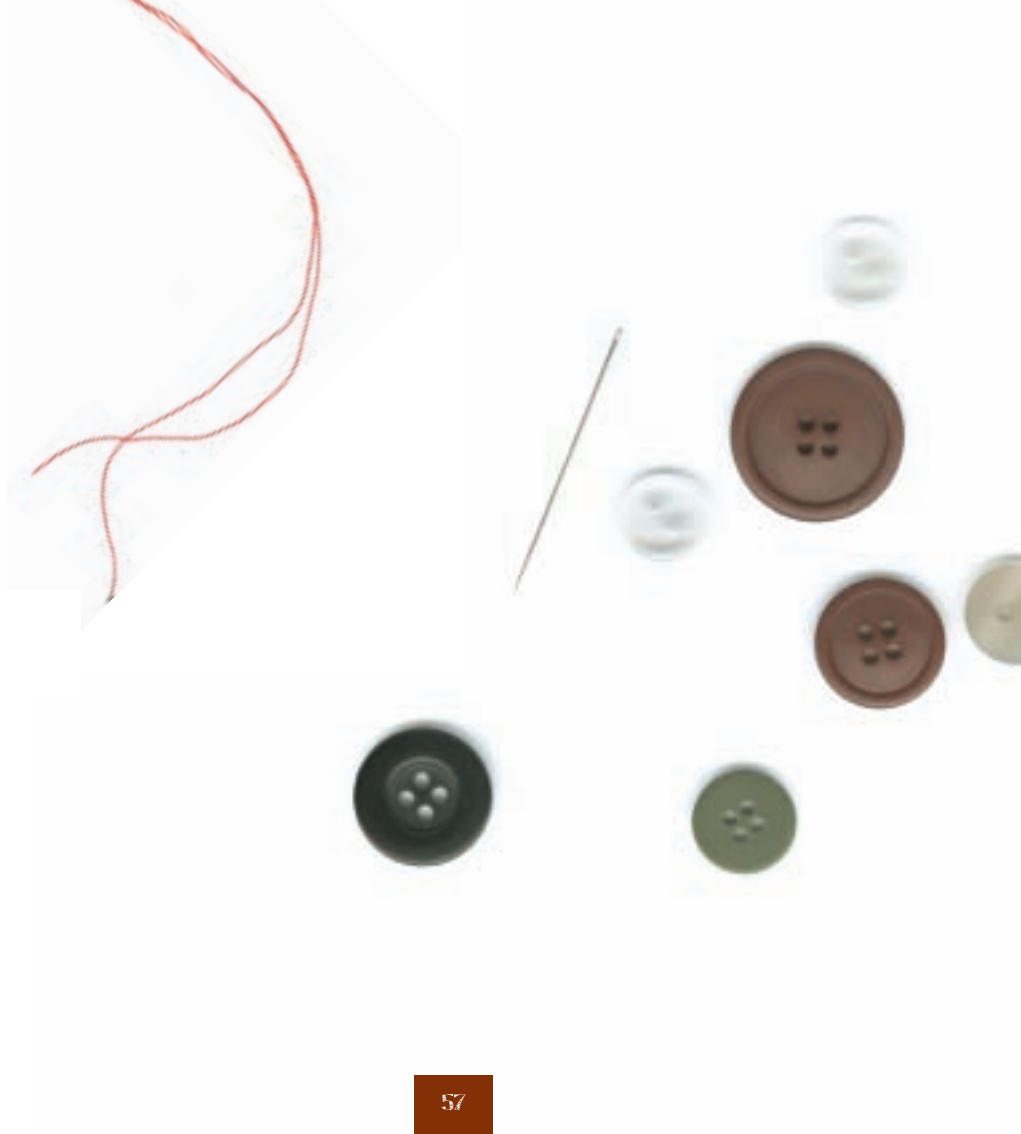
SOCIAL AND COMMUNITY SERVICES

The Trust takes its responsibilities of working with the local community seriously. Initiatives relating to the progression of this agenda include:

- The Trust has over 480 volunteers from a variety of organisations who provide invaluable and much appreciated services to patients. The Trust has employed a Voluntary Services Manager to further enhance and develop our relationship with this important sector of the community. All our volunteers are supported by a full induction programme and training opportunities.
- The Trust is a member of the Blackpool Compact Agreement together with the local voluntary sector, Blackpool Primary Care Trust, Police, Fire Service, Social Services and Blackpool Council. The aim of the Compact is to clarify the relationship between Public Organisations and the Community Voluntary Sector by recognising the sector's desire for greater security, the organisation's desire for genuine accountability and the user's desire for the delivery of good quality services.



- Working relationships with the local Patients Forum is extremely positive. Forum members are involved in many of the Trust's Committees and have provided input to monitoring the quality of the Trust's services in several areas.
- The Trust has developed a partnership with the Grange Park Residents Association. Youngsters from the area have taken part in a photography taster course, bulb planting and litter clean-up campaigns within the hospital grounds.
- Members of the Executive Team regularly attend meetings of the Lancashire and Blackpool Overview and Scrutiny Committees to explain to their members the rational for service reconfigurations, developments, etc.
- In preparation for our application for Foundation Trust status, the Trust has actively engaged with members of the public within our catchment areas to develop a robust membership.





ORGANISATIONAL DEVELOPMENT AND STAFF ENGAGEMENT

ORGANISATIONAL DEVELOPMENT AND STAFF ENGAGEMENT

The Trust Board is firmly of the view that if the organisation is to flourish in the long term, then this will be achieved by fully harnessing the potential of our staff. The changing environment in which the NHS is operating means that the traditional top-down approach to management and operational performance can only achieve limited results. All of our staff need to feel they have a role to play in the development of high quality cost-effective services to patients. This in turn will ensure the on-going success of the Trust. It is recognised that to achieve our goal of being amongst the top 10% of Trusts we need to put in place an organisational development programme that will change the way in which we operate. This has led to the introduction of 'The Blackpool Way'.

The Blackpool Way will involve:

- Developing a fully engaged workforce where individuals and teams have greater influence and autonomy in driving the Trust towards best in class performance.
- Charging managers with achieving the Trust's objectives through an inspired and motivated workforce. Management success will be measured in future not only by results but by how those results are obtained.
- Introducing a policy deployment approach where management ensures that local priorities match the overall imperatives and performance measures of the organisation.



This will be achieved by:

- A much more structured programme of communication with staff.
- Changing the way in which managers manage, so that managers listen, share and consult more and display a positive demeanour.
- Recognition and acknowledgement of good work.
- Creation of action teams and focus groups to deliver continuous improvement.
- Development of standards of behaviour expected by the Blackpool Person and Blackpool Manager.

An action plan has been developed to deliver the above changes.





WORKING IN PARTNERSHIP

During the last 12 months the Trust has continued to work with healthcare partners, as set out below, to deliver its strategy and contribute to whole Health Community goals:

Blackpool Primary Care Trust

North Lancashire Primary Care Trust

Specialist Commissioners

North West Strategic Health Authority

Blackpool Social Services

Lancashire Social Services

Blackpool and Lancashire Overview
and Scrutiny Committees

Lancashire Care Trust

Patient Forums

Volunteers

STRATEGY FOR THE FUTURE DELIVERY OF HEALTH CARE ON THE FYLDE COAST

In June 2006, a three-month public consultation was held entitled "Improving Patient Care". This set out the proposed joint vision for future health services across the Fylde Coast as follows:

- Expand the provision of high quality community and primary health care with some new purpose-built health premises.
- Transfer some services out of the Community Hospitals and provide them in different ways, in response to the changing health needs of the population.
- Concentrate specialist acute hospital services on the Victoria Hospital site and further develop the hospital as a centre of excellence.
- Further enhance community and home-based services for people with long term conditions such as asthma, diabetes and coronary heart disease.
- Provide more out-patient and diagnostic services such as x-rays, ultrasounds and MRI scans, in the community.





