



Blackpool Teaching Hospitals **NHS**  
NHS Foundation Trust



# Annual Report and Accounts 2015-16



People Centred

Positive

Compassion

Excellence



# **Annual Report**

## and Accounts 2015-16

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





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"I did not know what normal life was with a baby, but now I am happily discovering. We just want to say a massive thank you to everyone involved."

Mr & Mrs Hacking, Blackpool



# Chairman's and Chief Executive's Introduction

The year 2015/16 has been another challenging but successful period for the Trust which has seen good progress in its aims to improve services. We would like to thank all our dedicated staff for all their hard work and commitment during the year.

Over the past year we have launched our new 2020 Vision, a five year strategy called "Together We Can....".

The Trust, along with the wider NHS, is facing significant challenges in the years ahead – an ageing population; increasing numbers of people living with complex, long-term health and social care needs and rising expectations that a wider range of health services can provide an enhanced quality of life, all this against a background of increasing costs of providing care for our patients. Nationally, NHS England has set out its expectations for the future through the publication of the Five Year Forward View. This describes a number of ambitions around changes to the way in which care is provided, all of which aim to reduce unnecessary admissions to hospital and improve the coordination of care for patients who have multiple, complex health and social care needs.

The Trust's aim is to embrace these challenges, seeing them as a real opportunity to reshape the way in which healthcare services are provided to our patients, with care and treatments that are better designed to meet the needs of individuals and their families.

It is pleasing to report that the Trust was recognised as one of the top healthcare organisations in the country to work for after being named in the Health Service Journal's Best 120 Places to Work list, which is compiled in partnership with NHS Employers and features the top NHS workplaces across all acute, community, mental health and primary care sectors. We want to attract the most talented workforce, so we are committed to providing an environment that is welcoming and fosters innovation and creativity and this award is testament to that and is something that all staff should celebrate.

We also celebrated a number of national awards with the Trust's End of Life Team taking the top prize at the annual Patient Safety Awards for its work to transform End of Life Care for patients and their relatives. Judges said they were "blown away" by the team's ground-breaking work and commitment to delivering excellence in End of Life Care with the panel adding that the Trust's entry provided evidence of a strong team culture and effective service development.

During the year there have been changes to the Board of Directors with our Chief Executive, Gary Doherty, leaving to take up a senior position in Wales, but we were pleased to be able to appoint one of our other Executive Directors, Wendy Swift, as Chief Executive (Interim) in February 2016. We also saw the retirement of Tony Shaw, as a Non-Executive Director, in March 2016 and the appointment of Michael Hearty and Mark Cullinan in February 2016 and March 2016 respectively with start dates of 1st April and 1st July respectively. In addition, Jim Edney, Non-Executive Director, will be retiring at the end of May 2016. We would like to thank Gary, Tony and Jim for their efforts and service to the Trust.

We would also like to thank our dedicated team of volunteers who give up their time to support us and everyone who has helped raise funds for the Trust charity, Blue Skies Hospitals Fund.

All support really is gratefully received and goes towards the provision of better care for our patients. While much has been achieved again this year we know that there are always improvements we can make in order to deliver the best possible care for our patients but we know that with the dedication of our staff and the continued support of our Governors, members and volunteers we can look forward to more great things in 2016/17.



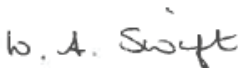
Signed: 

Date: 25th May 2016

**Ian Johnson**

CHAIRMAN



Signed: 

Date: 25th May 2016

**Wendy Swift**

CHIEF EXECUTIVE (INTERIM)





"I do not know what I would have done without Blackpool Victoria Hospital and Dr Laycock who has been so efficient and caring. Everyone in the Children's Clinic has been amazing".

Mrs Fallows, Kirkham



# Performance Report

## Overview of Performance

### Chief Executive's Statement on Performance of the Trust

We have already begun to change some models of care on the Fylde coast, particularly those that are centred around frail elderly patients with multiple, long term conditions. Similarly, as a provider of community services to the population of Lancashire North Clinical Commissioning Group, we have worked with colleagues in the Morecambe Bay region to develop Better Care Together, a plan to reshape various aspects of our service provision. We have received national recognition for this work in both the aforementioned geographic footprints, being selected as Vanguard sites – this means that we have the responsibility of leading the way in the design and development of new services, providing feedback to the national team on the benefits to patients and associated improvements in clinical outcomes.

During 2015/16, Monitor (the regulator of Foundation Trusts) asked all Foundation Trusts to describe their long term sustainability, given the challenges that individual Trusts and the wider NHS are facing. In response to this, the Trust has worked with partner organisations to undertake an in-depth strategic review across all aspects of its care provision. This has been led by senior clinicians from across the Trust. Our key programmes of work will be focused on:

- Consistency in care provision to improve quality and safety;
- Reducing the length of time that patients spend in hospital unnecessarily;
- Getting the most value out of our resources;
- Redesigning the way in which we look after patients who need urgent / emergency care;
- Working with our partners across the local health and social care communities to improve the quality, safety and effectiveness of our care;

- Working with our partners across the Lancashire region to improve the quality, safety and effectiveness of our care;
- Implementing key enabling schemes, such as improving our use of information technology.

We have also been working on a new Quality Strategy which will support the Trust to provide compliance against the care standards set by the Care Quality Commission (CQC) who carried out an announced follow-up inspection to Maternity Services to review progress against the 'inadequate' rating we received in April 2014.

The Quality Strategy sets out our ambition for the next three years to provide the best patient care that is informed, timely and safe. This three year strategy centres around the implementation of effective interventions to ensure care is safe and provides as positive an experience for our patients as possible. The purpose of the strategy is to support the delivery of the organisation's vision, values, quality goals and strategic objectives and supports the Trust's overall strategy by identifying and prioritising delivery of specified key improvements in three quality and safety domains 'informed', 'timely' and 'safe'.

The CQC also reviewed our Accident and Emergency services and their subsequent report acknowledged the improvements achieved since the last inspection with one regulated activity action required and some other areas identified for the Trust to review. Action plans have been developed to address the regulated activity and the other areas identified for review and these plans are monitored by the Trust's Quality Committee and at CQC quarterly engagement meetings, the regulated activity action is also monitored through the local commissioning led Advisory Board.

The Trust's overall rating of 'Requires Improvement' remains unchanged from the 2014 inspection as only two areas were reinspected. Following the



reinspection maternity services received a rating of 'Good' and Accident and Emergency services remained at a rating of 'Requires Improvement'.

Partnerships and alliances with local organisations and stakeholders have supported the Trust to facilitate the delivery of improved healthcare through the development of services and care provision. Some examples of 2015/2016 service improvements include being instrumental in supporting Blackpool's success in the Better Start Big Lottery Funding Project.

The Trust was delighted to achieve full 'Baby Friendly Initiative' accreditation from Unicef, the world's leading children's charity. This is the highest level of accreditation for the care of mums and babies a hospital can achieve and it was a very proud moment for our staff. We have been on a journey to improve our facilities, education and breastfeeding rates at Blackpool Victoria Hospital and in the community and have developed excellent partnership working with hospital staff, the local authority, peer supporters and the women themselves. Our main focus is promoting breastfeeding with support from our 'Star Buddies' breastfeeding peer support team being recognised once again.

The results from the Staff Opinion Survey 2015 showed an increase in our overall levels of engagement from 3.73 to 3.83, which is just above the national average of 3.79. We rank 15th out of 39 in overall engagement when compared with other Combined Acute and Community Trusts. We are above average for 12 of the 32 key findings (37.5%), and of those five are within the top 20% of scores for Combined Acute and Community Trusts. We are average for 16 of the 32 key

findings (50%) and below average on four of the Key Findings (12.5%).

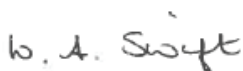
The Trust always aims to be responsive to patients' needs and will continue to listen to patients, staff, stakeholders, partners and Foundation Trust members as their views are extremely important to us. We are pleased that Governors and other local stakeholders have played a key part in shaping our priorities for the future. They have shared their ideas and comments so that we can continue to improve the quality of care and patient experience in areas when needed.

The Board of Directors is responsible for the preparation of this Annual Report and Accounts to provide a fair, balanced and understandable analysis of the Trust, providing the information necessary for patients, regulators and stakeholders to assess Blackpool Teaching Hospitals NHS Foundation Trust's performance, business model and strategy. This includes the Performance Report which identifies the strategy moving forward as well as a review of last year's progress.

After making enquiries, the Directors have a reasonable expectation that Blackpool Teaching Hospitals NHS Foundation Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Trust is adopting the going concern basis in the preparation of the accounts.

The accounts have been prepared under a direction issued by Monitor under the National Health Service Act 2006.

This Performance Report was approved by the Board of Directors on 25th May 2016.

Signed: 

Date: 25th May 2016

**Wendy Swift**

CHIEF EXECUTIVE (INTERIM)



## History of the Trust

Blackpool, Fylde and Wyre Hospitals NHS Foundation Trust was established on 1st December 2007 under the National Health Service (NHS) Act 2006. In October 2010, the Trust was awarded teaching hospitals status and changed its name to Blackpool Teaching Hospitals NHS Foundation Trust in recognition of this. On 1st April 2012, the Trust merged with the Community Health Services of the former NHS Blackpool and NHS North Lancashire.

The Trust is situated on the west coast of Lancashire and operates within a regional health economy catchment area that spans Lancashire and South Cumbria, supporting a population of 1.6 million. The Trust is a provider of specialist tertiary care for Cardiac and Haematology services across this region. The Trust does not operate outside of the United Kingdom.

The Trust provides a range of acute services to the 330,000 population of the Fylde Coast health economy and the estimated 11 million visitors

to the seaside town of Blackpool. Since 1st April 2012, the Trust also provides a wide range of community health services to the 440,000 residents of Blackpool, Fylde, Wyre and North Lancashire.

The Trust also hosts the National Artificial Eye Service, which provides services across England.

During 2015/16 the Trust services have been provided from the following main sites:

- Blackpool Victoria Hospital
- Clifton Hospital
- Fleetwood Hospital
- Bispham Rehabilitation Unit
- Whitegate Drive Walk In Centre
- National Artificial Eye Service
- Rossall Rehabilitation Unit

Nurse Led Therapy Services at Bispham and Rossall are provided by Spiral Health Community Interest Company (<http://www.spiralhealthcic.co.uk/>) The Trust provides services across the Blackpool,



Fylde, Wyre and North Lancashire communities from a multitude of locations. A number of these locations are provided by NHS Property Services Ltd (<http://www.property.nhs.uk/>).

The Trust's main commissioners are:

- Blackpool Clinical Commissioning Group (CCG);
- Fylde and Wyre Clinical Commissioning Group (CCG);
- Lancashire North Clinical Commissioning Group (CCG);
- NHS Cheshire, Warrington and Wirral Area Team (for specialist services);
- Blackpool Council – Public Health;
- Lancashire County Council – Public Health;
- NHS England.

Monitor is the Trust's regulator and from 1st April 2016, the organisation will form part of NHS Improvement.

well as the millions of holidaymakers that visit each year. From 1st April 2012, the Trust has provided a wide range of community services to residents in Blackpool, Fylde, Wyre and North Lancashire. We employ 6,940 staff (headcount), had a turnover in excess of £383.6m in 2015/16 and have a total of 896 beds.

Between 1st April 2015 and 31st March 2016 we treated 103,206 day cases and inpatients (elective and non-elective), 362,018 outpatients and had 86,067 A&E attendances. The total number of community contacts were 1,210,413.

Clinicians from Lancashire Teaching Hospitals NHS Foundation Trust provide onsite services for renal, neurology and oncology services. We utilise assets to the value of £184m to support our services.

## Purpose and Activities of our Trust

As well as providing the full range of district hospital services and community health services, such as adult and children's services, health visiting, community nursing, sexual health services and family planning, stop smoking services and palliative care, the Trust provides tertiary cardiac and haematology services to a 1.5 million population catchment area covering Lancashire and South Cumbria.

The Trust provides a comprehensive range of acute hospital services to the population of the Fylde coast, as



## Trust Services

### Adult and Long Term Conditions

Community Nursing & Rehabilitation (across three localities:- Blackpool, Fylde & Wyre and North Lancashire);

District Nursing

Community Matrons

Occupational Therapy & Physiotherapy Rehabilitation Teams

Rapid Response & Rapid Response Plus

Community Intravenous Therapy

Specialist Nurses (Parkinson's, Diabetes, Palliative Care, Heart Failure)

Specialist Continence Nurses

Hospital Discharge Team

Care Home Team

Pulmonary Rehabilitation

Early Supported Discharge

Clifton Community Hospital

Therapies;

Podiatry

Podiatric Foot and Ankle Surgery

Speech & Language Therapy

Dietetics

Hospital Occupational Therapy and Physiotherapy

Community Brain Injury Rehabilitation

Musculoskeletal Physiotherapy

Specialist Services;

Community Dental Service

Sexual Health Services:-

– Genitourinary medicine (GUM)

– Human Immunodeficiency Virus (HIV)

– Contraceptive Service

– Chlamydia Screening

– Psychosexual Counselling

Stop Smoking Service

Hospital Public Health Team

Extensive Care Service

Mental Health & Learning Disabilities (Blackpool only);

Single Point of Access

Integrated Intermediate Mental Health

Psychological Therapies

Integrated Recovery Team

Integrated Community Learning Disability Team

### **Unscheduled Care (Unplanned episodes of care)**

Emergency  
Acute Medicine  
End of Life Care  
Diabetes  
Endocrine Diseases  
Respiratory Medicine  
Care of the Elderly Medicine  
Critical Care  
General Medicine  
Gastroenterology  
Haematology  
Oncology  
Rheumatology  
Dermatology  
Stroke

### **Scheduled Care (Planned episodes of care)**

Cardiology  
Cardiothoracic  
Pain Management  
Urology  
Colorectal  
Breast  
Ear, Nose and Throat (ENT)  
Maxillofacial  
Ophthalmology  
Orthopaedics  
General Surgery

### **Clinical Services**

Pathology  
Radiology  
Pharmacy

### **Families**

Gynaecology  
Maternity  
Health Visiting  
School Nursing  
Acute Paediatrics  
Community Paediatrics  
Safeguarding  
Children's Therapy Services;  
    Physiotherapy  
    Occupational Therapy  
    Speech and Language  
    Dietetics

## Our Vision and Value

The Trust's mission is 'Together We Care', which encompasses the strategic vision for 2020 of operating as a high performing organisation within an integrated care system which provides, quality, safe and effective care. This will be achieved in a financially sustainable way, through our values-driven, skilled and motivated workforce.

The Trust's values are:

- People-centred – serving people is the focus of everything we do;
- Excellence – continually striving to provide the best care possible;
- Compassion – always demonstrating we care;
- Positive – having a 'can do' response whatever the situation.

Our values are drivers for the behaviours that we expect all of our staff to demonstrate. The values and behaviours are being embedded and communicated across the organisation via a number of initiatives including our recruitment processes; corporate induction; team briefings and meetings; appraisals and our annual award ceremony.

## Five Year Strategic Plan

Blackpool Teaching Hospitals NHS Foundation Trust, along with the wider NHS, is facing significant challenges in the years ahead:- an ageing population; increasing numbers of people



Blackpool Teaching Hospitals **NHS**  
NHS Foundation Trust

# Our Values



## The Trust Way "Creating a Great and Safe Place to Work"

living with complex, long-term health and social care needs; rising expectations about quality of life and the range of services that are provided; and increasing costs of providing care for our patients. Nationally, NHS England has set out its expectations for the future of the NHS through the publication of the Five Year Forward View. This describes a number of ambitions around changes to the way in which care is provided, all of which aim to reduce unnecessary admissions to hospital and improve the coordination of care for patients who have multiple, complex health and social care needs.

The Trust's aim is to embrace these challenges, seeing them as a real opportunity to reshape the



way in which healthcare services are provided to our patients, with care and treatments that are better designed to meet the needs of individuals and their families.

We have already begun to change some models of care on the Fylde coast, particularly those that are centred around frail elderly patients with multiple long-term conditions. Similarly, as a provider of community services to the population of Lancashire North Clinical Commissioning Group, we have worked with colleagues in the Morecambe Bay region to develop a plan to reshape various aspects of our service provision. We have received national recognition for this work in both the aforementioned geographic footprints, being selected as Vanguard sites – this means that we have the responsibility of leading the way in the design and development of new services, providing feedback to the national team on the benefits to patients and associated improvements in clinical outcomes.

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- Working with our partners across the local health and social care communities to improve the quality, safety and effectiveness of our care;
- Working with our partners across the Lancashire region to improve the quality, safety and effectiveness of our care;
- Implementing key enabling schemes, such as improving our use of information technology.

## Better Care Together

Blackpool Teaching Hospitals NHS Foundation Trust provides community services to the population across the Morecambe Bay region and is therefore part of the Better Care Together (BCT) partnership working with 10 other NHS and local government organisations across Morecambe Bay and Cumbria.

In the past year, the major focus has been on implementing the Better Care Together strategy (published in February 2015). The Better Care Together partnership was successful in achieving Vanguard status (one of just 50 in England, along with the Fylde coast), a major achievement during the year, enabling the local health and care economy to move faster and at a greater scale than it would otherwise have been able to. The Five Year Forward View published by NHS England aligns with the proposals for integrated services in and out of hospitals with self-care models and community-led initiatives across Morecambe Bay.



The ambition is to see a network of communities around the Bay enjoying good physical, mental, and emotional wellbeing, supported by a health and care system, providing care that is recognised as being as good as it gets.

To achieve this the local health and care economy will support the mobilisation of communities to improve their health and wellbeing, deliver high-quality, continuously improving and compassionate care to everyone using these services, in a way that is sustainable in the long term

## Putting the Strategy into Action

Service integration across Morecambe Bay has significantly improved during the year, for example



strengthening the links between primary care, secondary and community care for children's services and for people who have complex care needs.

Feedback said that it can be difficult to navigate round different NHS and care services, especially when someone has complex health problems. Local health and care providers listened to these concerns and established a team called the Garstang Integrated Care Team. This team is made up of staff from GP surgeries, mental health, social work, voluntary sector and community therapists etc who work in partnership with patients to develop care plans to keep people with complex health problems supported at home.

In the next 12 months, the local health and care economy plans to continue to move further and faster with Better Care Together plans as well as improving partnership working, moving towards a 'one team' approach and agreeing priorities for the health of the population of Morecambe Bay.

## Risks and Uncertainties

The NHS is changing rapidly and this provides many opportunities, as well as uncertainty, for the Trust. The Board of Directors has identified a number of strategic risks facing the organisation on the Board Assurance Framework and many high-level operational risks on the Corporate Risk Register. All the risks will continue to impact on the organisation throughout 2016/17; however mitigation plans are in place and are monitored bi-monthly by the Board of Directors. The current risks are predominately financial, workforce and quality centred, and are contained within the Annual Governance Statement in the table in section 4.3.

## Emergency Planning

As a major provider of healthcare services, the Trust is fully prepared and able to respond in the event of a major incident, working within national legislation and guidance, such as, the Civil Contingencies Act (2004) and the NHS Emergency Planning Guidance (2005). The Trust has detailed plans for responding to the increased demands

that a major incident would make on our services, while continuing to provide care for existing patients.

The Trust has a suite of emergency plans to satisfy the Emergency Preparedness, Resilience and Response Core Standards; this includes a Pandemic Influenza Plan, a Major Incident Plan and a Trustwide Business Continuity Plan ratified by the Board of Directors, and, in addition, several other plans ratified by the Emergency Planning Steering Committee, including the Severe Weather Plan, Ebola Procedure and Decontamination Plan. These documents define the key management systems and responsibilities of staff. Beneath the trust-wide Business Continuity Plan are two Workforce, two Diagnostics, two Estates and Strategy, three Scheduled Care, five Unscheduled Care, 27 Adults and Long Term Conditions, 15 Nursing and Quality, five ICT, two Finance and eight Families Business Continuity Plans (total 71) with operational information on alternative options to deliver their services.

The Trust has participated in several training and exercising opportunities, the EMERGO exercise delivered by Public Health England (PHE) to test the Major Incident Plan, a 'live' simulation to test the Ebola Procedure and more recently, to support the IOR programme, took part in a Joint Emergency Services Interoperability Programme (JESIP) exercise with our partnership agencies Lancashire Fire and Rescue and Police where our A&E department, as a key first responder, may expect to receive ambulant self-presenting patients following an incident.

To improve patient outcomes following contamination with hazardous materials or substances, in quantities or forms that may pose a reasonable risk to health, property, or the environment (HAZMAT) or a chemical, biological, radiological or nuclear (CBRN) incident, training has been provided for decontamination by the North West Ambulance Service to Trust staff within Radiology, Security and the Emergency Department on how to use personal protective equipment (PPE).

The Emergency Planning Lead continues to undertake group training sessions on the internal management of major incidents for the on call or duty staff, this includes Duty Directors, Duty

Managers (Acute and Adults and Long Term Conditions), members of the Acute Response Team, Associate Directors of Nursing, Senior Nurses covering bleep 002, On Call Consultant Haematologists and Loggists.

The Trust has undertaken a self-assessment in 2015 against the 51 NHS Core Standards for Emergency Preparedness, Resilience and Response; it was determined after following the Emergency Preparedness, Resilience and Response (EPRR) work plan that the Trust was 'Fully Compliant' with the core standard.

## Going Concern

The management of risk is a key function of the Board of Directors. We seek to minimise all types of service, operational and financial risk through the Board Assurance Framework, which is subject to regular review and audit.

The Trust's financial plan is to deliver a break-even position in 2016/17. The plan is based upon achievement of the operational targets, receipt of the £10m Sustainability and Transformation Fund, and delivery of the £22.3m Cost Improvement Programme (CIP) plan.

At its meeting of 19th April 2016 the Audit Committee considered the plan for 2016/17 and going concern assessment. The plan is based on 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 efficiencies of £22.3m.

After making enquiries, the Directors believe that it is appropriate to prepare the financial statements on a going concern basis.

# Performance Analysis

## Trust Performance

### Non-elective services and waiting times in the Emergency Department (A&E)

The main challenges in achieving the A&E waiting time standard in 2015/16 were the increased volume of attendances and surges in activity, increased acuity of the patients (47% increase in the number of patients who required care in a resuscitation area on arrival), and an increased volume of ambulance activity. Whilst spikes in activity have compromised performance standards, delivery of the ambulance turnaround and time to triage remains consistently high. The agency capping threshold has impacted on the ability of the Emergency Department (ED) to flex its workforce to respond to surges in demand. This remains a significant challenge for 2016/17, with the key risks being a continued increase in demand and the ability to manage surges in attendances whilst maintaining quality standards. Actions being taken include:

- Early agreement and implementation of the winter plan through the System Resilience Group;
- A full workforce review within the ED department;
- Reviewing audit results to understand whether alternatives to A&E were available at patient level;
- Participation in the national ambulatory care working group;
- Exploring opportunities to create an emergency village;
- Increased partnership working with local primary and social care provider;
- Improved integration across acute and community services, to reduce the flow of patients into the hospital and ensure timely discharge for those who are admitted.

Similar issues have been identified in children's services, with an increasing number of referrals to the Children's Assessment Unit (CAU). The CAU is open 7 days a week to support A&E operational

standards. The Trust is working in partnership with the local CCGs, and other local secondary care providers, to implement standardised pathways of care for the management of children's health and social care that will support primary care professionals to make appropriate choices in urgent / emergency situations.

### **Elective services including Referral To Treatment (RTT) and cancelled operations**

The open pathway measure was consistently achieved across 2015/16, with the exception of cardiology services.

In order to achieve the 18-week RTT standard at specialty level, the Trust will continue to respond to changing patterns of demand. To mitigate risk and address capacity issues, a combination of actions will be taken including creation of additional internal capacity and identifying opportunities to redesign pathways and create new ways of working. This will be achieved through increased theatre utilisation, additional theatre sessions, increased day case rates / reduced length of stay (e.g. using different surgical techniques, enhanced recovery pathways) and, where necessary, medical staff recruitment. Key CIP schemes for 2016/17 will review the operational efficiencies of outpatient clinics and operating theatres which will improve the matching of demand and capacity. Delivery of the RTT standards at specialty level during 2016/17 will be a particular challenge for gastroenterology, particularly with the introduction and implementation of the 2 week referral NICE cancer standards.



### **Cancer services**

The Trust continued to experience challenges in the delivery of the cancer standards in 2015/16. The greatest challenge has been the impact that patient choice has throughout the patient journey. Work will continue into 2016/17 with commissioners and GPs to emphasise to the patients the importance of attending appointments once referred to the Trust and throughout the diagnostic stages of their pathway. Peaks in referral rates (predominantly driven by national cancer campaigns and seasonality) and increased case complexity are anticipated to continue into 2016/17. Actions to mitigate for this include improved matching of demand and capacity through proactive pathway management (including a review of all administrative processes). Formal escalation processes are in place across each element of the pathway. The Trust is currently assessing the impact the 2 week NICE guidance will have on capacity and performance standards in the Trust.

### **Diagnostic services**

Capacity across diagnostic services is a key factor in the delivery of all operational standards. Increased demand is forecast into 2016/17, but the standard of 99% of all patients waiting a maximum of 6 weeks for their diagnostic tests has been consistently achieved throughout the year.

Capacity issues have been identified in MR imaging, CT and ultrasound services. To manage the levels of demand, the Trust will maximise machine outputs, maintain increased working hours and ensure full slot utilisation. To flex capacity, mobile MR scanners will support the Trust during the peak requirements. The Trust recruited to four of the additional six consultant radiologist posts during 2015/16. This has provided an increased ability for radiologists to attend multi-disciplinary team meetings (MDTs), and will continue to reduce reporting timeframes. A further case for development of an additional MR scanner is being progressed and will require a further three Consultant Radiologist posts to support it. A full process review has been undertaken allowing the department to streamline activities and increase capacity across all modalities. Additionally, the workforce review redesigns roles allowing the department to manage the further increase in

demand within existing resources. The continued transition to electronic ways of working, including requesting and protocolling, will enable us to support further demand management.

The pathology service also continues to experience increased demand for its services, with envisaged difficulties in recruitment to a histopathologist role. Similarly, the pathology department will undertake a workforce review which aims to redesign roles

allowing scientists, nurses and supporting technical staff to undertake enhanced roles. The increased demand for Alcohol and Drug Advisory Services (ADAS) and phlebotomy services are currently under negotiation with local commissioners.

The improvement of ADAS service standards to United Kingdom Accreditation Service (UKAS) point of care is currently being modelled to assess the impact of this service change.

## Financial Performance Review

### Income and Expenditure Performance

The Trust had planned a deficit of £11.3m as part of the Annual Planning process for 2015/16. At the end of month 5, the Trust reported a material change to the original projections and therefore the Trust developed and submitted a revised reforecast of £14.2m.

Table 1 below compares performance against the 2015/16 reforecast.

Before the reporting of exceptional items the Trust reported a deficit of £14.6m for the year. After taking into account a net loss on the revaluation of assets of £2.4m, the deficit is £17.0m for the year. The Trust has had a revaluation of its assets in March 2016 which has resulted in an upward valuation of previously impaired assets of £0.8m (2014/15: £0.5m) as a result of a change in indices.

Full details of the Trust's financial performance are set out in the accounts for 1st April 2015 to 31st March 2016 that accompanies the Annual Report in Annex G.

**Table 1 compares the 2015/16 actual performance to the 2015/16 reforecast.**

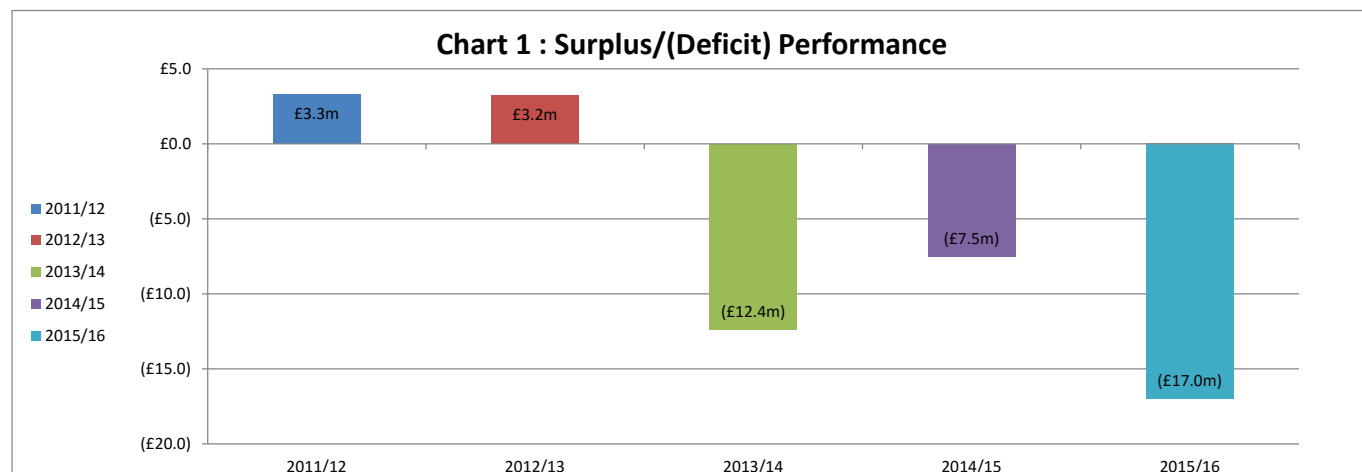
Table 1	Reforecast £'m	Actuals £'m	Variance £'m
Total income	382.5	382.8	0.3
Expenses	(385.6)	(386.7)	(1.1)
EBITDA*	(3.1)	(3.9)	(0.8)
Depreciation	(6.6)	(6.5)	0.1
Dividend**	(3.4)	(3.1)	0.3
Loss on Revaluation	0	(2.4)	(2.4)
Interest income	0.1	0.1	0
Interest expense	(1.2)	(1.2)	0
<b>Deficit</b>	<b>(14.2)</b>	<b>(17.0)</b>	<b>(2.8)</b>

\* Earnings before interest, tax, depreciation, impairment and loss on asset disposal and amortisation.

