



Annual Report and Accounts

2010/11

Blackpool Teaching Hospitals NHS Foundation Trust

Annual Report and Accounts

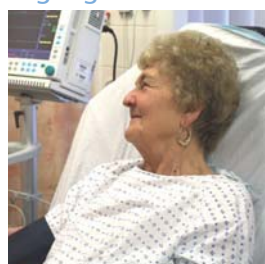
**Presented to Parliament pursuant to Schedule 7,
Paragraph 25(4) of the National Health Service Act 2006**

2010/11

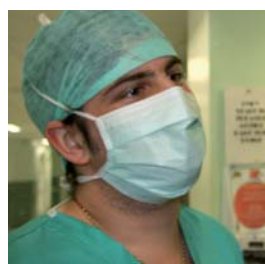
Contents



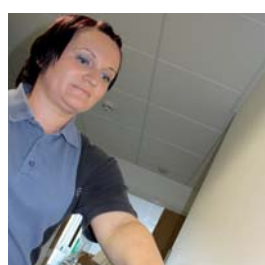
07 Hospital Highlights



11 Our Trust



13 Our Services



21 Our Staff

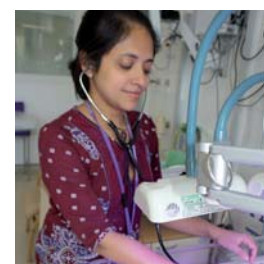


41 Our Performance

Contents

Page

Chairman and Chief Executive's Statement	4
Hospital Highlights	7
Directors' Report	11
- Our Trust	11
- Our Vision	13
- Our Services	13
- Our Patients	15
- Our Staff	21
- Our Finances	31
- Our Performance	41
- Delivering Our Plans	47
- Our Future Plans	55
Board of Directors	65
Profile of the Board	71
Council of Governors	77
Membership	85
Audit Committee	89
Remuneration Report	93
Nominations Committee	97
Quality Report	Annex A 99
Statement of Directors' Responsibilities in Respect of the Quality Report	Annex B 154
Independent Auditor's Report To The Council Of Governors Of Blackpool Teaching Hospitals NHS Foundation Trust On The Annual Quality Report	Annex C 155
Statement of the Chief Executive's Responsibilities as the Accounting Officer	Annex D 157
Annual Governance Statement 2010/2011	Annex E 159
Independent Auditor's Report to the Council of Governors	Annex F 168
Accounts for the Period April 1st 2010 to March 31st 2011	Annex G i-xxxvii



55 Our Future Plans



65 Board of Directors Report



77 Council of Governors



93 Remuneration Report



99 Quality Report

Chairman's and Chief Executive's Report

In the year 2010/11 the economic challenges facing the whole economy have intensified, and the public sector generally has been required to lead the response to the major financial issues faced by the nation.

In our own organisation patient safety and quality of patient care are our priorities, and whilst the financial climate has been difficult we are proud of the fact that we have been able to deliver significant improvements in patient care.

Over the past year the Trust has pioneered new approaches to infection prevention that have led to huge reductions in the number of patients receiving hospital-acquired infections, such as MRSA and Clostridium Difficile. We have also seen improvement in other key areas of patient safety, such as pressure ulcers, mortality rates and falls.

The work that we have done on patient safety has received national recognition, and we were the only Trust in the country to win two awards in the National Patient Safety Awards 2011. These awards recognised the excellent work being done by our staff in reducing avoidable harms to patients and supporting natural childbirth. We are also proud to report that during the year we achieved the highest rating possible from the National Health Service Litigation Authority for the work we have been doing to develop our safety and risk management, and are one of only 23 Trusts in the country to achieve this rating. We would encourage you all to review our Quality Report to see the improvements we have delivered.

This year we have also started the implementation of a new electronic patient record system that will ultimately remove the need for paper medical records. The system is now live in our A&E department and will be rolled out across the Trust over the next two years. The system will contain tools to aid clinical decision-making and prescribing, and will ensure that staff can access a patient's record at all times. This will help us to move further towards our goal of best in NHS care by assisting more rapid diagnosis and treatment for patients.

The improvements in patient safety and quality are also supported by the work we have done to develop better

facilities and state-of-the-art clinical environments. There are many examples of this across the Trust, but we would draw attention to the opening of the first phase of the new Women and Children's Unit, the development of the new Breast Care Centre, and the creation of a new Urgent Care Centre adjacent to A&E. These developments have enabled us to provide more responsive services for patients, such as one-stop appointments in breast care that reduce the need for repeat visits to the hospital for different tests and consultations. They have also enabled us to improve privacy and dignity for patients attending the hospital, as well as provide a cleaner, more pleasant, environment for conducting clinical care. The development of our facilities remains a key objective for us, and work is progressing well on the new £40m Surgical Centre, which is due to open later this year.

The achievements we have seen have only been possible due to the effort and commitment of our staff, and the many partner organisations we work with. Our staff have fully embraced the priorities of patient safety and quality, and have helped to create an environment where staff support and develop each other. During the year the Trust achieved Teaching Hospital status through Liverpool University, recognising our commitment to the training of students and the ongoing development of a learning culture. We also received national recognition for our work in research and development as part of a national exemplar programme that has led to greater collaboration in research between the NHS and the commercial sector.

Our ongoing progress in staff development was recognised again this year with the attainment of the highest possible Investors in People accolade – the Gold award. A key feature in developing staff and engaging them in change has been our commitment to communication, and this again was recognised nationally when the Trust received the 'Best Internal Communication in the NHS' award in the national Association of Healthcare Communicators awards.

Our staff were under particular pressure in the winter months with the usual increase in emergency activity but also the accompanying increase in the incidence of Swine Flu. Staff responded magnificently to these demands and we would like to thank them publicly for the continued commitment and dedication to patient care that they demonstrated throughout this difficult period.

The restructuring of our services and the development of new ways of working means that we have had to reduce the number of staff working for the Trust. By working with our staff-side colleagues we have been able to achieve the vast majority of this reduction through natural turnover and voluntary redundancy schemes.

In relation to our partner organisations we owe a great deal of gratitude for the support we have received. The Hospitals Leagues of Friends have donated more than £0.5m to the Trust, and will be making donations far in excess of this in the next 12 months to support our developments. The Blue Skies Hospitals Fund and the Rosemere Cancer Foundation have also provided significant support.

In the years ahead we will be striving to deliver ongoing improvements in the quality of patient care, and we are hopeful that we will be assisted in this by the merger of community services with our own services. During the year we were identified as the preferred partner by both of our local PCTs to take on the responsibility for the management of community services, and we are currently going through the process to achieve the full merger of services.

As we said at the outset, the financial challenges faced in the year have been significant, and in October 2010 this led to Monitor, the regulator of NHS Foundation Trusts, finding us in significant breach of the terms of our authorisation as a result of the financial position. Since then we have worked very closely with Monitor to improve the position, and were able to report a trading surplus of £1.4m at the end of the year. The

final published performance of £23.6m deficit follows technical accounting adjustments, of which the main ones were a reduction of £18.8m in the value of our estate and £6.2m in relation to one-off restructuring costs. Future years will continue to see tough financial challenges, but our approach will be to retain our focus on quality and safety of patient care, and by doing this reduce the costs associated with delays in the system or errors.

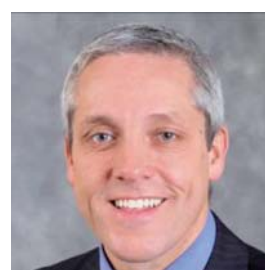
We are keen to involve patients and the public much more in decisions about our services and future health strategies and have been actively recruiting more public members to the Foundation Trust. Our public membership now stands at 5,921 and we will be looking to increase this further over the next 12 months.

Looking ahead, it is our intention to establish the Trust as one of the leading hospitals in the United Kingdom for the development of patient safety and quality of services, whilst establishing a sound financial footing, and it is in these areas that we will continue to focus in the years to come.



Beverly Lester

Beverly Lester
Chairman



Aidan Kehoe

Aidan Kehoe
Chief Executive



"I want to express my and my mother's thanks and appreciation to the wonderful treatment and care shown to my mother following a stroke. Before she came to Ward C (Stroke Unit) from A&E on the 18th November 2010 we were very nervous, exhausted and daunted by the fear of the unknown but the sister in charge came and spoke to us and got everything sorted for my mother in a matter of minutes."

Mrs SA Hankinson, Blackpool

Hospital Highlights

Over the past 12 months there have been many new developments which have helped to improve quality of care, patient safety and the overall patient experience. Here are just some of the notable achievements we have made in the past year.

Laparoscopic Surgery

There have been many developments in the area of laparoscopic (keyhole) surgery for urology patients. A new Consultant Urologist with a specialist interest in laparoscopic surgery was appointed and further investment was made in laparoscopic surgical instruments. This has enabled the Trust to transform the way in which several urological conditions are treated, with significantly improved clinical outcomes.

The benefits of laparoscopic surgical techniques include:

- Smaller incisions which cause less physical and psychological trauma for the patient.
- Lower risk of complications, such as infections
- Patients regain mobility quicker and recover sooner
- Length of stay is significantly reduced

Patients who have undergone a laparoscopic nephrectomy (a surgical procedure to remove a kidney or section of a kidney), can now be discharged on the second day following their operation, where previously the patient would be required to stay in hospital for an average of eight days.

The development has also ensured a more convenient and accessible service to patients, who in the past would have been referred to Preston, if a laparoscopic operation was deemed the best treatment for them.

Maternity Team Wins National Awards for Improving Patient Care

The Trust's Maternity Team has been nationally recognised for its work in improving the quality and safety of care for women during pregnancy and birth. The team was named the overall winner in the Improving Maternity Services category of the prestigious Nursing Times Awards 2010 and was highly commended in the Patient Safety category.

One of the key achievements of the team has been the huge reductions in the number of births by Caesarean section. Three years ago Blackpool had the highest Caesarean section rate in the North West but through a number of schemes to improve the care and support of women through normal birth, Caesarean rates have fallen from 28% to 24%. This is much better for mothers as it improves the quality of the birthing experience, reduces recovery time and shortens their length of stay in hospital.

The Maternity Services team was also the overall winner in the Patient Safety in Maternity Care category of the Patient Safety Awards 2011.



Transcatheter Aortic Valve Implantation (TAVI) goes from strength to strength

Heart patients across Lancashire and South Cumbria are continuing to benefit from a pioneering new procedure giving hope to patients with failing heart valves who are not able to undergo open heart surgery. The procedure, known as Transcatheter Aortic Valve Implantation (TAVI), has featured in the regional and national media after its introduction to the Lancashire Cardiac Centre. Traditionally patients with aortic stenosis (narrowing of the outlet valve of the heart) would have open heart surgery to replace the failing valve, but for very elderly patients and those with other serious health problems this surgery is sometimes considered to be too high risk. Now a team of clinicians at Blackpool Victoria Hospital's Lancashire Cardiac Centre are carrying out the surgery using the less invasive procedure which is carried out under general anaesthetic in a cardiac catheter laboratory. A small incision is made in the chest or in the groin and the new valve is inserted into the heart via a catheter (narrow tube).



New Breast Care Centre Opens

Celebrity singer and entertainer Linda Nolan officially opened a new Breast Care Centre at Blackpool Victoria Hospital on October 11th 2010. The centre, which was funded through support from the Blue Skies Hospitals Fund, Rosemere Cancer Foundation and the League of Friends, includes specialist consultation rooms, a prosthesis fitting room and a new digital mammography suite. The new facility supports a one-stop clinic approach in which patients receive their tests and results on the same day as their clinic appointment.

New Sterilisation Technique reduces theatre time

Blackpool Victoria Hospital is the first in the North West to offer a new sterilisation method for women which eliminates time spent in theatre and the need for anaesthetic.

The use of a new method of birth control called Essure will reduce the time women spend in hospital as they no longer need to have a surgical procedure in a main theatre for their



sterilisation. This is a proven technique with many procedures being carried out in other parts of the UK and worldwide.

Essure is a permanent contraceptive procedure that works with the female body to create a barrier against pregnancy. This gentle procedure takes on average about 15 minutes. About an hour after the procedure the patient can go home, with none of the restrictions on driving or other activities following anaesthesia. This process involves no cutting or scarring, no general anaesthesia, no slowing down to recover and no hormones. It is for this reason that the patient benefits the most as there is little risk of infection.

Orthopaedic Rehabilitation

A new dedicated orthopaedic rehabilitation service was launched at Clifton Hospital in October 2010 which is improving quality of care for patients and shortening their hospital stay. The rehabilitation of patients who have suffered a fractured neck of femur (part of the hip joint) has been transformed, enabling patients to recover more quickly and return home much sooner. These changes have been achieved through intensive support and rehabilitation by a multi-disciplinary team of healthcare professionals. Patients also benefit from regular consultant ward rounds to support their early recovery.



New Neonatal Unit Opens

September 2010 saw the opening of the new Neonatal Unit located in the Women & Children's Unit. The Unit offers state-of-the-art family friendly facilities including 16 cots (3 intensive care, 3 high dependency and 10 specialised cots). This ensures that staff are able to provide high quality care to sick or premature babies using all the latest high tech equipment.

Additionally, the unit now also offers families the use of six transitional care rooms. These rooms allow parents to stay with their baby in a family room, which provides a cot, a bed, a digital television and full en-suite facilities.



David Sharpe Memorial Symposium

The pioneering work taking place at the Lancashire Cardiac Centre received international recognition when experts from across the world gathered at the fourth annual David Sharpe Memorial Symposium. The theme of this year's conference was 'Heart Failure – 21st Century Management' which saw speakers from all over Great Britain, Europe and America travel to the event which is thought to be the only one of its kind in the country.

Improved facilities for children

A new Children's Clinic has opened which boasts facilities including larger and better equipped clinical areas and modern play equipment, making the clinic far more welcoming for poorly children. The clinic benefitted from a £500,000 donation from the League of Friends and the Trust welcomes their continuing support to children's services.

One particular attraction is the new nurses' station which has been built in the shape of a galleon as part of a general seafaring theme running throughout the unit. Laing O'Rourke constructed the galleon as well as donating funds towards the Children's Clinic.



"On the 9th October 2010 I was admitted to Ward 10 Victoria Hospital for a hip replacement operation performed by Mr Shanbhag. I would like to tell you that if I'd have paid £10,000 for my operation, I could not have had better treatment. My post operative care was exceptional. What a team - kind, caring, friendly nurses and cleaning staff, all dedicated to their jobs. Such a pleasure to be cared for by them all."

Mrs A Martin, Fleetwood, Lancashire

Directors' Report

This section includes information about our Trust and the services we provide as well as our achievements in the following areas:

- Improving the patient experience
- Valuing our staff
- Our performance against national and local targets
- Our finances
- Our future plans

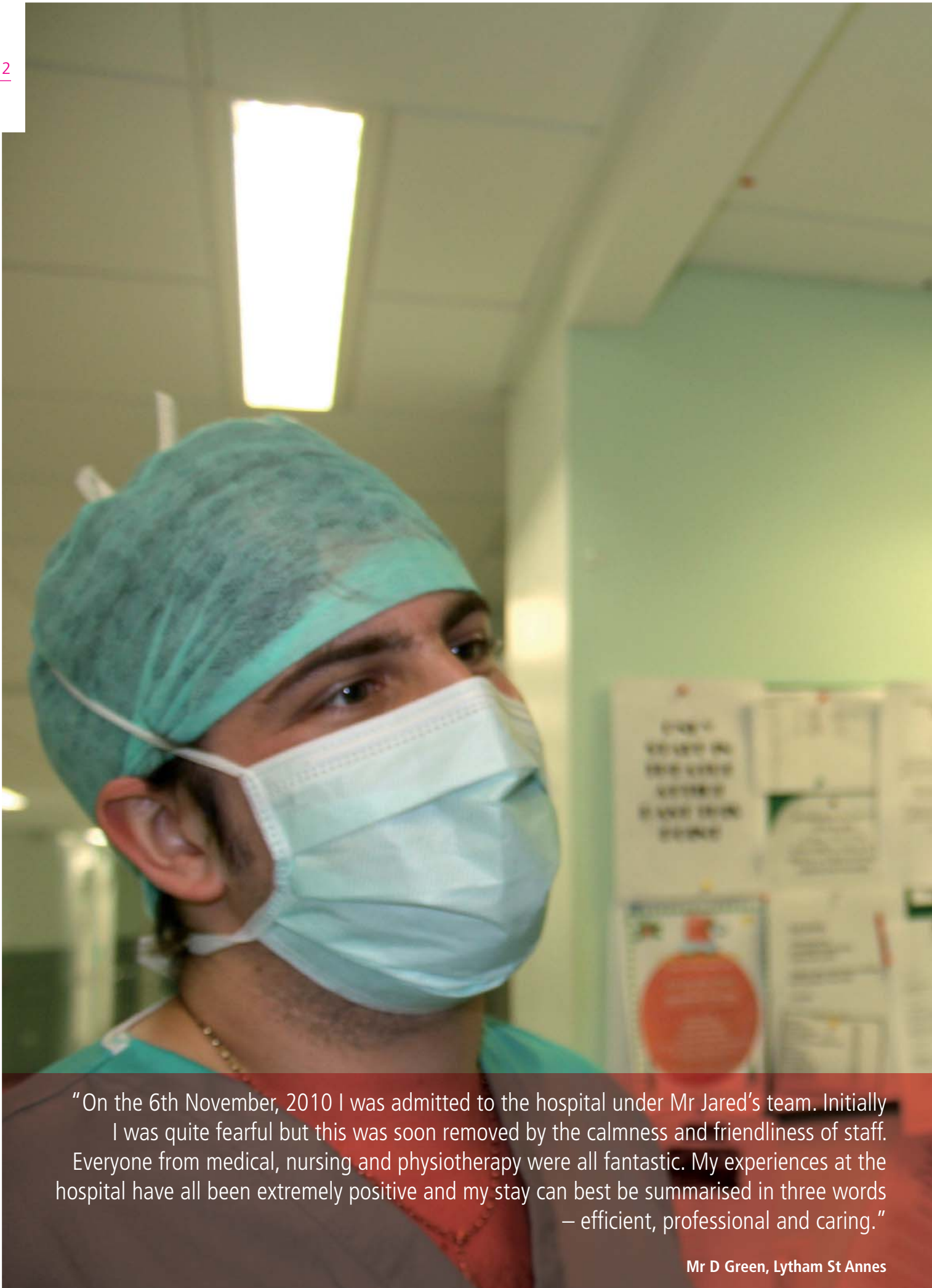
Our Trust

Blackpool, Fylde and Wyre Hospitals NHS Foundation Trust was established on December 1st 2007 under the National Health Service Act 2006. In October 2010, the Trust was awarded Teaching Hospital status and changed its name to Blackpool Teaching Hospitals NHS Foundation Trust in recognition of this status.

The Trust comprises:

- Blackpool Victoria Hospital
- Clifton Hospital
- Fleetwood Hospital
- Rossall Hospital Rehabilitation Unit
- Bispham Hospital Nurse Led Therapy Unit
- Wesham Hospital Rehabilitation Unit
- Blenheim House Child Development Centre
- National Artificial Eye Service

The Trust has three main commissioners; NHS Blackpool, NHS North Lancashire and the North West Specialist Commissioners for tertiary cardiac services and haematology services. Further information on the funding streams of the Trust is provided in Our Finances section of this report.



"On the 6th November, 2010 I was admitted to the hospital under Mr Jared's team. Initially I was quite fearful but this was soon removed by the calmness and friendliness of staff. Everyone from medical, nursing and physiotherapy were all fantastic. My experiences at the hospital have all been extremely positive and my stay can best be summarised in three words – efficient, professional and caring."

Mr D Green, Lytham St Annes

Our Vision

The Trust revised its Vision in 2010 following wide consultation with staff, patients and visitors.

A number of focus groups, roadshows and the use of graffiti boards across all hospital sites provided some valuable feedback, from which we re-launched our Vision. The words and statements are as follows:

Quality	To provide Best in NHS Care for our patients
Safety	To reduce avoidable harms to our patients
People	To realise the potential of our staff and be a great and safe place to work
Delivery	To exceed all national and local standards of service delivery
Environment	To deliver the Best Environment for Patients, Staff and the wider community
Cost	To achieve Best in NHS Care at the lowest cost

A series of Vision and Values roadshows are being held and form part of the mandatory training programme for all staff to ensure they are aware of the Trust's Vision and how they can contribute to achieving our aims and objectives.



Our Services

Blackpool Teaching Hospitals NHS Foundation Trust is responsible for the management of Blackpool Victoria Hospital, which is a large and very busy acute hospital, and several community sites, including Clifton Hospital, Rossall Hospital Rehabilitation Unit, Fleetwood Hospital, Wesham Hospital Rehabilitation Unit, Bispham Hospital Nurse Led Unit, Blenheim House Child Development Centre and the National Artificial Eye Service. As well as providing the full range of district hospital services, the Trust provides tertiary Cardiac and Haematology services to a 1.6m population catchment area covering Lancashire and South Cumbria.

The Trust serves a population of approximately 330,000 residents of Blackpool, Fylde and Wyre and the resort's 11 million visitors each year. We employ 4,661 staff, have a turnover in excess of £273m in 2010/11 and have a total of 844 beds.

(A&E) attendances. Clinicians from Lancashire Teaching Hospitals NHS Foundation Trust provide on site services for Renal, Neurology and Oncology services. We utilise assets to the value of £187m to support our services.

Between April 1st 2010 and March 31st 2011 we treated 99,846 day cases and inpatients (elective and non elective), 295,157 outpatients and had 83,187 Accident and Emergency



"A big thank you to all staff involved in my son's birth. The care that my girlfriend received was exceptional and she was treated with privacy, dignity and respect. Thank you so much."

Adam Cooper, Blackpool

Our Patients

It is really important to us that we listen to our patients and make improvements to our services in response to their views. The National Inpatient Experience Survey is undertaken on an annual basis and asks those patients who use our hospitals some key questions regarding their stay.

Improving the Patient Experience

The table below provides a comparison of data for 2008, 2009 and 2010 for six of the indicators. The questions on privacy, dignity, respect and cleanliness and hygiene were chosen as these are priority areas for the Trust. The questions in relation to noise at night and hospital food were chosen following consultation with the public about what is important to them. The Trust wants to ensure that these areas improve year on year.

National In-Patient Experience Survey			
Indicator	2008 Result	2009 Result	2010 Result
In your opinion, how clean was the hospital room or ward that you were in?	Very clean - 70% of patients stated that the hospital or room was very clean (national average was 60%)	Very clean - 72% of patients stated that the hospital or room was very clean (national average was 65%)	Very clean - 69% of patients stated that the hospital or room was very clean (national average was 67%)
Were you given enough privacy when being examined or treated?	Yes always - 89% of patients stated that they were always given enough privacy when being examined (national average was 89%)	Yes always - 91% of patients stated that they were always given enough privacy when being examined (national average was 89%)	Yes always - 89% of patients stated that they were always given enough privacy when being examined (national average was 89%)
Overall, did you feel you were treated with respect and dignity while you were in the hospital?	Yes always - 81% of our patients felt they were treated with respect and dignity whilst they were in hospital. (national average was 80%)	Yes always - 81% of our patients felt they were treated with respect and dignity whilst they were in hospital. (national average was 80%)	Yes always - 81% of our patients felt they were treated with respect and dignity whilst they were in hospital. (national average was 81%)
Were you bothered by noise at night from other patients?	Yes - 38% of our patients did experience noise at night due to other patients (national average was 40%)	Yes - 37% of our patients did experience noise at night due to other patients (national average was 39%)	Yes - 34% of our patients did experience noise at night due to other patients (national average was 40%)
Were you bothered by noise at night from hospital staff?	Yes - 19% of our patients did experience noise at night due to hospital staff. (national average was 21%)	Yes - 24% of our patients did experience noise at night due to hospital staff (national average was 22%)	Yes - 19% of our patients did experience noise at night due to hospital staff (national average was 21%)
How would you rate the hospital food?	The majority of our patients rated the food highly with 36% rating it as very good and 38% as good. (national average was 30% very good and 21% good)	The majority of our patients rated the food highly with 34% rating it as very good and 40% as good. (national average was 21% very good and 36% good)	The majority of patients rated the food highly with 32% rating it as very good and 40% as good (national average was 21% very good and 36% good)

Nutrition Mission

Good nutrition whilst in hospital is an essential part of the patient experience and helps recovery. Staff from across the Trust have been preparing for the launch of Nutrition Mission, a campaign aimed at promoting the importance of good nutrition for patients during their hospital stay. The Department of Health chose Blackpool Teaching Hospitals to be one of its showcase sites for a rapid spread methodology which means that the Nutrition Mission will be at the forefront of work being carried out throughout wards on our hospital sites. The Mission went live on April 7th 2011. Numerous changes will be made on the wards over the coming months to help our patients receive their food and drink. Good nutrition is a very important factor in fighting illness and getting better. We want our patients to recover quickly and making sure that they eat and drink properly whilst in hospital is crucial in helping a speedy recovery.



Enhancing Patient Safety

Patient safety remains a priority for all staff within the Trust and is led by the Board of Directors which demonstrates their continued commitment to improving patient safety.

The Executive Directors carry out ad hoc safety walkabouts weekly, averaging approximately 25 – 30 walkabouts per month. Although these visits are well received by staff, they felt that the visits did not give enough time to either discuss issues with the Executive Directors or showcase excellent work they were doing within the ward/department. With this in mind, the Trust introduced more structured scheduled visits.



There are two scheduled visits undertaken per month and the areas are notified of the visits many weeks in advance. This way, off duties can be planned and the multidisciplinary team including the medical staff can prepare for the visit and ensure they are available to take part in the discussions.

Prior to the visit taking place, the manager is provided with data relating to any incidents which have occurred within the area. This means that they can be discussed openly to ensure lessons have been learned and where necessary, practice changed. The visits normally last up to two hours each, giving all members chance to discuss any issues relating to patient safety. The summary of the visits are placed on the intranet to enable all staff to access the information and share good practice and any lessons learned.

Patient stories are filmed and discussed quarterly at the Board of Directors Meetings. The DVD's are placed on the intranet for all staff to access and are there to be used for staff training with lessons learned, and good practice being shared across the organisation.

A safety culture is evident within the Trust and the newly introduced electronic web based incident reporting system has enabled staff and managers to be notified immediately of an incident occurring and allows them to monitor trends. The staff and the organisation are able to acknowledge mistakes, learn from them and take action to put things right. Lessons learned are highlighted across the Trust in a newsletter which is published and available for all staff.

The Trust has introduced a standardised risk assessment for all patients who are admitted to hospital which assesses their risk of developing a Venous Thrombo-embolism (blood clot). In addition to this, there is a patient information leaflet available for all patients to highlight how they can help the staff reduce their risk of developing a VTE.

Patient safety training is provided and clinical risk issues are incorporated within the corporate and local induction. The Trust also incorporates risk management and patient safety into the organisation's objectives, corporate focus, strategic direction, operational systems and day to day practice.



The Trust has made significant progress in reducing the number of falls experienced by our patients. Movement Sensors are available for patients identified as being at high risk of falling within the clinical areas. In addition hourly visits to the patients identified as being at high risk of falling have been introduced in some of the clinical areas and is being rolled out further.

During 2010/11 the Trust won two national awards for patient safety, these were in relation to Education and Training in Patient Safety and Patient Safety in Maternity Care categories.

Improving the Patient Environment

Our aim is to deliver the best environment for our patients to ensure that 'The Patient Experience' exceeds standards set by the National Patient Safety Agency.

Providing a clean and safe environment for our patients is extremely important to the Trust. We monitor this by conducting annual PEAT audits across all hospital sites.

PEAT stands for Patient Environment Action Team. The teams comprise of a multidisciplinary team which includes a patient's representative and an external PEAT assessor who conduct annual audits with regard to the quality of standards we provide to our patients.

The key areas which are audited are:

- Cleanliness
- Specific bathroom/toilet cleanliness
- Catering Services
- Environment
- Infection Prevention
- Privacy & Dignity
- Access - all external areas

The audit follows guidelines set by the National Patient Safety Agency and results are publicised nationally on an annual basis.

In 2010, PEAT audits were extremely encouraging across all hospital sites resulting in Good or Excellent standards

achieved. The results below demonstrate the commitment and dedication of all staff within the Trust who strive daily to ensure that 'The Patient Experience' is met or exceeded during a patient's stay in our hospitals.

Site	Overall rating 2008/2009	Overall Rating 2009/2010	Overall Rating 2010/2011
Victoria Hospital	Good	Good	Good
Clifton Hospital	Good	Excellent	Excellent
Bispham Nurse Led	Excellent	Excellent	Excellent
Wesham Rehabilitation	Excellent	Excellent	N/A
Rossall Rehabilitation	Excellent	Excellent	Excellent



Learning from Patients

We encourage patients to give us both positive and negative feedback on their experiences of our hospital services so that we can learn from them and further develop our services in response to patients' needs.

During the financial year April 1st 2010 to March 31st 2011 we received 2,274 thank you letters and tokens of appreciation from patients and their families.

The number of formal complaints received by the Trust during the same period was 309. There were also 38 verbal complaints made. The overall numbers of formal complaints show a decrease of 78 compared to the previous year.

Date - Financial Year	Complaints
2010/2011	309
2009/2010	387
2008/2009	399

The main categories of complaints are related to:

- Clinical Care
- Communication
- Staff Attitude
- Waiting Times
- Essential Nursing Care

Once the complaint has been acknowledged by the Trust, it is sent to the appropriate Division for local investigation. Once this investigation has been completed, their response is compiled and, following quality assurance checks, the response is signed by an Executive Director and posted to the complainant. Divisions are actively encouraged to arrange face to face meetings with complainants and during 2010/11, 67 meetings were held in order to resolve a complaint in a more timely manner (14 after a final response and 53 before a final response).

Lessons learned from complaints are discussed within the Divisional Governance meetings, whilst lessons that can be learned across the organisation and trends in the number of category of complaints are discussed at the Learning from Incidents and Risks Committee.

Once local resolution has been exhausted the complainant has the right to contact the Health Service Ombudsman for a review of the complaint. During 2010/11, 21 complaints were considered by the Ombudsman. Of these, there are 14 cases where the Ombudsman has assessed the issues and decided not to investigate any further, one was not upheld, two were resolved by local resolution, and one has been closed pending local resolution. There are three cases still ongoing.



Patient Advice and Liaison Service (PALS)

The aim of the Patient Advice and Liaison Service (PALS) is to be available for on-the-spot enquiries or concerns from NHS service users and to respond to those enquiries in an efficient and timely manner.

The table below shows the number of issues dealt with by the PALS team over the last three years.

Date - Financial Year	Number of Cases	Number of Issues
2010/2011	2609	2887
2009/2010	1990	2266
2008/2009	1453	1655

The number of cases handled by the PALS team this year has increased by 619 cases on the previous year. The main themes that have emerged from the cases recorded are:

- Administration (582 issues)
- Information (528 issues)
- Treatment Issues (519 issues)
- Waiting Times (506 issues)
- Communication (321 issues)

Lessons learned and service activity are reported to the Patient Experience Committee. Regular reports are produced throughout the year for the Learning from Incidents and Risks Committee (L.I.R.C), the Patient Environment Action Team (P.E.A.T), the Equality and Diversity (E&D) Committee.



The Complaints, Litigation Incidents and PALS (C.L.I.P) Report contains the indicators that the service is required to achieve to meet the NHS Litigation Authority Risk Management Standards. In addition PALS activity and lessons learned also feature in the quarterly and annual Patient Experience Board reports.

Productive Ward “Releasing Time to Care”

The Trust has continued to deliver the Productive Ward Series within the Trust, using tools that enable clinical areas to maximise the time available for clinical staff to deliver high quality, safe and effective care, whilst encouraging a continuous improvement culture within teams.

All teams working within inpatient ward areas have completed training to enable them to deliver the ‘Productive Ward’ tools

and to encourage them to redesign and streamline the way they manage and work. The Trust has found that following implementation of these tools, ward areas have increased the time that nurses spend with patients or at their bedside by up to 30%.

The Trust has also begun a roll out of the ‘Productive Operating Theatre’ which aims to enhance quality and safety, reduce errors and to deliver an efficient service across theatres and within the Cardiac Catheter Laboratories.

The use of ‘Productive Community Services’ is currently being explored by the Community Midwifery team, as well as the Neonatal and Paediatric Outreach teams, and the associated tools and techniques will be implemented across those areas to ensure that time and resources are used efficiently to enhance the quality of service that is provided.





"I was in BVH for a Hernia operation. I was on Ward 7 and I have to say, it couldn't have been better. The staff were brilliant and attentive, I was left alone when I wanted to be and also had people popping in for a chat. The rooms were spotless, the care was world class, and even the food was very very good. Thank you so much for making a scary situation OK. You all deserve a medal!"

Mr S Brennan, Preston

Our Staff

The Blackpool Way



The Trust's sustained commitment to deep staff engagement was confirmed further in 2010 with our success in being named as the best large acute employer in the prestigious Healthcare 100 Awards.

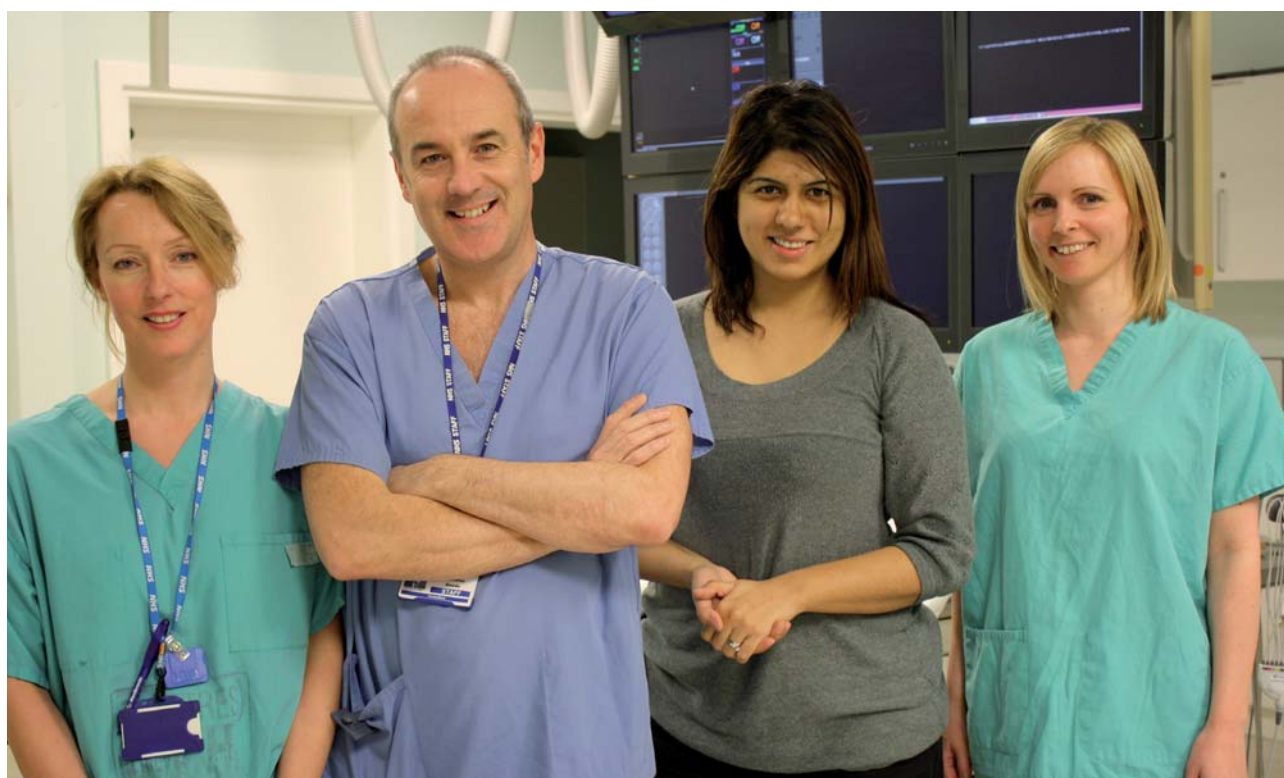
This was accompanied by a Top 50 placing in the Sunday Times – Best Places to Work in the Public Sector awards.

Locally the focus in 2010/11 was on further developing all aspects of learning and development – from coaching and leadership skills for those colleagues who lead our clinical teams to mandatory training – ensuring that all staff are safe to practice and to care for our patients. During 2010/11 the Trust saw a huge increase in the number of staff accessing such training via classroom or by e-learning and workbook. This sustained focus on developing our people, even in tough economic times, was instrumental in the Trust being successfully reaccredited as an Investors in People 'Gold' organisation in December 2010.

Staff Survey

The Trust performed well in the 2010 national survey of staff opinion. We achieved a response rate of 62% which was slightly less than the participation rate in 2009 but compares well with the national average of 50% for an Acute Trust.

Our overall results show eight areas have improved significantly and demonstrate that we continue to invest in individual development and encourage positive action around professional standards and personal safety. The Trust continues to compare well with other Trusts, scoring significantly better on no fewer than 18 key indicators. The most pleasing results showed an even higher participation in appraisal this year (91%), better than average scores for staff feeling they are able to contribute towards improvements at work, and team working. The largest local changes have identified that staff report more effective and fair procedures for incident reporting and that more effective action is also being taken from the employer towards violence and harassment. However, whilst there has been a significant improvement in staff being appraised with personal development plans the Trust has scored significantly worse than last year on clear work objectives not being agreed during appraisal (9% deterioration).



The table below details our response rates for 2010/11 compared to 2009/10, our top four and bottom four ranked scores and our performance compared to the national average. Presentations are being delivered to share the full findings with our staff, and action plans are being developed in conjunction with divisions for 2010/11.

	2009/10		2010/11		Trust Improvement/ Deterioration
Response Rate	Trust	National Average	Trust	National Average	
	65%	55%	62%	50%	3% Deterioration

	Staff Survey Results 2009/10		Staff Survey Results 2010/11		Trust Improvement/ Deterioration
Top 4 Ranking Scores	Trust	National Average	Trust	National Average	
Percentage of staff appraised in the last 12 months	87	70	91	78	4% Improvement
Percentage of staff appraised with personal development plan	76	59	79	66	3% Improvement
Percentage of staff working extra hours	64	65	59	66	5% Improvement
Effective team working	n/a	n/a	3.76	3.69	Higher than National Average

	Staff Survey Results 2009/10		Staff Survey Results 2010/11		Trust Improvement/ Deterioration
Bottom 4 Ranking Scores	Trust	National Average	Trust	National Average	
Percentage of staff receiving job-relevant training, learning or development in the last 12 months	81	78	75	78	6% Deterioration
Percentage of staff experiencing harassment, bullying or abuse from colleagues in last 12 months	19	18	19	15	No change
Percentage of staff feeling under pressure in last three months to attend work when feeling unwell	27	26	29	26	2% Deterioration
Percentage of staff witnessing potentially harmful errors, near misses or incidents in last month	36	37	38	37	2% Deterioration



Celebrating Success

The Trust held its fourth Celebrating Success Awards event in November 2010 at a Celebration Ball attended by over 500 members of staff. This was supported and funded by local business, media and the Staff Lottery scheme.

Awards were given to numerous individuals and teams with members of the public nominating some of our winners.

The Trust also held a series of recognition days throughout the year celebrating the work of individuals and teams working at all levels and across departments within the Trust.

For the second year running we also held a special series of awards for the hundreds of employees who completed 12 months service without taking any sickness absence.

Working Time Directive

All junior doctors rotas within the Trust remain compliant with the European Working Time Directive (EWTD) and Divisions continue to review services to identify any area of difficulty that may need to be addressed. In addition, the Trust is implementing electronic rostering systems across various additional staff groups which will support compliance with the EWTD for all non-medical staff. An EWTD audit tool is being launched as part of a revised policy which should highlight any areas of concern in working patterns that may need to be addressed to ensure that compliance is maintained without any impact on service provision, delivery and development.

Equality and Diversity

The Trust's continued approach to equality and diversity is one of inclusivity for all staff and service users.

The business case for diversity shows that managing diversity is key to:

- an organisation's reputation - a good reputation attracts talent from all communities, helping to meet service delivery needs
- staff recruitment and retention - valuing diversity enables employers to recruit and retain the best people for the job
- productivity - staff perform better in organisations that value diversity and are committed to employees' well being
- mitigating organisational risks - effective diversity management limits the risk of legal challenges and costly awards

These are set against the backdrop of the Equality Bill, Lord Darzi's report 'High Quality Care for All', and the NHS Constitution, all of which endorse the case for embracing diversity in its broadest sense.

The Director of Human Resources and Organisational Development and the Director of Nursing and Quality jointly share responsibility for Equality and Diversity. The Trust also has a full time Equality and Diversity Manager who represents the Trust locally, regionally and nationally, delivers equality and diversity training to all staff and advises staff at all levels with regard to equality and diversity issues. The Equality and Diversity Manager also writes and updates policies and procedures to ensure staff are aware of their legal obligation and that the Trust is adhering to legislative requirements.

The Trust's methods for monitoring performance are regularly reviewed in order to adopt the most suitable method taking into account the diversity of the services provided and our service users. In this way we can quickly identify unsuitable methods and, if necessary, amend to ensure full and meaningful data is being collated. Outcomes from all reviews are shared with each department and service area to enable them to re-evaluate the way in which monitoring is carried out. There are difficulties in collating information on disability, sexual orientation and transgender (gender identity) for both staff and service users due to the particular sensitivity surrounding these protected characteristics. In addition the Trust completed its first Equality Performance Improvement Toolkit (EPIT) report, which was devised by NHS North West (the Strategic Health Authority) to assess Trusts on their work around equality and diversity. Our report was evaluated by our commissioning Primary Care Trust, NHS Blackpool, who awarded the Trust with the status of "developing". This was in line with the majority of North West NHS Trusts, with very few being awarded the status of achieving.

The most recent programme from NHS Employers is the Equality Delivery System (EDS) which will be implemented during the coming financial year. By participating in the EDS, the Trust will be in a good position to deliver positive outcomes for patients, communities and staff in line with White Paper proposals and the Government's priorities for the NHS. It will help the Trust to improve its equality performance, embed equality into mainstream NHS business and deliver on the requirements of the Equality Act.

To comply with publication duties, the Trust publishes information regarding equality and diversity on its internet site and in the Annual Report along with the completion of requests from the Care Quality Commission and other relevant bodies as required.

All the Trust's equality and diversity related schemes, policies, procedures and guidelines have been Equality Impact Assessed. The main schemes and policies all have action plans which are then reported to the Equality and Diversity and Human Rights Steering Group for monitoring and to set timeframes in order to address any shortfalls.

The results of the staff survey showed that 41% of respondents reported having received Equality and Diversity training. This is a key priority for the Trust and equality and diversity training forms part of the full day mandatory training as well as being part of the new Induction Training. We expect to continue improving in this area year on year.

The Trust's Equality Diversity and Human Rights Steering Group, chaired by an Executive Director, has an inclusive membership reflecting all of the protected characteristics of diversity and including representation from Trust staff, partner organisations and patient groups. This group oversees the production of an

annual Trust Action Plan and reports back through the Trust's Human Resources and Organisational Development Committee and Patient Experience Committee.

Priorities for 2011/12 include:

- Continued compliance with the Equality Act and NHS Regulation Framework and agenda
- Holding a further Equality and Diversity Conference
- Progressing areas requiring development as highlighted within the North West Equality Improvement Toolkit (EPIT), staff survey and patient survey
- Adopting the new national Equality and Diversity System created by NHS Employers
- Achieving the NAVAJO Charter Mark to improve the experiences of staff and service users based on their sexual orientation
- Working with the Royal National Institute for Deaf People (RNID) to develop better working/service practices for staff and service users who are hearing impaired
- Staff training – customer focus on mandatory training
- Increasing social value – schools work, employment training and skills agenda

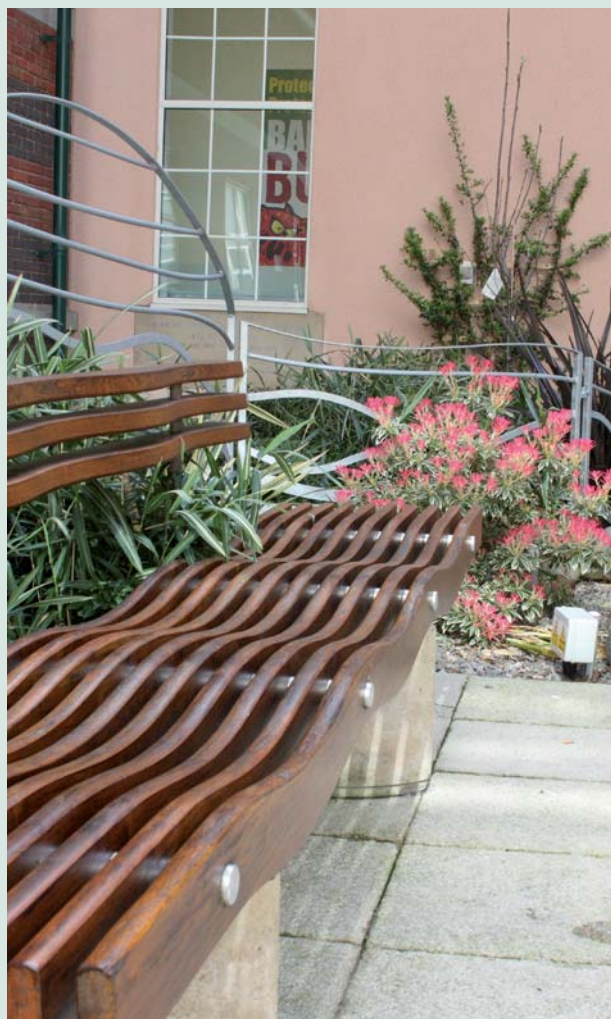


Table: Summary of Performance – Workforce Statistics

From analysis carried out between data collated on the makeup of the local community and that of staff employed, the Trust is reflective of the community it serves.

Staff Group:<All>				
Organisation	Ethnic Origin	Full Time Equivalent (FTE)	Headcount	Headcount %
Blackpool Teaching Hospitals NHS Foundation Trust	0 White	10.58	14	0.30%
	2 Black-African	0.80	1	0.02%
	4 Indian	61.36	63	1.33%
	5 Pakistani	8.00	8	0.17%
	6 Bangladeshi	1.00	1	0.02%
	7 Chinese	10.47	11	0.23%
	9 Not given	1.00	1	0.02%
	A White - British	3,662.06	4,222	89.39%
	B White - Irish	22.75	25	0.53%
	C White - Any other White background	38.40	42	0.89%
	C3 White Unspecified	1.46	2	0.04%
	CA White English	0.41	1	0.02%
	CB White Scottish	1.40	2	0.04%
	CE White Cypriot (non specific)	1.00	1	0.02%
	CF White Greek	2.00	2	0.04%
	CK White Italian	1.80	2	0.04%
	CP White Polish	4.20	5	0.11%
	CY White Other European	8.80	9	0.19%
	D Mixed - White & Black Caribbean	5.00	5	0.11%
	E Mixed - White & Black African	2.00	2	0.04%
	F Mixed - White & Asian	7.73	8	0.17%
	G Mixed - Any other mixed background	3.47	4	0.08%
	GC Mixed - Black & White	1.00	1	0.02%
	GD Mixed - Chinese & White	1.00	1	0.02%
	GE Mixed - Asian & Chinese	1.00	1	0.02%
	GF Mixed - Other/Unspecified	4.00	4	0.08%
	H Asian or Asian British - Indian	64.68	68	1.44%
	J Asian or Asian British - Pakistani	24.00	25	0.53%
	K Asian or Asian British - Bangladeshi	2.00	2	0.04%
	L Asian or Asian British - Any other Asian background	42.52	45	0.95%
	LE Asian Sri Lankan	2.00	2	0.04%
	LH Asian British	2.00	2	0.04%
	LJ Asian Caribbean	1.00	1	0.02%

Staff Group:<All>				
Organisation	Ethnic Origin	Full Time Equivalent (FTE)	Headcount	Headcount %
Blackpool Teaching Hospitals NHS Foundation Trust	LK Asian Unspecified	2.00	2	0.04%
	M Black or Black British - Caribbean	5.80	6	0.13%
	N Black or Black British - African	16.30	18	0.38%
	P Black or Black British - Any other Black background	4.00	4	0.08%
	PA Black Somali	1.00	1	0.02%
	PC Black Nigerian	1.00	1	0.02%
	R Chinese	8.09	9	0.19%
	S Any Other Ethnic Group	48.56	52	1.10%
	SA Vietnamese	1.00	1	0.02%
	SC Filipino	17.00	17	0.36%
	SD Malaysian	8.00	8	0.17%
	SE Other Specified	11.00	11	0.23%
	Undefined	2.57	5	0.11%
	Z Not Stated	1.00	5	0.11%
Total		4,128.20	4,723	

Investors in People Gold



In 2009 we were the first Trust in the NHS to achieve the highest level of Investors in People Gold. In 2010 we decided to aim for this Gold level again as we were aware that we had made substantial progress against the indicators during 2010.

The assessors conducted a rigorous and objective assessment in November 2010 by interviewing 82 members of staff across a wide cross section of roles at all sites of the Trust. We were delighted to be reaccruited with the Gold level. The report recommends some areas for improvement, but overall was a very positive outcome with substantial improvement in some areas such as training and development and communication. There is an action plan in place to sustain our achievements and build on our developmental areas. We plan to further embed our leadership and management training, our talent management processes and our communication, in particular at the community sites.

This is an excellent achievement for the Trust and the assessors were extremely impressed with all the great work that is ongoing as well as the new initiatives we are introducing.

Sickness Absence

The Trust aspires to be a model employer and this means contributing to the health of its employees. Employment practices and the services provided by the Staff Health and

Wellbeing Centre aim to promote good health and minimise sickness absence.

During the past 12 months there has been an increased focus on the impact that sickness absence has on the care that is provided for patients, and the financial savings that the Trust could make by reducing sickness absence. A Sickness Absence Management Training Programme was launched in September 2010 and over 300 managers have successfully completed this comprehensive training.

Sickness absence rates have fallen year on year since 2006/7, and whilst the Trust target of 3.9% was not reached, its final achievement of 4.23% is the lowest in the past five years. Initiatives are in place to reduce sickness absence to 3.2% in 2011/12, including continued focus on raising awareness of the cost of sickness absence, conducting return to work interviews and seeking professional support from the Staff Health and Wellbeing Centre.

The Staff Health and Wellbeing Centre is now located on the main hospital site and has extended the range of services available to all staff. The demand for the counselling and hypnotherapy services, both launched in 2010, continues to grow.

The Managing Stress project was recognised by Boorman who undertook a review of health and wellbeing in the NHS who sited the project as an example of good practice.



Continued improvements in attendance are expected in 2011/12 which will support the ongoing commitments of the Trust to reducing costs and continuing to improve the quality of care we provide for our patients. The table below demonstrates the sickness absence rates over the past five years.

Overall Trust Sickness Absence Rates	
2006/2007	5.34%
2007/2008	5.01%
2008/2009	4.70%
2009/2010	4.47%
2010/2011	4.23 %

Appraisal

We have continued to make progress in ensuring staff have an annual Appraisal and Personal Development Plan. For the second year in succession, the Trust operated a three month appraisal window between April and June to ensure that all staff had the opportunity to receive detailed feedback on their performance and agree their own aims and development needs for the year ahead. During this 3 month period, 93% of staff were appraised – an excellent achievement. For the first time, an electronic appraisal system was trailed. This pilot was a great success and will be fully deployed in the 2011/12 appraisal round.

Staff Achievements Ceremony

In October 2010 we held our annual Staff Achievements Ceremony where we celebrated the contribution of staff completing 20 years service with the Trust, as well as celebrating the successes of those employees who have completed formal programmes of learning. More than 300 staff and members of the public attended the ceremony, with 20 employees being presented with their long service awards by the Chairman and 58 receiving certificates for successfully completing their chosen training and/or studies.

Training and Development

The Trust continues to invest in the development of its staff in many ways, from skills for life such as literacy training to management development programmes. The learning and development, clinical skills, medical education and organisational development teams work closely together to design and deliver training that is fit for purpose and meets individual needs.

The Trust's compliance with mandatory training has increased by 20% in 2010 and we are still a recognised high performance centre for our National Vocational Training provision, our Assistant Practitioner placements and Cadet Scheme. We can efficiently record and monitor all training on the Oracle Learning Management system enabling staff to see what their own progress is.

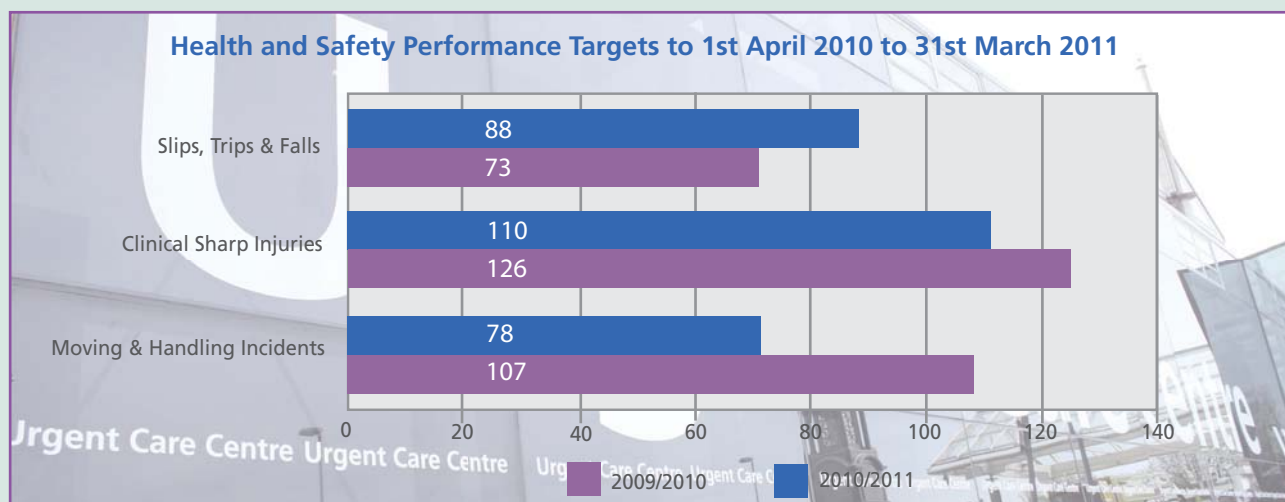
We are reviewing and redesigning the Corporate Induction process for 2011 to include more interactive events. We provide innovative development opportunities, bespoke to the development of all levels of staff and pride ourselves on the amount of achievements gained by all.

Health and Safety – A Safe Working Environment

Over the years, with continual improvements being introduced, the Trust has developed into a safer place both to work and to receive treatment. The chart on page 28 shows that our performance is improving in relation to incidents of slips, trips and falls; sharps incidents; and moving and handling incidents – together these make up the top three incidents reported annually.

The Trust associates the overall reduction of only three slips, trips and falls with the extreme cold weather and frozen outside surfaces that the area experienced in the early part of 2011.

Reported Health and Safety Incidents 1st April 2010 to 31st March 2011



The reduction of 20 needlestick injuries is encouraging and is due, in part, to the introduction of the "safer needle" project in late 2009 where the most commonly used types of needle which caused a significant number of injuries were replaced with a new type.

Moving and handling incidents has shown a reduction of 25 incidents, due in part to better training and availability of manual handling aids.

The figures show an overall improvement compared to the previous year in all categories, which is encouraging and demonstrates that the processes that are in place to reduce harm to staff are proving to be successful.

Security Management

One of the key areas of work for the Local Security Management Specialist is working to reduce violence against NHS staff, and a key part of this is to constantly measure the scale of the problem. All staff are encouraged to report any incident to enable changes to be driven forward within the Trust, helping to deliver an environment that is safe and secure for both patients and staff. Constant development in incident reporting, action planning, risk assessment and ongoing monitoring ensures that all safety risks within the Trust, including property assets, staff and patient safety, are protected, thereby allowing care to be delivered without fear of violence and aggression.

The number of Verbal Abuse and/or Aggressive incidents reported between April 1st 2010 and March 31st 2011 was 239 compared to 356 the previous financial year, showing a decrease of 37%.

The A&E department accounted for 31% (65 reported incidents) of all violence and aggression reports across the Trust.

Violent crimes reported to the police have shown a slight decrease of 18% from the previous year; however antisocial behaviour reports have increased by 2.8 %

With effect from April 1st 2010, the Trust has been reporting details of any security event. These consist of physical and non physical assaults against staff; theft or damage (including burglary, arson, and vandalism) to NHS property or equipment issued to staff; and theft or damage to staff or patients' personal property.

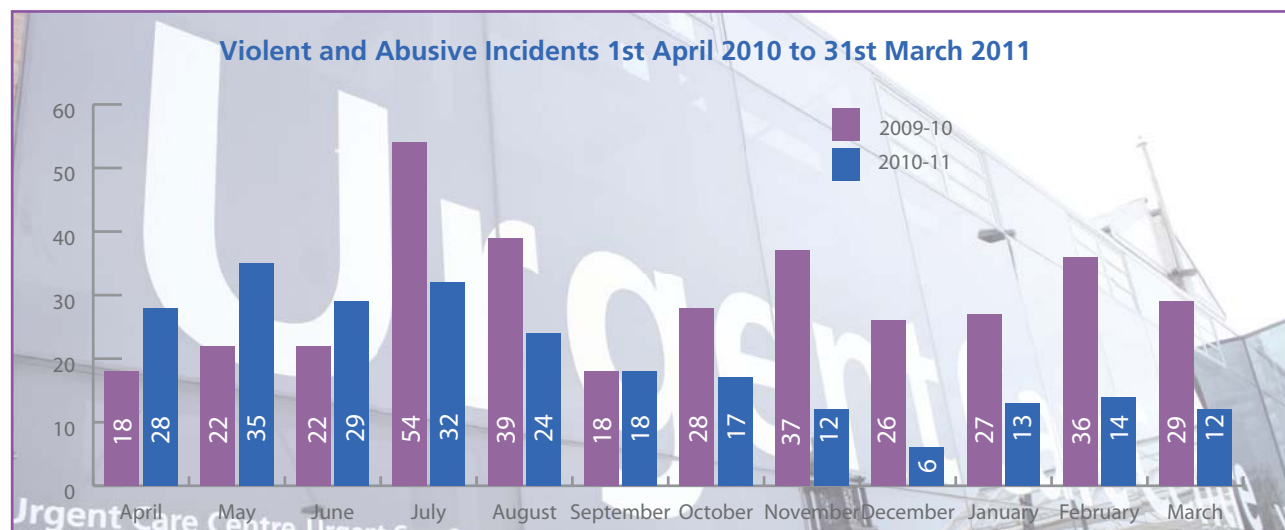
We are committed to ensuring that Trust staff are properly protected and appropriate training is recognised as a key factor. The Trust Security Management Specialist has completed the Conflict Trainers course to ensure that more dates are now available for staff to attend this training. Conflict Resolution and Security Awareness is offered and is included as part of corporate induction. In addition, a three day training package has been developed for the Trust's Security Officers which incorporates conflict resolution, breakaway, push away and restraint.

The lone worker system introduced within the Trust has been continually supported, enabling more staff to be better protected by discreetly calling for assistance in a potentially aggressive situation. Additionally, this ensures that staff are quickly and accurately located and the whereabouts and movements of lone workers obtained when an alert is activated. We are delighted that the NHS lone worker service introduced into the Trust was a winner at the National Personal Safety Awards 2010. This award recognises those who have helped people to stay safe from violence and aggression, and demonstrated best practice in the field.

The Security Awareness Month (November 2010) was held and supported by the Health and Safety Executive and roadshows were organised which visited all Trust hospital sites to raise the awareness of safety and security.

The Trust has a robust policy on the prevention and management of violent, aggressive and abusive behaviour by patients, relatives or visitors. Posters continue to be placed in prime locations around the hospitals, and anti social behaviour letters signed by the Chief Executive continue to be sent to those patients and visitors who have been abusive to NHS employees. These actions are helping the Trust in the deterrence of unacceptable behaviour.

Reported Incidents of Violence & Abusive Incidents April 1st 2010/2011



Occupational Health

Our Occupational Health and Well Being Department employs a team of specialist doctors, nurses, counsellors, therapists and support staff who provide a comprehensive service to staff and Trust managers. The department also provides services to external customers and all income that is generated is re-invested into the department; this enables us to offer benefits to employees which would otherwise be unachievable.

The services offered range from pre-employment screening for new employees to assessment of fitness to work following serious illness or injury. The department offers direct referrals to physiotherapy and access to cognitive behaviour therapy. The department's team undertakes regular work-related health checks, vaccinations and immunisation programmes, and develops and drives programmes to reduce risks in the workplace. They offer advice and support to employees and managers in relation to the rehabilitation of staff returning to work following illness or with a known disability.

In April of this year we relaunched our counselling service and now offer a choice of therapists throughout the week that employees can access directly. Since its launch, over 900 appointments have been made and the feedback received from staff has been extremely positive.

As part of our ongoing commitment to assist the Trust in managing stress, a Stress Management course has run throughout the year, in partnership with the Human Resources business partners, which is open to all staff. This service has been very well received.

The team also assists with the provision of Sickness and Absence training, which ensures that managers understand our role and how we can help them to fulfil theirs.