**Artist Impressions Of The New Primary
Care Centre at Lytham**

FOUNDATION TRUST APPLICATION

Our application for Foundation Trust status was submitted to the Department of Health in February 2007 following a three-month consultation exercise.


The Trust's aim is to continue to provide and develop excellent services and provide high quality care and treatment. During the next few years, the Trust will face increasing competition from within and outside the NHS and, as a Foundation Trust, we will be able to build on our strengths whilst having the flexibility to meet the challenges. The achievement of Foundation Trust Status is, therefore, critical in order for the Trust to continue to develop as the healthcare provider of first choice on the Fylde Coast.

The Trust's progress during the past year has been significant, particularly in the areas of finance, performance and Board development. However, there is still more to learn, with identified areas for improvement.

The key reasons for becoming a Foundation Trust, and the way the Trust intends to use the freedoms it offers, are set out opposite:-

RATIONALE FOR FOUNDATION TRUST STATUS

Rationale for Foundation Trust Status	Benefit Realisation as a Foundation Trust
Community Ownership Establish real and lasting engagement with our community to inform the development of strategy and services.	Our members will provide a critical resource in terms of feedback, regular participation in Members' events, special interest groups. Responses to consultation (579) indicate a promising level of engagement. Our Governors will cement our local accountability and root our planning in a local context.
A Model Corporate Citizen Our place as a major local employer in an area of deprivation and badly needed regeneration provides us with the opportunity as a Foundation Trust to provide employment, skills training and to forge strategic partnerships with other local organisations.	We will use our freedoms to forge strategic partnerships with local organisations, particularly education, business and regeneration, to increase skill levels in young people and provide clinical and non-clinical career opportunities in our Trust. We will use our Members and Governors to facilitate these partnerships.



Rationale for Foundation Trust Status	Benefit Realisation as a Foundation Trust
<p>A Great Place to Work</p> <p>We want to develop deep employee engagement as part of 'The Blackpool Way' and encourage our staff Members to influence the future direction of the Trust.</p>	<p>We will use our freedoms to consider additional rewards and incentives for staff, linked to improved performance. Staff Members and volunteer Members will have the opportunity to act as Governors of the Trust, helping to shape its future and increase the profile of staff input.</p>
<p>Providing a Better Service</p> <p>We aim to improve both the range and quality of health care treatment services we provide. The current capital investment regime is slow to translate service plans into improved facilities for patients. Foundation Trust status will enable us to act quickly and responsively to our patients' needs.</p>	<p>We will use the financial freedoms to generate surpluses to consider re-investment in service and associated capital developments such as:-</p> <ul style="list-style-type: none"> • New Vascular Laboratory • Centralised Theatre Suite • New Children's Centre • New Main Entrance • Staff Development Centre • New Mortuary <p>Such developments will be important if we are to operate successfully as a patient and customer focused organisation in a dynamic market for healthcare.</p>

THE TRUST BOARD

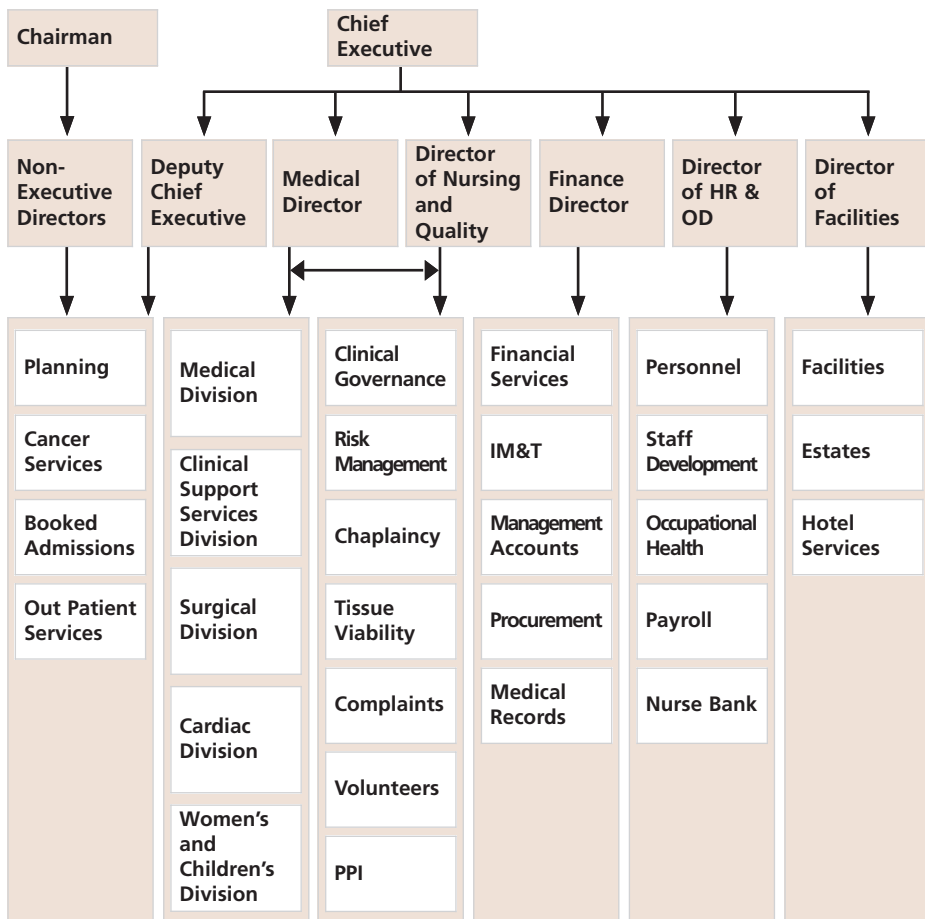
MANAGEMENT CHANGES

The term of office for two of the Non-Executive Directors, Mr Jim Armfield and Mr Michael Carr, expired in May 2006. The Appointments Commission appointed Mr Peter Hosker and Mr Bill Robinson as their replacement with effect from 1st July 2006.

Mr Andrew Foster replaced Mr John Lyons as Director of Human Resources and Organisational Development on 1st May 2006. Mr Foster subsequently resigned from the Trust in January 2007 and will be replaced by Mr Nick Grimshaw in May 2007. Mr Grimshaw was formerly the Director of HR at Tameside and Glossop Acute Services NHS Trust.

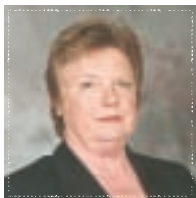
Dr Paul Kelsey, Consultant Haematologist at the Trust, replaced Dr Peter Hayes, Consultant Physician, as the Trust's Medical Director on 1st June 2006.





TRUST BOARD

The following are voting members of the Trust Board:



Beverly Lester (Chairman)
appointed in April 2002

Qualification:

- Qualified Solicitor – LL.B

Experience and Interests:

- Former Non-Executive Director of Blackpool Victoria Hospital
- Former Chairman of Blackpool, Wyre and Fylde Community Health Services NHS Trust
- Partner at Cooper, Law & Lester Solicitors
- Part time Deputy District Chairman and Tribunal Chairman for the Tribunals Judiciary (Department for Constitutional Affairs)
- Trustee of the Ladies Sick Poor Association
- Governor of Carters Primary School
- Member of the SHA Regional Training Board
- Member of Blackpool Council's Children's Trust Board
- Member of the Court – University of Central Lancashire
- Former Deputy District Judge
- Trustee of Thornton Horse Club



Paul Olive

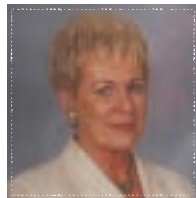
(Non-Executive Director)
appointed in May 2002

Qualification:

- Chartered Accountant –
Fellow Institute of Chartered
Accountants

Experience and Interests:

- Former Finance Director of
Stanley Leisure plc
- Former Non-Executive
Director of Crown Leisure plc
- Former Governor of Blackpool
Sixth Form College
- Trustee of Age Concern