\*\* Public Dividend Capital

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

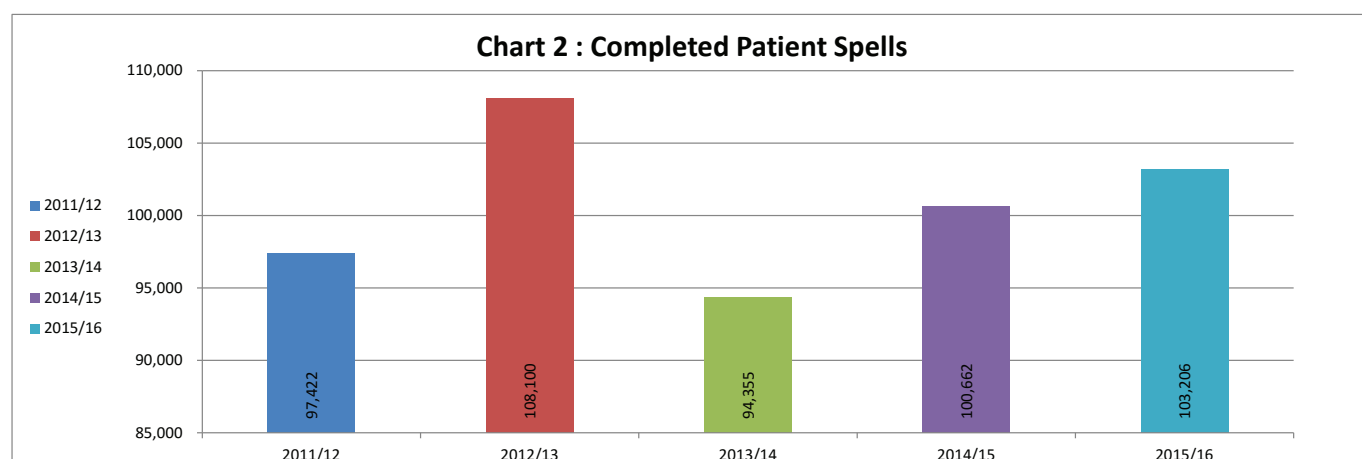
**Chart 1: Surplus/(Deficit) performance**



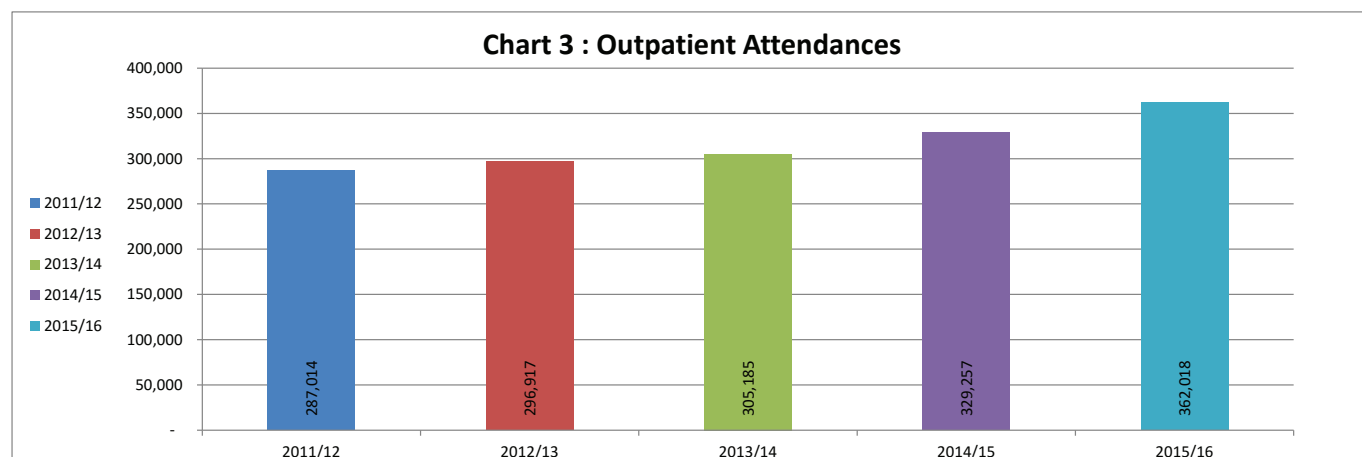
The financial performance prior to exceptional items was £3.4m below plan.

The Trust's main activity points of delivery are summarised in Charts 2, 3 and 4.

**Chart 2: Completed Patient Spells**

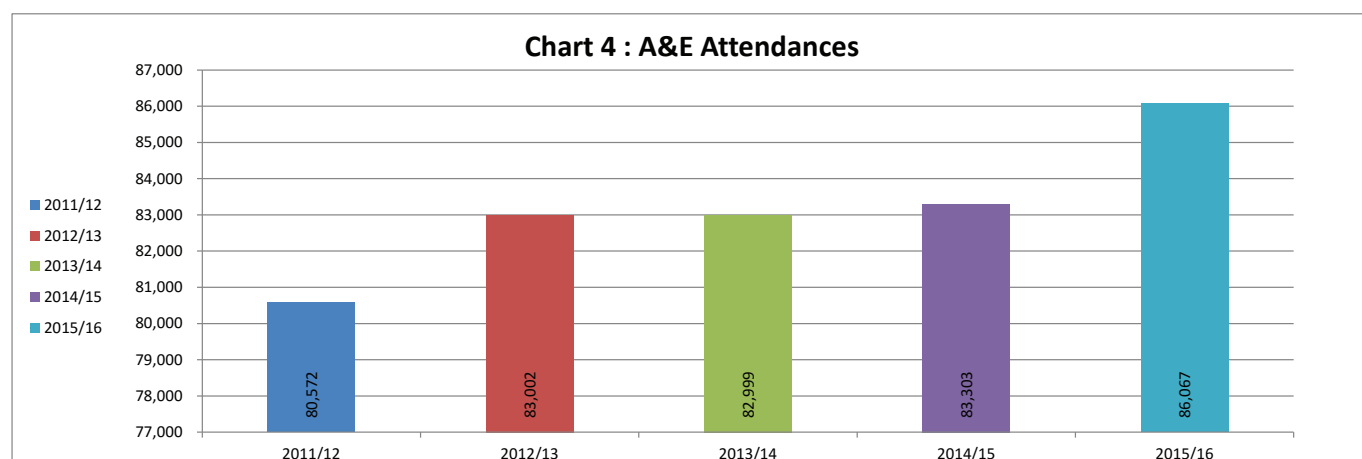


**Chart 3: Outpatient Attendances**





**Chart 4: A&E Attendances**

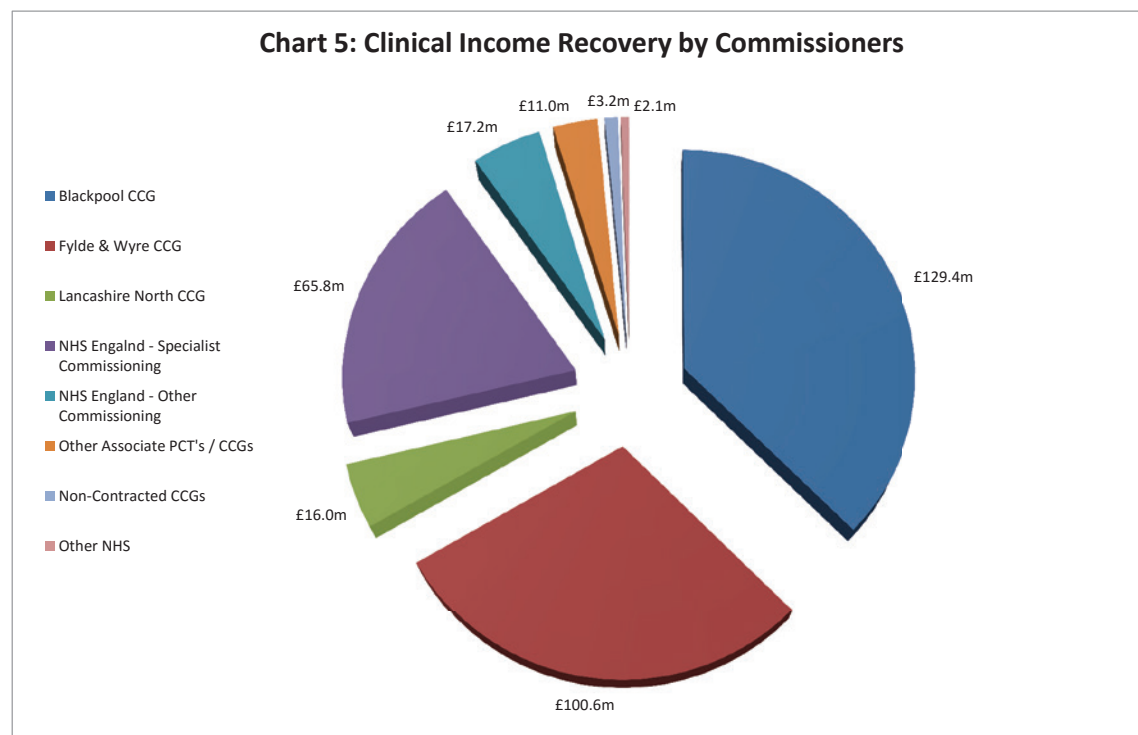


Income from providing clinical services to NHS patients, as shown in Table 2 below and Chart 5, represents the majority of the Trust's income. The provision of these services is covered by contracts with Clinical Commissioning Groups, other NHS commissioners, and Local Authorities. The terms of these contracts are agreed locally between the Trust and commissioners based on the national contract published by the Department of Health (DoH) and priced using the National Tariff, block contracts or locally agreed price contracts as appropriate.

**Table 2: Clinical Income by Commissioner**

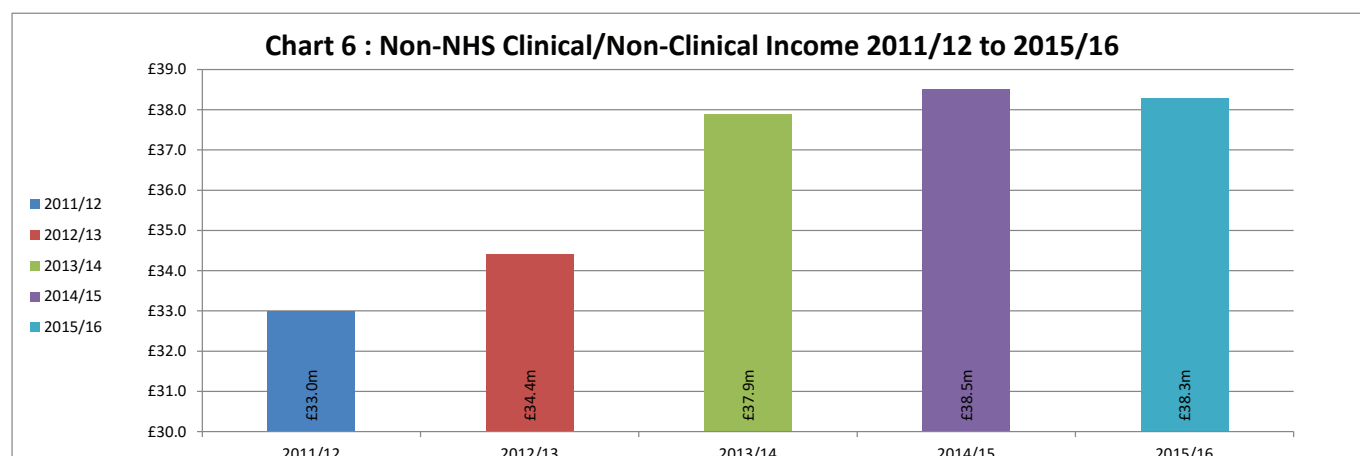
Commissioner	2015/16 Clinical Income (£'m)
Blackpool CCG	129.4
Fylde & Wyre CCG	100.6
Lancashire North CCG	16.0
NHS England - Specialist Commissioning	65.8
NHS England - Other Commissioning	17.2
Other Associate CCGs	11.0
Non-contracted CCGs	3.2
Other NHS Clinical Income	2.1
<b>Total</b>	<b>345.3</b>

**Chart 5: Clinical Income by Commissioner**



The Trust also receives a number of Non-NHS Clinical/Non-Clinical Income streams. The trend relating to this income is summarised in Chart 6 and the income performance by type is summarised in Table 3 and Chart 7.

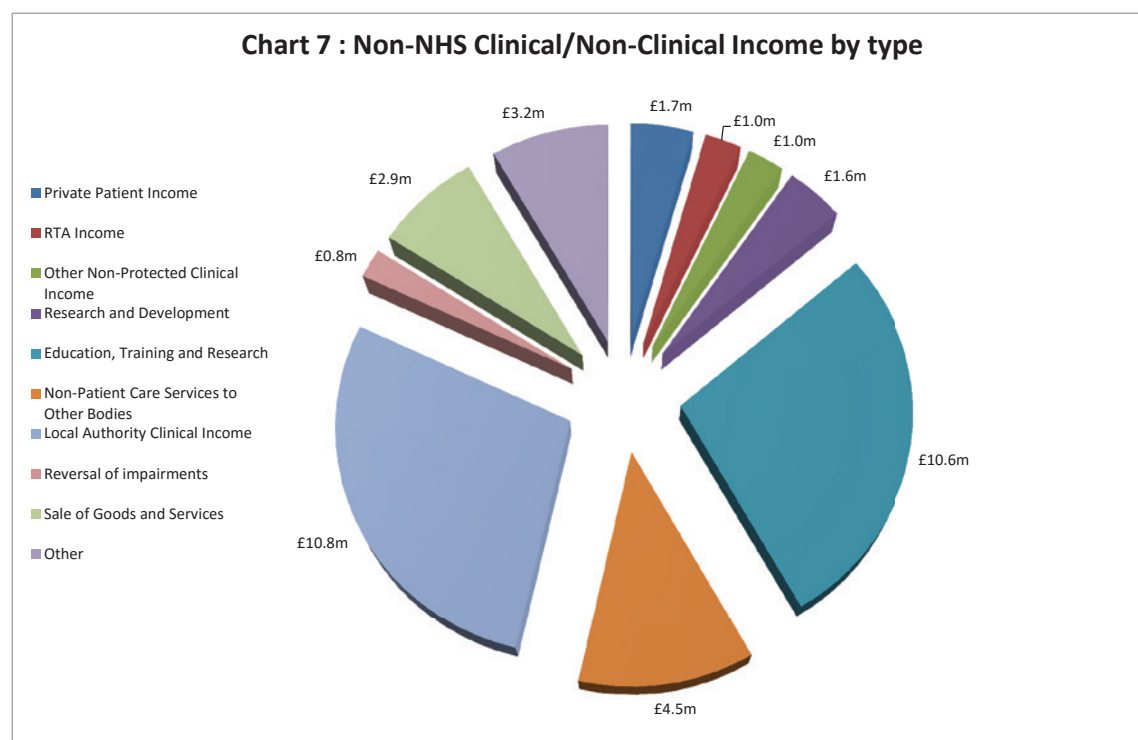
**Chart 6: Non-NHS Clinical/Non-Clinical Income 2011/12 to 2015/16**





**Table 3: Non-NHS Clinical/Non-Clinical Income by type**

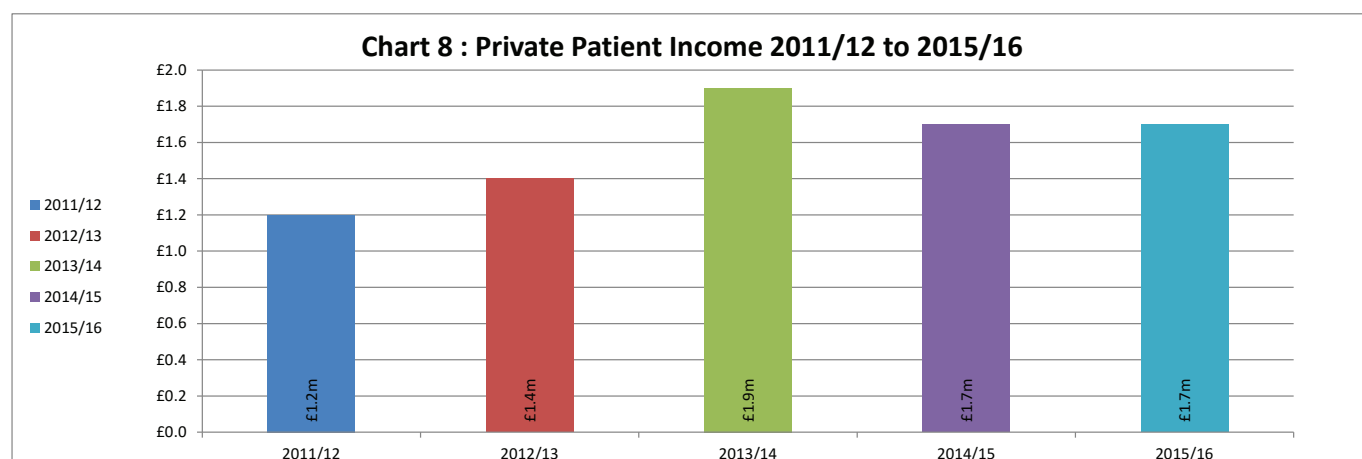
	2015/16
	£'m
Private patient income	1.7
RTA Income	1.0
Local Authority Clinical Income	10.8
Other Non-Protected Clinical Income	1.0
Research and Development	1.6
Education, training and research	10.6
Non-patient care services to other bodies	4.5
Sale of Goods & Services	2.9
Charitable/other contributions	0.1
Reversal of impairments	0.8
Other income	3.3
<b>Total</b>	<b>38.3</b>



These income streams equated to £38.3m or 10.0% of the total income earned for the year. Of this £23.8m or 6.2% relates to the provision of other services not directly related to healthcare, including catering and car park income. Any surplus from these services helps reduce the cost of patient related activities.

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 8 on the next page summarises the private patient income trend.

**Chart 8: Private Patient Income 2011/12 – 2015/16**



The expenditure summarised in Table 4, 5 and Chart 9 partly reflects the higher than planned activity delivered for both planned and emergency activity. Furthermore, the CCGs funded a number of developments throughout 2015/16. The Trust delivered £17.8m in Cost Improvement Programmes (CIP) against a target of £20.6m. In addition, the Trust has also accounted for an impairment charge as a result of downward valuation of £2.4m which is included within non-operating costs.

The Trust has in place a Programme Management Office (PMO) to scrutinise CIP planning and delivery, utilising external support to identify areas of improvement and develop / implement action plans to deliver the required efficiency. During the last five years the Trust has delivered savings of £15.5m in 2011/12, £19.2m in 2012/13, £12.7m in 2013/14, £20.3m in 2014/15, and £17.8m in 2015/16.

During the year the Trust spent £4.8m on management costs which represents 1.26% of turnover. By comparison, in 2014/15, management costs as a percentage of turnover were 1.46%. The definition of management costs used by the Trust is any one in non-clinical posts at band 8b and above.

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

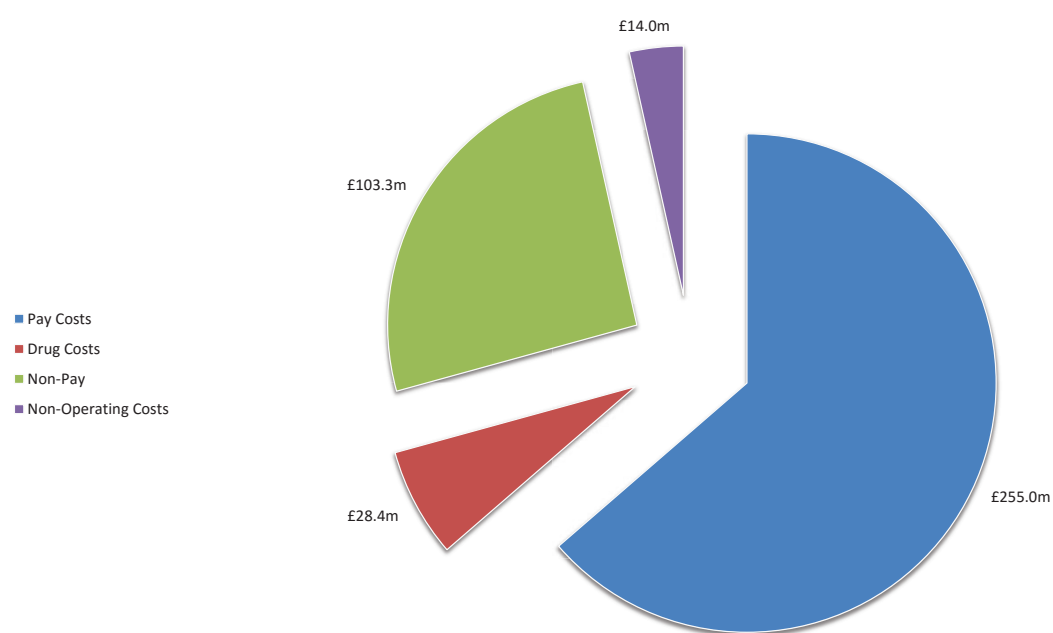
**Table 4: Expenditure Trend for 2011/12 – 2015/16**

	2011/12	2012/13	2013/14	2014/15	2015/16
	£'m	£'m	£'m	£'m	£'m
Expenditure	281.0	364.6	385.6	381.1	400.7

**Table 5: Expenditure for 2015/16 broken down by expenditure type**

Expenditure by Type	2015/16 Expenditure (£'m)
Pay Costs	255.0
Drug Costs	28.4
Non Pay	103.3
Non Operating Costs	14.0
<b>Total</b>	<b>400.7</b>

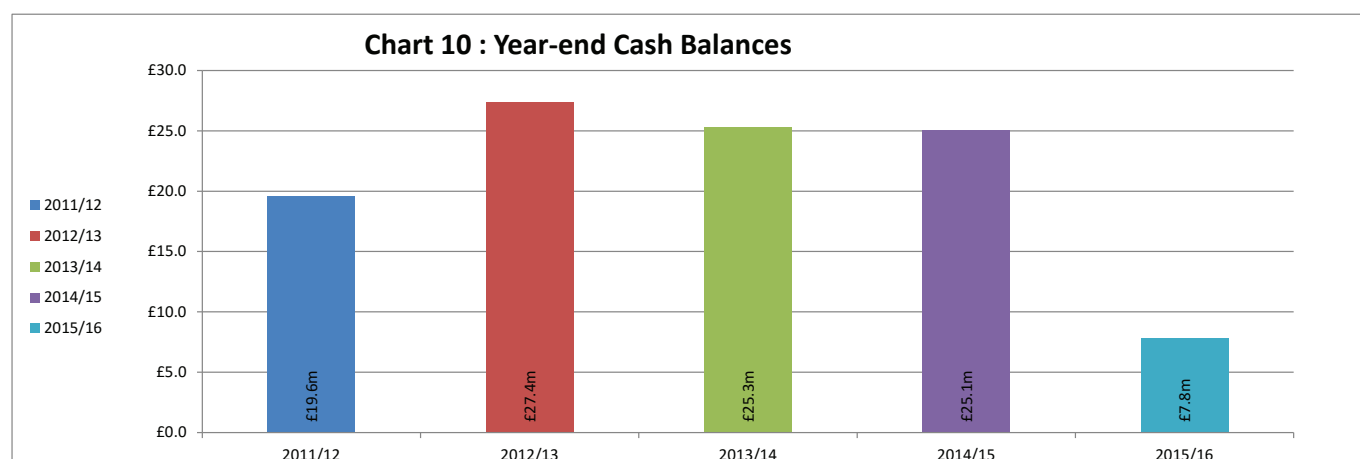
**Chart 9 : Expenditure for 2015/16 broken down by expenditure type**



## Cash Flow and Balance Sheet

The Trust's cash balance at the end of the financial year was £7.8m against a reforecast balance of £5.7m. The cash balance was £2.1m above the reforecast as a consequence of additional income being received from CCG's to support service development relating to the Vanguard initiative where costs will be borne in 2016/17. Chart 10 summarises the Trust's year end cash balances across the last five years.

**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. The Trust has maintained sufficient cash and liquidity to support ongoing demands during 2015/16. For further information on cash and liquidity expectations for 2016/17 see the Going Concern section within the Performance Report on page 20, regarding the Trust's going concern assessment.

To comply with best practice the Trust is required to pay 95% of undisputed invoices within 30 days of receipt. Table 6 on the next page summarises the performance for 2015/16.

**Table 6: Better Payment Practice Code**

Subject	Number 2015-16	£'000 2015/16	Number 2014/15	£'000 2014/15
Total Non-NHS trade invoices paid in the year	107,058	158,434	105,295	147,764
Total Non-NHS trade invoices paid within target	28,128	64,467	42,038	73,542
Percentage of Non-NHS trade invoices paid within target	26.3%	40.7%	39.9%	49.8%
Total NHS trade invoices paid in the year	3,650	28,408	3,190	25,982
Total NHS trade invoices paid within target	987	13,187	1,359	13,978
Percentage of NHS trade invoices paid within target	27.0%	46.4%	42.6%	53.8%

The payment performance which is lower than the Prompt Payment Code requirement is reflective of the Trust's strategy to maintain cash balances.

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

The Trust invested over £6.0m in capital schemes during 2015/16. Expenditure during the period included the following investments;

**Table 7: Capital Expenditure 2015/16**

	£m
Medical Equipment	2.4
Electronic Information Projects	2.5
Clifton Hospital Development	0.5
Other Schemes	0.6

Financial assistance for the 2015/16 capital programme was sourced from the ITFF (£1.44m) as the final drawdown of a loan to support medical equipment replacement.

### Performance against Monitor's Risk Assessment Framework

Monitor is the Independent Regulator of Foundation Trusts. Monitor has devised a system of regulation described in its Risk Assessment Framework, which is available from the Monitor web site: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/455893/RAF\\_revised\\_25\\_August.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/455893/RAF_revised_25_August.pdf)

A brief description of Monitor's regulatory ratings is provided below. Monitor takes a proportionate, risk based approach to regulation. The assessment of risk by Foundation Trusts and by Monitor was articulated during 2015/16 by the application of

two assessment ratings:

- Financial Sustainability Risk Rating (FSRR) - rated 1-4, where 1 represents the highest risk and 4 the lowest; and
- Governance Rating - rated; red, under review or green.

### Financial Sustainability Risk Rating

Monitor, the independent regulator of Foundation Trust's, requires the Trust to comply with the Risk Assessment Framework, which includes the Financial Sustainability Risk Rating as the measure of financial performance.

The Financial Sustainability Risk Rating incorporates the following measures of financial robustness and efficiency:

- Liquidity: days of operating costs held in cash or cash-equivalent forms, including wholly committed lines of credit available for drawdown;
- Capital Servicing Capacity: the degree to which the organisation's generated income covers its financing obligations;
- Income and Expenditure (I&E) Margin: the degree to which the organisation is operating at a surplus/deficit;
- Variance from Plan in relation to I&E margin: variance between a Foundation Trust's planned I&E Margin in its Annual Forward Plan and its Actual I&E Margin within the year.

The overall score informs Monitor's regulatory approach towards the Foundation Trust:

1. Financial Sustainability Risk Rating 1:

Foundation Trust demonstrates a significant level of financial risk;

2. Financial Sustainability Risk Rating 2: Foundation Trust represents a material level of financial risk;
3. Financial Sustainability Risk Rating 3: Monitor continue to monitor the Foundation Trust;
4. Financial Sustainability Risk Rating 4: Monitor generally take no action beyond continuing to monitor the Foundation Trust.

## Governance Rating

Foundation Trusts should be well-governed; this includes how the Foundation Trust oversees care for patients, deliver national standards and remain efficient, effective and economic.

The Governance Rating assigned to a Foundation Trust reflects Monitor's view of the strength of its governance:

- Red Rating: Enforcement action against the Foundation Trust;
- Under Review: Potential material concerns with the Foundation Trust's governance identified in one or more of the categories (requiring further information or formal investigation);
- Green Rating: No governance concern evident or no formal investigation being undertaken against the Foundation Trust.

## Financial Performance – Against Monitor's Risk Assessment Framework

Based on its 2015/16 Annual Plan submission, the planned risk rating was assessed at Continuity of Service Risk Rating (CoSRR) 1. Actual performance for 2015/16 is a CoSRR rating of 1. In August 2015, Monitor replaced the CoSRR with the Financial Sustainability Risk Rating (FSRR). Table 8 below summarises the Trust's performance against the Risk Assessment Framework.

**Table 8: FSRR Metrics 2015/16**

	2015/16 plan	2015/16 Annual Performance
Liquidity ratio	-27.7 days	-28.3 days
Capital Service Cover	0.1x	-0.4x
I&E Margin	-2.98%	-3.57%
I&E Margin variance from plan	-0.75%	-0.54%

## Governance Performance – Against Monitor's Risk Assessment Framework

The Governance rating for Blackpool Teaching Hospitals NHS Foundation Trust has been "Under Review" throughout 2015/16 due to the Trust financial performance.