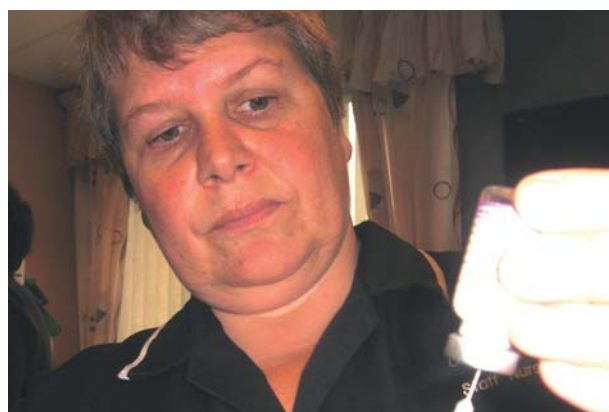
Throughout this year we have continued to deliver health promotion events across our eight sites on a variety of topics, and we are aiming to implement the key recommendations

from the Boorman report in partnership with our Public Health colleagues.

Having previously asked our workforce how we can improve the social side of the organisation, during 2010 we launched the Social Committee, which has already organised a host of successful events throughout the year.

Once again, during the latter part of the year, the team was heavily focused on the programme to vaccinate as many employees as possible against the flu virus. In 2009/10, our uptake was 44%, whilst in 2010/11 the uptake rose to 63%, which is a fantastic achievement. We believe this increase has been achieved through greater staff awareness. The communications department produced a flu video which involved employees from across the Trust, together with an information leaflet which was placed in all payslips. In addition, the occupational health team and the practice development sisters visited all departments and sites encouraging staff to take up the offer of having the vaccination.

In 2011/12 we will be looking to work more closely with our neighbouring occupational health departments to potentially share some services, learn from best practices, and enhance all of our profiles even further as key leads for the provision of health and well being services in the North West.





"On the 26th October 2010, I had to go to the Cardiac Day Care centre for a right and left Heart catheter of which I was very, very nervous having not being in hospital before, however the nurses kept me fully informed with what was happening and I could not wish for better care than I received. I would like to say a huge thanks to the staff on the Cardiac Day Care Ward."

Nathan Chadwick, Blackpool

Our Finances

Detailed below is a summary of the Trust's financial performance against plan for the year.

Income and Expenditure Performance

Before the reporting of exceptional items the Trust achieved a surplus of £1.4m for the year, however taking into account impairment of assets £18.8m and restructuring costs of £6.2m the deficit is £23.6m for the year.

Full detail on the Trust's financial performance is set out in the accounts for 1st April 2010 to 31st March 2011 accompanies the annual report in Annex G.

Table 1 compares the 2010/11 actual performance to the 2010/11 plan.

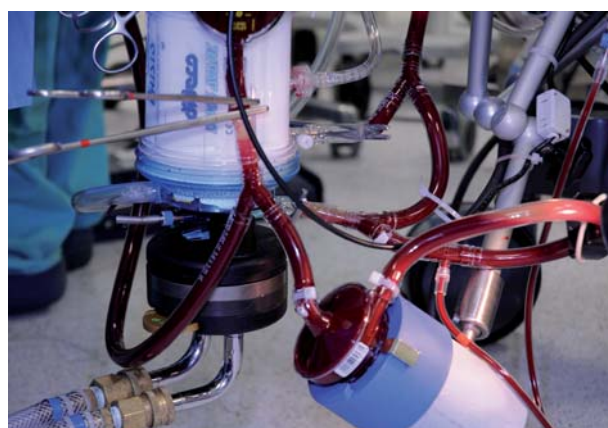


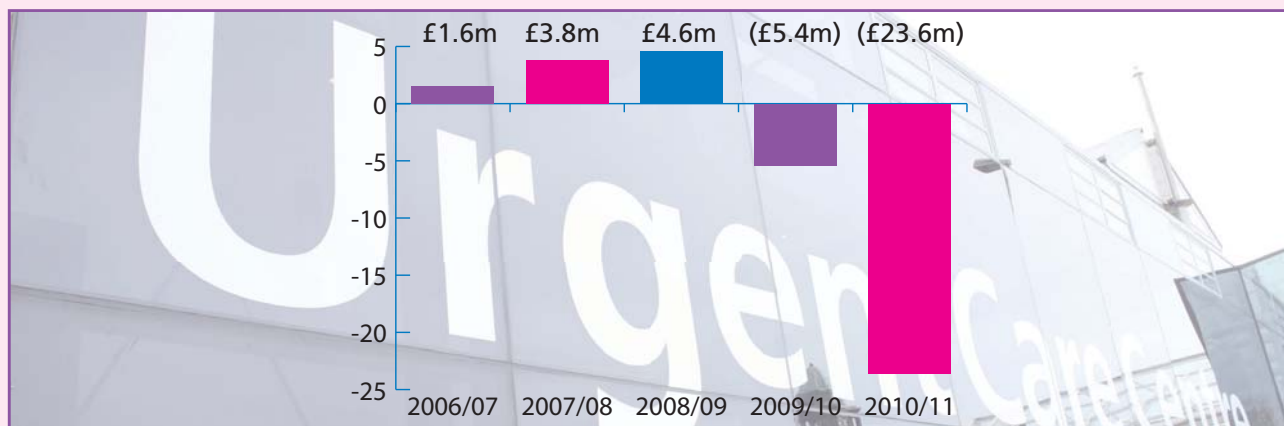
Table 1	Plan £'m	Actuals £'m	Variance £'m
Total income	249.2	273.4	24.2
Expenses	(231.1)	(258.6)	(27.5)
EBITDA*	18.1	14.8	(3.3)
Depreciation	(7.3)	(6.1)	1.2
Dividend**	(5.8)	(5.4)	0.4
Impairment	0.0	(18.8)	(18.8)
Restructuring costs	0.0	(6.2)	(6.2)
Interest income	0.2	0.0	(0.2)
Interest expense	(1.9)	(1.9)	0.0
Surplus(Deficit)	3.3	(23.6)	(26.9)

* Earnings before interest, tax, depreciation and amortisation.

** Public Dividend Capital

The Trust's financial performance profile for the last five years is summarised in Chart 1 below.

Chart 1: Surplus performance



The financial performance prior to exceptional items was below plan despite higher than planned clinical and non clinical income as illustrated in Charts 2 to 7 below. This is due to increased expenditure as a result of the higher than planned activity and the non-delivery of QulPP savings.

Chart 2: Completed Patient Spells

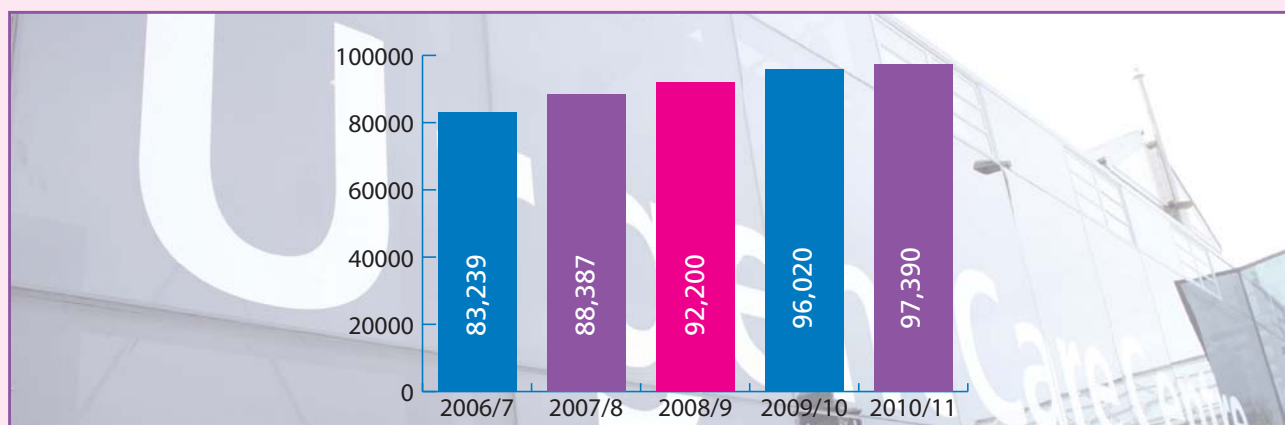


Chart 3: Outpatient Attendances

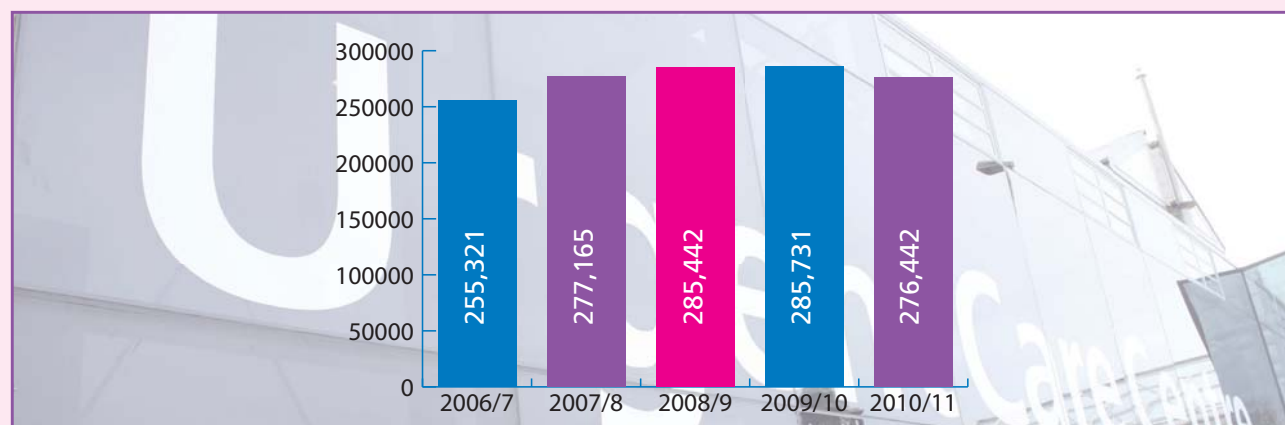
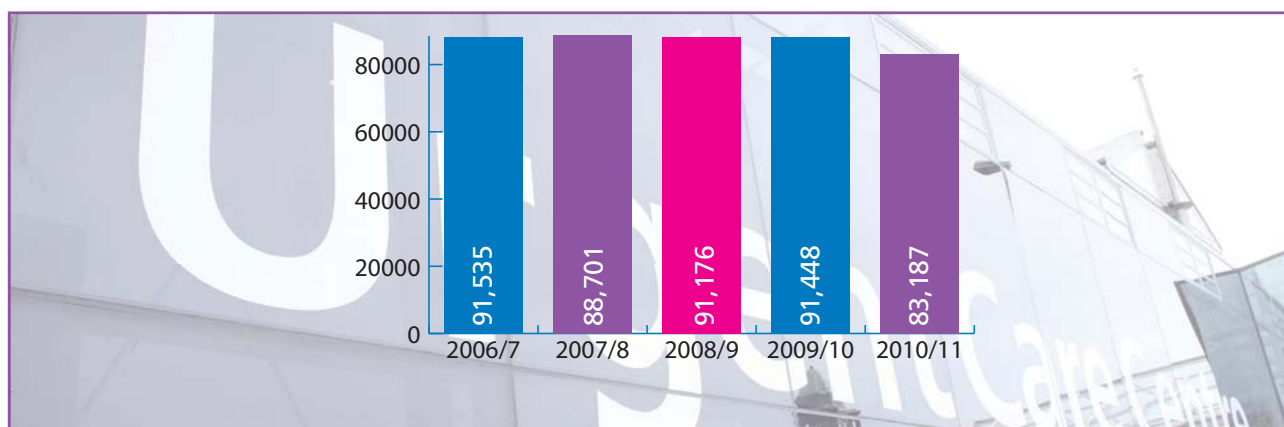
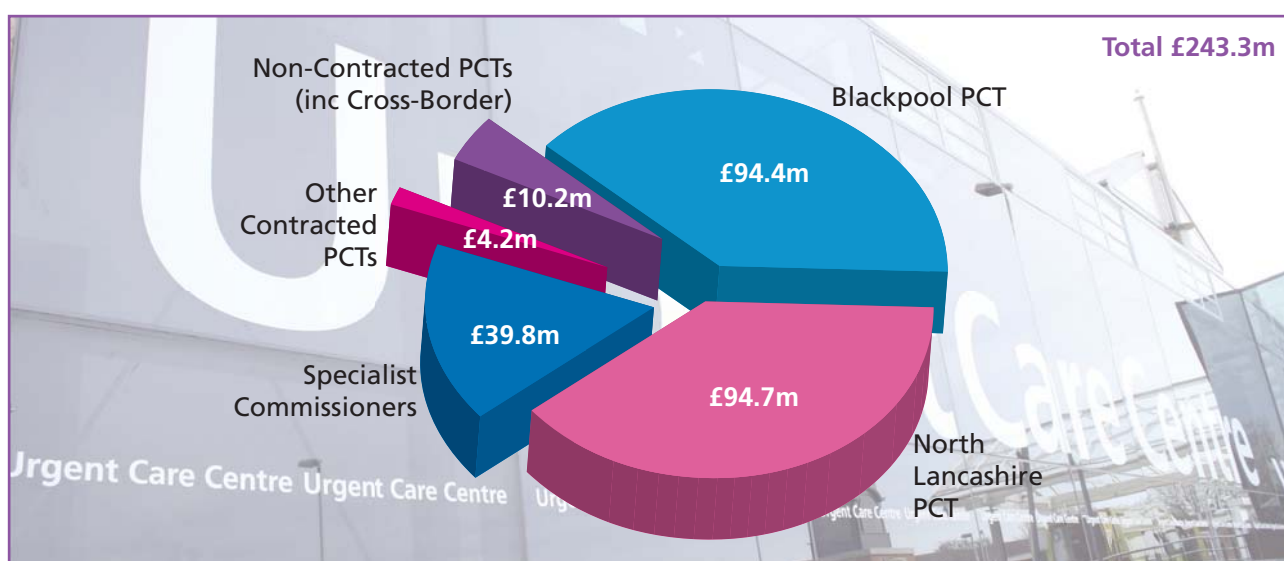


Chart 4: A&E Attendances



Income from providing clinical services to NHS patients, as above, represents the majority of the Trust's income (£273.3m or 89%). The provision of these services is covered by contracts with Primary Care Trusts and other NHS commissioners. The terms of these contracts are agreed locally between the Trust and commissioners based on the national contract published by the Department of Health and priced using the National Tariff or locally agreed prices as appropriate.

Chart 5: Clinical Income by Commissioner



In addition to the NHS Clinical income described above, the Trust receives a number of other income streams. The trend in this income is summarised in Chart 6 and performance in 2010/11 is summarised in Chart 7.

Chart 6: Non-NHS Clinical/Non-Clinical Income 2006/07 to 2010/11

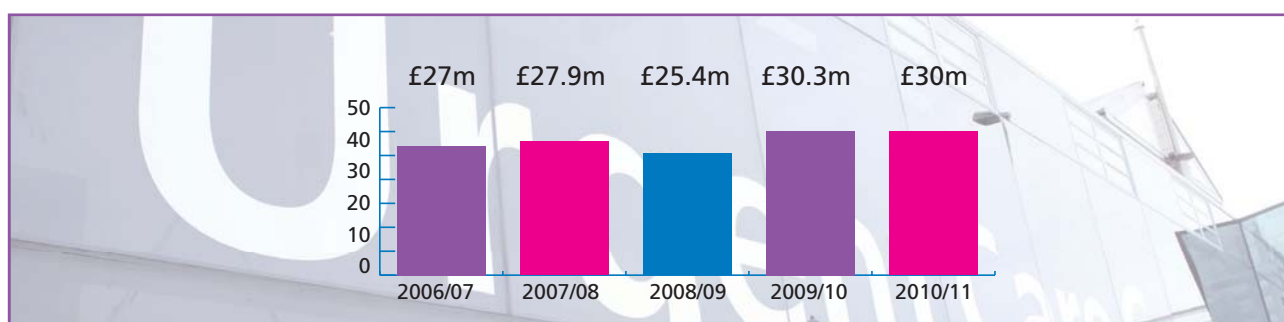
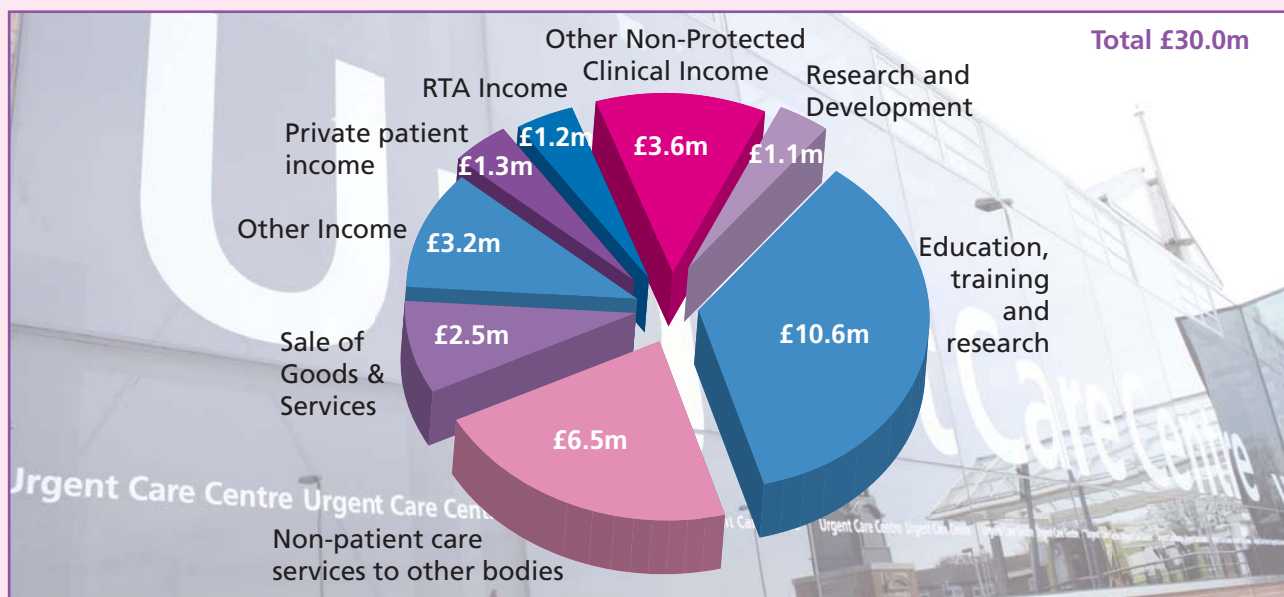


Chart 7: Non-NHS Clinical/Non-Clinical Income by type

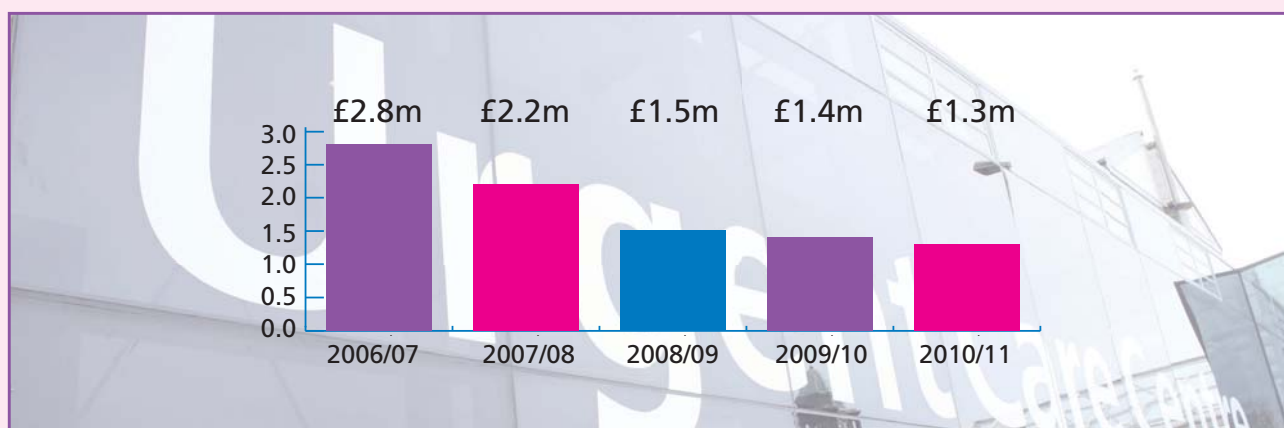


These income streams equated to £30.0m or 11% of the total income earned for the year. Of this £23.9m or 8.7% relates to the provision of other services not directly related to healthcare, including catering and car park income. Any surplus from these services help reduce the cost of patient related activities.

Under the Terms of the Trust's Authorisation as a Foundation Trust, the proportion of total patient related income of the Trust in any financial year derived from patient charges should not exceed that generated in the 2002/03 financial year. The results for the period are summarised in the following table with the trend in private patient income shown in Chart 8.

	2010/11 £'m	2002/03 £'m
Private patient income	1.3	3.2
Total patient related income	249.4	151.5
Proportion as a %	0.5%	2%

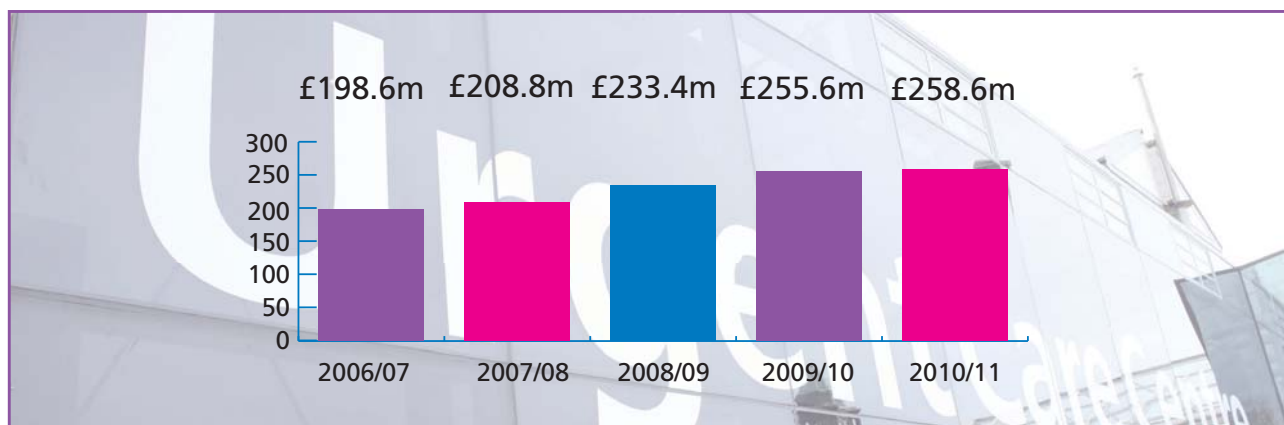
Chart 8: Private Patient Income 2006/07 – 2010/11



The level of private patient income is decreasing as a proportion of total patient income, reflecting the improvement in waiting times and the reduction in private healthcare insurance in the current economic climate.

Chart 9 shows the increase in expenditure over the same five year period.

Chart 9: Expenditure



Higher than planned activity levels resulted in additional expenditure above plan on predominantly medical/nursing staff and drugs, clinical supplies and other activity related non-pay costs. In addition the Trust under achieved against its QuIPP target for the year of £19.6m by £2.0m.

The Trust has strengthened its processes to ensure the delivery of efficiency savings with the establishment of a programme management office and increased scrutiny by Executive Directors and the Board. During the last three years the Trust has delivered savings of £6.6m in 2008/09, £6.7m in 2009/10 and £17.6m in 2010/11.

Significant progress has already been made in the identification and delivery of efficiencies for 2011/12 with the full £15.1m identified.

During the year the Trust spent £10.1m on management costs which represents 3.7% of total income. By comparison, in 2009/10, management costs as a percentage of total income was 4.0%.

Management costs are defined as those on the management costs website at www.dh.gov.uk/PolicyandGuidance/OrganisationalPolicy/FinanceandPlanning/NHSMangmentCosts/fs/en.

Senior employees remuneration is set out on page 94 in the Remuneration Report section of this report.

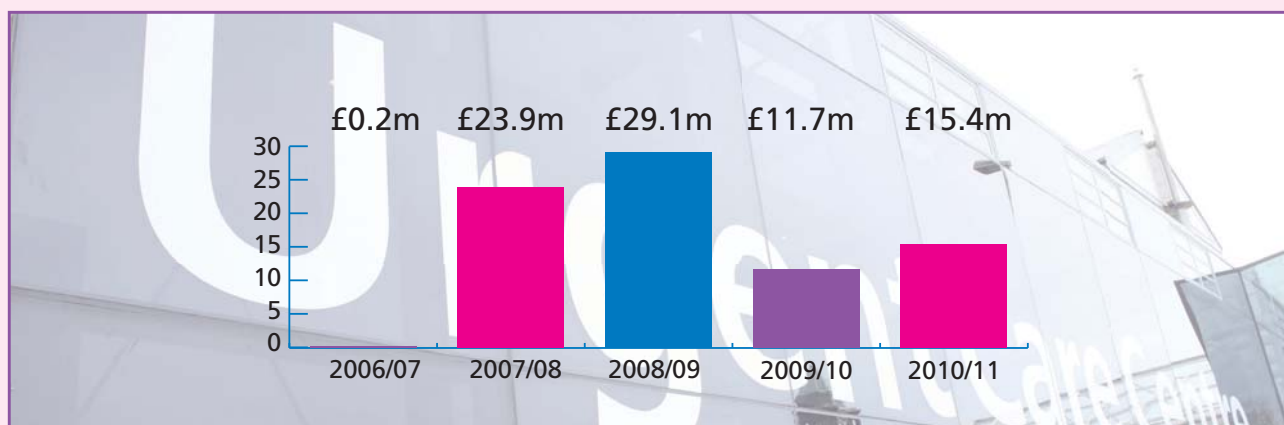


Cash Flow and Balance Sheet

The Trust's cash balance at the end of the financial year was £15.4m against a forecast balance of £4.5m. The cash balance was £10.9m above plan primarily driven by active management of Debtors and Creditors £8.0m, capital slippage of £1.6m and other working capital movements of £1.3m. The deterioration of payment performance in line with the Prompt Payment Code is reflective of a planned slowdown in the payment of trade suppliers to improve cash balances.

Chart 10 summarises the Trust's year end cash balances across the last five years. Note that this reflects from 2007/08, the Trust's ability, as a Foundation Trust, to retain cash balances at year-end.

Chart 10: Year-end Cash Balances



As a Foundation Trust, the Trust is required to ensure that it has enough liquidity to support its working capital requirements. To ensure this the Trust has a working capital facility with Barclay's Bank plc of £19m. This working capital facility expires on 16th July 2011 and negotiations are taking place to further extend the arrangement. The Trust did not utilise any of this facility in 2010/11 and does not expect to across the next three years.

To comply with best practice the Trust is required to pay 95% of undisputed invoices within 30 days of receipt. Chart 11 summarises the performance for 2010/11.



Chart 11: Better Payment Practice Code

Subject	Number	£'000
Total Non-NHS trade invoices paid in the year	59,594	104,555
Total Non-NHS trade invoices paid within target	47,380	88,826
Percentage of Non-NHS trade invoices paid within target	79.5%	85.0%
Total NHS trade invoices paid in the year	2,060	25,989
Total NHS trade invoices paid within target	1,620	22,745
Percentage of NHS trade invoices paid within target	78.6%	87.5%

The deterioration of payment performance in line with the Prompt Payment Code is reflective of a planned slowdown in the payment of trade suppliers to improve cash balances.

The Trust is continuing to work with its suppliers in a climate where a key target is to preserve and improve cash balances following a period of intensive capital investment.

No interest was paid to suppliers under the late payment of Commercial Debts (Interest) Act 1998.

The Trust invested over £30m in capital schemes during 2010/11. Expenditure during the period included the following investments;

	£m
Surgical Centre	18.2
Urgent Care Centre	1.2
Womens and Children's services	3.1
Interim Clinical Information System	3.5
Upgrade of Mortuary	2.9

The majority of the above expenditure was funded from internally funded resources, supported by the drawdown of £15m from the Foundation Trust Financing Facility.

From 2011/12 the Trust will continue to invest in its renewal programme that will modernise and improve facilities and equipment. Planned investment in 2011/12 is in excess of £9m.

To facilitate the continued planned investment the Trust will utilise an additional loan of £5.6m with the Foundation Trust Financing Facility. This loan is covered by its Prudential Borrowing Limit (see below) and is to ensure that sufficient cash flow is available to complete the Surgical Centre scheme scheduled for completion in July 2011.

As a NHS Foundation Trust, the Trust, has greater freedoms to borrow money in order to finance capital investment as described above.

The limits on the amount the Trust can borrow and the conditions that it must meet to demonstrate that the levels of borrowing are affordable are set out in the Prudential Borrowing Code (PBC), published by Monitor. The PBC sets out four minimum financial ratios that the Trust must meet if it is to undertake any borrowing.

The maximum cumulative borrowing or Prudential Borrowing Limit (PBL) that the Trust may make is set by Monitor with reference to the Trust's annual financial risk rating (below).

	Target	2010/11 annual performance	2010/11 Plan
Minimum dividend cover	>1x	2.4x	2.2x
Minimum interest cover	>3x	7.3x	6.9x
Minimum debt service	>2x	4.5x	4.3x
Maximum debt to service revenue	<2.5%	1.2%	1.2%



Performance Against Monitor's Compliance Framework

As a Foundation Trust, the Trust is required to demonstrate that it is operating within Monitor's Compliance Framework. The Framework sets out Monitor's approach to regulating Foundation Trusts using a risk based methodology.

A key element of the framework sets out the approach by which the level of financial risk facing the Trust is assessed and the likelihood that the Terms of Authorisation will be breached.

A Foundation Trust that has a high risk of breaching the financial element of their Terms of Authorisation would achieve a financial risk rating of 1. A low risk would achieve a financial risk rating of 5.

Based on its Annual Plan submission the planned risk rating was assessed a risk rating of 3. Actual performance is a risk rating of 2 and the table below summarises the Trust's performance against the Compliance Framework metrics.

As a result of in year performance in 2010/11 Monitor's Board declared the Trust to be in significant breach of two Terms of Authorisation in October 2010. These were:

- (a) Condition 2: the general duty to exercise its functions effectively, efficiently and economically; and
- (b) Condition 5: its governance duty.

Since October 2010 the Board of Directors have worked closely with Monitor to identify areas of the Trust's Governance and financial processes that need to be strengthened. A wide range of actions have been identified and implemented and these give the Board assurance that the Trust will soon be operating within its Terms of Authorisation and that there will be no further breaches of its Terms of Authorisation.

Following a challenging year financially in 2010/11 the Trust has undertaken a robust review of its budgeting and planning processes, including those to agree contracts with commissioners. As a result in the first year of this plan the Trust plans to breakeven and continue to strengthen its cash

position. Beyond 2011/12 the Trust plans to return to more historic levels of surplus that will support the continued development and improvement of its infrastructure and services.

At its meeting of 25th May 2011, the Board of Directors considered its Annual Plan for 2011/12 and supporting financial plans for 2012/13 to 2013/14. These plans are based on prudent activity assumptions that have been agreed with commissioners, combined with expenditure budgets that have taken into account the likely cost risks in this period and the requirement for 4% efficiencies as set out in the NHS Operating Framework for 2011/12.

On the basis of these plans the Board of Directors has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the Trust has been able to adopt the going concern basis in preparing the accounts.

The Trust's main accounting policies, including policies for pensions, that are used to prepare the accounts are set out in Annex E to this report. Details of the Directors remuneration is included in the Remuneration Report. The format of the accounts and the supporting accounting policies were reviewed by the Trust's Audit Committee at its meeting on 3rd May 2011.

In the opinion of the Directors there are three reportable events after the reporting period these are detailed in Note 26 of the enclosed Annual Accounts 2010/11.

The Board of Directors is not aware of any relevant audit information that has been withheld from the Trust's auditors and members of the Board take all of the necessary steps to make themselves aware of the relevant information and to ensure that this is passed to the external auditors as appropriate.

The Board is not aware of any circumstances where market value of fixed assets is significantly different to carrying value as described in the Trust's financial statements. The Trust's auditors have provided an opinion on our 2010/11 accounts, which is outlined at Annex F.

	Target (level3 risk)	2010/11 plan	2010/11 Annual Performance	2009/10 Annual Performance
EBITDA % achieved	>70%	100%	81.1%	91.2%
EBITDA margin	>5%	6.6%	5.4%	5.8%
Rate of return on assets	>3%	4.3%	4.7%	4.5%
I&E surplus margin	>1%	1.0%	0.5%	1.0%
Liquid ratio	>15 days	15 days	3 days	21 days



Financial Instruments

The Trust does not have any listed capital instruments and is not a financial institution. Due to the nature of the Trust's Financial Assets/Financial Liabilities, book value also equates to fair value. All Financial Assets and Financial Liabilities are held in sterling.

Credit Risk

The bulk of the Trust's commissioners are NHS, which minimises the credit risk from these customers. Non-NHS customers do not represent a large proportion of income and the majority of these relate to bodies which are considered low risk - e.g. universities, local councils, insurance companies, etc.

Liquidity Risk

The Trust's net operating costs are incurred under service agreements with local Primary Care Trusts, which are financed from resources voted annually by Parliament. The Trust largely finances capital expenditure through internally generated funds and from loans that can be taken out up to an agreed borrowing limit. The borrowing limit is based upon a risk rating determined by Monitor, the Independent Regulator for Foundation Trusts and takes account of the Trust's liquidity.

Market Risk

All of the Trust's financial liabilities carry nil or fixed rate of interest. In addition the only element of the Trust's financial assets that is currently subject to variable rate is cash held in the Trust's main bank account and therefore the Trust is not exposed to significant interest rate risk.

Cost Allocation and Charging Requirements

The Trust has complied with the cost allocation and charging requirements set out in HM Treasury and Office of Public Sector Information Governance.

External Auditors

The Council of Governors have approved the appointment of Pricewaterhouse Cooper (PwC) as the Trust's external auditors until March 31st 2011. PwC were paid £57,500 in respect of statutory audit fees. A supplementary fee included £12,500 for the independent reporting work in relation to the Independent Auditor's report in the annual Quality Report.

The Trust limits work done by the external auditors outside the audit code to ensure independence is not compromised. In 2010/11 PwC were commissioned, following review by the Audit Committee and Council of Governors, to undertake the due diligence and independent reporting accountants work in respect of the Transforming Community Services transaction. The fee for this work is £160,000 and will be incurred across the 2010/11 and 2011/12 financial years. In addition the auditors also provided pension advice, with the fees for this work being £3,000.

Counter Fraud

The NHS Counter Fraud and Security Management Service has set out the framework within the NHS plans to minimise losses through fraud. The Trust's local policy compliments the national and regional initiatives and sets out the arguments for the reporting and the elimination of fraud.

The Deputy Chief Executive is nominated to make sure that the Trust's requirements are discharged and is aided by a local Counter Fraud specialist (LCFS). The LCFS developed a plan that aimed to proactively reduce fraud and create an anti-fraud culture supported by appropriate deterrence and prevention measures. Progress against the plan is regularly reported to the Audit Committee.



"My husband was admitted to the A&E Dept at BVH and I would just like to put it on record that the treatment he received was superb. The ambulance personnel, Doctors, Nurses and staff were all first class. Thank you very much!"

Mavis Crawshaw, Poulton le Fylde

Our Performance

Despite being an extremely busy and challenging year the Trust delivered all national and local performance targets and standards with the exception of one cancer referral target.

Registration with the Care Quality Commission

The Trust is required to register with the Care Quality Commission (CQC) and its current registration status is compliant. The Care Quality Commission has not taken enforcement action against the Trust for the reporting period 2010/11 and remains registered with no conditions.



Care Quality Commission Ratings

In recent years, the Care Quality Commission has undertaken an Annual Health Check to assess performance of NHS Trusts against "Quality of Services" measures, rating the outcome as Excellent, Good, Weak and Poor. For the period April 2009 to March 2010, following the publication of the revised Operating Framework for 2010/11, the CQC and the Department of Health agreed that instead of aggregate scores, a benchmarking tool would be published. The Trust received positive scores for the majority of indicators and, in particular, scored better than expected in the cancelled operations indicator (the percentage of operations that are cancelled and not subsequently performed within 28 days) and the staff satisfaction indicator, and much better than expected for cancer diagnosis to treatment waiting times. The Trust received a negative score for urgent cancer referral to treatment waiting times – screening and performance was rated as much worse than expected. This was anticipated by the Trust given the difficulties experienced with the screening pathway during the first half of 2009/10. Significant improvement was noted in the latter part of the year following implementation of focused action plans across the Trust.

Data failure was reported against one measure: cancer diagnosis to treatment waiting times – subsequent drugs. The data quality measure for this indicator is based on the number of treatments reported for a quarter being within a defined parameter of a baseline. The Trust failed this measure as more treatments than expected were reported for one quarter.

Performance against National Quality Standards

The Trust continued to deliver excellent operational performance during 2010/11, meeting all national and local performance targets. A summary of our performance against key operational targets is given below.

Quality Standard	2009/10	2010/11
Cancelled operations - Percentage of operations cancelled	Achieved	Achieved
Cancelled operations - Percentage of cancelled operations not treated within 28 days	Achieved	Achieved
Reperfusion: thrombolysis waiting times	Achieved	Achieved
Delayed transfers of care	Achieved	Achieved
Ethnic coding data quality	Achieved	Achieved
Patient experience	Achieved	Achieved
Quality of stroke care	Achieved	Achieved
Maternity data quality	Achieved	Achieved
Cancer diagnosis to treatment waiting times	Achieved	Achieved
Cancer diagnosis to treatment waiting times - Subsequent Surgery	Achieved	Achieved
Cancer diagnosis to treatment waiting times - Subsequent Drugs	Achieved	Achieved
Cancer urgent referral to first outpatient appointment waiting times - GP	Achieved	Achieved
Cancer urgent referral to first outpatient appointment waiting times - Breast symptoms	Achieved	Achieved
Cancer urgent referral to treatment waiting times - GP	Achieved	Achieved
Cancer urgent referral to treatment waiting times - Screening	Under-achieved	Achieved
Staff satisfaction	Achieved	Achieved

Our Performance in more detail

A more detailed report on our performance is outlined below and in our Quality Report at Annex A.

18 weeks Referral to Treatment

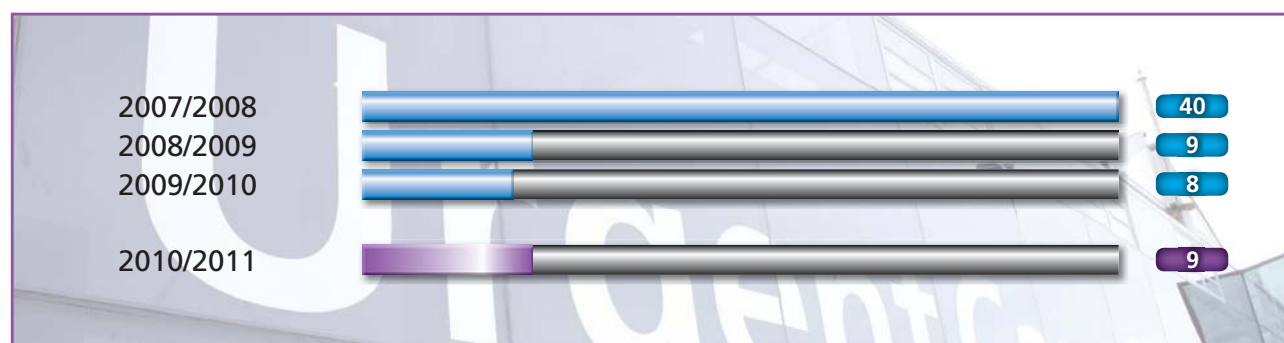
The Trust has delivered the 18 week referral to treatment performance target consistently since December 2007. The revision to the Operating Framework 2010/11 in June 2010, whilst removing the 18 week standard from performance monitoring, confirmed patients' rights to treatment within 18 weeks under the NHS Constitution. The Trust therefore continued to monitor and redesign pathways to ensure the delivery of timely and efficient patient care. During 2010/11, Trust performance remained well above the national standard with 94.31% of patients for admitted care and 96.76% of patients for non admitted care being treated within 18 weeks of referral.

Cancer Plan Access Targets

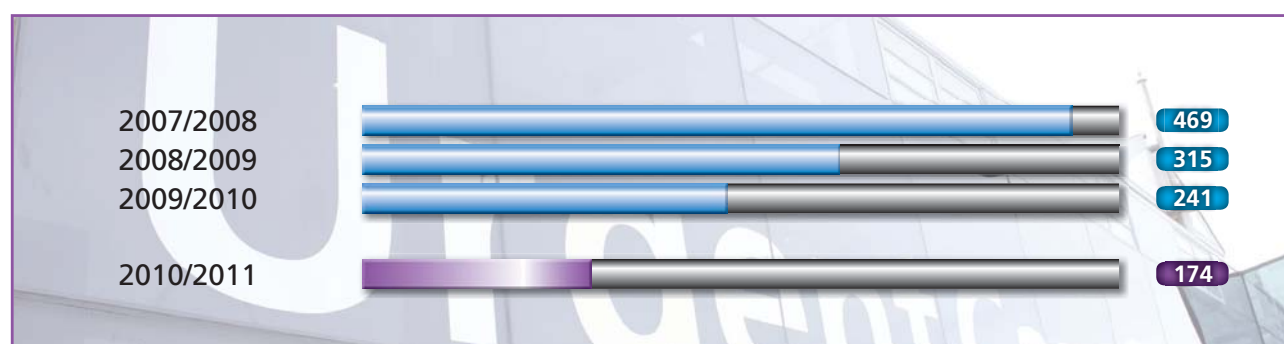
The Trust delivered all the 'Going Further on Cancer' Waiting Time standards during 2010/11. However, delivery of the standards was a challenge, and a significant amount of work was undertaken both within the Trust and across organisational boundaries to identify issues and redesign pathways for the benefit of patients.



Summary of MRSA Performance



Summary of Clostridium Difficile Performance



Bowel Cancer Screening Centre

The Lancashire Bowel Cancer Screening Programme has been in operation for three years across the county, having commenced in April 2008, with invitations to have the screening sent to GP registered populations from 60-69 years of age. There have been tremendous outcomes in terms of the health benefits for patients who take up the offer of this service within our population, especially relating to early detection and treatment of cancers.

Through hard work and close co-operation between Acute Trusts, Endoscopy Units and Primary Care Trust Public Health Departments, we have been able to roll out the programme across the whole of Lancashire and patients are reaping the benefits.

The Lancashire Bowel Screening Centre also became one of the first centres in the North West region to commence the roll out of the programme to an extended age group in April 2010. The programme is now inviting people up to and including age 74 across each PCT area with the final phase for East Lancashire and Blackburn with Darwen commencing in January 2011.

Since April 2008 we have detected 193 patients with cancer at an earlier stage. We have also removed bowel polyps in 51% of patients who underwent a colonoscopy, therefore reducing the risk of cancer in the future.

As part of an evaluation of the National Bowel Cancer Screening Programme, patient satisfaction questionnaires relating to the Lancashire programme were sent to patients upon completion of their screening pathway. The feedback indicates that patients felt they had an excellent experience and service, both from the Screening Programme and the individual Endoscopy Units at each of the Acute Trust sites across Lancashire.

Healthcare Acquired Infections

Following the significant reductions in MRSA Bacteraemia over the last four years (85% for the Acute Trust when compared to 2007/08) and Clostridium Difficile Infections (68.73% for the Acute Trust for the last four years) from the trajectories set by the SHA at the year end 2007/08, the Trust has continued to embed Infection Prevention principles across the organisation to ensure that the risk of acquiring an infection for patients is further reduced. MRSA Bacteraemia rates continue to fall. From April 2010 to March there were 9 incidences of MRSA Bacteraemia, of which 4 were attributed to the Acute Trust. There were 174 cases of Clostridium Difficile Infection (CDI), of which 101 were attributed to the Acute Trust, in comparison to 134 for the period April 2009 to March 2010. This demonstrates a reduction of 24%, which is above the 17.6% annual reduction that is incorporated into the three-year plan trajectories.

Further information on our work to prevent and reduce infections is outlined in our Delivering Plans section.

Emergency Access Targets

Towards the end of 2010 the national A&E performance standard changed from 98% to 95% of patients attending being admitted or discharged within four hours. The Trust continued to deliver on waiting time targets within the Accident and Emergency (A&E) Department. Over the last 12 months we have achieved a performance in excess of the nationally mandated 95% target and, in all but two of these months, the A&E Department performed in excess of 98%. However, further changes in the way we measure our performance are being introduced this year.

The NHS Operating Framework for 2011/12 describes the Department of Health's proposed approach to performance during 2011/12. New Clinical Quality Indicators are being introduced in April 2011 to replace the four hour A&E operational standard. The purpose of the new set of indicators is to provide a balanced and comprehensive view of the quality of care provided, including clinical outcomes, clinical effectiveness, safety and patient experience. This will allow everyone to see easily the quality of our Emergency Care.

The headline measures are:

- Unplanned reattendance to the A&E Department within seven days of original attendance.
- The median and the longest total time spent by patients in the A&E Department for both admitted and non-admitted patients.
- The percentage of people who leave the A&E Department without being seen.
- Time from arrival to start of full initial assessment for all patients arriving by ambulance.
- Time from arrival to see a decision making clinician.

We are embracing this national introduction of Quality indicators as a basis for continuing improvement in Emergency Care. With the opening of the Urgent Care Centre and the introduction of the Emergency Flow projects, plans for continuously improving the quality of service delivery, development of care pathways and other new service models are being introduced.



Improving Patient Care – Redesigning Clinical Pathways

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

Information Governance Compliance

Information Governance (IG) supports the way in which the Trust handles information. It covers both personal information, such as that relating to patients or service users and employees, and corporate information, such as financial and accounting records. It provides advice, support and guidance on the many different rules about how information is to be handled, including those set out in the Data Protection Act 1998 and the Freedom of Information Act 2000.

The Trust is monitored against its compliance with the law and central guidance (from the Department of Health) via the IG Toolkit. The Toolkit brings together a set of requirements against which organisations undertake a self assessment to provide assurance on:

- How management structures and responsibilities support IG within the Trust
- Confidentiality and Data Protection arrangements
- Information Security arrangements
- Clinical Record keeping
- Secondary Use (information quality) arrangements.
- Corporate Record keeping



This assessment also enables the Trust to identify any areas of weakness so that they can be addressed through policies, procedures, guidance and training for staff. The aim is to:

- Continuously raise IG standards through year on year improvements.
- Demonstrate that the Trust can be trusted to maintain the confidentiality and security of the personal information that it handles.
- Support the management of corporate records so that they can be accessed where and when needed.

For 2010/11 the Trust achieved a rating of 80% against Version 8 of the Toolkit. IG activities are overseen by the Information Governance Committee which is chaired by the Deputy Chief Executive, who is also the nominated Board Lead for Information Governance and the Senior Information Risk Owner for the Trust.

Information Governance Risks

The Information Governance Committee (IGC) reports to the Healthcare Governance Committee. The IGC is responsible for all aspects of Information Management, Information Governance, Information Communications Technology and Knowledge Management throughout the Trust, known collectively as Information Management; this includes the identification and management of information risks. The IGC is chaired by the Deputy Chief Executive, who is also the nominated Board Lead for Information Governance and the Senior Information Risk Owner for the Trust.

During the financial year 2010/11 the Trust had 25 information security related incidents reported, all of which were severity rated from level 0 to 2. All incidents were thoroughly investigated and reported upon. Information Security incidents are rated on a severity scale from 0 to 5; those incidents classified as a severity rating of 3 to 5 are recorded as a serious untoward incident and reported to Monitor and the Information Commissioner. The table below provides a summary which relates to these incidents:

Table: Summary of Personal Data Related Incidents 2010/11

Category	Nature of Incident	Total
i	Loss of inadequately protected electronic equipment, devices or paper documents from secured NHS premises.	0
ii	Loss of inadequately protected electronic equipment, devices or paper documents from outside secured NHS premises	1
iii	Insecure disposal or inadequately protected electronic equipment, devices or paper documents	12
iv	Unauthorised disclosure	3
v	Other	9



"I have recently been under the care of the excellent team at the Lancashire Cardiac Centre at Blackpool Victoria Hospital. Words cannot express my appreciation of the skill, consideration and kindness shown by everyone on the unit. First rate surgical and medical treatment and 5-star after-care, all with sensitive and respectful dedication."

Mrs V Schofield, Bispham, Blackpool

Delivering Our Plans

The new Urgent Care Centre opened in June 2010. The Centre brings together the existing Accident and Emergency Department, the GP Out of Hours service and Primary Care GP led services into one location operating 24 hours a day, 365 days a year. It also includes a new purpose-built Place of Safety for patients presenting with mental health needs, which is due to open this year.

Urgent Care Centre

The Urgent Care Centre is the result of partnership working between Blackpool Teaching Hospitals NHS Foundation Trust, NHS Blackpool, NHS North Lancashire, Blackpool Council, Lancashire County Council and Fylde Coast Medical Services, and is one of the first of its kind in the country. It was designed to support the development and remodelling of Unscheduled Care for the Fylde Coast Health Economy.

This exciting new development provides a single point of access for patients and directs them to the right place at the right time to be seen and treated by the most appropriate professional and service to meet their needs.

In the first six months since the Urgent Care Centre opened there has been a reduction in the number of patients attending A&E of approximately 15%. This has been achieved by ensuring that patients with primary care health problems are seen and treated by primary care clinicians in the Urgent Care Primary Care Stream.

The Trust is continuing to work closely with our partners in monitoring the progress with the development of Unscheduled Care.



Phase VI – Surgical Development

The Trust is on track to open the new £40m Surgical Centre at the end of July 2011. The new building will house 10 state-of-the-art operating theatres together with new wards which have a high number of side rooms with en suite facilities. The new Surgical Centre will provide 'best in NHS' ward, pre-admission and theatre facilities. The clinical pathways for patients undergoing daycase and inpatient surgery will be transformed. Facilities include a pre-operative assessment suite enabling a one stop comprehensive service, and an admissions lounge which will enable patients to arrive at staggered intervals and will maximise the use of medical staff time as they will have easy access to patients to undertake the last stage of the pre operative consultation. There is direct access between theatres and the admissions lounge, negating the need for portering assistance and reducing delays between cases. The layout of the admission, theatre and recovery areas is such that the journey of the patient flows through the department and the close proximity of the areas will enable more flexible use of theatre capacity to manage utilisation and improve turnaround times within theatres. The centre also houses a Urology Unit where all investigations and diagnostics will be performed in a single location and a single clinical visit.

Women and Children's Development

Work on the new multi-million pound Women and Children's Unit has progressed well this year with a number of new areas opening for the benefit of women and children.

Previously, Women and Children's services were spread over Blackpool Victoria Hospital in various areas and other departments. Once the unit is complete all facilities will be centralised in one building that is more user-friendly and patient focused, offering our patients the care they deserve in more modern surroundings.

Areas completed over the past 12 months include the Gynaecology Day suite, Gynaecology and Obstetric Consulting Rooms, Delivery Suite and Ultrasound Department offering better and more spacious facilities.

The new Neonatal Unit is more spacious and boasts new monitoring equipment and additional transitional care rooms allowing parents to stay with their babies. This service could not be offered before. The Intensive and High dependency areas are also more spacious than the facilities were in the past.

Two soft play areas for our outpatients now provide lots of fun and exercise for our young patients. For our adolescent patients an area has been specially designed with the needs of this age group in mind.

A sensory room is also a new addition to the service providing sensory stimulation to children with special needs



Cardiac Expansion

The Trust has extended the range of Cardiac services it provides to patients in the Lancashire and South Cumbria region over the past 12 months and further initiatives are planned for the coming year.

Following the success of the Primary Angioplasty service for patients who have suffered a heart attack within Blackpool, Fylde and Wyre, the service will be expanding to a network coverage involving the co-operation of five Primary Care Trusts and the North West Ambulance Service. This will involve a revision to existing on call systems to provide 24 hour, seven day a week cover.

The commissioning of a fourth Catheter Laboratory saw the expansion of Cardiology services to include an Electrophysiology Service, for which two new Cardiologists have been appointed. This service will prevent patients having to travel to Manchester and Liverpool to receive treatment.

'Same Day Admission' has also been introduced for local patients undergoing heart surgery. 'Same Day Admission' has had positive patient feedback as it improves the patient experience on the day of surgery. Going forward, this service will also be available to all patients within Lancashire and South Cumbria.



Healthcare Acquired Infection

Infection Prevention continues to be a priority for the Trust and further reductions have been made in MRSA Bacteraemias and Clostridium Difficile infection. MRSA screening of elective patients enables the early detection of MRSA and facilitates prompt treatment to reduce the risk of infection in that patient and through transmission to other patients. The Department of Health directive to introduce screening of all emergency patients by 31st December 2010 has been fully implemented by the Trust. The Trust screens all emergency patients admitted to the Trust by Polymase Chain Reaction (PCR) testing, which allows a positive result to be known within two hours, thereby facilitating rapid isolation and treatment. This started in April 2008, two years ahead of the Department of Health requirement to screen emergency and elective admissions by 2010.

The Trust wide roll-out of Aseptic Non Touch Technique (ANTT) competencies, with audit to ensure compliance, is another measure introduced to reduce Healthcare Acquired Infection (HCAI). These ANTT audits are part of the Infection Prevention annual audit programme which also includes monthly audits of commode cleanliness to ensure that this crucial aspect of hygiene is maintained. The purpose of the audit programme is to provide assurance of compliance with the policies and procedures that are in place to reduce HCAI and the risk of HCAI.

Stroke Plan

Stroke is the third biggest cause of death in the UK and the largest single cause of severe disability. Each year more than 110,000 people in England will suffer from a stroke, which costs the NHS over £2.8 billion. The Department of Health recognised the importance of developing better stroke services

by including specific milestones, targets and actions in the National Service Framework (NSF) for Older People launched in March 2001.

Following on from this, the Government has launched a National Stroke Strategy to modernise service provision and deliver the newest treatments for stroke. The Government's target, which aims to reduce the death rate from stroke and related diseases in people under 75 by at least 40% by 2010, has already been achieved.

The Trust's 2009/2010 report indicated that process around stroke was 'poor' and that performance was affected by this. Since April 2010, the Trust has undertaken a 'stroke improvement project' which has demonstrated significant and marked improvements in service delivery and care of patients. The improvement project clearly identified an operating model of care for stroke services at the Trust and aligned this to the key performance indicators to evidence how well the Trust is performing. These processes range from initial recognition of a stroke to assessment, formal diagnosis leading to treatment, and rehabilitation. The process begins with initial recognition of a stroke by paramedics who alert the A&E department of a suspected stroke, through to the patient receiving the right treatment within the right timeframes on the stroke ward and, when appropriate, receiving rehabilitation on the same ward. One such key performance indicator is that a patient should receive a brain imaging scan within 24 hours of suspected diagnosis. This access to critical information in a short amount of time determines what treatment is required, since anti-platelet agents such as Aspirin are not beneficial to patients with haemorrhagic strokes. The national target for patients receiving this brain scan is that 90% of patients should receive it within 24 hours of their suspected stroke. Through investment in detailed process redesign and dedicated time for imaging availability, the Trust now meets this target.

Another significant improvement is that there is a dedicated ward for stroke patients to ensure that there is a concentration of skilled staff and resources to effectively treat patient with this condition. The time within which patients are transferred to this stroke ward from the A&E Department or other units in the hospital has reduced. In addition, the length of time that patients spend on the stroke ward has also decreased, since with early detection and treatment, the patient receives the most appropriate care at the right time. This reduces the time that patients would have traditionally spent in hospital recovering or time spent in a lengthy rehabilitation process. To facilitate this speed of admission, the ward maintains a 'ring fenced' bed to enable admission of urgent cases, predominantly from the A&E department.

We have continued to work with other NHS Trusts and external agencies to improve stroke services. In July 2011 we will begin the Stroke Telemedicine service in conjunction with the Cumbria and Lancashire Cardiac and Stroke Network and five hospital Trusts. This will enable our Trust to deliver thrombolysis therapy 24 hours a day, seven days a week. The use of telemedicine enables stroke specialist consultants to interact with patients and staff at one of seven other hospitals within the local stroke network, through video conferencing and image transfer.

Winter Planning

The Trust had regular meetings with all stakeholders from across the Health Economy to develop a Winter Plan to manage the predicted plans of the service and provide a high standard of quality care for all our patients.

There was a higher than predicted demand for our intensive care beds due to a steep rise in the number of patients who became infected, and were subsequently admitted, with the H1N1 Virus (Swine Flu).

Whilst the Urgent Care Centre opened in June and has successfully reduced our A&E attendances by 15% in total, during the month of December only 3% of patients were deflected from A&E. This is predominantly because of large numbers of patients who experienced slips, trips and falls during the period of snow and ice. The orthopaedic wards also saw an increase in the number of emergency orthopaedic patients who were admitted.

The Unscheduled Care Services saw an increase in demand for inpatient beds over the Christmas and New Year period, and an extra medical ward was opened to allow the Trust to meet this demand. During this year's winter period, 15 beds in local care homes were commissioned by the Trust to provide appropriate care for patients who did not need to stay in an acute hospital bed but who had continuing healthcare needs. This scheme helped to reduce the number of delayed discharges.

Workforce Development

The key workforce development challenges in 2010/11 have been preparing and supporting those staff affected by change, as the Trust has begun to reduce its headcount as a result of the public sector financial constraints and to deliver our share of the national £20billion efficiency savings requirement.

The Trust developed a range of measures to support the redeployment and successful re-training of employees as a means of avoiding the need for redundancy and for those colleagues whose job roles are changing as a result of developments and technology.

The Trust's workforce planning process has undergone significant change – a five year workforce plan has been produced predicated on service redesign, contraction of staffing numbers, and the movement of a number of staff and services into settings closer to patients' homes. The Trust will continue to invest in the training of staff to ensure both their ongoing competencies and their employability. At the same time, mutual resignation and voluntary redundancy schemes have been offered as a means of helping the Trust to reduce its costs and re-design its services in a planned and managed way that does not cause detriment to patient services.





Sustainability Reporting

The Trust is committed to providing sustainable healthcare to the people of the Fylde Coast and beyond. This sustainability report aims to satisfy requirements for Public Sector Sustainability Reporting and fulfil the Trust's commitment to develop systems to place information relating to the environment into the public domain.

We recognise that our operations have an environmental impact. These include, but are not limited to, waste production, the impacts of transport, energy and resource use, discharges to water, and emissions to air. In addition, we acknowledge the significance of the indirect impacts that we influence through procurement and our choice of contractors and suppliers.

It is the Trust's objective to act in a responsible manner to control and reduce any negative impacts on the environment whilst continuing to provide high quality patient care. In particular, we aim to continue to ensure that our activities comply with, or exceed, applicable regulation and we will work to meet any environmental targets imposed by the government.

We have, or are developing, appropriate strategies to ensure we reduce our environmental impact in four key areas. These will ensure that we continue to:

- Manage transport requirements.
- Use energy, water and other finite resources responsibly and efficiently.

- Reduce overall waste disposal, reduce the hazards from waste and increase reuse and recovery of resources where feasible.
- Prevent pollution resulting from discharges to water or emissions to air – including emissions of CO₂ and other greenhouse gases.

We will achieve these aims by implementing a programme of continual improvement of environmental performance and will set robust objectives and targets and develop key performance indicators to measure progress.

As sustainability is included in the Trust's corporate objectives, progress against these aims and objectives is managed through our existing Corporate Governance structures.

Policy and strategy are developed and continuously reviewed by the appropriate governance committees. Public Governors are given the opportunity to attend key decision making forums to ensure that the views of patients, carers and the local community are considered.

Day to day responsibility for implementing the sustainability strategy is delegated to the Facilities Division. The Trust employs an Environment Officer and a Waste Reduction Officer with specific responsibility to develop our environmental management systems.

Environmental Performance in Key Areas for 2009/10 and 2010/11

Table: Environmental Performance					
		Non Financial Data		Cost	
		2009/10	2010/11	2009/10	2010/11
Waste Minimisation	Waste Arising (Total waste from all sources)	1,620 Tonnes	1,569 Tonnes	£416,346	£420,816
	Clinical Waste (all waste disposed of via high temperature incineration)	564 Tonnes	581 Tonnes	£306,391	£325,230
	Waste sent to landfill	689 Tonnes	538 Tonnes	£82,141	£80,000
	Recycled waste	367 Tonnes	450 Tonnes	£13,614	£15,586
	Electrical and Electronic waste items	38 Tonnes	36 Tonnes	£5,771	£1,098
	Percentage of Waste arising subject to a recycling or recovery exercise	54% (22% recycled)	63% (28% recycled)		
Management of Finite Resources	Water	163,501 m ³	151,156m ³	£490,216	£430,914
	Electricity	60,741 GJ	47,370 GJ	£1,629,7221	£1,106,203
	Gas	168,258 GJ	190,783 GJ	£1,069,884	£1,317,597
	Other Energy	1144 GJ ¹	1016 GJ ¹	£10,654	£15,859
	Fuel used in Trust owned transport	35,322 Litres	34,813 Litres	£45,467	£41,674
Direct Green House Gas (GHG) Emissions	(Direct emissions from the energy sources above only)	17,889 Tonnes	16,940 Tonnes		

¹ This figure represents a maximum figure based on in-year purchases – as we have replenished oil stocks for our reserve heating and generation capacity the actual figure consumed will be substantially less than this.

The figures above reflect a year of hard work and investment in energy efficiency and waste management.