Chris Breene

(Non-Executive Director)
appointed in May 2002

Experience and Interests:

- Former Non-Executive Director of
the Blackpool, Wyre and Fylde
Community Health Services NHS
Trust
- Former Manager for Marks and
Spencer
- Vice Chairman of the Employment
Committee for Blackpool, Wyre
and Fylde Blind Society
- Former Member of the Blackpool
Partnership Against Crime
Community Group
- Former Governor of Blackpool
Sixth Form College



Michael Brown

(Non-Executive Director)
appointed in
March 2004

Qualification:

- Qualified Solicitor – LL.B

Experience and Interests:

- Former Chief Executive of Wyre Borough Council
- Former Board Member - LAWTEC
- Former Board Member - Lancashire Learning & Skills Council
- Former Vice Chairman of Business Link Lancashire
- Former Member of Blackpool and the Fylde College Governing Body
- Former Governor of Baines School
- Chairman of Wyre Housing Association
- Managing Director of Eccleston Services Ltd
- Director of Canatxx Gas Storage Ltd



Peter Hosker

(Non-Executive Director)
appointed in
July 2006

Qualification:

- Qualified Solicitor – LL.B (Hons)

Experience and Interests:

- Former Senior Partner at Napthens Solicitors
- Part time Deputy District Chairman and Tribunal Chairman for the Tribunals Judiciary (Department for Constitutional Affairs)
- Chairman of the AvenCentral Regeneration Partnership in Preston
- Select Vestryman of the Churches of St John the Evangelist and St George the Martyr in Preston.
- Director of The Select Vestry of Preston Charity Ltd
- Former Trustee of the British Red Cross in Lancashire
- Vice Patron of Deafway
- Governor and Trustee and former Chairman of the Kirkham Educational Foundation and Kirkham Grammar School



Bill Robinson

(Non-Executive
Director)
appointed in July
2006

Qualification:

- Chartered Public Finance Accountant – C.P.F.A.

Experience and Interests:

- Former Director of Finance at South Ribble Borough Council
- A Vice President of Lancashire County Cricket Club
- Chairman of the Lancashire Youth Cricket Coaching Committee
- Honorary Treasurer of the Lancashire Cricket Board
- Trustee of Lancashire County Youth Cricket Trust
- Director/Trustee and Honorary Company Secretary to the British Commercial Vehicle Museum Trust



Julian Hartley

(Chief Executive)
appointed in
December 2005

Qualifications:

- Master of Business Administration (MBA)
- Certificate in Healthcare Marketing
- Certificate in Managing Health Services
- Post Graduate Certificate in Education
- BA (Hons) – English Language and Literature

Experience and Interests:

- Former Chief Executive of Tameside and Glossop Primary Care Trust
- Former Director of Planning and Operations at North Tees and Hartlepool NHS Trust
- Joined NHS as National Trainee of the NHS General Management Training Scheme
- Non Executive Director of Skills for Health
- Trustee of National Association of Assistants in Surgical Practice



Aidan Kehoe
(Deputy Chief Executive)
appointed in April 2004

Qualifications:

- Qualified Chartered Accountant
– Institute of Chartered Accountants (ACA)
- Diploma in Health Service Management (Dip HSM)
- B.sc (Hons) – Managerial and Administrative Studies

Experience and Interests:

- Former Director of Operations at Blackpool, Fylde and Wyre Hospitals NHS Trust
- Former Divisional Manager at University Hospital Birmingham NHS Trust
- Joined NHS as National Trainee of the NHS General Management Training Scheme



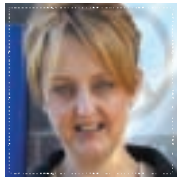
Tim Welch
(Director of Finance)
appointed in August 2005

Qualifications:

- CIPFA CPD Certified
- Member CIPFA
- BSc (Hons) – Biochemistry

Experience and Interests:

- Former Director of Finance at City and Hackney Teaching PCT
- Former Deputy Director of Finance at City and Hackney Teaching PCT
- Joined NHS as Financial Management Trainee



Mandie Sunderland

(Director of Nursing and Quality)
appointed in January 2001

Qualifications:

- Registered General Nurse
- MSc Health Professional Practice (Nursing)
- Post Graduate Certificate in Education (ENB Approved Registered Nurse Tutor)
- BSc Health Care Studies
- Diploma in Management

Experience and Interests:

- Former Director of Nursing and Patient Services at Halton General Hospital NHS Trust
- Former Nursing Officer for Quality at the NHS Executive, Department of Health



Dr Paul Kelsey

(Medical Director)
appointed in June 2006

Qualifications:

- M.B.,B.S. (Hons) – Pathology
- MRCP (UK)
- MRCPATH

Experience and Interests:

- Consultant Haematologist at Blackpool, Fylde and Wyre Hospitals NHS Trust
- Former Senior Registrar in Haematology – North West Rotational Training Scheme
- Director of Fylde Pathology Ltd

The following are non-voting members of the Trust Board:



Mike Gallagher

(Director of Facilities)
appointed in July 1989

Qualifications:

- PhD in Environmental Management
- MSc in Facilities Management
- Royal Institution of Chartered Surveyors
- Chartered Institute of Building

Experience and Interests:

- Former Director of Facilities at Blackpool Victoria Hospital NHS Trust
- Director of Estates at Blackpool, Wyre and Fylde Health Authority
- Deputy Director of Estates at Wigan Health Authority



Andrew Foster

(Director of Human Resources and Organisational Development)
appointed in May 2006

Qualification:

- Fellow of the Chartered Institute of Personnel and Development (FCIPD)

Experience and Interests:

- Former Workforce Director General at the Department of Health
- Director of World Crest Ltd
- Senior Civil Servant at the Department of Health

BOARD DEVELOPMENT

Following the Trust diagnostic process early in 2006, the Chairman reviewed the skills and experience of the Non-Executive Directors to ensure that the composition of the Board was appropriate for the challenges ahead. This review resulted in the appointment of two new Non-Executive Directors as existing post-holders reached the end of their term of office. One of the new Non-Executive Directors has a strong financial background and the other has had a long career in corporate law. It was also felt that the Trust would benefit from the appointment of an additional Non-Executive Director with experience in marketing and communications and the recruitment process is currently underway.

It was also recognised that the changing financial regime, competitive environment and move

towards Foundation Trust status would change the way in which the Board operated. With this in mind, the induction, training and development arrangements for Non-Executive Directors have been updated. It was also recognised that all Board members would need continuous development and, as a result, a series of development days have been held with a plan to continue these on a regular basis in the future. These development days have been used to refine our strategic plans and to improve understanding of our internal and external environment. In particular, key issues around the use of resources and service quality have been explored and debated.

The Trust has also commissioned the services of IMD to provide coaching and mentoring services to members of the Board.

TRUST COMPLIANCE

EMERGENCY PREPAREDNESS

The Trust has in place robust systems in the event of a major incident. The Major Incident Plan is reviewed annually, is regularly tested, and is fully compliant with “Handling Major Incidents: An Operational Doctrine” and all other NHS guidance on major incident preparedness and planning.

DISABILITY DISCRIMINATION ACT

The Trust has a Policy on the Employment of Disabled Persons and has achieved the Two Tick Symbol in relation to its recruitment practices. Training and the introduction of E-Recruitment have further diminished the chances of discrimination in this area. The Occupational Health

Department routinely advises on disability issues and the way in which posts can be re-designed to cater for those employees affected by disability.

EQUALITY STATEMENT

The Trust has an Equal Opportunities Policy and trains managers in best practice. The Trust has developed a Race Equality Scheme and has an action plan to ensure compliance with legislative changes.

PUBLIC MEETINGS

The Trust holds an Annual Public Meeting to discuss the Annual Report and Accounts. The next Annual Public Meeting is being held at 6pm on Thursday September 27th at the De Vere Hotel, Herons Reach, Blackpool.