On a monthly basis, the Trust is required to submit monitoring returns to Monitor, as the regulator, for performance regarding finance and on a quarterly basis reports regarding finance and governance. A report is submitted to the Board each quarter regarding the following key purposes:

- to set out the Trust's Monitor Governance Declaration, Governance Rating and supporting documentation in accordance with its Terms of Authorisation and the Monitor Risk Assessment

Framework requirements 2015/16 and;

- to provide information and assurance to the Board, and to Monitor, that the necessary actions are being implemented to address any issues or concerns raised.

Further information regarding arrangements in place to govern service quality is outlined in the Quality Report at Annex A and in the Annual Governance Statement at Annex E.

The tables below provide a summary of regulatory risk rating performance throughout the year and a comparison to the previous year.

Table 9 provides a summary of the actual quarterly regulatory risk rating performance for 2014/15 and 2015/16 compared with expectations in the annual plan.

**Table 9: Regulatory Ratings Reports**

Regulatory Ratings Report 2014/15					
Subject	Annual Plan 2014/15	Q1 2014/15	Q2 2014/15	Q3 2014/15	Q4 2014/15
Continuity of Service Rating	2	2	2	2	2
Governance Rating	Green	Green	Green	Under Review	Under Review

Regulatory Ratings Report 2015/16					
Subject	Annual Plan 2015/16	Q1 2015/16	Q2 2015/16	Q3 2015/16	Q4 2015/16
Financial Sustainability Risk Rating	1	1	2	2	2
Governance Rating	Under Review	Under Review	Under Review	Under Review	Under Review

During 2015/16, the Trust has reported a deficit before exceptional items of £14.6m (and a deficit of £17.0m after exceptional items). The exceptional items impact relates to asset impairments of £2.4m.

The Trust's main accounting policies, that are used to prepare the accounts are set out in Annex G to this report. Details of Directors' remuneration is included in the Remuneration Report.

### Income Disclosures

As per Section 43(2A) of the NHS Act 2006, 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 2015/16 accounts, which is outlined at Annex F.

Blackpool Teaching Hospitals NHS Foundation Trust has met the requirement for the 2015/16 Financial Year that the income from the provision of goods and services for the purposes of the health service in England is greater than its income from the provision of goods and services for any other purposes.

Where Blackpool Teaching Hospitals NHS Foundation Trust has received income other than income from the provision of goods and services for the purposes of the health service in England,

this other income and any associated expenditure has not had a detrimental impact on the provision of goods and services for the purposes of the health service in England and where appropriate has contributed to / supported the provision of goods and services for the purposes of the health service in England.

### 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 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.

### Liquidity Risk

The Trust's net operating costs are incurred under service agreements with NHS England, local Clinical Commissioning Groups and Local Authorities, which are financed from resources voted annually



by Parliament. The Trust largely finances capital expenditure through internally generated funds and from loans.

### **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**

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

### **External Contracts**

The Trust has a number of external contracts as detailed below:-

- Blackpool Clinical Commissioning Group (CCG);
- Fylde and Wyre Clinical Commissioning Group (CCG);
- Lancashire North Clinical Commissioning Group (CCG);
- NHS England;
- Blackpool Council – Public Health;
- Lancashire County Council – Public Health.

The Trust also has contractual arrangements with the following essential organisations:-

- Pricewaterhouse Coopers (PwC) - who are the Trust's External Auditors;
- KMPG LLP – who are the Trust's Internal Auditors (1st October 2012 – present);
- Hempsons Solicitors – who are the Trust's solicitor;
- Lloyds Pharmaceuticals for provision of outpatient dispensing service;
- NHS Supply Chain provider of medical consumables and capital items for general wards and theatres;
- Medtronic UK provider of general medical technologies and services;
- ISS Facilities Healthcare provider of facilities

services;

- Siemens Healthcare Diagnostics provider of general medical goods and services;
- Boston Scientific provider of general medical technologies and services.

### **External Auditors**

The Council of Governors at their meeting on 17th March 2014 approved the appointment of PwC as the Trust's external auditors until 31st May 2017 with the option to extend until May 2018. PwC were paid £59,225 in respect of statutory audit fees, including the independent reporting work in relation to the Independent Auditor's report in the annual Quality Report.

The Trust limits work undertaken by the external auditors outside the audit code to ensure independence is not compromised. In 2015/16 PwC did not provide any other services to the Trust.

### **Counter Fraud**

NHS Protect provides the framework to minimise losses through fraud. The Trust's local policy complements the national and regional initiatives and sets out the arguments for the reporting and the elimination of fraud.

The Director of Finance and Performance is nominated to make sure that the Trust's requirements are discharged and is aided by a Local Counter Fraud Specialist (LCFS). The Trust has invested in a full time "in house" LCFS who has developed a Counter Fraud Plan that is risk based and aims to proactively reduce fraud and create an anti-fraud culture, whilst simultaneously supported by appropriate deterrence and prevention measures.

The Trust's investment in a full time LCFS enables the anti-fraud culture to become embedded and tackle fraud, bribery and corruption in accordance with an annual work plan which dictates the counter fraud work that will be conducted under four subject headings:

- Strategic Governance;
- Inform and Involve;
- Prevent and deter; and

- Hold to account.

The Local Counter Fraud Specialist will develop an anti-fraud culture across the Trust by;

- Applying a strategic, co-ordinated, intelligence-led and evidence based approach to all aspects of counter fraud work;
- Working in partnership with key stakeholders, such as the Police, Crown Prosecution Service, UK Border Agency (UKBA), Local Authorities and professional organisations to provide the opportunity to coordinate the delivery of counter fraud work;
- Ensuring robust policies and/or processes are in place to protect NHS assets;
- Ensuring the highest standard of work is achieved by means of a clear professional and ethical framework that is consistently used throughout the counter fraud field of work.
- Preventing and deterring fraudulent acts throughout the Trust, by promoting successful counter fraud work;
- Conducting fraud detection exercises into areas of risk;
- Investigating all allegations of suspected fraud and
- Obtaining, where possible, appropriate sanctions and redress.

Progress against the plan is regularly reported to the Audit Committee. The LCFS completes an annual assessment, which is monitored by NHS Protect and reviewed at a local level, to ensure existing controls continue to mitigate the risk of fraud, bribery and corruption.

## Quality Performance Review

The Trust's quality goals remain focused on the provision of safe and high quality care and continue to build on the goals set out in 2014/15. Detail around quality projects implemented to support achievement of the goals are detailed in the Quality Accounts. The review of quality performance against these goals is measured through patient and carer feedback, as described below, which supports the key quality goal '*Patients and Carers to be 100% involved in decisions about their care*'.

## Listening to Service Users

In the last 12 months the Trust has continued to engage with our patients to appreciate, understand and acknowledge them as being the experts in their own care experiences. The Patient Experience Team has fostered positive relations with statutory and non-statutory external organisations to influence improvements within the Trust and also develop relations between our clinical teams and voluntary organisations. Patient Experience has the aspiration that our patients feel that they have a voice, are listened too and that changes are made when needed.



We aim to show continued real improvements in our customer care by identifying areas for development and being courageous in exposing these areas to detailed analysis and supportive measures to make authentic changes.

The mechanisms we use have seen a 23.93% increase in the patient feedback the Trust receives; this has been through promotion of the ways people can contact us including the award winning 'Tell Us' Campaign, the patient opinion website, the Trust's website and social media sites like Twitter and Facebook. The relationship we have with external advocacy agencies, such as, Healthwatch Blackpool and Healthwatch Lancashire has also continued to flourish and the feedback received used to make real improvements.

Through our Listeners and Patient Panel we have an information source that is both rich and unique. It also complements the feedback we receive from our Local and National Inpatient

Survey, and our Bereavement Survey. It also allows us to be responsive and provide bespoke questionnaires as required.

### NHS Friends and Family Test

One of the standard index measures that we are compared with is the percentage of our patients who would recommend us to their friends and family. The Friends and Family Test (FFT) is now available trust-wide for our patients and carers to give us their valuable feedback, between April 2015 and March 2016 we have had responses from 49,502 patients. The vast majority, 95% of those responding, said they would be either 'likely' or 'extremely likely' to recommend us and their additional comments have been overwhelmingly positive.

In the next 12 months we plan to improve how we use the free text comments, to ensure that each area is using and learning from the comments our patients make. Patient Experience plan to identify response indicators for each area that are indicative of the eligible patients so that there can be a better focus on improving the likely to recommend.

### Sharing our Patients' Voices

Our patient stories are valuable tools that we can learn about our patient's experiences. During the past 12 months we have continued to promote these within clinical areas, develop the format they are told in and how we use the stories heard. Patient Experience has also linked other feedback mechanisms into these and positively confronted teams with these voices to help the understanding of our patients journeys.

### Compliments

Compliments help us to improve staff morale and ultimately lead to a better patient experience, as they allow us to develop good practice and improve the quality of care. During 2015/16, we obtained positive feedback regularly via cards, verbal thank you's, and tokens of appreciation from patients and their families. In addition, to the compliments recorded we have received 263 written thank you letters for 2015/16.

Table 10

	2013/14	2014/15	2015/16
Total number of compliments	4331	4666	4295

### Patient Relations Contacts, Concerns and the Complaint Process

Our Patient Relations Team received 4259 contacts from members of the public over the last 12 months, a decrease of 67 cases compared to the number they received last year.

The number of formal complaints received by the Trust in 2015/16 was 535 this includes 416 written complaints and 119 verbal complaints made. The overall number of formal complaints shows an increase of 34 for the Trust figures.

Whilst reduction of complaints is not necessarily an indicator of success, the severity of complaints received has lessened in the last 12 months.



The Patient Experience Team has worked with divisions to improve response times to complaints which has been demonstrated in a 89.50% average response time in the last six months.

Complaints and concerns continue to be a regular agenda item on the Trust Board of Directors agenda and are also discussed at each Divisional Clinical Quality and Risk meeting, the Learning from Incidents and Risks Committee and the Trust's monthly Complaint Review Panel. Closer working with the divisional teams has seen a reduction in the time spent on gathering information and increased time on recommendations and implementing them.

More recently the Patient Relations Team have been actively visiting areas to provide support and advice to teams to promote, support and assist.

### **Parliamentary and Health Service Ombudsman**

During 2015/16, 16 formal complaints were investigated by the Ombudsman. Of these, the Ombudsman decided four cases are not upheld and 12 are still under consideration and classed as being 'referred to the second stage'.

In other instances (cases resolved during 2015/16 but referred to the Ombudsman prior to this financial year) the Ombudsman reviewed or are in the process of reviewing 30 cases. Of these two cases were deemed not to need further investigation, eight were not upheld and 14 cases are still in the second stage of review. Six case investigations have been completed during this financial year resulting in six action plans describing what has been done to ensure lessons learnt from the failing are identified. These will be monitored by our Board of Directors until completion. Three of the six cases resulted in financial payments of £3,000 in total.

The Patient Experience Team continues to work with divisions at improving the quality of responses and reducing the numbers of second responses and referrals to the Parliamentary and Health Service Ombudsman (PHSO). The team also committed to measuring and influencing the complaint process experience so that it becomes as valuable as the answers and actions themselves.

### **Never Events**

Never Events are serious, largely preventable patient safety incidents that should not occur if the available preventative measures have been implemented by health care providers.

One Never Event was reported by the Trust within the financial year 2015/16, which was investigated under the Serious Incident investigation process.

The Trust reported this Never Event incident through the Department of Health's Strategic Executive Information System (StEIS) in August 2015. The incident involved the wrong size lens being inserted during cataract surgery within

the Ophthalmic Surgical Unit and falls under the Never Event category 'Wrong Implant/Prosthesis'. The patient required a further two operations following his initial surgery to correct this error.

Following investigation of this incident, the Ophthalmology Unit have put in place a process for clearer identification in the medical records of the intended implant and this is referenced at the preoperative stage of the procedure.

A second incident was initially reported as a Never Event Wrong Site Surgery in November 2015; however this was downgraded following a full investigation and declared as an appropriate clinical decision.

The Never Events Policy Framework is designed to provide healthcare workers, clinicians, managers, boards and accountable officers with clarity around their responsibilities and the principles of never events. In particular, it is designed to be clear about what they are expected to do in terms of preventing never events and how they must respond to them if they should occur, including clarity around incident reporting. The new NHS England Never Events Framework 2015/16 provides a lever for those in the NHS to improve patient safety through greater focus, scrutiny, transparency and accountability when serious patient safety incidents occur.

## **Environmental Performance**

The Trust recognises its responsibilities towards Sustainable Development and protecting the environment, as part of its duties as a promoter of high quality healthcare. The Trust is committed to providing high quality healthcare services to the local population whilst operating in a sustainable as possible way.

During the last 12 months the Trust has continued its efforts to reduce the carbon footprint with energy efficiency initiatives working towards the 20% reduction by 2020.

Following the schemes of 2014/15, we have seen improvements in our energy efficiency following the replacement of the old calorifiers with new Plate Heat Exchangers, which has enabled us to



provide a better environment for patients and staff. This resulted in working towards a reduction of our carbon footprint (CO2) emissions with the annual out turn of CO2 being slightly lower than 2014/15.

Our energy use for the year of 2015/16 saw a reduction in use for several months in comparison to 2014/15, most notably during the winter period. This is due to work that had been undertaken to improve the efficiency of the steam distribution system on site resulting in a reduced cost comparison to previous years.

We are continuing the work to replace internal and external lighting with modern LED technology to support our efforts in reducing the amount of energy we use on site

## Social, Community and Human Rights Performance

During the past 12 months, the Trust has invested in the youth of our local population, in order to attract, recruit and retain staff. The Workforce Development Team regularly attend Career fairs and Career Events hosted by local schools and Blackpool Council.

Our Work Experience Programme has supported 104 students from schools and colleges, located within the geographical footprint.

The Trust is currently working in partnership with Blackpool and Fylde College and Blackpool Sixth Form College to support a Cadet Programme. During the past 12 months, the Trust has supported 122 cadets. Many of these cadets will go on to undertake nurse training at the local universities and return to the Trust as qualified nurses in the future. A number of cadets will gain employment with the Trust as Healthcare Assistants, making this a vital pipeline for our future workforce.

In 2015, the Trust embarked on a new external Apprenticeship initiative in partnership with Blackpool and Fylde College. To date, the Trust has recruited 13 Apprentices located in various departments within the organisation. It is anticipated that all of the Apprentices will gain

employment within the Trust on completion of their qualifications.

The Trust also works in partnership with Blackpool and Fylde College to deliver various Apprenticeship programmes to our existing staff. During 2015, 94 staff have been supported to gain a recognised qualification for the roles which they currently undertake.

As well as investing in the youth, the Trust has also invested in various other initiatives, in order to support our recruitment challenges. We are currently working with the College of Veterans and Uniformed Services and Health Education North West (HENW), to investigate how we can offer Military Veterans access into health sector employment on leaving the armed forces.

In the near future, the Trust will be working in partnership with Blackpool Council on the Chance2shine initiative. This provides a range of structured work placements for unemployed people to enable them to gain valuable new skills and rebuild their confidence to get back on the road to full time employment.

## Important Events affecting the Trust since 31st March 2016

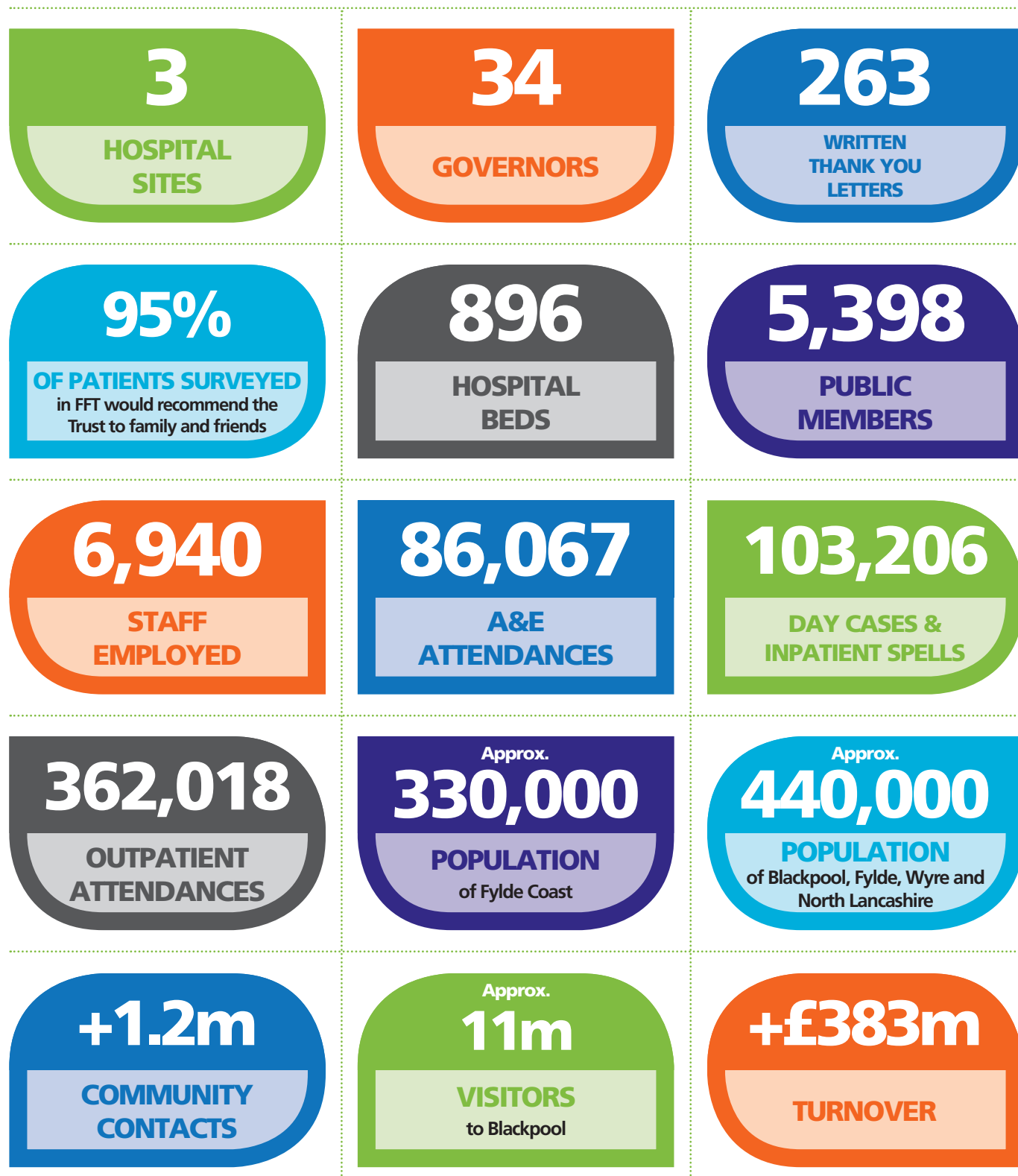
On 3rd May 2016, the Trust officially launched the new Trust Strategy at Team Brief. The Trust is delivering nine strategic roadshows to staff across the Trust.

Following the staff data incident in January 2015, which was reported in the 2014/15 Annual Report and Accounts, the Information Commissioner's Office (ICO) has issued a monetary penalty of £185,000 to the Trust.

## Overseas Operations

The Trust has no operations outside the United Kingdom.

# Blackpool Teaching Hospitals NHS Foundation Trust in Numbers







"It's not just a job to Dr Kollipara. He could not have been nicer. He was very gentle and he didn't talk down to me. I am very grateful for all the care I have received from staff."

Mr Smart, St Annes



# Accountability Report

## Directors' Report

### Board of Directors

The business of the Foundation Trust is managed by the Board of Directors which is collectively responsible for the exercise of the powers and the performance of the NHS Foundation Trust subject to any contrary provisions of the NHS Act 2006, as given effect by the Trust's Constitution. These changed slightly following the introduction of the Health and Social Care Act in March 2012.



The Board of Directors is responsible for providing strong leadership to the Trust and its responsibilities include:

- Setting strategic aims and objectives, taking into account the views of the Council of Governors;
  - Ensuring that robust assurance, governance and performance management arrangements are in place to deliver 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 compliance with its Provider Licence, as laid down by Monitor and other relevant contractual or statutory obligations;
  - Ensuring compliance with the Trust's
- Attend Council of Governors meetings – the meetings now take place on the same day as Board meetings to enable assurance issues to be discussed at the Board meetings and in-depth discussions about other issues to take place at the Council of Governors meetings. The meetings are chaired by the Trust Chairman and at least two Non-Executive Directors attend the meetings on a rotational basis and at least three Executive Directors attend the meetings including the Chief Executive;
  - Attend meetings of the Membership Committee - one nominated Non-Executive

Constitution, Standing Orders, Reservation of Powers and Scheme of Delegation and Standing Financial Instructions which set out the types of decisions that are required to be taken by the Board of Directors. The Reservation of Powers and Scheme of Delegation identifies those decisions that are reserved by the Board of Directors and those that can be delegated to its Board Committees, Committees and Trust Managers. The Constitution, Reservation of Powers and Scheme of Delegation also describes which decisions are to be reserved for the Council of Governors.

The Board of Directors comprises eight Non-Executive Directors (including the Chairman) and seven Executive Directors (including the Chief Executive), until February 2016 when this reduced to six. 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 Foundation Trust Members. In addition, the Trust's performance is scrutinised by Monitor and the CQC.

In order to understand the roles and views of the Council of Governors and the Foundation Trust Members, Board members undertake the following:

Director attends meetings of the Membership Committee.

In addition, in order for the Council of Governors to understand the views of the Board of Directors, Governors undertake the following:-

- Attend, as observers, Board of Directors meetings held in public;
- Attend, as observers, committees of the Board, for example, Finance Committee, Quality Committee and Strategic Workforce Committee;
- Attend monthly service visits and monthly formal patient safety walkabouts;
- Attend other Trust committees, for example, Charitable Funds Committee, Health Informatics Committee, Patient Experience & Involvement Committee, Operational Workforce Committee.

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.

Changes to the membership of the Board of Directors during 2015/16 were as follows:-

- The resignation of the Chief Executive, Gary Doherty, in December 2015;
- The appointment of the Chief Executive (Interim), Wendy Swift, in February 2016;
- The retirement of Tony Shaw and Jim Edney, Non-Executive Directors, in March 2016 and May 2016 respectively;
- The appointment of Michael Hearty and Mark Cullinan in February 2016 and March 2016 respectively with start dates of 1st April and 1st July respectively.

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

With regard to the termination of Non-Executive Directors, removal is in accordance with the procedures outlined in the Trust Constitution

- Any proposal or removal must be proposed by a Governor and seconded by no less than 10 Governors, including at least two elected Governors and two Appointed Governors;

- Written reasons for the proposal shall be provided to the Non-Executive Director in question, who shall be given the opportunity to respond to such reasons;
- In making any decision to remove a Non-Executive Director, the Council of Governors shall take into account the annual appraisal carried out by the Chairman;
- If any proposal to remove a Non-Executive Director is not approved at a meeting of the Council of Governors, no further proposal can be put forward to remove such Non-Executive Director based upon the same reasons within 12 months of the meeting.

Board of Directors' meetings have taken place as follows in 2015/16:

- Formal Board Meetings – 8;
- Extraordinary Board Meetings – 0;
- Confidential Board Meetings – 8;
- Corporate Trustee Meetings – 4;
- Board Seminars – 4;
- Away Days/Board Development Days – 1.

Following a detailed review of the committee structure early in 2015, there are seven committees of the Board, three of which are statutory committees.

The three statutory committees are as follows:

- Nominations Committee (which is a committee of the Council of Governors);
- Remuneration Committee (which is a committee of the Board of Directors);
- Audit Committee (which is a committee of the Board of Directors).

The remaining four committees are as follows:

- Strategy and Assurance Committee (which is a committee of the Board of Directors);
- Quality Committee (which is a committee of the Board of Directors);
- Finance Committee (which is a committee of the Board of Directors);
- Strategic Workforce Committee (which is a committee of the Board of Directors).

In addition, there is a Corporate Trustee, which is a separate legal entity to the Board, and has the power to directly oversee the affairs of the Trust's registered Charity through the setting of policy and monitoring delivery and compliance. It is also responsible for ensuring that the funds within the Trust's registered Charity are managed in accordance with relevant legislation, regulations and specific Trust deeds where applicable. The Corporate Trustee has established a Charitable Funds Committee to manage operational aspects of the Charity on its behalf. The Charitable Funds Committee has been formally constituted by the

Corporate Trustee with delegated responsibility to make and monitor arrangements for the control and management of the Trust's Charitable Fund and report to the meetings of the Corporate Trustee.

### Board Committees

Attendance at the Board of Directors' meetings, the Corporate Trustee meetings, one of the Board statutory committee meetings and four of the Board committee meetings is summarised in the following table:-

Board Members	Board of Directors	Corporate Trustee	Audit Committee	Strategy & Assurance Committee	Finance Committee	Quality Committee	Strategic Workforce Committee
<b>Number of Meetings</b>	<b>8</b>	<b>4</b>	<b>5</b>	<b>4</b>	<b>11</b>	<b>6</b>	<b>3</b>
Ian Johnson	8	4	N/A	4	11	6	2
Tony Shaw	6	2	3	4	N/A	N/A	N/A
Karen Crowshaw	8	4	N/A	3	10	N/A	3
Doug Garrett	8	4	5	4	N/A	N/A	N/A
Alan Roff	8	4	1 as NED alternate	4	N/A	6	N/A
Jim Edney	8	4	5	4	N/A	N/A	N/A
Michele Ibbs	8	4	N/A	4	11	5	N/A
Dr Malcolm McIlmurray	6	2	N/A	4	N/A	N/A	3
Gary Doherty (from 1.4.15 to 28.2.16)	7	3	1 *	2	8	5	3
Wendy Swift	8	4	4	4	11	1 **	N/A
Pat Oliver	8	4	1	4	11	N/A	2
Professor Mark O'Donnell	7	3	N/A	4	8	5	3
Marie Thompson	8	4	N/A	4	8	5	3
Nicky Ingham	8	4	N/A	3	7	4	3
Tim Bennett	8	4	5	4	11	N/A	N/A

\* The Chief Executive is required to attend at least one Audit Committee Meeting per year to present the Annual Governance Statement.

\*\* The Chief Executive (Interim) joined the Quality Committee following the resignation of the Chief Executive in February 2016.

The work of the Board statutory committees and Board committees is evaluated on an annual basis against agreed work plans with assurance reports provided to the Board of Directors in respect of audit, finance, quality and strategic workforce.

The Corporate Assurance Department, in conjunction with the Chairs of the Board of Directors, Council of Governors, Corporate Trustee and Board committees has undertaken a full review of the Terms of Reference aligning them with the Reservations of Powers and Scheme of Delegation.


The follow meetings were reviewed during 2015 and the Terms of Reference were finalised in October 2015:-

- Board of Directors;
- Audit Committee;
- Quality Committee;
- Finance Committee;
- Strategic Workforce Committee;
- Risk Committee;
- Strategy and Assurance Committee;
- Remuneration Committee;
- Corporate Trustee;
- Council of Governors;
- Nominations Committee.

During the financial year, no political donations were made by Blackpool Teaching Hospitals NHS Foundation Trust.