The reduction in direct greenhouse gas emissions has arisen from the commissioning of the Combined Heat and Power (CHP) engine procured in 2008/9. We have also implemented a range of other schemes targeting boiler efficiency and distribution losses in order to limit the increases in gas consumption as a result of the CHP installation including improvements to insulation, improvements to our boiler control system and significant upgrades to the building management system at Blackpool Victoria Hospital.

Early in the year we successfully installed software to enable computer workstations to be powered down to a pre-determined schedule. This means that computers are automatically switched off if not used for an agreed period of time. We are confident that this programme can operate without disrupting other operations and we are looking to adapt the power down schedules to ensure maximum benefit from this investment.

We recognise that in the past our ability to monitor internal energy use has not been as comprehensive as we would wish so this year we have instigated some significant improvements in this area. These will enable us to more accurately target inefficiencies and will help us to develop robust business cases for improvement schemes and prove their effectiveness after installation.

In addition to environmental benefits, the improvements implemented over the last two years have resulted in significant financial benefit. We reduced energy expenditure by over £200,000 despite significant increases in unit prices over the winter period.

Our waste figures show a marked improvement in waste management compared with previous years. Whilst overall waste production has remained broadly constant we have dramatically improved our recycling rates and have managed to divert over 100 tonnes of waste from landfill. To demonstrate that the Trust is serious about recycling we have invested in external bins in high-profile locations around the Blackpool Victoria Hospital site. These have been enhanced with eye catching motifs which were designed by local school children.

The Trust has comfortably met its internal targets for recycling and reduction of landfill waste but is disappointed to have not achieved all of the targeted reductions in clinical waste. It is our firm intention to redress this next year.

We have also put a great deal of effort into improving our systems to ensure compliance with waste legislation. In 2010 we sought external assurance of our procedures to comply with a new requirement for 'producer audits' of clinical waste. Our waste contractor audited several properties and found only minor issues which we are in the process of correcting.

This year we have also met our commitment to place additional information in the public domain. Our internal performance data for energy use and waste is now available on our website at <http://www.bfwhospitals.nhs.uk/about/performance>.

Relationship with Commissioners and Stakeholders

Relationships with Commissioners and other Stakeholders, such as the Blackpool Overview and Scrutiny Committee, have been sustained and developed during 2010/11. The organisations have worked together to identify strategies to promote and improve the health of the local population, with an emphasis on improvements to the quality and safety of patient care.

Our Executive Directors have continued to meet regularly with their Primary Care Trust counterparts, to discuss and agree the strategy for and cost effectiveness of healthcare across the Fylde Coast and to review progress against operational plans.

Future Business Plans

The Trust's Strategic Direction, as set out in the Annual Plan 2011/12, and our Vision and Values, as reviewed and agreed by the Board of Directors in March 2011, underpin the work programme for 2011/12. Over the last 12 months we have undertaken a great deal of work to develop our approach to delivering our future vision and this is reflected in the Our Future Plans section of this document.



"I was on Ward B, having had my third child by caesarean section recently. Again, the care I received was superb; even at the busiest times, the staff were always ready to offer help and support and made the birth of my daughter even more special."

Diane Norcos, Blackpool

Our Future Plans

The Board of Directors recognise that the changing environment and external factors, such as The Operating Framework 2010/11, the current financial climate, patient choice and the quality improvement agenda impact on our future business plans.

Strategic Overview

The Board of Directors recognise that the changing environment and external factors, such as The Operating Framework 2010/11, the current financial climate, patient choice and the quality improvement agenda impact on our future business plans.

We believe that our vision and continued implementation of the Quality, Improvement, Productivity and Prevention (QIPPP) agenda will ensure that our future business plans accommodate the impact of these factors and are aligned with the direction of travel for the wider NHS.

Whole Health Community Vision

As a health community, we are working in more challenging financial times and this means that we need to deliver significant savings in health care. As a health community, our goal is to maintain the level of services we provide as far as possible and meet our financial challenges through improving the quality of patient care. To achieve this we need to make sure that any changes we do make are not only better for patients but are affordable, and our services are as efficient as they can be. We intend to undertake a joint health community consultation with our patients and the public during the summer of 2011, setting out our plans for how we intend to achieve this and seeking support for the changes which will be required to deliver our goal.

Integrating with Community Health Services

A decision in principle has been taken by NHS Blackpool (Blackpool PCT) and NHS North Lancashire (North Lancashire Teaching Primary) Care Trust to integrate Community Health Services with Blackpool Teaching Hospitals NHS Foundation Trust. This is an opportunity to improve pathways of care for patients across Blackpool, Fylde and Wyre's primary, community and hospital services. Blackpool Teaching Hospitals NHS Foundation Trust have undertaken a due diligence assessment to review this proposal carefully to ensure that risks and liabilities are understood.

Interim Clinical Solution – Vision

Following the approval of the full business case in 2009/10, the Trust has begun the implementation phase of the Interim Clinical Solution in partnership with the recommended supplier, Alert Life Sciences Computing S.A., a Portuguese company, whose software is being used in 11 countries across the world. The implementation programme, named "Vision" by Trust staff because of its visionary approach to the way that clinicians will provide patient care, began in the Trust's Accident and Emergency (A&E) department.

The start of the year saw the programme team undertake an in-depth review of the clinical and operational processes within the A&E Department, along with collecting every piece of paper-based clinical documentation being used within the department. All of this information was then used by Alert Life Sciences Computing S.A. to further develop their electronic patient record system to suit the ways of working within the NHS, and more specifically, within the A&E department at Blackpool Victoria Hospital.

During November 2010, the Trust achieved a successful 'go live' in the A&E department, which now means that the A&E clinical team undertake most of their activities electronically, including:

- Triaging of patients.
- Requesting clinical investigations (such as x-rays and blood tests) and viewing the results.
- Recording clinical information about each patient (such as their past medical history and current medications).
- Tracking of the current status of all patients within the department such as those waiting for a consultation from a particular specialty, or waiting for an inpatient bed.

The implementation plan for the clinical information system is spread over three years, with a phased deployment across the entire Trust during this time. However, the contract with our partner, Alert Life Sciences Computing S.A., is for seven years to allow us to fully utilise the potential of the system to change our ways of working and improve on our clinical practice.



The Trust plans to rollout the clinical information system across other wards and departments in 2011 and 2012, with all departments using the relatively simple elements first, followed by a layering of the more complex functionalities once clinicians have gained confidence in using the system. During 2011, all departments will begin to use the system to request clinical investigations electronically, instead of completing paper request cards, and also to receive the results electronically. This will enable clinical staff in inpatient wards to know immediately when a test result is available, thereby speeding up clinical decision-making.

Once the electronic patient record is fully implemented, use of the clinical information system will improve patient safety by:

- Providing all clinicians with shared access to the patient's history, diagnosis and treatment information, wherever they are across the Trust's various sites. Clinicians will no longer need to attend the clinical department to access patient notes, nor to authorise changes in patient medication and/or treatment.
- Ensuring only the most appropriate drugs are prescribed and administered.
- Monitoring and alerting clinically-critical situations.
- Reducing waste and improving efficiency by reducing length of stay for inpatients.

Continuous Improvement

The Manufacturing Institute remains a strategic partner in developing a lean transformational approach to continuous service improvement. In addition, the Quality Improvement Productivity and Prevention (QIPPP) agenda has provided us with a further opportunity to galvanise the organisation to deliver change. Programmes and projects are focused on developing capability, securing engagement and improving performance. The use of effective programme management and robust Executive leadership, coupled with an inclusive and wide-reaching approach has enabled the Trust to implement solutions sustainably, engaging frontline teams supported by senior clinicians and operational managers.

In order to ensure that change is delivered, and that the benefits associated with change are realised, the Trust has introduced a programme management office function to support the delivery of programmes, and adopted a matrix approach to programme governance. By introducing a matrix approach to co-ordinating the wide range of initiatives delivered within the QIPPP programme, the main focus of implementation can be on operational themes, whilst ongoing benefits tracking and realisation is directly reconciled to expenditure budgets.

Each project team meets weekly to design, manage and deliver change. Each team is led by an Executive Director, and progress is reported on an exception basis to the Chief Executive via the Programme Management Office and QIPPP Programme Board.



Sustainability - Future Environmental Priorities and Targets

The financial year 2011/12 will see further improvements in our energy performance and management. During 2010/11 we have been working with the Carbon Trust to review and update our strategy for energy and carbon reduction as part of the NHS Carbon Management Programme. The new strategy describes how we will reduce our CO₂ emissions by at least 25% by the end of 2014/15. We have also committed to gain a greater understanding of our indirect emissions so that these can be included in subsequent strategies.

We are committed to improving our energy management systems and will investigate the possibility of adopting the energy management standard BS16001 as the basis for our systems.

It is anticipated that implementation of our strategy will deliver in the region of £1.6m of cost savings. These savings will help compensate for significant anticipated cost pressures from increased utility prices and removal of the recycling payments to participants in the Carbon Reduction Commitment.

In 2011/12 we will be prioritising reductions in our clinical waste and continuation of the improvements in recycling demonstrated in 2010/11. Both of our major waste contracts are due for renewal and we are confident that we can achieve greater flexibility in managing waste to reduce overall costs and improve disposal costs through the procurement process.

We anticipate that new guidance on the disposal of clinical waste will be published later this year. This is expected to introduce mandatory segregation of additional waste streams but will also provide us with an opportunity to reduce cost and improve environmental performance by consigning less of our waste to hazardous waste incineration. There are also some possibilities to recycle elements of our clinical waste (particularly gypsum plaster casts and stainless steel instruments) which we will investigate and pursue if the relevant compliance issues can be addressed.

Medical School Development

Undergraduate and Postgraduate Education

The Trust's provision of Medical Education includes Undergraduate Medical Education, Postgraduate Medical Education, Clinical Skills and Simulation and Library Services & Knowledge Management.

2010 was a very successful year within Medical Education. The Trust was awarded 'Teaching Hospital' status in recognition of its work in medical education with continued strengthening of its partnership with Liverpool University. The award of 'Teaching Hospitals' status belongs to all staff who work in the clinical environment and recognises everyone's contribution to providing care for patients and supporting relatives in a quality driven service. There are many benefits for patients, staff and the overall organisation in this achievement, such as a high quality workforce, enhanced recruitment and retention of senior clinicians and staff across professional groups, and a commitment to learning, development and research that helps to drive the Trust forward.

In June, the undergraduate academic year of 2010 ended with another student exam pass rate of 100%. This success is testament not only to the students' hard work but also to the level of teaching, supervision and support that the students receive from all staff in the clinical areas. Blackpool has built up an excellent reputation amongst the students at Liverpool University, with a feeling that it is the place to go to for great teaching, consultant supervision and friendly support from all staff.

In July, the Trust was delighted to welcome the new cohort of foundation doctors, which included a number of Liverpool graduates who had spent years four and five of their training on placements with the Trust. This allowed the Trust to reach its first target of attracting home grown junior doctors. All of the foundation year one trainees attended the Trust for two weeks in July on a voluntary basis, to shadow the doctor they would be replacing. This was a great opportunity for them to meet with staff and patients and to become familiar with their team and ward before commencing such an important job.

The new cohorts of fourth and final year medical students started in August, which marked the start of our third academic year of Liverpool undergraduates. The team welcomed back thirteen final year students who had spent their fourth year with the Trust. The number of final year students is expected to double at the start of the next academic year in August 2011.

100 specialty trainees and GP specialty trainees also joined the Trust in August and preparations are now underway for the February changeover of senior trainees. We continue to strive to improve the training programmes and experiences offered, which has led to the development of an internal survey of evaluation and close working with the Deanery.

The team has continued in its work to bridge the gap between education and service provision, and has been working with a wide range of clinicians and multi-professional staff on a number of projects which form the backbone of the wider 'Quality Assurance Project', covering areas such as Consent, Documentation, Engagement and Blood Cultures. This work is set to continue into 2011.

Clinical Skills and Simulation

2011 will be an exciting time for the Clinical Skills and Simulation department which is relocating to a purpose-built area on the main hospital site. This will be a fantastic opportunity to support all professional staff in technical and non-technical skills development to meet both professional and service needs. 2011/12 will be a period of increased growth for the Clinical Skills team. In order to improve patient safety and quality of care, the clinical skills team are re-focusing their training to ensure they meet the needs of their service users and to develop the new service of simulation. Simulation has the potential to improve patient safety and clinical practice through the development and training of technical and non-technical skills of multi-professional teams.

Library Services and Knowledge Management

The library continues to provide successful information services to all staff and students and strives to implement a culture of self-improvement through self-directed learning and information management.

The library team implemented a Management Librarian project, the first of its kind in the country, to complement the successful Clinical Librarian service. Highlights of the success of this project have been reported at several conferences and are being closely followed by the library and publishing communities. The aims of the project are to ensure knowledge from high quality evidence is incorporated into all Trust projects and service improvements, to ensure a culture of evidence based practice. This service will continue and in the coming months will incorporate a targeted horizon scanning bulletin and a bespoke information management workshop for managers.



Last year saw a number of staff members taking up the Six Book Challenge, a national initiative to encourage people to take up reading for pleasure, and our Trust was selected as a case study for this year's promotional material, published by UnionLearn and the Reading Agency: 'The Six Book Challenge at Work' is available online.

Sharing information, lessons learned and the improvements which have arisen from a thorough review of the evidence is a key aspect of knowledge management and the library team continue to contribute to clinical governance by offering literature searching services and following up on the service improvements developed. These Quality Improvement stories are collated and shared across the Trust on the Knowledge Management Web Pages, as are the Trust's Lessons Learned bulletins.

Clinical pathways have been shown to improve patient care by reducing length of stay, costs and complication rates and this Trust is embarking upon a programme of evidence based pathway development in which the library plays a significant role by providing a summary and critical appraisal of all the relevant evidence related to each pathway.

The Local Competitive Situation and Development of Commercial Opportunities

At the present time there is limited local competition in relation to services provided by the Trust. However, the introduction of the principle of 'any willing provider' poses a threat to the services we deliver. This is particularly the case for those services which do not require hospital based support. The Trust's response to this threat is to strive to improve the quality of services we offer and seek to move services out of hospital into the community wherever possible. We believe this will strengthen our position as the first choice provider of healthcare on the Fylde Coast.



Developing our Marketing and Competitive Capability

Our strategy has continued to be linked to building a sound reputation on the foundations of a service which is of the highest quality and is effective and responsive to patients needs. There have been numerous marketing and marketing communications developments in the last 12 months including improved standardised production of online patient information leaflets, the provision of new patient bedside folders, the introduction of Hospital News Network (a regular news programme that is published on You tube, improvements to the Trust website and Intranet, as well as the further development of our employer brand – “The Place to Be”.



Contracting

The Trust is entering into its fourth year of a contract with NHS Blackpool, acting as Co-ordinating Commissioner. There are currently 12 associate commissioners in the contract, each agreeing their respective activity baselines. All parties have worked together to ensure that the range of services and activity levels within the contract are adequate to meet the needs of the population. As part of the contracting process a range of schemes has been agreed against which the Trust will receive CQUIN (quality incentive) monies. These have been targeted to areas which will have a significant impact on patient outcomes.

Risk Analysis

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

- Governance risk
- Mandatory services risk
- Financial risk

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

Governance Risk

In October 2010 the Trust was declared by Monitor to be in significant breach of two Terms of its Authorisation, namely:

- (a) Condition 2: the general duty to exercise its functions effectively, efficiently and economically; and
- (b) Condition 5: its governance duty.

This led to both internal and external audits of the Trust's Governance processes and these identified a number of areas for action. A programme of work is currently in place to deliver these actions which will strengthen Governance within the Trust. At a Board Seminar in February 2011, the Board undertook a review of the key risks for the organisation.

The highest risk for the organisation is financial. The Trust being in significant breach of Monitor's Terms of Authorisation requires radical change within the finance performance and monitoring systems. Liquidity poses distinct organisational risks, specific controls are necessary and existing controls need to be reviewed and strengthened to effectively reduce the level of financial harm to the Trust.

The second high level strategic risk is 'The Workforce of Tomorrow'. Having set a target for reduction in staff of over 600 whole time equivalents (WTEs) over the next 18 months, the Board needs to ensure that the remaining workforce will meet the professional, safety and legal requirements of a "Top Achieving" health care provider. The Human Resources Department lead on the assessment and management of this workforce risk. It is currently measured as being a moderate risk; however the expectation is that this risk will be included and monitored on the Board Assurance Framework in April 2011.

The Clinical Governance Department lead on the Safety and Quality of patient care. They are responsible for the monitoring and the reporting of compliance against the Performance Standards outlined by both the Care Quality Commission and



the Health Service Litigation Authority. Compliance has been risk assessed and is currently measured as being a medium level risk; however as safety and quality performance reflect the corporate objectives, the expectation is that these risks will be included and monitored on the Board Assurance Framework in April 2011.

The Board Assurance Framework reflects the Corporate Objectives and high level strategic risks. The monitoring process ensures a review of the potential organisational harm and the level of risk and provides an update on the progress being made in implementing defined drivers for change.

The Board has affirmed that Quality, Safety, People, Delivery, Environment and Cost are core components of the Corporate Objectives for 2011/12. These key areas of high level risks are to be formally monitored through Governance Groups across the organisation from Ward to Board.

In relation to the seven elements of compliance with regard to governance the position is as follows:

Legality of Constitution

The legality of the Constitution remains; however, there have been a number of changes/amendments to the Constitution in 2010/11 in relation to the following:

Trust Title – this was changed to Blackpool Teaching Hospitals NHS Foundation Trust in September 2010 following the Trust's accreditation by the University of Liverpool to become a teaching hospital.

Composition of the Council of Governors – this was amended in September 2010 in relation to the partnership organisations as follows:

- The seat for Re Blackpool was renamed to become Blackpool, Fylde and Wyre Economic Development Company (due to change of company name)
- The removal of the Patients Forum (this forum is no longer in existence)
- The addition of the University of Liverpool

Council of Governors Tenure - There were no specific changes to the rules but the document was reworded to make it easier to understand following advice from Cobbett's Solicitors. All other changes related to the format, spellings, grammar, etc.

Composition of the Council of Governors – this was amended in March 2011 in relation to the transfer of community services to the Trust. A Public Governor and Staff Governor have been elected to represent the North Lancashire constituency. They have been elected to represent these areas initially in shadow format until the date of the transfer of community services transaction when they will start their official tenure.



Growing Representative Membership

Over the past year, the Trust has seen its membership continue to grow steadily. However, in our Membership Strategy, set by the Trust's Council of Governors, it was stated that we would recruit 8,000 public members in total within the first three years of becoming a Foundation Trust.

Throughout the past three years, the Trust has continued to actively recruit members, achieving an actual overall public membership of 6,779. However, although public member numbers have steadily increased each month and year, achieving the target of 8,000 members has been very challenging due to the high elderly and high transient populations of Blackpool, Fylde and Wyre.

As a Trust we want to have a meaningful and robust membership, and therefore we have conscientiously kept our database up to date with regular cleansing, which has resulted in a reduction of members after every cleanse. Our public membership at March 31st 2011 was therefore 5,921. We will be focusing on increasing our public membership over the next 12 months in line with our Membership Strategy.

Board Roles and Structures

During the year the Trust's Chairman instigated a Board Effectiveness Review with the purpose of reviewing working and governance arrangements to ensure that the Board is appropriate and effective in undertaking its role. A formal review of the Board's effectiveness was undertaken by Deloitte in December 2010/January 2011, and a detailed action plan has been produced to address the recommendations. This is updated and reviewed by the Board each month.

Revised risk management procedures using an updated risk management strategy and associated documents have been developed which define and clarify the Board of Directors' direct role in ensuring compliance.

In the event of any changes to the Executive Directors of the Board, appropriate deputising arrangements are in place to ensure continuity.

The term of office for two of the Non-Executive Directors (Michael Brown and Malcolm Faulkner) is due to expire in 2011/12. Both have expressed an interest in being re-elected.

The membership of the Board of Directors changed during 2010/11 with the appointment of Corrine Siddall as Acting Director of Operations (Unscheduled Care). Further changes to the Board of Directors occurred with the appointment of Liz Holt as Designate Director of Community Services in January 2011 and the appointment of Pat Oliver as Director of Operations in April 2011.

In July 2010, Tony Shaw was appointed as a Non-Executive Director to the Trust, following the resignation of Peter Hosker. Two of the Non Executive Directors, Bill Robinson and Christine Breene, advised that they would not be seeking renewal of their terms of office on 31 March 2011. Recruitment to these posts, in line with the recommendations of the Board Effectiveness Review, is currently underway. No further changes to the Board of Directors are anticipated in 2011/12.

Service performance against targets and CQC essential quality and risk standards

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

The Board receives a monthly Business Monitoring Report, covering all aspects of quality, patient safety and operational performance, and a quarterly Care Quality Commission assurance report as part of the Performance Management Framework. The Board receives patient stories via a DVD where patients are interviewed and encouraged to share their experiences in order to improve quality of care. The Divisions also deliver presentations to the Board on a regular basis regarding a number of clinical redesign projects that they have embarked upon to improve the effectiveness of hospital processes. The Board participates in weekly patient safety walkabouts which are a critical factor in developing a safer culture and improving patient safety.

Clinical Quality

The Trust has strengthened its performance management structure in relation to Care Quality Commission standards and has maintained progress to deliver top 10% performance for clinical quality. Over the next 12 months the Trust will continue to focus on the quality of services that we are offering to our patients and the implementation of our Quality Framework. The Quality Framework sets out the approach that this will take and the measures that the Board of Directors have identified as being key to delivering quality care and how success in these areas will be measured.

The Trust registered with the Care Quality Commission on 6th February 2009, making a statement about our current and future compliance with the new Healthcare Acquired Infection (HCAI) regulations and arrangements for meeting the compliance criteria of the hygiene code. The CQC Registration Panel granted our application for registration unconditionally on 1st April 2009.

The Trust has continued to implement the MRSA Screening Operational Assurance Framework since 31st March 2009 and actions to improve performance are continually being sought and implemented.



Effective risk and performance management

The Trust was successful in achieving Clinical Negligence Scheme for Trusts (CNST) Maternity Level 1 under the revised standards on 26th October 2010. The Trust has developed an action plan to maintain Level 1 and achieve Level 2 in February 2012. Progress towards compliance with the clinical CNST standards will be monitored on a quarterly basis by the Healthcare Governance Committee and the Board of Directors.

The Trust achieved NHS Litigation Authority (NHSLA) Level 3 in February 2011. An action plan has been developed to continue to maintain Level 3 in 2011/12.

Attaining Level 3 status provides a reduction in NHSLA contributions of 30%. In accordance with the 2010/11 figures these cost savings equate to £626,952, an additional saving from our current contributions of £209,155.

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



Co-operation with NHS bodies and local authorities

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

Significant Governance Risks

The most challenging issue for the Trust is to maintain robust financial performance and achieve a Financial Risk Rating of 3. Additional significant Governance risks include failure to eliminate or reduce Healthcare Acquired Infections, failure to reduce Mortality Rates, failure to implement the Interim Clinical Information System, failure to recruit sufficient staff to meet basic establishment needs, and failure to maintain compliance with Health and Safety regulations.

A range of initiatives have been implemented by the Trust to mitigate these risks and these are reflected on the Board Assurance Framework which is monitored on a quarterly basis by the Healthcare Governance Committee, the Audit Committee and the Board of Directors. The Organisation's significant risks are outlined in further detail in Annex E – Annual Governance Statement.

Mandatory Services Risk

There are no foreseeable service changes that threaten the delivery of mandatory services provided by the Trust, nor are there any issues of accreditation that threaten the viability of a service in 2011/12.

The Trust has developed a robust set of business continuity and contingency plans to ensure that services can continue to be provided in the event that a catastrophic event takes place which impacts upon patient services. These plans have been cascaded throughout the organisation and, where appropriate, have been fully tested. There is also a major incident plan in place, and a Pandemic Flu Plan, which dovetails with regional major incident plans. This plan has been thoroughly tested, through a regional live exercise in January 2011 and communication callout exercises which are routinely conducted twice a year.





"I would like to say thank you to the staff who attended to me on Sunday 17th October regarding my broken wrist. There are few times today where a very personal service is delivered with such expertise and a friendly face. Please pass my thanks on to all the staff."

R Honer, Preston

Board of Directors Report

The business of the Foundation Trust is managed by the Board of Directors who are collectively responsible for the exercise of the powers and the performance of the NHS Foundation Trust subject to any contrary provisions of the 2006 NHS Act as given effect by the Constitution.

The Board of Directors is responsible for providing strong leadership to the Trust. Responsibilities include:

- Setting strategic aims and objectives, taking into account the views of the Council of Governors.
- Ensuring robust assurance, governance and performance management arrangements are in place to ensure the delivery of identified objectives.
- Ensuring the quality and safety of healthcare services, education, training and research and applying the principles and standards of robust clinical governance.
- Ensuring that the Trust complies with its Terms of Authorisation, its Constitution, mandatory guidance as laid down by the independent regulator (Monitor) and other relevant contractual or statutory obligations.
- Ensuring compliance with the Trust's Constitution which sets out the types of decisions that are required to be taken by the Board of Directors. The Assurance Framework identifies those decisions that are reserved by the Board of Directors and those that can be delegated to its Trust Managers. The Constitution also describes which decisions are to be reserved for the Council of Governors.

The Board of Directors comprises seven Non-Executive Directors (including the Chairman) and six Executive Directors (including the Chief Executive). In addition, there are two non-voting Executive Directors. The names of the Board of Directors during the financial year are outlined in the Profile of the Board section on page 71.

There were changes to the Board of Directors in 2010/11 as follows:

- Harry Clarke, Director of Operations, was on long term leave due to illness at the beginning of 2010 and Corinne Siddall was appointed as the Acting Director of Operations from 4th January 2010. Harry Clarke returned to the Trust on 2nd June 2010 at which time he took on the role of Director of Operations for Scheduled Care and Corinne Siddall undertook the role of Acting Director of Operations for Unscheduled Care. Subsequent to this, Harry Clarke advised the Trust of his intention to resign from his post and left the Trust in May 2011. As a result of Harry Clarke's resignation, and the requirement to reduce management costs, a substantive post of Director of Operations was advertised in February 2011 to replace the two posts and interviews took place on 6th April 2011. Pat Oliver was appointed to the post of Director of Operations with effect from 26th April 2011.
- Paul Olive, Christine Breene and Bill Robinson offered themselves for re-election as Non-Executive Directors and were successful in May 2010.
- Peter Hosker advised of his intention to resign as a Non-Executive Director at the end of his term of office on 30th June 2010.
- Tony Shaw was appointed as a Non-Executive Director to replace Peter Hosker, with effect from 1st July 2010.
- Christine Breene and Bill Robinson advised of their intention to resign from their post as Non-Executive Directors with effect from 31st March 2011. As a result, the process for the recruitment of two Non-Executives took place in April/May with a view to appointing two people with up-to-date commercial experience at a senior managerial level, preferably in the public sector, with financial literacy. The Board considers that it has an appropriate balance of expertise and experience and has access to specialist advice as required.
- Liz Holt was appointed to the post of Designate Director of Community Services on 12th January 2011.

As a self-governing Foundation Trust, the Board of Directors has ultimate responsibility for the management of the Trust but is accountable for its stewardship to the Trust's Council of Governors and Members. In addition, the Trust's performance is scrutinised by Monitor (the Regulator for Foundation Trusts) and by the Care Quality Commission (formerly the Health Care Commission).

In order to understand the roles and view of the Council of Governors and Foundation Trust Members, all members of the Board of Directors including Non Executive Directors undertake the following:

- Nominated Non-Executive Director to attend Council of Governors meetings on a rotational basis.
- Nominated Non-Executive Director attends meetings of the Membership Committee.
- Nominated Governor attends Board of Directors meetings on a rotational basis.

The Non-Executive Directors are appointed by the Trust's Council of Governors and, under the terms of the Trust's Constitution, they must form the majority of the Directors.

The Chairman has committed to spend a minimum three days per week on Trust business. The Chairman's other significant commitments are outlined on page 71 of the Annual Report. There have been no changes to these commitments during the past 12 months. The Non-Executive Directors are committed to spend a minimum of four days per month on Trust business.

The Board of Directors meets a minimum of once per month and the Board Agenda is produced to ensure that sufficient time is devoted to strategic, operational and financial matters.

The composition of the Board of Directors is regularly reviewed.

During the last 12 months a review of the skills profile of the Board was undertaken to ensure that the membership of the Board is balanced, complete and appropriate.

The performance of the Board of Directors in its entirety, and the Directors of which it is comprised, is regularly reviewed. During the year, the Trust Chairman instigated a Board Effectiveness Review with the purpose of reviewing its working and governance arrangements to ensure the Board is appropriate and effective in undertaking its role. A formal review of the Board's effectiveness was undertaken by Deloitte in December 2010/January 2011, and a detailed action plan has been produced to address the recommendations. This is updated and reviewed by the Board on a monthly basis.

The Internal Audit Department reviewed the performance of the committees within the corporate governance structure in July 2010. This is undertaken on a two yearly basis.

There have been 10 formal Board Meetings, 2 Board Seminars and 3 Extraordinary Board Meetings during 2010/11.

There are seven Sub-Committees of the Board as follows:

- Finance and Business Monitoring Committee (from October 2010)
- Audit Committee
- Charitable Funds Committee
- Healthcare Governance Committee
- Human Resources, Organisational Development and Teaching Governance Committee
- Remuneration Committee
- Marketing Strategy Committee

Attendance at the Board of Directors Meetings and Board Sub-Committees is summarised in the Table on page 67.



	Board of Directors	Finance & Business Monitoring Committee (from September 2010)	Audit Committee	Charitable Funds Committee	Healthcare Governance Committee	HR, OD & Teaching Governance Committee*	Remuneration Committee	Marketing Strategy Committee
Number of Meetings	15	8	6	4	4	6	1	2
Beverly Lester	14	8	N/A	4	4	6	1	N/A
Paul Olive	13	7	6	N/A	N/A	N/A	1	N/A
Christine Breene (until 31.3.11)	15	8	5	1 (from January 2011)	N/A	5	1	N/A
Michael Brown	13	6	5	N/A	N/A	N/A	1	N/A
Bill Robinson (until 31.3.11)	13	6	5	4	N/A	4	1	N/A
Malcolm Faulkner	14	8	4	N/A	N/A	N/A	0	2
Peter Hosker (until 30.6.10)	2	N/A	0	1	N/A	N/A	1	N/A
Tony Shaw (from 1.7.10)	11	8	4	N/A	2 (from October 2010)	N/A	N/A	N/A
Aidan Kehoe	15	8	N/A	N/A	2	2	N/A	0
Tim Welch	15	8	5	4	2	4	N/A	N/A
Marie Thompson	13	7	N/A	3	4	1	N/A	N/A
Dr Paul Kelsey	12	4	N/A	1	3	N/A	N/A	0
Nick Grimshaw	13	8	N/A	N/A	4	5	1	N/A
Robert Bell	14	8	N/A	N/A	3	N/A	N/A	N/A
Harry Clarke (until 31.5.11)	12	8	N/A	N/A	3	N/A	N/A	2
Corinne Siddall (until 26.4.11)	13	7	N/A	N/A	N/A	N/A	N/A	N/A

* Human Resources and Organisational Development

The work of the Board Sub-Committees is evaluated on an annual basis against agreed work programmes, with summary reports and minutes provided to the Board of Directors.

Compliance with the NHS Foundation Trust Code of Governance

The creation of Foundation Trusts has led to the requirement for a framework for corporate governance, applicable across the Foundation Trust Network. This is to ensure that standards of probity prevail and that Boards operate to the highest levels of corporate governance.

Monitor, the independent regulator of NHS Foundation Trusts, has produced the NHS Foundation Trust (FT) Code of Governance. This code consists of a set of Principles and Provisions and may be viewed on Monitor's website at www.monitor.nhsft.gov.uk/publications.php?id=930.

The Board of Directors has established governance policies in light of the main and supporting principles of the Code of Governance, these include:

- Corporate Governance Framework - incorporating the Standing Orders of the Board of Directors, Standing Orders of the Council of Governors, Scheme of Reservation and Delegation of Powers, and Standing Financial Instructions.
- Established the role of Senior Independent Director.
- Regular private meetings between the Chairman and the Non-Executive Directors.
- Non-Executive Director Performance Appraisal process developed.
- Formal induction programme for Non-Executive and Executive Directors.
- Attendance records for Directors and Governors at key meetings.
- Induction Programme for Governors.
- Register of Interests - Directors, Governors and Senior Staff.
- Established role of Lead Governor.
- Comprehensive Assurance Briefing Report to all meetings of the Council of Governors.
- Effective Council of Governors' sub-committee structure.
- Council of Governors' Agenda setting process.
- Membership Strategy.
- Implementation Plan and Key Performance Indicators.
- Nominations and Remuneration Committee of the Board of Directors.
- Agreed recruitment process for Non-Executive Directors.
- High quality reports to the Board of Directors and Council of Governors.
- Council of Governors' presentation of performance and achievement at the Annual Members' Meeting.
- Robust Audit Committee arrangements.
- Council of Governor-led appointment process for External Auditor.
- Raising Concerns Policy and Counter Fraud Policy and Plan.



Foundation Trusts are required to report against this Code each year in their Annual Report on the basis of either compliance with the Code provisions or an explanation where there is non-compliance. The compliance statement below reflects the Trust's declaration regarding compliance with the Code as stated in the latest Annual Report 2010/11.

The Board of Directors considers that, throughout the 2010/11 reporting year, the Trust has applied the principles and met all of the provisions and the requirements of the Code of Governance. A report has been submitted to the Audit Committee on 3rd May 2011 and the Board of Directors on 2nd June 2011 to provide assurance of compliance with the Code of Governance.





"To all staff at Clifton Hospital. Thank you so much for all your care and concern over our dear Mum. She was not with you for many days but we could see you gave her your best care. Best wishes to all.

Terrence, Bispham

Profile of the Board

Voting members of the Board of Directors:-

Beverly Lester (Chairman) – Term of Office from 1.11.09 to 31.10.12 (Third Term)



Experience:

- Former Chairman of Blackpool, Wyre and Fylde Community Health Services NHS Trust
- Former Partner in Law Firm
- Former Deputy District Judge
- Part Time Tribunal Judge of the Tribunals Judiciary
- Trustee of the Ladies Sick Poor Association
- Governor of Carters Primary School
- Member of Blackpool Council's Children's Trust Board
- Member of the Court – University of Central Lancashire
- Former Treasurer and President of Blackpool and Fylde Law Society

Qualification:

- Qualified Solicitor – LL.B

Paul Olive (Non-Executive Director and Deputy Chairman) – Term of Office from 20.5.10 to 19.5.13 (Third Term)



Experience:

- Former Finance Director of Stanley Leisure plc
- Former Non-Executive Director of Crown Leisure plc
- Former Governor of Blackpool Sixth Form College
- Former Trustee of Age Concern
- Trustee of the Ladies Sick Poor Association

Qualification:

- Chartered Accountant – Fellow of the Institute of Chartered Accountants

Christine Breene (Non-Executive Director) – Term of Office from 20.5.10 to 31.3.11 (Third Term)



Experience:

- Former Non-Executive Director of the Blackpool, Wyre and Fylde Community Health Services NHS Trust
- Former Manager for Marks and Spencer
- Former 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/ Senior Independent Director)
– Term of Office from 1.12.08 to 30.11.11 (Second Term)



Experience:

- Former Chief Executive of Wyre Borough Council
- Chairman of Regenda Group of Housing Associations
- Director of Eccleston Services
- Director of AS Associates Ltd

Qualification:

- Qualified Solicitor – LL.B

Bill Robinson (Non-Executive Director) – Term of Office from 1.7.10 to 31.3.11 (Second Term)



Experience:

- Former Non-Executive Director of Wyre PCT
- Former Director of Finance at South Ribble Borough Council
- A Vice President of Lancashire County Cricket Club
- Former Chairman of the Lancashire Youth Cricket Coaching Committee
- Honorary Treasurer of the Lancashire Cricket Board
- Director/Trustee to the British Commercial Vehicle Museum Trust
- Trustee of Lancashire Youth Cricket Trust
- Member of the Audit Committee of the England and Wales Cricket Board

Qualification:

- Chartered Public Finance Accountant – (Retired)

Malcolm Faulkner (Non-Executive Director) – Term of Office from 1.6.07 to 30.11.11 (First Term)



Experience:

- Former Independent Consultant
- Former Director of United Utilities
- Former Chairman of Norweb
- Former MD of Norweb Energy and Telecommunications Division
- Former Commercial Director of Norweb plc
- Director of Great Places Housing Group
- Former Pro Chancellor and Chair of the Board of the University of Central Lancashire (UCLAN)
- Member of the Court of the University of Central Lancashire (UCLAN)
- Community Governor of Holme Primary School

Qualifications:

- B.Sc. (Hons) M.Sc. Electrical Engineering
- Diploma in Management Studies
- Chartered Engineer (FIET)
- Companion of the Chartered Management Institute (CCMI)

Peter Hosker (Non-Executive Director) – Term of Office from 1.7.06 to 30.6.10 (First Term)**Experience:**

- Former Senior Partner at Napthens Solicitors
- Part Time Tribunal Judge of the Tribunals Judiciary
- Former Chairman of the Aven Central 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
- Former Chairman and Trustee of the Kirkham Educational Foundation and Kirkham Grammar School

Qualification:

- Qualified Solicitor – LL.B (Hons)

Tony Shaw (Non-Executive Director) – Term of Office from 1.7.10 to 30.6.13 (First Term)**Experience:**

- Former Managing Director Business Link Fylde Coast
- Former General Manager at Blackpool Gazette and Herald
- Former Managing Director at Blackpool Gazette and Herald
- Former Director of United Provincial Newspapers
- Former Non-Executive Director of Blackpool, Wyre and Fylde Community Health Services NHS Trust
- Former Chairman of Blackpool Primary Care Trust

Qualification:

- Certified Accountant (Retired)

Aidan Kehoe (Chief Executive) – appointed in July 2009 (formerly Deputy Chief Executive from March 2008)**Experience:**

- Former Deputy Chief Executive at Blackpool, Fylde and Wyre Hospitals NHS Foundation Trust
- Former Director of Operations at Blackpool, Fylde and Wyre Hospitals NHS Foundation Trust
- Over 20 years general management experience in the NHS including senior posts at University Hospital Birmingham, Salford Royal Hospital, Rampton Special Hospital and Salisbury Community and Mental Health Services

Qualifications:

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

Tim Welch (Deputy Chief Executive) – appointed in July 2009 (formerly Director of Finance from August 2005)**Experience:**

- Former Director of Finance at Blackpool, Fylde and Wyre Hospitals NHS Foundation Trust
- 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

Qualifications:

- Chartered Public Finance Accountant
- B.Sc (Hons) – Biochemistry

Harry Clarke (Director of Operations) – appointed in October 2009



Experience:

- Former Associate Director for Performance Improvement at Blackpool, Fylde and Wyre Hospitals NHS Foundation Trust
- Former Head of Service Improvement at Blackpool, Fylde and Wyre Hospitals NHS Foundation Trust.
- Appointed to various Directorate Manager posts between 1998 and 2004.
- Joined the NHS in 1991 as Project and Commissioning Manager at Royal Lancaster Infirmary.

Qualifications:

- Post Graduate Certificate in HR Leadership.
- Master of Business Administration.
- Post Graduate Diploma in Public Administration.

Dr Paul Kelsey (Medical Director) – appointed in June 2006



Experience:

- Consultant Haematologist at Blackpool, Fylde and Wyre Hospitals NHS Trust since 1988
- Former Senior Registrar in Haematology – North West Rotational Training Scheme

Qualifications:

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

Nick Grimshaw (Director of Human Resources and Organisational Development) – appointed in May 2007



Experience:

- Former Director of Human Resources at Tameside and Glossop Acute Services NHS Trust
- Former Director of Human Resources at Greater Manchester Workforce Development Confederation
- Former Director of Human Resources at North Manchester Healthcare NHS Trust

Qualifications:

- BA - English and History
- Post Graduate Diploma in Management
- Post Graduate Diploma in Personnel (MCIPD)

Marie Thompson (Director of Nursing and Quality) - appointed in February 2009



Experience:

- Registered General Nurse
- Over 20 years experience in a variety of clinical, practice development and managerial roles
- Responsibility for the Trust's Nursing and Midwifery Workforce and delivery of the Trust's Quality Improvement Objectives
- Responsibility for Nursing Standards, Patient Experience, Infection Prevention, Safeguarding Children, Young People and Adults, and Emergency Planning
- Former Deputy Director of Nursing and Governance for Wrightington, Wigan and Leigh Hospitals NHS Trust
- Deputy Director of Nursing North East Lancashire Hospitals

Qualifications:

- Registered General Nurse
- M.Sc Human Resource Leadership
- B.Sc Hons Nursing Studies
- Post Graduate Certificate in Education
- Post Graduate Diploma Management Studies

Non-voting member of the Board of Directors:-

Robert Bell (Director of Facilities and Clinical Support) – appointed in March 2009 (formerly Director of Facilities and Estates from March 2009)



Experience:

- Former Director of Facilities and Estates at Blackpool Teaching Hospitals NHS Foundation Trust
- Head of Technical Services for Ocado (Waitrose) Ltd
- Technical Services Director for Tibbett & Britten Ltd
- Principal Technical Officer for Merseyside Police Authority

Qualifications:

- Bachelor of Science Degree in Mechanical Engineering
- Chartered Engineer
- Member of the Chartered Institute of Building Services Engineers
- Associate Member of the Institute of Mechanical Engineers

Corinne Siddall (Acting Director of Operations) - appointed in January 2010



Experience:

- Acting Director of Operations at University Hospitals of South Manchester
- General Manager – Heart and Lung Division at University Hospitals of South Manchester
- 18 Week Programme Lead at Salford Royal Hospitals NHS Trust
- Directorate Manager – Emergency Medicine and Critical Care at Salford Royal Hospitals NHS Trust
- Resuscitation Training Officer at Salford Royal Hospitals NHS Trust
- Sister in Emergency Nursing at Salford Royal Hospitals NHS Trust

Qualifications:

- Registered General Nurse
- Diploma in Professional Studies in Nursing
- Certificate in Health Service Management
- PRINCE 2 Project Management
- Certificate in Performance Management

Liz Holt (Designate Director of Community Health Services) – appointed in January 2011



Experience:

- Former Director of Community Health Services, NHS Blackpool
- Former Assistant Director - Patient & Public Involvement / Performance Improvement, Cumbria & Lancashire SHA
- Over 12 years experience at director level leading, managing and developing community health services

Qualifications:

- BA - Open University
- Certificate in Management Studies
- City & Guilds Further Education Teaching Certificate
- Diploma in Chiropody



"I want to say a big thank you to everyone on ITU for pulling my mother through after her operation. All the staff were brilliant and did a great job of supporting the family at a very difficult time."

Caroline Lee, Blackpool

Council of Governors

The Council of Governors was formed on 1st December 2007 in accordance with the National Health Service Act 2006 and the Trust's Constitution. The Council of Governors is responsible for representing the interests of NHS Foundation Trust members and partner organisations in the local health economy.

The roles and responsibilities of the Council of Governors, which are to be carried out in accordance with the Trust's Constitution and the Foundation Trust's Terms of Authorisation, are as follows:

- To appoint or remove the Chairman and the other Non-Executive Directors.
- To approve the appointment (by the Non-Executive Directors) of the Chief Executive.
- To decide the remuneration and allowances, and the other terms and conditions of office, of the Non-Executive Directors.
- To appoint or remove the Foundation Trust's External Auditor.
- To appoint or remove any other External Auditor appointed to review and publish a report on any other aspect of the Foundation Trust's affairs.
- To be presented with the Annual Accounts, any report of the External Auditor on the Annual Accounts and the Annual Report.
- To provide their views to the Board of Directors when the Board of Directors is preparing the document containing information about the Foundation Trust's forward planning.
- To respond as appropriate when consulted by the Board of Directors in accordance with the Constitution.
- To undertake such functions as the Board of Directors shall from time to time request.
- To prepare and, from time to time review, the Foundation Trust's membership strategy and its policy for the composition of the Council of Governors and of the Non-Executive Directors and, when appropriate, to make recommendations for the revision of the Constitution.

The Council of Governors and the Board of Directors continue to work together to develop an effective working relationship.

The Council of Governors comprises a total of 33 Governors, including 17 Public Governors (elected from the constituencies of Blackpool, Fylde, Wyre, Lancashire and South Cumbria, and North Lancashire), six Staff Governors (elected from the Trust) and 10 Appointed Governors (from a range of key stakeholder organisations).

The initial Elected Governors were appointed for either two years or three years (in December 2007). All Elected Governors are eligible for re-election at the end of their initial term of office for a further three years. However, Elected Governors are not eligible for subsequent re-election, i.e. in excess of six years.

The Appointed Governors are appointed for three years and are eligible for re-appointment at the end of their three year term. However, Appointed Governors are not eligible for further re-appointment, i.e. in excess of six years.



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

APPOINTED GOVERNORS	ROLE
Principal Commissioning Primary Care Trusts – 2: NHS Blackpool (1) NHS North Lancashire (1)	To represent main Trust commissioners and key NHS economy partners.
Principal Local Councils – 2: Blackpool Council (1) Lancashire County Council (1)	To represent key local non-NHS Local Health Economy partners.
Principal University – 1: University of Central Lancashire	To ensure strong teaching and research partnership and to represent other University interests.
Voluntary Sector – 1: Council for Voluntary Services	To engage and assist the Trust in identifying needs of local community.
Lancashire Care Foundation Trust - 1	To engage and assist the Trust in identifying needs of local community.
Lancashire Business Link – 1	To engage and assist the Trust in dialogue with local developments and businesses.
Blackpool, Fylde and Wyre Economic Development Company - 1	To engage and assist the Trust in dialogue with local developments and businesses.
University of Liverpool – 1 *	To ensure strong teaching and research partnership and to represent other University interests.
Total Appointed Governors – 10	

STAFF ELECTED GOVERNORS	ROLE
Class 1 – Medical Practitioners – 1	To assist the Trust in developing its services and ensure active representation from those who deliver the services.
Class 2 - Nursing and Midwifery – 2	As above.
Class 3 - Clinical Support Staff – 1	As above.
Class 4 - Non-Clinical Staff – 1	As above.
Class 5 – North Lancashire – 1 **	As above.
Total Elected Staff Governors – 6	

PUBLIC ELECTED GOVERNORS To represent:-	ROLE
Area 1 – Blackpool – 8	To represent patients who are resident in Blackpool.
Area 2 – Wyre – 4	To represent patients who are resident in Wyre.
Area 3 – Fylde – 3	To represent patients who are resident in Fylde.
Area 4 Lancashire & South Cumbria – 1	To represent of patients who are resident in the wider environs of South Cumbria and Lancashire.
Area 5 North Lancashire – 1 **	To represent patients who are resident in the wider environs of North Lancashire.
Total Public and Patient Elected Governors – 17	

TOTAL MEMBERSHIP OF COUNCIL OF GOVERNORS	
Appointed Governors – 10 (currently one vacancy)	
Staff Governors (elected) – 6	
Public and Patient Governors (elected) - 17 (currently two vacancies)	
Total – 33	

* The University of Liverpool awarded the Trust Teaching Hospital Status in September 2010 and subsequently nominated Dr Tom Kennedy as an Appointed Governor in January 2011.

** As part of the Transforming Community Services transaction, a North Lancashire constituency has been established and a Public Governor (Christopher Lamb) and a Staff Governor (Claire Lewis) have been elected to represent this area.

There have been a number of changes to the Council of Governors during 2010/11 as follows:

- Eric Allcock, Hannah Harte and Chris Thornton were re-elected to the Blackpool Constituency in December 2010.
- Mark Chapman and Paul Airlie were elected to the Blackpool Constituency in December 2010. Paul Airlie subsequently resigned on 6th February 2011.
- Janice Dickson and John Longstaff were elected to the Fylde Constituency in December 2010.
- Ramesh Gandhi was re-elected to the Wyre Constituency in December 2010.
- John Bamford was elected to the Wyre Constituency in December 2010.
- Mike Wistow replaced Denise Wilson as the Appointed Governor for Lancashire Care NHS Foundation Trust on 23rd June 2010.
- Andrew Goacher was re-elected to the Nursing & Midwifery Staff Constituency in February 2011.
- Richard Day resigned as a Staff Governor (Clinical Support) in July 2010 and was replaced by Cherith Haythornthwaite in March 2011.

The term of office for Jean Marsh and Carol Gradwell expired in September 2010 and they were not re-elected.

All elections to the Council are conducted by the Electoral Reform Services Limited on behalf of the Trust and in accordance with the Model Election Rules.



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

Name	Constituency/Organisation	Term of Office
Public Governors		
John Butler	Blackpool	3 years
Clifford Chivers	Blackpool	3 years
Hannah Harte (from December 2010) *	Blackpool	3 years
Chris Thornton (from December 2010) *	Blackpool	3 years
Eric Allcock (from December 2010) *	Blackpool	3 years
Arthur Roe	Blackpool	3 years
Mark Chapman (from December 2010) **	Blackpool	3 years
Vacant Position	Blackpool	3 years
Anne Smith	Fylde	3 years
Janice Dickson (from December 2010) **	Fylde	3 years
John Longstaff (from December 2010) **	Fylde	3 years
Peter Askew	Wyre	3 years
Austin McNally	Wyre	3 years
Ramesh Gandhi (from December 2010) *	Wyre	3 years
John Bamford (from December 2010) **	Wyre	3 years
Vacant Position	Lancashire and South Cumbria	3 years
Staff Governors		
Dr Tom Kane	Medical and Dental	3 years
Sam Woodhouse	Nursing and Midwifery	3 years
Andrew Goacher	Nursing and Midwifery	3 years
Tina Daniels	Non-Clinical Support	3 years
Cherith Haythornthwaite	Clinical Support	3 years
Appointed Governors		
Richard Emmess	NHS Blackpool (PCT)	3 years
Brian Rowe	NHS North Lancashire (PCT)	3 years
Councillor Roy Haskett	Blackpool Council	3 years
County Councillor Paul Rigby	Lancashire County Council	3 years
Doug Garrett	Blackpool, Fylde and Wyre Economic Development Company	3 years
Vacant Post	Council for Voluntary Service	3 years
Mike Wistow (from June 2010)	Lancashire Care Trust	3 years
David Slater	Business Link North West	3 years
Jean Taylor	University of Central Lancashire	3 years
Dr Tom Kennedy (from January 2011)	University of Liverpool	3 years

* Re-elected Governors

** Newly elected Governors

Attendance at Council of Governors Meetings:

Meetings of the Council of Governors took place on the following dates in 2010/11: 19th May 2010, 20th August 2010, 15th November 2010, 14th February 2011

Governor Attendance

Number of Meetings	4
John Butler	4
Clifford Chivers	2
Hannah Harte	4
Chris Thornton	3
Eric Allcock	4
Arthur Roe	3
Mark Chapman *	1
Paul Airlie *	N/A
Anne Smith	4
Carol Gradwell *	2
Janice Dickson *	1
John Longstaff *	1
Peter Askew	2
Ramesh Gandhi	4
Jean Marsh *	3
Austin McNally	3
Bill Holmes *	2
Dr Tom Kane	3
Sam Woodhouse	4
Andrew Goacher *	1
Tina Daniels	3
Richard Day *	2
Richard Emmess	4
Brian Rowe	1
Councillor Roy Haskett	3
County Councillor Paul Rigby	2
Doug Garrett	3
David Slater	2
Chris Lamb	2
Chris Sconce	3
Mike Wistow *	3
Dr Tom Kennedy *	0

* Resigned or elected/appointed during 2010/11.



The Chief Executive, Deputy Chief Executive and Director of Operations routinely attend meetings of the Council of Governors. The Non-Executive Directors attend the Council of Governors Meetings on a rotational basis.

During 2010/11, the Council received regular updates from the Chief Executive plus regular performance, finance and membership reports. Presentations were also given to the Council about the External Auditor's Audit Approach, Nurse Recruitment, Infection Prevention, Annual Plan, Capital Developments, Community Acquired Infection and Pain Management.

Other items discussed at Council of Governors meetings included the Chairman's/Non-Executive Directors' Appraisals and Remuneration, Re-Appointment of the External Auditor Corporate Objectives, Governors Objectives, Annual Report and Accounts, Quality Accounts, Complaints, Serious Untoward Incidents, Trust Constitution, Patient Safety, Transforming Community Services, Board Assurance Framework, Corporate Risk Register, Foundation Trust Governing Council Effectiveness Tool, Blue Skies Hospital Fund and Vision Programme.

In addition Governors have provided feedback from the following events:

- Experienced Governor Event – 8th March 2010
- Trust Practice Governors' Event – 27th April 2010
- Governors Development Programme – 14th May 2010
- Experience Governors Network – 17th August 2010
- Equality and Diversity Conference – 27th September 2010
- North West Governors Forum – 24th February 2011
- Experienced Governors Network – 8th March 2011
- FTGA Development Day – 7th April 2011

A Governors Workshop took place on 7th January 2011.

In addition, other meetings have taken place as follows:

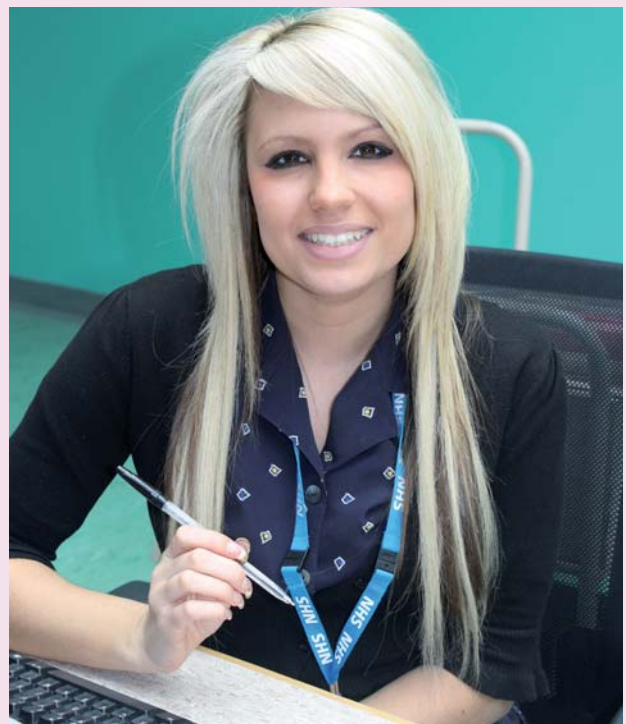
- Governors from each of the constituencies have met with the Chairman and Chief Executive to discuss issues facing the Trust and suggestions for improvements.
- Staff Governors have met with the Deputy Chief Executive to discuss the Trust's financial plans for the downturn and the financial aspect of the car parking scheme.
- Governor sub-groups have been established for the preparation of the Governors Declaration in relation to the Quality Accounts, for discussion about the Annual Plan 2010/11 and for consideration of the composition of the Council of Governors.

Governors have also been involved in formal patient safety walkabouts.



Following discussion with the Council of Governors in August 2010, the Trust has continued its membership with the Foundation Trust Governors' Association (FTGA). The FTGA is a national body that brings together all Governors so that they can understand their role, learn from one another and become more effective. It offers Governors the opportunity to feel more confident in their position by bringing insight and informed points of view in a varied, fast moving and challenging environment.

There are currently two Governor Sub-Committees, namely the Nominations Committee and the Membership Committee, comprising three and nine Governors respectively, details of which can be found on page 83.





Governor Attendance at Nominations Committee Meetings:

Number of Meetings	17.05.2010 (1)
Beverly Lester (Chairman)	1
Peter Askew	1
Bill Holmes *	0
Doug Garrett	1

* Subsequently replaced by Mr Eric Allcock.

Governor Attendance at Membership Committee Meetings:

Number of Meetings	10.05.2010 09.08.2010 08.11.2010 28.01.2011 (4)
Anne Smith (Chairman)	4
John Butler	4
Hannah Harte	3
Jean Marsh *	3
Austin McNally	3
Bill Holmes *	3
Roy Haskett	1
Richard Day *	2
Arthur Roe	3
Brian Rowe	0
Sam Woodhouse	1
John Longstaff *	1

* Resigned or elected/appointed during 2010/11.

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

Governors are required to comply with the Trust's Code of Conduct and to declare interests that are relevant and material to the Council.

All Governors have read and signed the Trust's Code of Conduct which includes a commitment to actively support the NHS Foundation Trust's Vision and Values and to uphold the Seven Principles of Public Life, determined by the Nolan Committee.

All Governors have declared their relevant and material interests and the Register of Interests is available for inspection by members of the public via the Trust's website www.bfwhospitals.nhs.uk or the Foundation Trust Secretary at the following address:

Trust Headquarters
Victoria Hospital
Whinney Heys Road
Blackpool
FY3 8NR

Telephone: 01253 306856

Email: judith.oates@bfwhospitals.nhs.uk

Any member of the public wishing to make contact with a member of the Council of Governors should, in the first instance, contact the Foundation Trust Secretary.



"Blackpool Victoria Hospital saved my life twice and I am extremely grateful to the dedicated wonderful nurses, doctors and all other staff. All the staff were dedicated and caring; thank you to everyone!"

Bruno Settimo, Blackpool

Membership

Over the past 12 months, the Trust's membership has continued to increase.

Public Members

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

Staff Members

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

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

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

Growth of Public Members

The number of public members has increased steadily over the last year, with 673 being recruited in total. The public membership total is now 5,921. In our Membership Strategy, we highlighted that we would achieve an overall target of 8,000 public members within the first three years of being a Foundation Trust and we are working with our Governors to achieve this.



Recruitment of Members

In order to achieve our overall target of recruiting public members, we have implemented various initiatives over the past year. These include:

- Direct mailshot campaign to under-represented areas to encourage members to sign up.
- Recruitment stands at outpatient clinics, events for the public and community meetings.
- Radio and newspaper advertising campaigns.
- Presentations at meetings of community groups about the benefits of membership.
- Improvements to the online membership section of the website, such as providing additional information regarding our seminar presentations.

Over the next 12 months we will continue to look at new ways of promoting the benefits of membership in order to achieve our target of 8,000 new public members. These include:

- Increasing the number of membership stands and boards in areas where the public directly attend the hospital, and making them more prominent.
- Manning the stands and discussing with members of the public the benefits of membership to encourage them to sign up.
- Attending meetings in the community to discuss membership, particularly targeting under-represented groups, such as age, ethnicity and gender.
- Recruitment stands at local colleges to recruit a younger age group.
- Use of social networking sites, such as Facebook and Twitter to attract new members.
- Mailshots to businesses, such as hotels, gymnasiums and fitness centres, informing staff of the benefits and inviting them to become members.

Retention of Members

The Trust understands the importance of not only building on its existing membership base, but to ensure those existing members are retained.

- New members are sent a welcome pack with information about membership and a discount card.
- All members are sent a copy of the "Your Hospitals" newsletter.
- Monthly members' seminars continue with topics such as Bowel Cancer and the NHS Bowel Cancer Screening Service, Cancer Prevention, Diabetes, Organ Donation and Cataract/Cornea problems.
- A dedicated membership hotline and email address allows the Membership Office to communicate and deal with enquiries from our members.
- "Meet your Governors" sessions have been held in all constituencies. Members seminars give public members the opportunity to meet the governors face to face.

Membership Representation

One of the key issues that we want to bring to our membership is to ensure it is representative of the whole community. For this reason, we have been looking at ways to connect with the younger generation, which is currently under-represented. Several presentations have been held in colleges across the Fylde Coast.



Membership Report for Blackpool Teaching Hospitals from 01/04/2010 to 31/03/2011	
Public constituency	Number of members
As at start (April 1)	5,615
New Members	673
Members leaving	367
At year end (March 31)	5,921
Staff constituency	Number of members
As at start (April 1)	4,867
New Members	43
Members leaving	396
At year end (March 31)	4,514
Patient constituency	Number of members
As at start (April 1)	0
New Members	0
Members leaving	0
At year end (March 31)	0
Public constituency	Number of members
Age (years):	
0-16	10
17-21	251
22+	4,760
Ethnicity:	Number of members
White	4,661
Mixed	16
Asian	64
Black	13
Other	13
Socio-economic groupings:	Number of members
ABC1	4,713
C2	739
D	109
E	309
Gender analysis:	Number of members
Male	3,112
Female	2,776
Patient constituency	Number of members
Age (years):	
0-16	0
17-21	0
22+	0





"My partner was admitted with an infected saliva gland, which then ruptured. She was given the highest standard and speed of care and even the food was great, so full marks to all the staff. Kindest regards. "

Tony Samson, Blackpool

Audit Committee

The role of the Audit Committee is to provide to the Board of Directors an independent and objective review of the establishment and maintenance of effective systems of integrated governance, risk management and internal control across the organisation's activities (both clinical and non-clinical) that supports the achievement of the Trust's objectives.

Role of Audit Committee

The Committee provides assurance on the independence and effectiveness of both external and internal audit and ensures that standards are set and compliance with them is monitored in the non-financial and non-clinical areas of the Trust that fall within the remit of the Committee. The Audit Committee is significantly instrumental in reviewing the integrity of the Annual Financial Accounts and related External Auditor's Reports thereon. In addition it reviews the Statement of Internal Control prepared by the Chief Executive in his role as the Accountable Officer.

The Council of Governors has approved the continued appointment of Pricewaterhouse Cooper (PwC) as the Trust's External Auditors until March 31st 2011. PwC will be paid £57,500 in respect of statutory audit fees. A supplementary fee included £12,500 for the independent reporting work in relation to the Independent Auditor's Report on the annual Quality Report.