Nine Trust Board Meetings have been held in public during 2006/2007.



FINANCIAL INFORMATION





AUDIT REPORT

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

GOVERNANCE, RISK MANAGEMENT AND INTERNAL CONTROL

To review the establishment and maintenance of an effective system of integrated governance, risk management and internal control across the whole of the organisation's activities (both clinical and non-clinical), that supports the achievement of the organisation's objectives, in particular the adequacy of:-

- All risk and control related disclosure statements (in particular the Statement on Internal Control and declarations of compliance with the Standards for Better Health), together with any accompanying Head of Internal Audit statement, external audit opinion or other appropriate independent assurances, prior to endorsement by the Board.
- The underlying assurance processes that indicate the degree of the achievement of corporate objectives, the effectiveness of the management of principal risks and the appropriateness of the above disclosure statements.
- The policies for ensuring compliance with relevant regulatory, legal and code of conduct requirements.
- 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 Counter Fraud and Security Management Service.

INTERNAL AUDIT

To ensure that there is an effective internal audit function established by management, that meets mandatory NHS Internal Audit Standards and provides appropriate independent assurance to the Audit Committee, Chief Executive and Board. This will be achieved by:-

- Consideration of the provision of the Internal Audit Service, the cost of the audit and any questions of resignation and dismissal.
- Review and approval of the Internal Audit strategy, operational plan and more detailed programme of work, ensuring that this is consistent with the audit needs of the organisation as identified in the Assurance Framework.
- Consideration of the major findings of internal audit work (and management's response), and ensure co-ordination between the Internal and External Auditors to optimise audit resources.
- Ensuring that the Internal Audit function is adequately resourced and has appropriate standing within the organisation.
- Annual review of the effectiveness of Internal audit.

EXTERNAL AUDIT

To review the work and findings of the External Auditor appointed by the Audit Commission and consider the implications and management's responses to their work. This will be achieved by:-

- Consideration of the appointment and performance of the External Auditor, as far as the Audit Commission's rules permit.
- Discussion and agreement with the External Auditor, before the audit commences, of the nature and scope of the audit as set out in the Annual Plan, and ensure co-ordination, as appropriate, with other External Auditors in the local health economy.
- Discussion with the External Auditors of their local evaluation of audit risks and assessment of the Trust and associated impact on the audit fee.
- Review all External Audit reports, including agreement of the annual audit letter before submission to the Board and any work carried outside the annual audit plan, together with the appropriateness of management responses.

OTHER ASSURANCE FUNCTIONS

To review the findings of other significant assurance functions, both internal and external to the organisation, and consider the implications to the governance of the organisation.

To review the work of other committees within the organisation, whose work can provide relevant assurance to the Audit Committee's own scope of work. This will particularly include the Clinical Governance Committee and any Risk Management committees that are established.

MANAGEMENT

To request and review reports and positive assurances from directors and managers on the overall arrangements for governance, risk management and internal control.

To request specific reports from individual functions within the organisation (eg clinical audit) as appropriate to the overall arrangements.

FINANCIAL REPORTING

To review the Annual Report and Financial Statements before submission to the Board, focusing particularly on:-

- The wording in the Statement on Internal Control and other disclosures relevant to the Terms of Reference of the Committee.
- Changes in, and compliance with, accounting policies and practices.
- Unadjusted mis-statements in the financial statements.
- Major judgmental areas.
- Significant adjustments resulting from the audit.

To ensure that the systems for financial reporting to the Board, including those of budgetary control, are subject to review as to completeness and accuracy of the information provided to the Board.

OTHER MATTERS

The Terms of Reference for the Audit Committee were reviewed by the Committee on 5th July 2006 and were approved by the Trust Board on 26th July 2006.

The Trust's External Auditors are PricewaterhouseCoopers based at 101 Barbirolli Square, Manchester, M2 3PW. Their assurance (audit) work cost the Trust £181,250.

Membership of the Audit Committee:-

- Mr P Olive – Chairman
 - Mrs C Breene
 - Mr M Brown
 - Mr P Hosker
 - Mr B Robinson
 - Miss J A Oates – Secretary
- Five meetings of the Audit Committee took place during 2006/2007.

REMUNERATION REPORT

The membership of the Trust's Remuneration Committee includes all six Non-Executive Directors as follows:-

- Mr M Brown - Chairman
 - Mrs C Breene
 - Mr P Hosker
 - Miss B Lester
 - Mr P Olive
 - Mr B Robinson
 - Miss J A Oates – Secretary
- Four meetings of the Remuneration Committee took place during 2006/07.

The Committee establishes pay ranges and progression within those pay ranges for executive director posts and for director posts which report to the Chief Executive.

The Committee establishes the ranges for director posts by reference to the annual pay awards made to other NHS Staff Groups and by comparison with pay information for similar posts in acute Trusts of the same size and complexity. The Trust participates in the annual salary survey for senior NHS posts conducted by NHS Partners and this information is presented to the Committee to enable comparison of pay ranges. The Committee recognises the need to ensure that salaries remain competitive with NHS comparators to aid recruitment and retention. The Committee awarded a staged cost of living pay increase of 2.2% for 2006 / 2007 for directors, with 1% being paid from April 2006 and a further 1.2% from November 2006.

Progression within the salary ranges is determined by an assessment of performance against personal objectives. The Chairman assesses the performance of the Chief Executive and recommends salary progression as appropriate. The Chief Executive assesses the performance of those Directors who report to him and recommends salary progression as appropriate. There are six points on the salary ranges for the executive directors and directors who report to the Chief Executive. Progression through these six points is wholly dependent on appraisal and assessment of performance against objectives.

All executive directors and directors who report to the Chief Executive are employed on open-ended contracts of employment (i.e. not fixed-term) and all have notice periods of six months.

Termination payments are made in accordance with the provisions set out in the standard NHS terms and conditions of service and the NHS superannuation scheme as applied to all staff and contractual period of notice.

During the year 2005/06 the posts of Director of Operations and Director of Planning and Performance were dis-established and a new post of Deputy Chief Executive was established. This resulted in the redundancy of the former Director of Planning and Performance. The postholder worked his notice period and was made redundant on 31st October 2006. The postholder received a redundancy payment in line with terms and conditions of service for NHS staff. In May 2006 the post of Director of HR was dis-established and a new post of Director of Human Resources and Organisational Development was created. The Director of HR was made redundant and received a termination payment in line with the guidelines set out in the NHS Superannuation Scheme and the NHS Terms and Conditions of Service Handbook. There have been no other significant awards to senior managers.

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 Council rates. The Trust's lease car scheme is available to Executive Directors but there are no other benefits paid to Executive Directors.

The remuneration of Non-Executive Directors is determined by the Secretary of State and was £5,673 per annum from 1st April 2006 with an increase to £5,800 from 1st November 2006.

The following tables provide details of the remuneration and pension benefits for senior managers in 2006/07.