## Board Composition and Profile

<b>Ian Johnson (Chairman)</b>	
Term of Office from 16.4.12 to 15.4.15 (First Term) and from 16.4.15 to 15.4.18 (Second Term)	
<b>Experience:</b> <ul style="list-style-type: none"> <li>• Thirty years' experience as a Solicitor and Company Director</li> <li>• Member of the Law Society and Institute of Directors</li> <li>• Director of WennLaw Limited Legal Consultancy</li> <li>• Vice Chairman of NHS Providers North West Network</li> <li>• Fellow of Royal Society of Medicine</li> </ul>	

<b>Tony Shaw (Non-Executive Director) (Senior Independent Director)</b>	
Term of Office from 1.7.10 to 30.6.13 (First Term) and from 30.6.13 to 31.3.16 (Second Term) Left the Trust on 31st March 2016.	
<b>Experience:</b> <ul style="list-style-type: none"> <li>• Former Managing Director Business Link Fylde Coast</li> <li>• Former Managing Director at Blackpool Gazette and Herald</li> <li>• Former Director of United Provincial Newspapers</li> <li>• Former Non-Executive Director of Blackpool, Wyre and Fylde Community Health Services NHS Trust</li> <li>• Former Chairman of Blackpool PCT</li> <li>• Chair of Trustees of the Blackpool Ladies Sick Poor Association</li> <li>• Trustee/Director/Treasurer of Age UK, Blackpool and District</li> </ul>	



**Karen Crowshaw (Non-Executive Director and Deputy Chairman)**

Term of Office from 1.6.11 to 31.5.14 (First Term)  
and from 1.6.14 to 31.5.17 (Second Term)

**Experience:**

- Director, Crowshaw Consulting Limited
- Former Managing Director (Regulated Sales), Lloyds Banking Group
- Former Trustee of HBOS PLC
- Former Regional Director, HBOS PLC
- Former HR Director, Halifax Retail



**Doug Garrett (Non-Executive Director)**

Term of Office from 1.6.11 to 31.5.14 (First Term)  
and from 1.6.14 to 31.5.17 (Second Term)

**Experience:**

- Current Director/CEO of range of companies dealing in property, publishing, IT and fashion
- Company Director – Segesta Properties Ltd
- Company Director – Queens Square Developments Ltd
- Company Director – Rackhall Ltd
- Company Director – Wireless Platforms Ltd
- Company Director – R&Z Houses of Fashion Ltd
- Company Director – London Publications Ltd
- Not Profit/Charitable Appointments:-
- Chairman/Trustee - Groundwork North West
- Trustee – Bay Housing Association
- Chairman – Ono Uno Fashion
- Trustee – Curious Minds (Arts & Education)
- Trustee – Angel Charity
- Former CEO in regeneration in Blackpool and Belfast (Laganside)



### Alan Roff (Non-Executive Director)

Term of Office from 1.12.11 to 30.11.14 (First Term)  
and from 1.12.14 to 30.11.17 (Second Term)

#### Experience:

- Former Deputy Vice Chancellor, University of Central Lancashire
- Former Chair of North West Regional Action Plan - European Regional Development Fund (ERDF)
- Former Chair of Lancashire Economic Partnership Board
- Former Chair of Preston Strategic Partnership Executive
- Former Council Member of North West Region Learning and Skills Council
- Former Board Member of North West Business Link
- Former Head of Computing Services, University of Central Lancashire (UCLAN)
- Fellow of the Royal Statistical Society
- Honorary Doctorate from University of Central Lancashire



### Jim Edney (Non-Executive Director)

Term of Office from 01.06.2013 to 31.05.16 (First Term)  
Left the Trust on 31st May 2016

#### Experience:

- Director of Coleridge Interim Limited
- Board Member and Chair of Audit and Risk Committee at University of Central Lancashire (UCLAN)
- Former Deputy Chief Executive and Executive Director of Resources at Lancashire County Council
- Former Chief Financial Officer at Essex County Council
- Former Deputy County Treasurer at Lincolnshire County Council



### Michele Ibbs (Non-Executive Director)

Term of Office from 01.09.2013 to 31.08.16 (First Term)

#### Experience:

- Non-Executive Director – Marsden Building Society
- Former Board Director/Pro-Vice Chancellor (Marketing, Commercial & International) - Liverpool John Moores University
- Former Marketing Director - Princes Limited, Mitsubishi Corporation
- Former Marketing Director UK – Waterford Wedgwood plc
- Trustee of The Liverpool Merchants' Guild



### Dr Malcolm McIlmurray - (Non-Executive Director)

Appointed in August 2014

Term of Office from 01.08.2014 to 31.07.17 (First Term)

#### Experience:

- Retired Consultant Physician and Medical Oncologist at Morecambe Bay Acute NHS Trust
- Former Clinical Director of Medicine at Morecambe Bay Acute NHS Trust
- Founder Trustee and former Medical Director of St John's Hospice in Lancaster
- Founder and former Chairman of Cancer Care
- Former member of the Tribunal Service, Social Security Division
- Honorary Professor, Department of Biological Sciences, Lancaster University
- Honorary Fellow, Lancaster University



### Gary Doherty (Chief Executive)

Appointed in April 2013

Left the Trust on 12th February 2016\*

#### Experience:

- Former Chief Operating Officer/Deputy Chief Executive of Wirral University Teaching Hospital NHS Foundation Trust
- Over 20 years' general management experience in the NHS including senior posts at Central Manchester & Manchester Children's University Hospital and North Cheshire Hospitals NHS Trust
- Joined NHS as Management Trainee
- Non-Executive Director at Advancing Quality Alliance (AQuA)



*\*Gary Doherty's official leaving date was 29th February 2016, however, due to annual leave entitlement he finished on 12th February 2016.*

**Wendy Swift (Director of Strategy/Deputy Chief Executive)**

Transferred to Blackpool Teaching Hospitals in April 2012  
Appointed Chief Executive (Interim) in February 2016

**Experience:**

- Former Chief Executive of Blackpool Primary Care Trust
- Former Deputy Chief Executive of Blackpool Wyre and Fylde Community Health Services Trust
- Former Director of Planning and Operations in East Lancashire Hospitals
- Extensive experience of working in Acute, Community and Primary Care services
- Trustee of Blackpool Football Club Community Trust
- Trustee of Ashley Foundation
- Trustee of Age UK (Blackpool)



**Pat Oliver (Director of Operations)**

Appointed in April 2011

**Experience:**

- Former Interim General Manager for the Surgical Division at the University Hospitals of South Manchester NHS Foundation Trust (seconded from the Trust)
- Former Associate Director of Operations (Surgery) at Blackpool Teaching Hospitals NHS Foundation Trust
- Former General Manager of the Musculo-Skeletal Division at Wrightington, Wigan & Leigh NHS Trust
- Former General Manager of Rehabilitation and Elderly Care at Wrightington, Wigan & Leigh NHS Trust
- Former Acting Deputy Director of Nursing and Patient Services at Wrightington, Wigan & Leigh NHS Trust
- Former Acting Director of Nursing and Patient Services at Wrightington, Wigan & Leigh NHS Trust





**Professor Mark O'Donnell (Medical Director)**

Appointed in April 2012

**Experience:**

- Consultant Physician in Stroke Medicine at Blackpool, Fylde and Wyre Hospitals NHS Trust since 2007
- Consultant Physician in Care of the Elderly and General Internal Medicine at Blackpool, Fylde and Wyre Hospitals NHS Trust from 1994
- Former Clinical Director for Medicine at Blackpool, Fylde and Wyre Hospitals NHS Trust
- Former Trust Training Lead for Medical Specialties
- Former Clinical Lead – Lancashire & Cumbria Cardiac & Stroke Network
- Honorary Clinical Professor – University of Buckingham



**Marie Thompson (Director of Nursing and Quality)**

Appointed in February 2009

**Experience:**

- Registered General Nurse, BSc (Hons), MSc
- Over 25 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, Emergency Planning and Soft Facilities Management



**Tim Bennett (Director of Finance & Performance)**

Appointed in November 2013

**Experience:**

- Former Director of Finance and Deputy Chief Executive at University Hospitals of Morecambe Bay NHS Foundation Trust
- Former Director in a Primary Care Trust
- Former Director in a large Health Authority
- Former Chair of the Healthcare Financial Management Association (North West)
- Former Chairman of the student conference of the Finance Skills Development Association
- Chair of Focus – an NHS organisation supporting the development of financial skills in the NHS





**Nicky Ingham (Director of Workforce  
& Organisational Development)**

Appointed in November 2013

**Experience:**

- Former Director of Workforce & OD and Acting Deputy Chief Executive at Bolton NHS Foundation Trust
- Former Director of HR & OD at Alder Hey Children's Hospital
- Chair of North West Human Resource Directors (HRD) Leadership Forum
- Board Member of the North West Leadership Academy
- Member of the North West Social Partnership Forum
- Healthcare People Management Association (HPMA) North West Deputy Vice-President
- HPMA North West Vice-President 2015
- HPMA HR Director of the Year in 2010



All members of the Board of Directors are voting members.

All Board members and Governors have declared their relevant and material interests and all Non-Executive Directors are considered independent. The Register of Directors' Interests and Register of Governors' Interests are available for inspection by members of the public via the Foundation Trust Secretary at the following address:-

Address: Trust Headquarters  
Victoria Hospital  
Whinney Heys Road  
Blackpool  
FY3 8NR

Telephone: 01253 956856

Email: [judith.oates@bfwhospitals.nhs.uk](mailto:judith.oates@bfwhospitals.nhs.uk)

## Council of Governors

The Council of Governors was formed on 1st December 2007 in accordance with the NHS 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 Council has the following three main roles:-

- i) **Advisory** – to communicate with the Board of Directors in respect of the views of members of the Trust and the wider community;
- ii) **Guardianship** – to ensure that the Trust is operating in accordance with its Constitution and is compliant with its Provider Licence; and
- iii) **Strategic** – to advise on a longer-term direction to help the Board effectively determine its policies.

The essence of these roles is elaborated on within Monitor's document entitled "Your Statutory Duties – A Reference Guide for NHS Foundation Trusts Governors". This document has been provided to all Governors.

The specific statutory powers and duties of the Council of Governors, which are to be carried out in accordance with the Trust's Constitution and the Foundation Trust's Provider Licence, are as follows:-

- To appoint or remove the Chairman and other Non-Executive Directors;  
*This duty was exercised during 2015/16.*
- To approve the appointment (by the Non-Executive Directors) of the Chief Executive;  
*This duty was not exercised during 2015/16, however, the Governors were advised/updated about the arrangements for the appointment of a Chief Executive (Interim) following the resignation of the Chief Executive in February 2016.*
- To decide the remuneration and allowances, and the other terms and conditions of office, of the Non-Executive Directors;  
*This duty was exercised during 2015/16.*
- To appoint or remove the Foundation Trust's External Auditor;  
*This duty was not exercised during 2015/16.*
- 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;  
*This duty was not exercised during 2015/16.*

- To be presented with the Annual Accounts, any report of the External Auditor on the Annual Accounts and the Annual Report;  
*This duty was exercised during 2015/16.*
- 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;  
*This duty was exercised during 2015/16.*
- To respond as appropriate when consulted by the Board of Directors in accordance with the Constitution;  
*This duty was exercised during 2015/16.*
- To undertake such functions as the Board of Directors shall from time to time request;  
*This duty was exercised during 2015/16.*
- 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 Trust's Constitution.  
*This duty was exercised during 2015/16.*

The Council of Governors and the Board of Directors continue to work together to develop an effective working relationship. Board members attend Council of Governors Meetings to ensure that members of the Board develop and gain an understanding of the Governors' and Members' views about the Trust.

In the event of there being unresolved concerns on the part of the Council of Governors, the Senior Independent Director (SID) has a vital role in intervening to resolve the issues of concern. Such circumstances could be in relation to the Chairman's performance or where the relationship between the Chairman and Chief Executive is either too close or not sufficiently harmonious or where the Foundation Trust's strategy is not supported by the whole Board or where key decisions are being made without reference to the Board or where succession planning is being ignored.

The Senior Independent Director is a Non-Executive Director appointed by the Board of Directors as a whole in consultation with the Council of Governors to undertake the role. The SID will be available to



members of the Foundation Trust and to Governors if they have concerns which contact through the usual channels of the Chair, Chief Executive, Director of Finance and Performance and Foundation Trust Secretary has failed to resolve or where it would be inappropriate to use such channels.

The Council of Governors comprises a total of 34 Governors, including 18 Public Governors (elected from the constituencies of Blackpool, Fylde, Wyre, Lancashire and South Cumbria and the North of England), six Staff Governors (elected from the staff groups of Medical and Dental, Nursing and Midwifery, Clinical Support, Non-Clinical Support and Community Health Services (North Lancashire) 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 six years, i.e. two terms of office, however, they are not eligible for subsequent re-election, i.e. in excess of nine years.

The Appointed Governors are appointed for three years and are eligible for re-appointment at the end of their three year term for a further six years, i.e. two terms of office, however, they are not eligible for further re-appointment, i.e. in excess of nine years.

## Composition of the Council of Governors

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

APPOINTED GOVERNORS	ROLE
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: Blackpool, Wyre & Fylde Council for Voluntary Service	To engage and assist the Trust in identifying the needs of the local community.
Lancashire Care Foundation Trust - 1	To engage and assist the Trust in identifying needs of local community.
Blackpool Sixth Form College – 1	To engage and assist the Trust in dialogue with the younger catchment population.
Institute of Directors (Lancashire Branch) – 1	To engage and assist the Trust in dialogue with the wider catchment population of Lancashire.
Citizens Advice Bureau (Blackpool Branch) – 1	To engage and assist the Trust in identifying the needs of the local community.
University of Liverpool – 1	To ensure strong teaching and research partnership and to represent other University interests.
Fylde Coast Carers Trust – 1	To engage and assist the Trust in identifying the needs of the local community.
Total Appointed Governors – 10	

ELECTED STAFF GOVERNORS	ROLE
Class 1 – Medical and Dental – 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 – Community Health Services (North Lancashire) – 1	As above.
Total Elected Staff Governors – 6	

ELECTED PUBLIC AND PATIENT 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 and South Cumbria – 2	To represent patients who are resident in the wider environs of South Cumbria and Lancashire.
Area 6 – North of England – 1	To represent patients who are resident in the wider environs of the North of England.
Total Elected Public and Patient Governors – 18	

TOTAL MEMBERSHIP OF COUNCIL OF GOVERNORS
Appointed Governors (nominated) – 10
Staff Governors (elected) – 6 (currently two vacancies)
Public Governors (elected) - 18 (currently one vacancy)
Total membership of Council of Governors – 34

There is currently one vacancy in the Lancashire and South Cumbria Constituency, one vacancy in the Nursing and Midwifery Staff Constituency and one vacancy in the Clinical Support Constituency.

There were no elections to the Council of Governors during 2015/16. The next elections will take place in 2016/17



## Membership of the Council of Governors

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

Name	Constituency/Organisation
Clifford Chivers	Blackpool
George Holden	Blackpool
Neil Brooks **	Blackpool
Carol Measures **	Blackpool
Zacky Hameed **	Blackpool
Camilla Hardy	Blackpool
Patricia Roche	Blackpool
John Butler *	Blackpool
Clive Barley **	Fylde
Sheila Jefferson	Fylde
Gillian Wood	Fylde
Peter Askew	Wyre
Ramesh Gandhi (JP. DL. OBE. FRCS) *	Wyre
John Bamford **	Wyre
Lynden Walthew	Wyre
Anthony Nixon	Lancashire & South Cumbria
Vacant Position	Lancashire & South Cumbria
Reverend David Crouchley **	North of England
Dr Raj Verma (until July 2016)	Medical and Dental
Sharon Vickers **	Nursing and Midwifery
Janet Briers (until April 2016)	Nursing and Midwifery
Paul Aspden	Non-Clinical Support
Ashok Khandelwal (until June 2015) **	Clinical Support
Michael Phillips **	Community Health Services
Councillor Martin Mitchell	Blackpool Council
County Councillor Ron Shewan	Lancashire County Council
Steve Winterson	Lancashire Care NHS Foundation Trust
Jean Taylor (until December 2015)	University of Central Lancashire
Francesca Oram	Blackpool Sixth Form College
Phillip Hargreaves	Institute of Directors (Lancashire Branch)
Tony Winter	Citizens Advice Bureau (Blackpool)
Dr Amelia Hunt (from August 2015)	University of Lancaster
Michelle Smith (from August 2015)	Fylde Coast Carers Trust
Dr Debbie Kenny (from January 2016)	University of Central Lancashire

\* not eligible for re-election or re-appointment in 2016

\*\* due for re-election or re-appointment in 2016

### Meetings of the Council of Governors took place on the following dates in 2015/16:-

- 29th April 2015;
- 29th July 2015;
- 28th October 2015;
- 27th January 2016.

A detailed presentation entitled "Strategic and Annual Planning Update" was given by the Director of Strategy/Deputy Chief Executive and the Director of Finance and Performance at the Council of Governors meeting on 29th April 2015 and Governors were involved in the Trust's strategic review which took place between May and November 2015.

The Chief Executive, Director of Strategy/Deputy Chief Executive, Director of Finance & Performance and Director of Operations routinely attend meetings of the Council of Governors. Attendance of the remaining Executive Directors is organised on a rotational basis. The Non-Executive Directors continue to attend Council of Governors meetings on a rotational basis.

During 2015/16, the Council of Governors received regular assurance reports/updates from the Chief Executive plus regular strategic, finance, performance and membership reports.

Presentations/reports were also given to the Council in respect of the following:-

- Governors Development Programme;
- Chairman's and Non-Executive Directors' Appraisals/Objectives/ Remuneration;
- Appointment and Re-Appointment of Non-Executive Directors;
- Governance Review;
- Strategic and Annual Planning;
- Annual Report & Accounts;
- Quality Accounts;
- Compliance with Patient Pathways;
- Nurse Staffing;
- Financial Statements Audit & Quality Accounts Review (Pricewaterhouse Coopers) (PwC);
- Council of Governors' Composition;
- Governors Elections;

- Membership Development Strategy;
- Financial Status;
- Cancer Screening Times;
- Medical Engagement;
- Blackpool CCG Role and Priorities;
- Nurse Recruitment;
- Organ Donation;
- Sign Up To Safety Initiative;
- Trust Constitution;
- Induction Manual;
- Membership/Voting Age Limit;
- Governors Declarations of Interests.

Peter Askew, Public Governor (Wyre Constituency), has continued in the role of Lead Governor since September 2013 and his duties include acting as the point of contact between the Council of Governors and the Trust, playing a pivotal role in the relationship with the Chairman, the Board of Directors and External Agencies as well as the community served by the Trust, acting as the point of contact between the Council of Governors and Monitor (should this be necessary), meeting routinely with the Chairman of the Board of Directors and the Council of Governors and with the Foundation Trust Secretary to plan and prepare the agenda for Council of Governors meetings.

Governors have also been involved in the following meetings/events:-

- Board Meetings held in Public (attendance as observers);
- Board Committees;
- Governors' Informal Meetings;
- Governors' Sub-Group (Annual Report & Accounts and Quality Report 2015/16);
- Charitable Funds Committee;
- Health Informatics Committee;
- Patient-Led Assessment of the Care Environment Committee;
- Patient and Carer Experience and Involvement Committee;
- Dementia Advisory Committee;
- Formal Patient Safety Walkabouts;
- Service Visits;
- Workforce Focus Groups.

In addition, Governors have participated in external events as follows:-

- Foundation Trust Network GovernWell Events;
- North West Governors Forum;
- Foundation Trust Network Staff Governors Focus Group;
- Governor Focus Conference.

#### Governor Attendance at Council of Governors Meetings:

Governors	Number of Meetings (4)
Clifford Chivers	3
George Holden	4
Neil Brooks	4
Carol Measures	2
Zacky Hameed	4
Camilla Hardy	4
Patricia Roche	3
John Butler	4
Clive Barley	3
Sheila Jefferson	1
Gillian Wood	4
Peter Askew	2
Ramesh Gandhi (JP. DL. OBE. FRCS)	4
John Bamford	3
Lynden Walthew	4
Anthony Nixon	2
Vacant Position	N/A
Reverend David Crouchley	2
Dr Raj Verma	1
Sharon Vickers	3
Janet Briers	1
Paul Aspden	3
Ashok Khandelwal *	0
Michael Phillips	3
Councillor Martin Mitchell	2
County Councillor Ron Shewan	3
Steve Winterson	2
Jean Taylor *	3
Francesca Oram	0
Phillip Hargreaves	2
Tony Winter	2
Dr Amelia Hunt *	2
Michelle Smith *	2
Dr Debbie Kenny *	1

\*resigned from, or joined, the Council during 2015/16

### Board of Director Attendance at Council of Governors Meetings:

Board of Directors	Number of Meetings
Ian Johnson	4
Tony Shaw */**	1
Karen Crowshaw *	2
Doug Garrett *	2
Alan Roff *	1
Jim Edney */***	1
Michele Ibbs *	2
Dr Malcolm McIlmurray *	2
Gary Doherty **	2
Wendy Swift	4
Pat Oliver	4
Prof Mark O'Donnell	1
Marie Thompson	3
Nicky Ingham	2
Tim Bennett	1

\* attend on a rotational basis

\*\* resigned from the Board during 2015/16

\*\*\* to resign from 31st May 2016

There are currently two Governor statutory committees, namely the Nominations Committee and the Membership Committee, comprising three and 12 Governors respectively, details of which are identified in the tables below:

### Governor Attendance at Nominations Committee Meetings:

Committee Members (4)	Number of Meetings (3)
Ian Johnson (Trust Chairman)	3
Peter Askew – Elected Governor (Wyre Constituency) (until December 2015 and from April 2016)	2
Jean Taylor – Appointed Governor (UCLAN) (until December 2015)	1
Lynden Walthew – Elected Governor (Wyre Constituency) (until April 2016)	3
Steve Winterson – Appointed Governor (Lancashire Care NHS Foundation Trust) (from September 2015)	1
Camilla Hardy – Elected Governor (Blackpool Constituency) (from January 2016 and until March 2016)	1



## Governor Attendance at Membership Committee Meetings:

Committee Members (12)	Number of Meetings (5)
George Holden (Chair)	4
Peter Askew	3
Paul Aspden	3
Clive Barley	4
David Crouchley	1
Zacky Hameed	5
Sheila Jefferson	3
Ashok Khandelwal (until June 2015)	1
Anthony Nixon	0
Sharon Vickers	4
Lynden Walthew (Deputy Chair)	4
Tony Winter	3

## Nominations Committee Report

The Nominations Committee is a formally constituted committee of the Council of Governors and comprises the Trust Chair (Chair of the Committee) and three Governors.

### Membership of the Nominations Committee:-

Mr Ian Johnson – Trust Chairman (Chairman)  
Mr Peter Askew – Elected Governor (Wyre Constituency)  
Mrs Jean Taylor – Appointed Governor (UCLAN) (until December 2015)  
Mrs Lynden Walthew – Elected Governor (Wyre Constituency) (until April 2016)  
Mr Steve Winterson – Appointed Governor (Lancashire Care Foundation Trust) (from September 2015)  
Mrs Camilla Hardy – Elected Governor (Blackpool Constituency) (from February 2016)

There have been three meetings of the Nominations Committee during 2015/16.

### 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 Provider Licence and Monitor's requirements;

- To develop 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, interviewing and appointing candidates with requisite skills and experience. This will include identification of appropriate independent assessors for appointment panels;
- To recommend suitable candidates for appointment for ratification 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 ratification 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 succession plans are in place in order that a balance of skills and experience is maintained.

## Membership Report

Over the past 12 months, the Trust's membership has decreased.

### Public Members

All members of the public who are aged 12 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, or the North of England 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, and;
- 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 decreased over the last 12 months. The Trust's public membership currently stands at 5,398 as of 31st March 2016.



## Membership Report for Blackpool Teaching Hospitals NHS Foundation Trust for 2015/16.

Public constituency	Last year (2015/2016)
As at start (1st April 2015)	5,433
New Members	408
Members leaving	-443
At year end (31st March 2016)	5,398
Staff constituency	Last year (2015/2016)
As at start (1st April 2015)	6,065
New Members	1,509
Members leaving	1,295
At year end (31st March 2016)	6,279
Public constituency	Number of members
<b>Age(years):</b>	
0 - 16	9
17 - 21	103
22+	4,559
<b>Ethnicity:**</b>	
White	4,278
Mixed	16
Asian	69
Black	15
Other	11
<b>Socio-economic groupings: */**</b>	
AB	701
C1	3,685
C2	637
DE	350
<b>Gender analysis:**</b>	
Male	2,584
Female	2,713

\* Classification of Household Reference Persons aged 16 to 64 by approximated social grade.

\*\* Due to members opting not to disclose this information, the figures will not reflect the total Trust membership.

### Recruitment of Members

In order to maintain our membership level and in order to recruit new public members, we have implemented various initiatives over the past year. These include:

- Recruitment stands within the hospital and at local community events;
- Membership information displayed at entrances to hospitals, in outpatient departments and community buildings, such as, Whitegate Drive Walk-in Centre;

- Use of the Trust's Facebook social network site to engage with and inform members and the wider public of developments of seminars and events at the Trust;
- Use of the Trust's Twitter social network page to attract new members. The Trust has over 5,278 followers;
- A Youth Health Leader project has been commenced in local schools. This is getting younger people to take responsibility for their own health and lifestyle. The leaders signpost their peers to where they can source information on all types of health issues. We hope to roll out this project to all secondary schools;
- The Membership Office now has two Volunteers who help out with engagement of members and administration;
- The Trust has a dedicated Membership and Governors Officer who acts as link between the members, Council of Governors and the Trust;
- The Trust has dedicated membership email address:- members@bfwhospitals.nhs.uk and telephone line on 01253 956673.

### Retention of Members

The Trust recognises the importance of having a representative membership and has continued to focus on improving its engagement with existing members.

It is particularly important to the Trust to not only build its membership, but to ensure that the membership is being fully utilised in terms of their skills and knowledge.

Numerous and varied initiatives have taken place over the last year to retain our existing members:-

- By listening to members feedback we have been able to offer health seminars on topics suggested by members;
- The Trust's members magazine 'Your Health' keeps members up to date with events and developments at the Trust.;
- Members are able to contact the Membership Office with any queries or ideas via a dedicated membership hotline and email address;
- All members were invited to the Annual Members' and Public Meeting in September

2015, a formal meeting to discuss the Trust, its developments, future services and membership. This was attended by around 300 staff and public members;

- Members are kept informed via email of patient and carer groups that are accessible on and off site;
- Members are kept up to date with any fundraising activities taking place across the Trust.

The Trust's Membership Committee continues to deliver the aims of the Membership Strategy and to implement the key elements.

### Membership Representation

The Trust recognises that in some areas it still remains under-represented and we will put in place strategies to address this over the next three years. We continue to forge strong relationships with both schools and colleges across the area. We shall also be concentrating on recruiting from ethnic minority groups by utilising our close relationship with Blackpool Council. On addressing these issues we will continue to improve our engagement with new and existing members, and use their skills and knowledge to add value to the services the Trust offers across the whole community which we serve.

## Cost Allocation and Charging Guidance

For detailed information on this section please refer to the Financial Performance Review section on page 32.

## Better Payment Practice Code

For detailed information on this section please refer to the Financial Performance Review section on page 29.

## Income Disclosures

For detailed information on this section please



refer to the Financial Performance Review section on page 31.



## Quality Governance Framework

The Trust is committed to patient safety and the delivery of high quality care and recognises the need for a robust governance framework to be in place to support staff to deliver safe and effective care. To ensure clinical governance and patient safety is embedded within the Divisions of the Trust there is a nominated Senior Lead Nurse who is supported by a Quality Manager to oversee governance arrangements and compliance of agreed standards both set locally and externally by the CQC, the National Institute for Clinical Effectiveness (NICE) and Monitor. To facilitate the development of safety and quality initiatives, we continue to review and monitor the implementation of NICE guidance standards and National Confidential Enquiry reports to ensure ongoing learning and development is implemented to promote safe care within best practice guidelines. This is monitored through the Quality Committee and assurance is provided through this Committee to the Board on compliance with national standards and guidance.

The Quality Committee has overseen the development of a three year Quality Strategy which sets out our ambition for the next three years to provide the best patient care that is informed, timely and safe. This three year strategy centres around the implementation of effective

interventions to ensure care is safe and that care provides as positive an experience for our patients as possible. The purpose of the strategy is to support the delivery of the organisation's vision, values, quality goals and strategic objectives. The strategy closely supports the Trust's overall strategy by identifying and prioritising delivery of specified key improvements in three quality and safety domains 'informed', 'timely' and 'safe'. Each of these domains has two goals which provides staff, patients and the public with a clear view of what our quality and safety priorities are and how these will be measured going forward.



The Quality Strategy supports the Trust to provide compliance against the care standards set by the CQC who carried out an announced follow-up inspection to Maternity Services to review progress against the 'inadequate' rating (April 2014). The CQC also reviewed our Accident and Emergency services. The report from the CQC acknowledged the improvements achieved since the last inspection with one regulated activity action required and some other areas identified for the Trust to review. Action plans have been developed to address the regulated activity and the other areas identified for review and these plans are monitored by the Trust's Quality Committee and at CQC quarterly engagement meetings. The regulated activity action is also monitored through the local commissioning-led Advisory Board.

The Trust's overall rating of 'Requires Improvement' remains unchanged from the 2014 inspection as

only two areas were reinspected. Following the reinspection maternity services received a rating of 'Good' and Accident and Emergency services remained at a rating of 'Requires Improvement'.

Key Quality Improvements and service developments are driven from external reviews such as CQC inspections, agreed targets set with commissioners, feedback from staff/patients surveys, information from concerns raised and requirements set from national guidance or directives.

Partnerships and alliances with local organisations and stakeholders have supported the Trust to facilitate the delivery of improved healthcare through the development of services and care provision. Some examples of 2015/16 service improvements facilitated across the organisation are shared below and further examples of trust-wide processes implemented to support overall quality and safety improvements are noted in the Quality Account section of the Annual Report

### **Multi-disciplinary teams supporting child development and families with complex needs:**

The Families Division continually evolves to support the child/young person's pathway; multidisciplinary teams have been established to ensure staff are able to offer an integrated service. Further development is currently ongoing to support the transition of some hospital based services in to the community and the relocation of the Child Development Centre to Whitegate Drive has been successful.

The Trust was instrumental in supporting Blackpool's success in the Better Start Big Lottery Funding Project, the Trust is represented on the Better Start Executive and Operational Boards and has facilitated the early implementation of schemes such as, expansion of the Family Nurse Partnership Programme and implementation of Baby Steps as a universally offered parenting programme.

Working with Fylde and Wyre and Blackpool CCGs, the Trust has facilitated an all age Mental Health Liaison Service (including Children and Young People) in A&E. The pilot has supported children and young people to be directed to the optimum pathway for their care, avoiding admission to hospital and saving bed days on the Children's and Young People's wards.

Throughout these developments the Division's Children's and Young People's Engagement Officer has supported the Division to receive meaningful feedback from children, young people and their families. The information has been used to support service development.

The Trust has also supported Blackpool's Head Start programme (funding provided by Big Lottery), this work is further complemented by the Trust's newly created 'Emotional Health and Wellbeing Integrated Care Manager' following a successful bid for funding to NHS Education North West. The post supports the integration of Emotional Health and Wellbeing throughout all the services offered to Children and Young People.