The Trust limits work done by the external auditors outside the audit code to ensure independence is not compromised. In 2010/11 additional work was carried out by the External Auditors outside of normal audit requirements. The main area was due diligence and independent reporting accountants work in relation to the Transforming Community Services transaction, for which the fee was £160,000 (although some of this work will be undertaken in 2011/12). In addition the auditors also provided pension advice, with the fees for this work being £3,000.

Composition of the Audit Committee

The Committee operates in accordance with the revised Terms of Reference (as per the new Audit Committee Handbook) agreed by the Board of Directors on December 15th 2010 and has met on six occasions during the year ended March 31st 2011. Each member's attendance at these meetings complied with the criterion for frequency of attendance as set out in the Audit Committee's Terms of Reference. The Committee Membership comprises of all the Non-Executive Directors of the Board (with the exclusion of the Chairman) and is chaired by Paul Olive, FCA. The Board considers Paul Olive to have relevant financial experience following his role as a former Finance Director of a FTSE listed company. In addition to the Committee members, standing invitations are extended to the Finance Director (who also acts as the Deputy Chief Executive), External and Internal Audit representatives, the Local Counter Fraud Officer and the Associate Director of Corporate Affairs. In addition, other officers have been invited to attend the Audit Committee where it was felt that to do so would assist the Committee to effectively fulfil its responsibilities. These included the Deputy Director of Human Resources and Organisational Development, the Assistant Director of Finance, the Clinical Governance Risk Manager, the Director of Nursing and Quality, the Assistant Director of Nursing and Quality, the Clinical Audit Lead and Clinical Improvement Co-ordinator and the Head of Procurement. Administrative support has been provided by Miss Kayleigh Briggs, Personal Assistant to the Deputy Chief Executive.



Audit Committee Financial Activities

The Committee reviewed the Draft Annual Report and Accounts for the year ended March 31st 2010 at its meeting on May 4th 2010 and the final Audited Accounts at its subsequent meeting on June 1st 2010. The Committee formally recommended to the Trust Board that the Accounts be approved at the Board meeting held on June 1st 2010. The initial draft of the Annual Report and Accounts for the year ending March 31st 2011 were discussed at the Committee meeting held on February 1st 2011. The continuing development and improvement of Quality Accounts was also considered at a number of meetings.

As stated in last year's Audit Committee report the Trust is continuing to monitor its performance against the Auditors Local Evaluation standards and the progress of this review was considered throughout the current year. The Committee also considered the Trust's position in relation to the notice served by the Independent Regulator, Monitor, under Section 52 of the National Health Service Act 2006. Under this Notice, dated November 24th 2010, the Trust was found to be in significant breach of its Authorisation in relation to its general duty to exercise its functions effectively, efficiently and economically and also in relation to its governance duty. The Trust Board, Audit Committee and External Auditors are monitoring the situation closely and Monitor is dealing with the Trust's progress through the provision of regular reports and by attendance at monthly meetings.

Internal Control and Risk Management Systems

Throughout the year the Committee has received regular reports from both Internal and External Audit in relation to the adequacy of the systems of internal control and has also received regular reports from the Associate Director of Corporate Affairs on the robustness of risk management arrangements throughout the Trust. Specifically the Committee has gained assurance by reviewing the Governance Briefing Report, Care Quality Commissions Standards, Divisional Risk Registers, the Corporate Risk Register and the Board Assurance Framework. In addition, interim compliance with the Care Quality Commission and Risk Standards Assurance Process was reviewed at the meeting on September 7th 2010. The Trust Annual Governance Statement (AGS) was considered at the meeting held on May 3rd 2011 and recommended to the Board for approval. Presentations by the Clinical Audit team were made on two occasions throughout the year, reflecting the continuing development and refinement of this important function.

External Audit

The Trust's External Auditors, PwC, were re-appointed as Auditors of the Trust for the financial year 2010/11 at the Council of Governors Meeting held on August 20th 2010 and their audit fee for the year approved. Their work is undertaken in line with the Audit Code for NHS Foundation Trusts (the "Audit Code"), last updated by Monitor in March 2011. Their reappointment for 2011/12 will be considered following the conclusion of the 2010/11 audit. The Committee has reviewed the work and findings of the External Auditors by:

- Discussing and agreeing the scope and cost of audit detailed in the External Annual Plan for 2010/11.
- Considering the extent of co-ordination with, and reliance on, Internal Audit.
- Consideration of alternative mechanisms regarding self assessment of the Audit Committee's effectiveness.
- Reviewing updates and progress of works. In addition, reports and briefings (as appropriate) have been received by PwC in accordance with the requirements of the Audit Code.
- Consideration of a number of accounting treatments under IFRS and the impact thereon in relation to the Annual Accounts.
- Consideration of matters in relation to Fraud Responsibilities.
- Receiving and considering the Annual Audit Letter at its meeting on June 1st 2010 which was presented to the Board of Directors at its meeting on June 1st 2010.
- Receiving and considering reports in relation to going concern matters, the position in relation to the Trust situation with Monitor and on the matter of Transforming Community Services. Members of the Audit Committee have also met in private with External Audit representatives on July 13th 2010 so as to allow discussion of matters in the absence of executive officers.

An audit opinion on the accounts and audit certificate of the Foundation Trust for 2011 was given to the Trust on June 6th 2011. The audit opinion was unqualified and the audit certificate included a qualification in relation to the Trust's arrangements to secure economy, efficiency and effectiveness in its use of resources.

In addition, PwC have also undertaken assurance work on the Trust's Quality Report for 2010/11 in accordance with the requirements set out by Monitor. On June 6th 2011 the external auditors issued a limited assurance report on the contents of the Quality Report and a report to the Governors covering external assurance on two mandated and one locally selected indicators.

Internal Audit

The Committee has reviewed and considered the work and findings of Internal Audit by:

- Discussing and agreeing the nature and scope of the Annual Internal Audit Plan.
- Receiving and considering progress against the plan presented by the Chief Internal Auditor and the reports consequent thereon.
- Receiving reports on the Assurance Framework, Risk Management System and Care Quality Commission Quality and Risk Standards. At its meeting on May 3rd 2011, the Committee received the Head of Internal Audit Opinion which gave "significant assurance" that there was a generally sound system of internal control for the year ended March 31st 2011.

In addition the Chief Internal Auditor gave a presentation to the Committee on the new Audit Committee Handbook. The Committee also met in private with Internal Audit representatives on July 13th 2010 so as to allow discussion of matters in the absence of Executive Officers.

Other Matters

In addition to the matters outlined in this report, the following areas/issues were reviewed by the Committee during the year:

- Continuing Review of Clinical Audit both in terms of staffing levels and functional development.
- Review of 2009/10 Audit Committee Report.
- Review of salary overpayments and mandatory training.
- Local Counter Fraud Specialist Report and Annual Report, together with a formal review of the Local Counter Fraud Service and consideration of fraud risk.
- Presentation of the Trust's new electronic rostering system.
- Presentation of procurement systems.
- Adoption of Revised Standing Orders, Scheme of Reservation and Delegation of Powers and Standing Financial Instructions.

- Consideration of alternative mechanisms regarding self assessment of Audit Committee's Effectiveness and adopting the process laid down in the new Audit Committee Handbook. The satisfactory results of this assessment were considered at the committee meeting held on November 2nd 2010.
- Consideration of the process for consolidation, or otherwise, of the Trust's Charitable Funds.
- Discussion regarding a system for presentation of information regarding waivers to standing orders and the finalisation of an approved system.
- Continuous review of training needs for Audit Committee members and attendance at relevant courses.

Conclusion

2010/11 has been a difficult year for the Trust in relation to its financial performance and its failure to meet its Financial Risk Ratings as a Foundation Trust. The resultant significant breach of its authorisation and monthly reporting to the Independent Regulator, Monitor, necessitates careful and consistent monitoring.

Looking Ahead

2011/12 and beyond presents many challenges to the NHS as a whole and Acute Trusts in particular. Increased efficiencies, improved patient care and substantial capital projects all present their individual challenges. The Committee will need to be strong and vigilant in its role to ensure that the Trust returns to its agreed ratings with Monitor, particularly against the setting of the current economic climate and the requirement of the NHS to make consistent and substantial cost savings whilst ensuring the delivery of continually improving patient care. Therefore, the year ahead looks challenging and I take this opportunity to thank my fellow Audit Committee Members for their help and assistance during the year covered by this report. Particular thanks go to Christine Breene and Bill Robinson, who retired on 31st March 2011, for their valued support and contribution to the work of the Committee over the years.



"Having lived in Spain for over 20 years we hear many tales about the NHS in comparison to the Spanish Health service. Whilst on a respite break in Lytham St Anne's, my wife, was taken ill. I would like to take this opportunity to thank everyone involved with her care. Well done Blackpool A&E, you are a credit to your profession."

Stephen Mullis, Spain

Remuneration Report

The membership of the Trust's Remuneration Committee comprises all six Non-Executive Directors, plus the Chairman.

The committee is Chaired by Mr Michael Brown, Non-Executive Director.

Membership of the Remuneration Committee is as follows:

Mr Michael Brown - Chairman of the Committee
 Mrs Christine Breene (until 31.03.2011)
 Mr Malcolm Faulkner
 Mr Peter Hosker (until 30.6.2011)
 Miss Beverly Lester
 Mr Paul Olive
 Mr Bill Robinson (until 31.03.2011)
 Mr Nick Grimshaw - Secretary

One meeting of the committee took place during 2010/11 (30th June 2010) with attendance as follows:

Mr Michael Brown – Chairman of the Committee
 Mrs Christine Breene
 Mr Peter Hosker
 Miss Beverly Lester
 Mr Paul Olive
 Mr Bill Robinson
 Mr Nick Grimshaw – Secretary

The committee establishes pay ranges, progression and pay uplifts for Executive Director posts and other posts that report to the Chief Executive and Director of Operations.

The committee undertakes its duties by reference to national guidance, pay awards made to other staff groups through national awards and by obtaining intelligence from specialists in pay and labour market research.

At its previous meeting in February 2010, the committee agreed, in anticipation of a very difficult period in terms of the public sector, that there would be no annual uplift from April 2010 in salaries payable to any of the directors or other senior posts that fall under the review of the committee.

The meeting in June was held to specifically authorise the approval of a 12 month interim Director of Operations role to cover Mr Clarke's period of extended sick leave.

All Executive Directors are on permanent contracts. Notice and termination payments are made in accordance with the provisions set out in the standard NHS Conditions of Service and NHS Pension Scheme as applied to all staff.

The following tables provide details of the remuneration and pension benefits for senior managers for the period 1st April 2010 to 31st March 2011. These tables are subject to audit review.



Signed:.....

Date: 3rd June 2011

Aidan Kehoe
 Chief Executive

A) Remuneration

Name and title	Year ended to 31st March 2011					2009/10
	Salary (bands of £5000)	Bonuses	Other Remuneration (bands of £5000)	Benefits in Kind rounded to the nearest £100	Total (bands of £5000)	Total (bands of £5000)
	£000	£000	£000	£	£000	£000
B Lester - Chairman	45 - 50				45 - 50	45 - 50
A Kehoe - Chief Executive	165 - 170			* 3,500	170 - 175	170 - 175
T Welch - Deputy Chief Executive	125 - 130				125 - 130	125 - 130
HG Clarke - Director of Operations for Scheduled Care	105 - 110				105 - 110	100 - 105
C Siddall - Director of Operations for Unscheduled Care (from 04/01/2010)	105 - 110				105 - 110	25 - 30
PR Kelsey - Medical Director	80 - 85	30 - 35	75 - 80		190 - 195	190 - 195
M Thompson - Director of Nursing and Quality	105 - 110				105 - 110	100 - 105
R Bell - Director of Clinical Support and Facilities Management	105 - 110				105 - 110	105 - 110
N Grimshaw - Director of HR & OD	105 - 110				105 - 110	105 - 110
C Breene - Non-Executive Director	10 - 15				10 - 15	10 - 15
PA Olive - Non-Executive Director (Deputy Chairman)	15 - 20				15 - 20	15 - 20
M Brown - Non-Executive Director	10 - 15				10 - 15	10 - 15
P Hosker - Non-Executive Director (to 30/06/2010)	5 - 10				5 - 10	10 - 15
WG Robinson - Non-Executive Director	10 - 15				10 - 15	10 - 15
RA Shaw - Non-Executive Director (from 01/07/2010)	5 - 10				5 - 10	0
MG Faulkner – Non-Executive Director	10 - 15				10 - 15	10 - 15

*The non-cash payments relate to lease cars.

Pension Benefits - Values subject to audit review

B) Pension benefits

Name and title	Real increase in pension at age 60 (bands of £2500)	Total accrued pension at age 60 (bands of £5000)	Real increase in related lump sum at age 60 (bands of £2500)	Related lump sum at age 60 at 31 March 2011 (bands of £5000)	Cash Equivalent transfer value at 31 March 2011 (bands of £1000)	Cash Equivalent transfer value at 31 March 2010 (bands of £1000)	Real increase in Cash Equivalent transfer value (bands of £1000)
	£000	£000	£000	£000	£000	£000	£000
A Kehoe - Chief Executive	0 - 2.5	40 - 45	5 - 7.5	130 - 135	692	753	(61)
T Welch - Deputy Chief Executive	0 - 2.5	25 - 30	2.5 - 5	80 - 85	298	343	(45)
HG Clarke - Director of Operations for Scheduled Care	2.5 - 5	45 - 50	10 - 12.5	135 - 140	872	875	(3)
C Siddall - Director of Operations for Unscheduled Care	0 - 2.5	30 - 35	5 - 7.5	90 - 95	449	483	(34)
PR Kelsey - Medical Director	5 - 7.5	65 - 70	15 - 17.5	205 - 210	1,464	1,463	1
M Thompson - Director of Nursing and Quality	2.5 - 5	30 - 35	10 - 12.5	100 - 105	457	478	(21)
N Grimshaw - Director of Human Resources	0 - 2.5	30 - 35	2.5 - 5	100 - 105	515	568	(53)
R Bell - Director of Clinical Support and Facilities Management	0 - 2.5	0 - 5	0 - 2.5	0 - 5	53	30	23

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 and any other contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures, and from 2004/05 the other pension details, include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional years of pension service in the scheme at their own cost. CETV's are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real increase in CETV - this reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

In his budget of 22 June 2010 the Chancellor announced that the uprating (annual increase) of public sector pensions would change from the Retail Prices Index (RPI) to the Consumer Prices Index (CPI) with the change expected from April 2011. As a result the Government Actuaries Department undertook a review of all transfers factors. The new CETV factors are lower than the previous factors, therefore the value of the CETVs for some members has fallen since 31/03/2010.



"I would like to thank every member of staff in the Stroke Unit for their wonderful care. The service was very efficient and caring. You have a 'World Class' Unit. Thank you once again."

Mr James Porter, Blackpool

Nominations Committee

The Nominations Committee is a formally constituted Sub-Committee of the Council of Governors and comprises the Trust Chairman (Chairman of the Committee) and three Governors.

Membership of the Nominations Committee:

Miss Beverly Lester – Trust Chairman (Chairman)

Mr Peter Askew – Elected Governor (Wyre Constituency)

Mr Doug Garrett – Appointed Governor (ReBlackpool, renamed Blackpool, Fylde and Wyre Economic Development Company due to change of company name)

Mr Bill Holmes – Elected Governor (Lancashire and South Cumbria Constituency (from February 2010 to September 2010))

Mr Eric Allcock – Elected Governor (Blackpool Constituency) (from February 2011).

There has been one meeting of the Nominations Committee during 2010/11 and three of the four members were present.

The Nominations Committee has the following responsibilities:-

Recruitment and Appointment of Non-Executive Directors:-

- To agree the skill mix and process for the appointment of Non-Executive Directors, in accordance with the Trust's Terms of Authorisation and Monitor's requirements.
- To draw up person specifications for each of these posts to take account of general and specific requirements in terms of roles and responsibilities.
- To determine a schedule for advertising, shortlisting, interview and appointment of candidates with requisite skills and experience. This will include identification of appropriate independent assessors for appointment panels.
- To recommend suitable people for appointments to be ratified by the Council of Governors.

Terms and Conditions – Chair and Non-Executive Directors:

- To recommend salary arrangements and related terms and conditions for the Chairman and Non-Executive Directors for agreement by the Council of Governors.

Performance Management and Appraisal:

- To agree a process for the setting of objectives for Non-Executive Directors, subsequent appraisal by the Trust Chairman and feedback to the Council of Governors.
- To agree a mechanism for the evaluation of the Trust Chairman, led by the Senior Independent Director.
- To address issues related to Board development and to ensure that plans are in place for succession to posts as they become vacant so that a balance of skills and experience is maintained.





"I attended the Day Surgery Unit for the first time and have to say that it was a very pleasant experience. All the administrative and medical staff were fantastic. Thank you for dealing with my problem so promptly and in such a sympathetic manner."

Susan Worden, Blackpool

Annex A – Quality Report

April 1st 2010 to March 31st 2011



Part 1: Statement on Quality from the Chief Executive of the NHS Foundation Trust

I am delighted to introduce the Trust's third Quality Report for the 2010/11 period, which highlights the work we have been doing over the past 12 months to ensure our patients receive the highest quality and safest care possible.

The Quality Report is aimed at assuring our patients, our commissioners, our stakeholders and our local population that we are focused on providing the highest level of clinical care, but also to show we are committed to continuously looking at ways of improving what we do.

We aim to provide services that consistently deliver the best clinical outcomes for our patients, which are safe, accessible and responsive to patients' needs. This Quality Report sets out how we are progressing with this ambition and where we are focusing our attention to make further progress.

During 2010/11 we made a number of improvements in key areas of quality and safety and received national recognition for some of our work.

For the third year running we were named in the CHKS Top 40 Hospitals, recognising our success as one of the best performing Trusts in the country in key areas such as waiting times, mortality, hospital readmissions and reducing infection rates.

Our drive to prevent and reduce hospital acquired infections has continued. We have maintained fantastic progress in reducing Methicillin Resistant Staphylococcus Aureus (MRSA) bacteraemias by 90% when compared to 2007/2008. We have also reduced the number of cases of Clostridium Difficile by 60% over the same time period as a result of clinical engagement, new ways of working and the commitment of all staff to make improvements in this important area.

Our hospital standardised mortality rate, an indicator of healthcare quality that measures whether the death rate at a hospital is higher or lower than you would expect, has continued to improve and we have seen further reductions this year from 103 to 88 in comparison to our peers.

In recognition of our commitment to patient safety, our Trust was the only Trust in the country to be awarded two national awards in the Patient Safety Awards 2011. The awards were received for Education and Training in Patient Safety and Patient Safety in Maternity Care categories. The Trust has also seen significant reductions in patient falls, medication errors and pressure ulcers. These reductions demonstrate the Trust's high level of commitment to patient safety.

We have also made significant improvements in the areas of quality of care and patient experience with further improvements in our survey comments by patients in the 2010 National Inpatient Survey. Our own ward level patient surveys also indicate high levels of patient satisfaction. We could not deliver all of these improvements without the commitment and dedication of our staff and we work hard to ensure we develop our workforce and that the Trust is a great place to work. In recognition of this work we were awarded Investors in People Gold status for the second year running which is the highest rating possible in recognition of investing in our workforce.

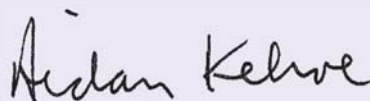
This is just a flavour of some of the excellent work going on across the Trust to ensure we deliver 'Best in NHS Care' to our patients and you can now read about some of these initiatives in more detail within this Quality Report.

Our plans for continuing to improve and demonstrate quality in everything we do will evolve throughout the next financial year. We aim to work with our staff, patients, their families and carers, commissioners, stakeholders, Governors, members and the wider public in continually improving the quality of our services. Contributions to develop the Quality Report have been received from the Governors, Local Involvement Networks, and the Overview and Scrutiny Committee together with our Corporate Governance Team.

Our plans for 2011/12 aim to build on the excellent progress we have made as well as new improvement targets in relation to patient care. This report details the approach this work will take, the measures the Board of Directors have identified as being key to its delivery and how success in these areas will be measured.

Looking forward to the year ahead, we intend to increase our efforts even further towards driving quality and safety improvements across the organisation.

The Quality Report April 1st 2010 – March 31st 2011 to the best of my knowledge the information in the document is accurate.



Signed:.....

Date: 3rd June 2011

Aidan Kehoe
Chief Executive

Part 2 Priorities For Improvement And Statements Of Assurance From The Board

2.1 Priorities For Improvement

2.1.1 Performance In 2010/11 Against Each Quality Improvement Priority Identified In 2009/10 Report

In light of the NHS 'High Quality Care for All' Lord Darzi review, the Trust developed a Quality Framework, approved by the Board of Directors and launched in November 2008, which identified three key elements in the quality of care it delivers to its patients. These define specific targets for action:

- Patient safety
- Clinical effectiveness
- Patient experience

The following information provides an overview of the quality of care provided by the Trust based on the performance of each of the quality improvement priorities for 2010/11 as identified in the 2009/10 report against the indicators for patient safety, clinical effectiveness and patient experience. Wherever possible, the report will refer to historic data and benchmarked data, where available, to enable readers to understand progress over time and performance compared to other Trusts. Wherever possible, references of the data sources for the indicators will be stated, including whether the data is governed by national definitions.

Details of the priorities for quality improvement that were agreed by the Board of Directors as identified in the 2009/10 report are detailed in Table 1 below.

Table 1		
Quality Improvement Priorities 2010/11		Quality Improvement Performance/Outcome Measures
Patient Safety	Improved Hospital Mortality Ratios	Continue to reduce the Trust's hospital mortality Continue to reduce MRSA and Clostridium Difficile infection rates as reflected by national targets
	Reducing Avoidable Harms	Reducing avoidable harms through the following strands of work: <ul style="list-style-type: none"> – Global Trigger Tool to be used to measure adverse events – Reduction of Falls by 30% – Reduction of Medication errors by 50% by 2011/12
Clinical Effectiveness	Conformance to Best Practice	Conformance to best practice through application of the following interventions to improve patient outcomes: Phase 1 site for the North West Advancing Quality initiative that seeks compliance with best practice in five clinical areas: <ul style="list-style-type: none"> – Acute Myocardial Infarction (Heart Attack) – Hip and Knee Replacement Surgery – Coronary Artery By-Pass Graft Surgery (CABG) – Heart Failure – Pneumonia Implementing 100,000 lives and Saving Lives Programme: <ul style="list-style-type: none"> – Rapid Response Team - Reducing Cardiac Arrest calls – Reducing the incidence of Surgical Site Infections – Embed implementation of Venous Thrombo Embolism (VTE) guideline Nursing care indicators used to assess and measure standards of clinical care and patient experience

Table 1

Quality Improvement Priorities 2010/11		Quality Improvement Performance/Outcome Measures
Patient Experience	Improving Patient Quality	<p>Improving the patient experience which will be measured through an improvement in the National Inpatient Survey results in the following three areas:</p> <ul style="list-style-type: none"> – In your opinion, how clean was the hospital room or ward that you were in? – Were you given enough privacy when being examined or treated? – Overall, did you feel you were treated with respect and dignity while you were in the hospital? <p>To improve National Outpatient Survey results in the following four key areas where the need for improvement was identified:</p> <ul style="list-style-type: none"> – No copies of GP letters to patients – Poor information – Poor communication – staff not introducing themselves / Lack of information regarding waiting times and delays in clinic – Lack of time to discuss health issues <p>Liverpool End of Life Care Pathway</p> <ul style="list-style-type: none"> – Seeking patients and carers views to improve End of Life Care <p>Patient Environment Action Team (PEAT) Survey</p> <ul style="list-style-type: none"> – To improve PEAT Survey results/standards <p>Ensure single sex accommodation to provide privacy and dignity for patients</p>

The Trust has continued to work throughout the year to embed a culture of patient safety and deliver on the commitments made in our Quality Framework document. This has resulted in considerable progress and improvements in key quality measures, via a number of programmes, in 2010/11.

A programme of work has been established that corresponds to each of the four areas we are targeting. Each individual scheme within the programme has contributed to one, or more, of the overall performance targets we have set i.e. improved hospital mortality rates, reducing avoidable harms, conformance to best practice and improving patient quality. Improvements have been delivered through staff engagement and the commitment of staff to make improvements. Quality improvements will continue to be monitored and reported to the Board of Directors as part of the Board Performance Business Monitoring Report and to Sub Committees of the Board through the reporting of specific programmes of work.

The following information provides an overview of the quality of care provided by the Trust based on performance in 2010/11 against the 2009/10 indicators for patient safety, clinical effectiveness and patient experience.



2.1.2 Patient Safety

Reduce The Trust's Hospital Mortality Rates

The Trust has worked with an independent benchmarking company over the last five years to track hospital mortality rates and take action where rates have been seen as high. Over the period we have implemented a range of actions to reduce our mortality rates and over the last 12 months have introduced a further set of actions. These include:

- A process of consultant sign-off for coding of deaths. The purpose of this is to ensure that the final diagnosis attributed to a patient accurately reflects the prevalent condition. This allows us to identify areas of high mortality and plan appropriate action.
- The introduction of a mini 'Alert' course for all clinical staff as part of mandatory training. The aim of this is to improve the response to early warning scores and evidence of physiological deterioration.

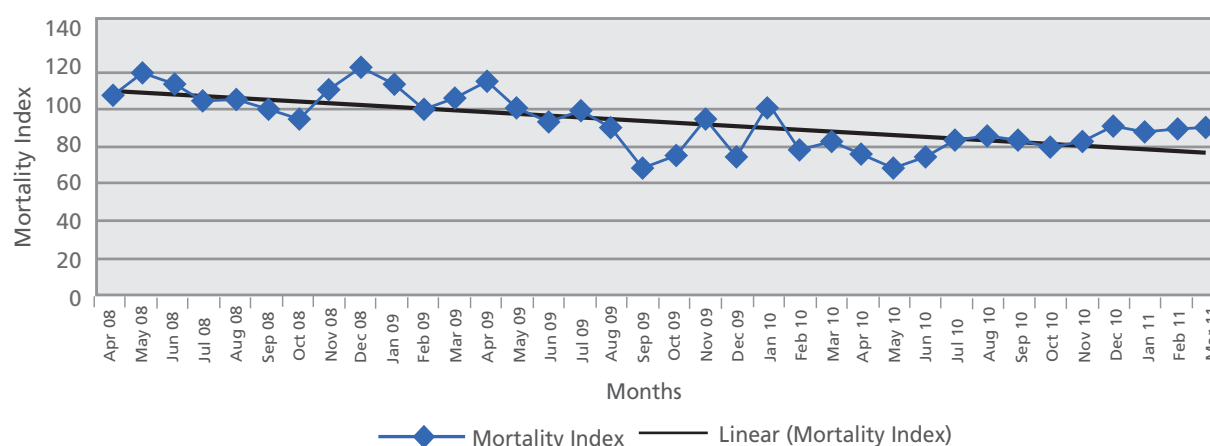
At the same time we have maintained our focus on harm reduction strategies such as reducing medical outliers (medical patients receiving treatment on non-medical wards), hospital acquired infections and medication errors. Progress on all these objectives has been reported to the Board on a regular basis. The emphasis has been on improving processes so that the improvements are local, measurable and immediate and are owned by the team providing the care.

In the last few years the Trust has received negative publicity in the Dr Foster Good Hospitals Guide reports on mortality. The Trust is pleased to report that in this year's Good Hospitals Guide our published mortality rates were all within the expected range. The Trust has implemented a Mortality Board at which mortality in each specialty is reviewed and any unexpected findings are investigated. Graph 1 below shows our progress on improving our risk adjusted mortality which has fallen significantly. We have achieved a 15 point reduction in our Risk Adjusted Mortality Index (RAMI). A key objective for the Trust is to reduce the mortality index ratio by 73 by 2011/12. The Trust had a Risk Adjusted Mortality Index of 88 in 2010/11 and is on track to achieve its objective by 2011/12.

The improvement in our hospital mortality rates reflects a lot of hard work in many areas. The Trust has been part of a North West Collaborative Programme for mortality reduction and has implemented programmes specifically around the care of patients with pneumonia and patients with severe sepsis. In addition to this work hospital mortality has been improved by the implementation of harm reduction strategies including reduction in hospital acquired infections, progress on reducing Venous Thrombo Embolism (VTE), strict adherence to quality measures as part of the North West Advancing Quality initiative and improving the management of deteriorating patients. The Trust has won several awards for its patient safety work.

Graph 1

Risk Adjusted Mortality Index April 2008-March 2011



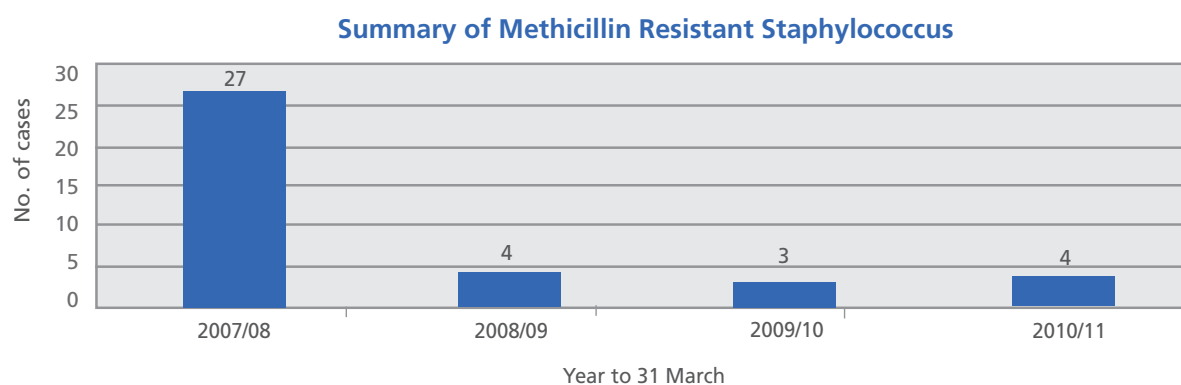
Reducing Infection Rates

Reduce Methicillin Resistant Staphylococcus Aureus (MRSA) Infection Rates

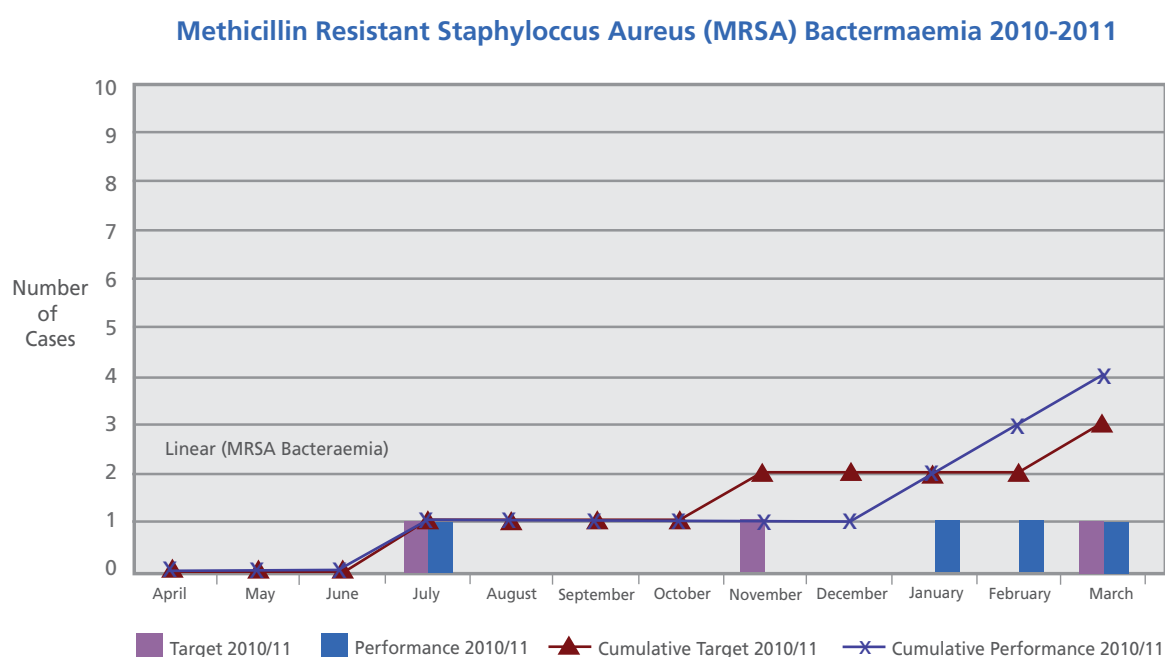
Following the significant reductions in Methicillin Resistant Staphylococcus Aureus (MRSA) Bacteraemia by 85% for the Acute Trust when compared to 2007/08, the Trust has continued to make tremendous progress in the last few years and embed Infection Prevention principles across the organisation, ensuring that the risk of acquiring an infection for patients is further reduced as shown in Graph 2.

The delivery of the MRSA Bacteraemia target remains a clinical risk, in relation to Monitor's Compliance Framework which identifies an MRSA trajectory of six cases for the reporting period. Striving for excellence, the Trust has a local MRSA target of three cases for the reporting period. The Trust has reported four cases for this year, which is over the local trajectory but remains within Monitor's Compliance Framework target, as detailed in Graph 3 below.

Graph 2



Graph 3

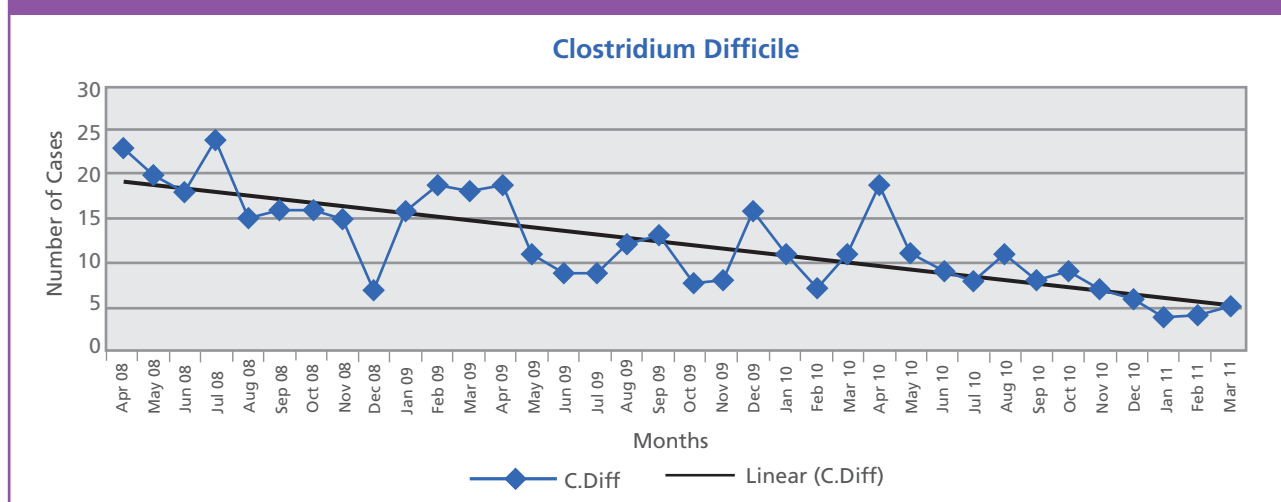


Reduce Clostridium Difficile Infection Rates

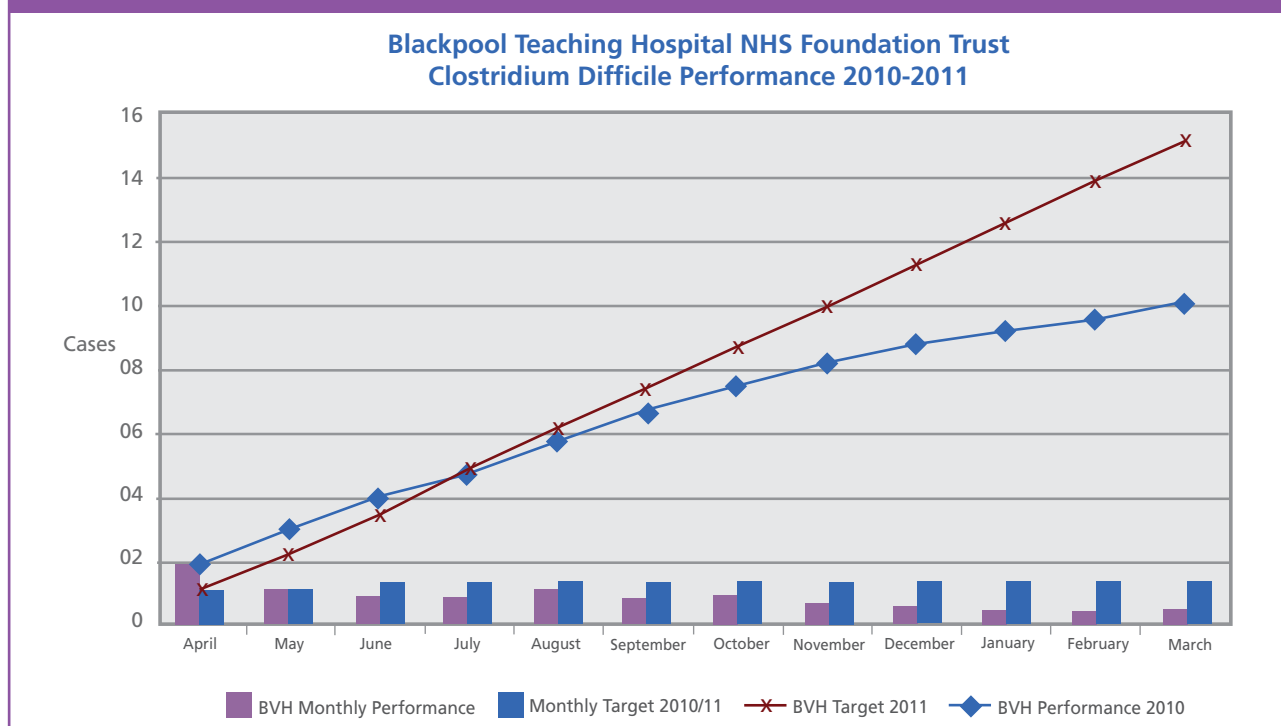
Clostridium Difficile is an organism which may be present in approximately 2% of normal adults. This percentage rises with age and the elderly have colonisation rates of 10-20%, depending on recent antibiotic exposure and time spent in an institution. Symptomatic patients are those whose stools contain both the organism and the toxins which it produces, and have diarrhoea. Those patients who are most at risk of acquiring Clostridium Difficile diarrhoea are the elderly, those on antibiotic therapy and surgical patients. Antibiotic administration is the most important risk factor for Clostridium Difficile diarrhoea, which is also known as Antibiotic Associated Diarrhoea. The clinical features of Clostridium Difficile infection can range from diarrhoea alone, to diarrhoea accompanied

by abdominal pain and pyrexia to pseudo membranous colitis (PMC) with toxic megacolon, electrolyte imbalance and perforation. Following the significant reductions in Clostridium Difficile Infection (68.73% for the last four years for the Acute Trust from 2007/2008) the Trust has continued to embed measures to reduce levels further within the organisation. There have been 101 cases of Clostridium Difficile Infection (CDI) attributed to the Acute Trust between April 2010 and March 2011, in comparison to 134 for the period April 2009 to March 2010. This demonstrates a reduction of 24% which is above the 17.6% yearly reduction incorporated into the three year plan trajectories. The Trust was required to achieve a 53% reduction in Clostridium Difficile rates from the 2007 level, by March 2011 as shown in Graph 4a and 4b below.

Graph 4a

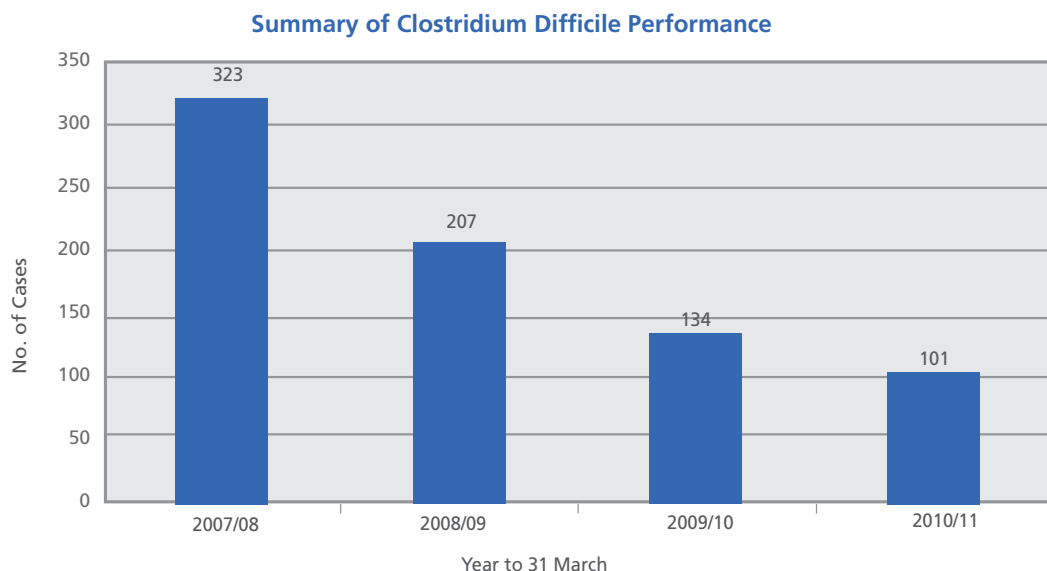


Graph 4b



Overall, the Trust has reduced the number of cases of Clostridium Difficile by 68.73% for the last four years for the Acute Trust when compared to 2007/2008 as shown in Graph 5. This is as a result of clinical engagement, new ways of working and the commitment of all staff to make improvements in this important area.

Graph 5



Global Trigger Tool To Be Used To Measure Adverse Events

Traditionally the Trust's efforts to detect and deal with adverse events have focused on reporting and tracking of errors. However, research published by the Institute for Healthcare Improvement has shown that only 10 to 20% of errors are reported and of those, 90 to 95% cause no harm to patients. The Trust has therefore decided to adopt the Institute for Healthcare Improvement Global Trigger Tool to measure adverse events. The Global Trigger Tool (GTT) is a method of measuring events of harm that may happen to a patient during their admission and stay in an acute hospital. It is an easy-to-use method for accurately identifying events that cause harm to patients and measuring the rate at which they occur. It also provides information on whether changes being made in response to adverse incidents are improving safety.

The Global Trigger Tool team is a multidisciplinary team of five senior nurses and two consultants from across the divisions who have reviewed over 400 patient casenotes in order to establish the level of harm occurring to patients, identify the themes of harm, and recommend and institute improvement programmes. Our teamwork over the past 18 months has provided the Trust with its first opportunity to accurately identify and quantify the triggers to and causes of harm occurring to our patients. Therefore we can direct real improvements to be made in patient safety.

The methods employed are a retrospective review and scoring system of a randomly selected sample of patient casenotes to

identify triggers to or actual harm occurring in either the active delivery of healthcare (commission) or in substandard care (omission). A quarterly report is produced and submitted to the Board for monitoring results.

Our results in Graph 7 to date show a reduction in the number of harms occurring to patients which have been contributed to by the programmes we have proposed, together with greater awareness for patient safety that our teamwork has delivered. The following issues and interventions have been identified and addressed to improve the quality of care to our patients as a result of the findings of the team:

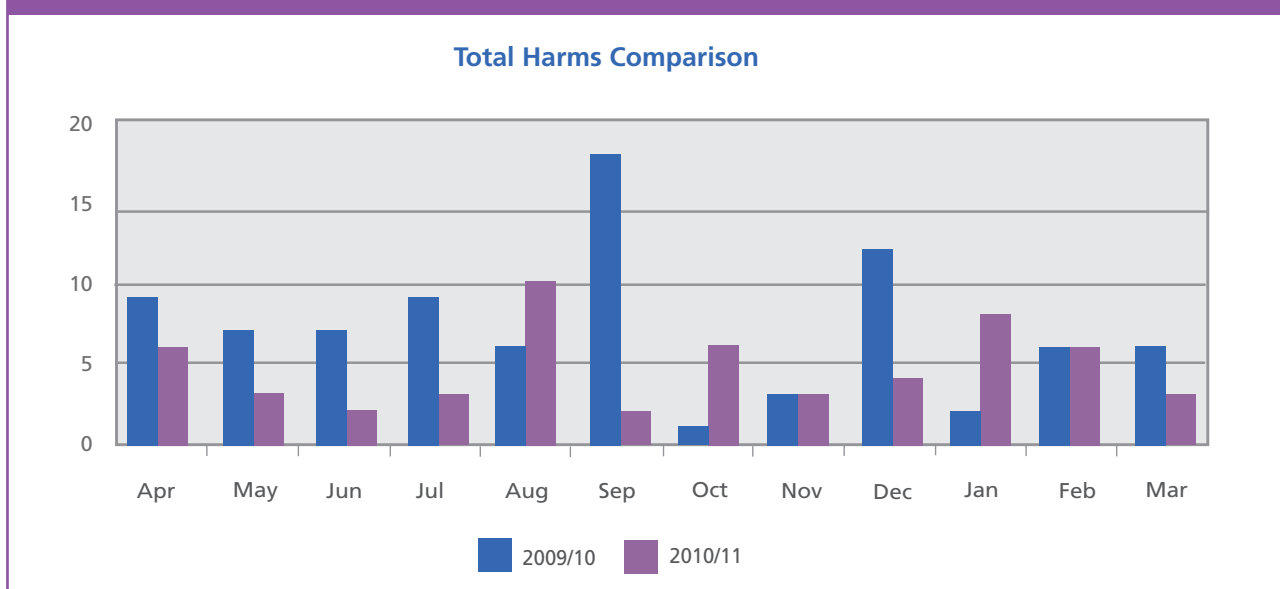
- Regular presentation of results, key findings and recommendations to the Board, as well as senior medical and nursing staff.
- Regular presentation of key cases and learning points at mortality grand rounds for education of all Trust staff.
- Identified a lack of senior medical review as a key factor with omissions in patient care.
- Identified potential millions of pounds in savings by the reduction in levels of patient harm leading to reduced length of stay.
- Recurring themes such as inadequate venous access, falls, pressure ulcers and medication errors are areas for attention.
- Safety issues regarding infections incorporated into the Trust wide "Surviving Sepsis" campaign.
- Focus on Trust wide documentation on Early Warning Score - a recurrent theme in omission of care.

- Requested a change in x-ray documentation - approved by the Ionising Radiation Medical Exposure Regulations (IRMER) Radiology group and now in use.
- Development of administration of medicines / medicines management programme which incorporated leadership and change processes - delivered to ward managers, foundation year doctors, student doctors and nurses.
- Blood transfusion policy revisited.
- Bedside-light maintenance commenced to facilitate bedside blood and drug checks.
- Initiation of "Recognise & Act - managing the deteriorating patient course" - successfully added to mandatory training for every Trust Registered Nurse and Midwife.

- Initiated Trust-wide pressure ulcer prevention project.
- Trust-wide Implementation of Situation Background Assessment Recommendations (SBAR) safety communication tool.

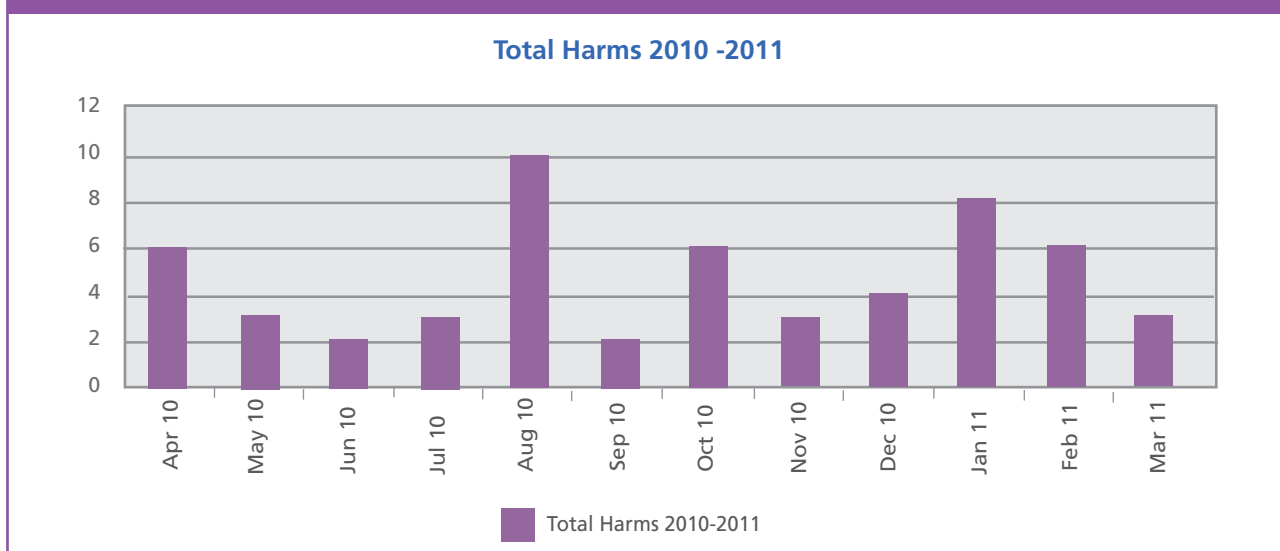
Graph 6 shows the total number of harms discovered per 20 sets of patient case notes reviewed each month.

Graph 6



Graph 7 compares the total number of harms discovered per 20 sets of patient case notes each month over the last year

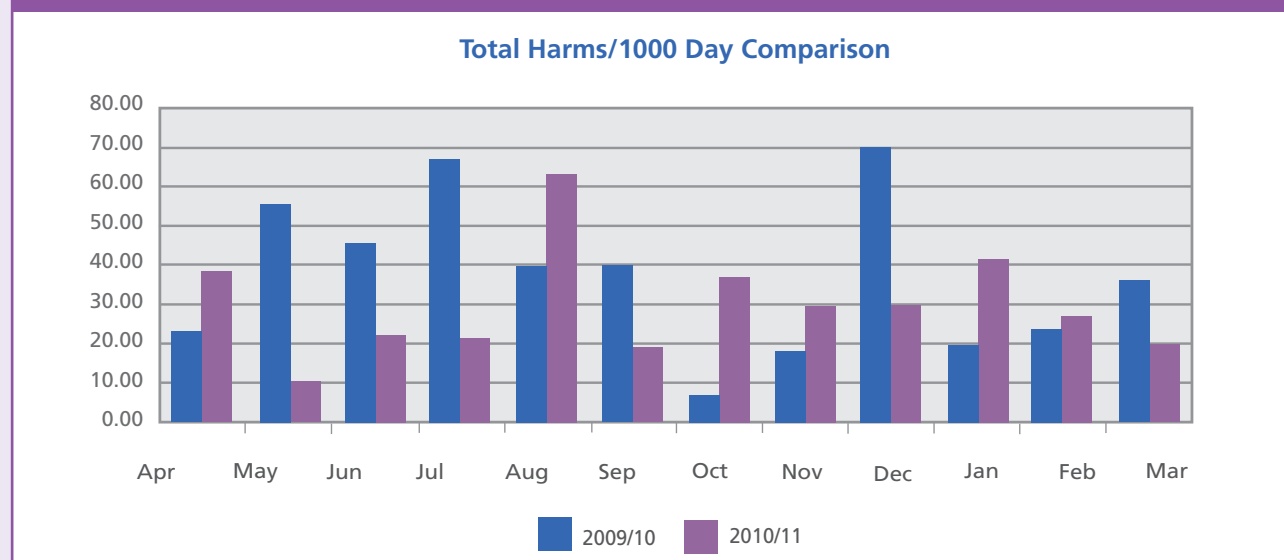
Graph 7



Graph 8 shows the number of harms discovered at the review scaled up to reflect the number of harms that could be expected per 1000 bed days. For example, in March 2011 the number of harms discovered in the patient case note review

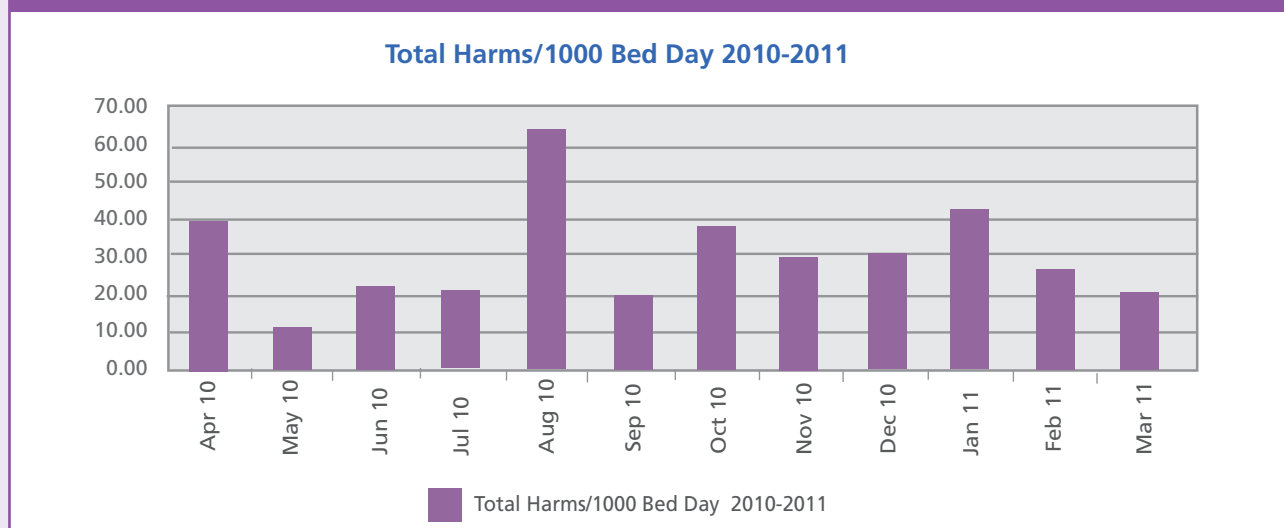
divided by the number of bed days that the reviewed cases stayed in hospital was around 0.02. This equates to around 20 harms per 1000 bed days.

Graph 8



Graph 9 shows the comparison between the harms per 1000 bed days over the last year.

Graph 9

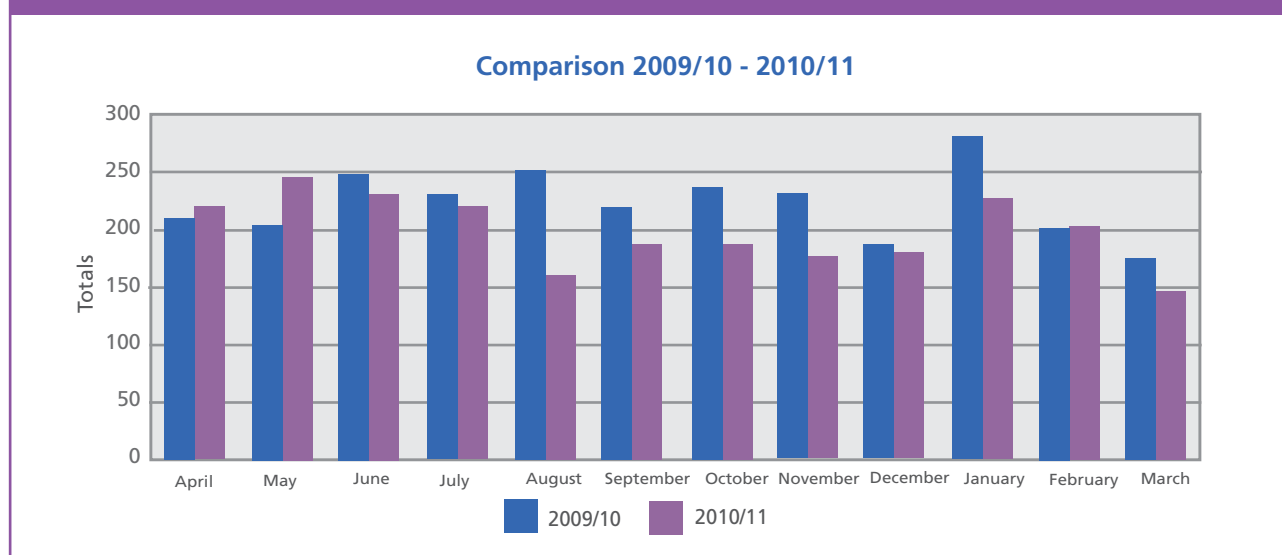


Reduction in Falls By 30%

Patient falls are one of the most common patient safety incidents reported. The majority of slips, trips and falls result in low or no harm to patients physically. However, any slip, trip or fall can result in the patient losing their confidence. There have been significant improvements within all areas of the Trust in reducing the numbers of falls as shown in Graph 10 on page 109. There have been a number of initiatives introduced during 2010/11 which have contributed to the downward trend in the number of falls each month.

- There has been intensive support and training given to pilot wards within the Medical, Surgical and Cardiac Divisions to improve the quality of falls risk assessment and the formulation of a care plan for patients at risk of falling. This has resulted in a significant improvement in the standard of care plans and an overall reduction in the number of falls.

- The Trust has introduced movement sensors in all the clinical divisions, both on the acute wards and in the community hospitals, for patients who are identified to be at high risk of falling. The sensors are discreet and can be placed either under the mattress of the bed, or on the chair if the patient is sitting out of their bed. The sensors alert the ward nurses via a pager system if a patient attempts to get out of bed or move from the chair unaided. The sensors have already helped prevent potential injury to patients as the nursing staff have been alerted swiftly and assistance given.
- “Hour rounds” have been introduced within some of the clinical areas to ensure that any patient who is at high risk of falling is visited at least once every hour. This has been proven to help reduce the risk of patients attempting to mobilise unaided as they know a member of staff will regularly attend to their needs.

Graph 10: Patient Slips, Trips and Falls

Reducing Medication Errors By 50% by 2011/12

The Pharmacy Department continues to actively engage all professionals in the safe management of medicines within the Trust. Safe medicines management ensures that the patients within our care receive their prescribed medication without exposure to risk or injury. Medicines are an integral part of modern disease management, whether they are used for prevention, treatment or alleviation of symptoms. The volume of medicines prescribed and their cost is increasing each year. It is estimated that over 700 million prescription items are dispensed in England each year at a total cost approaching £8 billion.

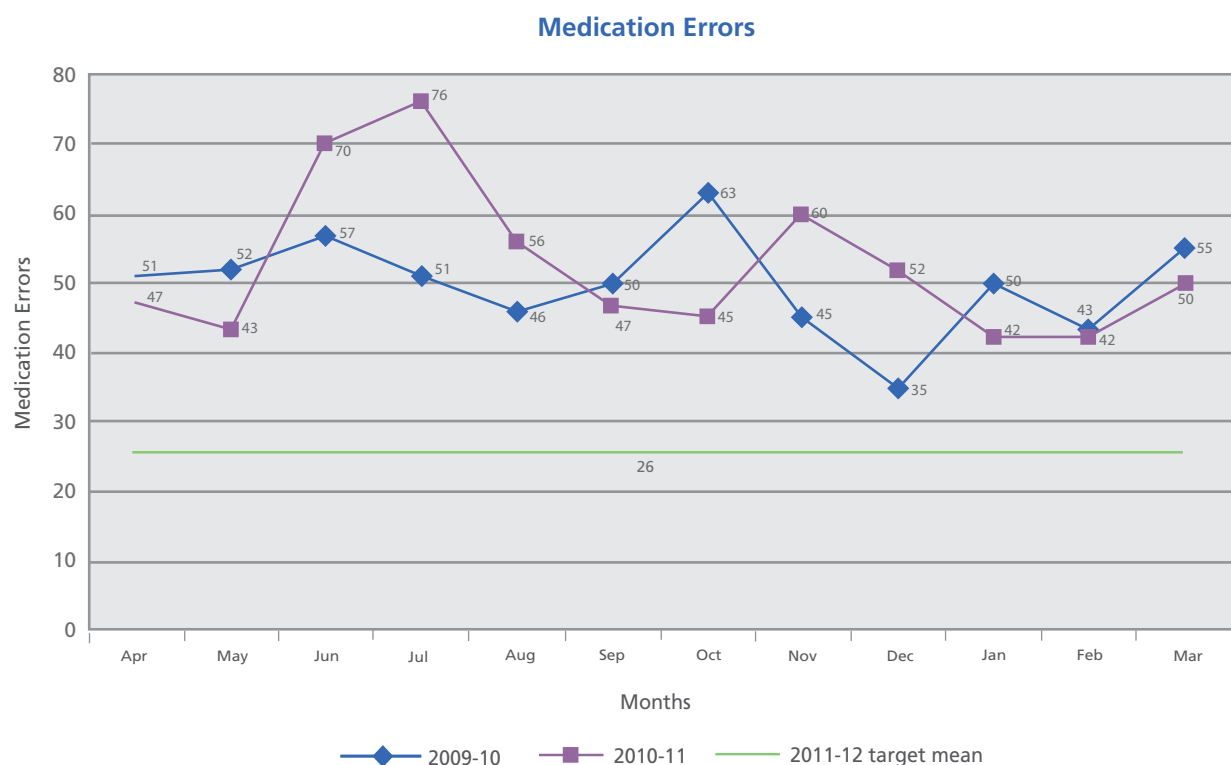
Nationally incidents involving medicines are the third largest group (9%) of all incidents reported to the National Reporting and Learning Service (NRLS) after patient accidents (35%) and treatment /procedure (9%) from a total of 811,746 incidents of all types reported during 2007 as highlighted in the publication “Safety in Doses: Improving the use of medicines in the NHS” (published 2009).