Signed *John Hartley*
(Chief Executive)
Date August 31st 2007

SALARY AND PENSION ENTITLEMENTS OF SENIOR MANAGERS

A) REMUNERATION

Name and Title	2006-07			2005-06		
	Salary	Other Remuneration	Benefits in Kind	Salary	Other Remuneration	Benefits in Kind
	(bands of £5000) £000	(bands of £5000) £000	Rounded to the nearest £100	(bands of £5000) £000	(bands of £5000) £000	Rounded to the nearest £100
B Lester - Chairman	20 - 25			20 - 25		
J Hartley - Chief Executive	120 - 125			35 - 40		
PR Male - Chief Executive (resigned 30.11.05)				85-90		
A Kehoe - Deputy Chief Executive	85 - 90		3,000	70 - 75		3,300
T Welch - Finance Director	95 - 100			60 - 65		
TH Evans - Finance Director (resigned 30.6.05)				20-25		500
PJ Hayes - Medical Director (resigned 30 May 06)	5-10	15- 20		35 - 40	105- 110	
P Kelsey - Medical Director (appointed 1 June 06)	15 - 20	120- 125				
A Sunderland - Director of Nursing and Quality	90 - 95		6,100	75 - 80		6,100
PJ Dewdney - Director of Planning and Performance (to 31.1.06)				75-80		3,900
J Lyons - Director of Human Resources (resigned 30 June 06)	35 - 40			80 - 85		
MJ Gallagher - Director of Facilities	80 - 85		3,100	80 - 85		3,000
JC Armfield - Non-Executive (resigned 12 May 06)	0 - 5			5-10		
C Breene - Non-Executive	5-10			5-10		
M Carr - Non-Executive (resigned 19 May 06)	0 - 5			5-10		
PA Olive - Non-Executive	5-10			5-10		
M Brown - Non-Executive	5-10			5-10		
P Hosker - Non-Executive (appointed 1 July 06)	0 - 5					
WG Robinson - Non-Executive (appointed 1 July 06)	0 - 5					

SALARY AND PENSION ENTITLEMENTS OF SENIOR MANAGERS

B) PENSION BENEFITS

Name and Title	Real increase in pension and related lump sum at age 60	Total accrued pension and related lump sum at age 60	Cash Equivalent Transfer Value at 31 March 2007	Cash Equivalent Transfer Value at 31 March 2006	Real Increase in Cash Equivalent Transfer Value	Employers Contribution to Stakeholder Pension
	(bands of £2500) £000	(bands of £2500) £000	£000	£000	£000	To nearest £100
J Hartley - Chief Executive	2.5 - 5	97.5 - 100	289	261	15	0
A Kehoe - Deputy Chief Executive	17.5 - 18	75 - 77.5	237	177	38	0
T Welch - Finance Director	2.5 - 5	57.5 - 60	148	130	10	0
PJ Hayes - Medical Director (resigned 30 May 06)	(7.5) - (10)	182.5 - 185	n/a	n/a	n/a	0
P Kelsey - Medical Director (appointed 1 June 06)	7.5 - 10	190 - 192.5	775	687	41	0
A Sunderland - Director of Nursing and Quality	2.5 - 5	77.5 - 80	248	226	12	0
J Lyons - Director of Human Resources (resigned 30 June 06)	0 - 2.5	142.5 - 145	n/a	n/a	n/a	0
MJ Gallagher - Director of Facilities	2.5 - 5	152.5 - 155	642	602	17	0

The pension benefits for Executive Directors who left post in 2005/06 has not been determined. As identified in Table A above these were P R Male, T H Evans and P J Dewdney.

As Non-Executive members do not receive pensionable remuneration, there will be no entries in respect of pensions for Non-Executive members.

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension.

FINANCIAL REVIEW

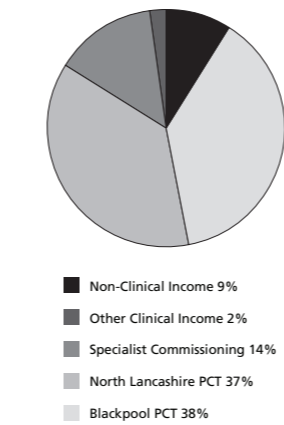
At the start of the financial year 2006/07 the Trust faced the prospect of a £24m gap between income and expenditure. At over 12% of our turnover, this represented a significant potential debt that threatened the viability of both individual services and the Trust as a whole.

We had originally planned to manage this over a two year period, however, the NHS financial rules at the time would have resulted in a 'doubling up' of any deficit and potentially increased the problem year on year. After lengthy internal debate it was agreed that the Trust would plan to deliver the savings required in one year.

To achieve this the Trust developed a number of cost improvement initiatives with an overall target of 10% cost reduction in clinical departments and 12.5% in corporate areas. These plans were wide ranging across the whole organisation and included bed reductions of 250, reductions in headcount of around 400 and rationalisation of services from Lytham, Devonshire Road and South Shore Hospitals. In many areas, as highlighted in the clinical Divisional reviews, cost reduction has been achieved by making clinical services more efficient and responsive.

As a result of these processes the Trust delivered £19.1m of cost improvements and recovered an additional £4m of income from better recording of clinical activity. The Trust has now started 2007/08 in recurrent financial balance.

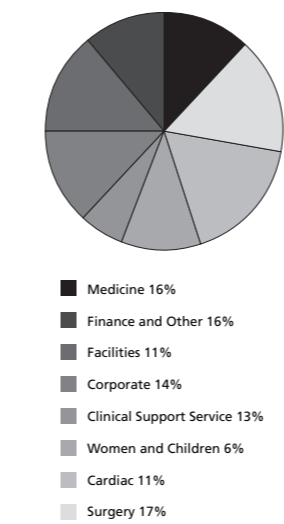
The Trust receives the majority of its income for patient services from Blackpool PCT, North Lancashire PCT (formerly Fylde and Wyre PCTs) and the North West Specialist Commissioners (who have responsibility for paying for Cardiac Services). The following chart highlights where income is recovered from:-



Allowing for exceptional items the Trust's income increased by 2.5% from 2005/06 and reflects the year on year increases in the level of activity provided.

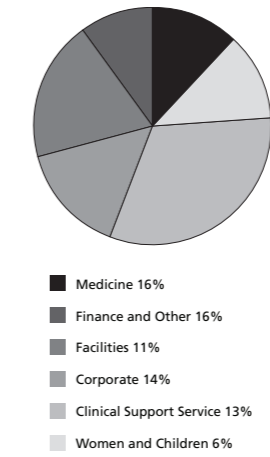
The resources received are utilised as demonstrated in the following two charts:

A) BY DIVISION



In 2006/07 over 60% of the Trust's resources were spent within the clinical areas, with the balance spent on corporate, facilities and estate costs.

B) BY TYPE OF EXPENDITURE



The Trust spends over 55% of its resources on staff pay with the largest spend being on nurses. The Trust has a higher than average spend on non-pay items and this reflects the high cost of the specialist devices and equipment used in our Cardiac Services.

The Trust has met its statutory financial duties and achieved the following results:-

- Broke even when comparing income and expenditure, and generated a surplus of £1,572k.
- Operated within our net cash limit of £5,145k.
- Absorbed a 3.4% return on capital assets in our costs.

There are a number of other measures against which the Trust's financial

performance is assessed:-

- The "Better Payment Practice Code" requires the Trust to pay all valid variances by a due date, or within 30 days of receipt of the goods or a valid invoice, whichever is the later. We were able to pay 84% of invoices by value within the Government's prompt target. No payments were made during the year under the Late Payment of Commercial Debts (Interest) Act 1998.
- The Trust restricted the pay inflation of its Senior Managers to 2.5%. This figure is in line with the inflation increase agreed nationally for staff in 2006/07. Details of Senior Managers remuneration are given in the previous column.
- Management costs for the year were £9,083K or 4.2% of the income generated by the Trust. This is in line with the % of income from 2005/06. The management and administration costs are detailed overleaf.

The Trust invested £11,062k in capital projects during the year, with the main expenditure being incurred on the new Lancashire Cardiac Centre and the Day Surgery Unit. Both of these projects were commissioned and formally opened during 2006/07.

Summarised financial statements are included on this fold out section of this report. The Trust's financial statements have been prepared in accordance with the 2006/07 NHS Trusts Manual for Accounts. The accounting policies contained in the Manual follow UK Generally Accepted Activity Practice (UK GAAP) to the extent that it is appropriate for the NHS.

LOOKING FORWARD TO 2007/08

The Trust aims to build upon the success of 2006/07 and continue to deliver robust financial performance. In conjunction with The Blackpool Way all areas continue to review their efficiency and develop new ways of working. This process will support the Trust's application to become a Foundation Trust and ensure the on-going future of the Trust's services.

In support of developing Divisions as 'business units', the Trust will develop in 2007/08 service line reporting. This will support managers to better understand the relationship between the income earned and the cost of providing services and will support more robust decision-making in the future.