### **One Family:**

The purpose of the One Family approach is to support an improvement of people management and the continued breakdown of perceived barriers between Community and Acute based staff and between clinical and non-clinical teams. The Families Division is keen to encourage sharing of best people management practice across the Division to raise management standards to a consistent, professional level.

One of the key aims of the initiative was for the Families Division to begin talking about themselves as One Family – this is already evident in the email strapline, the noticeboards and the information shared as part of the CQC preparation/visit. One Family is fast becoming part of the vocabulary across the Division.

This adoption of One Family is inevitably increasing the sense of pride and belonging to the Division which can be evidenced by our improved 'Engagement' scores from FFT and our low turnover of staff.

The Families Division wanted the staff to feel it was a 'Great Place to Work' where staff deliver care for our patients, our clients, our families and each other in line with the Trust's Values; People Centred, Excellence, Compassion, Positive. The survey results from Great Place to Work are eagerly awaited, along with the NHS Staff Survey which is currently underway.

Key aims of the project included:-

- To agree key appraisal objectives for the Families Division which are applicable and transferable to all areas but create joint responsibility;
- Objectives to be identified by the Families Management Team jointly so that examples can be provided to all areas to enable cascade;
- Objectives to be linked directly to the Values of the Trust and the key aims of the Division and be apparent in every individual's appraisal.

Future areas for development in the next year include; people management skills, communication skills, communication, opinion surveys and team benchmarking.



### **Midwifery staffing model:**

The Families Division is committed to providing a safe and effective Maternity Service and to listening to service users and staff to ensure the service is responsive. Changes to the midwifery staffing model that have taken place over the last year, include the appointment of a Midwifery Manager on Ward D, additional Screening Midwifery Support and a Community Midwifery Manager.

The Fylde Coast Birth Centre (FCBC) offers women the option to birth in a home-from-home environment and has been very well evaluated by service users and staff. To improve the service we offer to women, and ensure we are responsive to staff needs, the midwifery model has been

reviewed. Working in partnership with Midwifery Managers, Supervisors of Midwives and the Royal College of Midwives, a new way of working has been developed. The revised midwifery model will ensure:-

- Midwives are in the right place and able to provide care to women wherever it is required;
- More midwives will be available to provide intrapartum care when required;
- Midwives will feel more supported;
- Community Midwives will be able to improve continuity of care;
- Community Midwives will continue to provide a home birth service.

The midwifery model will ensure midwifery staffing is compliant with Birthrate+ staffing tool and staff satisfaction will be monitored by Friends and Family Test and the Great Place to Work Survey. Patient satisfaction will be monitored using the Friends and Family Test and monitoring themes from complaints and plaudits received by the service.

### **Complex Needs Pregnancy Suite**

Following a successful bid to the Department of Health, the Trust has developed a Complex Needs Suite for families who are experiencing complex social issues such as mental health problems or substance misuse. The suite offers a home-from-home environment, enabling partner's to stay and provide support and increase their parental involvement.





People will be supported to make lifestyle choices that will keep them healthy for longer and to help manage their long term conditions e.g. diabetes and asthma, with community-based staff, such as district nurses, community matrons, specialist nurses and therapists (who are provided by the Trust across the North Lancashire area) playing an important part in making this strategy a reality. Clustered around existing GP practices the development of five Integrated Care Communities started in 2015/16 so that with the assistance of NHS, public sector services, social care and voluntary organisations, local communities are encouraged to create and put into place ideas to make their communities happy and healthy places to live. This is already happening in Carnforth and Garstang where local people are planning and putting into place their own health projects to improve their physical and mental health.

Local health professionals and people will be further supported by technology, which with the development of more health services in local communities, mean that fewer patient journeys will be needed in the future to access healthcare.

### **Universal Childrens Services**

The Trust had successfully tendered and submitted offers of interest to continue to provide the school nursing service to the Fylde coast, Lancaster and Morecambe. Following submission to NHS England the Trust is now on the Framework to be called to offer the childhood influenza vaccine to school aged children.

### **Better Care Together:**

Better Care Together aims to deliver a better future for our health and wellbeing, enabling our communities to be as healthy as they can be. The Trust wants to make sure the best possible health and care services are provided across North Lancashire and South Cumbria, which meet the needs of the local population, now and well into the future, our Trust is one of the Better Care Together partners.

Promoting wellbeing and preventing ill-health will be the prime purpose with women's, mental health, children's, and older people's services receiving equal priority with all other areas of care.

The Better Care vision is for community-based services to be the first port of call for most people so that hospitals can concentrate on those patients who need specialist treatment or emergency care. Local hospitals across south Cumbria and north Lancashire will be able to focus on providing excellent care to fewer patients who really need it. This also means the NHS can use its resources, e.g. staff and funding, in the right way where they are needed the most.

The Five Year Forward View published by NHS England echoes our proposals for integrated out of hospital care built upon GP practices, supported by teams of health professionals based in the community. In April 2015 it was announced that Better Care Together had been selected as part of the 'Vanguard' for the NHS New Care Models scheme. This means that BCT is able to move further and faster with its improvement plans.

### **Introduction of extended day and standardised shift patterns:**

The work of the District Nurse Service continues to develop and expand as the service evolves to meet the demands of an ageing population



with multiple complex needs, with a growing demand for end of life care in a community setting. Nationally and locally the strategy supports care in the community to reduce unnecessary hospital admissions, and acute bed days. It is recognised that services need to be available 24 hours 7 days a week and be fit for purpose to have the right skills available at the right time for each patient.

The District Nursing Service in Lancashire North, Fylde and Wyre and Blackpool has changed the model of service from one which offered separate teams of nurses providing a day service, evening service and night service, to a service model where a day team supports patients on their caseload from 7.30am-10pm with a night service team providing support from 10pm-7.30am. This change was designed to maximise delivery of a consistent clinical model resulting in high quality, safe patient care throughout the 24 hour period 7 days a week. This change involved introducing standardised shift patterns and an extended day model.

This change aligns with the service delivery models of the future with the introduction of the concept of “neighbourhood teams” as described in the vanguard proposition for Fylde coast and “integrated care communities” as described in the vanguard proposal for Lancashire North.

The introduction of the change has resulted in:

- Enhanced continuity of care for patients (patients on a district nursing caseload are cared for by a team of nurses who know them up to 10pm at night);
- Reduction/elimination of cases that are passed between shifts without formal handovers to ensure patient continuity of care and ownership of cases;
- Consistent protected handover time to support delivery of continuity of care and reduction in patient harms;
- Establishment of shifts that meet service needs and address peaks in demand for both planned and unplanned care;
- A single night service hours for both Blackpool and Fylde and Wyre localities;
- Consistency of practice and support across all three localities;
- Consistency of team working over a period of

24 hours to deliver safe and effective patient care; and

- Improved opportunities for staff with regard to flexible working up to 10pm at night within their team.

### **EMIS Electronic Patient Record Roll Out for Community Nursing Staff:**

Although the Trust does have a number of electronic healthcare information systems in use across its acute and community services, there are still areas in which record keeping is paper-based, offering little or no opportunity for sharing of key information in a timely manner. Within a programme of work to address this, we have started to implement a new Electronic Patient Record (EPR) across a wide range of services.

We are now working live on the EMIS Web across Blackpool, Fylde and Wyre and Lancashire North Community Nursing. This allows sharing of information between the Trust and local GPs. Approximately, 95% of GPs are also on EMIS Web.

We continue to roll out EMIS Web to other services which will include School Nursing, Health Visiting, Family Nurse Partnership, Paediatric Continence, Safeguarding Targeted Services and Therapies.

In 2017, we are planning to implement EMIS Mobile. This will directly link into EMIS Web and allow our domiciliary staff using mobile tablet devices, to input patient information in real time at the point of care and reduce the need for ‘back-to-base’ travel.



## Lancashire North Care Home Support Team

The Care Home Support scheme has been in operation since October 2014 providing support and specialist skills to 17 nursing homes in the Lancashire North CCG footprint.

This multidisciplinary team includes nurses, physiotherapist, occupational therapist, pharmacist, speech and language therapist and dietician support, with additional collaborative working with the Mental Health for Older People Services Team of Lancashire Care Foundation Trust (LCFT). The teams are co-located and work with the nursing home staff to improve quality of care delivery to their complex and vulnerable clients, supporting an equitable approach to other health services which have historically been a challenge to access.

The team support the reduction in non-elective admissions to three acute hospitals. They identify patients in the homes who are at risk of an avoidable admission, arranging a rapid assessment and review of their care plans with the nursing home staff and working with them to develop emergency health care plans. They provide rapid access to OT and physiotherapy assessment, treatment and medicines management.

Over the 12 months that the full team has been together, they have worked to establish effective professional relationships with the homes and forge links with other services. They have established their working systems and an understanding of each others roles to ensure that the residents and homes have access to the correct skills and knowledge.

The team have supported improvements to medicines management, safeguarding and clinical management within the homes providing timely access to specialist skills. Even though it is early days for the team, patient stories demonstrate the effectiveness of the team in the prevention of avoidable admissions and improvements in the management and health of wellbeing of residents.

The Lancashire North Care Home Support team recently won the Chairman's Award in the Trust's 'Celebrating Success' awards.

## Blackpool Care Home Project:

As part of resilience funding from our Commissioners we have started a pilot running in four Care Homes in Blackpool. Working with partners Fylde Coast Medical Services (FCMS) and Safe Patient Systems, the aim of the project is to prevent falls and urinary tract infections (UTIs) as these represent the largest percentage of North West Ambulance Service (NWAS) call outs and conveyances to hospital.

During 2015/16, the Extensive Care Service has gone live with two early adopter sites in Blackpool and Fylde, with plans to roll out to further sites throughout the remainder of 2016 to serve the remainder of the Fylde coast population. The service currently has a caseload of 230 patients, and feedback has been extremely positive, with the local press running articles highlighting the impact the service has had on patients' lives.



This New Model of Care, which has been awarded Vanguard status, focuses not only on their health needs but their well-being needs as well, looking at the whole person and their life and not just their health needs. Extensive Care provides proactive support to patients, acting as a single point of contact for all their healthcare needs. This means they no longer have various appointments with different professionals. The multi-disciplinary team supports patients to better understand and

manage their conditions in order to dramatically reduce the need for unplanned hospital visits.

The focus of the team is working with the patients who are referred to identify their own goals regarding their health and wellbeing, ultimately supporting them to achieve these goals. The service is focused on working in a person-centred way where the patient is at the centre of the care, trying to be innovative and utilise technology and non-medical approaches to support their patients.

When patients are accepted onto the service, the team, overseen by a senior doctor and supported by nurses, therapists, pharmacists, well-being support workers and social workers, develop a personalised care plan which identifies the goals the patient wants to achieve whilst they are in the service. Patients remain in the service for up to six to nine months in total. During this time the patients access the Extensive Care Service for all their primary care needs and therefore they don't need to access their GP as the Extensive Care Service wrap around the patient and coordinates their care accessing specialist service as needed.

### **Suture-less Valves**

In 2015/16, Cardio/Thoracic Surgery have introduced Suture-less valves to their surgical procedures portfolio. This technique is currently being delivered in a number of tertiary centres and is a new procedure here at the Trust.

Scheduled Care Division have supported and implemented additional resources to ensure the continued delivery of excellence in clinical care for the cardiothoracic surgical patient utilising an enhanced recovery programme following major surgical procedures. Enhanced recovery after surgery ensures the provision of quality, safety and governance whilst improving patient flow, reducing hospital length of stay with the benefit of associated cost savings. Resource has been invested in an additional post, i.e. an Enhanced Recovery Nurse Specialist, to support this service development. The sound business acumen of the Division and realignment of existing funds supported the necessary funding to establish the post.

Going forward into 2016/17 the aim is to appoint a second post in the enhanced recovery service and recruit all Consultant clinicians' patients that meet the criteria onto the pathway and also to commence the process with thoracic patients. This would thereby maximise the potential for improved patient experience, improved patient flow and reduction in beds day utilisation.

This programme supports the processes within the National Referral to Treatment compliance expectations and supports the delivery of the Commissioning for Quality and Innovation (CQUIN) targets through significant improvements in patient pathways as a result of timely and accurate clinical information /pathways management of patients.

Positive feedback has been received from the initial roll out of the programme with patients being invited back into the Trust to feedback their experiences with the prospect of this dialogue being presented regionally.

The Unscheduled Care Division has focused particular effort on early morning discharges and length of stay to ensure patients are not in hospital unnecessarily and that beds are made available in a timely manner for patients being admitted into hospital. Investment has been made in discharge pharmacists for all wards, enhanced phlebotomy cover and patient flow team to help drive improvements forward. The introduction of Nurse Facilitated Discharge is also being trialled.

The Trust and Commissioners have invested in the Rapid Assessment and Treatment initiative in the Emergency Department allowing a consultant to support triage and early decision making. The partnership working with North West Ambulance Service (NWS) through the introduction of the Ambulance Liaison Officer (ALO) has also been very successful in supporting the flow and early assessment of patients on arrival to A&E.

The Division has revised the consultant on call rota to include a three hour evening session on Acute Medical Unit (AMU), increasing the cover and availability and support of senior doctors into the evening.

## Statement as to Disclosure to Auditors

The Board of Directors is not aware of any relevant audit information that has been withheld from the Trust's auditors. Each individual member of the Board has taken all necessary steps they ought to have taken, as a director, in order to make themselves aware of any relevant audit information and to establish that the Trust's auditor is aware of said information, by making such enquiries of their fellow directors and the Trust's auditors for said purpose and exercising reasonable care, skills and diligence.



# Remuneration Committee Report

## Annual Statement on Remuneration by the Chair of the Remuneration Committee

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

## Senior Managers' Remuneration Policy

### Future Policy Table

Element	Purpose and link to strategic objectives	Operation	Maximum opportunity	Performance metrics
<b>Base salary</b>	<ul style="list-style-type: none"> <li>Provides fixed remuneration for the role which reflect the size and scope of the Director/Snr managers responsibilities</li> <li>Attracts and retains the talent necessary to deliver the Trust's strategy</li> </ul>	<ul style="list-style-type: none"> <li>Salaries are paid monthly and are reviewed annually via the Remuneration Committee</li> <li>Consideration is given to the size and scope of responsibilities; performance and experience; typical pay levels for comparable roles in similar Trusts</li> </ul>	<ul style="list-style-type: none"> <li>Current salaries are disclosed on page 71</li> <li>Increases are normally in line with the national increases implemented for other staff groups</li> </ul>	Through achievement of agreed individual and corporate performance objectives
<b>Retirement benefits</b>	<ul style="list-style-type: none"> <li>Provides competitive post-retirement benefits</li> <li>Attracts and retains the talent necessary to deliver the Trust's strategy</li> </ul>	<ul style="list-style-type: none"> <li>Membership of the NHS Pension Scheme</li> <li>Includes range of benefits eg life insurance</li> </ul>	<ul style="list-style-type: none"> <li>Pension Contribution rates are defined in the NHS Pension Scheme rules, the employer contributes 14.3% of pensionable earnings (see page 73)</li> </ul>	None
<b>Benefits</b>	<ul style="list-style-type: none"> <li>Ensures the overall package is competitive</li> <li>Retains the talent necessary to deliver the Trust's strategy</li> </ul>	<ul style="list-style-type: none"> <li>Access to a range of salary sacrifice schemes (child care, car lease, computer, cycles)</li> <li>Car allowance</li> </ul>	None	None
<b>Annual bonus</b>	None	None	None	None
<b>Chairman and Non-Executive Director fees</b>	<ul style="list-style-type: none"> <li>To reward individuals for fulfilling the relevant role</li> <li>Attracts and retains individuals with the skills, experience and knowledge to contribute to an effective Board</li> </ul>	<ul style="list-style-type: none"> <li>The Nominations Committee determines the fees for the Chair and Non-Executive Directors (NEDs)</li> <li>All NEDs are paid the same, with an additional allowance for the Chair of the Audit Committee</li> </ul>	These are set at a level which: <ul style="list-style-type: none"> <li>Reflects the commitment and contribution that is expected from the Chair and NEDs</li> <li>Comparable with other similar NHS Trusts</li> </ul>	None

This is the annual basic pay based on market rates and approved by the Remuneration Committee. The Trust does not pay any additional remuneration to its Directors, Senior Managers or Non-Executive Directors in the form of bonuses. Pay awards are dependent on performance in the role and have been determined in line with the prevailing approach taken for other groups of staff who are subject to national pay bargaining arrangements. At a national level, pay awards have been in the region of 1% although in 2015/16, no staff earning above £59,016 were awarded a pay rise. Therefore no Director or Senior manager received a pay award.

The Chief Executive's and Medical Director's salaries are above the £142,500 threshold. This was based upon current market rates and externally benchmarked.

There have been no changes to existing components of the Directors and Senior Managers remuneration package and no new components have been introduced.

### **Service Contracts Obligations**

The employment contracts for Directors and Senior Managers include provision for six months' notice period. This is in line with DH guidelines contained in the Very Senior Managers' (VSM) pay arrangements that notice periods should not exceed six months.

The employment contract contains provision for payment in lieu of notice to be made at the discretion of the Trust. The employment contract also includes provision for summary dismissal without compensation, for example following disciplinary action.

The employment contract for Directors and Senior Managers includes a clause which allows for recovery of any overpayments made to the individual. This covers circumstances where there has been, for any reason whatsoever, an overpayment of remuneration, expenses or other emoluments or any other payments in excess of their contractual entitlement or in the case of expenses the amount of reimbursement due to the individual.

### **Policy on Payment for Loss of Office**

The notice period in Directors and Senior Managers contracts is in line with national guidelines, and is set at a level to ensure continuity of service should a director resign.

Any payments for loss of office due to redundancy would be in line with the national scheme in operation at the time. There is no alternative scheme in place for the Directors or Senior Managers. Redundancy payments are currently calculated on a month's pay for every year of service up to a maximum of two years' pay and additional pension contributions are made for those staff over 50 years of age. It is noted that changes are being proposed which would cap exit payments at £95,000 and that regulations in respect of this are awaited.

The Trust's Constitution contains provision for the removal of the Chairman and other Non Executive Directors.

### **Statement of Consideration of Employment Conditions elsewhere in the Foundation Trust**

The Trust offers the same package of benefits to all staff in terms of basic salary, NHS pension scheme benefits and access to the child care vouchers and lease car scheme/car allowance. There are no additional payments made to Directors and Senior Managers.

All other staff in the Trust are paid in line with national terms and conditions which are either Agenda for Change (AfC) or Medical and Dental.

The salary scale for Directors is based upon current market rates and externally benchmarked. The Committee was advised that NHS Providers is currently undertaking an annual remuneration survey and the results would provide up to date information about Executive Director remuneration in the provider sector.

The salary scale for Senior Managers is reflective of Bands 8b to Band 9 in AfC. The pay of Directors and Senior Managers is dependent on assessment of their performance through the annual appraisal process. Directors and Senior Managers will have agreed objectives and performance against these will form part of their appraisal. Any pay award

would be subject to a satisfactory appraisal. This is also in line with staff employed under AfC terms and conditions where annual progression through

the incremental scale is subject to satisfactory performance. This approach to pay progression is contained in the Trust's Appraisal Policy.

## Annual Report on Remuneration

### Service Contracts

For full details please refer to the Board Composition and Profile section of this report on page 42.

### Single Total Figure Table 2015/16

Senior Manager	2015/16						
	Salary & Fees (bands of £5,000)	Taxable benefits £'00	Annual Performance Related bonuses (bands of £5,000)	Long-term performance-related bonuses (bands of £5,000)	Pension-related benefits (bands of £2,500)	Loss of Office (bands of £5,000)	Total (bands of £5,000)
I Johnson - Chairman	45 - 50	-	-	-	-	-	45 - 50
G Doherty - Chief Executive (to 28/02/2016)	155 - 160	-	-	-	0	-	155 - 160
T Bennett – Director of Finance and Performance (Deputy Chief Executive from 29/02/16)	130 - 135	-	-	-	0	-	130 - 135
P Oliver - Director of Operations	115 - 120	-	-	-	12.5 - 15	-	130 - 135
M O'Donnell - Medical Director*	215 - 220	-	-	-	0 - 2.5	-	220 - 225
M Thompson - Director of Nursing and Quality	115 - 120	-	-	-	5 - 7.5	-	120 - 125
W Swift - Director of Strategy / Deputy Chief Executive (Chief Executive (Interim) from 29/02/2016)	130 - 135	-	-	-	2.5 - 5	-	135 - 140
N Ingham - Director of Workforce and Organisational Development	100 - 105	-	-	-	0	-	100 - 105
J Edney - Non Executive	15 - 20	-	-	-	-	-	15 - 20
RA Shaw - Non Executive	10 - 15	-	-	-	-	-	10 - 15
K Crowshaw - Non Executive	10 - 15	-	-	-	-	-	10 - 15
D Garrett - Non Executive	10 - 15	-	-	-	-	-	10 - 15
A Roff - Non Executive	10 - 15	-	-	-	-	-	10 - 15
M Ibbs - Non Executive	10 - 15	-	-	-	-	-	10 - 15
M McIlmurray - Non Executive	10 - 15	-	-	-	-	-	10 - 15

\*figures are inclusive of Medical Director's Consultant salary

## Single Total Figure Table 2014/15

Senior Manager	2014/15						
	Salary & Fees (bands of £5,000)	Taxable benefits £'00	Annual Performance Related bonuses (bands of £5,000)	Long-term performance-related bonuses (bands of £5,000)	Pension-related benefits (bands of £2,500)	Loss of Office (bands of £5,000)	Total (bands of £5,000)
I Johnson - Chairman	45 - 50	-	-	-	-	-	45 - 50
G Doherty - Chief Executive	165 - 170	-	-	-	25 - 27.5	-	195 - 200
T Bennett - Director of Finance and Performance	130 - 135	-	-	-	0	-	130 - 135
P Oliver - Director of Operations	115 - 120	-	-	-	72.5 - 75	-	190 - 195
M O'Donnell - Medical Director*	215 - 220	-	-	-	0	-	215 - 220
M Thompson - Director of Nursing and Quality	120 - 125	-	-	-	62.5 - 65	-	180 - 185
W Swift – Director of Strategy / Deputy Chief Executive	135 - 140	-	-	-	0	-	135 - 140
N Ingham – Director of Workforce and Organisational Development	105 - 110	-	-	-	45 - 47.5	-	150 - 155
J Edney - Non Executive	15 - 20	-	-	-	-	-	15 - 20
RA Shaw - Non Executive	10 - 15	-	-	-	-	-	10 - 15
K Crowshaw - Non Executive	10 - 15	-	-	-	-	-	10 - 15
D Garrett - Non Executive	10 - 15	-	-	-	-	-	10 - 15
A Roff - Non Executive	10 - 15	-	-	-	-	-	10 - 15
M Ibbs - Non Executive	10 - 15	-	-	-	-	-	10 - 15
M McIlmurray - Non Executive (from 01/08/14)	5 - 10	-	-	-	-	-	5 - 10

\*figures are inclusive of Medical Director's Consultant salary

No directors or senior managers of the Trust have received non cash benefits as part of their remuneration package in 2015/16 (2014/15: Nil). During 2015/16 no compensation payments were made to directors for loss of office (2014/15: Nil).

Gary Doherty, Chief Executive (to 28/02/2016) held a Non-Executive director post with Advancing Quality Alliance (AQuA).



## Table of Salary and Pension Entitlements of Senior Managers

Pension Entitlements								
Name and title	Real increase in pension at pension age	Real increase in pension lump sum at pension age	Total accrued pension at pension age 31st March 2016	Lump sum at pension age related to accrued pension at 31st March 2016	Cash Equivalent Transfer Value at 1st April 2015	Real Increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31st March 2016	Employer's contribution to stakeholder pension
	(bands of £2500) £000	(bands of £2500) £000	(bands of £5000) £000	(bands of £5000) £000	£000	£000	£000	£000
G Doherty - Chief Executive (to 28/02/2016)	(2.5) - 0	(2.5) - 0	45 - 50	135 - 140	694	(5)	696	22
T Bennett – Director of Finance and Performance (Deputy Chief Executive from 29/02/16)	(2.5) - 0	(2.5) - 0	45 - 50	140 - 145	834	(1)	844	19
M O'Donnell - Medical Director*	0 - 2.5	2.5 - 5	85 - 90	255 - 260	1,887	47	1,956	25
M Thompson - Director of Nursing and Quality	0 - 2.5	2.5 - 5	40 - 45	130 - 135	730	24	763	17
N Ingham - Director of Workforce and Organisational Development	(2.5) - 0	(2.5) - 0	20 - 25	65 - 70	354	(1)	357	15
P Oliver - Director of Operations	0 - 2.5	2.5 - 5	40 - 45	130 - 135	768	31	808	17
W Swift - Director of Strategy / Deputy Chief Executive (Chief Executive (Interim) from 29/02/16)	0 - 2.5	2.5 - 5	60 - 65	180 - 185	1,338	37	1,391	19

\*figures are inclusive of Medical Director's Consultant salary

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, and uses common market valuation factors for the start and end of the period.

In his budget of 22nd 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 effect from April 2011. As a result the Government Actuaries Department undertook a

review of all transfers factors.

On 16th March 2016, the Chancellor of the Exchequer announced a change in the Superannuation Contributions Adjusted for Past Experience (SCAPE) discount rate from 3.0% to 2.8%. This rate affects the calculation of CETV figures in this report.

Due to the lead time required to perform calculations and prepare annual reports, the CETV figures quoted in this report for members of the NHS Pension scheme are based on the previous discount rate and have not been recalculated.

### **Fair Pay Multiple**

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director and their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest paid director in Blackpool Teaching Hospitals NHS FT in the financial year 2015-16 was £215,000-£220,000 (2014-15, £215,000-£220,000). This was 9.4 times (2014-15, 9.0) the median remuneration of the workforce, which was £23,363 (2014-15, £24,063).

In 2015-16, 0 (2014-15, 0) employees received remuneration in excess of the highest-paid director.

Total remuneration includes salary, non-consolidated performance related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent value of pensions.

The Remuneration Committee considers the approach that has been taken for the pay awards to these other groups of staff in determining what pay award should be awarded to Directors and Senior Managers on local pay. In 2016/17, the approach taken to replicate the national approach in awarding a 1% non-consolidated pay award for Directors and Senior Managers. The Trust intends to continue this approach in terms of setting any pay awards, in order to act in an equitable and fair manner to all staff groups. There have been no additional payments other than salary increases which have been made in line with the process set out above.

### **Executive Directors' Expenses**

7/7 Directors submitted expense claims in 2015/16 (2014/15: 7/7). The total amount of expenses paid to Directors in 2015/16 was £4,292.15 (2014/15: £5,488.73).

### **Non-Executive Directors' Expenses**

5/8 Non-Executive Directors submitted expense claims in 2015/16 (2014/15:4/8). The total amount of expenses paid to Non-Executive Directors in 2015/16 was £7,059.75 (2014/15: £6,846.72).

### **Governor Expenses**

6/33 Governors submitted expense claims in 2015/16 (2014/15: 7/31). The total amount of expenses paid to Governors in 2015/16 was £2,091.76 (2014/15: £927.95).

### **Membership of the Remuneration Committee**

Mr Doug Garrett – Chairman of the Committee  
Mr Ian Johnson  
Mr Tony Shaw  
Mrs Karen Crowshaw  
Mr Alan Roff  
Mr Jim Edney  
Mrs Michele Ibbs  
Dr Malcolm McIlmurray  
Miss Judith Oates – Secretary to the Committee

Four meetings of the Committee took place during 2015/16 with attendance as follows:-

Committee Members (8)	Number of Meetings (4)
Mr Doug Garrett (Chairman)	4
Mr Ian Johnson	4
Mr Tony Shaw	3
Mrs Karen Crowshaw	4
Mr Alan Roff	4
Mr Jim Edney	4
Mrs Michele Ibbs	4
Dr Malcolm McIlmurray	2
Miss Judith Oates – Secretary to the Committee	4

The Committee establishes pay ranges, progression and pay uplifts for the Chief Executive, Executive Directors and the other Senior Manager posts on local pay.

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 independent specialists in pay and labour market research. Any increments to pay would be subject to satisfactory performance, evidenced by performance appraisal and monitoring and evaluation through the Chairman or Chief Executive as appropriate.

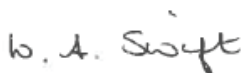
At the meeting in November 2015, the Committee received a paper to confirm its remit to review on an annual basis the performance of the Chief Executive and Executive Directors and to ask appropriate directors to update the Committee about their direct reports on local pay arrangements and to monitor senior managers' incremental progression. The Remuneration Committee agreed to no pay award for 2015/16 for

Directors and managers on local pay in line with the national position on Agenda for Change.

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. There were no early termination payments made in the year.

In January 2016, the Remuneration Committee agreed the appointment of Wendy Swift as the Chief Executive (Interim) with effect from 13th February 2016. In addition the Remuneration Committee recommended to the Board the appointment of Tim Bennett as the substantive Deputy Chief Executive with effect from 13th February 2016.

Mr Gary Doherty, Chief Executive, and Mrs Nicky Ingham, Director of Workforce and Organisational Development, provided advice/services to the Committee that materially assisted the Committee in their consideration of matters.