Medication incident reports are those which actually caused harm or had the potential to cause harm involving an error in the process of prescribing, dispensing, preparing, administering, monitoring or providing medicines advice. The most frequently reported types of medication incidents involve:

- wrong dose
- omitted or delayed medicines
- wrong medicine

The number of reported medication errors are detailed in Graph 11. The graph demonstrates the increasing awareness of safe medicines management within the Trust and the commitment of the staff to ensure that patients receive prescribed medicines safely.

Graph 11 - Medication Errors



The Medicines Management Team continue to work collaboratively, combining the knowledge and experiences of the Lead Pharmacist for Risk Management and the Medicines Management Specialist Nurse for Pharmacy to ensure that National Patient Safety Agency (NPSA) recommendations in relation to medicines are implemented and sustained within practice in all areas.

The number of NPSA alerts continues to increase and the Medicines Management Team has ensured that all alerts and associated deadlines for changes in practice have been met. This ensures that the Trust can declare compliance with the NPSA alerts, and demonstrate robust and comprehensive audit procedures undertaken by the Medicines Management Team that monitor sustained compliance and safety within all aspects of Medicines Management.



2.1.3 Clinical Effectiveness

North West Advancing Quality Initiative

The Trust participates in the NHS North West (Strategic Health Authority) Advancing Quality Programme, which focuses on the delivery of a range of interventions for each of the following conditions. Examples of the interventions can be found in the following information and tables below:

- Acute Myocardial Infarction (Heart Attack)
- Hip and Knee Replacements
- Coronary Artery Bypass Graft (CABG)
- Heart Failure
- Pneumonia

Research has shown that consistent application of these interventions has substantially improved patient outcomes resulting in fewer deaths, fewer hospital readmissions and shorter hospital lengths of stay.

Applying all the interventions will support our goals of reducing hospital mortality, reducing preventable harms and improving patient outcomes, thereby improving the quality of their experience. Approximately 2,700 patients a year will benefit from this programme.

The Patient Experience aspect of the Advancing Quality programme is now being measured. As soon as robust data is available the Trust will identify and implement any actions required to improve the patient experience.

Table 2 - CQUIN and the respective Targets For The Trust

Scheme	Threshold	Collection Period
Acute Myocardial Infarction (AMI)	95%	Discharges which occur between 1st April 2010 and 31st March 2011.
Coronary Artery Bypass Graft (CABG)	95%	
Community Acquired Pneumonia	78.41%	
Hip and Knee Surgery	95%	
Heart Failure	65.34%	
Stroke (New target introduced October 2010)	Cumulative Composite Quality Score ≥90% Appropriate Care score ≥50%	Discharges which occur between the 1st October 2010 to 31st March 2011.

Comparison of Data

For each of the key areas a series of appropriate patient care measures has been determined, known as the Composite Quality Score (CQS). Data are collected to demonstrate if these measures are being met and a Composite Quality Score for each key area is derived for every Trust in the programme. Performance thresholds have been agreed using this data which, whilst stretching, are aimed at each Trust having the opportunity to be awarded the full amount retained through the Commissioning for Quality and Innovation (CQUIN) framework. The percentage levels which would generate a Commissioning for Quality and Innovation (CQUIN) payment for each organisation and the data collection periods for each scheme are slightly different, and therefore each CQUIN and the respective targets for the Trust are detailed in table 2 above:

In addition, to qualify for the Commissioning for Quality and Innovation awards, Trusts must achieve a minimum cumulative clinical coding and Quality Measures Reporter (QMR) data completeness score of 80%.

The Trust's performance against each of the five key areas is detailed below. A Clinical Lead and Operational Manager have been identified for each key area and regular meetings are held to identify the actions required to improve scores achieved to date.



Acute Myocardial Infarction (Heart Attack)

Review

The Trust has always performed well against the advancing quality measure for Acute Myocardial Infarction.

A number of measures have been introduced to ensure compliance with all performance measures. The introduction of management prompt cards held within the patients' case notes have been developed. This allows accurate information to be detailed and captured in one place to assist with data entry. These cards provide advice to clinicians regarding the management plan required to ensure that care in accordance with best practice is provided.

The Cardiac Specialist Nurses ensure that all information is captured in the Myocardial Ischemia National Audit Project (MINAP). The Advancing Quality adult smoking cessation advice/counselling is further checked by the Cardiac Rehabilitation team to ensure this is included within the treatment plan (see table 3 below).

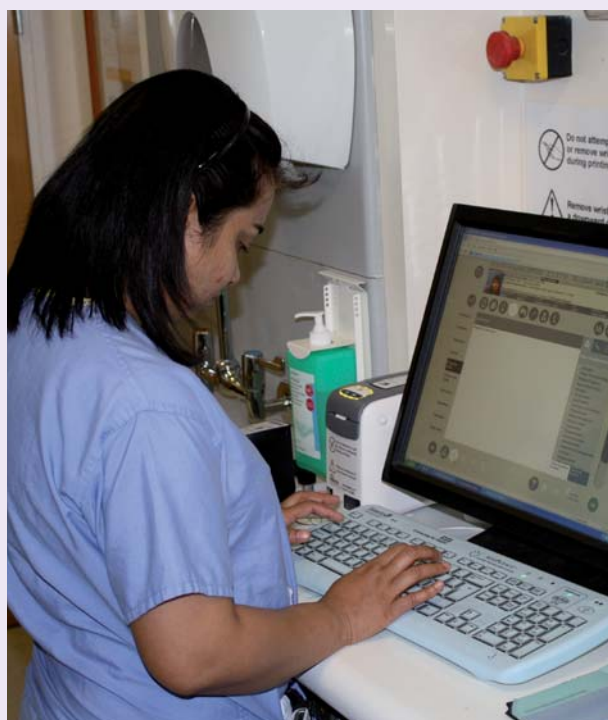


Table 3

Acute Myocardial Infarction (Heart Attack)	Trust Performance	
	Year 1	Year 2
Measure		
Aspirin at arrival	100.00%	100.00%
Aspirin prescribed at discharge	99.40%	100.00%
ACEI or ARB for LVSD	100.00%	100.00%
Adult smoking cessation advice/counselling	92.86%	96.00%
Beta Blocker prescribed at discharge	98.03%	100.00%
Beta Blocker at arrival	99.07%	
Fibrinolytic therapy received within 30 minutes of hospital arrival	100.00%	
Primary Coronary Intervention (PCI) received within 90 minutes of hospital arrival	100.00%	100.00%
Survival Index	96.76%	99.00%
Acute Myocardial Infarction (AMI) Composite Quality Score (CQS)	98.55%	99.62%
Top 25% CQS Threshold	97.02%	99.04%
Top 50% CQS Threshold	94.40%	98.00%
Attainment Threshold		87.35%
Year 1 – Trusts had to achieve over the Top 25% or Top 50% to receive the incentive.		
Year 2 – Trusts had to achieve the Attainment Threshold to receive the incentive. If they achieved the Attainment Threshold then they could also be eligible for the Top 25% or Top 50% incentive.		

Hip and Knee Replacement Surgery

Review

Both antibiotic and Venous Thrombo-Embolism prophylaxis is the subject of a set of departmental protocols. Compliance with the Venous Thrombo Embolism prophylaxis protocol is 99% or better. With regard to antibiotic prophylaxis we have developed a protocol, involving both flucloxacillin and gentamicin as a first line for patients without penicillin/cephalosporin allergy, and compliance in this area is 100%. Table 4 below details the performance in this Advancing Quality performance measure.

Table 4		
Hip and Knee Replacement Surgery	Trust Performance	
Measure	Year 1	Year 2
Prophylactic antibiotic received within 1 hour prior to surgical incision	99.53%	88.14%
Prophylactic antibiotic selection for surgical patients	98.88%	97.36%
Prophylactic antibiotic discontinued within 24 hours after surgery end time	95.33%	98.31%
Recommended venous thrombo-embolism prophylaxis ordered	100.00%	99.66%
Received appropriate Venous Thrombo Embolism (VTE) prophylaxis within 24 hrs prior to surgery to 24 hrs after surgery	99.84%	99.66%
Readmission (28 Day) avoidance index	90.31%	94.02%
Hip and Knee Composite Quality Score (CQS)	94.52%	96.19%
Top 25% CQS Threshold	94.52%	96.89%
Top 50% CQS Threshold	92.04%	94.27%
Attainment Threshold		75.67%
Year 1 – Trusts had to achieve over the Top 25% or Top 50% to receive the incentive.		
Year 2 – Trusts had to achieve the Attainment Threshold to receive the incentive. If they achieved the Attainment Threshold then they could also be eligible for the Top 25% or Top 50% incentive.		



Coronary Artery Bypass Graft Surgery (CABG)

Review

There are four Trusts doing Coronary Artery Bypass Graft within the North West who have all scored highly for Year 1 and Year 2. It is very competitive due to the low number of Trusts.

A number of actions have been introduced to further improve performance against the measures. The introduction of management prompt cards held within the patients' case notes have been developed. This allows accurate information to be detailed and captured in one place to assist with data entry.

These cards provide advice to clinicians as to the management plan required to ensure best practice takes place.

The introduction of new prescription sheets within the Cardiac Intensive Care unit with the facility to prescribe antibiotics for a 48 hour period have been introduced. This ensures clinicians review each patient and only continue with antibiotics based on clinical need when they are re-prescribed.

The data entry clerk reviews all patients prior to submitting information to ensure the data is complete (see Table 5 below).

Table 5

Coronary Artery Bypass Graft	Trust Performance	
Measure	Year 1	Year 2
Aspirin prescribed at discharge	99.53%	98.54%
Prophylactic antibiotic received within 1 hr prior to surgical incision	94.71%	87.89%
Prophylactic antibiotic selection for surgical patients	98.14%	94.88%
Prophylactic antibiotics discontinued within 24 (48) hrs after surgery end time	82.15%	89.82%
Coronary Artery Bypass Graft Composite Quality Score (CQS)	93.77%	92.73%
Top 25% CQS Threshold	98.71%	97.75%
Top 50% CQS Threshold	95.01%	97.73%
Attainment Threshold		95.00%
Year 1 – Trusts had to achieve over the Top 25% or Top 50% to receive the incentive.		
Year 2 – Trusts had to achieve the Attainment Threshold to receive the incentive. If they achieved the Attainment Threshold then they could also be eligible for the Top 25% or Top 50% incentive.		

Heart Failure

Review

The Trust has shown an improvement in performance in relation to the management of patients with heart failure.

The introduction of management prompt cards has facilitated correct pathway management. These cards provide advice to clinicians regarding the management plan required to ensure that care in accordance with best practice is provided.

Heart Failure Specialist Nurses now attend the Clinical Decision Unit on a daily basis to identify any patients who have been admitted with heart failure. This ensures that these patients are treated by the most appropriate health professional as swiftly as possible and prevents extended length of stay. The Consultant Cardiologist who is responsible for the treatment of patients with heart failure is actively involved with patient

management across the Trust. Regular ward rounds are undertaken within the medical directorate to assist with effective diagnosis and treatment. Near the end of their hospital stay, patients are seen by the Cardiac Rehabilitation Team who ensure appropriate discharge advice has been given, see Table 6.

Table 6

Heart Failure	Trust Performance	
Measure	Year 1	Year 2
Discharge instructions	7.33%	18.42%
Evaluation of LVS function	70.20%	84.62%
ACEI or ARB for LVSD	76.06%	81.37%
Adult smoking cessation advice / counselling	27.78%	53.85%
Heart Failure Composite Quality Score (CQS)	42.40%	59.10%
Top 25% CQS Threshold	74.65%	77.60%
Top 50% CQS Threshold	59.60%	72.19%
Attainment Threshold		65.34%
Year 1 – Trusts had to achieve over the Top 25% or Top 50% to receive the incentive.		
Year 2 – Trusts had to achieve the Attainment Threshold to receive the incentive. If they achieved the Attainment Threshold then they could also be eligible for the Top 25% or Top 50% incentive.		

Pneumonia

Review

Performance of Blackpool Teaching Hospitals NHS Foundation Trust based on Premier data for Year 2 shows the Composite Process Score (CPS) to be 76.28%. This compares to performance of the Top 25% of Trusts participating in Advancing Quality Pneumonia, which is 84.03% and 82.24% for top 50%. Table 7 below summarises the achievement scores for the five key measures:

Table 7

Pneumonia	Trust Performance	
Measure	Year 1	Year 2
Oxygenation assessment	96.89%	100.00%
Blood Cultures performed in A&E prior to initial antibiotics received in hospital	17.09%	41.60%
Adult smoking cessation advice / counselling	10.20%	39.62%
Initial antibiotic received within 6 hours of hospital arrival	54.21%	64.94%
Initial antibiotic selection for CAP in immunocompetent patients	67.13%	97.32%
Pneumonia Composite Quality Score (CQS)	62.08%	76.28%
Top 25% CQS Threshold	82.11%	84.03%
Top 50% CQS Threshold	74.77%	82.24%
Attainment Threshold		78.41%
Year 1 – Trusts had to achieve over the Top 25% or Top 50% to receive the incentive.		
Year 2 – Trusts had to achieve the Attainment Threshold to receive the incentive. If they achieved the Attainment Threshold then they could also be eligible for the Top 25% or Top 50% incentive.		

As is clear from the figures, the Trust has made significant progress compared to year one and narrowly missed the attainment threshold by 1.13%. The Trust is achieving top 25% performance in oxygenation assessments and appropriate initial antibiotic selection. To achieve top 25% in blood cultures performed prior to initial antibiotics, the Trust must achieve a performance above 80.49%. A performance above 64.29% is required for smoking cessation, and 75.52% for initial antibiotic administration within six hours.

The incentive scheme for Advancing Quality in year three will be based on a percentage of total contract value, as advised by NHS North West. The awards form part of the regional Commissioning for Quality and Innovation (CQUIN) and as such reflect CQUIN principles. Each Trust will have an individual CQUIN level of attainment based on their year one position and a range of expected improvement. The CQUIN threshold for Blackpool Teaching Hospitals NHS Foundation Trust is 78.41%.

At regular multidisciplinary meetings involving clinicians, nurses and managers from Accident and Emergency, the Clinical Decision Unit and the Medical specialties, recent clinical cases are reviewed in order that areas for improvement can be identified. The Trust is confident that the introduction of a pneumonia pathway into the electronic patient record will further improve our performance parameters.



Implementing 100,000 Lives and Saving Lives Programme

These programmes have been adopted by the Trust, following their launch by the Institute for Healthcare Improvement and the Department of Health. As with the Advancing Quality Programme these schemes use evidence-based interventions with the aim of reducing patient harm across the Trust. The outcomes from implementing these measures will be:

- Improved outcomes for patients who have suffered a heart attack.
- Reduction in the incidence of surgical site infection.
- Early identification and treatment of patients with worsening conditions.
- Reduction in infections due to central line insertion
- Reduction in surgical infections.
- Elimination of ventilator associated pneumonias in critical care.
- Reduction in the risk of microbial contamination.
- Reduction in the incidence of catheter related bloodstream infections.

All patients who are treated at the Trust will benefit from these changes. We have established robust mechanisms to audit both compliance with the recommended provision of care and the impact on patient outcomes, in particular mortality rates and preventable harms. The Trust will also be continuing the implementation of best practice as described within the 'Map of Medicine' and National Institute for Health and Clinical Excellence (NICE) guidelines.

The first two outcomes have been reported on in this year. The Trust anticipates having further data available and all outcomes will be reported in the following financial year.

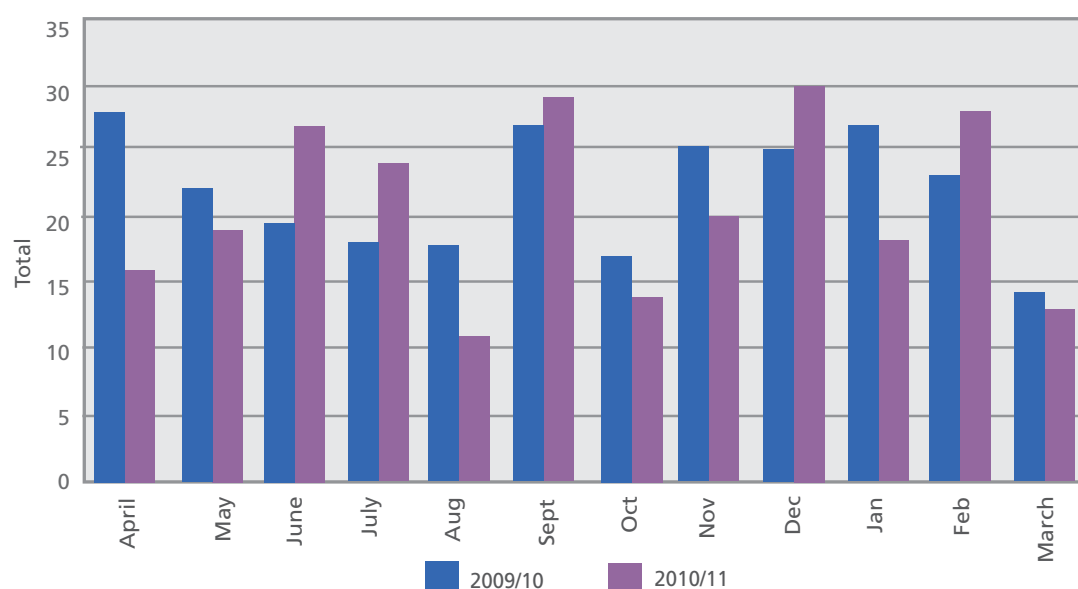
Rapid Response Team - Reducing Cardiac Arrest Calls - Improving Outcomes For Patients Who Have Suffered A Heart Attack

Data relating to in-hospital cardiac arrest calls is provided to the Care of the Acutely Ill Group/Resuscitation Committee each month, together with a detailed presentation of improvement activities twice a year. Action plans for reducing in-hospital cardiac arrests and embedding "Do Not Attempt Resuscitation (DNAR)" principles are also discussed at each meeting.

The number of in-hospital cardiac arrests for the period 1st April 2010 to 31st March 2011 was 249. This is represented in Graph 12.

Graph 12

1st April 2009/10 - 1st April 2010/11 Cardiac Arrest Figures



The following information provides an overview of some of the initiatives that the Trust has undertaken to reduce the number of in-hospital cardiac arrests:

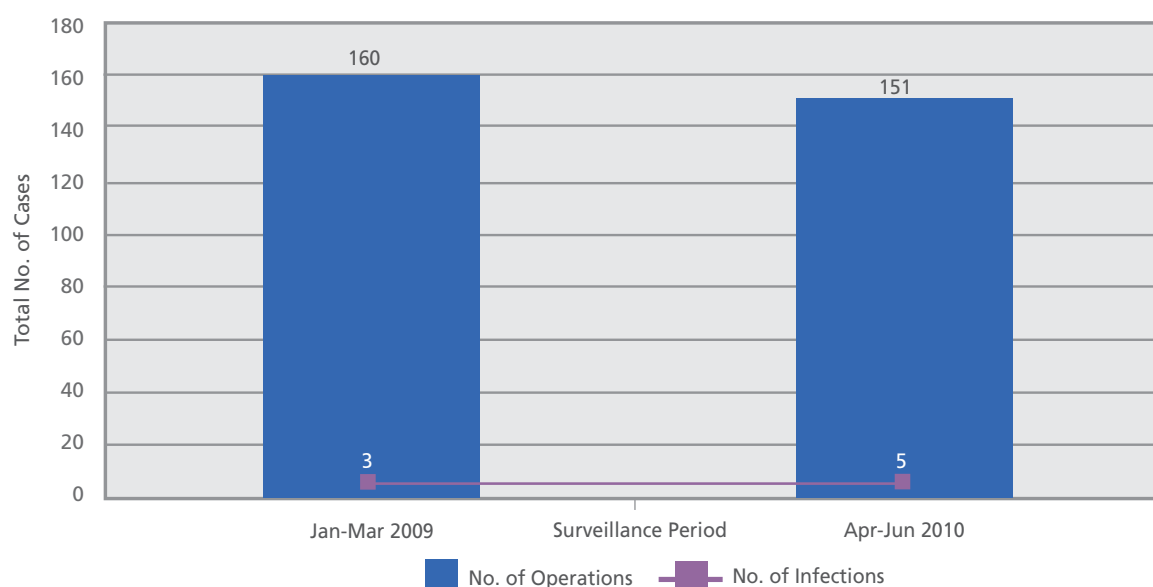
- Increase in Advanced Life Support education.
- Increase in Immediate Life Support education.
- Increase in Early Warning Score and Do Not Attempt Resuscitation (DNAR) education.
- Establishment of DNAR focus groups.
- Implementation of a Critical Care Outreach Service.

Reducing the Incidence of Surgical Site Infections

Monitoring of the incidence of surgical site infections is undertaken through a rolling schedule of audit and surveillance across all surgical specialties, with the review of all orthopaedic surgical infections being mandatory. All issues highlighted as a result of this surveillance will be used to improve practice across the Trust. Graph 13 below demonstrates the small number of infections that have been identified following surveillance of patients undergoing hip surgery.

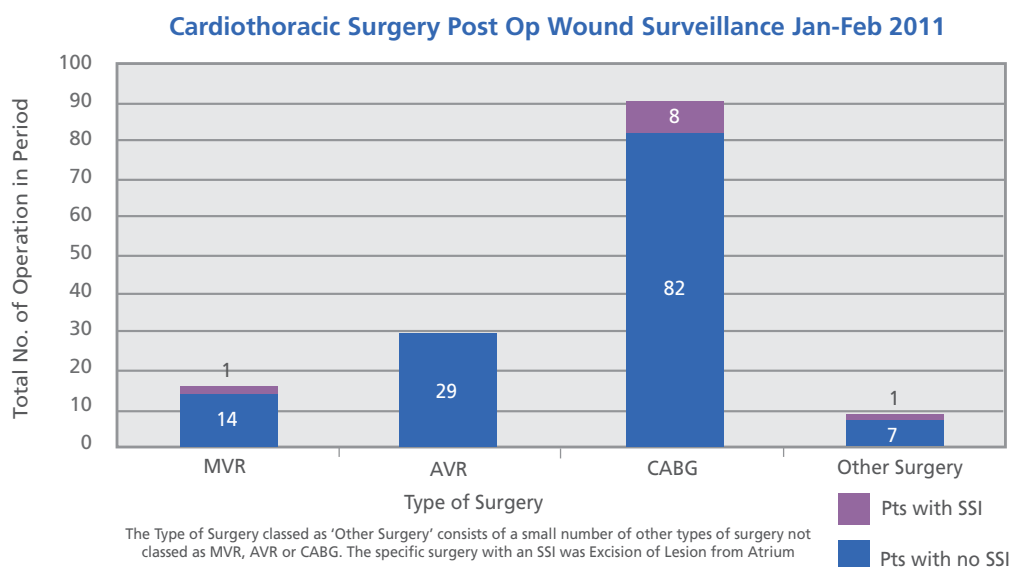
Graph 13

Mandatory Hip Surveillance



Graph 14 details the numbers of various different types of Cardiac Surgery operations performed together with the number of post operative wound infections during January – February 2011. The Trust has identified that there are improvements to be made for those patients who have a Coronary Artery Bypass Graft (CABG).

Graph 14



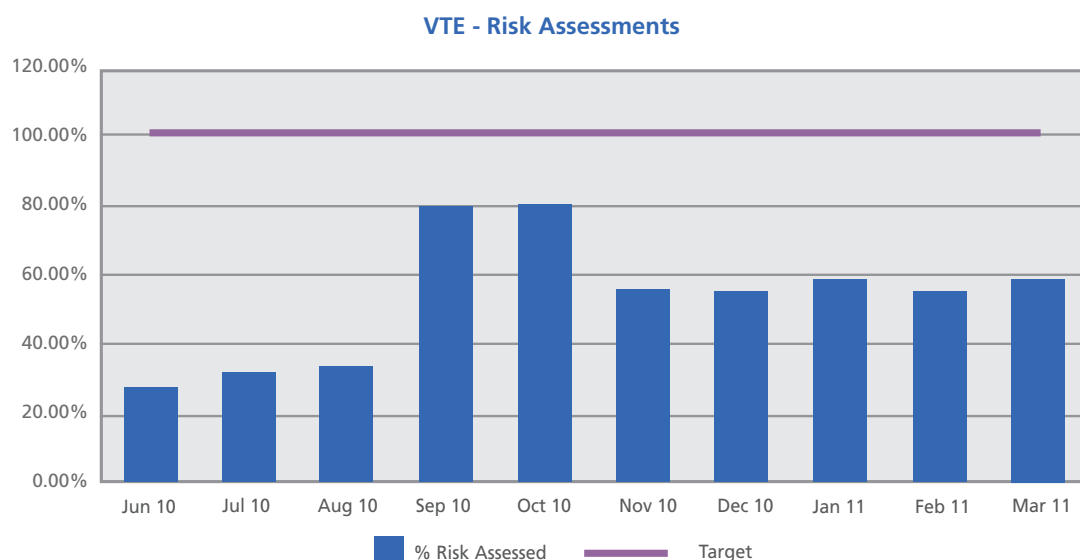
Embed Implementation Of Venous Thrombo Embolism Guideline

The Trust's aim is to implement current best practice guidelines and ensure that all adult inpatients receive a Venous Thrombo Embolism Risk Assessment on their admission to the hospital, and that the most suitable prophylaxis is instituted. Graph 15 shows the number of risk assessments undertaken for adult patients on admission from June 2010 to March 2011.

The Trust has established a small project group to produce

and implement a standard Risk Assessment Tool which can be used to assess patients' risk of Venous Thrombo Embolism. The use of three Risk Assessment forms has been agreed for use in the medical specialties, surgical specialties and obstetrics. Full training on the completion of the risk assessment has been provided, and this now forms part of the clerking process for patients within these specialties. To ensure that the Trust increases the number of patients who receive this risk assessment and appropriate treatment, a Thrombosis Committee has been established which monitors performance of individual clinical areas regarding VTE assessments.

Graph 15



Nursing Care Indicators Used To Assess And Measure Standards Of Clinical Care And Patient Experience

The Nursing Care Indicators are used as a measure of the quality of nursing care that is provided to patients during their stay in hospital. The framework for the nursing care indicators is designed to support nurses in understanding how they can deliver the most effective patient care, in identifying what elements of nursing practice work well, and in assessing where further improvements are needed. Our overall aim when introducing these measures was to reduce harms and to improve patient outcomes and experiences.

By benchmarking our nursing care across the Trust, we can increase the standard of nursing care that we provide, so that best practice is shared across all wards and departments. The measures are made visible in the ward environment and therefore by using this system we can ensure that accountability is firmly placed on the nurses providing bedside care. We have learned from this process and as a result have made significant reductions in patient harms. Compliance with nursing care indicators such as recording of observations and completion of risk assessments associated with the development of pressure ulcers have ensured that our frontline nurses can see the efforts of their work and make the link between the effective assessment and treatment of patients and improved outcomes. By improving the monitoring of vital signs we have reduced harms from deterioration and failure to rescue rates. By including the care of the dying indicators we hope to improve referral times to palliative care services and the way that our staff interact with relatives at this difficult time.

We have been observing nursing care using the Nursing Care Indicators for the past two years. The process involves a monthly review of documentation, ward environments and the

nursing care delivered in each ward. The Head Nurses closely analyse each area for trends and non-compliance and, where required, instigate improvement plans that reflect any changes in practise that may be required. The Trust recognises that it has set high standards to be achieved, with a target of 95% for all indicators.

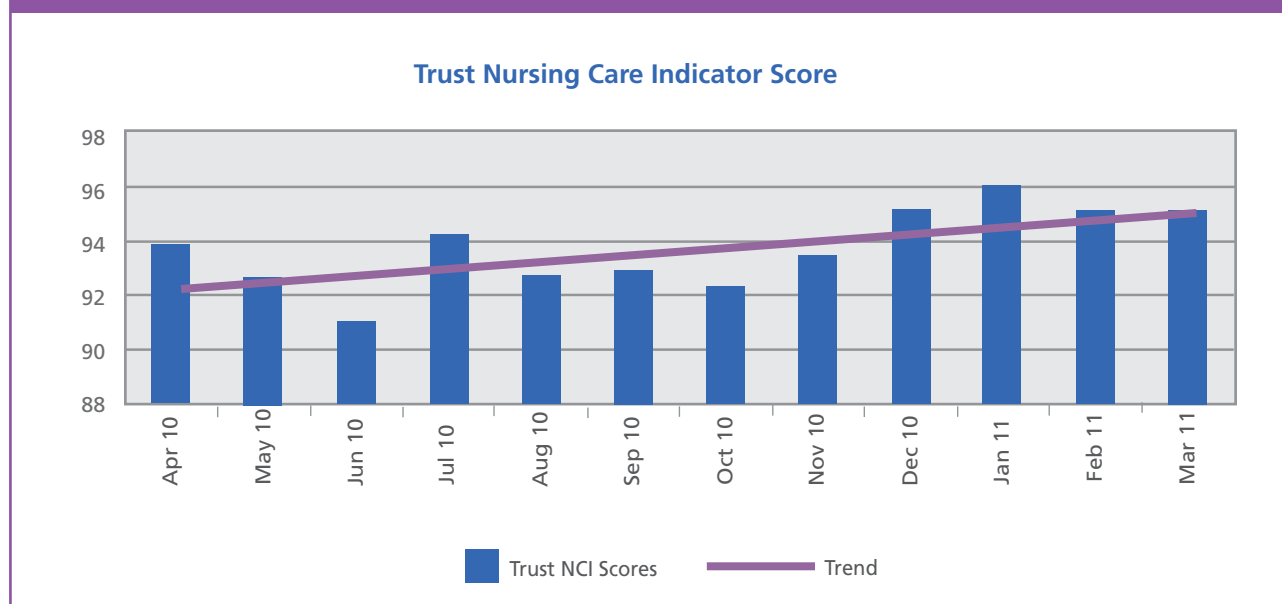
In the development of the Nursing Care Indicators, key themes for measurement were identified from complaints, the patients' survey, the Trust documentation audit, the benchmarks held within the essence of care benchmarking tool, and assessments against Trust nursing practice standards. Measurement of the Nursing Care Indicators is an evolving process and in June 2010, two new indicators were developed and added to the framework. During 2011 the Trust intends to expand them further into Neonatal and Day Case areas. The Nursing Care Indictors are subject to internal review and the Trust is in the process of adding to the suite of indicators in line with changing standards and requirements.

The following themes are measured monthly:

- Patient Observations
- Pain Management
- Falls Assessment
- Tissue Viability
- Nutritional Assessment
- Medication Assessment
- Infection Control
- Privacy & Dignity
- Care of the Dying (added June 2010)
- Continence Care (added June 2010)

Graph 16 shows the overall Trust performance, expressed as an average percentage of all ten nursing care indicators, for 2010/11.

Graph 16



2.1.4 Patient Experience

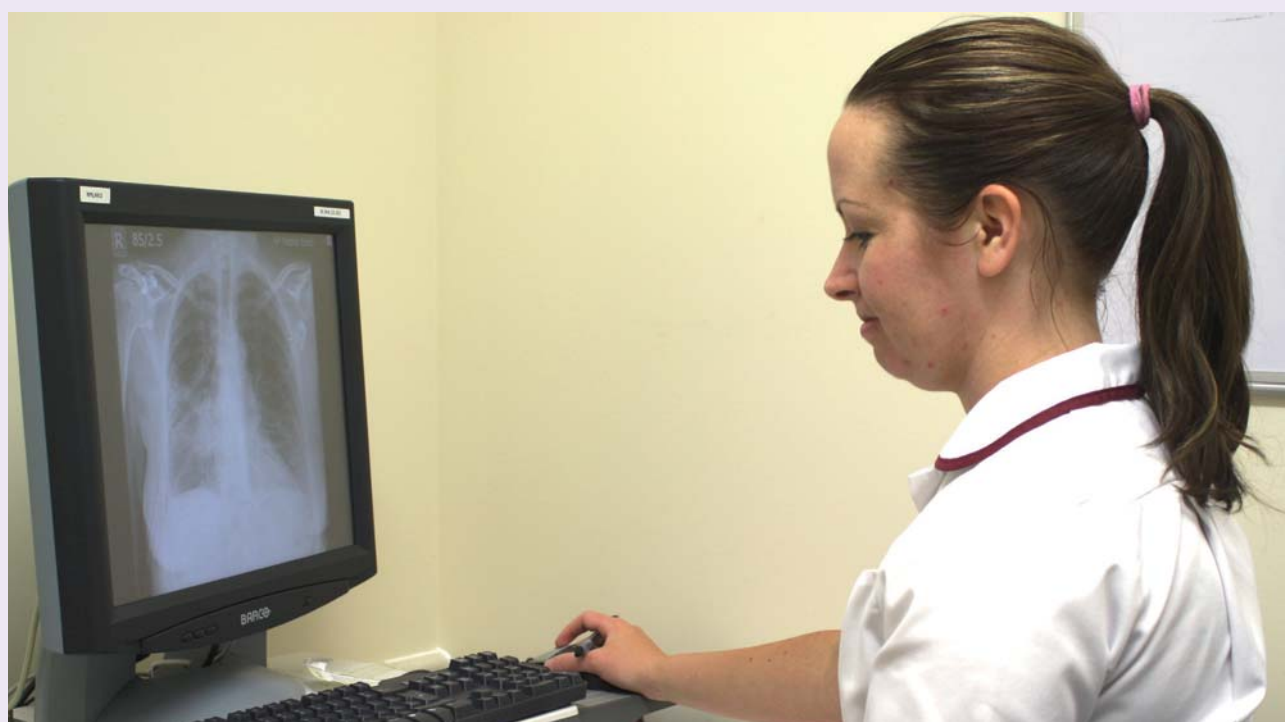
Improve the National In-Patient Survey Results

The National Inpatient Survey is undertaken on an annual basis by the Picker Institute, an independent organisation. Table 8 shows a comparison of data for three indicators from 2008 to 2010. These three indicators were chosen to be monitored since they relate to key issues that are of great importance to the Board and/or have been identified by our patients as of most importance to them.

Table 8

National Inpatient Experience Survey

Indicator	2008 Result	2009 Result	2010 Result
In your opinion, how clean was the hospital room or ward that you were in?	Very clean - 70% of patients stated that the hospital or room was very clean (national average was 60%)	Very clean - 72% of patients stated that the hospital or room was very clean (national average was 65%)	Very clean – 69% of patients stated that the hospital or room was very clean (national average was 67%)
Were you given enough privacy when being examined or treated?	Yes always - 89% of patients stated that they were always given enough privacy when being examined (National average was 89%)	Yes always - 91% of patients stated that they were always given enough privacy when being examined (National average was 89%)	Yes always – 89% of patients stated that they were always given enough privacy when being examined (National average was 89%)
Overall, did you feel you were treated with respect and dignity while you were in the hospital?	Yes always - 81% of patients felt they were treated with respect and dignity whilst they were in hospital. (National average 80%)	Yes always - 81% of patients felt they were treated with respect and dignity whilst they were in hospital. (National average 80%)	Yes always – 81% of patients felt they were treated with respect and dignity whilst they were in hospital (National average 81%)



Improve National Out-Patient Survey Results In The Following Four Key Areas

The Trust was not required to complete the National Outpatient Survey for 2010/2011 and the next National Outpatient Survey will be undertaken in 2013. However, in relation to the four areas for improvement that were identified in the 2009/2010 National Outpatient Survey Results, improvements have been undertaken as described in Table 9.

Table 9		
National Out-Patient Survey		
Indicator	2009 Result	Progress
No copies of GP letters provided to patients	21% National Average 27%	The Divisions ensured that a typist was available in the clinic to type the letter as it was dictated by the doctor. This meant that the patient could collect the letter at the time of leaving the outpatient department.
Poor information provided to patients in relation to their clinical condition	38% National Average 45%	<p>Over 300 information leaflets for diagnosed conditions and operations , including the relevant risks and benefits, have been created.</p> <p>A Nurse Practitioner triage service is in place in the outpatients department to offer specialist advice, information and care to all surgical patients. Supernumerary team leaders are in post to ensure that patients who require further advice are seen before leaving the clinic</p> <p>The following actions are ongoing:</p> <p>Introduction of patients' diaries to log events when visiting the outpatient department. This will help to identify trends in specific clinics and with different consultants / teams.</p> <p>A "discharge from clinic" booklet is being written to provide patients with appropriate information and points of contact for the future if required.</p> <p>A pre-written consent form is being developed for all surgical specialties, providing details of risks and benefits of surgery.</p> <p>There are plans to ensure that the outpatient 'check out desk' ensures that all patients leaving the department are happy with their consultation. This is planned to be reviewed in April 2011.</p>
Poor communication – staff not introducing themselves / Lack of information regarding waiting times and delays in clinic	66% National Average 71%	<p>Employment of a dedicated Professional Development Nurse to enhance training, including customer care training.</p> <p>Team leaders to announce and display waiting times in the outpatient department on a 30 minute basis – this project also included several sub-actions to ensure that clinics ran to time (reducing follow ups, reducing interruptions, monitoring start times etc).</p> <p>All staff will be expected to introduce themselves. This is being audited on a daily basis by the team leaders.</p> <p>A Nurse Practitioner service is now in place to offer advice and care to all surgical patients.</p> <p>A dedicated treatment room with dedicated nurses to explain treatments in more detail was implemented and has been extremely successful within Orthopaedics; other specialties have not been as successful due to the geographical spread of the clinics.</p>
Lack of time to discuss health issues	71% National Average 76%	It is felt that all of the actions highlighted above will assist in addressing the issues raised in the survey, and in ensuring that clinic staff have time to discuss issues relating to the patients' experience and any health concerns that they may have.

Liverpool End of Life Care

Seeking Patients and Carers Views to Improve End of Life Care

The Trust continues to recognise the importance of providing high quality care to all patients at the end of their lives. We have been working hard to improve the care we provide during this often very difficult period for patients and their carers, families and friends. Key to improving quality in end of life care is our strong working relationship with our local Primary Care Trusts and Trinity Palliative Care Services to ensure continuity and co-ordination of care for patients and their families.

The Bereavement and Carer Group within the Trust has designed a questionnaire to be distributed to all bereaved families after death to allow us to obtain feedback about the quality of our services and areas for further improvement. Although this is in an early stage, feedback on the care provided to patients and their families has been generally positive. Where this is not the case, the Bereavement Coordinator has contacted the family (where identified) to discuss their comments so that we can make improvements in our care.

Further quality improvements include:

- Development of a Rapid Discharge Pathway at end of life. Many patients spend the last days of their life in hospital even when hospital based care is no longer appropriate nor wished for by the patient and their family. Over the past year 23 patients who were felt to be within their last few days of life were safely discharged home at their request within 4 hours of their admission, with their care taken over by community teams. A further 68 patients were discharged either home or to a nursing home, depending on their preference, within 24 hours.
- The Liverpool Care Pathway for the Dying Patient continues to be used across our hospitals. It is nationally recognised as the most appropriate pathway available to support clinical staff when caring for patients who have reached the final stage of their lives, to follow evidence based good practice in the care of patients and to ensure the same high quality care is provided to all. With ongoing training and support provided by our Trust End of Life Care Facilitator and Trinity Palliative Care Specialist Nurses, we have seen the proportion of pathways used increase from 12% to 30% over the last 18 months.
- Training is crucial to ensure ongoing improvement and increase staff confidence and competence in End of Life Care. In September 2010, a 6 month training pilot started on 2 medical wards within the Trust and includes the following 4 key areas to support End of Life Care: symptom control, communication skills, advanced care

planning and holistic assessment. Although the pilot is still in progress, feedback from ward staff is extremely positive and it is hoped that this model will be extended to other areas within the Trust. In partnership with Trinity Palliative Care Services, 48 undergraduates from the University Of Liverpool Medical School underwent a 4 week training module in palliative care. Other groups trained include pharmacists, occupational therapists, junior doctors, nurses and general practice trainees.

- The Trust's Bereavement and Carers Group continues to monitor and develop bereavement care. As part of this group the Bereavement Care Development Officer has been working on four main work-streams:
 1. The development of a 'care after death pathway' to document all care of the deceased person.
 2. The dignified introduction of body bags with training for staff in their use.
 3. The introduction of the new bereavement care questionnaire given to the bereaved via the General Office. This questionnaire is starting to give valuable and up to date information on the experiences of the bereaved.
 4. The development of bereavement standards for wards to commit to, ensuring effective and dignified care for the deceased, their families and next of kin.

Additionally the Trust continues to provide memorial services for the bereaved and has also built modern viewing facilities in the new mortuary.

- The Trust End of Life Care Board continues to monitor the progress of End of Life Care within the Trust and across our healthcare economy. End of Life Care has been identified as one of the high priorities for the Fylde Coast and it has been agreed that there is a need to merge all the various End of Life groups that exist within our partner organisations into one End of Life Board.

We see improvements in End of Life Care as an essential and ongoing programme of work. Over the next year we plan to focus on Advance Care planning, continuing to work closely with our colleagues in primary care, Trinity Palliative Care Services and with patients and carers to develop care pathways that ensure seamless patient centred care at end of life.

Patient Environment Action Team (PEAT) Survey

To Improve PEAT Survey Results/Standards

Our aim is to deliver the best environment for our patients to ensure that the patient experience exceeds the standards set by the National Patient Safety Agency (NPSA). Providing a clean and safe environment for our patients is extremely important to the Trust. We monitor this through the Patient Environment Action Team (PEAT) annual audits across all hospital sites.

The teams comprise a multi-disciplinary team, including a patients' representative and an external PEAT assessor who conduct annual audits regarding the quality of standards we provide to our patients. The key areas which are audited are:

- Cleanliness
- Specific bathrooms/toilet cleanliness
- Catering Services
- Environment
- Infection Prevention
- Privacy & Dignity
- Access all external areas

The audit follows guidelines set by the National Patient Safety Agency and the results are publicised nationally on an annual basis. In 2011, PEAT audits were extremely encouraging across all hospital sites resulting in Good or Excellent standards achieved. The results in Table 10 demonstrate the commitment and dedication of all staff within the Trust who strive to ensure that the patient experience is met or exceeded during their stay in our hospitals.

Site	Overall Rating 2009/2010	Overall Rating 2010/2011
Victoria Hospital	Good	Good
Clifton Hospital	Excellent	Excellent
Bispham Nurse Led Unit	Excellent	Excellent
Wesham Rehabilitation Unit	Excellent	N/A
Rossall Rehabilitation Unit	Excellent	Excellent



Ensure Single Sex Accommodation To Provide Privacy And Dignity For Patients

Blackpool Teaching Hospitals NHS Foundation Trust is pleased to confirm that it is compliant with the Government's requirement to eliminate mixed-sex accommodation, except when it is in the patient's overall best interest, or reflects their personal choice. We have the necessary facilities, resources and culture to ensure that patients who are admitted to our hospitals will not share the room where they sleep with members of the same sex, and same-sex toilets and bathrooms will be close to their bed area. Sharing with members of the opposite sex will only happen when clinically necessary (for example where patients need specialist equipment such as in emergency or critical care areas), or when patients actively choose to share.

If our care should fall short of the required standards, we will report it. We will also establish an audit mechanism to make sure that we do not misclassify any of our reports. We will publish the results of these audits on our website www.bfwhospitals.nhs.uk.

2.1.5 Priorities for Improvement in 2011/12

The Trust has identified 3 key elements in the quality of care it delivers to its patients. These are:

- Clinical effectiveness
- Patient experience
- Patient safety

After consultation at Board level the Trust confirmed the top quality improvement priorities for 2011/12, which it believes will have maximum benefits for our patients. These are reflected in the Trust's Corporate Objectives and reinforced by the standards outlined in the NHS Outcomes Framework 2011/12 five domains of quality as identified in Table 11.



Table 11

Domains of Quality	Priorities for Improvement 2011/12			Indicators for Quality Improvement 2011/12
	National Level	Trust Level		
Domain 1	Preventing people from dying prematurely (DH 2011)	To Provide Best In NHS Care For Our Patients	Clinical Effectiveness	<p>North West Advancing Quality initiative that seeks compliance with best practice in six clinical areas:</p> <ul style="list-style-type: none"> – Acute Myocardial Infarction – Hip and Knee Surgery – Cardio by-pass Surgery – Heart Failure – Pneumonia – Stroke <p>Improve referral to treatment times for patients who suffer a Trans Ischemic Attack (TIA)</p> <p>Implementing 100,000 lives and Saving Lives Programme:</p> <ul style="list-style-type: none"> – Reducing Cardiac Arrest calls – Reducing the incidence of Surgical Site Infections – Further embed and improve the implementation of Venous Thrombo Embolism (VTE) guideline within the Trust <p>Nursing Care Indicators used to assess and measure standards of clinical care and patient experience.</p> <p>Implement Nursing and Midwifery high impact actions to improve the quality and cost effectiveness of care.</p>
Domain 2	Enhancing quality of life for people with long-term conditions (DH 2011)			
Domain 3	Helping people to recover from episodes of ill health or following injury (DH 2011)			

Table 11				
Domains of Quality	Priorities for Improvement 2011/12			Indicators for Quality Improvement 2011/12
	National Level	Trust Level		
Domain 4	Ensuring that people have a positive experience of care (DH 2011)	<p>To Provide Best In NHS Care For Our Patients</p> <p>To Deliver Best Environment For Patients, Staff And The Wider Community</p>	Patient Experience	<p>Improve National Inpatient Survey results in the following six areas;</p> <ul style="list-style-type: none"> – In your opinion, how clean was the hospital room or ward that you were in? – Were you given enough privacy when being examined or treated? – Overall, did you feel you were treated with respect and dignity while you were in the hospital? – Were you bothered by noise at night from other patients – Were you bothered by noise at night from hospital staff – How would you rate the hospital food <p>Improve National Outpatient Survey results in the following four key areas:</p> <ul style="list-style-type: none"> – No copies of GP letters to patients – Poor information – Poor communication – Staff not introducing themselves / Lack of information regarding waiting times and delays in clinic – Lack of time to discuss health issues <p>Patient Environment Action Team (PEAT) Survey</p> <ul style="list-style-type: none"> – To improve PEAT survey results/standards <p>Liverpool End of Life Care Pathway</p> <ul style="list-style-type: none"> – Seeking patients and carers views to improve End of Life Care – Ensure that patients who are known to be at the end of their lives are able to spend their last days in their preferred place and so reduce in-hospital deaths <p>Ensure single sex accommodation is available for patients to ensure privacy and dignity whilst in hospital</p>
Domain 5	Treating and caring for people in a safe environment and protecting them from avoidable harm (DH 2011)	To reduce Avoidable Harms To Our Patients	Patient Safety	<p>Reduce the Trust's hospital mortality rate</p> <p>Reduce MRSA and Clostridium Difficile infection rates as reflected by national targets</p> <p>Reduce patient harms through the following strands of work:</p> <ul style="list-style-type: none"> – Global Trigger Tool to be used to measure adverse events – Reduction of Falls by 30% – Reducing Medication errors by 50% by 2011/12

NHS North Lancashire Teaching Hospitals: Community Healthcare Quality Improvement Priorities 2011/12

Quality Improvement Area	Quality Improvement Target Set by Provider	Quality Improvement Measure and Reporting Arrangements
Patient Safety	Reduction in grade 3 & 4* pressure ulcers **MRSA and Clostridium Difficile (all services)	Patient incident reports submitted by staff will be analysed and reported quarterly to the Provider Services Risk Committee. A reduction trend over the year is anticipated, based on increased staff awareness and training All confirmed cases of MRSA and Clostridium Difficile are reported and investigated. A very low number of cases each year is identified as having been acquired through contact with the Provider Services. This position must be monitored and maintained and will be reported to the Hygiene Code Implementation and Decontamination Group.
Clinical Effectiveness	Meet the national target - Access to genito-urinary medicine (GUM) clinics within 48 hours (sexual health service)	<ul style="list-style-type: none"> Percentage: first attendances at a GUM service who were offered an appointment to be seen within 48 hours of contacting a service Percentage: first attendances who were seen within 48 hours of contacting a GUM service <p>Monitoring of data at Contract Performance and Review meeting.</p>
Patient Experience	Choice of where to die (palliative care service)	The service will record numbers of patients on their caseload who die and the proportion of these whose treatment has been managed appropriately to allow them to die in their preferred place of care. Establish the baseline in 2011/12, with monthly reporting. Monitoring of data at the Contract Performance and Review meeting



NHS Blackpool: Community Healthcare Quality Improvement Priorities 2011/12		
Quality Improvement Area	Quality Improvement Target Set by Provider	Quality Improvement Measure and Reporting Arrangements
Patient Safety	Reduction in grade 3 & 4 pressure ulcers	<p>Increase in the number of patients with a Waterlow score of 15 or with a Malnutrition Universal Screening Tool (MUST Tool) completed.</p> <p>Increase in the number of patients with a grade 2 pressure ulcer with a Malnutrition Universal Screening Tool (MUST Tool) completed</p> <p>80% of community nursing staff to complete pressure ulcer training.</p> <p>Training to incorporate preventing, avoiding and treating pressure ulcers and include National Institute for Health and Clinical Excellence (NICE) guidance.</p> <p>Reduction in the number of hospital admissions and hospital attendances for patients requiring tissue viability care</p>
	Methicillin-resistant Staphylococcus aureus (MRSA) & Clostridium Difficile	All confirmed cases Methicillin-Resistant Staphylococcus Aureus (MRSA) & Clostridium Difficile are reported and investigated. A very low number of cases each year is identified as having been acquired through contact with the Blackpool Community Health Services. This position must be monitored and maintained and will be reported to the Infection Prevention Committee. Trajectory for 2011 / 2012 is less than 5 MRSA reported incidents.
Clinical Effectiveness	48 hour target to access sexual health	All first attendances at the Genito-urinary medicine service to be seen within 48 hours of contacting the service
	Productive Community Services Implementation	Services to complete at least 1 Productive Community Services module and evidence that they are working towards another during 2011/12
Patient Experience	Choice of where to die Preferred place of death	The service will record numbers of patients on their caseload who die and the proportion of these who have been facilitated to die in their preferred place of care.
Patient Safety, Clinical Effectiveness and Patient Experience	Reducing Urinary Tract Infections	<p>Increasing the number of staff trained to carry out male and female catheterisation</p> <p>Develop a catheter leaflet in line with National Institute for Health and Clinical Excellence (NICE) guidance (2006) for patients and carers</p>

Additional indicators for quality improvement in 2010/11 have been identified as detailed above in Table 11 in bold italics and added for the following reasons:

Additional indicators have been identified to meet national healthcare directives and current local quality improvement priorities for 2011/12, with the expectation of reporting on these in the next annual Quality Report. The additional quality improvement priorities for 2011/12 have been identified as detailed below:

- To implement an additional Advancing Quality Target related to the provision of stroke care, and aim to perform in the top 25% of participating Trusts
- Improve the time from referral to treatment for patients suffering from a Trans Ischemic Attack (TIA)
- Further embed the implementation of the Venous Thrombo Embolism (VTE) guideline and improve compliance with the associated standards
- To improve the Trust's results in the National Inpatient Survey in three further areas:
 - Were you bothered by noise at night from other patients?
 - Were you bothered by noise at night from hospital staff?
 - How would you rate the hospital food?
- To improve the Liverpool End of Life Care Pathway by ensuring that patients who are known to be at the end of their lives are able to spend their last days in their preferred place and so reduce hospital deaths
- To implement the Nursing and Midwifery High Impact Actions to improve the quality and cost effectiveness of patient care.

It is anticipated that the Trust will provide community health services after 1 August 2011. Therefore, the community health service priorities for improvement for 2011/12 have also been included in the Quality Report. These priorities for improvement for 2011/12 will be reported on in the 2011/12 Quality Report.

Monitoring, Measuring And Reporting Progress To Achieve The Priorities for Improvement

The indicators for quality improvement for 2011/12 will continue to be monitored and measured and progress reported to the Board of Directors as part of the monthly Board Performance Business Monitoring Report. For indicators that are calculated less frequently, these will be monitored by the Board by the submission of an individual report. The Trust has well-embedded delivery strategies already in place for all the quality priorities, and will track performance against improvement targets at all levels from ward level to Board level on a monthly basis using the quality boards and the integrated quality monitoring reports. The quality improvement priorities will also be monitored through the high level Risk Register and Divisional Risk Register process and by the Sub-Committees of the Board.

Reporting Progress

The Trust will report ongoing progress regarding implementation of the quality improvements for 2011/12 to our staff, patients and the public via our new performance section of our website. You can visit our new website and find up-to-date information about how your local hospital is performing in key areas:

- Safety
- Quality
- Delivery
- Environment
- Cost
- People

Improving patient safety and delivering the highest quality care to our patients is our top priority. We believe that the public have a right to know about how their local hospitals are performing in these areas that are important to them.

As well as information on key patient outcomes such as infections, death rates, patient falls and medication errors, the website also includes data on our waiting times, length of stay, complaints, cleanliness, hospital food, and the opinions of our patients, carers and staff about our hospitals.

We are keen to build on the amount of data we publish but we need to ensure that the information is what you want to see and that it is easy to understand. Please have a look at these web pages and let us know if there are any areas that could be improved by completing the feedback form which is available on the website: <http://www.bfwh.nhs.uk/about/performance/>

Explanation For The Priority Selection Of Priorities

It has been agreed not to remove any indicators for quality improvement identified in 2010/11 because these continue to be considered as priorities by the Board of Directors.

Additional Indicators

Additional indicators for quality improvement in 2011/12 have been identified as detailed in Table 16 in bold italics and added for the following reasons:

a) Stroke

Improved quality of care for the treatment of those patients who have suffered a stroke was identified as a key objective by the Trust during 2010/11. In particular, we were keen to ensure that patients who had suffered a stroke spent as much of their stay in hospital as possible on a dedicated stroke unit. Our target for this is 90% of the patient's total length of stay which was not achieved in 2010/11.

b) Trans Ischaemic Attack (TIA)

Improved quality of care for the treatment of those patients who have suffered a trans-ischaemic attack, or mini-stroke was identified as a key objective by the Trust during 2010/11. In particular, we were keen to ensure that GPs could refer patients to a dedicated TIA service within 24-hours of assessing the patient, and that patients with a suspected TIA received a brain scan within 24-hours of the onset of symptoms.

An internal review of the provision of TIA services was undertaken, which identified that the referral process and criteria for referral required further review to ensure that GP referrals were timely and that only those patients who were truly high risk were referred.

c) Nursing Midwifery High Impact Actions

Further stretched nursing care targets will be achieved for the coming year through the implementation of the Nursing and Midwifery High Impact Actions. This initiative aims to involve and encourage all nurses and midwives in England to work together to implement the high impact actions across the country to improve quality of patient care and reduce costs.

d) Improve National In-Patient Survey Results In Three Further Areas

The three additional questions relating to noise at night and hospital food were chosen following consultation with the public. The Trust wishes to ensure that these areas improve year on year.

e) Reduce Hospital Deaths Of People Known To Be At The End Of Life

This priority has been chosen following consultation with patients and carers. The Trust aims to develop a Rapid Discharge Pathway for patients at the end of their life who do not wish to die in hospital. The reason behind this is because many patients spend the last days of their life in hospital unnecessarily even when hospital based care is no longer appropriate nor wished for by the patient and their family.

Engagement With Patients, Public and Staff

The Trust has taken the views of patients, public and staff into account through feedback from the Trust's website, local and national patient surveys, information gathered from formal complaints, and comments received through the Patient Advice and Liaison Service (PALS).

Listening to what our staff, patients, their families and carers tell us, and using this information to improve their experiences, is a key part of the Trust's work to increase the quality of our services.

The Trust wants to make sure that staff, patients, their families and carers have the best possible experience when using our services.

2.2 Statements Of Assurance From The Board

2.2.1 Information On The Review of Services

During 2010/11 the Blackpool Teaching Hospitals NHS Foundation Trust provided and/or subcontracted 49 (Service Lines) NHS Services. The Blackpool Teaching Hospitals NHS Foundation Trust has reviewed all the data available to them on the quality of care in 49 of these NHS services

The income generated by the NHS services reviewed in 2010/11 represents 91% per cent of the total income generated from the provision of NHS services by the Blackpool Teaching Hospitals NHS Foundation Trust for 2010/11.

The quality aspirations and objectives outlined for 2010/11 reached into all care services provided by the Trust and therefore will have had impact on the quality of all services. Various activities enable assurance that quality improvement is being achieved including:

- Divisional monthly performance reports
- Quality Boards based in our wards and departments
- Clinical audit activities and reports
- External independent audits, such as the Pathology Accreditation and the NHS Litigation Authority Risk Management Standards Assessment

The patient safety walkabout visits undertaken by the Executive Directors on a weekly basis have been a powerful tool in making the Trust's quality and safety agenda tangible to ward staff, prompting us to take ownership of our services in a new way. This initiative has been of great value in assisting clinical staff in achieving the highest quality environment in a very visible way.



2.2.2 Information On Participation in Clinical Audits And National Confidential Enquiries

During 2010/11, 35 national clinical audits and 5 national confidential enquiries covered NHS services that Blackpool Teaching Hospitals NHS Foundation Trust provides.

During 2010/11 Blackpool Teaching Hospitals NHS Foundation Trust participated in 94% national clinical audits and 100% national confidential enquiries of the national clinical audits and national confidential enquiries which it was eligible to participate in.

The national clinical audits and national confidential enquiries that Blackpool Teaching Hospitals NHS Foundation Trust was eligible to participate in during 2010/11 are detailed in Column A of Tables 12 and 13.

The national clinical audit and national confidential enquiries that Blackpool Teaching Hospitals NHS Foundation Trust participated in during 2010/11 are detailed in Column B of tables 12 and 13.

The national clinical audits and national confidential enquiries that Blackpool Teaching Hospitals NHS Foundation Trust participated in, and for which data collection was completed during 2010/11 are listed alongside the number of cases submitted to each audit or enquiry as a percentage of the number of registered cases required by the terms of that audit or enquiry identified in Column C and D of Tables 12 and 13.

Table 12

List of National Clinical Audits in which Blackpool Teaching Hospitals NHS Foundation Trust was eligible to participate during 2010/11

Number	National Clinical Audit Title	Column A Eligible to participate in	Column B Participated In	Column C Number of cases submitted	Column D Number of cases submitted as a percentage of the number of registered cases required
1	NNAP: neonatal care	Yes	Yes	214	93%
2	ICNARC CMPD: adult critical care units	Yes	Yes	935	100%
3	Centre for Maternal and Child Enquiries (CMACE): Perinatal mortality	Yes	Yes	25	100%
4	NJR: hip and knee replacements	Yes	Yes	534	100%
5	DAHNO: head and neck cancer	Yes	Yes	25	100%
6	MINAP (inc ambulance care): AMI & other ACS	Yes	Yes	911	100%
7	Heart Failure Audit	Yes	Yes	321	100%
8	NHFD: hip fracture	Yes	Yes	427	100%
9	TARN: severe trauma	Yes	Yes	268	100%
10	National Sentinel Stroke Audit (n=40-60)	Yes	Yes	318	100%
11	National Audit of Dementia: dementia care (n=40)	Yes	Yes	40	100%
12	National Falls and Bone Health Audit (n=60)	Yes	Yes	60	100%
13	BTS: National Bronchiectasis Audit	Yes	Yes	6	100%
14	National Audit of Familial Hypercholesterolaemia	Yes	Yes	No cases	No cases
15	RCP: National Care of the Dying Audit	Yes	Yes	Audit commenced January 2011 and not due for completion until July 2012, therefore data not available at present	
16	BAEM: National Renal Colic Audit	Yes	Yes	50	100%
17	Urinary Incontinence	Yes	Yes	78	98%
18	NBS: National Comparative re-audit of Platelet Transfusion	Yes	Yes	40	100%
19	NBS: National Comparative Audit of Bedside Transfusion Practice	Yes	Yes	70	100%
20	BTS: National Asthma Audit	Yes	Yes	18	100%
21	CCAD: Adult cardiac interventions	Yes	Yes	Contacted Division unable to provide details	

22	CCAD :Heart rhythm management (pacing and implantable cardiac defibrillators (ICDS)	Yes	Yes	Contacted Division unable to provide details	
23	CCAD: Congenital Heart Disease	Yes	Yes	Data collection In progress	
24	Adult cardiac surgery: CABG and valvular surgery	Yes	Yes	11,299	100%
25	NDA: National Diabetes Audit	Yes	Yes	89	100%
26	NBOCAP: bowel cancer	Yes	Yes	247	100%
27	NLCA: lung cancer	Yes	Yes	150	100%
28	RCP: Audit to assess and improve service for people with inflammatory bowel disease	Yes	Yes	18	45%
29	Paediatric intensive care network (PICANET)	Yes	Yes	Contacted Division unable to provide details	
30	National audit of patients undergoing emergency laparotomy	Yes	Yes	Awaiting National Report	
31	Where do Platelets go in the North West of England?	Yes	Yes	129	100%
32	Pharmaceutical Procurement Services	Yes	Yes	Process based audit not case submitted based	
33	Pulmonary Hypertension Audit	Yes	No	Not included in audit calendar as not identified as Trust priority	
34	National Insulin Pump Audit	Yes	No	Not participated in as data not collected in time by Division	
35	National Elective Surgery PROMs: four operations*	Yes	Yes	Contacted Division unable to provide details	

Table 13

List of National Confidential Enquires that Blackpool Teaching Hospitals NHS Foundation Trust was eligible to participate in during 2010/11.