The following Summary Financial Statements are extracted from the 2006/07 Annual Accounts of the Blackpool, Fylde and Wyre Hospitals NHS Trust. Information on obtaining a full set of accounts is detailed on the reverse of this document.

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2007

		2006/07	2005/06
	NOTE	£000	£000
Income from activities	3	220,816	189,026
Other operating income	4	16,932	16,391
Operating expenses	5	(229,612)	(199,154)
OPERATING SURPLUS/(DEFICIT)		8,136	6,263
Cost of fundamental reorganisation/restructuring*		0	0
Profit/(loss) on disposal of fixed assets	8	(11)	0
SURPLUS/(DEFICIT) BEFORE INTEREST		8,125	6,263
Interest receivable		466	405
Interest payable	9	0	0
Other finance costs - unwinding of discount	16	(53)	(52)
Other finance costs - change in discount rate on provisions		0	(176)
SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR		8,538	6,440
Public Dividend Capital dividends payable		(6,966)	(6,433)
RETAINED SURPLUS/(DEFICIT) FOR THE YEAR		1,572	7

NOTE TO THE INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2007

	31 March 2007	31 March 2006
	£000	£000
Retained surplus/(deficit) for the year	1,572	7
Financial support included in retained surplus/(deficit) for the year - NHS Bank	0	0
Financial support included in retained surplus/(deficit) for the year - Internally Generated	0	2,647
Retained surplus/(deficit) for the year excluding financial support	1,572	(2,640)

Financial support is income provided wholly to assist in managing the NHS Trust's financial position. Internally generated financial support is financial support received from within the local health economy, consisting of the area of responsibility of NHS North West.

In 2006/07 the provision of financial support has been replaced by a regime of loans and deposits with the Department of Health. Details of loans received or deposits placed with the Department of Health can be found in notes 14.2 and 15.1 to the accounts.

BALANCE SHEET AS AT 31 MARCH 2007

		31 March 2007	31 March 2006
	NOTE	£000	£000
FIXED ASSETS			
Intangible assets	10	343	324
Tangible assets	11	189,004	205,102
Investments	14.1	0	0
		189,347	205,426
CURRENT ASSETS			
Stocks and work in progress	12	3,601	3,213
Debtors	13	32,804	16,231
Investments	14.2	0	0
Cash at bank and in hand	18.3	181	181
		36,586	19,625
CREDITORS: Amounts falling due within one year	15	(13,939)	(19,442)
NET CURRENT ASSETS/(LIABILITIES)		22,647	183
TOTAL ASSETS LESS CURRENT LIABILITIES		211,994	205,609
CREDITORS: Amounts falling due after more than one year	15	0	0
PROVISIONS FOR LIABILITIES AND CHARGES	16	(3,897)	(1,744)
TOTAL ASSETS EMPLOYED		208,097	203,865
FINANCED BY:			
TAXPAYERS' EQUITY			
Public dividend capital	22	160,028	165,173
Revaluation reserve	17	36,150	41,646
Donated asset reserve	17	2,875	2,832
Government grant reserve	17	0	0
Other reserves*	17	0	0
Income and expenditure reserve	17	9,044	(5,786)
TOTAL TAXPAYERS' EQUITY		208,097	203,865

The financial statements on these pages were approved by the Board on 21st June 2007 and signed on its behalf by:

Signed *John Hartley*
(Chief Executive)
Date August 31st 2007

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 MARCH 2007

	2006/07	2005/06
	£000	£000
Surplus/(deficit) for the financial year before dividend payments	8,538	6,440
Fixed asset impairment losses	0	0
Unrealised surplus/(deficit) on fixed asset revaluations/indexation	7,942	3,461
Increases in the donated asset and government grant reserve due to receipt of donated and government grant financed assets	221	194
Defined benefit scheme actuarial gains/(losses)	0	0
Additions/(reductions) in "other reserves"	0	0
Total recognised gains and losses for the financial year	16,701	10,095
Prior period adjustment	0	0
Total gains and losses recognised in the financial year	16,701	10,095

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2007

		2006/07	2005/06
	NOTE	£000	£000
OPERATING ACTIVITIES			
Net cash inflow(outflow) from operating activities	18.1	13,629	9,319
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE:			
Interest received		466	405
Interest paid		0	0
Interest element of finance leases		0	0
Net cash inflow(outflow) from returns on investments and servicing of finance		466	405
CAPITAL EXPENDITURE			
(Payments) to acquire tangible fixed assets		(12,927)	(25,587)
Receipts from sale of tangible fixed assets		10,943	450
(Payments) to acquire intangible assets		0	0
Receipts from sale of intangible assets		0	0
(Payments to acquire)/receipts from sale of fixed asset investments		0	0
Net cash inflow(outflow) from capital expenditure		(1,984)	(25,137)
DIVIDENDS PAID		(6,966)	(6,433)
Net cash inflow(outflow) before management of liquid resources and financing		5,145	(21,846)
MANAGEMENT OF LIQUID RESOURCES			
(Purchase) of investments with DH		0	-
(Purchase) of other current asset investments		0	0
Sale of investments with DH		0	-
Sale of other current asset investments		0	0
Net cash inflow(outflow) from management of liquid resources		0	0
Net cash inflow(outflow) before financing		5,145	(21,846)
FINANCING			
Public dividend capital received		2,200	21,848
Public dividend capital repaid (not previously accrued)		(7,345)	0
Public dividend capital repaid (accrued in prior period)		0	0
Loans received from DH		0	-
Other loans received		0	0
Loans repaid to DH		0	-
Other loans repaid		0	0
Other capital receipts		0	0
Capital element of finance lease rental payments		0	0
Net cash inflow(outflow) from financing		(5,145)	21,848
Increase/(decrease) in cash		0	2

STAFF COSTS AND NUMBERS

STAFF COSTS

	2006/07			2005/06
	Total	Permanently Employed	Other	Total
	£000	£000	£000	£000
Salaries and wages	111,250	109,994	1,256	110,754
Social Security Costs	8,173	8,173	0	8,138
Employer contributions to NHSPA	12,042	12,042	0	11,665
Other pension costs	0	0	0	0
	131,465	130,209	1,256	130,557

AVERAGE NUMBER OF PERSONS EMPLOYED

	2006/07			2005/06
	Total	Permanently Employed	Other	Total
	Number	Number	Number	Number
Medical and dental	333	325	8	397
Ambulance staff	0	0	0	0
Administration and estates	827	818	9	869
Healthcare assistants and other support staff	340	340	0	408
Nursing, midwifery and health visiting staff	1,759	1,759	0	1,958
Nursing, midwifery and health visiting learners	9	9	0	0
Scientific, therapeutic and technical staff	434	432	2	469
Social care staff	0	0	0	0
Other	2	0	2	0
	3,705	3,684	21	4,101

MANAGEMENT COSTS

	2006/07	2005/06
	£000	£000
Management costs	9,083	8,487
Income	215,149	205,400

Management costs are defined as those on the management costs website at www.dh.gov.uk/PolicyAndGuidance/OrganisationPolicy/FinanceAndPlanning/NHSManagementCosts/fs/en

RETIREMENTS DUE TO ILL-HEALTH

During 2006/07 there were 9 (2005/06, 9) early retirements from the NHS Trust on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £905,000 (2005/06 £449,501). The cost of these ill-health retirements will be borne by the NHS Business Services Authority -Pensions Division.