Signed: 

Date: 25th May 2016

**Wendy Swift**

CHIEF EXECUTIVE (INTERIM)

# Staff Report

## Analysis of Staff Numbers

Average number of persons employed			Year ended 31st March 2016	Year ended 31st March 2015
	Permanently employed	Other	Total	Total
	WTE	WTE	WTE	WTE
Medical and Dental	373	71	444	428
Administration and estates	1,193	88	1,281	1,251
Healthcare assistants and other support staff	1,345	0	1,345	1,278
Nursing, midwifery and health visiting staff	2,111	51	2,162	2,124
Scientific, therapeutic and technical staff	802	20	822	802
<b>Total</b>	<b>5,824</b>	<b>230</b>	<b>6,054</b>	<b>5,883</b>





## 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. The table below identifies the breakdown of staff groups for April 2015 to March 2016.

Organisation	Ethnic Origin	Full Time Equivalent (FTE)	Headcount
Blackpool Teaching Hospitals NHS Foundation Trust	0 White	6.97	9
	4 Indian	4.20	5
	5 Pakistani	1.00	1
	7 Chinese	7.47	8
	A White - British	5035.12	5929
	B White - Irish	35.62	42
	C White - Any other White background	86.88	95
	C3 White Unspecified	0.49	1
	CA White English	17.70	20
	CB White Scottish	6.95	8
	CF White Greek	10.00	10
	CK White Italian	41.00	41
	CP White Polish	12.57	14
	CQ White ex-USSR Total	1.00	1
	CY White Other European	59.70	60
	D Mixed - White & Black Caribbean	10.27	12
	E Mixed - White & Black African	2.40	3
	F Mixed - White & Asian	12.04	13
	G Mixed - Any other mixed background	6.71	7
	GC Mixed - Black & White	1.00	1
	GF Mixed - Other/Unspecified	2.60	3
	H Asian or Asian British - Indian	119.50	125
	J Asian or Asian British - Pakistani	33.86	37
	K Asian or Asian British - Bangladeshi	4.80	5
	L Asian or Asian British - Any other Asian background	45.05	49
	LA Asian Mixed	2.00	2
	LE Asian Sri Lankan	2.00	2
	LF Asian Tamil	1.00	1
	LH Asian British	1.00	1
	LK Asian Unspecified	1.00	1
	M Black or Black British - Caribbean	5.00	5
	N Black or Black British - African	24.71	26
	P Black or Black British - Any other Black background	4.60	5
	PC Black Nigerian Total	1.00	1
	R Chinese	11.38	15
	S Any Other Ethnic Group	52.73	57
	SC Filipino	23.21	25
	SD Malaysian	1.00	1
	SE Other Specified	4.53	5
	Undefined	56.02	63
	Z Not Stated	192.97	220
<b>Total</b>		<b>5951.02</b>	<b>6932</b>

## Breakdown of Staff

As at year end the breakdown of directors, other senior managers and employees by male and female categories is indicated in the table below:-

Breakdown of Staff as at 31st March 2016		
	Male	Female
Directors and other senior managers*	8	6
Employees	1397	5529

\*Directors and senior managers comprises Executive Directors and Non-Executive Directors in post at 31st March 2016 as disclosed in the Remuneration Report.

## Sickness Absence

Absence is above the target of 4.0% finishing at 4.25% year to date at the end of March 2016. However the latest benchmarking figures available indicate that at the end of February 2016, the average absence rate across the North West region was 5.0% and 4.7% nationally so our Trust performed well against these averages.

Every division is continuing to work through an action plan to improve absence rates which is reviewed quarterly. The retention of nurses has remained a continuing challenge throughout the year which has meant that reaching permanent established staffing levels remains challenging and has a bearing on sickness levels. However, refreshed focus is being placed on nurses during their preceptorship year and we anticipate that the actions taken from this will have a positive effect on both sickness levels and the retention of this group.

Focus on the importance of entering accurate absence reason codes continues. Greater detailed analysis of the reasons reported for absence will help us to identify areas requiring closer scrutiny and to develop targeted interventions to reduce sickness absence. A detailed report is submitted to the Operational Workforce Committee on a quarterly basis.

We have undertaken significant analysis around sickness absence. The split between short term absence (up to 28 days in duration) and long term absence (absence that continues beyond 29 days) is close. The top five absence reason codes have also been identified by division, by staff group, by banding as a percentage of absence and total of full time equivalent days lost. There has been a continuing theme around stress, anxiety and depression as one of the highest reasons for absence.

Overall Trust Sickness Absence Rates	
Year	Sickness Absence Results
2011/2012	3.52%
2012/2013	3.85%
2013/2014	3.92%
2014/2015	4.47%
2015/2016	4.25%



The table below details national sickness absence data and the figures given are for the 2015 calendar year.

Statistics Produced by IC from ESR Data Warehouse		Figures Converted by DH to Best Estimates of Required Data Items		
Quarterly Sickness Absence Publications	iView Staff in Post			
National Average of 12 Months (2015 Calendar Year)	Average FTE 2014	FTE-Days Available	FTE-Days Lost to Sickness Absence	Average Sick Days per FTE
4.2%	5,700	2,106,048	89,385	9.5

## Promoting Equality and Diversity

Equality and Diversity (E&D) is an important part of the Trust's overall work to improve service provision. The Trust's Equality Objectives continue to be part of the overall business objectives, showing the commitment being given to equality and diversity across the Trust. The Public Sector Equality Duty expects all public sector organisations to promote equality and diversity by:

- Eliminating discrimination, harassment and victimisation;
- Advancing equality of opportunity;
- Fostering good relations between people who share a protected characteristic and those who do not share it.

Some of the ongoing work includes:

- Working with the local Low Vision Group to improve Trust communications;
- Working with the local Deaf Association to improve understanding and communications;
- Dementia Project to assist patients with dementia during their stay on a ward;
- Reviewing mechanisms to support patients in hospital with a learning difficulty;
- Understanding the needs of minority/hard to reach groups to make healthcare accessible;
- Supporting In-Patients who have an assistance dog;
- Improving translation and interpreting for patients including easy read documents.

The Trust continues to review how best to support all patients and service users, irrespective of any protected characteristic they may have to ensure we meet their needs.

The Trust's current Equality Objectives are:

- Achieve improvements in patient health, public health and patient safety for all, based on comprehensive evidence of needs and results;
- Improve accessibility and information, and deliver the right services that are targeted, useful, and useable and used in order to improve patient experience.

The objectives are monitored by the Trust's Equality Diversity and Human Rights Steering (ED&HRS) Group. Following the outcome of the 2015 Equality Delivery System (EDS) public consultation and engagement event it was agreed these objectives should continue for 2015/16. By maintaining the two equality objectives it provides the ideal opportunity for the Trust to further improve in these areas. EDS continues to assist the Trust to meet the following requirements:

- Compliance with the Public Sector Equality Duty;
- Deliver on the NHS Outcomes Framework;
- NHS Constitution for Patients and Staff;
- CQC Essential Standards.

The Trust held its fifth Equality Delivery System

(EDS) public consultation and engagement event in June 2015 covering Blackpool and Lancaster. The report from the consultation identified:

- Further evidence was required in relation to work carried out with community teams particularly in the Lancaster area;
- To improve service user involvement in policy development;
- Disability Awareness Training to include visual impairment training;
- Information about Link Nurses to be more readily available;
- To better understand the needs of veterans;
- More evidence required across all protected characteristics in service provisions and delivery of healthcare preferably via a presentation from a representative from relevant area(s);
- Improve the evidence to show complaints are handled efficiently and with respect.

Equality and Diversity (E&D) continues to be part of the Trust's induction and mandatory training programmes to maintain awareness and emphasise the importance of E&D in all aspects of employment and service provision.

The Trust operates the Two Ticks symbol whereby anyone who discloses a disability during application and meets the essential criteria of the person specification, is automatically shortlisted.

### **Staff Communication on Matters of Concern and Performance**

The Trust has undergone some extensive work with staff as it looks to refresh its Strategic Vision for the next five years.

Clinical engagement in the process has been significant, with both task-and-finish and strategic working groups being led by senior clinicians from across the Trust from the beginning with a large number of clinical leaders participating in several large-scale engagement events that were held.

The stakeholder engagement events had wide attendance from across the Trust including the Board of Directors, representatives from the Council of Governors, clinical Heads of Department and operational managers as well



as representatives from a wide range of external stakeholders.

That engagement will continue in the new financial year across all staff areas.

The Trust has rewarded excellence and innovation through awards given out at the annual general meeting including the Cardiac Nurse of the Year award, the Dottie Hall Memorial award and a new Going the Extra Mile award.

Members of staff have also been recognised for their hard work and dedication through the Trust's annual Celebrating Success awards which saw the highest number of entries and the largest number of staff attending.

Media and social media campaigns have included Takeover Day, Research and Development awareness, heart health campaigns, NHS Change Day, blood donation campaigns, an ovarian cancer campaign and an extensive campaign to encourage staff and members of the public to become Dementia Champions.

In terms of reputational communication the Trust has focused on the CQC, mortality figures, community services, ensuring balanced media coverage and minimising potential adverse publicity.

The Communications team continues to champion the good work that goes on throughout the Trust by securing positive coverage within a wide spectrum of media and through its own publications – News Round, This Week, Health Matters, Your Hospitals and The Pulse.

The Trust's Vision and Values are reflected throughout these publications.

As an organisation our Change Management Policy supports the aim of managing strategic and organisational change in a way that is both supportive to staff and enhances the provision of the highest quality patient care.

In 2015 we consulted with our staff and working together we implemented a number of changes throughout the organisation which we believe improved our service in both clinical and non-clinical areas thereby improving patient care. Some examples of these changes are as follows:

- Nursing Consultation in North - this consultation was the transition from current cluster based teams to the newly commissioned Integrated Care Community Model, this involved 100+staff. All employees were met on an individual basis with the support of their staff side representatives;
- Community Nursing and Therapy staff at the

Assessment and Rehabilitation Centre in Blackpool – this was in partnership with Social Service and was the transition from current model of care at the Assessment & Rehab centre to a new model of care, including more nursing beds and care predominantly taking part in Community settings. Once



again all staff were consulted with and had the support of their staff side representatives. Staff embraced the change and there were no job losses.



## Health and Safety Performance

The delivery of a safe environment is critical to the delivery of the highest possible standards of clinical care and our Trust is committed to improving the environment and personal security for those who access our services and also for those who provide those services. It is our policy to safeguard the health and safety of all our patients, employees and visitors. Health, Safety and Security standards and risks are monitored by the Health, Safety and Security committee who meet regularly, made up of expert advisors in health and safety, fire and security. The Health, Safety and Security attendees are both union and non-union representatives from departments throughout our organisation ensuring reports are received from all areas and providing the opportunity for staff to raise concerns and issues in relation to health, safety and security matters. This committee reports into the Risk Committee who reports to the Board of Directors.

Ongoing work continues to effectively reduce the number of incidents and drive forward a pro-active health, safety and security culture across the Trust. During the last 12 months, we have made significant progress in a number of areas including providing extra available dates for Conflict Resolution/Breakaway training, identifying best practise for Lone Working and agreeing procedures and training to support our workers

to remain safe when in practise. Our Health and Safety Officers regularly conduct staff Displayed Screen Equipment (DSE), Control of Substances Hazardous to Health (COSHH), Pregnancy, and building and environmental risk assessments. Emergency investigations are carried out offering specialist advice to protect our patients, visitors and staff and the organisation from litigation concerns. The Trust Health, Safety and Security Policies and Procedures are continually reviewed and updated according to current legislation.

The Trust monitors all moving and handling incidents which have shown a decrease of 9.9%, from 111 incidents to 100 incidents over the previous year (incidents). The use of better manual handling aids has helped keep the decrease to a low level.

Slips, trips and falls have decreased by 5.7% from 1681 incidents to 1586 over the last year. The Trust has introduced a new team under the Sign up to Safety Campaign (described in the Quality Accounts) who provide support and deliver training to ensure our patients are assessed on admission, using a falls assessment tool kit, to gauge the patient's risk of a fall and to form subsequent plans of care are delivered to reduce individual falls risks.

Under Clause 24 of the NHS Standard Contract for 2014/2015, all organisations providing NHS services are required to put in place appropriate security management arrangements. The Trust has a focus on security management and recognises a requirement for an effective leadership and a high level of commitment from senior management. The Trust has in place a nominated Security Management Director (SMD), who is the Director of Nursing and Quality, and as a member of the executive board they lead on security issues. The Lead ensures there is Trust focus on key strategic security management priorities, ensuring adequate resources are allocated to meeting identified security priorities and help to deliver improvements across the Trust as a whole. The SMD together with the Trust Local Security Management Specialist (LSMS) have throughout 2015/16 worked towards the Trust's security priorities which are dictated by the national priority areas to deliver the anti-crime work outlined under the four NHS Protect standard areas of; Hold to Account, Inform and Involve, Prevent and Deter and Strategic Governance.

Our main focus is always to protect our staff and resources from activities that would otherwise undermine their effectiveness and their ability to meet the needs of our patients. Ultimately, this helps to ensure the proper use of valuable NHS resources and a safer, more secure environment in which to deliver and receive care.

A recently new joint Security and Fraud Redress Policy to safeguard the Trust's finances from activities that would otherwise undermine the effectiveness of the Trust's ability to meet the needs of patients and professionals has been introduced. The Trust has good relationships with our partners both local and regional anti-crime groups which help protect our patients, staff, premises, property and assets. The LSMS continues to work closely with these partner agencies as well as developing new and extended contacts.

Wherever possible the Trust seeks to minimise any security risk by deterrence, all security related incident reports are reviewed on a daily basis and required investigations instigated including a review of the effectiveness of the security measures in place.

There have been a number of new camera installations and digital upgrades during the 2015/16 period. These enhancements throughout a number of premises have increased the probability of criminals being caught and act as a visual deterrence to people mindful of committing criminal offences. The Trust has an Internal Security Team for the Blackpool Victoria Hospital site who hold responsibility of our CCTV room monitors which controls in excess of 200 cameras.

One of the key areas of work for the LSMS is working to reduce violence against NHS staff and 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.

**Table of Number of Verbal/Aggressive Incidents**

No. of verbal/aggressive incidents	2014/15	2015/16	% of Reduction
Verbal	234	220	5.9%
Physical	279	244	12.5%

## Staff Survey Results

The results from the Staff Opinion Survey 2015 show a decrease in the response rate (34.1%), which is below the national average of 38%. This year we surveyed the full census of staff so the number of staff who completed the survey was 2096 which is an increase from 360 staff in 2014. Overall, the responses to the survey are very positive and show an increase in our overall levels of engagement from 3.73 to 3.83, which is just above the national average of 3.79. We rank 15th out of 39 in overall engagement when compared with other Combined Acute and Community Trusts. We are above average for 12 of the 32 key findings (37.5%), and of those 5 are within the top 20% of scores for Combined Acute and Community

Trusts. We are average for 16 of the 32 key findings (50%) and below average on 4 of the Key Findings (12.5%).

Survey Questions	2014/15 %		2015/16 %		Trust Improvement/ Deterioration
Response Rate	Trust	National Average	Trust	National Average	
	42.6%	42%	34.1%	41%	8.5% Deterioration

Survey Questions	2014/15 %		2015/16 %		Trust Improvement/ Deterioration
Top 5 Ranking Scores	Trust	National Average	Trust	National Average	
Percentage of staff working extra hours	63%	71%	67%	72%	5% deterioration
Percentage of staff appraised in last 12 months	94%	85%	94%	86%	No change
Percentage of staff satisfied with the opportunities for flexible working patterns	No comparable data		55%	50%	N/A
Percentage of staff reporting the most recent experience of violence	76%	68%	61%	52%	15% deterioration
Staff satisfaction with the quality of work and patient care they are able to deliver	No comparable data		4.04%	3.94%	N/A

Survey Questions	Staff Survey Results 2014/15 %		Staff Survey Results 2015/16 %		Trust Improvement/ Deterioration
Bottom 5 Ranking Scores	Trust	National Average	Trust	National Average	
Quality of appraisals	No comparable data		2.90	3.03	N/A
Percentage of staff experiencing harassment, bullying or abuse from staff in last 12 months	21%	23%	26%	24%	5% deterioration
Percentage of staff reporting errors, near misses or incidents witnessed in last month	92%	90%	88%	90%	2% deterioration
Percentage of staff suffering work related stress in last 12 months	36%	37%	37%	36%	1% deterioration
Staff recommending the organisation as a place to work or receive treatment	3.65%	3.67%	3.71%	3.71%	0.06% improvement



## Actions to Address Areas of Concerns

- Detailed analysis is currently being undertaken by Division and Occupational groups to identify key differences within the data;
- Human Resources Business Partners will work with their Divisions/Directorates to support the development of their specific action plans;
- An improvement plan is being developed for the key themes overall arising from the staff survey – these will feed into the Great Place to Work group;
- A communication plan is being developed to provide feedback to staff on the outcome of the staff survey in respect of a You Said, We Did campaign which will also be aligned to the Workforce Strategy.

## Engaging with our Staff - Vision and Values Strategy for 2020

The Trust developed and launched its new values in 2014. The focus for the Trust this year was to embed those values to ensure that all staff were made aware of how they should behave and how we do our business. The values have been embedded into a number of Human Resources and Organisational Developments initiatives. The Trust now uses values based recruitment initiatives for all consultant and senior leadership positions, including personality testing and behavioural assessments.

The values and the new vision have been embedded into the appraisal process. This means that all staff performance is measured against how they do their job as well as what they do. This process is also designed to help staff see how they, in their role, contribute to the achievement of Trust priorities. The Trust is looking to improve the appraisal process further by aligning it with succession planning and talent management activities. The succession planning and talent management processes will ensure that the Trust has a talent pipeline into key leadership and business critical roles. This will contribute to the organisation having a consistent approach to managing and supporting talent to enable a robust succession plan.

The Trust's values are also aligned with the employee engagement work that we are

undertaking. Employee engagement is widely recognised as having a significant positive impact on organisational performance and staff happiness which in turn translates into better care for our patients. We have implemented a new staff engagement survey, the Great Place to Work survey (or #GP2W survey) which is sent to all staff over a 12 month period and asks them to tell us what it is like working for the Trust. A Great Place to Work focus group was set up so that staff could share their ideas with senior management on how engagement levels can be improved. The group meet bi-monthly and is attended by up to 40 staff from a variety of roles including nursing, catering, portering and admin. The Trust is also looking to run a Pioneer Team programme. The Pioneer Teams Programme is a six month programme designed to help improve staff engagement within teams.

## Expenditure on Consultancy

During 2015/16 the Trust incurred £1.58m on external consultancy costs (2014/15: £1.959m).

## Off-Payroll Engagements

As part of the Review of Tax Arrangements of Public Sector Appointees published by the Chief Secretary to the Treasury on 23rd May 2012, Foundation Trusts are required to publish information in relation to the number of off-payroll engagements.

During the year the Trust has introduced controls over the use of off-payroll engagements for highly paid staff (those staff earning more than £220 per day). All new engagements require the authorisation of an executive member of the Board of Directors prior to commencement of the engagement. Staff employed under such engagements are required to provide confirmation of their employment status and assurance of their taxation arrangements.

**Table 1: For all off-payroll engagements as of 31st March 2016, for more than £220 per day and that last for longer than six months**

Number of existing engagements as of 31st March 2016	3
Of which...	
Number that have existed for less than one year at time of reporting	3
Number that have existed for between one and two years at time of reporting	0
Number that have existed for between two and three years at time of reporting	0
Number that have existed for between three and four years at time of reporting	0
Number that have existed for four or more years at time of reporting	0

**Table 2: For all new off-payroll engagements, or those that reached six months in duration, between 1st April 2015 and 31st March 2016, for more than £220 per day and that last for longer than six months**

Number of new engagements, or those that reached six months in duration, between 1st April 2015 and 31st March 2016	5
Number of the above which include contractual clauses giving the Trust the right to request assurance in relation to income tax and National Insurance obligations	5
Number for whom assurance has been requested	3
Of which:	
Number for whom assurance has been received	2
Number for whom assurance has been not received*	1
Number that have been terminated as a result of assurance not being received	0

\* Assurance has been requested from one individual is working through a personal service company awaiting completion of the first year's accounts.

**Table 3: For any off-payroll engagements of board members, and/or senior officials with significant financial responsibility, between 1st April 2015 and 31st March 2016.**

Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	0
Number of individuals that have been deemed "board members and/or senior officials with significant financial responsibility". This figure should include both off-payroll and on-payroll engagements.	0

## Exit Packages

During the year there were no exit packages. Termination benefits packages used by the NHS Foundation Trust in previous years consisted of:

- Compulsory redundancy;
- Voluntary redundancy;
- Mutually agreed resignation scheme (MARS).

The following table discloses the number and cost to the NHS Foundation Trust of all exit packages that were agreed as at 31 March 2016. (2014/15 comparatives shown in brackets).

Exit package cost band	Compulsory redundancies	Other departures agreed	Total
	Number	Number	Number
<£10,000	0 (0)	0 (3)	0 (3)
£10,000 - £25,000	0 (0)	0 (2)	0 (2)
£25,001 - £50,000	0 (0)	0 (1)	0 (1)
£50,001 - £100,000	0 (0)	0 (0)	0 (0)
£100,001 - £150,000	0 (0)	0 (0)	0 (0)
Total number of packages by type	0 (0)	0 (6)	0 (6)
	£000	£000	£000
<b>Total resource cost - 2015/16</b>	0	0	0
<b>Total resource cost - 2014/15</b>	0	95	95

Exit packages: Non compulsory departure payments	2015/16		2014/15	
	Agreements	Value	Agreements	Value
	Number	£000	Number	£000
Voluntary redundancies including early retirement contractual costs	0	0	5	58
Exit payments following employment tribunals or court orders	0	0	1	37
Non-contractual payments requiring HMT approval	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>95</b>

Details of exit packages agreed for non executive and executive directors of the NHS Foundation Trust can be found in the Remuneration Report.

## Disclosure within 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.

Blackpool Teaching Hospitals NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a 'comply' or 'explain' basis. The NHS Foundation Trust Code

of Governance, most recently revised in July 2014, is based on the principles of the UK Corporate Governance Code issued in 2012.

The Corporate Assurance Department have undertaken a review of the Trust's performance against the NHS Foundation Trust Code of Governance on the 'comply' or 'explain' basis and submitted a report and the self-assessment to the Audit Committee on the 19th April 2016. The Audit Committee approved that the Trust complied

with all the provisions and noted some areas of improvement.

## Disclosure of Public Interest

The Trust has not held any public consultations between 1st April 2015 – 31st March 2016.

## Disclosures from the Audit Committee

### The Remit of the Audit Committee

#### Role and Composition

The prime function of the Audit Committee is to provide the Board of Directors with an independent assurance over the establishment and maintenance of an effective system of integrated governance, risk management and internal control across the whole of the organisation's activities with the aim of supporting the achievement of the Trust's objectives. It has done this by producing assurance reports for the Board's consideration following each Audit Committee meeting.

It considers reports from the Trust's Executive Directors and the Internal and External Auditors and provides assurance to the Board on the independence and effectiveness of both external and internal audit and the effectiveness of actions in relation to internal control and audit recommendations taken by the executive function of the Trust. It ensures that standards are set and that compliance is monitored in all areas of the Trust that fall within the remit of the Committee. The Audit Committee takes the lead in reviewing the integrity of the Annual Financial and Quality Accounts and the related External Auditor's Reports. In addition it reviews the Annual Governance Statement prepared by the Chief Executive in her role as the Accountable Officer.

The Committee is chaired by Mr Jim Edney (CPFA), who joined the Trust in June 2013. The Board considers Mr Edney to have relevant financial experience following his role as a qualified accountant and former Finance Director of two local authorities. In addition to the Committee members, standing invitations are extended to the

Director of Finance and Performance, External and Internal Audit representatives, the Local Counter Fraud Officer, the Director of Strategy/Deputy Chief Executive and members of the Corporate Assurance Team. 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 fulfil its responsibilities effectively; including the Chief Executive. Other Non-Executive Directors have been invited and have attended as chairs of Board Committees.

At its meeting on 8th September 2015 the Committee considered and accepted updated terms of reference. It requested that the post of Deputy Chief Executive/ Director of Strategy be added to the list of regular attenders and it decided to recommend that its quorum be increased from two NEDs to all three (because of the small membership of the committee). The Board accepted these recommendations.

Administrative support has been provided initially by Miss Kayleigh Briggs and subsequently by Mrs Paula Clark as Personal Assistants to the Director of Finance and Performance.

The Committee operates in accordance with the revised Terms of Reference agreed by the Board of Directors on 28th October 2015 and has met on five occasions during the year ended 31st March 2016. Since June 2013 the Committee's membership has consisted of three Non-Executive Directors (NEDs). 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. All but one meeting in 2015/16 were attended by all three NEDs.

### The Remit of the Internal and External Auditors

#### Internal Audit

KPMG has provided the Trust's internal audit service since 1st October 2012.

#### Structure

The core members of the Internal Audit Team are; the Head of Internal Audit, Senior Manager and Assistant Manager. In addition to these core members the team will draw on other specialists within KPMG to complete reviews. These staff



report to the Head of Internal Audit to ensure that their work is co-ordinated and to provide a seamless delivery. The team are a mixture of Chartered Institute of Public Finance and Accountancy (CIPFA) and Association of Chartered Accountants (ACA) qualified staff.

### **Role**

The role of Internal Audit is to assist all levels of management and the Audit Committee in the effective discharging of their responsibilities relating to risk management and internal control by providing the Trust with appraisals, recommendations and other relevant information concerning the activities of the Trust. The Internal Audit Team aim to promote effective internal control to facilitate the risk management process throughout the Trust and help embed this process with the support of the Director of Finance and Performance where needed for resolution within the Trust. In addition KPMG have responsibilities as the Head of Internal Audit.

### **Key Performance Indicators (KPI)s**

The Internal Audit Team will;

- Develop the Internal Audit Plan;
- Produce reports for management that will outline the objectives and scope of their work, risks considered during their review, an assessment of the effectiveness of internal controls and considerations for performance improvements;
- Produce implementation plans;
- Undertake follow up work in subsequent periods to track the implementation of agreed recommendations;
- Present a Progress Report to each Audit Committee providing a summary of internal audit activities and progress on implementing agreed recommendations;
- Produce an annual internal audit report;
- Provide a Head of Internal Audit Opinion in respect of risk, control and governance arrangements.

### **Contract Term**

The initial contract term with KPMG ends in October 2016 and the Audit Committee are reviewing this at the meeting in April 2016.

## **The Work of the Audit Committee in Discharging Its Responsibilities**

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 Internal Audit Manager. Receiving reports on the Trust's Governance Arrangements, Risk Management and Board Assurance Framework; Information Governance; e-Rostering Compliance; Clinical Engagement; Discharge Process; Staff Recruitment; Medical Devices; Core Financial Controls and Financial Management; Data Quality; Sustainability, and CQC Enforcement Guidance. At its meetings on 19th April 2016 and 25th May 2016, the Committee received the Head of Internal Audit Opinion which The Committee also met in private with Internal Audit representatives so as to allow discussion of matters in the absence of Executive Officers.

## **Internal Control and Risk Management Systems**

Throughout the year the Committee has received regular reports from both Internal and External Auditors in relation to the adequacy of the systems of internal control and also received regular reports from the Deputy Chief Executive/Director of Strategy and the Head of Corporate Assurance on the robustness of risk management and governance arrangements throughout the Trust.

The Committee has reviewed and considered the work of the External Auditor at its meetings in the year from 1st April 2015 to March 2016 by:

### **In relation to 2014/15;**

Considering the Trust's Annual Governance Statement at the meeting held on 20th May 2015 and recommending it to the Board for approval:-

- There were five significant items of judgement (going concern, management override of control, risk of fraud in revenue recognition, risk of fraud expenditure recognition and valuation of property, plant and equipment) discussed

by the Audit Committee and a number of recommendations were made to, and accepted by, the Board.

#### **In relation to 2015/16;**

For completeness, and even though the discussions in relation to 2015/16 were not completed until May 2016, the following issues were reviewed and considered by the Audit Committee.

The Committee has reviewed the work and findings of the External Auditors by:-

- Discussing and agreeing the scope and cost of the audit detailed in the Annual Plan for 2015/16;
- Considering the extent of co-ordination with, and reliance on, Internal Audit;
- Consideration of mechanisms regarding self-assessment of the Audit Committee's effectiveness;
- Consideration of a number of accounting treatments under International Financial Reporting Standards (IFRS) and the impact thereon in relation to the Annual Accounts;
- Receiving and considering the Annual Audit Letter at its meeting on 25th May 2016 which was presented to the Board of Directors at its meeting also on 25th May 2016;
- The accounting treatment of Charitable Funds and their relationship with the Trust's accounts.

#### **External Audit**

The Council of Governors, on 17th March 2014, approved the continued appointment of PwC as the Trust's external auditors until May 2017, with an option to extend for a further year. This was undertaken through a mini competition for the External Audit Services under the NHS Shared Business Services Framework Agreement and two firms were invited for formal presentations and scored by an evaluation panel. PwC were paid £59,225 plus VAT in respect of statutory audit fees, including the independent reporting work in relation to the Independent Auditor's report in the annual Quality Report.

The Trust limits work undertaken by the external auditors outside the audit code to ensure independence is not compromised. In 2015/16, PwC did not provide any other services to the Trust.

The Board maintains a policy on the engagement of the external auditor for the provision of non-audit services, (The Use of External Auditors for Non-Audit Services - CORP/POL/257), which was reviewed and approved by the Audit Committee and Board of Directors in November 2015. The effect of the policy is that if the Executive Team retains the external auditor for the supply of non-audit services with a value of more than the annual external audit fee, the express approval of the Council of Governors would need to be sought and obtained for any further work.