Number	National Confidential Enquiries	Column A Eligible to Participate In	Column B Participated In	Column C Number of cases submitted	Column D Number of cases submitted as a percentage of the number of registered cases required
1	Parental Nutrition: A Mixed Bag (NCEPOD)	Yes	Yes	39	92%
2	Elective and Emergency Surgery in the Elderly – An Age Old Problem (NCEPOD)	Yes	Yes	10	33%
3	Resuscitation (NCEPOD)	Yes	Yes	2	100%
4	Peri-operative Care (NCEPOD)	Yes	Yes	6	100%
5	National Enquiry into Maternal and Child Health (CMACH);	Yes	Yes	25	100%

The reports of 3 national confidential enquiries were reviewed by the Provider in 2010/11 and Blackpool Teaching Hospitals NHS Foundation Trust intends to take the following actions to improve the quality of health care provided as shown in Table 14.

Table 14	
National Confidential Enquiries presented for assurance to the Board of Directors	Details of actions taken or being taken to improve the quality of local services and the outcomes of care.
Parental Nutrition: A Mixed Bag (NCEPOD)	<ul style="list-style-type: none"> • Development of a Total Parental Nutrition Rapid Improvement Group
	<ul style="list-style-type: none"> • Review of guideline Administration of Parental Nutrition in Adult Patients CORP/ GUID/029
	<ul style="list-style-type: none"> • Development of a referral proforma for patients requiring Total Parental Nutrition
	<ul style="list-style-type: none"> • Development of a clinical pathway for patients requiring Total Parental Nutrition
	<ul style="list-style-type: none"> • Development of multi-disciplinary ward rounds to review the care of patients receiving Total Parental Nutrition
	<ul style="list-style-type: none"> • Review of the procedure CORP/PROC/103 Identification and Treatment of Patients at Risk of Re-feeding Syndrome
	<ul style="list-style-type: none"> • Out of hours Total Parental Nutrition administration audit to be undertaken
	<ul style="list-style-type: none"> • Improved nursing care indicator assessment with regards completion of the Malnutrition Universal Screening Tool
Elective and Emergency Surgery in the Elderly – An Age Old Problem (NCEPOD)	<ul style="list-style-type: none"> • Presentation of report findings made to the following : <ul style="list-style-type: none"> • Grand Round • Clinical Policy Forum • Clinical Improvement Committee • Anaesthetic Meeting • Leads from each Division are currently carrying out a baseline assessment and formulating an action plan to improve healthcare provision.
Adding Insult to Injury – A review of the care of patients who died in hospital with a primary diagnosis of acute kidney injury (acute renal failure) Audit completed in a previous year but reported in 2010/11	<ul style="list-style-type: none"> • A review of all fluid balance charts used throughout the Trust
	<ul style="list-style-type: none"> • Introduction of a new fluid balance chart throughout the Trust
	<ul style="list-style-type: none"> • Review of intravenous fluid administration equipment available throughout the Trust to ensure accurate timing and administration of fluid infusions
	<ul style="list-style-type: none"> • Education programme to recognise the acutely ill patient and recognising renal impairment
	<ul style="list-style-type: none"> • Development of a fluid balance monitoring procedure

Local clinical audit is important in measuring and benchmarking clinical practice against agreed markers of good professional practice, stimulating changes to improve practice and re-measuring to determine any service improvements.

The reports of 81 Local and National Clinical Audits were reviewed by the provider in 2010/11 and Blackpool Teaching Hospitals NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided as detailed in Table 15.

During 2010/11, 43% of clinical audits approved and registered with the Clinical Audit Department were fully completed, with action plans to address areas for improvements developed and fully implemented or currently being monitored by the relevant division and reporting committee. Of these, 19% are still in the data collection phase, 4% are awaiting the publication of a national report and 19% have completed the data collection and are currently undergoing review within the relevant division. The audits in the latter 3 categories will roll over to 2011/12 to ensure continuous monitoring and completion.

The reports of local clinical audits were reviewed by the provider in 2010/11 and Blackpool Teaching Hospitals NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided as detailed in Table 15 below:

Table 15	
Local Clinical Audits presented for assurance to the Board of Directors	Details of actions taken to improve the quality of local services and the outcomes of care.
Audit of record keeping of controlled drug administration in theatres	<ul style="list-style-type: none"> • Introduction of index type-system of signatures to meet controlled drug administration standards
Compliance with Trust Policy in written consent (Form 4) for Unconscious patients in critical care.	<ul style="list-style-type: none"> • Education programme for staff regarding the completion of the consent form 4
Hand Hygiene Compliance Audit	<ul style="list-style-type: none"> • Introduction of Hand Hygiene Champions • Collaborative working with the University of Central Lancashire to improve student nurse compliance with hand hygiene standards • Introduction of ward feedback sheets
Clinical Environment Audit	<ul style="list-style-type: none"> • Increased frequency of clinical environment audits • Improved cleaning schedules of equipment in clinical environments • Weekly checks and cleaning of microwaves
Trust Wide Wristband Audit	<ul style="list-style-type: none"> • Education programme regarding the following standards – Patients who have an allergy should wear a red wristband with a white insert and black writing; patients with no allergies should wear a white wristband with black writing; all writing should be legible; data to be included is first name, surname, date of birth, hospital number and NHS number. • The NHS number is now mandatory and should be included on all wristbands.
Trust Wide Record keeping audit	<ul style="list-style-type: none"> • Clinical Record Standards handout has been updated in line with version 4 of the health records.
Management of procedural documents	<ul style="list-style-type: none"> • Trust procedure amended and ratified. • New procedure cascaded and communicated throughout the Trust via e-mail.
Commode Audit	<ul style="list-style-type: none"> • Education programme for staff regarding Infection Prevention measures and standards • Revised process for use of Vernacare tape
Discharge of adult patients	<ul style="list-style-type: none"> • The Medicine, Surgical and Consultant Led Community Hospital patient transfer form has been amended to reflect required changes identified in the recommendations. • The Cardiac, A&E and Nurse Led Therapy patient transfer forms have been amended to reflect amendments identified in the recommendations. • Amendment and updating of the procedure "Safe Transfer of Patients" (ref: CORP/PROC/044)
Undertaking Clinical Audit	<ul style="list-style-type: none"> • Revised and improved procedure "Undertaking a Clinical Audit" (ref: CORP/PROC/561) • Clinical audit proposal form checklist has been devised for audit staff to use when checking accuracy of completion of proposal forms. • Divisional reports at the Clinical Improvement Committee meeting must now include an update on progress against action plans arising from the findings of clinical audits. • Monthly status reports provided to Executive Directors with regard to divisional performance in clinical audit
Management of ACS in elderly patients on Ward 25 and 26	<ul style="list-style-type: none"> • Syndrome in the elderly to aid timely diagnosis and initiation of treatment. • Collaborative working between Care of the Elderly and Cardiology clinicians to effectively manage patient care • Development of clear guidelines of management of patients on Warfarin presenting with Acute Coronary Syndrome • Guidance on secondary prevention medication for patients with Acute Coronary Syndrome • Education programme for junior doctors about atypical presentation of Acute Coronary Syndrome to aid timely diagnosis and initiation of treatment.

Table 15 cont.

Local Clinical Audits presented for assurance to the Board of Directors	Details of actions taken to improve the quality of local services and the outcomes of care.
Surgical High Care Sepsis Audit	<ul style="list-style-type: none"> Education programme for all clinical staff in the recognition of deteriorating patient/ Early Warning Score/Severe Sepsis Pathway.
Neonatal Transfer/Discharge Audit	<ul style="list-style-type: none"> Neonatal Transfer/Discharge Policy amended to include transfers from the postnatal ward to the Neo Natal Unit of babies that have no respiratory distress symptoms
An audit to assess the outcomes of lesions treated with photodynamic therapy (PDT).	<ul style="list-style-type: none"> Review of treating patients with morphoeic subtype of Basal Cell Carcinoma and recurrent Basal Cell Carcinoma
Audit of all Obstetric Admissions to Critical Care Services July 2009-July 2010	<ul style="list-style-type: none"> Review of Consultant job plans to allow availability of access to Senior Medical Staff 24 hours a day. Development of a guideline for transfer of obstetric patients to Intensive Therapy Unit/High Dependency Unit (ref: OBS/GYNAE/GUID/002) Education programme for all clinical staff in the recognition of deteriorating obstetric patient/ Early Warning Score Pathway.
Management of Women with Medical Disorders in Pregnancy	<ul style="list-style-type: none"> Communication with all community midwives and lead midwives to remind them of the referral process. New staff to receive education via mandatory training days and at induction sessions with specialist midwife. Referral criteria and pathway to be displayed in clinical areas.
Cardiac arrest record audit	<ul style="list-style-type: none"> Education programme regarding the requirements of completion of the cardiac arrest record (ref: VS933)
Resuscitation- Monitoring and Compliance of Do Not Attempt Resuscitation	<ul style="list-style-type: none"> Trust Red alert sent to all members of staff responsible for completing the "Do Not Attempt Resuscitation" documentation (ref: VS932) Education programme for staff to raise awareness of importance of communication and documentation with nursing staff. Do Not Attempt Resuscitation procedure updated.
Repair and maintenance of medical devices and equipment	<ul style="list-style-type: none"> Quality control check system implemented Education programme regarding process and quality control requirements
Post aseptic non touch technique project audit	<ul style="list-style-type: none"> Education programme for junior/middle grade induction days Staff witnessing poor practice should challenge the staff member and encourage best practice. Ward/department managers to manage the performance of anyone who is continually displaying poor practice.
Reporting of thyroid FNA's over a one year period	<ul style="list-style-type: none"> Surgical Division to explore the possibility of a pilot study into using Giemsa stain.
Post pain relief following total knee replacement	<ul style="list-style-type: none"> Further education programmes for staff in the prescribing of analgesia post knee surgery undertaken. Revision of the "Life Cycle Management" Policy (ref: CORP/POL//199)
Induction of labour with PGE2 gel following previous caesarean section	<ul style="list-style-type: none"> Clinical advice regarding selection and counselling Consultant involvement in decision making for Induction of Labour in a previous caesarean section. Development of a guideline for Induction Of Labour in women who have had a previous Caesarean Section
Re-audit of Management of TVT/TOT	<ul style="list-style-type: none"> Education of staff regarding documentation of demonstrable stress leakage or urine in the clinic. Urodynamics is not recommended for women with pure stress incontinence. Trial of physiotherapy should be offered as the first treatment to all women with stress/mixed incontinence. Education of staff in provision and documentation of leaflet provided, prior to consenting for the operative procedure.

Table 15 cont.	
Local Clinical Audits presented for assurance to the Board of Directors	Details of actions taken to improve the quality of local services and the outcomes of care.
Documentation of controlled drugs administration in theatres	<ul style="list-style-type: none"> • Introduction of index type-system of signatures to cross check and ensure standards achieved
Diagnosis and management of early inflammatory arthritis	<ul style="list-style-type: none"> • Consideration by Division to develop a business case for an early arthritis clinic as part of service re-design.
Local Audit of incontinence in the Elderly	<ul style="list-style-type: none"> • Development of new documentation • Pilot of new documentation • Staff Education Programme
Management of women with substance abuse in pregnancy	<ul style="list-style-type: none"> • Review and improvement to ante-natal care provision • Specialist midwife clinic at BVH • Multidisciplinary working
Audit on Benign Hysterectomy Post Op Recovery	<ul style="list-style-type: none"> • Communication to all operators and anaesthetists to remind them of "fast track system" to pre-assessment, pre-operative/intra-operative management of post-op analgesia.
Usage of Total Parental Nutrition	<ul style="list-style-type: none"> • Link to Total Parental Nutrition Rapid Development Group regarding National Confidential Enquiries of Peri-Operative Deaths • Development of a Total Parental Nutrition proforma • Establishment of a multi disciplinary Nutrition Support Team • Review of guideline "Administration of Parental Nutrition in Adult Patients" (ref: CORP/GUID/029)
Post operative oxygen prescriptions administration	<ul style="list-style-type: none"> • Revised oxygen prescription chart
Health Promotion in Blackpool Victoria Hospital	<ul style="list-style-type: none"> • Added as an agenda item at Public Health Strategy Implementation Steering Group • Continue to deliver stop smoking in Secondary Care Programme • Develop proposal for care pathway and present to the Public Health Service Improvement Group. • Ensure resource tools are accessible for staff to use with patients • Develop obesity poster campaign to roll out 6 months following alcohol campaign
Arrangements for the control and supply of controlled drugs	<ul style="list-style-type: none"> • Improved control of refrigerator drug storage in pharmacy • Controlled storage of stationery • Review of Pharmacy staff training • Authorised signature lists to be regularly maintained.
To assess iron deficiency anaemia compliance against BSG Guidelines	<ul style="list-style-type: none"> • Development of an Iron deficiency investigation algorithm
Reducing harm from omitted and delayed medicines in hospital	<ul style="list-style-type: none"> • Policies and Procedures for the prescribing of medicines within the Trust to be revisited.
Fluid balance chart	<ul style="list-style-type: none"> • Development of a new fluid balance chart in Haematology.
Accuracy of renal tumour staging	<ul style="list-style-type: none"> • Discuss at Urology Multi-disciplinary team in order to identify any issues to address • Re-audit 2014
Management of National Confidential Enquiries of Peri-Operative Deaths Compliance with CORP/PROC/065	<ul style="list-style-type: none"> • Education of staff re undertaking a GAP analysis • Clinical Improvement Committee (CIC) Divisional representatives to include action plan progress updates in their CIC reports. • Lead Clinicians to be invited annually to the CIC to provide update presentation on progress • Evidence of progress on action plans to be forwarded to the Clinical Improvement Co-ordinator.

Table 15 cont.

Local Clinical Audits presented for assurance to the Board of Directors	Details of actions taken to improve the quality of local services and the outcomes of care.
Management of NICE- Compliance with CORP/PROC/023	<ul style="list-style-type: none"> • Education of staff regarding undertaking a gap analysis • Clinical Improvement Committee (CIC) Divisional representatives to include action plan progress updates in their CIC reports. • Bi-Monthly framework reports to be tabled at the CIC identifying NICE progress and gaps. • Quarterly summaries to be presented to CIC • Meet with Divisional reps to ascertain compliance position for backlog guidance
Neonatal transfer/discharge audit	<ul style="list-style-type: none"> • Education of staff regarding standards and policy requirements. • Policy amended to include transfers from the postnatal ward to the Neonatal Unit of babies that have no respiratory distress symptoms.
Maternal transfer/discharge audit	<ul style="list-style-type: none"> • Transfer-Clinical Governance Midwife/Data Manager to remind all midwives to provide a blank set of baby notes when mother is transferred and record in birth notes. • Lead Consultant for Labour Ward to communicate with registrars re completion of a referral request form. • Discharge – Communication and education of all midwives by way of an e-mail to ensure that all information is contained on the checklist, ensure breast self awareness is explained, that the checklist is signed and dated in order to meet documentation standards. • Education of staff regarding completion of 'Euroking' discharge and that discharge information is documented in the birth record.
Paediatric Transfer/Discharge Audit	<ul style="list-style-type: none"> • Transfer – Education of all nursing and medical staff regarding the correct procedure for completion and filing of the medical and nursing transfer letter. • Education of all nursing and medical staff regarding completion of the Transfer checklist. • Discharge – Standards met
Discharge of adult patients	<ul style="list-style-type: none"> • Communication to all Divisions regarding the importance of reminding staff to complete all sections of the e-discharge form via the e-mail system. • Amendment of the Medicine, Surgical and Consultant Led Community Hospital transfer form • Amendment of the Cardiac, Accident and Emergency (A&E) and Nurse Led Therapy transfer forms • Amendment of the procedure document (CORP/PROC/044). • Revised procedural document cascaded across the Trust via the e-mail system.
Transfer of patients	<ul style="list-style-type: none"> • Amendment of the Cardiac, A&E, Medicine, Surgical and Consultant Led Community Hospital Transfer form • Amendment of the procedure document (CORP/PROC/044).
Re-audit of Foetal Blood Sampling	<ul style="list-style-type: none"> • Cord gases to be taken while awaiting placental separation and while taking Rhesus negative bloods. • Synchronise clock on machine and delivery suite and other areas. • Education programme at doctor's induction.
Safe and secure handling of medicines	<ul style="list-style-type: none"> • Procedure for record keeping requirements with minimum retention periods to be developed • Policy to be put in place for medication error potential analysis to be carried out for any new product. • Labelling on shelves to be re-viewed. • To make space to ensure there is a separate secure area for the storage of recalled products. • Process in place to review storage. • Purchase contract medicines.

Table 15 cont.	
Local Clinical Audits presented for assurance to the Board of Directors	Details of actions taken to improve the quality of local services and the outcomes of care.
Training and Competency Assessment of Medical Devices	<ul style="list-style-type: none"> Quality control check System implemented Education programme re process and quality control requirements Report to be developed identifying the short falls of the existing equipment inventory. Communication circulated to clarify equipment fault reporting procedure.
NPSA Rapid Response 4 fire hazard with paraffin based skin products on dressings and clothing	<ul style="list-style-type: none"> Results to be presented to Medicines Management Committee. Results disseminated to all Divisions. Re-audit annually Jan/Feb 2012
Reducing the risk of hyponatraemia when administering intravenous infusions to children	<ul style="list-style-type: none"> Re-audit annually Feb 2012 Disseminate through Medicines Management Committee April 2011 Disseminate through all divisions
Obesity in Pregnancy	<ul style="list-style-type: none"> Improved advice to be provided to patients. Refer patients to dietician
Compliance with MRSA/MSSA policy	<ul style="list-style-type: none"> Initiate MSSA screening for patients allowing quick identification of carriers, targeted infection control protocols and appropriate targeted treatment of infected or carrier patients.
Quality of completion of routine physiological observation with track & trigger	<ul style="list-style-type: none"> Education programme to focus on Track & Trigger.
Re-audit on the management of shoulder dystocia	<ul style="list-style-type: none"> All clinical staff to attend drill workshops. Awareness raised regarding documentation requirements for patients with shoulder dystocia.
The quality of data entry on the Varian chemotherapy, electronic prescribing system	<ul style="list-style-type: none"> Investigate interface with the Trust Patient Administration System Remind all staff about basic demographic data to be entered.
Does the c-spine "self traction" radiographic position compliment or better the swimmers position for diagnosis	<ul style="list-style-type: none"> Training package to be developed and presented to staff.
Audit of the accuracy of double contrast barium enemas in detecting colorectal carcinomas	<ul style="list-style-type: none"> Periodic re-audit to ensure levels of accuracy and specificity are maintained.
Audit of the accuracy of double contrast barium enemas in detecting colorectal carcinomas	<ul style="list-style-type: none"> Periodic re-audit to ensure levels of accuracy and specificity are maintained.
An audit of patients discharged from A&E with missed fractures	<ul style="list-style-type: none"> Continuous personal development and training programmes developed to ensure improvement of staff skills and performance.
Assessment of Insulin Sliding Scale Infusions	<ul style="list-style-type: none"> Evaluation and review of current IV insulin infusion guidelines. Regular training for the medical and nursing staff on the use of intravenous insulin infusion.
Sentinel audit in prescribing for the elderly	<ul style="list-style-type: none"> Education of staff and target areas highlighted for improving the quality of prescribing practice. Re-visit the age related variation in prescribing in future audits.
An Audit of paper prescribed oral chemotherapy using the NPSA alert	<ul style="list-style-type: none"> Remind prescribers to use electronic prescribing system.
Pharmaceutical Procurement Services	<ul style="list-style-type: none"> Standards met - Review at least four times during the year and report back to departmental meeting.
Implementation of NICE guidance in urinary tract infection in children	<ul style="list-style-type: none"> Development of a care pathway for children diagnosed with a urinary tract infection Education programme for staff

Table 15 cont.

Local Clinical Audits presented for assurance to the Board of Directors	Details of actions taken to improve the quality of local services and the outcomes of care.
The documentation of the outcome of the radiological images	<ul style="list-style-type: none"> Education Programme for staff in the documentation of radiological imaging.
Ensuring the accuracy of all prescription charts	<ul style="list-style-type: none"> Results disseminated to Divisional Clinical Directors, Associate Directors of Operations, Head Nurses and Matrons. Medicines Management will monitor action plans through discussion at MMC meetings. The policy to be reviewed and re-launched to all professionals to increase awareness. Education and training related to good prescribing principles will be delivered to all prescribers. A good prescribing practice will be delivered to all areas and professionals.
Fire Hazard with Paraffin based skin products of dressing and clothing audit	<ul style="list-style-type: none"> Audit demonstrated compliance with the alert.
Audit Checklist for the Handling of clinical trials in the Pharmacy Department	<ul style="list-style-type: none"> To produce clinical trial specific procedures to back up the good practice already undertaken with clinical trial duties. To report progression of action plans, quarterly, to the Quality and Governance pharmacy department meetings. To implement pharmacist clinical trial training and to complete the band 6 Pharmacists training by 1st October 2010, then band 7 & 8 Pharmacists training by end of November 2010.
Theatre Controlled Drugs Record Book Audit	<ul style="list-style-type: none"> Education of staff regarding policy and procedures
Medicine Management and National Patient Safety Agency Alerts Annual Audit 2009	<ul style="list-style-type: none"> High rate of compliance shown in this audit. Re-audit annually to ensure sustained compliance. Policies revised to reflect all National Patient Safety Alert recommendations. Education and training related to good prescribing principles will be delivered to all prescribers.
Audit of blood collection process using blood track courier	<ul style="list-style-type: none"> Trust wide procedure developed to manage blood collection incidents.
Reducing the risk of hyponatraemia when administering intravenous infusion to children	<ul style="list-style-type: none"> Policy updated and awaiting ratification. Training packages being reviewed.
Good antimicrobial prescribing on the general surgical & orthopaedic wards at BVH	<ul style="list-style-type: none"> Junior doctor training on induction to re-iterate the standards of the microbial formulary. Microbial formulary requirements to be included in the implementation of the electronic patient record Reports identifying non-compliances to be brought to the attention of the Divisional Board.
Vital Signs	<ul style="list-style-type: none"> Rapid Assessment PITSTOP introduced Development of patient alerts within the electronic patient record to prompt repeat observations in those with abnormal initial readings.
Fever in Children Under 5	<ul style="list-style-type: none"> Improve Documentation – education of staff and utilisation of the electronic patient record
Renal Colic National Audit	<ul style="list-style-type: none"> Development of a Renal Colic Pathway Incorporation of pathway into the electronic patient record
Head Injury – Compliance with NICE Guidance CG56	<ul style="list-style-type: none"> Design of a protocol Incorporation of protocol into the electronic patient record
Cardiac Chest Pain in A&E	<ul style="list-style-type: none"> Design of an ACS protocol Incorporation of protocol into the electronic patient record

Table 15 cont.

Local Clinical Audits presented for assurance to the Board of Directors	Details of actions taken to improve the quality of local services and the outcomes of care.
Assessment of compliance with NICE CG50 in Acutely ill patients in hospital	<ul style="list-style-type: none"> • New POTTs chart introduced • Improved Observational Procedure • Graded clinical response strategy revised and improved – published with flowchart • Patient follow up from Intensive Therapy Unit improved • Revised and improved Intensive Therapy Unit patient discharge document introduced
The documentation of the outcome of the radiological images	<ul style="list-style-type: none"> • Education programme for staff to improve processes
Audit of patient case notes who have undergone Blood Stem Cell Transplantation	<ul style="list-style-type: none"> • Education programme for staff re documentation requirements • CNS to review patients prior to discharge • Continue to improve presence of key workers in out- patient clinics

2.2.3 Information On Participation in Clinical Research in 2010/11

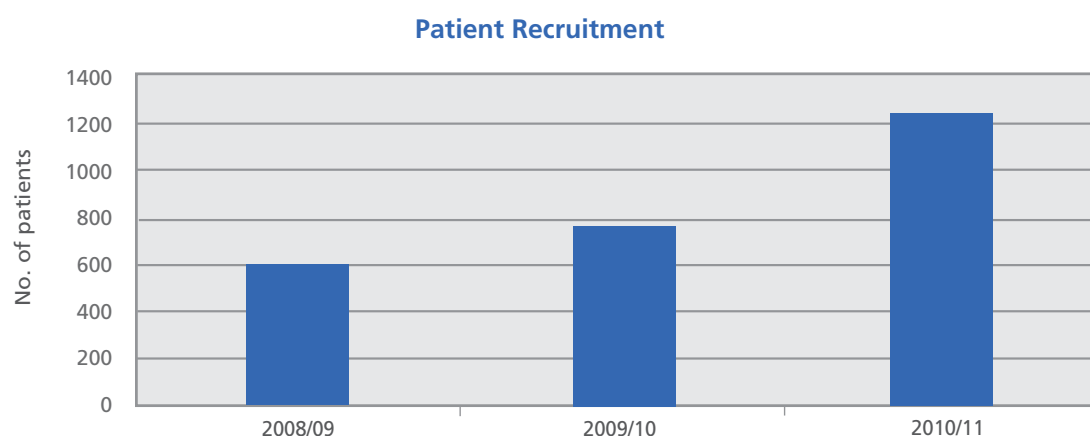
The number of patients receiving NHS services provided or sub-contracted by Blackpool Teaching Hospitals NHS Foundation Trust that were recruited during that period to participate in research approved by a research ethics committee was 1240, identified in Graph 17 below, of which the number of patients recruited to National Institute of Health Research (NIHR) Portfolio Studies is 1156*.

* It should be noted that 2010/11 NIHR Portfolio Study data is not signed off nationally until 30th June 2011. We therefore estimate the total patient recruitment total to be higher than currently reported (as at 21st January 2011).

The National Institute of Health Research Portfolio studies are high quality research that has had rigorous peer review conducted in the NHS. These studies form part of the NIHR Portfolio Database which is a national data resource of studies that meet specific eligibility criteria. In England, studies included in the NIHR Portfolio have access to infrastructure support via the NIHR Comprehensive Clinical Research Network. This support covers study promotion, set up, recruitment and follow up by network staff.

Participation in clinical research demonstrates Blackpool Teaching Hospitals NHS Foundation Trust's provider's commitment to improving the quality of care offered and to making our contribution to wider health improvement. Our clinical staff stay abreast of the latest possible treatment possibilities, and active participation in research leads to successful patient outcomes.

Graph 17 - Participation in Clinical Research



Blackpool Teaching Hospitals NHS Foundation Trust was involved in conducting 151 clinical research studies during 2010/11. There were 45 clinical staff participating in research approved by a research ethics committee at Blackpool Teaching Hospitals NHS Foundation Trust during 2010/11. These staff participated in research covering 15 medical specialties as outlined in Table 16 below:

Table 16- Number of patients recruited to National Institute of Health Research Portfolio studies		
Specialty	No. of Patients Recruited 2009/10	No. of Patients Recruited 2010/11
Anaesthetics & Pain	0	13
Cancer	140	85
Cardio-Vascular	192	166
Critical Care	0	586
Dermatology	0	11
Diabetes	0	2
Gastro Intestinal	47	66
Medicines For Children	30	10
Musculo-Skeletal	9	20
Paediatrics	0	10
Public Health	0	4
Renal	114	90
Reproductive Health & Childbirth	73	30
Respiratory	3	11
Stroke	84	52
Total	736	1156

In addition, over the last three years, 48 publications have resulted from our involvement in NIHR research, which shows our commitment to transparency and desire to improve patient outcomes and experience across the NHS. The improvement in patient health outcomes in Blackpool Teaching Hospitals NHS Foundation Trust demonstrates that a commitment to clinical research leads to better treatment for patients.

Blackpool Teaching Hospitals NHS Foundation Trust has participated in the NIHR North West Exemplar Programme during 2010/11. This is an initiative which aims to demonstrate that the NHS is a viable environment for conducting commercially-sponsored clinical trials, and that England can match the best in Europe in carrying out high quality studies quickly, efficiently, and in line with patient recruitment targets.

Blackpool Teaching Hospitals NHS Foundation Trust achieved the required Exemplar standards and is now rolling out these standards to all commercial studies. The programme highlighted Blackpool's achievements in:

- Senior level and board engagement in Research and Development.
- Streamlined governance processes.
- Good demonstrable results in relation to the timescale from Research and Development Form being completed and submitted to NHS permission in 43 days.
- Good communication and teamwork.
- First global patient recruited in 2 days from NHS permission.

Our engagement with clinical research also demonstrates Blackpool Teaching Hospitals NHS Foundation Trust's commitment to testing and offering the latest medical treatments and techniques.

2.2.4 Information on the Use Of The Commissioning For Quality And Innovation Payment Framework

The Commissioning for Quality and Innovation (CQUIN) payment framework aims to support the cultural shift towards making quality the organising principle of NHS services. In particular, it aims to ensure that local quality improvement priorities are discussed and agreed at board level within and between organisations. The CQUIN payment framework is intended to embed quality at the heart of commissioner-provider discussions by making a small proportion of provider payment conditional on locally agreed goals around quality improvement and innovation.

A proportion of the Blackpool Teaching Hospitals NHS Foundation Trust's income in 2010/11 was conditional upon achieving quality improvement and innovation goals agreed between Blackpool Teaching Hospitals NHS Foundation Trust and any person or body they entered into a contract, agreement or arrangement with for the provision of NHS services, through the Commissioning for Quality and Innovation payment framework. Further details of the agreed goals for 2010/11 and for the following 12 month period are available online at:

[http:// www.monitornhsft.gov.uk/sites/all/modules/fckeditorplugins/ktbrowser/_openTKFilephp?id=3275](http://www.monitornhsft.gov.uk/sites/all/modules/fckeditorplugins/ktbrowser/_openTKFilephp?id=3275)

The payment mechanism in 2010/11 was that Contracted Commissioners paid 50% of the CQUIN value through block contracts followed by the remaining 50% upon the Trust successfully achieving the agreed goals. The total planned monetary value of CQUIN in 2010/11 is £3,161,291; however, it estimated that the Trust will achieve a total monetary value and a monetary total for the associated payment in 2010/11 is £2,718,710.

2.2.5 Information relating to Registration with the Care Quality Commission and Periodic/Special Reviews

Statements from the Care Quality Commission

Blackpool Teaching Hospitals NHS Foundation Trust is required to register with the Care Quality Commission (CQC) and its current registration status is compliant with no conditions.

The (CQC) has not taken enforcement action against Blackpool Teaching Hospitals NHS Foundation Trust during 2010/11.

Special Reviews

Blackpool Teaching Hospitals NHS Foundation Trust has participated in special reviews or investigations by CQC relating to the following areas during 2010/11:

A CQC Review of support for Families with Disabled Children for Acute Services was submitted on the 14th February 2011. The aim of the review is to promote improvement in the delivery and commissioning of specialist health support for families with disabled children by:

- Producing robust and objective local area-based assessments of support for families with disabled children, along with benchmarking information.
- Ensuring appropriate action takes place in the areas where performance is weakest.
- Publishing a national report setting out recommendations for service providers, commissioners, other partners in local services and central Government.

The assessment was structured using a framework based on the expectations set out in "Aiming High" and in consultation with a wide range of stakeholders, including parents and carers of disabled children and young people.

The section of data collection for the Acute Trust comprised of 3 sections:

- Section 1 General (Mandatory),
- Section 2 Delayed Discharge (Not mandatory),
- Section 3 Scenarios (Mandatory) comprising of different scenarios involving 3 hypothetical disabled children.

The data has been submitted, together with a portfolio of evidence, compiled as directed for scrutiny by the Care Quality Commission if a visit to the Trust is requested.

Blackpool Teaching Hospitals NHS Foundation Trust intends to take action to address the conclusions or requirements reported by the Care Quality Commission on receipt of the report findings.

The main output from the review will be the assessment of the quality of the local health support provided to families with disabled children for each local area in England, as defined by Primary Care Trust boundaries.

The Care Quality Commission will inform all participants of the results which will be fed back to local areas in early summer 2011. An action plan will be developed to address any areas identified for improvement which will be monitored by the Clinical Governance Committee.

2.2.6 Information on the Quality of Data

Good quality information and data is essential for:

- The delivery of safe, effective, relevant and timely patient care, thereby minimising clinical risk.
- Providing patients with the highest level of clinical and administrative information.
- Providing efficient administrative and clinical processes such as communication with patients, families and other carers involved in patient treatment.
- Adhering to clinical governance standards which rely on accurate patient data to identify areas for improving clinical care.
- Providing a measure of our own activity and performance to allow for appropriate allocation of resources and manpower.
- External recipients to have confidence in our quality data, for example, services agreements for healthcare provisions.
- Improving data quality, such as ethnicity data, which will thus improve patient care and improve value for money.





Statements Of Relevance Of Data Quality And Actions To Improve Data Quality

Blackpool Teaching Hospitals NHS Foundation Trust will be taking the following actions to improve data quality:

- Data quality indicators on NHS number coverage, GP of patient, Ethnicity, Gender, national secondary users service (SUS) quality markers will continue to be monitored on a daily, weekly and monthly basis from the Trust's dedicated data quality team all the way through to the Board.
- Areas of improvement have been identified and actioned to maintain the Trust's high quality standards.

Over the last two years the following progress to improve data quality has been made:

- Ethnicity coding quality raised from 87.66% in January 2007 to 93.54% in January 2011.
- Inpatient NHS number coverage has been raised from 96.72% in Jan 2007 to 99% in January 2011.
- GP Code coverage maintained at over 99%.
- Gender assignment maintained at over 99.9%.

NHS Number And General Medical Practice Code Validity

Blackpool, Teaching Hospitals NHS Foundation Trust submitted records during 2010/11 to the Secondary Uses Service for inclusion in the Hospital Episode Statistics which are included in the latest published data. The percentage of records in the published data which included the patient's valid NHS Number was:

- 99.2% for Admitted Patient Care
- 99.4% for Outpatient care; and
- 94.6% for Accident and Emergency Care.

- which included the Patients valid General Practitioners Registration Code was:

- 99.9% for Admitted Patient Care
- 100% for Outpatient Care; and
- 99.7% for Accident and Emergency Care.

Information Governance Assessment Report 2010/11

Blackpool Teaching Hospitals NHS Foundation Trust's Information Governance Assessment Report overall score for 2010/11 was 80% and was graded (colour green) using the Information Governance Toolkit Grading Scheme.

In previous years grading was based on a Rating Score of Red/Amber/Green. For 2010/11 there are now just two grades:

- **Satisfactory** (coloured green): Level 2 achieved in all requirements
- **Not Satisfactory** (coloured red): Level 2 not achieved in all requirements

The Trust has achieved a Level 2 Satisfactory rating (colour green) against the new grading criteria. This change links directly to the NHS Operating Framework (Informatics Planning 2010/11) which requires all organisations to achieve Level 2 in all requirements.

Blackpool Teaching Hospitals NHS Foundation Trust will be taking the following actions to improve data quality. There is an overarching Information Governance workplan which has been agreed by the Trust Board. This is alongside a formulated action plan for 2011/12.

The Information Governance Toolkit is available on the Connecting for Health website (www.igt.connectingforhealth.nhs.uk).

The Information Quality and Records Management attainment levels assessed within the Information Governance Toolkit provide an overall measure of the quality of data systems, standards and processes within an organisation.

Clinical Coding Error Rate

Blackpool Teaching Hospitals NHS Foundation Trust was not subject to the Payment by Results clinical coding audit during the reporting period by the Audit Commission.

Although Payment by Result (PbR) data assurance audits undertaken by the Audit Commission did not focus on quality of coding during 2010/11 there has been an extensive internal audit programme within coding that has seen marked improvements in diagnosis and procedure coding at an individual coder level.

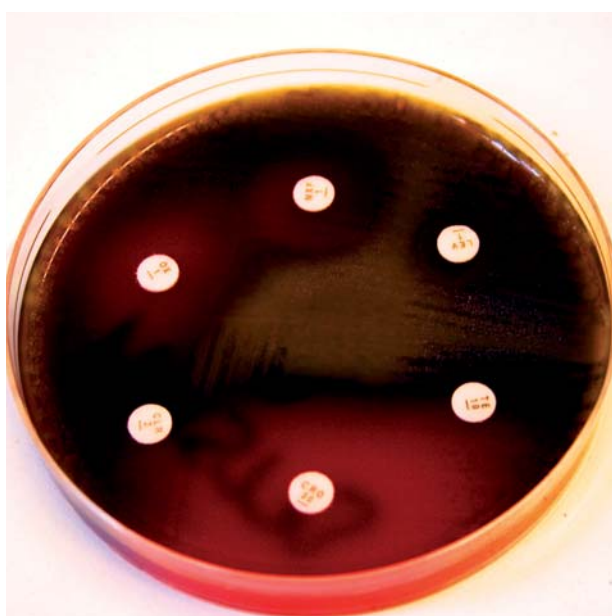
This has been essential in channelling training resource to appropriate areas to maximise the quality of coding within the Trust.

The Trust has commissioned an external company to provide a clinical coding audit for 2010/11 which was undertaken in May 2011. The results are detailed in Table 17a below:

Table 17a	
Data Published by the External Company	
Clinical Coding	Percentages
Primary Diagnoses Incorrect	9.0%
Secondary Diagnoses Incorrect	12.9%
Primary Procedures Incorrect	13%
Secondary Procedures Incorrect	8.3%

The results should not be extrapolated further than the actual sample audited. The following services were included in the sample as shown in Table 17b below:

Table 17b		
Data Sampled		
Area Audited	Specialty/ Sub-chapter/ Healthcare Resource Group	Sample size
Theme	General Medicine	100
Speciality	Speciality Clinical haematology	50
Sub-Chapter	Medical Oncology	50



Part 3 Other Information

3.1 Overview Of 2010/11 Performance

3.1.1 Overview Of The Quality Of Care Based On Performance In 2010/11 With An Explanation Of The Underlying Reason(s) For Selection

Table 1 in part 2 sets out the priorities for improvement which were identified in the 2009/10 report; none of these priorities have changed in 2010/11. However, we have identified two new priority indicators for monitoring in 2010/11 in relation to Stroke and Trans Ischemic Attacks.

Stroke

To improve the quality of care provided the Trust made a commitment to ensure that only stroke patients would be admitted to the stroke ward, with a bed set aside for emergency admissions or those patients requiring thrombolysis. In addition, core themes have been identified for improvement with patient pathways enhanced or redesigned.

The Trust has undertaken a 'stroke improvement project' which has demonstrated significant and marked improvements in service delivery and care of patients. The improvement project clearly identified an operating model of care for stroke services at the Trust and aligned this to the key performance indicators to evidence how well the Trust is performing. These processes range from initial recognition of a stroke to assessment, formal diagnosis leading to treatment, and rehabilitation. These actions have delivered improvements to the quality of care provided, with the percentage of patients receiving a CT scan within 24 hours of stroke onset improving from 1st June 2010 - 31st March 2011 below 70% to over 90%, and the percentage of patients being admitted directly to the stroke ward improving from 1st June 2010 - 31st March 2011 below 20% to over 90%. Further work during 2011/12 is required to ensure that improvements are embedded and the target met consistently.

Whilst we have greatly improved stroke services and continue to do so, in conjunction with the wider health and social care economy (NHS Blackpool, NHS North Lancashire, both Lancashire and Blackpool Local Authorities as well as third sector agencies) we have begun to review the entire stroke clinical pathway. This review covers the key interventions required before admission and following eventual discharge from hospital to ensure that there is a seamless delivery of services across organisational boundaries that has the best interests of patients at their heart. A series of events have commenced and will continue throughout 2011 to ensure that patients receive the best possible care on the Fylde Coast.

Trans Ischemic Attack

Pathways for the Trans Ischemic Attack (TIA) Service have been enhanced and redesigned. Local GPs are now able to contact a stroke specialist nurse via telephone to discuss and refer high risk TIA patients at anytime between the hours of 9am - 5pm, Monday to Friday, (alleviating the need for completion and faxing of a referral form), with patients being offered a same day appointment where possible. Redesign of pathways and improved communication between the TIA Service and Radiology has led to a significant improvement in the percentage of patients suffering from a TIA who receive a brain scan within 24 hours of the onset of symptoms, with performance in April 2011 being above the target for the first time.

Work will continue to ensure that changes to the pathway are embedded into practice and the improvement in performance are sustained.

3.1.2 Performance Against Key National Priorities

The Board of Directors monitors performance compliance against the relevant key national priorities and performance thresholds as set out in the Department of Health's Operating

Framework 2010/11. For 2010/11 the key national priorities for the Department of Health's Operating Framework were:

- Improving cleanliness and improving healthcare associated infections
- Improving access
- Keeping adults and children well, improving health and reducing health inequalities
- Improving patient experience, staff satisfaction and engagement
- Preparing to respond in a state of emergency, such as an outbreak of a new pandemic

Following discussions between the Care Quality Commission (CQC) and the Department of Health regarding the implications of the revisions to the NHS Operating Framework for 2010/11 for the 2009/10 periodic review of NHS organisations (the 'Annual Health Check'), it was agreed that the publication of 2009/10 performance against indicators that have been removed for 2010/11, was not required. The Trust however continued to monitor performance against all indicators. Table 18 shows the results from the benchmarking data published by the Care Quality Commission for the 2009/10 indicators together with the Trust's self assessment of performance in 2010/11 against the remaining indicators.

Table 18: Performance against Key National Priorities

Quality Standard	CQC Benchmarking Information 2009/10 (Z Scores*)	Trust Self Assessment 2009/10	Trust Self Assessment 2010/11
All Cancers: one month diagnosis to treatment:			
First Treatment (target $\geq 96\%$)	Much better than expected (2.26)	Achieved	Achieved Q1, 100%; Q2, 100%; Q3, 99.6%; Q4, 99.8%
Subsequent treatment – Drugs (Target $\geq 98\%$)	Data Failure	Achieved	Achieved 100% for all 4 quarters
Subsequent treatment – Surgery (Target $\geq 94\%$)	As expected (1.49)	Achieved	Achieved 100% for all 4 quarters
All Cancers: two month GP urgent referral to treatment:			
62 day general (target $\geq 85\%$)	As expected (0.73)	Achieved	Achieved Q1, 91.2%; Q2, 86%; Q3, 88.4%; Q4, 89.4%
62 day screening (target $\geq 90\%$)	Much worse than expected (-3.17)	Under-achieved	Achieved Q1 97%; Q2, 98%; Q3, 90.9%; Q4, 94.6%
62 day upgrade (Target tbc)	As expected (0.43)		Achieved greater than 95% in all 4 quarters
All Cancers: two week wait	As expected (0.29)	Achieved	Achieved Q1, 95.4%; Q2, 95.1%; Q3, 95.4%; Q4, 95.8%
Breast Symptoms – 2wk wait	As expected (0.85)	Achieved	Achieved Q1, 93.7%; Q2, 95.7%; Q3, 94.9%; Q4, 96.2%

Quality Standard	CQC Benchmarking Information 2009/10 (Z Scores*)	Trust Self Assessment 2009/10	Trust Self Assessment 2010/11
Reperfusion (Thrombolysis waiting times).	N/A	N/A	Achieved
Delayed Transfers of Care (target <3.5%)	As expected (0.78)	1.42%	Achieved
Percentage of Operations Cancelled (target 0.8%)	As expected (1.42)	0.53%	Achieved 0.6%
Percentage of Operations not treated within 28 days (target 0%)	Better than expected (1.90)	0%	Achieved 0%
Patient experience	As expected (0.35)	Achieved	Achieved
Quality of Stroke Care	As expected (0.82)		Achieved
Ethnic coding data quality	As expected (1.05)	Achieved	Achieved
Maternity data quality	As expected (0.30)	Achieved	Achieved
Staff Satisfaction	Better than expected (1.97)	Achieved	Achieved
18 week Referral to Treatment (Admitted Pathway) (target >=90%)	Requirement to assess performance removed	95.48%	Achieved 94.08%
18 week Referral to Treatment (Non-Admitted Pathways [including Audiology]) (Target >=95%)		97.43%	Achieved 96.46%
Incidence of MRSA		8 (target <=12)	4 (target <=3)
Incidence of Clostridium Difficile		134 (target <=185)	101 (target <=152)
Total time in A&E (target 95% of patients to be admitted, transferred or discharged within 4hrs)		98.93%	Achieved 97.69%
Inpatients waiting longer than the 26 week standard (target 0)		0	No longer monitored
Outpatients waiting longer than the 13 week standard (target 0)		0	No longer monitored
Patient waiting longer than three months (13 weeks) for revascularisation (target 0)		0	0
Waiting times for Rapid Access Chest Pain Clinic		100%	100%
Access to healthcare for people with a learning disability		Achieved	Achieved
Participation in heart disease audits	Requirement to assess performance removed	Achieved	Achieved
Engagement in Clinical Audits		Achieved	Achieved
Smoking during pregnancy		26.05%	Under-achieved 26.99%
Breast-feeding initiation rates target		66.94%	Under-achieved 63.14%
Emergency Preparedness	Not applicable	**	**

* The closer a z score is to 0, the closer it is to the expected level of performance, or average. In this report, positive z scores represent performance that is above the expected level of performance and negative z scores represent performance that is below the expected level.

** The Pandemic Influenza Plan (Version 2) was reviewed in March 2011 and ratified by the Board. This document defines the key pandemic influenza management systems and responsibilities of staff. To strengthen the Pandemic Influenza Plan, debriefs were undertaken on the swine flu pandemic in February 2010 and the increase in H1N1 influenza patients being admitted to critical care in December 2010.

To support these arrangements the Trust has a Trust Wide Business Continuity Plan (Version 1) which was reviewed and ratified by the Board in October 2010. Beneath the Trust Business Continuity Plan are 33 Directorate Business Continuity Plans with operational information on alternative options to deliver their services. The Emergency Planning Officer has undertaken one-one training with the 77 on call or duty staff, this includes Duty Directors, Duty Managers, members of the Acute Response Team, Head Nurses, Senior Nurses covering bleep 002, On Call Consultant Haematologists and Loggists. However, this year it will be undertaken in a group format.

3.2 Additional Other Information

Improve Local Patient Experience Survey Results

Over the last few years the Trust has been committed to improving the experience of our patients. The Trust invested heavily in a "Being With Patients" programme to improve customer service to patients, with a message about caring for patients how they wish to be cared for, not how we want to provide care. This included training in effective communication methods and the physical approach to patient care. We have since incorporated these messages in other similar training. In 2010 we commissioned a company called Purple Monster to take the messages further across wider staff groups and to develop customer care champions across the organisation.

In 2011 we are continuing with further training by developing some in-house interactive sessions which combine messages from all previous programmes.

The success of these programmes is evidenced by our recent staff survey results and the retention for the second year running of Investors in People Gold status. Customer care qualities in our staff are also assessed during appraisals as part of 'Being the Blackpool Person'.

To improve National Cancer Patients' Experience Survey Programme 2010 Results

The 2010 National Cancer Patient Experience Survey was designed to provide information to drive local quality improvements in relation to cancer care. 158 acute hospital NHS Trusts participated in the survey, which included all adult patients with a primary diagnosis of cancer who had been admitted as an inpatient or as a day case between 1st January 2010 and 31st March 2010. 828 eligible patients from this Trust were sent the survey and 531 questionnaires were completed, representing a response rate of 67%, the same as the national response rate.

What patients' liked about our care (in top 20% of Trusts):

- The first appointment was within four weeks of referral
- Patients were given the name of a Cancer Clinical Nurse Specialist
- Patients felt that they were able to spend an appropriate length of time with a doctor

What they didn't like (in lowest 20% of Trusts):

The way in which they were informed they had cancer

- Staff didn't always listen effectively and were difficult to contact
- Staff didn't give a complete explanation of the purposes of test(s)
- Patients weren't always given a choice of treatment
- Lack of information regarding financial issues
- Staff talked about them as if they weren't there
- We didn't give the GP enough information
- We didn't always give the right amount of information to patients
- There were some concerns about the information and support given to patients undergoing radiotherapy and/or chemotherapy - issues regarding chemotherapy and radiotherapy are in the main, interrelated with the joint working arrangements with Lancashire Teaching Hospitals.

As the survey identified specific tumour group patients, the survey has been sent to the departments that provide specific services in each clinical area for them to develop their own action plans on issues relating to their specialty.

Customer care programme launched to improve performance and customer satisfaction

Over the last few years the Trust has continued its commitment to improving the patient experience, of our patients. We have trained staff in effective communication methods, and physical approach through a variety of programmes. We commissioned a company called Purple Monster to take the messages further between staff and to develop some customer care champions across the organisations in 2010. This training was effective and valued but at a cost. It has given us a good baseline on which to continue training in-house. We have also incorporated customer care training into the new Trust Induction programme for 2011 and beyond.

In 2011 we are developing this further with more training and action learning sets and this is driven by our recent staff survey results and the retention of Investors in People Gold status. Customer care qualities in our staff are also assessed during appraisals as part of 'Being the Blackpool Person'. The Blackpool Person is in relation to our Organisational Development Programme focusing on engaging staff and harnessing their potential.

Learning from Patients

We encourage patients to give us feedback, both positive and negative, on their experiences of our hospital services so that we can learn from them and develop our services in response to patients' needs.

During the financial year April 1st 2010 to March 31st 2011 we received 2,274 thank you letters and tokens of appreciation from patients and their families.

The number of formal complaints received by the Trust during the same period was 309. There were also 38 verbal complaints made. The overall numbers of formal complaints show a decrease of 78 compared to the previous year.

Date - Financial Year	Complaints
2010/2011	309
2009/2010	387
2008/2009	399

The main categories of complaints include:

- Clinical Care
- Communication
- Staff Attitude
- Waiting Times
- Essential Nursing

Once the complaint has been acknowledged by the Trust, it is sent to the appropriate Division for local investigation. Once this investigation has been completed, their response is compiled and, following quality assurance checks, the response is signed by an Executive Director and posted to the complainant. Divisions are actively encouraged to arrange face to face meetings with complainants and during 2010/11, 67 meetings were held in order to resolve a complaint in a more timely manner (14 after a final response and 53 before a final response).

Lessons learned from complaints are discussed within the Divisional Governance meetings, whilst lessons that can be learned across the organisation and trends in the number of category of complaints are discussed at the Learning from Incidents and Risks Committee.

Once local resolution has been exhausted the complainant has the right to contact the Health Service Ombudsman for a review of the complaint. During 2010/11, 21 complaints were considered by the Ombudsman. Of these, there are 14 cases where the Ombudsman has assessed the issues and decided not to investigate any further, 1 was not upheld, 2 were resolved by local resolution, and 1 has been closed pending local resolution. There are 3 cases still ongoing.

Patient Advice and Liaison Service (PALS)

The aim of the Patient Advice and Liaison Service (PALS) is to be available for on-the-spot enquiries or concerns from NHS service users and to respond to those enquiries in an efficient and timely manner.

The table below shows the number of issues dealt with by the PALS team over the last three years.

Date - Financial Year	BVH Cases	BVH Issues
2010/2011	2609	2887
2009/2010	1990	2266
2008/2009	1453	1655

The number of cases handled by the PALS team this year has increased by 619 cases on the previous year. The main themes that have emerged from the cases recorded are:

- Administration (582 issues)
- Information (528 issues)
- Treatment Issues (519 issues)
- Waiting Times (506 issues)
- Communication (321 issues)

Lessons learned and service activity are reported to the Patient Experience Committee. Regular reports are produced throughout the year for the Learning from Incidents and Risks Committee (L.I.R.C), the Patient Environment Action Team (P.E.A.T), the Equality and Diversity (E&D) Committee. The Complaints, Litigation Incidents and PALS (C.L.I.P) Report contains the indicators that the service is required to achieve to meet the NHS Litigation Authority Risk Management Standards. In addition PALS activity and lessons learned also feature in the quarterly and annual Patient Experience Board reports.

Never Events

"Never Events" are defined as serious largely preventable patient safety incidents that should not occur if the preventable measures have been implemented by healthcare providers.

In 2010/11 the Trust has reported three "Never Events" relating to wrong site surgery. These incidents have been investigated by a multiagency team led by one of the Executive Directors and managed in accordance with the Trust's Serious Untoward Incident procedure.

Data Quality Reporting Information

- Accident and Emergency**

There are a number of new Accident and Emergency indicators for 2011/12. The measurement of these indicators uses national Secondary Uses Service (SUS) information. There are known discrepancies within this data relating to the discharge time of patients and the transfer to the observation ward. An action plan is in place to ensure that discharge times are accurately recorded and forwarded to SUS to allow accurate measurement.

- Trans Ischemic Attack Reporting**

The Trust has agreed with our host commissioner (purchaser) to provide accurate information on the referral to treatment times for patients who have had a Trans Ischemic Attack. A local database exists to capture this information and we are working with the department to ensure that this is fit for purpose and accurately reports this information.

- 18 Weeks Referral to Treatment Targets**

The Trust has delivered the 18 week referral to treatment performance target consistently since December 2007. The revision to the Operating Framework 2010/11 in June 2010, whilst removing the 18 week standard from performance monitoring, confirmed the patients' rights to treatment within 18 weeks under the NHS Constitution. The Trust therefore continued to monitor and redesign pathways to ensure the delivery of timely and efficient patient care. During 2010/11 Trust performance remained well above the standard, with 94.31% of patients for admitted care and 96.76% of patients for non admitted care being treated within 18 weeks of referral.

3.3 Statements from Primary Care Trusts, Local Involvement Networks and Overview and Scrutiny Committees

The statements supplied by the above stakeholders in relation to their comments on the information contained within the Quality Report can be found on page 149. Additional stakeholder feedback from Public Governors has also been incorporated into Annex A. Following feedback, wherever possible, the Trust has attempted to address comments to improve the Quality Report whilst at the same time adhering to Monitor's annual reporting guidance for the Quality Report and additional reporting requirements set by Monitor.

3.4 Quality Report Production

We are very grateful to all contributors who have had a major involvement in the production of this Quality Report.

The Quality Report was discussed with the Council of Governors which acts as a link between the Trust, its staff and the local community who have contributed to the development of the Quality Report.

3.5 How to Provide Feedback On The Quality Report

The Trust welcomes any comments you may have and asks you to help shape next year's Quality Report by sharing your views and contacting the Chief Executive Department via:

Telephone	01253 655520
Email	mary.aubrey@bfwhospitals.nhs.uk

Associate Director of Corporate Affairs
Blackpool Teaching Hospitals NHS Foundation Trust
Trust Headquarters,
Whinney Heys Road,
Blackpool
FY3 8NR

3.6 Quality Report Availability

If you require this Quality Report in Braille, large print, audiotape, CD or translation into a foreign language, please request one of these versions by telephoning 01253 655632.

Additional copies can also be downloaded from the Trust website: www.bfwhospitals.nhs.uk



Statements from Primary Care Trusts, Local Involvement Networks and Overview and Scrutiny Committees

1.1 Statement from NHS Blackpool - 26/05/2011

NHS Blackpool Trust Board as lead commissioner for Blackpool Teaching Hospitals NHS Foundation Trust can confirm that a review of the Quality Report for 2010/12 has been undertaken as outlined below.

NHS Blackpool welcomes the opportunity to review the Quality Accounts for 2010-2011 from Blackpool Teaching Hospitals NHS Foundation Trust. The Quality Account reflects the complex work undertaken in running a busy hospital with the local health challenges it faces. Patients report through national Care Quality Commission (CQC) experience survey that the quality of services has improved in many areas. We are reassured that the trust is committed to building on these survey results, and is actively engaging with staff, patients and the public, in shaping services. Staff commitment to improving quality through ongoing audits and through teams such as Global Trigger Tool Team, and analysis of total harms identify lessons learned to improve safety of services.

Patient experience is also a strong indicator of service quality. The achievement of the national Commissioning for Quality and Innovation (CQUIN) goal related to the responsiveness to personal needs, showed that the patient experience was above average when compared to other hospitals in the region. The findings of a national out-patient CQC survey have enabled planning to improve several elements of out – patient care important to patients, such as GP letters to patients. Work on end of life care management undertaken by the trust in 2010- 11 has also demonstrated a commitment to promote consistent approaches to improve the experiences for patients, their families and carers.

We congratulate the Trust on the number of quality improvements in key areas, they are:

- For the third year running, Blackpool Teaching Hospitals Foundation Trust featured in the top 40 hospitals in the country, recognising their success as one of the best performing trusts, for waiting times, mortality, hospital readmissions, and reducing infection rates.
- For their recognition in commitment to patient safety. They have achieved two national awards in the Patient Safety Awards 2011 – Education and Training in Patient Safety and Patient Safety in Maternity Care categories.

- For stating compliance with eliminating mixed sex accommodation across the Trust.
- For achievement of CQUIN goals during the year that have been set within the contract by commissioners. Key achievements include; the implementation of antimicrobial guidelines, effective prescribing, the introduction of the Primary Care Formulary, implementation of Shared Care Prescribing, and Trauma And Research Network data completeness. Nursing Care Indicator monitoring has also showed widespread implementation across the Trust to promote consistent approaches to high quality nursing care.
- The Trust has also achieved a huge reduction in patient falls, medication errors, pressure ulcers and Clostridium Difficile (C.Diff) infections, which are all indicators of improving patient safety, patient experience and clinical effectiveness.

Good quality data is vital for informed commissioning decisions. Information governance standards have been satisfactorily implemented across the Trust and the quality of data is higher than expected in some areas. Data such as NHS number, GP practice code validity, and data related to Stroke, Transient Ischemic Attack (Mini Stroke), and data linkage to primary care, have been identified as priority areas for improvement in 2011-12. We look forward to seeing improvement in these data quality priority areas.

NHS Blackpool will continue to support the Trust to build on its successes to further improve its performance. Reducing MRSA infection is a challenging target for 2011-12 but the improvements in C.Diff reduction during 2010-11 demonstrates a strong commitment within the Trust to the reduction of hospital acquired infections.

We look forward to seeing improvements in 2011-12 on the implementation of the Venous Thromboembolism (VTE) national risk assessment tool for at least 90% of patients admitted to hospital. Similar improvements are also expected in programs related to Stroke and Heart Failure featured in the Advancing Quality Programme.

The regulatory body Monitor has set out the criteria for the quality report (also quality account). We are satisfied that on the whole this is a very good account of progress in a challenging year. We can confirm we have checked the accuracy of the information as far as we are able.

1.2 Statement from North Lancashire Teaching Primary Care Trust - 30/05/2011

As a significant commissioner of services from the Blackpool Teaching Hospitals Foundation Trust, NHS North Lancashire has been invited to review the Quality Account and provide a supporting statement for inclusion in the report.

NHS North Lancashire has taken reasonable steps to validate the information contained within the document. We confirm that the Blackpool Teaching Hospitals Foundation Trust's 2010/2011 Quality Report provides an accurate representation of the quality of services provided by the Trust.

This is the second year that the Quality Report has been produced and the report outlines the improvements achieved against last year's priorities. It provides a comprehensive account of improvements in quality across a broad range of clinical areas. The report highlights a number of important achievements in many areas of patient safety, patient experience and clinical effectiveness.

Our involvement in the development of the content and priorities of the report has been limited. We intend to build on this involvement to assist the Trust to include the new GP led commissioning arrangements within their 2011/2012 Quality Account.

1.3 Statement from Blackpool Local Involvement Network - 26/05/2011

Blackpool Local Involvement Network (LINK) welcomes the second publication of this report. We are pleased to read about actions put in to improve Patient Safety, Clinical Effectiveness and Patient Experience. The comprehensive information on the quality of health care provided is 'jargon-free'.

We are pleased to see a reduction in the number of Patient Slips, Trips and Falls. Whilst the number of medication errors has changed over the past 12 months, it is good to see that over the last few months, the numbers are decreasing.

Please see our comments:

- National In-Patient Experience Survey (Table 8) – although the results for 2010 are higher than the national average, no improvement has been made as the results are either less or equal in previous years.
- National Out-Patient Survey (Table 9) – It is unclear as to whether the Trust achieved or underachieved with the national average, and the progress given is not very clear on what has been achieved.

- Information On Participation In Clinical Audits And National Confidential Enquires (Table 12) – Data in Columns C & D were not included at the time we were asked to comment on the report.
- Performance against Key National Priorities (Table 18) – On the Trust Self Assessment 2010/11, it would be useful if results were known and included in the report before being sent out for comments.

We look forward to receiving the official report in due course.

Yours sincerely

Norma Rodgers
Chair of Blackpool LINK

1.4 Statement from Lancashire Local Involvement Network - 30/05/2011

Lancashire Local Involvement Network has not provided a response in relation to the Quality Report.

1.5 Statement from Blackpool Health Overview and Scrutiny Committee - 26/05/2011

Due to the elections, the current Blackpool's Health Overview and Scrutiny Committee members has only recently been established and therefore the committee would not be providing a response in relation to the Quality Report. However, the committee will be happy to receive a copy of the Trust's published Quality Report.

1.6 Statement from Lancashire Health Overview and Scrutiny Committee - 30/05/2011

Lancashire Health Overview and Scrutiny Committee has not provided a response in relation to the Quality Report.