BETTER PAYMENT PRACTICE CODE

	2006/07	
	Number	£000
Total Non-NHS trade invoices paid in the year	50,807	69,864
Total Non NHS trade invoices paid within target	42,608	58,938
Percentage of Non-NHS trade invoices paid within target	84%	84%
Total NHS trade invoices paid in the year	1,429	17,231
Total NHS trade invoices paid within target	1,059	13,980
Percentage of NHS trade invoices paid within target	74%	81%

The Better Payment Practice Code requires the Trust to aim to pay all undisputed 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

	2006/07	2005/06
	£000	£000
Amounts included within Interest Payable (Note 9) arising from claims made under this legislation	0	0
Compensation paid to cover debt recovery costs under this legislation	0	0

PROFIT/(LOSS) ON DISPOSAL OF FIXED ASSETS

Profit/(loss) on the disposal of fixed assets is made up as follows:

	2006/07	2005/06
	£000	£000
Loss on disposal of plant and equipment	(11)	0
	(11)	0

INTEREST PAYABLE

	2006/07	2005/06
	£000	£000
Finance leases	0	0
Late payment of commercial debt	0	0
Loans	0	0
Other	0	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 have undertaken any material transactions with Blackpool, Fylde and Wyre Hospitals NHS Trust.

Mr M J Gallagher, Director of Facilities for Blackpool Fylde and Wyre Hospitals NHS Trust, has a minor shareholding in Patientline Limited. All transactions in the year between the Trust and Patientline Limited 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 and 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:

- NHS North West*
 - Blackpool PCT
 - Blackburn with Darwen PCT
 - Cumbria PCT*
 - East Lancashire PCT*
 - Central Lancashire PCT*
 - North Lancashire PCT*
 - Lancashire Care NHS Trust
 - North West Ambulance Service NHS Trust*
 - NHS Litigation Authority
 - NHS Purchasing and Supply Agency.
- * includes predecessor organisations

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. As the Trust is the corporate trustee of charitable funds, all Trust Board members are also trustees of charitable funds.

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 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.

Signed
(Chief Executive)

Date August 31st 2007

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 requirements 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

Signed
(Chief Executive)

Date August 31st 2007

Signed
(Finance Director)

Date August 31st 2007

STATEMENT ON INTERNAL CONTROL 2006/2007

SCOPE OF RESPONSIBILITY

The Board is accountable for internal control. As Accountable Officer, and Chief Executive of this Board, I have responsibility for maintaining a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives. I also have responsibility for safeguarding the public funds and the organisation's assets for which I am personally responsible as set out in the Accountable Officer Memorandum.

As Accountable Officer I have overall accountability for Internal Control. To support this role, there are clear systems of accountability within the organisation with each Executive Director having specific areas of responsibility. Performance against the Trust's objectives is reported to the Board on a monthly basis.

In accordance with the responsibilities assigned to me, I am also personally responsible for ensuring that the organisation is administered prudently and economically and that resources are applied efficiently and effectively.

Partnership working arrangements have been established and I meet with all Chief Executives across the North West Strategic Health Authority (and their predecessor organisations) on a six weekly basis.

I foster a cohesive working relationship with Blackpool Primary Care Trust and North Lancashire Primary Care Trust (and their predecessor organisations) by meeting fortnightly at Chief Executive Level. Regular officer level meetings underpin the Trust's integrated business plan and contract targets.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to:

- Identify and prioritise the risks to the achievement of the organisation's policies, aims and objectives.
- Evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in Blackpool, Fylde and Wyre Hospitals NHS Trust for the year ended 31st March 2007 and up to the date of approval of the annual report and accounts.

CAPACITY TO HANDLE RISK

As Accountable Officer, I lead the risk management process as Chair of the Trust's Risk Management Committee, which meets on a quarterly basis.

The Director of Nursing and Quality also provides leadership to the Trust Board for the implementation of integrated governance and risk management. The Director of Finance is designated as the accountable and responsible officer for managing financial risk in the Trust. The Trust Board approved Risk Management Strategy clearly defines the responsibilities of individual Executive Directors specifically and generally. The Risk Management Strategy also applies to all employees and requires an active lead from managers at all levels to ensure risk management is a fundamental part of the total approach to quality, corporate and clinical governance and controls assurance. The Risk Management Strategy is available to all staff via the Document Library on the Trust intranet.

To ensure the successful implementation and maintenance of the Trust's approach to risk management, staff at all levels are appropriately trained in incident reporting and carrying out a risk assessment. An ongoing risk management training programme has been developed which includes Clinical Risk Management/Patient Safety, Health and Safety, Fire, Resuscitation, Moving and Handling, Child Protection and Conflict Resolution training and is mandatory for appropriate staff.

The Clinical Incident Review Committee, comprising senior staff, meets on a monthly basis to ensure concerns identified from incidents, claims and complaints are investigated to ensure that lessons are learned and as a method of sharing best practice. The Trust fosters an environment where individuals are treated in a fair and just way, and where lessons are learned rather than blame being attributed.

THE RISK AND CONTROL FRAMEWORK

The Risk Management Strategy is Board approved, covers all risks and is subject to an annual review. Staff accountable and responsible for risk management are clearly identified as well as the system for identifying, managing, evaluating and controlling individual risk. Risks are identified from risk assessments and from the analysis of untoward incidents.

Risk management is embedded in the activity of the organisation via induction training, regular risk management training and ad hoc training when need is identified. An untoward incident reporting system is in place and the incidents are entered onto a database for analysis. Root cause analysis is undertaken and identified changes in practice are implemented.

The Corporate Risk Structure consists of clinical and non-clinical committees, which report to the Risk Management Committee.

The Risk Management Committee links to the Audit Committee and the Clinical Governance Committee and also reports direct to the Trust Board.

A Board approved Assurance Framework has been in place during 2006/07. The Assurance Framework:

- Covers all of the Trust's main activities.
- Identifies the corporate objectives and targets the Trust is striving to achieve.
- Identifies risks to achievement of these objectives and targets.
- Identifies the system of internal control in place to manage the risks.
- Identifies review and assurance mechanisms, which relate to the effectiveness of the system of internal control.
- Covers the core standards on which the Trust has been required to declare its compliance during 2006/07.

The elements of the Assurance Framework are monitored and reviewed on a quarterly basis by the Risk Management Committee and the Audit Committee followed by the Trust Board. This provides the evidence to support the Statement on Internal Control.

The Audit Committee is a sub committee of the Trust Board and provides independent assurance on aspects of governance, risk management and internal controls. The Finance Director and the Head of Clinical Governance are also members of the Risk Management Committee and provide Governance and Risk Management assurance to the Audit Committee at each of its meetings, thus ensuring an integrated risk management approach.

There are no significant gaps in control. However, I have to highlight the major financial risks that the Trust faced in 2006/07. As a consequence of an inadequate financial recovery plan for 2005/06 the Trust faced a deficit of £24m before cost improvement initiatives. The Trust has made major progress and demonstrated the ability to meet its financial obligation to achieve breakeven in 2006/07. Over the last year, this has been achieved by implementing the following controls and review processes:

- A Board level Finance Committee has been established to continuously oversee and make recommendations on financial strategy and review financial performance;
- A revised Financial Recovery Plan was approved by the Trust Board in June 2006;
- An enhanced performance framework, including the use of robust benchmarking data, has been established within the Trust;
- A Turnaround Team has supported the achievement of cost improvements across the Trust;
- A Turnaround Director has been appointed to lead the Turnaround Team;
- An External audit review of the Trust's recovery plan and progress against it by PricewaterhouseCooper has validated the Trust's approach and confirmed our achievements.

As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the Scheme Regulations are complied with. This includes ensuring that deductions from salary, employer's contributions and payments into the Scheme are in accordance with Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.

An established communications framework is in place in the form of a Major Incident Plan, and cross community emergency planning arrangements are in place.

Public Stakeholders, which include Blackpool Primary Care Trust, North Lancashire Primary Care Trust, Blackpool Overview and Scrutiny Committee, Lancashire Overview and Scrutiny Committee and the Patient and Public Involvement Health Forum, are consulted on service developments and changes. These Public Stakeholders are identified within the Board Assurance Framework; this ensures that they are involved in managing the risks, which impact upon them.

REVIEW OF EFFECTIVENESS

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed in a number of ways.

The Head of Internal Audit provides me with an opinion on the overall arrangements for gaining assurance through the Assurance Framework and on the controls reviewed as part of the internal audit work.