#### **Other Matters**

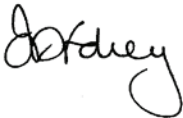
In addition to the matters outlined in this report, the following areas/issues were discussed and reviewed by the Committee during the year:

- Regular discussions on the approach to be taken to a Well Led governance review in 2016/17 to meet the requirements of Monitor and making recommendations to the Board which were approved in January 2016;
- A renewed focus on Value for Money, including Lord Carter's Report, the Hospital Efficiency Index, Monitor's report on improving productivity in elective care and reviews of non-core income streams and cost recovery;
- An Annual Report on the Trust's arrangements for Whistle Blowing and their effectiveness;
- A full update of the Trust's constitution, Standing Orders, Financial Instructions and Delegations and arrangements for regular updates;
- Consideration of Local Counter Fraud Specialist Reports and Annual Report, including the review of Counter Fraud effectiveness by NHS Protect in June 2015;
- The Trust's approach to waivers to standing orders and the finalisation of a revised approval system. Consequently, the Trust has seen a significant reduction in the number and value of waivers and special payments made;
- A Self-Assessment of the Committee's effectiveness is carried out every year. A similar approach has now been adopted by the Board and all of its committees;
- The identification and agreement of matters for consideration by the Board.

## Conclusion

The Committee has continued to focus in 2015/16 on supporting the Trust's governance and assurance arrangements which were updated in 2012. At the core of its discussions there has been a determination to promote sound principles of strategy, performance management and monitoring and of reporting with the intention of bringing greater clarity to the roles and accountabilities of the Trust's executive managers

vis a vis the Board and its committees. The aim continues to be to help the Trust provide excellent services to patients and to serve the public within a robust set of risk management arrangements and with overall efficiency and effectiveness. I will be completing my term as Non-Executive Director and Chair of the Audit Committee on 31st May 2016 and I would like to thank the members of the committee and all colleagues who have helped support and develop the work of the committee over the past three years.

Signed: 

Date: 25th May 2016

**Jim Edney**

AUDIT COMMITTEE CHAIRMAN

# Regulatory Ratings

For detailed information on this section please refer to the Financial Performance Review section on page 31.

## Sustainability Reporting

Investment into energy efficiency has continued in 2015/16 and is led by the estates department. We continue to make savings on the back of schemes completed in 2014/15 around heating and hot water systems. We have invested £20,000 in upgrading the Building Management System, which took place in March 2016. This will allow better monitoring of temperatures across the Trust targeting energy efficiency, but also ensuring a stable and comfortable environment for staff and patients. The latest upgrade will also improve response time for unforeseen breakdowns.

We are continuing to invest in LED lighting technology which has been run alongside this year's programme of periodic testing and emergency lighting tests, this has been further enhanced by changing to LED lighting where minor refurbishment scheme has been undertaken. In conjunction with these works we have been installing passive infra-red (PIR) sensors in non critical areas which will reduce the energy use when staff are not working in that area.

We have made investment into replacing and monitoring steam traps which are part of the distribution system that provides heat and hot water to the site which has resulted in a net saving of circa £10,000 per annum recurrently.

Theatres have seen investment to change the heating pattern so we are not heating areas when they are not occupied which will be monitored to see what effect that is having on energy consumption, early indications say it is reducing energy use.

We have installed a new Combined Heat and Power (CHP) plant at Clifton Hospital which will reduce the CO2 emissions annually and our energy consumption which is further supported by

improved heating control on the wards, which has improved the environment for the patients, staff and visitors for all wards.



The strategy for procurement of gas has traditionally been fully flexible, however a different approach was adopted for the year 2015/16 from a fully flexible to 70% fixed cost and 30% on a flexible arrangement resulting in a saving of £300,000. This was also supported by the extremely low market costs at the time of procurement.

Our electricity procurement contract is up for renewal in 2016 and again with the very low market costs we are expecting to see some savings being generated by moving from a fully flexible to fixed procurement strategy, thus giving the Trust some certainty on cost.

Operation TLC (Turn down, Lights out, Close windows) commenced January 2016 and will run for 12 months. The key focus for the project is to reduce the overall energy consumption of the Trust. The methodology for the scheme is a twin approach of working alongside a charity to implement a behavioral and cultural change programme, whilst concurrently working with an interdisciplinary research centre to identify



the trends in the hospital in energy and mobility management. Analysis carried out in advance of the scheme commencing has highlighted a £25,000 energy savings opportunity by changing the culture of staff within the Trust around energy use.

We believe that once the behaviour changes have been embedded with staff and becomes part of their working environment and culture, the savings can be achieved recurrently without the yearly outlay to deliver the programme, although occasional input from the Estates Team and Communications Department would be required to monitor success.

## Environmental Performance in Key Areas for 2014/15 and 2015/16

Table: Environmental Performance					
		Non Financial Data		Cost	
		2014/15	2015/16	2014/15	2015/16
Waste Minimisation	Waste Arising (Total waste from all sources)	1,532 tonnes	1480 tonnes	£307,237	£299,638
	Clinical Waste (waste disposed of via high temperature incineration)	620 tonnes	624 tonnes	£210,373	£185,960
	Waste sent to landfill	11 tonnes	22tonnes	£1,045	£2,310
	Recycled waste	655 tonnes	576 tonnes	£34,380	£43,300
	Non Hazardous Incineration (Energy from waste)	172 tonnes	248 tonnes	£16,245	£36,040
	Electrical and Electronic waste items	7 tonnes	10 tonnes	£1,173	£0.00
	Percentage of Waste subject to a recycling or recovery exercise	95% (55% Recycled)	98.51%	n/a	n/a
Management of Finite Resources	Water	152,947 m3	169,593 m3	£512,658	£518,337
	Electricity - Imported	34,642 GJ	25,836 GJ	£1,267,034	£782,025
	Total Electricity – Imported + CHP generated	58,194 GJ	56,324 GJ	£1,446,975	£916,015
	Gas	192,217 GJ	169,489 GJ	£1,645,145	£1,080,930
	Other Energy – Heating Oil	85 GJ	85 GJ	£1,311	£1,300
	Fuel used in Blackpool Teaching Hospital Trust owned transport	29,786 litres	32,206 litres	£36,758	£36,323
	Fuel used in ex North Lancashire Primary Care Trust owned transport	57,927 litres	51,607 litres	£75,697	£63,405
Direct Green House Gas (GHG) Emissions	Direct emissions from the energy sources above only – excluding CHP generated electricity	14,981 tonnes	12,511 tonnes	n/a	n/a
Explanatory notes	<p>To bring this report in line with internal monthly reports waste costs are reported exclusive of VAT. All other costs are inclusive of VAT.</p> <p>This figure represents a maximum based on in year purchases. The actual figure consumed is likely to be slightly lower.</p> <p>Above data excludes non-acute community sites</p> <p>The information above is an extrapolation of the best available data at the time of compilation (January 2016). Actual year end figures may therefore differ slightly from those presented. In the event of any difference between this data in this report and that presented in our annual Estates Returns Information Collection (ERIC) return the ERIC figures are to be preferred.</p>				

Signed: *W. A. Swift*

Date: 25th May 2016

**Wendy Swift**

CHIEF EXECUTIVE (INTERIM)

# Annex A – Quality Account 2015 - 2016

## Part 1: Statement on Quality from the Chief Executive

Blackpool Teaching Hospitals NHS Foundation Trust aims to be the safest organisation within the NHS. This means that patient safety and quality are at the heart of everything that we do. As Chief Executive, I am incredibly proud of what we, at the Trust, have achieved throughout the year and we share our achievements and quality performance with you through our Quality Account.

Our staff have remained committed to providing safe, high quality care to all of our patients both within a hospital setting and a community setting. We truly believe that staff who enjoy their work and have pride in it, will provide patients with better care which is why part of our agreed organisational culture advocates that our staff are people centred, compassionate, positive and excellent.

These Quality Accounts are our seventh yearly published accounts as a Foundation Trust and I am delighted to highlight the excellent progress we have made over the past 12 months in ensuring our patients receive the highest quality care possible.

Ensuring patients receive high quality and safe care is our Trust's key priority and as our services are constantly changing and improving to meet the needs of the local health economy and community we have introduced new initiatives to improve the quality of care and patient experience. The Quality Account for the 2015/16 period highlights the work we have been doing over the past 12 months and it includes a detailed overview of the improvements we have made during 2015/16 whilst also setting out our key priorities for the next year 2016/17.

Ensuring our patients receive a positive experience of care is important to our staff and for us as an organisation and we are pleased with our results in our patient experience surveys and the positive feedback of the number of patients stating that

they would recommend our services to a relative or friend.

Patient and relative positive feedback was also provided to the Care Quality Commission (CQC) who re-inspected the Trust in September 2015. They reviewed our maternity services and our Accident and Emergency services. The overall rating for the Trust remained 'requires improvement' but I am pleased to report that the individual rating for maternity services improved to a rating of 'good'. Although our Accident and Emergency Services remained with a rating of 'requires improvement' there were many positive areas of good practice that were identified by the inspectors.

In its formal report on both of these services the CQC drew out a list of good practise, including:-

- Improved leadership in the Accident and Emergency Department with a strong multi-disciplinary team;
- Staff were positive and proud of the work they did;
- Effective collaboration and communication among all of the multi-disciplinary teams;
- Trust investment in senior staff through leadership training and coaching;
- Staff observed treating patients with compassion, respect and dignity;
- A new midwifery staffing model was noted as having positive impacts;
- Patients were noted as having a high regard for staff and clinical teams;
- A good incident reporting culture was in place that promoted lessons learned culture;
- Midwifery 'star buddies' programme to support breast feeding was noted as outstanding practice.

The above gives real confidence to the people who access our services in the standard of care that is provided and of the dedication of our staff in all of their efforts to ensure we deliver best care to our patients. The full report contains many more facts and figures and I would encourage you to read about the numerous initiatives and measures that are in place to improve quality and reduce avoidable harm.

Looking forward to the year ahead, we intend to increase our efforts even further towards driving quality and safety improvements across the organisation. That is why we have spent the latter part of 2015/16 reviewing our quality strategy in line with a trust-wide strategy review. We are pleased to be able to set out in the accounts the intention of the new Quality Strategy for the coming three years which is what we will be reporting against going forward into the coming year. The strategy focuses on three key principles that care will be:-

- Informed;
- Timely;
- Safe.

Within these three domains are two primary metrics, each having a number of targets attributed

to them in terms of measuring and monitoring the performance and progression of each of the domains.

We are pleased with our achievements as we strive continuously to improve both the quality and safety of our care and want to share with you our story of continuous improvement in our Annual Quality Account. I hope that you will see that we care about, and are improving, the things that you would wish to see improved at our Trust and that going forward our Quality Strategy will continue to help us achieve this.

We aim to be responsive to patients needs and will continue to listen to patients, staff, stakeholders, partners and Foundation Trust members and your views are extremely important to us. We are pleased that Governors and other local stakeholders have played a part in shaping our priorities for the future. They have shared their ideas and comments so that we can continue to improve the quality of care and patient experience in areas when needed.

To the best of my knowledge the information in the Quality Account 1st April 2015 – 31st March 2016 is a balanced and accurate account of the quality services we provide.



Signed: *W. A. Swift*

Date: 25th May 2016

**Wendy Swift**

CHIEF EXECUTIVE (INTERIM)



## Part 2: Priorities for Improvements and Statements of Assurance from the Board

The Trust Board sees improving quality as a primary focus at Blackpool Teaching Hospitals NHS Foundation Trust and has endorsed the review and development of a new Quality Strategy (set out on page 117 of the Quality Account). The organisational Strategic Framework already in place underpins the current quality programme set out in this Quality Account for 2015/16 and will continue to be an enabler for the quality priorities set out in the new strategy. We believe the new Quality Strategy will enable us to maintain a focus on the quality and safety agenda, whilst the organisation completes and enacts its trust-wide strategic review, which has taken place during 2015/16. Delivering the new Quality Strategy alongside the wider Trust Strategy will ensure improvements to the health and outcomes of our local population based on the values and principles set by the Board of Directors.

### 2.1 Rationale for the Selection of Priorities for 2016/2017

The Trust's priorities for 2016/17, in relation to the key elements of the quality of care for clinical effectiveness, quality of the patient experience and patient safety, and the initiatives chosen to deliver these priorities were established as a result of consultation with patients, governors, managers and clinical staff. The Trust has shared its proposed priorities for 2016/17 with our Clinical Commissioning Groups, Blackpool Healthwatch, Lancashire Healthwatch, Blackpool Overview and Scrutiny Committee, Lancashire Overview and Scrutiny Committee and a sub group of the Council of Governors.

The Trust has taken the feedback received into account when developing its priorities for quality improvement for 2016/17 and after consultation through the Quality Committee reporting into the Trust Board, the improvement priorities outlined in the metrics identified within the new Quality Strategy, were proposed and agreed by the Board

of Directors which it believes will have maximum benefits for our patients.

These quality improvement priorities are also reinforced by the standards outlined in the NHS Outcomes Framework which set out the high-level national outcomes that the National Health Service (NHS) should be aiming to improve. The priorities focus on three key elements in the quality of care with the belief that care should always be:-

- Informed;
- Timely;
- Safe.

The quality improvement priorities selected by the Board of Directors for implementation in 2016/17 have been aligned to the new Trust Strategy and supports the implementation of the new Trust strategic progression forward.

The priorities will be measured through agreed targets for the metrics within the three key elements of quality and performance against these targets will be reported quarterly to the Quality Committee, which is a sub-committee of the Trust Board. The Non-Executive Director Chair for the Committee will provide an assurance report to the Trust Board on progress against the agreed priority areas.

## 2.2 A Review of Quality Improvement Projects 2015/16

Below is a list of quality initiatives in progress and their current status. Each project is explained in the individual project pages

(= - Target achieved, < - behind plan, >> - close to target)

	Target Achieved / On Plan	Close to Target	Behind Plan
Harm Free Care		>>	
Sign up to Safety	= Stage 3&4		< Stage2
Reducing Patient Falls		>>	
Reduction in Pressure Ulcers	= Stage 3&4		< Stage2
Care of the Deteriorating Patient		>>	
Clinical Pathways			<
Patient Safety – Lessons Learned			
Duty of Candour			
Infection Prevention - MRSA			<
Infection Prevention – Cdiff			<
Patient Family and Carer Experience – FFT		>>	
Patient Family and Carer Experience – ‘Tell Us’ Campaign		>>	
Patient Family and Carer Experience – Always Events	=		
Patient Family and Carer Experience – PROM’s		>>	
Dementia Care	=		
End of Life Care			
Spiritual Care			
Bereavement Care			

### 2.2.1 Harm Free Care

What:	Patients will be free from harm from falls, pressure ulcers, Catheter Associated Urinary Tract Infection (CA-UTI), Venous thromboembolism (VTE)
How much:	95%
Outcome:	93.5% all harms, 97.8% new harms.
Progress:	<div> <div>&gt;&gt;</div> <div>Close to target</div> </div>



To help us monitor the safety of our patients, each month we use a tool from the Department of Health called the Safety Thermometer to audit the care given to our patients. The safety thermometer measures harms that occur to patients whilst in

our care and identifies how many of our patients experience one of the following four harms:-

- pressure ulcers;
- falls;

- blood clots (VTE);
- urine infections for those patients who have a urinary catheter in place.

This information helps us to understand where we need to make improvements in delivering harm free care. We pay particular attention to new harms as we are more able to prevent these happening.

In 2015/16, based on Safety Thermometer data 45 out of 7931 hospital in-patients (0.57%) were reported as having a Catheter Associated Urinary Tract Infection (CAUTI). 47 out of 7931 hospital in-patients (0.59%) were reported as having a Venous thromboembolism (VTE). The Trust can report this demonstrates an improvement in year.

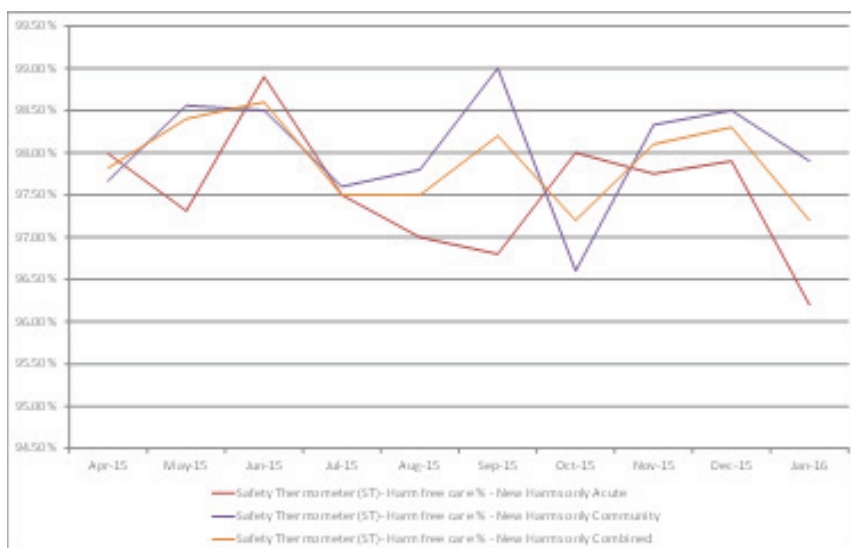
Each of the four harms are then looked at in more detail by individual project teams to learn how we can improve patient care and outcomes and implement improvements in the specific area. This year the Infection Prevention Team have actively supported patient and staff education and training to promote the effective care of catheters to prevent infection. Focus in the year from a VTE perspective has been to ensure risk assessments are carried

out and patients receive the correct treatment plan based on their risk.

Further details of successes with falls and pressure ulcers can be found on the individual topic area. The graph below shows percentage of patients who received harm free care as a result of new harms.

**'Harmfree'care**  
A new mindset in patient safety improvement

This year we have also looked at the harm free care provided to our patients in their own homes as part of the community safety thermometer, and of patients receiving care from our maternity services as part of the maternity safety thermometer project.



## 2.2.2 Sign up to Safety

What:	Improve the safety of our patients and reduce avoidable harms
How much:	Stage 2 pressure ulcers 30% reduction Stage 3 & 4 pressure ulcers 50% reduction Falls 20% reduction
By March 2017	Failure to rescue deteriorating patients 50% Meet pathways compliance for sepsis & AKI
Outcome:	<ul style="list-style-type: none"> <li>• Stage 2 pressure ulcers +13%</li> <li>*Stage 3 &amp; 4 pressure ulcers 19.67%</li> <li>*Falls 6%</li> <li>*Failure to rescue deteriorating patients 17%</li> <li>• Meet pathways compliance for sepsis &amp; AKI - currently reviewing compliance measures</li> </ul>
Progress:	<div> <div>=</div> <div>*On Target</div> <div>&lt;</div> <div>• Behind plan</div> </div>

Sign up to  
SAFETY

Sign Up To Safety (SUTS) is a national campaign and unified programme for patient safety across the NHS in England. The aim of the programme is to reduce avoidable harm by half and save 6,000 lives over the next three years, and to sustain the improvement over the following three years, whilst continuing the focus and drive on safety improvements.

The Trust has made five key safety pledges and is working with commissioners, Academic Health Science Network's, Health Foundation, NHS England and regulatory bodies to develop and embed safety initiatives to improve patient outcome and experience.

#### Our pledges were to:-

- Put safety first and commit to reduce avoidable harm;
- Continually learn and make our organisation more resilient to risks;
- Be honest and transparent with people about our progress to tackle patient safety issues and support staff to be candid with patients and their families if something goes wrong;
- Work collaboratively with local and regional services;
- Support staff to understand why things go

wrong and how to put them right.

The Trust has identified that its key focus of safety will cover the following areas:-

- Falls;
- Pressure ulcers;
- Clinical pathways;
- Care of the deteriorating patient.

These focus areas were identified as each has a risk that impacts on patient safety, supports the delivery of the Trust Strategy and Quality Goals, supports the delivery of our Compassionate Care Strategy and supporting the delivery of standards for providing care that is safe, effective, caring, responsive to people's needs and well-led.

A multi-disciplinary project team which includes clinical and non-clinical staff, governor representation and patient experience representation, with Board level support, oversees the work of the campaign.

Further detail of the successes can be found on the individual topic area.

### 2.2.3 Reducing Patient Falls

What:	Reduce the number of patients experiencing a harm as a result of a fall
How much:	20% reduction by March 2017
Outcome:	On trajectory - reduction of 6% in year.
Progress:	<div style="display: flex; align-items: center;"> <div style="border: 1px solid blue; border-radius: 50%; padding: 5px; margin-right: 10px;"> <span style="color: red; font-weight: bold;">&gt;&gt;</span> </div> <div>Close to target</div> </div>

Sign up to  
**SAFETY**

**NHS**  
England

20%



A fall is defined as:- *"inadvertently coming to rest on the ground, floor or other level, excluding intentional change in position to rest on furniture,*

*wall or other objects"* (WHO 2007). As part of our patient safety programme we are focussing on falls prevention.





*"Leaves are supposed to fall, people aren't."* As a Trust we have introduced the falling leaf symbol to identify patients at risk of falling. These symbols alert staff at safety briefings of the patient's risk of falling, so all staff are able to visually see and

consider the patient's safety needs to prevent falls when planning and delivering their care.

As part of our Sign Up To Safety Campaign we have been lucky to employ two Falls Risk and Response Nurses this year who have provided intensive support to clinical staff in the hospital and community settings in promoting and ensuring patient safety in falls prevention and post fall care. In addition to the support, they have also introduced a variety of quality improvement initiatives, including educational tools, patient information, 'falls risk socks' and hosting a week long Falls Awareness Campaign that involved our Clinical Commissioning Group, General Practitioner's (GP's) ambulance and voluntary services.

The team work closely with all disciplines across the health care environment to support the safe discharge of patients who have been hospitalised following a fall, to help prevent a re-occurrence.

## 2.2.4 Reduction in Pressure Ulcers – Acute/Community

What:	Reduce the number of patients experiencing a harm as a result of a pressure ulcer
How much:	Stage 2 pressure ulcers 30%
By March 2017	Stage 3 & 4 pressure ulcers 50%
Outcome:	<ul style="list-style-type: none"> <li>● Stage 2 pressure ulcers +13%</li> <li>*Stage 3 &amp; 4 pressure ulcers 19.67%</li> </ul>
Progress:	<div> <div>=</div> <div>&lt;</div> </div> <div>*On Target</div> <div>● Behind plan</div>



**30%**  
Stage 2

**50%**  
Stage 3 & 4

A pressure ulcer is sometimes known as a pressure sore or bed sore. They can develop when a large amount of pressure is applied to an area of skin over a period of time. Patients in hospital are more at risk of developing pressure ulcers as they are ill and often immobile for a period.

By regular repositioning of patients and encouragement of mobility we assist in preventing pressure ulcer formation wherever possible. Within our organisation we have a range of pressure redistribution mattresses available including cushions and offloading products.

As part of our Sign up to Safety Campaign we have

employed two additional Tissue Viability Nurses to implement quality improvement initiatives and support staff in the identification and correct grading of pressure ulcers which has resulted in the initial increase in reported stage 2 pressure ulcers. They are involved in a project to provide intensive wrap around support to wards and community localities to promote staff and patient education. Grade 3&4 pressure ulcers have reduced by 19.67% due to the early identification of patients' with existing tissue damage on admission. The project team have developed a new root cause analysis tool to help staff identify how we can make improvements through learning when a harm does occur.



The Tissue Viability Nurses also held a successful 'Stop the Pressure' day as part of a national

campaign to raise awareness for the public and staff.

#### Improvements we have made this year:-

- Use of photography in the community so skin changes can be discussed with senior nurses who can advise on patient treatment and management;
- Development of a pressure ulcer pathway;
- Dedicated Tissue Viability documentation;
- Patient passport to support continuity of patient's skin care in different care settings.

### 2.2.5 Care of the Deteriorating Patient

What:	Reduce avoidable harm caused by failure to rescue or failure to recognise the deteriorating patient
How much: By March 2017	50% reduction from our 2014 baseline of 'Failure to Rescue' 2222 calls
Outcome:	17% reduction
Progress:	<div style="display: flex; align-items: center;"> <div style="border: 1px solid blue; border-radius: 50%; padding: 5px; margin-right: 10px;"> <div style="color: blue; font-weight: bold; font-size: 24px;">&gt;&gt;</div> </div> <div>Close to target</div> </div>

50%

Patients who are admitted to hospital believe that they are entering a place of safety, where they and their families and carers have a right to believe that they will receive the best possible care National Institute Health and Care Excellence (CG50). Should their condition deteriorate, we should be able to provide prompt and effective treatment provided by staff with the right competencies. Staff on the ward areas should be provided with education and training to recognise the deteriorating and / or acutely ill patients and also be able to identify the needs of and care for patients transferred from critical care.

Through the Critical Care Outreach Service in collaboration with other key personnel, the Trust has developed a robust strategy for identifying the deteriorating patient.

Each month we identify compliance failure and review all cardiac arrest calls. We also look at all reported incidents of patients deteriorating unexpectedly.

We use this information to look at where we can make improvements in our care to prevent where

possible, patients deteriorating unexpectedly.

We have been able to demonstrate a reduction in emergency calls and failure to rescue events.

By preventing patients deteriorating, we aim to reduce avoidable admissions to critical care.


#### We are doing this through:-

- Effectively managing the process of early identification of deterioration including;
- Accurate and reliable recording through adoption of the National Early Warning Scoring system;
- Appropriate and early diagnosis of a patients deteriorating condition;
- Implement a nurse led response to a deteriorating patient with appropriate medical support;
- Ensuring safety briefings on ward areas are implemented to aid the early identification of the deteriorating patient;
- Ensuring that appropriately documented 'ceilings of care' (patients previously expressed

- wishes, and/or limitations to their treatment) are identified for all patients;
- Ensuring appropriate Do Not Attempt Cardio-Pulmonary Resuscitation (DNA-CPR) decisions have been made and accurately recorded;

- Ensuring protocols and procedures support the early identification of a deteriorating patient and that hospital staff are appropriately trained in all aspects of timely recognition, escalation and care of these patients.

### 2.2.6 Clinical Pathways

What:	Improve the safety of our patients through delivery of care within defined evidence based pathways
How much:	Meet pathways compliance for priority pathways
Outcome:	Currently reviewing compliance measures
Progress:	 Behind plan

Our Better Care Now Project - pathway stream, was launched in August 2013. This year the sepsis and Acute Kidney Injury (AKI) pathways in particular have been the focus of our Sign Up To Safety Campaign.

The delivery of clinical pathways in these areas is overseen by a Clinical Pathway work stream and aims to:-

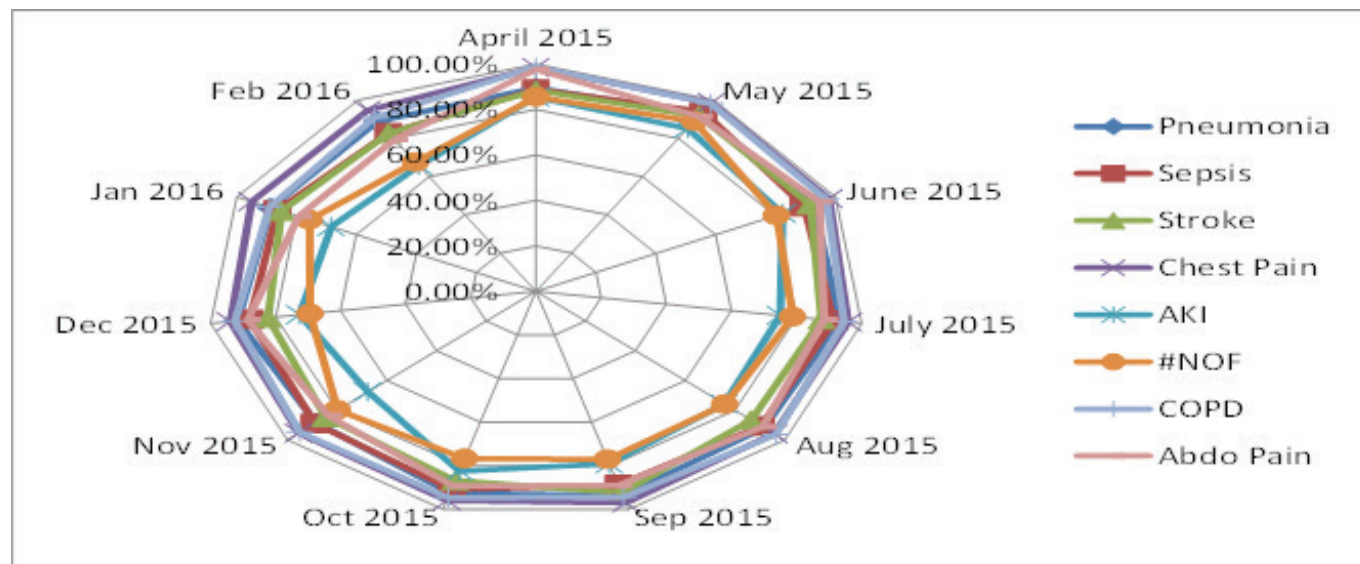
- Support a reduction in mortality;
- Enhancing best practice standards.

Throughout the year the team have worked hard to support the efficient management of the process of accurate and effective patient care through clinical pathways by:-

- Introducing evidence-based medicine and nursing care through the pathways;
- Standardised management of patient care within clinical guidelines;
- Identification of key interventions;
- Improved patient outcomes;
- Reduced Length of Stay;
- Providing real time audit feedback to Consultant and nursing teams on performance;
- Improving the education of staff and patients.