Table 19: Glossary of Abbreviations

Abbreviation	Meaning
CHKS	Name of the Company which is used for benchmarking
RAMI	Risk Adjusted Mortality Index
HSMR	The Hospital Standardised Mortality Ratio (HSMR) is an indicator of healthcare quality that measures whether the death rate at a hospital is higher or lower than you would expect. HSMR compares the expected rate of death in a hospital with the actual rate of death. Dr Foster looks at those patients with diagnoses that most commonly result in death for example, heart attacks, strokes or broken hips. For each group of patients we can work out how often, on average, across the whole country, patients survive their stay in hospital, and how often they die.
MRSA	<p>Methicillin Resistant Staphylococcus Aureus</p> <p>MRSA stands for methicillin-resistant Staphylococcus aureus. It is a common skin bacterium that is resistant to some antibiotics. Media reports sometimes refer to MRSA as a superbug.</p> <p>Staphylococcus aureus (SA) is a type of bacteria. Many people carry SA bacteria without developing an infection. This is known as being colonised by the bacteria rather than infected. About one in three people carry SA bacteria in their nose or on the surface of their skin.</p> <p>MRSA bacteraemia – An MRSA bacteraemia means the bacteria have infected the body through a break in the skin and multiplied, causing symptoms. If SA bacteria get into the bloodstream, they can cause more serious infections, such as blood poisoning.</p>
CDI	<p>Clostridium Difficile Infection</p> <p>Clostridium Difficile (C. diff) is a bacterium that is present naturally in the gut of around two thirds of children and 3% of adults.</p> <p>C. diff does not cause any problems in healthy people. However, some antibiotics that are used to treat other health conditions can interfere with the balance of 'good' bacteria in the gut. When this happens, C. diff bacteria can multiply and produce toxins (poisons), which cause illness such as diarrhoea and fever. At this point, a person is said to be 'infected' with C. diff.</p>
CMACH	Confidential and Maternal and Child Health
NCEPOD	National Confidential Enquiries into Perinatal Outcomes of Death
NRLS	National Reporting and Learning Service
NMC	Nursing and Midwifery Council
NPSA	National Patient Safety Agency
Medusa	Electronic version of the Injectable Medicines Guide
PCI	Primary Coronary Intervention
AMI	Acute Myocardial Infarction
VTE	Venous Thrombo Embolism
CABG	Coronary Artery Bypass Graft
CQS	Composite Quality Score
LVS	Left Ventricular Systolic Function Assessment
ACEI	Angiotension Converting Enzyme Inhibitors
ARB	Angiotension Receptor Blocker

Table 19: Glossary of Abbreviations

Abbreviation	Meaning
LVSD	Left Ventricular Systolic Dysfunction
CAP	Community Acquired Pneumonia
AQ	Advancing Quality
CDU	Clinical Decisions Unit
NICE	National Institute for Health and Clinical Excellence
DNAR	Do Not Attempt Resuscitation
HCAI	Hospital Community Acquired Infection
NHSLA	NHS Litigation Authority
NIHR	National Institute for Health Research
CQUIN	Commissioning for Quality and Innovation
CQC	Care Quality Commission
LAC	Looked after Children
CNST	Clinical Negligence Scheme for Trusts
SUS	Secondary Uses System
HES	Hospital Episode Statistics
PbR	Payment by Results
HRG	Healthcare Resource Group
CC	Clinical Conditions
PCT	Primary Care Trust
SBAR	Situation Background Assessment Recommendations
IRMER	Ionising Radiation Medical Exposure Regulations 2000
GP	General Practitioners
PEAT	Patient Environment Action Team
LSCB	Local Safeguarding Children's Board
GHG	Green House Gas
ERIC	Estates Returns Information Collections
CRC	Carbon Reduction Commitment
CHP	Combined Heat and Power
DoH	Department of Health
NCI	Nursing Care Indicators

Table 19: Glossary of Abbreviations

Abbreviation	Meaning
HRG	<p>Developed by The Casemix Service, Healthcare Resource Groups (HRGs) are standard groupings of clinically similar treatments which use common levels of healthcare resource.</p> <p>Healthcare Resource Groups offer organisations the ability to understand their activity in terms of the types of patients they care for and the treatments they undertake. They enable the comparison of activity within and between different organisations and provide an opportunity to benchmark treatments and services to support trend analysis over time.</p> <p>Healthcare Resource Groups are currently used as a means of determining fair and equitable reimbursement for care services delivered by Health Care Providers. Their use as consistent 'units of currency' supports standardised healthcare commissioning across the NHS. They improve the flow of finances within - and sometimes beyond - the NHS. HRG4 has been in use for Reference Costs since April 2007 (for financial year 2006/7 onwards) and for Payment by Results (PbR) since April 2009 (for financial year 2009 onwards).</p> <p>HRG4 was a major revision that introduced Healthcare Resource Groups to new clinical areas, to support the Department of Health's policy of Payment by Results. It includes a portfolio of new and updated HRG groupings that accurately record patient's treatment to reflect current practice and anticipated trends in healthcare.</p>
CC	<p>JD042: Minor Skin Disorders category 3 without CC</p> <p>"CC" means clinical conditions. Therefore in this context the patient had no other clinical conditions or co-morbidities.</p>
TIA	<p>Trans Ischemic Attack – A transient stroke that lasts only a few minutes. It occurs when blood to the brain is briefly interrupted</p>

Annex B – Statement of Directors' Responsibilities In Respect of The Quality Report

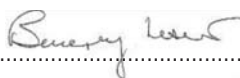
The Board of Directors is required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 to prepare Quality Accounts for each financial year. Monitor has issued guidance to NHS Foundation Trust Boards on the form and content of annual Quality Reports (which incorporates the above legal requirements) and on the arrangements that Foundation Trust Boards should put in place to support the data quality for the preparation of the Quality Report.

In preparing the Quality Report, the Board of Directors can confirm that it has the appropriate mechanisms in place to prepare its Quality Report and is satisfied that:

- The content of the Quality Report meets the requirements set out in the NHS Foundation Trust Annual Reporting Manual.
- The content of the report of the Quality Report is not inconsistent with internal and external sources of information including:
 - Board minutes and papers for the period April 2010 to June 2011;
 - Papers relating to Quality reported to the Board over the period April 2010 to June 2011;
 - Feedback from the commissioners dated 26/05/2011 and 31/05/2011;
 - Feedback from governors dated 04/03/2011;
 - Feedback from LINKs dated 26/05/2011 and 31/05/2011;
 - The Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 27/04/2011;
 - The latest national patient survey 11/04/2011;
 - The latest 2010 national staff survey 14/03/2011;
 - The Head of Internal Audits annual opinion over the trusts control environment dated 01/04/2011;
 - Care Quality Commission quality and risk profiles dated 01/09/2010; 01/10/2010; 01/11/2010; 09/03/2011 and 07/04/2011.
- The Quality Report presents a balanced picture of the NHS Foundation Trust's performance over the period covered;
- The performance information reported in the Quality Report is reliable and accurate;
- There are proper internal controls over the collection and reporting of the measures of performance included in the Quality Report, and these controls are subject to review to confirm that they are working effectively in practice;
- The data underpinning the measures of performance reported in the Quality Report is robust and reliable, conforms to specified data quality standards and prescribed definitions, is subject to appropriate scrutiny and review; and the Quality Report has been prepared in accordance with Monitor's annual reporting guidance (which incorporates the Quality Accounts regulations) (published at <http://www.monitor-nhsft.gov.uk/annualreportingmanual>) as well as the standards to support data quality for the preparation of the Quality Report (available at <http://www.monitor-nhsft.gov.uk/annualreportingmanual>).

The Directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the Quality Report.

By order of the Board:

Signed:  Date: 2 June 2011
Chairman

Signed:  Date: 2 June 2011
Chief Executive

Annex C: External Auditor's Limited Assurance Report on the Contents of the Quality Report

Independent Auditor's Report To The Council Annex C 155 Of Governors Of Blackpool Teaching Hospitals NHS Foundation Trust On The Annual Quality Report.

We have been engaged by the Council of Governors of Blackpool Teaching Hospitals NHS Foundation Trust ("the Trust") to perform an independent assurance engagement in respect of the content of the Trust's Quality Report for the year ended 31 March 2011 (the "Quality Report").

Scope and subject matter

We read the Quality Report and considered whether it addresses the content requirements of the NHS Foundation Trust Annual Reporting Manual, and consider the implications for our report if we become aware of any material omissions.

Respective responsibilities of the Directors and auditors

The Directors are responsible for the content and the preparation of the Quality Report in accordance with the criteria set out in the NHS Foundation Trust Annual Reporting Manual 2010/11 issued by the Independent Regulator of NHS Foundation Trusts ("Monitor").

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that the content of the Quality Report is not in accordance with the NHS Foundation Trust Annual Reporting Manual or is inconsistent with the documents.

We read the other information contained in the Quality Report and considered whether it is inconsistent with:

- Board minutes for the period April 2010 to June 2011;
- papers relating to quality reported to the Board over the period April 2010 to June 2011;
- feedback from the commissioners dated 26/05/2011 and 31/05/2011;
- feedback from governors dated 04/03/2011;
- feedback from LINKS dated 26/05/2011 and 31/05/2011;
- the Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Compliance Regulations 2009;
- the latest national and local patient survey for 2010;
- the latest national and local staff survey for 2010;
- the Head of Internal Audit's annual opinion over the Trust's controls environment dated April 2011; and
- CQC quality and risk profiles dated 01/09/2010, 01/10/2010, 01/11/2010, 09/03/2011 and 07/04/2011.

We considered the implications for our report if we became aware of any apparent misstatements or material inconsistencies with those documents (collectively, the "documents"). Our responsibilities do not extend to any other information.

This report, including the conclusion, has been prepared solely for the Council of Governors of the Trust as a body, to assist the Council of Governors in reporting the Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2011, to enable the Council of Governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the Quality Report. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors as a body and Blackpool Teaching Hospitals NHS Foundation Trust for our work or this report save where terms are expressly agreed and with our prior consent in writing.

Assurance work performed

We conducted this limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) – 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('ISAE 3000'). Our limited assurance procedures included:

- making enquiries of management
- comparing the content requirements of the NHS Foundation Trust Annual Reporting Manual to the categories reported in the Quality Report; and
- reading the documents.

A limited assurance engagement is less in scope than a reasonable assurance engagement. The nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

Limitations

It is important to read the Quality Report in the context of the criteria set out in the NHS Foundation Trust Annual Reporting Manual.

Conclusion

Based on the results of our procedures, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2011, the content of the Quality Report is not in accordance with the NHS Foundation Trust Annual Reporting Manual.

PricewaterhouseCoopers LLP

signature

PricewaterhouseCoopers LLP
Chartered Accountants
Manchester
6 June 2011



I am very grateful for the excellent care and treatment I received at Blackpool Victoria Hospital. A big thank you to all the dedicated medical staff – You are a credit to the hospital.

Daniel Murphy, Preston

Annex D: A Statement of the Chief Executive's responsibilities as the Accounting Officer

The National Health Service Act 2006 ("2006 Act") states that the Chief Executive is the Accounting Officer of the NHS Foundation Trust. The relevant responsibilities of Accounting Officer, including their responsibility for the propriety and regularity of the public finances for which they are answerable, and for the keeping of proper accounts, are set out in the Accounting Officers' Memorandum issued by the Independent Regulator of NHS Foundation Trusts ("Monitor").

Under the 2006 Act, Monitor has directed the Blackpool Teaching Hospitals NHS Foundation Trust to prepare, for each financial year, a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Blackpool Teaching Hospitals NHS Foundation Trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial period.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the NHS Foundation Trust Annual Reporting Manual and in particular to:

- observe the Accounts Direction issued by Monitor, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the NHS Foundation Trust Annual Reporting Manual have been followed, and disclose and explain any material departures in the financial statements, and
- prepare the financial statements on a going concern basis.

The Accounting Officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the NHS Foundation Trust and to enable him to ensure that the accounts comply with requirements outlined in the above mentioned Act. The Accounting Officer is also responsible for safeguarding the assets of the NHS Foundation Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

To the best of my knowledge and belief, I have properly discharged the responsibilities as set out in Monitor's NHS Foundation Trust Accounting Officer Memorandum.



Signed:

Date: 3rd June 2011

Aidan Kehoe
Chief Executive



"Staff at the Lancashire Cardiac Centre were very caring and helpful. All the doctors and nurses were great and their support really did ease my nerves. They made me feel comfortable and relaxed and explained every detail of my operation and treatment. A huge thanks to the hospital."

Edward Ellison, Bolton

Annex E: Annual Governance Statement 2010/11

1. Scope of Responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the NHS Foundation Trust's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me. I am also responsible for ensuring that the NHS Foundation Trust is administered prudently and economically and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the NHS Foundation Trust Accounting Officer Memorandum.

2. 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 policies, aims and objectives of Blackpool Teaching Hospital NHS Foundation Trust, to 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 for Blackpool Teaching Hospital NHS Foundation Trust year ended 31 March 2011 and up to the date of approval of the annual report and accounts.

3. Capacity to Handle Risk

3.1 Leadership

Leadership is given to the risk management process and as Accounting Officer I have overall accountability and responsibility for Risk Management within the NHS Foundation Trust. I lead the Risk Management process as Chair of the Trust's Healthcare Governance Committee, which meets on a quarterly basis.

The Board of Directors has overall responsibility for setting the strategic direction of the Trust and managing the risks to delivering that strategy. All committees with risk management responsibilities have reporting lines to the Board. An Executive Director has lead responsibility for the development and implementation of the Risk Management Strategy and Plan.

Two Executive Directors with specific responsibilities lead the development of Clinical Governance and Risk Management and the plans are agreed through the Healthcare Governance Committee. The Trust Board has approved these arrangements and associated documents.

The Trust Risk Management Strategy clearly defines the responsibilities of individual Executive Directors specifically and generally. The Risk Management Strategy 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, safety, corporate and clinical governance, performance management and assurance.

A lead Executive Director has been identified for each principal risk defined within the Board Assurance Framework and linked to the Care Quality Commission Quality and Risk Standards, with the Framework being subject to ongoing, iterative review by the Board of Directors.

The Trust uses an integrated electronic risk management system, known as Ulysses. The system is used to record and manage risk registers both at Corporate and Divisional level. The system allows for the recording and assessment of risks using a generic scoring matrix. The risk management leads within each Division and Corporate Directorate are responsible for coordinating the ongoing review and management of risks identified, collated, reported and reviewed locally through the Trust Governance structures.



3.2 Training

Staff are trained or equipped to manage risk in a way appropriate to their authority and duties. The Trust has in place a programme of systematic induction for new employees. Governance is a dedicated session on the corporate mandatory training programme and each Division and Corporate Directorate has a responsibility to develop specific departmental local induction programmes. The Trust has in place a mandatory training programme. All staff are required to attend this programme and risk management is a dedicated session in the programme. Trust Board members have participated in bespoke risk management training. To ensure the successful implementation and maintenance of the NHS Foundation Trust's approach to risk management, staff at all levels are appropriately trained in incident reporting and carrying out a risk assessment.

The overarching performance management system within the organisation ensures that controls are in place to identify and manage any risks to the delivery of key performance targets. This process is utilised as a further assurance mechanism to maintain an effective system of internal control.

Employees, contractors and agency staff are required to report all adverse incidents and concerns. The NHS Foundation Trust supports a learning culture, ensuring that an objective investigation or review is carried out to continually learn from incidents, only assigning 'blame' to individuals where it is clear that policies and procedures have not been appropriately followed.

The Learning from Incidents and Risks Committee comprising senior staff, meets on a monthly basis to ensure concerns identified from incidents, complaints and claims, are investigated to ensure that lessons are learned and as a

method of improvement and sharing good practice. The NHS Foundation Trust fosters an environment where individuals are treated in a fair and just way, and where lessons are learned rather than blame being attributed.

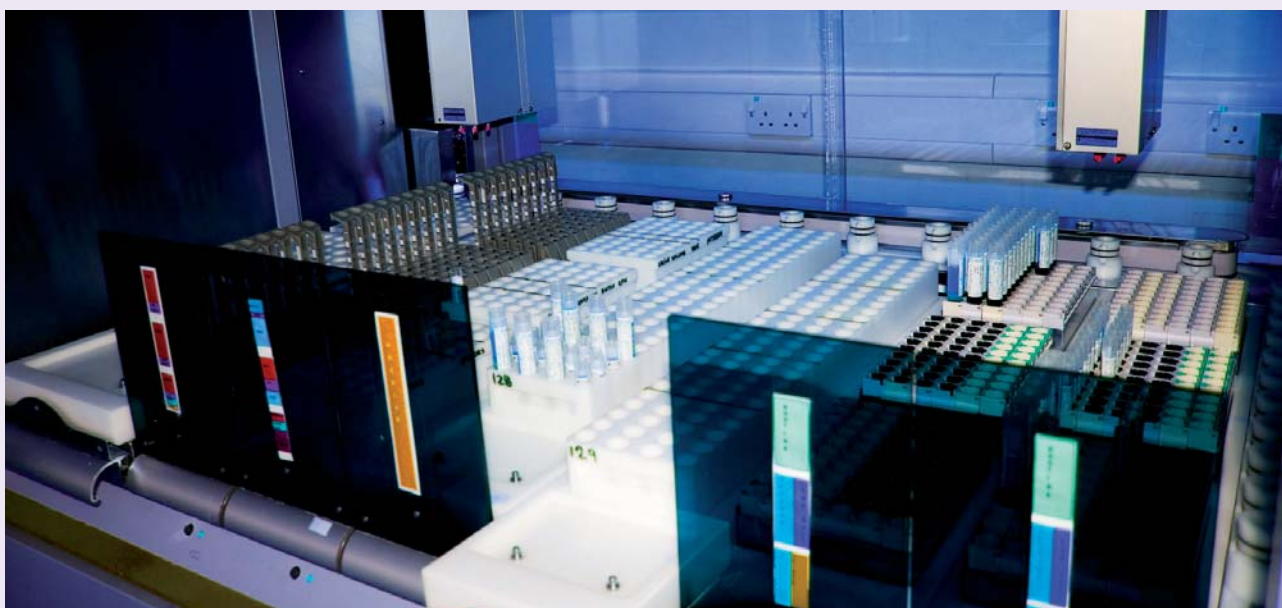
All procedural documents are available to staff on the Trust's Intranet and there is an annual programme for monitoring the working of each procedural document to improve practice with a quarterly review of action plans in line with the requirements of the NHSLA Risk Management Standards.

4. The Risk and Control Framework

4.1 Key Elements Of The Risk Management Strategy

The Risk Management Strategy is validated by the Healthcare Governance Committee and approved by the Board of Directors. It covers all risks and is subject to an annual review to ensure it remains appropriate and current. Staff are both accountable and responsible for risk management to ensure it is clearly identified as well as implementing the system for identifying, managing, evaluating and controlling individual risk. Risks are identified from risk assessments and from the analysis of untoward incidents. The Risk Management Strategy is referenced to a series of related risk management documents, for example, Patient Safety Strategy; Investigating an Untoward Incident and Serious Incident Reporting Procedure etc. The Risk Management Strategy is available to all staff via the Document Library on the Trust Intranet.

The Trust's vision and values identifies the accepted culture within the organisation, these are linked to the corporate objectives and therefore supports the risk management framework.





4.2 Key Elements of the Quality Governance Arrangements

Quality Governance arrangements are monitored via the Committees within the Corporate Governance Structure with clear Terms of Reference. The Subordinate Committees report to the Board following each of the meetings and the effectiveness of this is confirmed by an annual Internal Audit.

Information reported to the Board regarding performance against nationally mandated targets is collated from the dataset submitted to the Department of Health. Likewise data to support compliance with locally commissioned services and targets is reported to the Board from the dataset provided to commissioners.

The Board of Directors receive a quarterly report regarding compliance with the Care Quality Commission Quality and Safety standards together with a quarterly progress on actions taken to demonstrate improvements for those areas identified as worse or much worse than peers.

Assurance on the quality of performance information is provided by the Care Quality Commission Quality and Risk profile. Further assurance is provided by Internal Audit and External audit.

Performance against key mandatory, local/contractual indicators/measures is monitored monthly by the Divisional Performance Board and by the Board of Directors. The Board report clearly identifies indicators/measures included within the Corporate Risk Register and Board Assurance Framework.

An organisation wide integrated governance monitoring dashboard is being designed with an implementation date set for July 2011. The dashboard will reflect performance on key external and local quality standards.

4.3 How Risks To Data Security Are Being Managed

The Information Governance Committee (IGC) reports to Healthcare Governance Committee. The IGC is responsible for all aspects of Information Management, Information Governance, Information Communications Technology and Knowledge Management throughout the Trust known collectively as Information Management; this includes the identification and management of information risks. The IGC is chaired by the Deputy Chief Executive, who is also the nominated Board Lead for Information Governance and the Senior Information Risk Owner for the Trust.

During the financial year 2010/11 the Trust had 25 information security related incidents reported all of which were severity rated from level 0 – 2. All were thoroughly investigated and reported upon. Note: Information Security incidents are rated on a severity scale from 0 – 5; incidents classified as a severity rating of 3-5 are reported as a serious untoward incident and reported to Monitor and the Information Commissioner. Incidents rated at a severity rating of 0 need not be reflected in annual reports. The table below provides a summary which relates to these incidents.

Table: Summary of Personal Data Related Incidents 2010/11

Category	Nature of Incident	Total
i	Loss of inadequately protected electronic equipment, devices or paper documents from secured NHS premises.	0
ii	Loss of inadequately protected electronic equipment, devices or paper documents from outside secured NHS premises	1
iii	Insecure disposal or inadequately protected electronic equipment, devices or paper documents	12
iv	Unauthorised disclosure	3
v	Other	9

The Trust achieved Information Governance Toolkit (IGT) assessment compliance score of 81%. A review of the IGT assessment reporting carried out by Audit North West during 2010/11 reported a significant level of assurance.

4.4 Key Risks

The key organisational risks for the year were identified from the corporate strategic objectives for 2010/11, forming part of the Board Assurance Framework and included the following:

The above risks have been risk assessed within impact scores validated by the Board of Directors. Mitigating actions are monitored at a minimum on a quarterly basis by the reporting committees identified in the risk management strategy. Escalation and de-escalation of risks is dependent upon progress to achieve outcomes.

In-Year Risks 2010/11	Future Major and Significant Clinical Risks 2011/12
<ul style="list-style-type: none"> • Breach of Terms of Authorisation • Failure to maintain financial balance • Transfer of Community Services • Failure to reduce the risk of patients acquiring Clostridium Difficile • Failure to reduce the risk of patients acquiring MRSA bacteraemia • Failure to reduce hospital mortality rates • Failure to implement the electronic patient record system • Failure to recruit sufficient staff to meet basic establishment needs • Failure to achieve compliance with health and safety regulations • Failure to eliminate Never Events relating To Wrong Site Surgery • Failure of Management of the Web Page Incident Reporting and uploading to the NPSA 	<ul style="list-style-type: none"> • Failure to maintain Breach of Terms of Authorisation and compliance • Failure to maintain financial balance • Failure to recognise quality and safety of patient care deteriorating • Failure to provide sufficient workforce competence, skill mix and capacity • Transfer of Community Services • Failure to reduce the risk of patients acquiring Clostridium Difficile • Failure to reduce the risk of patients acquiring MRSA bacteraemia • Failure to reduce hospital mortality rates • Failure to implement the electronic patient record • Failure to recruit sufficient staff to meet basic establishment needs • Compliance with health and safety regulations

4.5 How Risk Management Is Embedded In The Activity Of The NHS Foundation Trust

Risk Management is embedded in the activity of the organisation through Induction Training, regular Risk Management Training and ad-hoc training when need is identified. An Untoward Incident and Serious Incident reporting system is in place and incidents are entered onto a database for analysis. Root cause analysis is undertaken and all identified changes in practice are implemented.

Risk Management is embedded within the NHS Foundation Trust through key committees identified in the Corporate Governance Structure and consists of clinical and non-clinical committees, which report to the Healthcare Governance Committee on a quarterly basis.

The Trust has a zero-tolerance approach to fraud and our counter-fraud team helps to embed and tackles fraud in several ways:

- Developing an anti-fraud culture across the Trust's workforce

- Fraud proofing policies and procedures
- Conduct Fraud detection exercises into areas of risks
- Investigating any allegations of suspected fraud
- Obtaining, where possible, appropriate sanctions and redress

Each Division and Department has undertaken a self assessment and completed a fraud risk assessment which is monitored on a local level and existing controls are to continue to mitigate the risk.

The Audit Committee is a sub-committee of the Board of Directors and provides independent assurance on aspects of governance, Risk Management and internal controls. The Healthcare Governance Committee links to the Audit Committee and the Clinical Governance Committee and also reports direct to the Board of Directors.

The Trust has been carrying out Equality Impact Assessments (EIA) since 2007. Since their inception within the Trust all policies, procedures, guidelines, schemes, strategies etc have to have a completed EIA attached before being sent to the relevant committee for discussion and signing off.

Likewise completion of an EIA is expected when there is a new service to be implemented, a change to a service or cessation of a service along with the relevant consultation and engagement with service users. Where an adverse impact is identified during the completion of the initial assessment, a full EIA is carried out. This involves consulting and engaging with people who represent protected characteristics groups and other groups if required to do so.

An action plan is drawn up after completing the full assessment which details the actions to be taken, along with a time frame, to eliminate or reduce as far as possible any adverse impact. A copy of the action plan is sent to the Trust's Equality Diversity and Human Rights Steering Group for monitoring on its progress.

Training on EIA's is included in the Equality and Diversity training which is part of the Trust's overall mandatory training programme.

4.5.1 Elements of the Assurance Framework

The Board Assurance Framework has been fully embedded during 2010/11. The Assurance Framework:

- Covers all of the Trust's main activities.
- Identifies the Trust's corporate objectives and targets the Trust is striving to achieve.
- Identifies the risks to the achievement of the objectives and targets.
- Identifies the system of internal control in place to manage the risks.
- Identifies and examines the review and assurance mechanisms, which relate to the effectiveness of the system of internal control.
- Records the actions taken by the Board of Directors and Officers of the Trust to address control and assurance gaps; and
- Covers the Care Quality Commission Quality and Risk Standards on which the Trust has registered with the CQC with no conditions during 2010/11.

The Healthcare Governance Committee considers high/significant risks and if appropriate, recommends their inclusion on the Corporate Risk Register and/or Board Assurance Framework. This is presented to the Board of Directors for formal ratification.

Risk prioritisation and action planning is informed by the Trust's corporate objectives which have been derived from internal and external sources of risk identified from national requirements and guidance, complaints, claims, incident reports and Internal Audit findings. This also includes any other sources of risk derived from Ward, Departmental, Directorate and Divisional risk assessments, which feed up to Divisional and Corporate level management. Action plans are developed for unresolved risks.

Lead Executive Directors and Lead Managers are identified to address the gaps in control and assurance and are responsible for developing action plans to address the gaps. The Board Assurance Framework serves to assure the Board of Directors that the organisation is addressing its risks systematically. The action plan arising from each risk also serves as a work plan for the NHS Foundation Trust through the Lead Managers to ensure mitigation against risks and closure of any gaps in control or assurance.

The 'elements' of the Board Assurance Framework are monitored and reviewed on a quarterly basis by the Healthcare Governance Committee and the Audit Committee followed by the Board of Directors. This demonstrates that the document is live and continuous and provides evidence to support the Annual Governance Statement.

The Finance Director (who also acts as the Deputy Chief Executive), and the Associate Director of Corporate Affairs are also members of the Healthcare Governance Committee and provide Governance and Risk Management assurance to the Audit Committee at each of its meetings, thus ensuring an integrated risk management approach.

The Trust manages gaps in assurance by way of the Audit Committee who will review these gaps and assess the required assurances to review systems and processes.

4.6 How Public Stakeholders Are Involved In Managing Risks Which Impact On Them

The Governance Framework requires the Trust to involve patients and public stakeholders in the Governance agenda. This has been achieved through engagement with the Trust membership and Governors, NHS Blackpool, NHS North Lancashire, Blackpool Overview and Scrutiny Committee, Lancashire Overview and Scrutiny Committee, Blackpool Local Safeguarding Children's Board, Learning Disability Partnership Board and Local Involvement Networks (LINK). The Trust has a Patient Public Involvement Strategy in place and this has been continuously implemented throughout 2010/11. This is now a core component of the Foundation Trust Membership Strategy. Public Stakeholders are consulted with regarding future service developments and changes in service development.

Patient feedback is actively solicited through the monthly local patient survey and patient feedback is reviewed on an ongoing basis with summary reports reviewed regularly by the Board. Issues raised through the Trust's Risk Management processes that impact on partner organisations, for example, NHS Blackpool, NHS North Lancashire, and Lancashire Care NHS Foundation Trust, would be discussed in the appropriate forum in order that appropriate action can be agreed.

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

4.7 Disclosure of Registration Requirements

The NHS Foundation Trust is fully compliant with the registration requirements of the Care Quality Commission.

4.8 Compliance with the NHS Pension Scheme Regulations

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 the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.

4.9 Compliance with Equality, Diversity and Human Rights Legislation

Control measures are in place to ensure that all Trust's obligations under equality, diversity and human rights legislation are complied with.

All procedural documents incorporate an equality impact assessment prior to ratification by the relevant committee. The Trust has an Equality and Diversity and Human Rights Steering Committee which reports to the Clinical Governance Committee.

4.10 Compliance with Climate Adaptation Requirements under the Climate Change Act 2008

The NHS Foundation Trust has undertaken risk assessments and Carbon Reduction Delivery Plans are in place in accordance with emergency preparedness and civil contingency requirements, as based on UKCIP 2009 weather projects, to ensure that this organisation's obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

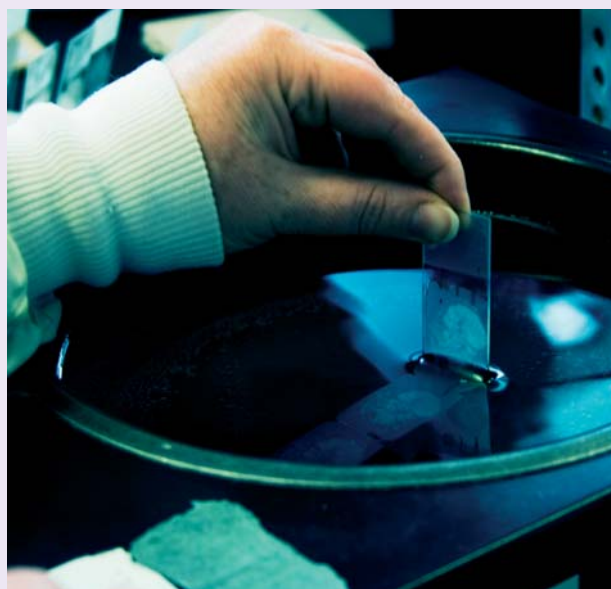
5. Review of Economy, Efficiency and Effectiveness of the Use of Resources

It is of the opinion of Monitor's Board that the Trust is not meeting its statutory duties to put in place proper arrangements to exercise its functions economically, efficiently and effectively and is in significant breach of conditions 2 and 5 being Condition 2: the general duty to exercise its functions effectively, efficiently and economically Condition 5: governance of the trusts terms of authorisation

Each month Monitor will continue to hold a formal Progress Review Meeting to assess sufficient and sustained progress towards achieving a timely return to compliance with the terms of its authorisation.

The NHS Foundation Trust has arrangements in place for setting objectives and targets on a strategic and annual basis. These arrangements include the following:

- Approval of the annual budgets by the Board of Directors.
- Monthly Finance and Business Monitoring Committee to ensure Directors meet their respective financial targets reporting to the Board
- Bi-monthly Finance Reviews
- Monthly Cash Committee which reports to the Finance and Business Monitoring Committee
- The Trust has strengthened the Programme Management Office structure with a temporary appointment of QulPP Management Contractor whose role is to scrutinise QulPP planning and delivery.
- The Divisional Plans will be reviewed on a fortnightly basis by Executive and Non Executive Directors through the gateway review meeting.
- The Divisions play an active part in ongoing review of financial performance including Cost Improvement Requirements/Quality, Innovation, Productivity and Prevention (QulPP) delivery.
- Monthly performance management of Divisions by the Executive Team is undertaken for key areas.
- Monthly reporting to the Board of Directors on key performance indicators covering Finance activity; Quality and Safety activity and Human Resource targets.
- Weekly reporting to the Executive Team on key influences on the Trust's financial position including activity and workforce indicators.



The NHS Foundation Trust also participates in initiatives to ensure value for money, for example:

- Value for money is an important component of the Internal and External Audit plans that provide assurance to the NHS Foundation Trust regarding processes that are in place to ensure the effective use of resources.
- In-year cost pressures are rigorously reviewed and challenged, and mitigating strategies are considered.
- Weekly QulPP Theme meetings are held by each of the Executive Directors to monitor staff to ensure the delivery of the cost saving initiatives.
- The NHS Foundation Trust subscribes to a national benchmarking organisation (CHKS). This provides comparative information analysis on patient activity and clinical indicators. This informs the risk management process and identifies where improvements can be made.
- The NHS Foundation Trust uses lean methodology to optimise the efficient and effective use of resources whilst enhancing the patient experience and improving the quality of care provision.
- The NHS Foundation Trust has a standard assessment process for future business plans to ensure value for money and to ensure that full appraisal processes are employed when considering the effect on the organisation. Procedures are in place to ensure all strategic decisions are considered by the Board of Directors.

6. Annual Quality Report

The Directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 to prepare Quality Accounts for each financial year. Monitor has issued guidance to NHS foundation trust boards on the form and content of annual Quality Reports which incorporate the above legal requirements in the NHS Foundation Trust Annual Reporting Manual.

The Board of Directors can confirm that they have met the necessary requirements under the Health Act 2010 and the National Health Service (Quality Accounts) Regulations 2010 to prepare its Quality Accounts for the financial year 2010/11. Steps have been put in place to assure the Board that the Quality Report presents a balanced view and that there are appropriate controls in place to ensure the accuracy of data. These steps cover the following areas as detailed below:

- **Governance and leadership**

The quality improvement system is led directly by the Board of Directors which also exercises its governance responsibilities through monitoring and review of the Trust's quality performance. The Healthcare Governance Committee reporting directly to the Board leads the quality improvement strategy and reviews quality improvement projects on a regular basis.

- **Policies;**

Key policies for quality improvement are in place and these are linked to risk management and clinical governance policies. Trust data quality policies and procedures, score highly on the national Information Governance Toolkit and all evidence is delivered and audited. Data quality reports are developed and submitted through the Information Governance Committee, Performance Board and through to the Trust Board. Data quality staff are in post with relevant job descriptions whose remit is to provide training, advice and correct errors.

- **Systems and processes;**

The Board of Directors ensures that adequate systems and processes are maintained to measure and monitor the Trust's effectiveness, efficiency and economy as well as the quality of its healthcare delivery. The Board regularly reviews the performance of the Trust in these areas against regulatory requirements and approved plans and objectives.

- **People and skills;**

The Blackpool Way outlines and reinforces the culture across the organisation and actively encourages and supports employees to gain the skills and qualifications that will support their future employability and meet the needs of the organisation. Locally the focus in 2010/11 was on developing managers in coaching and leadership skills particularly for those colleagues who lead our clinical teams to ensure that all staff are safe to practice and to care for our patients.

The Learning and Development Team continues to provide skills support through widening access to education for staff in the workforce. The purpose is to ensure that all staff are skilled, competent and able to make a full contribution to the success of the organisation.

- **Data use and reporting**

The Trust is provided with external assurance on a selection of the quality data identified within the Quality Report via the Staff Survey results, Patient Survey results and Information Governance Toolkit results. Local internal assurance is also provided via the analysis of data following local internal audits in relation to nursing care indicators, analysis of data following incidents in relation to medication errors and slips, trips and falls incidents for patients.

The Trust has a fully controlled process for the provision of external information with control checks throughout the process. Formal sign off procedures and key performance indicators on data are submitted through the Information Management Department.

Data reporting is validated by internal and external control systems involving clinical audit, the Audit Commission and senior manager and Executive Director reviews.

The Trust has reviewed its objectives and re-emphasised its commitment to quality, with the aim of achieving excellence in everything it does. Its key aspirations for quality improvement in 2009/10 were to:

- Improve our hospital standardised mortality rate.
- Conform to best practice by fully implementing Advancing Quality, 100,000 Lives and Saving Lives interventions.
- Reduce avoidable harms.
- Improve the patient experience.
- Deliver best environment for patients, staff and the wider community

The Trust believes quality should be supported at every level of the organisation and has ensured that all Divisions have implemented the actions required to meet the quality standards. Monitoring was overseen through a number of forums.

The Board of Directors at Blackpool Teaching Hospitals NHS Foundation Trust can confirm it has the appropriate mechanisms in place to prepare, approve and publish its Quality Report for 2010/11. The Board of Directors is satisfied that the Quality Report provides a balanced view and the appropriate controls are in place to ensure accuracy of data and a true reflection of overall quality within the organisation.

7. Review of Effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS Foundation Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the content of the quality report attached to this Annual report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit committee and Healthcare Governance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

In describing the process that has been applied in maintaining and reviewing the effectiveness of the system of internal control I have detailed below some examples of the work undertaken and the role of the Board of Directors, the Audit Committee, Healthcare Governance Committee, Internal Audit and External Audit in this process. My review has been informed by:

- The achievement of NHSLA Level 3 Risk Management Standards on the 1st March 2011.
- The achievement of 100% compliance attaining CNST Maternity Level 1 on 26th October 2010.
- Self-assessment against the Audit Commission's Auditors Local Evaluation (ALE) criteria.
- Internal Audit reviews the Board Assurance Framework and the effectiveness of the overall system of internal control as part of the Internal Audit annual plan which is agreed by the Deputy Chief Executive and the Audit Committee.
- The Head of Internal Audit Opinion gave an overall significant assurance opinion on the system of internal control for 2010/11.
- The process of arriving at the Trust's self-assessment of compliance against the Care Quality Commissions Quality and Risk Standards, demonstrates continuous improvement against the standards. Supporting evidence is available for all members of the Board of Directors to review as a source of assurance and is an essential part of the Trust's verification for the system of internal control.
- The NHS Foundation Trust receiving registration with the Care Quality Commission without conditions on 16th March 2010 and the Trust continues to remain registered without conditions for 2010/11.
- The Trust's assessment of 81% compliance with the Information Governance Toolkit standards for 2010/11, version 8, demonstrates continuous improvement against these standards.
- The Annual Risk Management Report and the Clinical Governance Reports, which evidence action on all aspects of governance including, risk management.
- The Board Assurance Framework itself provides the NHS Foundation Trust with evidence of the effectiveness of the system of internal controls that manage the risks to the organisation. The Board of Directors also monitor and review the effectiveness of the Board Assurance framework on a quarterly basis. Internal Audit provided a significant assurance opinion on the Board assurance process
- The Board of Directors, Audit Committee, Executive Directors Meeting and the Healthcare 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 outside agencies and myself on serious untoward events.
- All of the relevant committees within the Corporate Governance Structure have a clear timetable of meetings and a clear reporting structure to allow issues to be raised.

- The Healthcare Governance Committee who manage and review the Board Assurance Framework in conjunction with Executive Directors. The minutes of the Healthcare Governance Committee are presented to the Board of Directors. The Healthcare Governance Committee produce an annual Risk Management report, which is presented to the Audit Committee followed by the Board of Directors and this provides assurance on controls.
- The Audit Committee review the establishment and maintenance of an effective system of Integrated Governance, Risk Management and internal control across the whole of the Trust's activities (both clinical and non-clinical) that supports the achievement of the overall Trust objectives. The Audit Committee review the Board Assurance Framework on a quarterly basis.
- Comments made by external auditors and other review bodies in their reports. For example on 28 January 2011, the NHS Foundation Trust had an assessment of performance by the Information Standards EMQC against national standards in relation to developing patient information leaflets and received Accreditation in February 2011.

The Trust has a robust process for ensuring recommendations made in assurance reports are implemented on a timely basis.

External reports relating to the Trust being in significant breach of its terms of authorisation have been completed by KPMG and Deloitte LLP. Gaps in control have been identified and action plans have been developed and monitored by the Board on a monthly basis. Internal Audit provided overall 'Significant Assurance' opinions in 18 areas although areas of Limited Assurance opinions in four areas have been identified which related to Overpayments, Ward Review – Follow Up, Board Reporting and Complaints.

Actions have been agreed to improve the systems of control and the Management Team have already implemented or are in the process of implementing these actions in order to improve systems of control in the areas identified. Progress is monitored by the Clinical Governance Committee and the Healthcare Governance Committee. The Audit Committee will also monitor the implementation of the action plans and progress against the recommendations made in order to be provided with assurance that improvements are made.

The delivery of the MRSA Bacteraemia target remains a clinical risk, in relation to Monitor's Compliance Framework which identifies an MRSA trajectory of 6 cases for the reporting period. Striving for excellence, the Trust has a local MRSA target of 3 cases for the reporting period. The Trust has reported 4 cases for this year, which is over the local trajectory but remains within Monitor's Compliance Framework target.

We have significantly reduced the number of cases of Clostridium Difficile as a result of clinical engagement, new

ways of working and the commitment of all staff to make improvements in this important area. The Clostridium Difficile trajectory for 2010/11 is 152 agreed with the SHA and PCT, although the Trust has adopted a stretch target of 134. The Trust has 101 cases reported in total, which leaves us 51 below our trajectory of 152.

Monthly levels of MRSA Bacteraemia and Clostridium Difficile are monitored by the Hospital Infection Prevention Committee and the Board of Directors.

The NHS Foundation Trust has implemented a number of initiatives to limit hospital-acquired infections within the target level through additional investments in screening and personnel, and through participation in the Safer Patients Initiative, which has elements devoted to reducing infection. The NHS Foundation Trust has little control when influencing the incidence of 'Community' acquired infection, however it continues to work with and support NHS Blackpool and NHS North Lancashire to try to mitigate this risk. The target remains achievable although is noted as a clinical risk.

8. Conclusion

My review of the effectiveness of the systems of internal control has taken account of the work of the Executive Management Team within the organisation, which has responsibility for the development and maintenance of the internal control framework within their discreet portfolios. In line with the guidance on the definition of the significant control issues, I have one outstanding significant internal control issue which has been identified in the body of the Annual Governance Statement above, that is in relation to the Trust failing to meet its statutory duties to exercise its functions economically, efficiently and effectively and is in significant breach of conditions 2 and/or 5 being Condition 2: the general duty to exercise its functions effectively, efficiently and economically Condition 5: governance of the trusts terms of authorisation.



Signed.....
Date: 03 June 2011

Aidan Kehoe
Chief Executive

Annex F: Independent Auditor's report to the Council of Governors

Independent Auditors' Report to the Council of Governors of Blackpool Teaching Hospitals NHS Foundation Trust

We have audited the financial statements of Blackpool Teaching Hospitals NHS Foundation Trust for the year ended 31 March 2011 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and the related notes. The financial reporting framework that has been applied in their preparation is the NHS Foundation Trust Annual Reporting Manual issued by the Independent Regulator of NHS Foundation Trusts ("Monitor").

Respective responsibilities of directors and auditors

As explained more fully in the Statement of the Chief Executive's responsibilities set out on page 127 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with the NHS Act 2006, the Audit Code for NHS Foundation Trusts issued by Monitor and International Standards on Auditing (ISAs) (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Council of Governors of Blackpool Teaching Hospitals NHS Foundation Trust in accordance with paragraph 24(5) of Schedule 7 of the National Health Service Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by

fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the NHS Foundation Trust's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the NHS Foundation Trust; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report and Accounts to identify material inconsistencies with the audited financial statements. If we become aware of any apparent misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view, in accordance with the NHS Foundation Trust Annual Reporting Manual, of the state of the NHS Foundation Trust's affairs as at 31 March 2011 and of its income and expenditure and cash flows for the year then ended; and
- have been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual.

Opinion on other matters prescribed by the Audit Code for NHS Foundation Trusts

In our opinion

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual; and
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Qualified certificate

Monitor considers that the NHS Foundation Trust has contravened and is failing to comply with the terms of its Authorisation which require it to exercise its functions "effectively, efficiently and economically" and the contravention and failure are significant. We have therefore been unable to satisfy ourselves that the Trust has put in place adequate arrangements for securing economy, efficiency and effectiveness in its use of resources.

We certify that we have completed the audit of the accounts in accordance with the requirements of Chapter 5 or Part 2 to the National Health Service Act 2006 and the Audit Code for NHS Foundation Trusts issued by Monitor.

Matters on which we are required to report by exception

The Audit Code for NHS Foundation Trusts requires us to report where we have not been able to satisfy ourselves that the NHS Foundation Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We draw your attention to the Trust's Annual Governance Statement on page 128. Monitor considers that the NHS Foundation Trust has contravened and is failing to comply with the terms of its Authorisation which require it to exercise its functions "effectively, efficiently and economically" and the contravention and failure are significant.

Consequently we have not been able to satisfy ourselves that the NHS Foundation Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources and our certificate in this report is qualified in this regard.

We have nothing to report in respect of the following matters where Audit Code for NHS Foundation Trusts requires us to report to you if:

- in our opinion the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual or is misleading or inconsistent with information of which we are aware from our audit. We are not required to consider, nor have we considered, whether the Accounting Officer's Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls; or
- we have qualified our report or any aspects of the Quality Report.

Peter Chambers

Peter Chambers (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
6 June 2011

Notes:

- The maintenance and integrity of the Blackpool Teaching Hospitals NHS Foundation Trust's website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



"Just a short note to thank you for the very successful operation on my nose last March. All my symptoms which led to the operation have totally gone, and my life is very much improved. Thank you to all involved."

Colin Lewis

Annex G: Accounts for the period April 1st 2010 to March 31st 2011

FOREWORD TO THE ACCOUNTS

BLACKPOOL TEACHING HOSPITALS NHS FOUNDATION TRUST

These accounts for the period ended 31st March 2011 have been prepared by the Blackpool Teaching Hospitals NHS Foundation Trust in accordance with Schedule 7, sections 24 and 25 of the National Health Services Act 2006 in the form which Monitor (the Independent Regulator of foundation trusts) has directed.

Signed:  Date: June 2nd 2011

Aidan Kehoe
Chief Executive

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 March 2011

	NOTE	2010/11 £000	Restated 2009/10 £000
Income from activities	3	249,396	245,172
Other operating income	4	25,631	26,037
Operating income from continuing operations		275,027	271,209
Operating expenses of continuing operations	5	(291,462)	(269,845)
OPERATING (DEFICIT) / SURPLUS		(16,435)	1,364
Finance Costs			
Finance income	8	46	149
Finance expense	9	(1,884)	(1,131)
Public Dividend Capital dividends payable		(5,349)	(5,786)
Net Finance Costs		(7,187)	(6,768)
(DEFICIT) FOR THE FINANCIAL YEAR		(23,622)	(5,404)
Surplus for the financial year before exceptional items		1,445	3,416
Exceptional items			
Non current asset impairments	11	(18,807)	(8,820)
Net loss on disposal of non current assets	7	(49)	0
Redundancy	6	(4,793)	0
Mutually agreed resignation scheme	6	(1,418)	0
(Deficit) for the financial year after exceptional items - as stated above		(23,622)	(5,404)
Other comprehensive income:			
Revaluation losses on property, plant and equipment	11	(7,894)	(15,667)
Revaluation gains on property, plant and equipment	11	6,140	0
Increase in the donated asset reserve due to receipt of donated assets	11	282	263
Reduction in the revaluation / donated asset reserves following disposal of assets		(38)	0
Reduction in the donated asset reserve in respect of depreciation, impairment, and disposal of donated assets		(243)	(248)
TOTAL COMPREHENSIVE INCOME AND EXPENSE FOR THE FINANCIAL YEAR		(25,375)	(21,056)

The notes on pages vi to xiii form part of these accounts.

All revenue and expenditure is derived from continuing operations.

Details of the 2009/10 restatement are disclosed in note 11.2

STATEMENT OF FINANCIAL POSITION AS AT 31 March 2011

	NOTE	31st March 2011 £000	Restated 31st March 2010 £000	Restated 1st April 2009 £000
NON-CURRENT ASSETS:				
Intangible assets	10	5,333	4,500	950
Property, plant and equipment	11	187,047	184,109	185,896
Trade and other receivables	14	1,145	868	810
Total non-current assets		193,525	189,477	187,656
CURRENT ASSETS:				
Inventories	13	2,855	4,393	4,033
Trade and other receivables	14	6,911	10,063	8,712
Other financial assets		0	0	5,000
Cash and cash equivalents	15	15,393	11,698	24,072
Total current assets		25,159	26,154	41,817
CURRENT LIABILITIES:				
Trade and other payables	16	(26,912)	(18,977)	(19,995)
Borrowings	18	(1,223)	(126)	(114)
Provisions	19	(553)	(226)	(945)
Tax payable	16	(3,584)	(3,315)	(3,095)
Other liabilities	17	(7,134)	(1,818)	(2,955)
Total current liabilities		(39,406)	(24,462)	(27,104)
NON-CURRENT LIABILITIES:				
Borrowings	18	(31,637)	(17,860)	(7,993)
Provisions	19	(1,106)	(1,216)	(1,227)
Other liabilities	17	(1,367)	(1,550)	(1,550)
Total non-current liabilities		(34,110)	(20,626)	(10,770)
TOTAL ASSETS EMPLOYED		145,168	170,543	191,599
TAXPAYERS' EQUITY				
Public dividend capital		141,031	141,031	141,031
Revaluation reserve		27,729	29,678	45,103
Donated asset reserve		3,020	2,824	3,051
Income and expenditure reserve		(26,612)	(2,990)	2,414
TOTAL TAXPAYERS' EQUITY		145,168	170,543	191,599

Details of the 1st April 2010 and 31st March 2011 restatements are disclosed in note 11.2

The financial statements on pages vi to xiii were approved by the Trust Board on 6th June 2011 and are signed on its behalf by:

Signed: 

Date: June 2nd 2011

Aidan Kehoe
Chief Executive

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY AT 31st March 2011

	NOTE	Total taxpayers' equity £000	Public Dividend Capital £000	Revaluation reserve £000	Donated Asset reserve £000	Income and Expenditure reserve £000
Taxpayers' equity at 1 April 2010		170,543	141,031	29,678	2,824	(2,990)
Total Comprehensive Income for the year:						
Retained deficit for the financial year		(23,622)	0	0	0	(23,622)
Impairment of property, plant & equipment	11	(7,894)	0	(7,894)	0	0
Revaluation gains on property, plant & equipment	11	6,140	0	5,975	165	0
Receipt of donated assets	11	282	0	0	282	0
Reduction in the revaluation / donated asset reserves following disposal of assets		(38)	0	(30)	(8)	0
Reduction in the donated asset reserve in respect of depreciation and impairment of donated assets	4	(243)	0	0	(243)	0
Taxpayers' equity at 31 March 2011		145,168	141,031	27,729	3,020	(26,612)
Taxpayers' equity at 1 April 2009 as previously stated		197,162	141,031	46,571	3,051	6,509
Prior period adjustment	11	(5,563)	0	(1,468)	0	(4,095)
Taxpayers' equity at 1 April 2009 - restated		191,599	141,031	45,103	3,051	2,414
Total Comprehensive Income for the year:						
Retained deficit for the financial year		(5,404)	0	0	0	(5,404)
Impairment of property, plant & equipment	11	(15,667)	0	(15,425)	(242)	0
Receipt of donated assets	11	263	0	0	263	0
Reduction in the donated asset reserve in respect of depreciation, impairment and disposal of donated assets	4	(248)	0	0	(248)	0
Taxpayers' equity at 31 March 2010		170,543	141,031	29,678	2,824	(2,990)

The notes on pages vi to xiii form part of these accounts.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March 2011

	NOTE	Year ended 31st March 2011 £000	Restated Year ended 31st March 2010 £000
Cash flows from operations			
Total operating (deficit) / surplus		(16,435)	1,364
Adjusted for:			
Depreciation	11	5,690	5,319
Amortisation	10	431	134
Impairments	11	20,491	8,820
Reversal of Impairments	11	(1,684)	0
Transfer from the donated asset reserve	4	(243)	(249)
Decrease/(increase) in trade and other receivables		2,789	(1,232)
Decrease/(increase) in inventories		1,538	(360)
Increase/(decrease) in trade and other payables		11,570	(3,277)
Increase/(decrease) in other liabilities		5,133	(1,137)
Increase/(decrease) in provisions		194	(753)
Other movements in operating cash flows		52	0
Net cash generated from operations		29,526	8,629
Cash flows from investing activities			
Interest received		47	380
Sale of other financial assets		0	5,000
Purchase of property, plant and equipment		(32,344)	(25,298)
Purchase of intangible assets		(1,282)	(3,662)
Net cash (used in) investing activities		(33,579)	(23,580)
Cash flows from financing activities			
Loans received		15,000	10,000
Capital element of on-statement of financial position PFI repaid		(127)	(121)
Interest paid		(771)	(52)
Interest paid in respect of on-statement of financial position PFI		(1,090)	(1,058)
Public Dividend Capital dividends paid		(5,264)	(6,192)
Net cash generated from financing activities		7,748	2,577
Increase/(decrease) in cash and cash equivalents		3,695	(12,374)
Cash and cash equivalents at the beginning of the financial year		11,698	24,072
Cash and cash equivalents at the end of the financial year	15	15,393	11,698

1. Accounting policies and other information

Monitor has directed that the financial statements of NHS Foundation Trusts shall meet the accounting requirements of the NHS Foundation Trust Annual Reporting Manual which has been agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the 2010/11 NHS Foundation Trust Annual Reporting Manual issued by Monitor. The accounting policies contained in that manual follow International Financial Reporting Standards (IFRS) and HM Treasury's Financial Reporting Manual (the "FRM") to the extent that they are meaningful and appropriate to NHS Foundation Trusts. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of certain non-current assets.

1.1 Income

Income in respect of goods and services provided is recognised when, and to the extent that, performance occurs and is measured at the fair value of the consideration receivable. The main source of income for the Trust is contracts with commissioners in respect of healthcare services. Where income is received for a specific activity which is to be delivered in the following financial year, that income is deferred.

The NHS Foundation Trust estimates the month 12 patient related income based on an average cost for the activity delivered in the month for each speciality, as fully coded Healthcare Resource Group (HRG) data is not available in time for the closure of the annual accounts.

The NHS Foundation Trust receives income under the NHS Injury Cost Recovery Scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid e.g. by an insurer. The NHS Foundation Trust recognises the income when it receives notification from the Department of Work and Pension's Compensation Recovery Unit (CRU) that the individual has lodged a compensation claim. The income is measured at the agreed tariff for the treatments provided to the injured individual, less a provision for unsuccessful compensation claims and doubtful debts.

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract less the carrying amount of the asset sold.

1.2 Expenditure on Employee Benefits

Short-term Employee Benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following period.

Pension Costs

NHS pension Scheme

Past and present employees are covered by the provisions of the NHS Pensions Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the Secretary of State, in England and Wales. It is not possible for the Trust to identify its share of the underlying scheme liabilities. Therefore, the scheme is accounted for as a defined contribution scheme.

Employers pension cost contributions are charged to operating expenses as and when they become due.

Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the operating expenses at the time the Trust commits itself to the retirement, regardless of the method of payment.

1.3 Expenditure on other goods and services

Expenditure on goods and services is recognised when, and to the extent that they have been received, and is measured at the fair value of those goods and services. Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment.

1.4 Exceptional items

Exceptional Items are those items that, in the Trust's view, are required to be disclosed separately by virtue of their size or incidence to enable a full understanding of the Trust's financial performance.

1.5 Property, Plant and Equipment

Recognition

Property, plant and equipment is capitalised where:

- it is held for use in delivering services, or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential be provided to, the Trust;
- it is expected to be used for more than one financial year; and
- the cost of the item can be measured reliably.

Additionally, for items of property, plant and equipment to be capitalised they:

- individually have a cost of at least £5,000; or
- form a group of assets which collectively have a cost of at least £5,000, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- form part of the initial setting-up cost of a new building or refurbishment of a ward or unit, irrespective of their individual or collective cost.

Measurement

Valuation

All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. Land and buildings are subsequently measured at fair value based on periodic valuations less subsequent depreciation and impairment losses.

The valuations are carried out by professionally qualified valuers in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual, and performed with sufficient regularity to ensure that the carrying value is not materially different from fair value at the balance sheet date. Fair values are determined as follows:

- Specialised operational property - Depreciated Replacement Cost using a Modern Equivalent Asset (MEA) approach
- Non specialised property - Existing Use Value
- Land - Market value for existing use

Assets in the course of construction are valued at cost less any impairment loss. Cost includes professional fees but not borrowing costs, which are recognised as expenses immediately, as allowed by IAS 23 (Borrowing Costs) for assets held at fair value. Assets are revalued when they are brought into use.

Operational plant and equipment are carried at depreciated historic cost as this is not considered to be materially different to fair value. Plant and equipment surplus to requirements is valued at net recoverable amount.

Subsequent expenditure

Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is added to the asset's carrying value. Where subsequent expenditure is simply restoring the asset to the specification assumed by its economic useful life then the expenditure is charged to operating expenses.

Depreciation

Items of property, plant and equipment are depreciated using the straight line method over their estimated useful economic lives as follows:

Buildings & Dwellings	90 years
Plant & Machinery	5 to 15 years
Transport equipment	5 to 10 years
Information Technology	5 to 15 years
Furniture & Fittings	5 to 15 years

Freehold land is considered to have an infinite life and is not depreciated.

Management have determined that each building within the Trust's estate is one component, the whole of which is maintained to a standard such that the useful economic life of the whole building and the elements within the building is the same.

The assets' residual values and useful lives are reviewed annually, where significant.

Property, plant and equipment which has been reclassified as 'held for sale' ceases to be depreciated upon the reclassification. Assets in the course of construction are not depreciated until the asset is brought into use.

Depreciation is charged to operating expenses from the first day of the quarter commencing 1 April, 1 July, 1 October, or 1 January, following the date that the asset becomes available for use. Depreciation is charged in full in the quarter in which an asset becomes unavailable for use or is sold and then ceases to be charged.

Where assets are revalued any accumulated depreciation is eliminated against the gross carrying amount of the asset with the net amount restated to equal the revalued amount.

Revaluation gains and losses

Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating income.

Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses.

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

Impairments

In accordance with the FT ARM, impairments that are due to a loss of economic benefit or service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment arising from a loss of economic benefit or service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating income to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment is recognised.

Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains.

Held for sale assets

Assets intended for disposal are reclassified as 'held for sale' once all of the following criteria are met:

- the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
- the sale must be highly probable i.e.:
 - management are committed to a plan to sell the asset;
 - an active programme has begun to find a buyer and complete the sale;
 - the asset is being actively marketed at a reasonable price;
 - the sale is expected to be completed within 12 months of the date of classification as 'held for sale'; and
 - the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged and the assets are not revalued, except where the 'fair value less costs to sell' falls below the carrying amount. Assets are de-recognised when all material sale contract conditions have been met.

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as 'held for sale' and instead is retained as an operational asset and the asset's economic life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

Donated assets

Donated non-current assets are capitalised at their fair value

on receipt and this value is credited to the donated asset reserve. Donated non-current assets are valued, depreciated and impaired as described above for purchased assets. Gains / losses on revaluations are taken to the donated asset reserve and, each year, an amount equal to the depreciation charge on the asset is released from the donated asset reserve to the statement of comprehensive income. On sale of donated assets, the net book value of the donated asset is transferred from the donated asset reserve to the Income and Expenditure Reserve. Similarly, any impairment on donated assets charged to the income and expenditure account is matched by a transfer from the donated asset reserve. NHS rules require that at all times the donated asset reserve is equal to the net book value of donated assets.

1.6 Leases

Finance Leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the Trust, the asset is recorded as Property, Plant and Equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease. The implicit interest rate is that which produces a constant periodic rate of interest on the outstanding liability. Assets are depreciated over the lower of their useful economic life and the period of the lease.

The asset and liability are recognised at the inception of the lease, and are de-recognised when the liability is discharged, cancelled or expires. The annual rental is split between the repayment of the liability and a finance cost. The annual finance cost is calculated by applying the implicit interest rate to the outstanding liability and is charged to Finance Costs in the Statement of Comprehensive Income.

Operating Leases

Payments made under operating leases (net of any incentives received from the lessor) are charged to operating expenses on a straight-line basis over the period of the lease.

Leases of land and buildings

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately.

1.7 Private Finance Initiative (PFI) transactions

HM Treasury has determined that government bodies shall account for infrastructure PFI schemes where the government body controls the use of the infrastructure and the residual interest in the infrastructure at the end of the arrangement as service concession arrangements, following the principles of the requirements of IFRIC 12. The Trust therefore recognises the PFI asset as an item of property, plant and equipment together with a liability to pay for it. The services received under the contract are recorded as operating expenses.

The annual unitary payment is separated into the following component parts, using appropriate estimation techniques where necessary:

- a) Payment for the fair value of services received;
- b) Payment for the PFI asset, including finance costs

Services received

The fair value of services received in the year is recorded under the relevant expenditure headings within 'operating expenses'.

PFI Asset

The PFI assets are recognised as property, plant and equipment, when they come into use. The assets are measured initially at fair value in accordance with the principles of IAS 17. Subsequently, the assets are measured at fair value, which is kept up to date in accordance with the Trust's approach for each relevant class of asset in accordance with the principles of IAS 16.

PFI liability

A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured initially at the same amount as the fair value of the PFI assets and is subsequently measured as a finance lease liability in accordance with IAS 17.

An annual finance cost is calculated by applying the implicit interest rate in the lease to the opening lease liability for the period, and is charged to 'Finance Costs' within the Statement of Comprehensive Income.

The element of the annual unitary payment that is allocated as a finance lease rental is applied to meet the annual finance cost and to repay the lease liability over the contract term.

An element of the annual unitary payment increase due to cumulative indexation is allocated to the finance lease. In accordance with IAS 17, this amount is not included in the minimum lease payments, but is instead treated as contingent rent and is expensed as incurred. In substance, this amount is a finance cost in respect of the liability and the expense is presented as a contingent finance cost in the Statement of Comprehensive Income.

Assets contributed by the Trust to the operator for use in the scheme

Assets contributed for use in the scheme continue to be recognised as items of property, plant and equipment in the Trust's Statement of Financial Position.