Executive Directors within the organisation who have responsibility for the development and maintenance of the system of internal control provide me with assurance.

The Board Assurance Framework itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principle objectives have been reviewed.

My review is also informed by the work of the internal auditors via reports on control issues and the Executive Directors who have responsibility for the development and maintenance of the internal control framework. It also takes account of comments made by the external auditors and other review bodies in their reports.

The Trust Board, Audit Committee, Risk Management Committee and the Clinical Governance Committee have advised me on the implications of the result of my review of the effectiveness of the system of internal control. These committees also advise myself and outside agencies on serious untoward events.

A plan to address weaknesses and ensure continuous improvement of the system is in place.

The process that has been applied in maintaining and reviewing the effectiveness of the system of internal control is achieved by:

- The Trust's self-assessment declaration of compliance against the twenty-four Core 'Standards for Better Health' and two Developmental standards. This demonstrates continuous improvement against the standards and supporting evidence is available for all members of the Trust Board to review as a source of assurance and is an essential part of the Trust's system of internal control.
- The North West Strategic Health Authority (SHA) monitors and reviews the portfolio of evidence in relation to the implementation of Clinical Governance and Standards for Better Health to assist in the review of effectiveness of the system of internal control. This also ensures continuous improvement of the system in place.

- The Trust Board also monitors and reviews the effectiveness of the Board Assurance Framework on a quarterly basis.
- The Risk Management Committee manages and reviews the Board Assurance Framework, which is agreed in conjunction with Executive Directors. The Risk Management Committee minutes are presented to the Trust Board. The Risk Management Committee produces an annual Risk Management report, which is presented to the Audit Committee followed by the Trust Board to provide assurance on controls.
- The Audit Committee reviews the establishment and maintenance of an effective system of integrated governance, risk management and internal control across the whole of the organisation's activities (both clinical and non-clinical) that supports the achievement of the organisation's objectives. It reviews the Board Assurance Framework on a quarterly basis.
- The relevant clinical and non-clinical sub committees report directly to the Risk Management Committee and the Clinical Governance Committee.
- Internal Audit reviews the Board Assurance Framework and the effectiveness of the system of internal control as covered by the audit work to assist in the review of effectiveness.
- NHS Litigation Authority (NHSLA) assessment on 2nd March 2006 resulted in the achievement of Clinical Negligence Scheme for Trusts (CNST) Maternity level 1 status that provides assurance on controls.
- NHS Litigation Authority (NHSLA) risk management standards pilot assessment on 19th September 2006 resulted in the achievement of General Clinical Negligence Scheme for Trusts/Risk Pooling Scheme for Trusts (CNST/RPST) level 1 status that provides assurance on controls.
- The Head of Internal Audit provides significant assurance that there is a generally sound system of internal control designed to meet the organisations objectives.

There have been no significant internal control issues identified.

Signed
(Chief Executive)

Date August 31st 2007

INDEPENDENT AUDITORS' REPORT TO BLACKPOOL, FYLDE AND WYRE HOSPITALS NHS TRUST ON THE SUMMARY FINANCIAL STATEMENTS

We have examined the summary financial statements set out on these pages.

This report is made solely to the Board of Blackpool, Fylde and 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 31st March 2007 on which we have issued an unqualified opinion.

NOTICE OF THE TRUST'S ANNUAL PUBLIC MEETING

The Annual Public Meeting of the Blackpool, Fylde and Wyre Hospitals NHS Trust will be held on Thursday 27th September 2007 at 6pm in the Heron's Suite, De Vere Hotel, Blackpool.

OBTAINING THE TRUST'S FULL ACCOUNTS

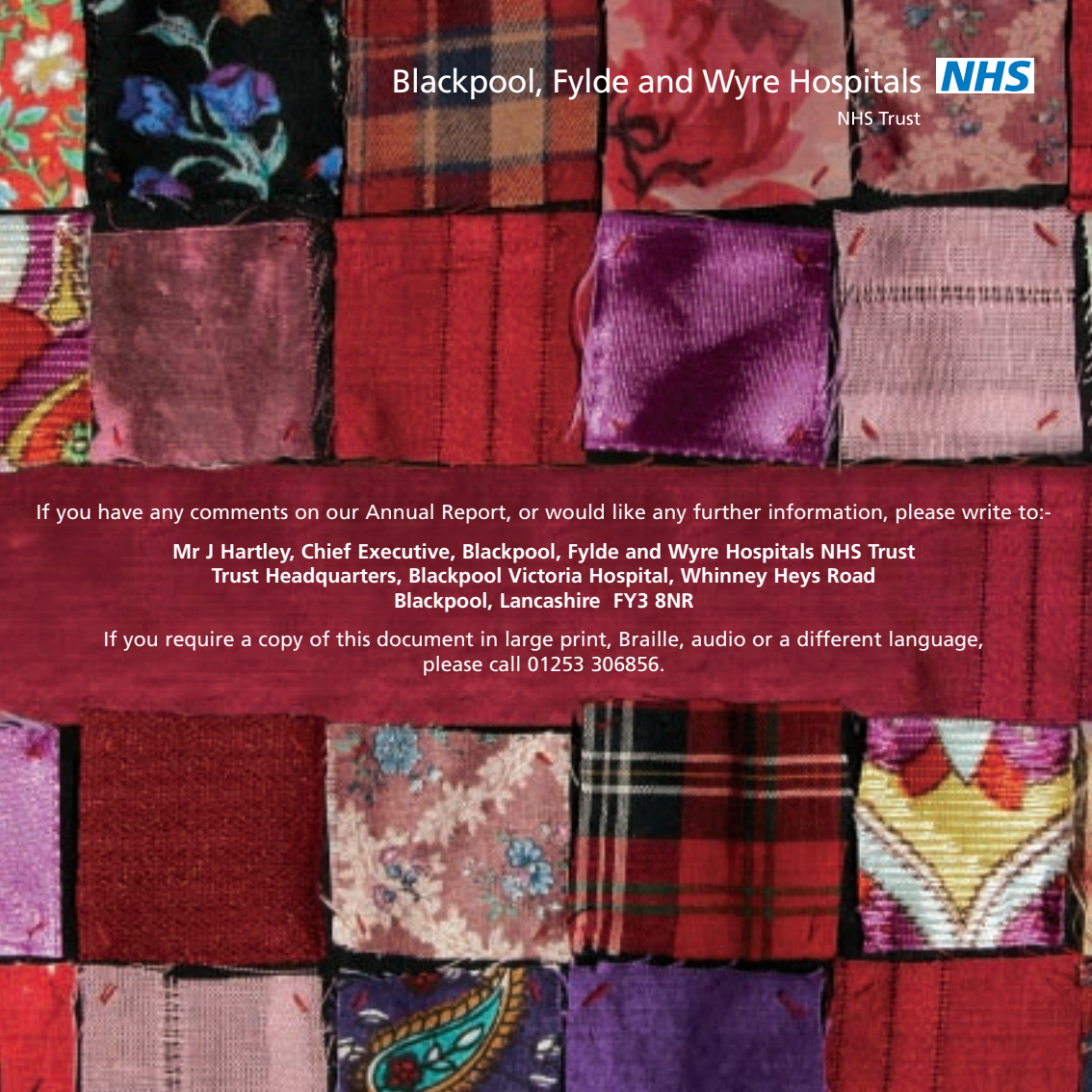
A copy of the Trust's full set of Accounts can be obtained by writing to:-

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



Blackpool, Fylde and Wyre Hospitals **NHS**

NHS Trust

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

Mr J Hartley, Chief Executive, Blackpool, Fylde and Wyre Hospitals NHS Trust
Trust Headquarters, Blackpool Victoria Hospital, Whinney Heys Road
Blackpool, Lancashire FY3 8NR

If you require a copy of this document in large print, Braille, audio or a different language,
please call 01253 306856.