1.8 Intangible fixed assets

Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the Trust's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential

be provided to, the Trust and where the cost of an asset can be measured reliably, and where the cost is at least £5,000, or form a group of assets which collectively have a cost of at least £5,000, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control.

Internally generated intangible assets

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets. Expenditure on research is not capitalised. Expenditure on development is capitalised only where all of the following can be demonstrated:

- the project is technically feasible to the point of completion and will result in an intangible asset for sale or for use;
- the Trust intends to complete the asset and sell or use it;
- the Trust has the ability to sell or use the asset;
- how the intangible asset will generate probable future economic service delivery benefits e.g. The presence of a market for it or its output, or, where it is to be used for internal use, the usefulness of the asset;
- adequate financial, technical and other resources are available to the Trust to complete the development and sell or use the asset; and
- the Trust can measure reliably the expenses attributable to the asset during development.

Software

Software which is integral to the operation of hardware e.g. An operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware e.g. Application software, is capitalised as an intangible asset.

Measurement

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.

Intangible assets relate to development expenditure, software and licences and are carried at amortised cost which management consider to materially equate to fair value and a review for impairment is performed annually. Increases in asset values arising from impairment reviews are recognised in the revaluation reserve, except where, and to the extent that, they reverse an impairment previously recognised in operating expenses, in which case they are recognised in operating income. Decreases in asset values and impairments are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses. Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

Intangible assets held for sale are measured at the lower of their carrying amount or 'fair value less costs to sell'.

Amortisation

Intangible assets are amortised on a straight line basis over their expected useful economic lives, as follows:

Development expenditure	8 years
Software	5 to 15 years
Licences and Trademarks	5 to 15 years

Amortisation is charged to operating expenses from the first day of the quarter commencing 1 April, 1 July, 1 October, or 1 January, following the date that the asset becomes available for use. Amortisation is charged in full in the quarter in which an asset becomes unavailable for use or is sold and then ceases to be charged.

1.9 Government grants

Government grants are grants from Government bodies other than income from primary care trusts or NHS trusts for the provision of services. Grants from the Department of Health are accounted for as Government grants. Where the Government grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure. Where the grant is used to fund capital expenditure the grant is held as deferred income and released to operating income over the life of the asset on a basis consistent with the depreciation charge for that asset.

1.10 Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.11 Inventories

Inventories are valued at the lower of cost and net realisable value using the weighted average cost method for drugs and the first-in first-out method for other inventories, less any provisions deemed necessary.

1.12 Financial instruments and financial liabilities

Recognition

Financial assets and financial liabilities which arise from contracts for the purchase of non-financial items (such as goods or services), which are entered into in accordance with the Trust's normal purchase, sale or usage requirements, are recognised when, and to the extent which, performance occurs i.e. when receipt or delivery of the goods or services is made.

Financial assets or liabilities in respect of assets acquired or disposed of through finance leases are recognised and

measured in accordance with the accounting policy for leases described at note 1.6.

All other financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument.

De-recognition

All financial assets are de-recognised when the rights to receive cash flows from the assets have expired or the Trust has transferred substantially all of the risks and rewards of ownership.

Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

Classification and measurement

Financial assets are categorised as 'Loans and receivables'. Financial liabilities are classified as 'Other Financial Liabilities'.

Financial assets and financial liabilities at 'Fair Value through Income and Expenditure'

Financial assets and financial liabilities at 'Fair Value through Income and Expenditure' are financial assets or financial liabilities held for trading. The Trust does not have financial assets or liabilities classified in this category.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. They are included in current assets.

The Trust's loans and receivables comprise: cash and cash equivalents, NHS receivables, accrued income and 'other receivables'.

Loans and receivables are recognised initially at fair value, net of transactions costs, and are measured subsequently at amortised cost, using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

At each period end, the Trust reviews trade debtors for recoverability and makes provisions to the extent that recovery of specific debts is considered to be doubtful.

Interest on loans and receivables is calculated using the effective interest method and credited to the Statement of Comprehensive Income.

Other financial liabilities

Other financial liabilities are recognised initially at fair value, net of transaction costs incurred, and measured subsequently at amortised cost using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash payments through the expected life of the financial liability or, when appropriate, a shorter period, to the net carrying amount of the financial liability.

They are included in current liabilities except for amounts payable more than 12 months after the statement of financial position date, which are classified as non-current liabilities.

Interest on financial liabilities carried at amortised cost is calculated using the effective interest method and charged to Finance Costs. Interest on financial liabilities taken out to finance property, plant and equipment or intangible assets is not capitalised as part of the cost of those assets.

Impairment of financial assets

At the statement of financial position date, the Trust assesses whether any financial assets are impaired. Financial assets are impaired and impairment losses are recognised if, and only if, there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in the Statement of Comprehensive Income through the use of a bad debt provision.

1.13 Provisions

The Trust provides for legal or constructive obligations that are of uncertain timing or amount at the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation. Provisions are recognised where it is probable that there will be a future outflow of cash or other resources and a reliable estimate can be made of the amount. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rate of 2.2% in real terms, except for early retirement provisions and injury benefit provisions which both use the HM Treasury's pension discount rate of 2.9% in real terms.

Clinical negligence costs

The NHS Litigation Authority (NHS LA) operates a risk pooling scheme under which the Trust pays an annual contribution to the NHS LA, which, in return, settles all clinical negligence claims. Although the NHS LA is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by the NHS LA on behalf of the Trust is disclosed at note 19. A provision is held in the Trust's accounts for the excess payable by the Trust to the NHS LA and is disclosed under 'other legal claims' in note 19.

Non-clinical risk pooling

The Trust participates in the Liabilities to Third Parties Scheme. This is a risk pooling scheme under which the Trust pays an annual contribution to the NHS Litigation Authority and in return receives assistance with the costs of claims arising. The annual membership contributions, and any 'excesses' payable in respect of particular claims are charged to operating expenses when the liability arises.

1.14 Borrowings

The Trust is permitted to borrow funds to the extent that it complies with the Prudential Borrowing Code for NHS foundation trusts. The capital sum is recognised as a liability and Interest incurred is charged to finance expenses in the statement of comprehensive income. Total borrowings of the Trust and performance against the prudential borrowing limit is disclosed in note 18.

1.15 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 21 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 21, unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

- Possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- Present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

1.16 Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS trust. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

A charge, reflecting the forecast cost of capital utilised by the Trust, is paid over as a public dividend capital dividend. The charge is calculated at the real rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the Trust. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for donated assets and cash held with the Government Banking Service. Average relevant net assets are calculated as a simple mean of opening and closing relevant net assets.

From 1 April 2009 the dividend is based on actual average relevant net assets. Any variance from amounts paid during the year based on forecast outturn are included in current amounts receivable or payable. The dividend thus calculated is not revised should any adjustment to net assets occur as a result of the audit of the annual accounts.

1.17 Value Added Tax (VAT)

Most of the activities of the Trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.18 Corporation Tax

The Trust is a Health Service Body within the meaning of s519A ICTA 1988 and accordingly is exempt from taxation in respect of income and capital gains within categories covered by this. There is power for the Treasury to disapply the exemption in relation to specified activities of a Foundation Trust (s519A (3) to (8) ICTA 1988). Accordingly, the Trust is potentially within the scope of corporation tax in respect of activities which are not related to, or ancillary to, the provision of healthcare, and where the profits therefrom exceed £50,000 per annum.

1.19 Third Party Assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Trust has no beneficial interest in them. However, they are disclosed in a separate note to the accounts in accordance with the requirements of HM Treasury's FReM.

1.20 Foreign currencies

The Trust's functional currency and presentational currency is sterling. Transactions denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the spot exchange rate on 31 March. Resulting exchange gains and losses for either of these are recognised in the Trust's surplus/deficit in the period in which they arise.

1.21 Losses and Special Payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, excluding provisions for future losses, but including losses which would have been made good through insurance cover

had the Trust not been bearing its own risks (with insurance premiums then being included as normal revenue expenditure).

1.22 Accounting standards not adopted

Monitor have directed that Foundation Trusts adopt International Financial Reporting Standards in accordance with the adoption timetable set out by the International Accounting Standards Board. The Trust have adopted all relevant standards as they apply to Foundation Trusts.

IAS27, 'Consolidated and separate financial statements': Monitor have issued a dispensation in 2010/11 for NHS Foundation Trusts to consolidate their Charitable Fund balances into the Trust's financial statements where the Trust meets the "control test" set out within IAS27. If this dispensation is not extended then, in 2011/12, it is likely that the NHS bodies will be required to consolidate NHS charitable funds that they control.

1.23 Accounting standards adopted early

The Trust has not adopted any accounting standards early in 2010/11.

1.24 Accounting standards not yet effective and not adopted early

The following standards and amendments to existing standards have been published and are mandatory for the Trust's accounting periods beginning on or after 1 April 2011 or later periods, but the Trust has not early adopted them:

Annual improvements 2010. This makes minor changes to 6 standards and one IFRIC Interpretation. Three of the standards IFRS 1 First time adoption of IFRS, IAS 34 Interim financial reporting and IFRIC 13 customer loyalty programmes are not relevant to NHS bodies. The amendments to IAS 1 presentation of financial standards, IAS 27 consolidated and separate financial statements, IFRS 3 business combinations and IFRS 7 financial instrument – disclosures are minor in nature and should have little or no impact on the Trust's financial statements.

IFRS 7, Financial instruments: Disclosures. This amendment to the standard will require additional disclosures where financial assets are transferred between categories (e.g. 'Fair Value through Profit and Loss', Loans and Receivable etc). It is applicable from 2011/12. It is not expected to have an impact on the Trust's financial statements.

IFRS 9, Financial instruments. This is a new standard to replace - eventually - IAS 39 Financial Instruments: Recognition and Measurement. Two elements of the standard have been issued so far: Financial Assets and Financial Liabilities. The main changes are in respect of financial assets where the existing four categories will be reduced to two: Amortised Cost and 'Fair Value through Profit and Loss'. At the present time it is not clear when this standard will be applied because the EU has delayed its endorsement.

IAS 24 (Revised), Related Party Disclosures. This new standard seeks to reduce the extent of disclosures required by government entities whose transactions are principally with other government entities. It is due for adoption in 2011/12. This may potentially relieve NHS bodies from providing some of its related party disclosures with other entities within the Whole of Government Accounts boundary, unless HM Treasury chooses to adapt the standard to retain the existing disclosures.

IFRIC 14, IAS 19 Prepayments of a minimum funding requirement. This is an amendment to the IFRIC that applies from 2011/12. There will be no impact on the Trust as it is not a member of a defined benefit scheme.

IFRIC 19, 'Extinguishing financial liabilities with equity instruments'. This new IFRIC applies from 2011/12 but will have no impact on the Trust as it has no equity instruments and therefore cannot issue them to settle financial liabilities.

The following change in the Government Financial Reporting Manual (FReM) may apply to the Trust in 2011/12:

Where donations are received to purchase assets they should be recognised in income once any conditions have been met. If brought into effect this would result in most, or all, donations being reflected in income in the year of receipt which could lead to greater volatility in the annual result. The existing donated asset reserve would be transferred to Retained Earnings, and, where it includes an element of asset revaluations, to the revaluation reserve.

1.25 Accounting estimates, judgements and critical accounting policies

Component depreciation

IAS 16 (Property, Plant and Equipment) requires that "each part of an item of property, plant and equipment with a cost which is significant in relation to the total cost of the item, shall be depreciated separately". The standard also states, "A significant part of an item of PPE may have a useful life and a depreciation method that are the same as the useful life and depreciation method of another significant part of the same item. Such parts may be grouped in determining the depreciation charge".

The Trust has elected to depreciate each building and its constituent elements as a single component on the basis that this more fairly reflects the way that the Trust is managed and maintained. The appropriateness of this treatment will be reviewed annually.

Revaluation of land, buildings and dwellings

At 31st March 2011 the Trust's valuer carried out a full revaluation of the land, buildings and dwellings. This has resulted in a downward valuation of these non-current assets of £11.8 million and a revaluation gain of £7.8 million of which £1.7 million was a reversal of impairments charged to operating expenses in prior years.

The construction of a new surgical centre on the Victoria Hospital site is due to complete and become operational in July 2011. The Trust's valuer has provided the Trust with a valuation of the surgical centre resulting in an impairment of £8.8 million being recognised in operating expenses. Additionally the Trust has recognised a revaluation loss of £5.8 million on areas within the hospital which will cease to be used following the commissioning of the surgical centre.

The Trust has transferred services from the Wesham Rehabilitation Unit to Clifton Hospital resulting in a temporary closure of Wesham subject to the outcome of a public consultation. The temporary closure has resulted in a £2 million revaluation loss on the building.

See Note 11 for further details on these revaluations.

Impairment review of non current assets

During 2010/11 the Trust has carried out a review to validate fixed assets which have been capitalised and reported in the financial statements. This review identified assets to the value of £5.6million which should have been impaired and charged to operating expenses, Revaluation Reserve, and Donation Reserve prior to 1 April 2009. A prior period adjustment to intangible, and property, plant and equipment asset values has been made as at 1 April 2009.

As a consequence of this change, depreciation and amortisation charged to operating expenses in 2009/10 was reduced by £0.6m.

The impact of the above changes is detailed in note 11.

Selection of asset lives

Property, plant & equipment assets are allocated an asset life as stated in note 1.5 when acquired. The useful economic lives of assets are reviewed annually by management where significant. Individual asset lives are adjusted where these are materially different to their remaining life.

Restructuring costs

The Trust has recognised termination benefits to staff of £6.2 million during the financial year arising from the efficiency programme. Where payments have not yet been made but the departure has been agreed the anticipated cost has been recognised as a current liability and in operating expenses. (see Note 6 for further details).

Deferred Income

The Trust has deferred £2.4 million income received from the North West Specialist Commissioning Team based on 2010/11 activity forecasts which were not achieved.

Going concern

These financial statements have been prepared on a going concern basis. Management have conducted an appraisal of the Trust's financial forecasts for a two year period to 31st March 2013 in support of this assessment.

2. Operating segments

2010/11	Unscheduled Care	General Surgery	Cardiac	Women's & Children's	Clinical Support & Facilities Management	Corporate Services	Total
	£000	£000	£000	£000	£000	£000	£000
Income	94,438	66,381	42,177	23,569	14,151	32,624	273,340
Expenditure	(89,075)	(64,739)	(44,740)	(25,709)	(11,491)	(22,833)	(258,587)
EBITDA	5,363	1,642	(2,563)	(2,140)	2,660	9,791	14,753
Restructuring costs							(6,211)
Property, plant & equipment impairments							(18,807)
Depreciation and amortisation							(6,121)
Net loss on disposal of fixed assets							(49)
Interest receivable							46
Interest payable							(1,884)
PDC dividend							(5,349)
Deficit for the Financial Year							(23,622)

Operating income from continuing activities in 2010/11 reported in the statement of comprehensive income includes £1.684 million relating to the reversal of property, plant & equipment impairments recognised in operating expenses in previous years. This is excluded from Income in the above table but included as part of property, plant & equipment impairments.

2009/10 - Restated	Unscheduled Care	General Surgery	Cardiac	Women's & Children's	Clinical Support & Facilities Management	Corporate Services	Total
	£000	£000	£000	£000	£000	£000	£000
Income	96,120	63,170	44,124	25,154	18,781	23,860	271,209
Expenditure	(87,991)	(62,030)	(43,462)	(24,676)	(15,865)	(21,548)	(255,572)
EBITDA	8,129	1,140	662	478	2,916	2,312	15,637
Property, plant & equipment impairments							(8,820)
Depreciation and amortisation							(5,453)
Interest receivable							149
Interest payable							(1,131)
PDC dividend							(5,786)
Deficit for the Financial Year							(5,404)

2. Operating segments continued

Segmental information

Financial and operational performance data is reviewed by the Trust Board of Directors on a monthly basis. The Board are responsible for setting financial performance targets for each of the divisions within the Trust. The Trust Board of Directors are therefore considered to be the Chief Operating Decision Maker (CODM).

Each of the Trust's healthcare divisions have been deemed to be a reportable segment under IFRS 8 (Segmental Reporting). The financial performance of each segment is managed against an EBITDA target. The Trust does not report on assets or liabilities by segment.

During the year the Trust has reconfigured its reportable segments by replacing the previous Medicine, Clinical Support Services and Facilities (reported in the "Other" segment in the 2009/10 financial statements combined with Corporate Services) divisions with the Unscheduled Care and Clinical Support & Facilities Management divisions. This restructure occurred on 1 July 2010. Corporate Services is disclosed as separate segment above following the reconfiguration of the Facilities division. Prior year figures have been restated accordingly.

Recharges of indirect activity based costs are recharged between divisions at unit costs. Overheads and fixed costs are apportioned on the floor area, staff numbers or expenditure levels.

The majority of the Trust's revenue is generated from external customers in England, with the exception of the bodies listed below, and transactions between segments are immaterial.

	2010/11	2009/10
	£000	£000
Scottish NHS bodies	180	409
Local Health Boards in Wales	157	96
Northern Ireland Health and Social Care Trusts	22	68

The Trust has three external customers which generate income amounting to more than 10% of the Trust's total income. The values of income from the largest customers are set out in note 25. The income from these customers is included in all of the segments reported above.

3. Income from activities

3.1 Income from Activities by category

	Year ended 31st March 2011 £000	Year ended 31st March 2010 £000
Elective income	59,237	57,669
Non elective income	72,424	78,554
Outpatient income	31,939	32,024
A & E income	7,099	7,452
Other NHS Clinical income	77,435	68,053
Private patient income	1,262	1,420
	249,396	245,172

3.2 Private patient income

Under section 44 of the 2006 Act, the proportion of private patient income to the total of patient related income of the Trust should not exceed the proportion whilst the NHS body was an NHS trust in 2002/03.

	2010/11 £000	2009/10 £000	2002/03 £000
Private patient income	1,262	1,420	3,184
Total patient related income	249,396	245,172	151,547
Proportion (as a percentage)	0.5%	0.6%	2%

3.3 Income from activities by source

	Year ended 31st March 2010 £000	Year ended 31st March 2009 £000
NHS Foundation Trusts	117	92
NHS Trusts	57	25
Strategic Health Authorities	55	1,278
Primary Care Trusts	245,202	238,968
Department of Health	38	93
Local Authorities	322	197
NHS Other	58	0
Non NHS:		
- Private patients	1,262	1,420
- NHS Injury scheme income	1,224	1,176
- Other	1,061	1,923
	249,396	245,172

3.4 Mandatory and Non Mandatory Income

Under the National Health Service Act (2006) the Trust is required to provide health Services in England. The mandatory goods and services are listed in Schedule 2 of the Foundation Trust's Terms of Authorisation. Of the total income from activities, £243.3m (2009/10: £240.2m) relates to Mandatory Goods and Services and £6.1m (2009/10: £5.0m) relates to Non Mandatory Goods and Services.

4. Other Operating Income

	Year ended 31st March 2011 £000	Year ended 31st March 2010 £000
Research and Development	1,126	1,128
Education, training and research *	10,563	13,601
Charitable and other contributions to expenditure	355	83
Transfers from donated asset reserve	243	249
Non-patient care services to other bodies **	6,484	6,559
Profit on disposal of property, plant & equipment	3	0
Reversal of impairments of property, plant & equipment	1,684	0
Sales of goods and services ***	2,544	2,752
Other ****	2,629	1,665
	25,631	26,037

* Education, training and research income comprises income relating the North West Leadership Academy for which the Trust is the host organisation, and funding received from NHS Northwest for junior doctors training.

** Non-patient care services to other bodies includes service level agreement income from other NHS bodies for estates, IT and payroll services provided by the Trust.

*** Sales of goods and services includes income from catering sales, commercial laundry services, staff accommodation rentals, and car parking.

**** Other income includes £0.895m relating to VAT refunds relating to prior years.

5. Operating expenses

5.1 Operating expenses comprise:

	NOTE	Year ended 31st March 2011 £000	Restated Year ended 31st March 2010 £000
Services from Foundation Trusts		524	513
Services from NHS Trusts		178	184
Services from other NHS bodies		355	943
Purchase of healthcare from non NHS bodies		2,723	3,011
Non Executive Directors' costs		145	143
Executive Directors' costs	6	902	722
Employee costs (excluding Executive Directors' costs)	6	171,403	165,445
Redundancy *	6	4,793	0
Drug costs		18,272	17,239
Supplies and services - clinical		30,628	30,670
Supplies and services - general		6,842	8,722
Establishment **		3,440	4,139
Transport		1,827	1,901
Premises		10,855	12,302
Increase / (decrease) in provision for impairment of receivables		269	(1,102)
Depreciation ***	11	5,690	5,319
Amortisation ***	10	431	134
Non-current asset impairments ***	11	20,491	8,820
Loss on disposal of property, plant and equipment	11	52	0
Audit services - statutory audit		83	77
Other auditor's remuneration		87	0
Clinical negligence		4,026	3,379
Training, courses and conferences **		2,803	3,923
Legal, professional and consultancy fees ****		2,279	1,828
Insurance costs **		301	204
Other *****		2,063	1,329
		291,462	269,845

* Redundancy costs consist of amounts paid to staff and an accrual for other agreed redundancies as part of the Trust's efficiency programme.

** These costs were previously recorded as establishment cost and are now been shown separately. The 2009/10 comparative figure has been restated.

*** Depreciation, amortisation and non-current asset impairment charges for 2009/10 have been restated following a review of the Trust asset register. See note 11 for further details.

**** These costs were previously reported as 'Other' costs and are now been shown separately. The 2009/10 comparative figure has been

***** Other expenditure includes costs for internal audit services, and losses and special payments.

5.2 Other auditor's remuneration

	Year ended 31st March 2011 £000	Year ended 31st March 2010 £000
Other auditor's remuneration comprises:		
Quality report assurance	20	0
Transforming Community Services due diligence	64	0
Pensions tax legislation consultancy	3	0
TOTAL	87	0

5.3 Auditor liability limitation agreements

The audit agreement PwC contains a £1million limit on their liability for losses or damages in connection with the audit contract for their audit work. This limitation does not apply in the event of losses or damages arising from fraud or dishonesty of PwC.

5.4 Operating leases

As lessee

5.4.1 Payments recognised as an expense

	Year ended 31st March 2011 £000	Year ended 31st March 2010 £000
Minimum lease payments	1,929	2,194
	1,929	2,194

5.4.2 Total future minimum lease payments

	Year ended 31st March 2011 £000	Year ended 31st March 2010 £000
Payable:		
Not later than one year	1,890	1,898
Between one and five years	3,170	4,765
After five years	0	110
	5,060	6,773

5.4.3 Significant leasing arrangements

The significant operating lease arrangements held by the Trust relate to medical equipment and buildings and are subject to the following terms:

- No transfer of ownership at the end of the lease term.
- No option to purchase at a price significantly below fair value at the end of the lease term.
- Leases are non-cancellable or must be paid in full.
- No secondary period rental or at best market rate.
- Lease payments are fixed for the contracted lease term.

Significant operating lease arrangements held by the Trust relate to:

	Annual commitment £000	Lease term Years
- Cardiac centre equipment	459	7
- Catheter laboratory 1	211	7
- Catheter laboratory 2	192	5
- Zoo Car Park	177	5
- Telecommunications equipment	171	6
- CT Scanner	159	5
- Endoscopy equipment	153	5

5.4.4 PFI Payments recognised as an expense

	Year ended 31st March 2011 £000	Year ended 31st March 2010 £000
Facility Management - Minimum lease payments	1,332	1,426
	1,332	1,426

The Trust is committed to make the following service payments during the next year for the PFI commitment:
expiring in 15 to 20 years:

£000

1,280

The facility management charge was set at the outset of the contract and is uplifted annually from 1st April by the increase in the Retail Prices Index as at the preceding February. Costs are charged to operating expenses.

6. Employee costs and numbers

6.1 Staff costs

			Year ended 31st March 2011	Year ended 31st March 2010
	Permanently employed £000	Other £000	Total £000	Total £000
Salaries and wages	141,207	0	141,207	136,346
Social security costs	9,927	0	9,927	9,547
Employers contribution to NHS Pension Scheme	15,652	0	15,652	14,830
Agency / Contract staff	0	4,101	4,101	5,444
Termination benefits	6,211	0	6,211	0
Total	172,997	4,101	177,098	166,167

Employee costs above reconciles to the total of Executive Directors' costs and Employee costs on Note 5.1 Operating expenses.

Termination benefits consists of £2.862m paid to staff and a £3.349m accrual for agreed departures under the schemes set out in note 6.2. Mutually agreed resignation scheme costs of £1.418m are included within employee costs in note 5.1 and within termination benefits in the table above.

6.2 Exit Packages

As part of its efficiency programme the Trust has commenced a review of its functions to reduce costs. During the year exit packages have been agreed with staff to enable a reduction in pay costs. Termination benefits consist of three types of exit package used by the Trust:

- Compulsory redundancy
- Voluntary redundancy
- Mutually agreed resignation scheme (MARS)

The following table discloses the number and cost to the Trust of all exit packages that were agreed as at 31 March 2011

Exit package cost band			Year ended 31st March 2011
	Compulsory redundancies Number	Other departures agreed Number	Total Number
<£10,000	3	60	63
£10,000 - £25,000	5	54	59
£25,001 - £50,000	5	41	46
£50,001 - £100,000	2	19	21
£100,001 - £150,000	2	5	7
£150,001 - £200,000	1	1	2
£200,001 - £250,000	0	1	1
£250,001 - £300,000	0	1	1
Total number of packages by type	18	182	200
Total resource cost	£000 832	£000 5,379	£000 6,211

No exit packages have been agreed for non executive and executive directors of the Trust.

6. Employee costs and numbers

6.3 Average number of persons employed

			Year ended 31st March 2011	Year ended 31st March 2010
	Permanently employed WTE	Other WTE	Total WTE	Total WTE
Medical and Dental	315	21	336	329
Administration and estates	981	38	1,019	1,041
Healthcare assistants and other support staff	1,011	0	1,011	1,012
Nursing, midwifery and health visiting staff	1,358	0	1,358	1,334
Scientific, therapeutic and technical staff	483	0	483	436
	4,148	59	4,207	4,152

6.4 Retirements due to ill health

In the period ended 31st March 2011 there were 4 early retirements from the Trust on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £276,636. (2009/10: 7 cases with estimated liability of £551,787) The cost of these ill-health retirements will be borne by the NHS Pension Scheme. Accordingly, no provision is recognised in the Trust's accounts.

6.5 Pension costs

Past and present employees are covered by the provisions of the NHS Pensions Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of Secretary of State, in England and Wales. The Scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as a defined contribution scheme: the cost to the Trust of participating in the Scheme is taken as equal to the contributions payable to the Scheme for the accounting year.

The Scheme is subject to a full valuation every four years by the Government Actuary. The last such investigation, on the conclusions of which scheme contribution rates are currently based, had an effective date of 31 March 2004 and covered the period from 1 April 1999 to that date. Between the full actuarial valuations, the Government Actuary provides an annual update of the scheme liabilities for IAS 19 purposes. The latest assessment of the liabilities of the Scheme is contained in the Scheme Actuary report, which forms part of the NHS Pension Scheme (England and Wales) Resource Account, published annually. These accounts can be viewed on the Business Service Authority - Pensions Division website at www.pensions.nhsbsa.nhs.uk. Copies can also be obtained from The Stationery Office.

The conclusion of the 2004 valuation was that the scheme had accumulated a notional deficit of £3.3 billion against the notional assets as at 31 March 2004, and the Scheme continues to operate on a sound financial basis. Employer contribution rates are reviewed every four years following the Scheme valuation, on advice from the actuary. Taking into account the changes in the benefit and contribution structure effective from 1 April 2008, it was recommended that employer contributions should continue at the existing rate of 14% of pensionable pay. From 1 April 2008, employees pay contributions according to a tiered scale from 5% up to 8.5% of their pensionable pay.

Up to 2009/10 pension benefits payable to scheme members were based on changes in the Retail Prices Index in the twelve months ending 30 September in the previous calendar year. From 2010/11, the increases are based on changes in the Consumer Prices Index in the twelve months ending 30 September in the previous calendar year.

7. Gains/(losses) on disposal of assets

	Year ended 31st March 2011	Year ended 31st March 2010
	£000	£000
Gain on disposal of property, plant and equipment	3	0
(Loss) on disposal of property, plant and equipment	(52)	0
	(49)	0

8. Finance income

	Year ended 31st March 2011	Year ended 31st March 2010
	£000	£000
Interest from bank accounts	46	149
	46	149

9. Finance expense

	NOTE	Year ended 31st March 2011	Year ended 31st March 2010
		£000	£000
Interest on obligations under on-statement of financial position PFI schemes		782	793
Contingent rentals under on-statement of financial position PFI schemes		308	264
Loans from Foundation Trust financing facility		771	52
Unwinding of discount on provisions	19	23	22
		1,884	1,131

10. Intangible assets

Intangible assets comprise the following elements:

	Software Licences	Licences & Trademarks	Development Expenditure	Total
	£000	£000	£000	£000
Cost or valuation at 1st April 2010	3,949	831	0	4,780
Additions purchased	1,050	214	0	1,264
Cost or valuation at 31st March 2011	4,999	1,045	0	6,044
Amortisation at 1st April 2010	166	114	0	280
Charged during the year	327	104	0	431
Amortisation at 31st March 2011	493	218	0	711
Net book value at 31st March 2011	4,506	827	0	5,333
Net book value				
Purchased at 31st March 2011	4,506	827	0	5,333
Total at 31st March 2011	4,506	827	0	5,333
Prior year - restated:				
Cost or valuation at 1st April 2009 - as previously stated	620	515	189	1,324
Prior period adjustment	(13)	(26)	(189)	(228)
Cost or valuation at 1st April 2009 - restated	607	489	0	1,096
Additions purchased	3,342	342	0	3,684
Cost or valuation at 31st March 2010	3,949	831	0	4,780
Amortisation at 1st April 2009 - as previously stated	92	71	72	235
Prior period adjustment	(6)	(11)	(72)	(89)
Amortisation at 1st April 2009 - restated	86	60	0	146
Charged during the year	80	54	0	134
Amortisation at 31st March 2010	166	114	0	280
Net book value at 31st March 2010	3,783	717	0	4,500
Net book value				
Purchased at 31st March 2010	3,783	717	0	4,500
Total at 31st March 2010	3,783	717	0	4,500

As at the 31st March 2011 the Trust held no donated intangible assets.

Prior period adjustment

During 2010/11 the Trust has carried out a review to validate fixed assets which have been capitalised and reported in the financial statements. See note 11 for further information regarding the prior period adjustment.

11. Property, plant and equipment

11.1 Property, plant and equipment

Property, plant and equipment comprises the following elements:

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant and Machinery	Transport Equipment	Information Technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1st April 2010	9,209	127,765	6,772	23,293	36,033	204	5,895	599	209,770
Additions purchased	0	2,599	0	23,921	118	0	2,354	6	28,998
Additions donated	0	0	0	0	282	0	0	0	282
Impairment charges to revaluation and donated asset reserves	0	(7,894)	0	0	0	0	0	0	(7,894)
Reclassifications	0	14,391	0	(14,391)	0	0	0	0	0
Revaluations	0	5,537	603	0	0	0	0	0	6,140
Disposals	0	0	0	0	(2,571)	(32)	(6)	0	(2,609)
Transfer of depreciation to gross book value following revaluation	0	(11,987)	(96)	(8,844)	0	0	0	0	(20,927)
Cost or valuation at 31st March 2011	9,209	130,411	7,279	23,979	33,862	172	8,243	605	213,760
Depreciation at 1st April 2010	0	0	0	0	22,890	192	2,435	144	25,661
Charged during the year	0	2,024	96	0	2,613	4	881	72	5,690
Impairments recognised in operating expenses / income	0	9,963	0	8,844	0	0	0	0	18,807
Disposals	0	0	0	0	(2,480)	(32)	(6)	0	(2,518)
Transfer of depreciation to gross book value following revaluation	0	(11,987)	(96)	(8,844)	0	0	0	0	(20,927)
Depreciation at 31st March 2011	0	0	0	0	23,023	164	3,310	216	26,713
Net book value at 31st March 2011	9,209	130,411	7,279	23,979	10,839	8	4,933	389	187,047
Net book value									
Owned									
Purchased at 31st March 2011	8,870	121,187	7,279	23,979	9,748	8	4,928	389	176,388
Donated at 31st March 2011	0	1,924	0	0	1,091	0	5	0	3,020
Assets under PFI arrangement									
Finance lease at 31st March 2011	339	7,300	0	0	0	0	0	0	7,639
Total at 31st March 2011	9,209	130,411	7,279	23,979	10,839	8	4,933	389	187,047
Protected status									
Protected assets at 31st March 2011	9,209	130,411	0	0	0	0	0	0	139,620
Unprotected assets at 31st March 2011	0	0	7,279	23,979	10,839	8	4,933	389	47,427
Total at 31st March 2011	9,209	130,411	7,279	23,979	10,839	8	4,933	389	187,047

As at the end of the reporting period all Land, Buildings and Dwellings are Freehold.

Protected assets are those assets required for providing the mandatory goods and services set out in the Trust's terms of authorisation approved by Monitor, the Independent Regulator of Foundation Trusts. The Trust may not dispose of any protected property without the approval of Monitor.

11. Property, plant and equipment (continued)

Revaluation of property, plant and equipment

Land and buildings (including dwellings) valuations are carried out by professionally qualified valuers in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual. The last revaluation took place on 31 March 2011 based on modern replacement cost and was undertaken by Andrew M Wilson MRICS of DTZ.

The revaluation of some assets has resulted in market value revaluation gains that reverse market value impairments charged to operating expenses in previous years. Gains up to the value of any previous impairment on the same asset have been recognised in operating income with any excess being recognised in the revaluation reserve.

Assets under construction contains the cost incurred up to 31 March 2011 on the Surgical Centre development which is due to be commissioned in July 2011. The Trust have obtained a valuation of the Centre resulting in an impairment in 2010/11.

As part of the Trust's estate strategy and efficiency programme the Wesham Rehabilitation Unit has been temporarily closed subject to the outcome of a public consultation with services transferring to Clifton Hospital, and theatres at Victoria Hospital will be closed following the Surgical Centre commissioning. The building areas occupied by these locations have been impaired to reflect this obsolescence.

The impact of these revaluations on charges to operating expenses and reserves is as follows:

	Revaluation	Surgical Centre	Estate Rationalisation	2010/11 £000	Restated 2009/10 £000
	£000	£000	£000	£000	£000
Revaluation gains recognised in the revaluation and donated asset reserves	(6,140)	0		(6,140)	0
Impairments charged to the revaluation reserve	4,140	0	3,754	7,894	15,425
Impairments charged to the donated asset reserve	0	0	0	0	242
Impairments recognised in operating expenses	7,567	8,844	4,080	20,491	8,820
Reversal of impairments recognised in other operating income	(1,684)	0	0	(1,684)	0
				20,561	24,487

11. Property, plant and equipment (continued)

Prior year:	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant and Machinery	Transport Equipment	Information Technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1st April 2009 - as previously stated	9,576	155,325	7,213	3,807	38,886	204	5,344	2,123	222,478
Prior period adjustment	0	0	0	0	(5,122)	0	(1,116)	(1,589)	(7,827)
Cost or valuation at 1st April 2009 - restated	9,576	155,325	7,213	3,807	33,764	204	4,228	534	214,651
Additions purchased	0	3,759	773	19,486	2,012	0	1,661	65	27,756
Additions donated	0	0	0	0	257	0	6	0	263
Impairment charges to revaluation and donated asset reserves	0	(14,255)	(1,412)	0	0	0	0	0	(15,667)
Reclassifications	0	(424)	424	0	0	0	0	0	0
Transfer of depreciation to gross book value following revaluation	(367)	(16,640)	(226)	0	0	0	0	0	(17,233)
Cost or valuation at 31st March 2010	9,209	127,765	6,772	23,293	36,033	204	5,895	599	209,770
Depreciation at 1st April 2009 - as previously stated	367	5,571	133	0	21,623	179	2,698	588	31,159
Prior period adjustment	0	0	0	0	(1,147)	0	(748)	(509)	(2,404)
Depreciation at 1st April 2009 - restated	367	5,571	133	0	20,476	179	1,950	79	28,755
Charged during the year	0	2,240	102	0	2,414	13	485	65	5,319
Impairments recognised in operating expenses	0	8,820	0	0	0	0	0	0	8,820
Reclassifications	0	9	(9)	0	0	0	0	0	0
Transfer of depreciation to gross book value following revaluation	(367)	(16,640)	(226)	0	0	0	0	0	(17,233)
Depreciation at 31st March 2010	0	0	0	0	22,890	192	2,435	144	25,661
Net book value at 31st March 2010	9,209	127,765	6,772	23,293	13,143	12	3,460	455	184,109
Net book value									
Owned									
Purchased at 31st March 2010	8,870	117,091	6,772	23,293	12,106	12	3,454	455	172,053
Donated at 31st March 2010	0	1,781	0	0	1,037	0	6	0	2,824
Assets under PFI arrangement									
Finance lease at 31st March 2010	339	8,893	0	0	0	0	0	0	9,232
Total at 31st March 2010	9,209	127,765	6,772	23,293	13,143	12	3,460	455	184,109
Owned									
Purchased at 1st April 2009	8,870	137,382	7,080	3,807	12,286	25	2,278	455	172,183
Donated at 1st April 2009	0	2,049	0	0	1,002	0	0	0	3,051
Assets under PFI arrangement									
Finance lease at 1st April 2009	339	10,323	0	0	0	0	0	0	10,662
Total at 1st April 2009	9,209	149,754	7,080	3,807	13,288	25	2,278	455	185,896
Protected status									
Protected assets at 31st March 2010	9,209	127,765	0	0	0	0	0	0	136,974
Unprotected assets at 31st March 2010	0	0	6,772	23,293	13,143	12	3,460	455	47,135
Total at 31st March 2010	9,209	127,765	6,772	23,293	13,143	12	3,460	455	184,109
Protected status									
Protected assets at 1st April 2009	9,209	149,754	0	0	0	0	0	0	158,963
Unprotected assets at 1st April 2009	0	0	7,080	3,807	13,288	25	2,278	455	26,933
Total at 1st April 2009	9,209	149,754	7,080	3,807	13,288	25	2,278	455	185,896

11. Property, plant and equipment (continued)

11.2 Prior period adjustment

During 2010/11 the Trust has carried out a review to validate fixed assets which have been capitalised and reported in the financial statements. This review covered assets with a net book value of £8.6m and identified assets to the value of £5.6m which should have been impaired and charged to operating expenses and the Revaluation Reserve prior to 1 April 2009. A prior period adjustment to intangible, and property, plant and equipment asset values has been made as at 1 April 2009.

As a consequence of this change, depreciation, amortisation and impairments charged to operating expenses in 2009/10 was reduced by £0.3m. The impact of the prior period adjustment on the financial statements is set out below:

Non-Current Assets	1 April 2009		31 March 2010	
	Intangible £000	PPE £000	Intangible £000	PPE £000
Net book value - as previously stated	1,089	191,319	4,611	188,916
Prior year impairment:	(139)	(5,423)	(139)	(5,423)
2009/10 impact of impairment on:				
2009/10 depreciation and amortisation	0	0	28	616
Net book value - restated	950	185,896	4,500	184,109
Taxpayers' equity	1 April 2009		31 March 2010	
	Revaluation Reserve £000	Income and Expenditure Reserve £000	Revaluation Reserve £000	Income and Expenditure Reserve £000
Opening reserve balance - as previously stated	46,571	6,509	30,810	797
Prior year impairment:	(1,468)	(4,095)	(1,468)	(4,095)
2009/10 impact of impairment on:				
2009/10 depreciation and amortisation	0	0	0	644
Revaluation losses previously charged to Revaluation Reserve				
reclassified as impairment charge to Income and expenditure reserve	0	0	336	(336)
Opening reserve balance - restated	45,103	2,414	29,678	(2,990)
Operating expenses			2009/10 £000	
Operating expenses - as previously stated			270,153	
2009/10 depreciation and amortisation			(644)	
Revaluation losses previously charged to Revaluation Reserve				
reclassified as impairment charge to Income and expenditure reserve			336	
Operating expenses - restated			269,845	
Statement of comprehensive income			2009/10 £000	
Deficit for the 2009/10 financial year - as previously stated			(5,712)	
2009/10 depreciation and amortisation			644	
Revaluation losses previously charged to Revaluation Reserve				
reclassified as impairment charge to Income and expenditure reserve			(336)	
Deficit for the 2009/10 financial year - restated			(5,404)	

12. Capital commitments

Commitments under capital expenditure contracts at the statement of financial position date were £6,467,767

	2011/12 £000	2010/11 £000
Surgical Centre	5,004	21,901
Urgent Care Centre	65	1,166
Reconfiguration of Women & Children services	417	3,069
Mortuary	893	2,026
Other	89	880
	6,468	29,042

13. Inventories

	31st March 2011 £000	31st March 2010 £000
Drugs and consumables	2,855	4,393

There have been no write-down of inventories or reversal of write-downs during 2010/11. Management have performed a review for obsolete or slow moving stock in order to identify the need for an inventory provision and do not consider that a provision is required as at 31 March 2011.

Inventories charged to operating expenses include drugs £17.128m (2009/10 £16.808m) issued through the in-house pharmacy and cardiac consumables £2.559m (2009/10: £2.542m). The figure reported for drugs in operating expenses includes costs of non-inventory items.

14. Trade and other receivables

14.1 Trade and other receivables

	31st March 2011 £000	Restated 31st March 2010 £000
NHS receivables	3,470	5,158
Other receivables with related parties	588	872
Provision for impairment of receivables	(528)	(405)
Prepayments and accrued income	827	1,656
PDC dividend receivable	321	406
Other receivables	2,233	2,376
Trade and other receivables - current	6,911	10,063
Other receivables	1,373	1,118
Provision for impairment of receivables	(228)	(250)
Trade and receivables - non-current	1,145	868
Total	8,056	10,931

The Trust has declared an amount receivable of £2.4m (2009/10 £2.1m) from the Compensation Recovery Unit (CRU) in respect of charges due under the NHS Injury Scheme. Prior to 2010/11 the full amount due from the CRU was classified as a non current receivables. However, as the Trust recovers approximately £1m each year this amount has been reclassified as current. Other receivables in 2009/10 have been restated.

14. Trade and other receivables (continued)

14.2 Aging of receivables past their due date but not impaired

	31st March 2011 £000	31st March 2010 £000
By up to three months	157	532
By three to six months	14	254
By more than six months	20	6
	191	792

14.3 Analysis of provision for impairment of receivables

	NHS Debts £000	Non NHS Debts £000	Total £000
As at 1st April 2010	169	486	655
Amounts written off during the year as uncollectible	(109)	(59)	(168)
Amounts reversed unused during the year	(60)	(76)	(136)
Increase in allowance recognised in operating expenses	361	44	405
As at 31st March 2011	361	395	756

14.4 Aging of impaired receivables

	31st March 2011 £000	31st March 2010 £000
By up to three months	362	62
By three to six months	2	54
By more than six months	392	539
	756	655

15. Cash and cash equivalents

	31st March 2011 £000	31st March 2010 £000
Balance at beginning of the year	11,698	24,072
Net change in the year	3,695	(12,374)
Balance at 31 March	15,393	11,698
Made up of:		
Cash with Government Banking Service	15,258	11,318
Cash in transit and in hand	135	380
	15,393	11,698

16. Trade and other payables

	31st March 2011 £000	31st March 2010 £000
NHS payables	6,184	3,904
Amounts due to other related parties	55	147
Non-NHS trade payables - revenue	11,564	5,214
Non-NHS trade payables - capital	1,912	5,278
Accruals	7,197	4,434
Subtotal	26,912	18,977
Tax & social security costs	3,584	3,315
Trade and other payables - current	30,496	22,292

17. Other liabilities

	31st March 2011 £000	31st March 2010 £000
Deferred income	7,134	1,818
Other liabilities - current	7,134	1,818
Deferred income*	1,367	1,550
Other liabilities - non-current	1,367	1,550
Total	8,501	3,368

* Non-current deferred income relates to a contribution from Blackpool PCT towards the future operating costs of the Urgent Care Centre, commissioned during 2010/11. This income will be released to income over the life of the asset to offset depreciation and cost of capital charges.

18. Borrowings**18.1 Borrowings**

	31st March 2011 £000	31st March 2010 £000
Loans from Foundation Trust Financing Facility	1,085	0
Obligations under PFI contracts	138	126
Borrowings - current	1,223	126
Loans from Foundation Trust Financing Facility	23,915	10,000
Obligations under PFI contracts	7,722	7,860
Borrowings - non-current	31,637	17,860
Total borrowings	32,860	17,986

The Foundation Trust Financing Facility loan of £25m expires on 30 March 2034 and attracts interest at a fixed rate of 3.7%. The Trust is committed to repaying 2.17% of the balance in each September and March with effect from 30 September 2011.

18.2 Prudential borrowing limit

The Trust is required to comply and remain within a prudential borrowing limit. This is made up of two elements:

- the maximum cumulative amount of long-term borrowing. This is set by reference to the four ratio tests set out in Monitor's Prudential Monitoring Code (see table below). The financial risk rating set under Monitor's Compliance Framework determines one of the ratios and therefore can impact on the long term borrowing limit; and
 - The amount of any working capital facility approved by Monitor.
- Further information on the NHS Foundation Trust Prudential Borrowing Code and Compliance Framework can be found on the website of Monitor, the Independent Regulator of Foundation Trusts.

The Trust performance against approved PBL ratios is as follows :-

Financial ratio	Actual ratios 2010/11	Actual ratios 2009/10	Approved PBL ratios
Minimum dividend cover	2.4x	2.5x	>1x
Minimum interest cover	7.3x	7.8x	>3x
Minimum debt service cover	4.5x	4.9x	>2x
Maximum debt service to revenue	1.2%	1.2%	<2.5%

18.3 Prudential borrowing limit - long term borrowing

	31st March 2011	31st March 2010
Long term borrowing limit set by Monitor	55,700	59,200
Working capital facility set by Monitor *	19,000	19,000
Total Prudential borrowing limit	74,700	78,200
Long term borrowing at 1st April	17,986	8,101
Net borrowing in year - long term	14,874	9,885
Long term borrowing at 31st March	32,860	17,986
Working capital borrowing at 1st April	0	0
Net borrowing/(repayment) in year - working capital	0	0
Working capital borrowing at 31st March	0	0

* As at 31st March 2011 the Trust has a £19m working capital facility with Barclays Corporate. This agreement will expire on 15th July 2011.

19. Provisions**19.1 Provisions analysis**

	31st March 2011 £000	31st March 2010 £000
Pensions relating to other staff	18	18
Permanent Injury Benefit	63	62
Other legal claims	175	99
Other	297	47
Provisions - current	553	226
Pensions relating to other staff	157	170
Permanent Injury Benefit	949	1,046
Other legal claims	0	0
Other	0	0
Provisions - non-current	1,106	1,216
TOTAL	1,659	1,442

19.2 Provisions in year movement and timing of cash flows

	Pensions relating to other staff £000	Permanent Injury Benefit £000	Other Legal Claims £000	Other £000	Total £000
At 1st April 2010	188	1,108	99	47	1,442
Change in discount rate	(6)	(70)	0	0	(76)
Arising during the year	8	16	106	250	380
Utilised during the year	(18)	(62)	(30)	0	(110)
Reversed unused	0	0	0	0	0
Unwinding of discount	3	20	0	0	23
At 31st March 2011	175	1,012	175	297	1,659
Expected timing of cash flows:					
Within one year	18	63	175	297	553
Between one year and five years	67	231	0	0	298
After five years	90	718	0	0	808
Total	175	1,012	175	297	1,659

The provisions for pensions relating to other staff and permanent injury benefit are stated at the present value of future amounts estimated as payable using life expectancy tables provided by the Office of National Statistics. Payments are made on a quarterly basis to the NHS Pension Scheme and NHS Injury Benefit Scheme respectively.

Other legal claims represent the amounts payable by the Trust in relation to the excess on claims for clinical negligence and injury to third parties. In return for an annual contribution from the Trust to the NHS Litigation Authority, the claims are settled by the NHSLA on the Trust's behalf. £46,759,004 is included in the provisions of the NHSLA at 31 March 2011 in respect of clinical negligence liabilities of the Trust (2009/10: £51,387,000).

Other provisions at 31 March 2011 comprise £0.25m for workforce costs and £0.047m in relation to potential decontamination project residual costs.

20. Private Finance Initiative Transactions

20.1 PFI schemes deemed to be off-Statement of Financial Position

The Trust does not have any PFI schemes deemed to be off-balance sheet as at 31 March 2011.

20.2 PFI scheme deemed on-Statement of Financial Position

The Trust has a PFI Partnership Agreement for the provision of facilities for the provision of healthcare services to the public at Wesham, Rossall and Bispham. The contract runs for 27 years from April 2001. The Trust has title to the freehold land at Wesham and Rossall and the contractor has title to the land at Bispham. At the end of the agreement period the contractor will cease to have any rights, title and interest in the Wesham and Rossall sites, and the Trust has an option to purchase the Bispham facility at market value, which must be exercised not later than 12 months prior to the end of the contract. The Trust has estimated that the residual value of the Bispham property is £2.4 million. In the event that the Trust terminates the contract early the Contractor will be entitled to levy an early termination charge.

The unitary payment was set at the outset of the contract and is uplifted annually from 1 April by the increase in the Retail Prices Index as at the preceding February. These inflationary increase are charged to the statement of comprehensive income as finance expenses.

Total obligations for on-Statement of Financial Position PFI contracts due:

	31st March 2011 £000	31st March 2010 £000
Gross PFI liabilities - minimum lease payments:		
Rentals due within one year	908	908
Rentals due within two to five years	3,632	3,632
Rentals due thereafter	10,895	11,803
	15,435	16,343
Future finance charges on PFI agreements	(7,575)	(8,357)
Net PFI liabilities	7,860	7,986
Net PFI liabilities are repayable as follows:		
No later than 1 year	138	126
Later than 1 year and no later than 5 years	701	639
Later than 5 years	7,021	7,221
	7,860	7,986
During the year the following PFI financing payments have been made to the contractor:		
	2010/11 £000	2009/10 £000
Repayment of borrowings	127	114
Finance expense - Interest	782	793
Finance expense - Contingent rent	308	264
	1,217	1,171

The Trust is also committed to make the service payments for facility management which are charged to operating expenses. These are disclosed at note 5.4.4.

21. Contingencies

Contingent liabilities	31st March 2011 £000	31st March 2010 £000
Employer and Occupier Liability	95	59

This is the maximum potential liability for Staff and Occupiers Liability, which represents the difference between the balance provided and the excess due to the NHS Litigation Authority scheme of which the Trust is a member.

The Trust has no contingent assets.

22. Financial Instruments

The Trust does not have any listed capital instruments and is not a financial institution. Due to the nature of the Trust's current financial assets/liabilities and non current financial liabilities, book value equates to fair value.

All financial assets and liabilities are held in sterling.

The Trust's Treasury Management Operations are carried out by the Finance Department, within parameters defined formally within the Trust's standing financial instructions and policies agreed by the Board of Directors. Trust treasury activity is subject to review by the Trust's internal auditors.

Credit Risk

The bulk of the Trusts commissioners are NHS, which minimises the credit risk from these customers. Non-NHS customers do not represent a large proportion of income and the majority of these relate to bodies which are considered low risk - e.g. universities, local councils, insurance companies, etc.

Liquidity Risk

The Trust's net operating costs are incurred under service agreements with local Primary Care Trusts, which are financed from resources voted annually by Parliament. The Trust largely finances capital expenditure through internally generated funds and from loans that can be taken out up to an agreed borrowing limit. The borrowing limit is based upon a risk rating determined by Monitor, the Independent Regulator for Foundation Trusts and takes account of the Trust's liquidity.

Market Risk

All of the Trust's financial liabilities carry nil or fixed rate of interest. In addition the only element of the Trust's financial assets that is currently subject to variable rate is cash held in the Trust's main bank account and therefore the Trust is not exposed to significant interest rate risk.

22.1 Financial Assets by category

	31st March 2011 Loans and Receivables £000	31st March 2010 Loans and Receivables £000
NHS Receivables	3,109	4,989
Accrued Income	26	66
Other receivables	1,653	2,012
Other financial assets	0	0
Cash and cash equivalents	15,393	11,698
Total Financial Assets	20,181	18,765

22.2 Other Financial Liabilities by category

	31st March 2011 £000	31st March 2010 £000
NHS Payables	(6,184)	(3,904)
Other payables	(13,531)	(10,639)
Accruals	(7,197)	(4,434)
Subtotal - Trade and other payables	(26,912)	(18,977)
PFI Obligations	(7,860)	(7,986)
Other borrowings	(25,000)	(10,000)
Subtotal - Borrowings	(32,860)	(17,986)
Total Financial Liabilities	(59,772)	(36,963)

The Trust has a loan with the Foundation Trust Financing Facility which is categorised as a non-current financial liability. The carrying value of the liability is considered to approximate to fair value as the arrangement is of a fixed interest rate and equal instalment repayment feature and the interest rate is not materially different to the discount rate.

23. Third party assets

The Trust held the following cash and cash equivalents on behalf of third parties which have been excluded from cash and cash equivalents in the Trust's statement of financial position:

	31st March 2011 £000	31st March 2010 £000
Patients' monies	14	17
Blackpool, Fylde and Wyre Hospitals Charitable Fund	2,692	3,492
	2,706	3,509

24. Losses and special payments

There were 120 cases of losses and special payments totalling £0.258 million in the accounting period (2009/10: 173 cases totalling £0.862 million).

25. Related party transactions**Ultimate parent**

The FT is a public benefit corporation established under the NHS Act 2006. Monitor, the Regulator of NHS Foundation Trusts has the power to control the FT within the meaning of IAS 27 'Consolidated and Separate Financial Statements' and therefore can be considered as the FT's parent. Monitor does not prepare group accounts but does prepare separate NHS Foundation Trust Consolidated Accounts. The NHS Foundation Trust Consolidated Accounts are then included within the Whole of Government Accounts. Monitor is accountable to the Secretary of State for Health. The FT's ultimate parent is therefore HM Government.

Whole of Government Accounts Bodies

All government bodies which fall within the whole of government accounts boundary are regarded as related parties because they are all under the common control of HM Government and Parliament. This includes, for example, all NHS bodies, all local authorities and central government bodies.

25. Related party transactions continued

During the year the FT has had a significant number of transactions with the other NHS bodies. The entities with which the highest value of transactions occurred are listed below:

	Income		Receivables	
	2010/11 £'000	2009/10 £'000	31st March 2011 £'000	31st March 2010 £'000
Blackpool PCT	99,683	93,846	921	699
North Lancashire PCT	98,201	96,523	60	1,661
North West SHA	9,918	10,202	172	358
Western Cheshire PCT	42,614	42,853	337	0
Central Lancashire PCT	3,685	3,915	162	584
Cumbria PCT	1,146	1,310	43	106
Lancashire Teaching Hospitals NHS Foundation Trust	410	98	463	86
Lancashire Care NHS Foundation Trust	2,738	2,701	161	76
	258,395	251,448	2,319	3,570

Most income from PCTs is in respect of services provided under healthcare contracts and priced using national prices (Payment by Results).

	Expenditure		Payables	
	2010/11 £'000	2009/10 £'000	31st March 2011 £'000	31st March 2010 £'000
Blackpool PCT	1,164	219	850	176
North Lancashire PCT	1,666	1,300	861	112
North West Ambulance Service NHS Trust	1,487	1,530	77	56
Pennine Acute Hospitals NHS Trust	4,467	4,053	0	514
Lancashire Teaching Hospitals NHS Foundation Trust	1,175	956	412	321
Lancashire Care NHS Foundation Trust	40	290	1	43
NHS Purchasing & Supply Agency	4,655	4,390	0	78
National Blood Authority	2,581	2,457	234	32
NHS Litigation Authority	4,026	3,379	0	0
	21,261	18,574	2,435	1,332

None of the receivable or payable balances are secured. Amounts are generally due within 30 days and will be settled in cash.

In addition to the amounts above, provisions in respect of the excess on legal claims have been recognised and, if due, are payable to the NHS Litigation Authority. These are disclosed and explained in note 19.

25. Related party transactions (continued)

Key management personnel

Key management includes directors, both executive and non-executive. The compensation paid or payable in aggregate to key management for employment services is shown below:

	Aggregate		Highest paid director	
	Year ended 31st March 2011 £'000	Year ended 31st March 2010 £'000	Year ended 31st March 2011 £'000	Year ended 31st March 2010 £'000
Salaries and other short term benefits	1,169	1,068	191	190
Pension contributions:				
Employer contributions to the NHS Pension Scheme	140	121	23	22
Accrued pension under NHS Pension Scheme	291	270	70	64
Accrued lump sum under NHS Pension Scheme	862	803	210	193
			Number	Number
Number of directors to whom benefits are accruing under the NHS Pension Scheme			8	7

None of the key management personnel received an advance from the Trust. The Trust has not entered into guarantees of any kind on behalf of key management personnel. There were no amounts owing to Key Management Personnel at the beginning or end of the financial year.

Blackpool, Fylde and Wyre Hospitals Charitable Fund

The Trust has also received revenue and capital payments from Blackpool, Fylde and Wyre Hospitals Charitable Fund. The Charity is registered with the Charity Commissioners (Registered Charity 1051570) and has its own Trustees drawn from the Trust Board.

Transactions with the fund are as follows:	2010/11 £'000	2009/10 £'000
Donations received from the charitable fund, recognised as income	282	263
Donated assets received from the charitable fund	282	263
Amounts receivable from the fund as at 31 March	83	155

The amount receivable at 31 March is not secured and is not subject to particular terms and conditions.

NHS Pension Scheme

The NHS Pension Scheme is a related party to the Foundation Trust.

Transactions with the NHS Pension Scheme comprise the employer contributions disclosed in note 6.1. At 31 March 2011 the Trust owed £1.987 million (31 March 2010: £2.005 million) relating to employees and employer contributions to the scheme. Additionally, the Trust has recognised provisions in respect of reimbursements to the NHS Pension Scheme for early retirement costs. These are explained in note 19.

26. Events after the reporting period

a) Transforming Community Services

Following the end of the reporting period the Trust has continued preparation of a business plan to transfer in community provider services from Blackpool Primary Care Trust and North Lancashire Teaching Primary Care Trust. As at the date of approval of the 2010/11 financial statements approval to this transfer of services had not been received from Monitor, the independent regulator of foundation trusts.

b) Wesham Hospital Rehabilitation Unit

In January 2011, the Trust transferred services provided at the Wesham Hospital Rehabilitation Unit to Clifton Hospital and the Wesham facility was temporarily closed subject to the outcome of a public consultation. The public consultation is due to commence in late summer 2011.

c) Foundation Trust Financing Facility (FTFF)

The FTFF have approved a loan application from the Trust to support the payments due in 2011/12 for the surgical centre development. The Trust will be permitted to drawdown up to £5.6 million during 2011/12 to be repaid over a four year period commencing in September 2012. The applicable interest rate is 1.45%.

Notice of the Trust's Annual Members' and Public Meeting

The Annual Members' and Public Meeting of Blackpool Teaching Hospitals NHS Foundation Trust will be held on Monday September 26th 2011 at 6pm in the Sponsors Lounge, Blackpool Football Club. All Foundation Trust Members and members of the public are welcome to attend.

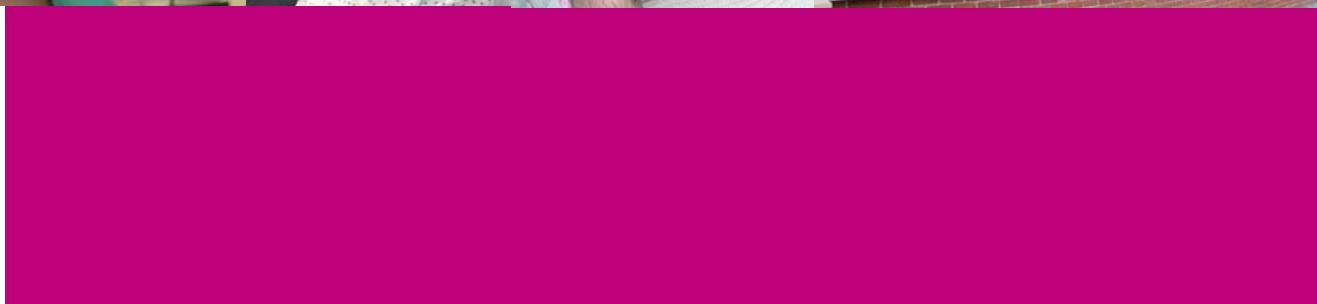
Further copies of the Annual Report and Accounts for the period 1st April 2010 to 31st March 2011 can be obtained by writing to:

Miss J A Oates
Foundation Trust Secretary
Blackpool Teaching Hospitals NHS Foundation Trust
Trust Headquarters
Blackpool Victoria Hospital
Whinney Heys Road
Blackpool
FY3 8NR

Alternatively the document can be downloaded from our website www.bfwhospitals.nhs.uk

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

Chief Executive
Blackpool Teaching Hospitals NHS Foundation Trust
Trust Headquarters
Blackpool Victoria Hospital
Whinney Heys Road
Blackpool
FY3 8NR



Blackpool Teaching Hospitals NHS Foundation Trust
Whinney Heys Road, Blackpool, FY3 8NR

Tel: 01253 300000

www.bfwhospitals.nhs.uk