The team have worked closely with the clinical teams to make improvements in the pathway compliance throughout the year.

### Spider Diagram





To be fully compliant with the pathway measurement you have to meet all criteria. Whilst this lets us identify where to focus on, it does not really reflect the standards of the care we deliver. To reflect this, this year we have also started to look at our opportunities to care and are now reviewing this information with the overall compliance information to help us identify areas to focus on – as shown in the spider diagram (overleaf) where those points closer to the centre of the web being identified as areas for focus.

## 2.2.7 Patient Safety

### Lessons Learned

As a large healthcare organisation, which provides both acute and community care, Blackpool Teaching Hospitals NHS Foundation Trust has developed a very positive and proactive culture of patient safety incident reporting.

In the past year around 13,000 patient safety incidents were reported by staff ranging from near misses, low harm to moderate and severe harm incidents. Incidents are also reported which involve staff, visitors, contractors and other partnership organisations. Serious Incidents are investigated through the use of a Root Cause Analysis (RCA) which helps to establish if there have been gaps in care or treatment whilst also identifying best practice to be shared. Action plans, with timeframes and identified responsible leads, are compiled for each of these incidents. The Trust is very open in its investigation processes and RCA

reports are made available to all staff to read and learn from through our Risk Management web site.

Some of the ways we currently share learning from patient safety incidents and trends and themes from incidents are through the use of:-

- Discussing patient harm incidents, outcomes, trends and themes at high level organisational forums, governance and departmental meetings, ward level meetings, handovers and patient safety huddles;
- A bi-monthly dedicated forum Learning from Incidents and Risk Committee (LIRC) where Divisions report how they are managing patient safety and risk within their own areas;
- A quarterly Complaints, Litigation, Incidents and Patient Relations Service (CLIP) Report developed to provide assurance that the Trust is learning from incidents, risks, claims and feedback from patients;
- Posting Serious Incident RCA reports on the Risk Management intranet site for staff to review and utilise as a learning tool;
- Sharing with Divisions monthly incident, complaints and litigation data, trends and themes and new initiatives established to improve patient safety;
- External monitoring of our investigation processes and active learning from Serious Incidents by our local commissioners, the CQC, Monitor and NHS England.



### Departmental Lessons Learned Communication Sheets

#### Learning from a serious untoward incident



A 71-year-old man attended for a CT urogram as a patient.

He became unwell overnight and his wife contacted the Unit and then his GP as advised. There was a delay with the visiting GP and a non-urgent ambulance was called.

The patient was brought to A&E by his son. The initial diagnosis was anaphylaxis due to a reaction to the contrast during the CT scan. The fact that the patient had undergone a CT scan the evening before and the lack of acute chest pain in the patient, appears to have delayed the diagnosis of a severe myocardial infarction. Unfortunately the patient died.

##### Why did the incident happen?

Breakdown of communication with the patient after the scan: At no point did the Radiographers or HCA detect how poorly the patient had become during his time in the department otherwise action would have been taken in the form of further observation and potential escalation of the patient to A&E.

Consultation with the GP: The patient was allocated a home visit but did not receive this until 4.30pm. The GP rang an ambulance but did not raise this as an urgent request and the patient's son brought him into A&E. This caused considerable delay in the admission of the patient.

The raised troponin levels (>50,000 ng/l) and changes in the patient's ECG changes did not alert the Cardiology registrar to a severe myocardial infarction. The perception that the patient was having a reaction to contrast from the CT scan narrowed his perception.

Referral to Cardiology: It was recommended that the patient stay with the medical team and he did not receive a cardiology review until two days post admission.

##### What have we learned?

More information is to be given to patients after they have received contrast so that they understand who they can contact should they become poorly after a procedure.

Good communication is important between the Trust and the patient's GP practice and the final report will be shared with the GP so that they can share learning around delays in the patient's pathway into the Trust.

It is difficult to treat a patient without assessing the patient as a whole and not allowing perception to be skewed by something that may be coincidental.

A daily phone call to Critical Care by the Cardiologist of the week is to be introduced to ensure that no patients miss having a timely review.



## 2.2.8 Patient Safety

### Duty of Candour - Being Open - Saying Sorry

As a healthcare organisation, we are committed to patient safety and being open and honest following patient safety incidents, complaints and claims.

The Trust also has a duty to promote a culture of openness and truthfulness as a prerequisite to improving the safety of patients, staff and visitors as well ensuring the quality of healthcare systems. The culture of 'Being Open' is considered fundamental in relationships with and between our patients, the public, staff and other healthcare organisations.

The term 'Duty of Candour' (introduced from 1st April 2013) is the contractual requirement to ensure that the 'Being Open' process is followed when a patient safety incident results in a patient suffering moderate harm, severe harm or death.

There is also a statutory Duty of Candour (Regulation 20), which applies to all healthcare providers registered with the Care Quality Commission, which came into force from 27th November 2014.

Being open and saying sorry is not a new concept or culture for most healthcare organisations and our staff have been communicating and being open with patients as part of their normal practice even when no harm has occurred. However, in line with the Duty of Candour Regulation 20, specific new steps have now been put in place for staff to follow, each time a patient is involved in a

harm event where they have suffered moderate to severe harm, or death. These steps, along with helpful templates to use and guidance are contained in the Trust's 'Patient Safety Including Being Open and Duty of Candour' policy. Training presentations have also been rolled out for staff, to ensure they fully understand the policy and processes put in place.


Involving and communicating openly with patients, their relatives, or carers is essential in improving patient safety. Being open about what has happened and discussing the problem promptly, fully and compassionately can help patients cope better with the after effects when things have gone wrong. Through open communication in safety issues we aim to ensure that:-

- Risks and patient safety problems will be proactively identified by patients;
- Concerns and ideas for improvement from patients and the public will be shared;
- Solutions generated in partnership with patients, all stakeholders and the public will be more realistic and achievable.

As a Trust, we promote an open and fair culture. This means that no disciplinary action will result from the reporting of adverse incidents, mistakes or near misses, except where there have been criminal or malicious activities, professional malpractice, acts of gross misconduct, repeated errors or violations have not been reported.

## 2.2.9 Infection Prevention

### Reduce cases of Methicillin Resistant Staphylococcus Aureus - Acute

What:	Reduce cases of Methicillin Resistant Staphylococcus Aureus (MRSA) Blood Stream Infections within the Trust
How much:	0 cases of MRSA Blood Stream Infections
Outcome:	6 cases of MRSA Blood Stream Infections 5 Avoidable MRSA Blood Stream Infections
Progress:	 Behind plan

0  
Cases

Methicillin Resistant Staphylococcus Aureus is a bacteria which can live on the skin and is perfectly harmless unless it gets into the blood stream where it can cause infection which is difficult to treat. Some patients will be screened on admission or in preparation for planned surgery to prevent them sustaining an infection in the blood stream.

#### Improvements achieved:-


- Compliance with hand hygiene practices to minimise infections;
- Compliance with Aseptic Non Touch Technique to minimise infections;
- Staphylococcus Aureus policy developed to ensure compliance with screening as per patient

group.

#### Further Improvements identified:-

- To develop an Intravenous Therapy (IV) Service to ensure best practice for placement and management of IV devices;
- Sustain a blood culture contamination rate;
- Sustain compliance with hand hygiene practices
- Sustain compliance with Aseptic Non Touch Technique to minimise infections;
- Review of central lines to reduce entry points and potential introduction of infection;
- A continued focus on the management of central lines and compliance with practice.

## 2.2.10 Reduce cases of Clostridium difficile - Acute

What:	Reduce cases of Clostridium difficile (C-diff) within the Trust
How much:	40 avoidable cases of Clostridium difficile
Outcome:	66 cases of Clostridium difficile 43 avoidable cases of Clostridium difficile
Progress:	 Behind plan

40  
Cases

Clostridium difficile is a common bacterium that lives harmlessly in the bowel of 3% of healthy adults and up to 30% of elderly patients. Antibiotics disturb the balance of bacteria in the bowel and Clostridium difficile can then multiply rapidly and produce toxins which cause diarrhoea and illness.

#### Improvements achieved:-

- Antibiotic Stewardship Committee formed;
- Overall 94% compliance with antibiotic

prescribing;

- Enhanced cleaning processes incorporating deep clean programme as part of new contract for domestic services;
- Fourth Consultant Microbiologist;
- Sepsis Pathway provides guidance on best practice for prescribing antibiotics;
- Pneumonia pathway provides guidance on best practice for prescribing antibiotics;
- IV Commit Service.

### Ongoing improvements identified:-

- Sustained compliance with antibiotic;
- prescribing and review of audit tool;
- A continued focus on reducing health care associated infections to minimise the use of

antibiotics;

- Sustain working with whole health economy to reduce incidences of Clostridium difficile;
- Designated Infection Control Doctor;
- Deep clean programme utilising Ultra Violet-C (UV-C).

## 2.2.11 Patient, Family and Carer Experience

### i) NHS Friends and Family Test

96% of Blackpool Teaching Hospital patients would be likely to recommend the service to their friends or family if they needed similar care or treatment.

What:	Increase our Trust overall percentage of patients that are likely to recommend to 96% consistently based on a response rate that is indicative of each individual service.
How much:	96%
Outcome:	95%
Progress:	<div>&gt;&gt;</div> Close to target



- The Friends and Family Test was launched in 2013 following the Francis Report;
- Blackpool Teaching Hospitals surveys all inpatient, outpatient, A&E, maternity and community based services;
- In 2015 we surveyed 47,624 patients. With an average rating of likely to recommend.

In December, 95% of Blackpool Teaching Hospitals patients were likely to recommend the service to their friends or family if they needed similar care or treatment. The Patient Experience Department's ambition is to consistently achieve 96% of our patients who would be likely to recommend the service to their friends or family if they needed similar care or treatment.


messaging to improve our hard to reach service users as well giving more flexibility and opportunity to participate in the Friends and Family Test.

Building on the progress already made using predominantly paper based surveys the Patient Experience Department wish to develop use of tablet devices, kiosks and Uniform Resource Locator (URL) – reference to a resource on the internet)

## 2.2.11 Patient, Family and Carer Experience

### ii) 'Tell Us' Campaign

"Patients and Carers to be 100% involved in decisions about their care"

What:	To be better than Trust average for trusts in the National Inpatient Survey against the question: Patients wanted to be more involved in decisions about their care?
How much:	41%
Outcome:	47% (2015)
Progress:	 Close to target



- The annual National Inpatient survey is undertaken by Picker Institute Europe;
- The 2015 survey gave us a score of 47% of patients who responded felt they wanted to be more involved in decisions around their care;
- This compares with a Picker Trust average of 41%

We want all our patients to be involved in decisions about their care. This includes treatment plans, service designs and improvement schemes.

team use this information to influence and evolve services within the organisation.

The Patient Experience Department continues to run the 'Tell Us' campaign as part of the 2015 - 2018 strategy. Running patient panels, awareness days and themed surveys alongside the information that our 'Listeners' collect information from both our national and local surveys the





## 2.2.11 Patient, Family and Carer Experience

### iii) Always Event™

"I always know what to do when I get home or, if not, I know who to contact"


What:	Expand the number of pilot wards involved in the Always event programme. Embed further.
How much:	Two Participating areas at present across two divisions
Outcome:	Two participating areas in each division
Progress:	<div style="display: flex; align-items: center;"> <div style="border: 1px solid black; border-radius: 50%; width: 30px; height: 30px; display: flex; align-items: center; justify-content: center; margin-right: 10px;">=</div> Achieved </div>


Blackpool Teaching Hospitals NHS Foundation Trust


**Be Smart, Leave S.M.A.R.T.**

This Discharge Journal belongs to: \_\_\_\_\_ Estimated Date of Discharge \_\_\_\_\_

In the voice of Service Users "I always know what to do when I get home or, if not, I know who to contact"


 **Signs** – what signs and symptoms should I look for and who should I call when I have been discharged home? : \_\_\_\_\_


 **Medication** – what am I currently taking? Will this continue? \_\_\_\_\_

 **Appointments** that I will go to:

Appointments already / scheduled: (Doctor / Practice / Location) \_\_\_\_\_ (Date / Time) \_\_\_\_\_

Appointments that the patient / carer needs to make: \_\_\_\_\_

 **Requirements** – What do I need? (support with personal care, equipment / social support including financial / support groups) \_\_\_\_\_

 **Talk** with me about any questions or concerns \_\_\_\_\_

On the Stroke Unit, we have agreed we will focus our 'Always Events' on ensuring your safe discharge. A member of the Patient Experience Department would like to contact you to get some feedback on your discharge. Please write your telephone number so that we can contact you. \_\_\_\_\_

- Since April 2015 - Feb 2016, the Stroke Unit has received one formal complaint about communication around discharge and no informal complaints have been received;
- Ward 39 has not received any formal or informal complaints about discharge or medication.

concern in our local patient feedback. Following consultation with patients, it was agreed to focus our Always Event on "streamlining the discharge process to always ensure that patients receive a realistic date of discharge and know what to do once they have left our care should they have any worries or concerns".

In the voice of service users, "I always know what to do when I get home or, if not, I know who to contact".

At the start of the financial year, representatives from the Patient Experience Department met with representatives from NHS England, the Institute for Health and Improvement in America, and members of our patient panel to discuss the roll out of the Always Event Programme. Always Events are "aspects of the patient and family experience that should always occur when patients interact with health care professionals and the delivery system."

Delays in discharge and information provided upon leaving our services are often flagged as a

The Always Event pilot commenced on Ward 39 in June 2015 and then on the Stroke Unit in September 2015. Following the Signs, Medication, Appointments, Requirements, Time (SMART) form being co-designed and co-produced by patients and carers', a copy is now given to every patient for them to write down any questions or concerns that they may have prior to discharge.

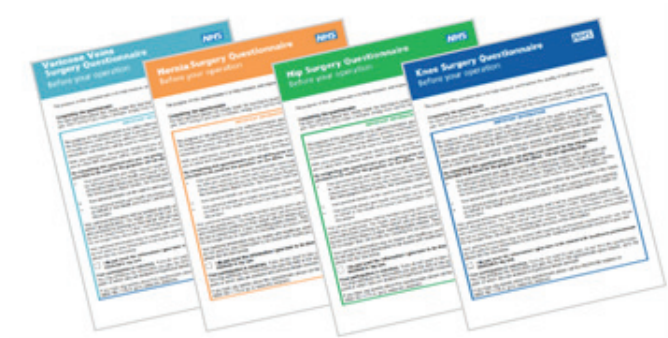
The aim is to roll out this process wider across the organisation over the coming year.

## 2.2.11 Patient, Family and Carer Experience

### iv) Patient Reported Outcome Measures (PROMs)

Patient Reported Outcome Measures take into account patients views of quality, and assist us in improving the quality of these services for all of our patients

What:	PROMS data to be consistently collected, reported on and fully utilised. Achieve the national average health gain for each individual measure.
How much:	Differs for each of the four measures.
Outcome:	Presently above average for knee and varicose vein below for hip and hernia
Progress:	<div>&gt;&gt;</div> Inconsistent return of whole sets of data with return rate to be enhanced



- PROMs have been collected by all providers of NHS-funded care since April 2009;
- The second PROMs questionnaire is sent to our patients homes six months post-surgery, so that a reasonable time is allowed for the patient to feel the effects of the procedure.

Patient reported outcome measures, measure quality from the patient perspective, and seek to calculate the health gain experienced by patients following one of the following four clinical procedures:-

- Hip replacement;
- Knee replacement;
- Hernia repair;
- Varicose vein treatment.

Patients who have these procedures are asked to complete a short questionnaire which measures a patient's health status or health related quality of life at a single point in time. The same questionnaire is given both before and after their surgery or treatment. The difference between the two sets of responses is used to determine the outcome of the procedure as perceived by the patient.

The information captured from patients in this way provides an indication of the quality of care delivered.

We continue to participate in the National PROMs Programme, the Patient Experience Department acknowledge that the response rate requires improvement. We aim to increase the promotion of PROMs with patients at the time of pre-op and improve the involvement and engagement of staff to promote and support the process to gain an increase in PROMs patient feedback data.

## 2.2.12 Improving care for patients living with dementia

What:	90% patients age of 75 years or over are assessed on admission
How much:	90%
Outcome:	94%
Progress:	<div style="display: flex; align-items: center;"> <div style="border: 1px solid blue; border-radius: 50%; width: 30px; height: 30px; display: flex; align-items: center; justify-content: center; margin-right: 10px;"> <span style="color: red; font-weight: bold;">=</span> </div> <div>Target Achieved</div> </div>

90%

Dementia is a progressive condition which may include memory loss, confusion, difficulties with thinking, problem solving or language abilities. As a consequence people suffering from dementia are less able to care for themselves. Dementia can also be a lonely and frightening condition, often devastating for the patient and their loved ones.

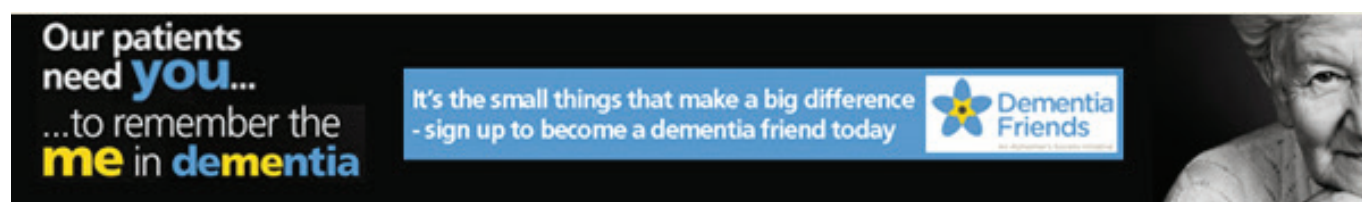
The National Dementia Strategy highlights the need to improve care for people with dementia in hospital. At the Trust, we take the care needs of people with dementia and their carers' seriously. We want to do our best to ensure that patients and their carers' are given the understanding and support they need by everyone they come into contact with, whether that be in a hospital environment or in their own homes. This is reflected in the work we have taken, and continue to take, to improve the care experience for our patients.

Delivery of care within our Compassionate Care Strategy has supported the Trust to drive forward and improve the care of people with dementia and their carers under the 'Remember the Me in Dementia' Campaign. This has seen the Trust realise the following progress in relation to dementia care over 2015/16:-

- Identification of a lead clinician for Dementia Care;
- Development of our Dementia Friends

- Campaign;
- Production of awareness videos;
- Development of our Dementia Champions Role;
- Implementation of the Butterfly Scheme;
- Comfort boxes on each ward to support cognition;
- Paint me a picture initiative implemented;
- The Dementia Corridor provision;
- Collaborative working with the Blackpool Carers' Centre;
- Use of 'Pictures to Share';
- National Dementia Screening Tool use;
- Registration in the Royal College of Physicians (RCP) National Audit of Dementia Care;
- Utilisation of rem pods and reminiscence resources;
- Facilitation of dementia awareness sessions;
- Signing up to support the National Johns Campaign;
- Participation in National Dementia Awareness Campaigns.

Engagement events have been held with staff, carers, patients, local health economy partner organisations, and voluntary services throughout 2015/16 which are informing agreed priority action areas within the development of a trust-wide Dementia Strategy for the next three years.



## 2.2.13 End of Life Care

### Transforming End of Life Care

There have been some exciting developments within End of Life and Specialist Palliative Care at Blackpool Teaching Hospitals over the past year. The 'Transforming End of Life Care in Acute Hospitals' Project has demonstrated significant improvements in the delivery of End of Life Care on the wards where it has been implemented. As well as training large numbers of staff (over 7000 throughout the projects duration), we have achieved a reduction in emergency readmission rates for people in the last days of their life, with a greater number of patients being cared for in their preferred place of care. In addition, surveys have shown improved knowledge and confidence amongst staff when looking after patients at the end of their life. This has been reflected in positive experiences reported by patients and relatives. Indeed, we continue to work closely with our colleagues in the Patient Experience Team to ensure that the care we provide to our patients and their families remains of the highest possible standard.

Throughout the year there has been a multitude of training covering all aspects of a patient's journey when approaching the end of life: including advance care planning, rapid discharge, care for the dying person, the Amber Care Bundle (recognition of patients with an uncertain recovery), communication skills training and bereavement care. In addition to running Sage and Thyme communication sessions for all staff, we have recently developed a training programme for senior doctors looking at communication skills in relation to cardiopulmonary resuscitation decisions and discussions which have been extremely well evaluated by all attendees.

We are delighted to have appointed three associate nurse specialists to the Hospital Palliative Care Team, to enable us to provide more specialist palliative care to a larger number of people and to continue the education legacy that the 'Transforming End of Life Care' project has begun.

There has been a lot of hard work in improving how we deliver End of Life Care in the Trust over the past year from all staff and the team were delighted to have this recognised when we were

chosen as the 'End of Life Care' Team of the Year at the 2015 Patient Safety Awards, where judges described having been 'blown away' by our entry.



## 2.2.14 Spiritual Care

The Chaplaincy Service at Blackpool Teaching Hospitals continues to provide spiritual care for patients, visitors and staff. As a small team of chaplains time is strategically used to deliver direct care within the following settings responding to patients with end of life needs:-

- Blackpool Victoria Hospital;
- Clifton Hospital;
- Trinity Hospice, Brian House and associated Palliative Care Services;
- Care into community settings such as patients own home/care home (responding to specific criteria/referral or continuity of care from hospital to post-discharge). Chaplains are only able to offer limited community support due to inpatient needs.

The provision of a 24hr service ensures that spiritual care remains a high priority when patients are in the dying phase. A new Chaplaincy Support Sheet filed with the nursing notes ensures increased communications with staff concerning the care chaplains provide.

Spiritual Care training continues to be delivered and available to all staff in the local healthcare economy. This training helps staff to identify spiritual needs towards the end of life and when to appropriately involve chaplaincy services. New Spiritual Care Pocket Guides assist staff to recognise spiritual needs at end of life and they are available for all staff via our team of chaplains. These guides support the Chaplaincy and Spiritual Care



Procedure which in the last year has been revised to enhance spiritual care for all. Referrals for support from the Chaplaincy Team have remained positive throughout the year and it has been noted that the removal of the Liverpool Care Pathway in July 2014 did not result in decreased referral rates for patients who were expected to die and in need of chaplaincy support.



The recent completion of a refurbishment of the chapel has resulted in an enhanced space for supporting relatives of those patients who are very poorly. Chaplains will often support relatives in this space regardless of the person's belief or declared religion. Many relatives find it helpful to light a candle at the invitation and supervision of a chaplain.

### 2.2.15 Bereavement Care

As part of the Chaplaincy Team leader's role there has been the development and delivery of an annual bereavement care action plan. Chaplaincy in collaboration with the Patient Relations Team has monitored and administrated the Bereavement Care Survey offered to relatives following the death of their loved one. Quarterly reports continue to be sent to divisions and ward areas. Returns of the survey have significantly increased over the year and actions taken to address the feedback themes within the survey results.

One such action has included the development of the Visitor Support Packs, which are offered to relatives who are sitting at the bedside of patients who are at the end of their life. Positive feedback has been received through a small survey which is included in the packs. This project will continue to be sustained and developed over the coming year using funds raised each year at the Tree of Lights evening.



'...so very grateful, we used the lovely blanket to keep mum warm in her final days and we are keeping it'

'It is an excellent touch to help families at a very difficult time'

## 2.3 Our Plans for the Future

### 2.3.1 The Quality Improvement Strategy 2015 – 2018

We have achieved significant improvements in Quality over the last few years, infection control, clinical care pathway developments, harm free care reduction and improved patient experience and the Trust acknowledges and recognises our achievements against quality of care. It is recognised however, that we cannot stand still and must continue to improve quality and safety.

Our new Quality Strategy sets out our ambition to provide the best patient care that is informed, timely and safe. To achieve this it relies on everyone committing to continuous improvement and placing quality and safety at the heart of everything we do for our patients and their families whilst signing up to the principle that care must be 'Informed, Timely and Safe - IT'S how we care'.

**IT'S** how we care

### 2.3.2 Quality

Quality centres around the implementation of effective interventions to ensure care is safe and that care provides as positive an experience for our patients as possible. The Strategy recognises that care for our patients should be evidence based and delivered in a way and in an environment that keeps our patients involved and informed about their plan of care.

We are committed to ensuring that:-

#### Care is informed

Care will be informed by evidence based and delivered in a way that ensures patients are informed and involved in the planning of their care.

#### Care is timely

Care will be delivered in appropriate timescales according to clinical need and appropriate pathways of care.

#### Care is safe

Care will be provided in a way that protects patients from harm and in an environment that promotes a safety culture.

Quality Governance is how structures and processes supports the implementation of our quality domains at all levels of the organisation and the Trust Board, Quality Committee, Divisional Boards and Local Improvement Teams are the structures that will all support the governance around the delivery of the Strategy. The processes pivotal in implementing the quality domains include:-

- Sign Up to Safety;
- Patient Experience and Patient Relations;
- Clinical Audit;
- Serious Untoward Incident Reporting;
- Lessons Learned and Feedback;
- Identification and Management of Quality Risks;
- Peer Reviews;
- Standards of Quality Investigations and Action Planning;
- Implementing Openness and Honesty;
- 'Tell Us' Systems;
- Better Care Now;

- Clinical Pathways;
- Best Practice Guidance.

The purpose of the Quality Strategy is to support the delivery of the organisation's vision, values, quality goals and strategic objectives. Our vision is to create a culture of continuous improvement where:-

- Our care will be safe, high quality and managed within available resources, provided in the most appropriate environment and to agreed pathways of care': and
- Our highly skilled and motivated workforces will be patient centred, caring and compassionate, living our values every day.

The Strategy closely supports the Trust's overall strategy by identifying and prioritising delivery of specified key improvements in the three quality and safety domains set out below, thereby enabling the delivery of the two key quality related measures (lowering the mortality rate and securing improved patient experience and involvement). We have set two goals for each domain to provide staff, patients and the public with a clear view of what our quality and safety priorities are and how these will be measured going forward. Achieving these goals will require us to have excellent staff, excellent record keeping and to excel at working in partnership. We call these our three 'strategic enablers'. Progress towards achieving the goals and strategic enablers will be monitored by the Trust's Quality Committee and will be formally described in the Trust's yearly Quality Accounts.

#### CARE IS INFORMED

1. Enhancing the Patient Experience & Promoting Patient Involvement
2. Providing Evidence Based Care

#### CARE IS TIMELY

3. Care at the right time
4. Care in the right place

#### CARE IS SAFE

5. Harm Free Care
6. Open and Honest Culture

#### STRATEGIC ENABLERS

Qualified, Motivated and Safe Staff  
Excellent, Accessible Clinical Documentation  
Partnership Working

Prior to the commencement of each of the planning years, the Quality Committee will approve an annual Quality Plan with detailed targets to be achieved at the end of the planning year as a staging point for delivering the three year strategy. Each of these targets will have quarterly milestones which will be monitored at the end of each quarter by the Quality Committee so that assurance can be given to the Board with respect to progress made in implementing the Quality Strategy. Each of these will support the achievement of the small set of strategic measures by which the Board will assess overall strategic progress of the Trust. The Annual Plan will also clearly set out the Committee's expectations for the Executive Directors for the year. The Annual Plan will be recommended by the Committee to the Board for approval prior to the commencement of the Planning Year.

The metrics for each quality and safety domain are set out below, each of which will have yearly targets set against them the achievement of which will be reported in the Trusts annual accounts.

**IT'S** how we care

### 2.3.3 Quality Improvement Metrics

Care Domain:	Key Goals:	Metrics:
<b>Informed</b>	Enhancing the Patient Experience and Promoting Patient Involvement	<ul style="list-style-type: none"> <li>• Patients rating of care as excellent/very good/good</li> <li>• Patients who have been treated with dignity and respect</li> <li>• Patients who feel involved in their care</li> <li>• Patients who would recommend the service to friends and family.</li> </ul>
<b>Informed</b>	Providing Evidence Based Care	<ul style="list-style-type: none"> <li>• Compliance with clinical pathways based on               <ul style="list-style-type: none"> <li>a) Patient compliance</li> <li>b) Opportunities to care</li> </ul> </li> <li>• New clinical pathways implemented will achieve agreed % targets against a set of survival critical points</li> <li>• Mortality rates for conditions with a clinical pathway as reflected in 12 month rolling SHMI</li> </ul>
<b>Timely</b>	Care in the Right Place	<ul style="list-style-type: none"> <li>• The number of 'none optional placement' of patient to initial admitting ward</li> <li>• Number of patients within extensive care service</li> <li>• Number of A&amp;E attendances/NEL admissions for people within extensive care service</li> <li>• Percentage of eligible rapid discharge patients achieved.</li> </ul>
<b>Timely</b>	Care at the Right Time	<ul style="list-style-type: none"> <li>• 18 week access targets</li> <li>• Cancer treatment targets</li> <li>• A&amp;E 4 hour standard</li> <li>• Cancelled operations</li> <li>• Access times for community-based services - e.g. therapies, nursing, IAPT, health visitors.</li> </ul>
<b>Safe</b>	Harm Free Care	<ul style="list-style-type: none"> <li>• Reduction in falls incidents resulting in harm</li> <li>• Reduction in failure to rescue/cardiac arrest</li> <li>• Reduction in avoidable harm due to pressure ulcers.</li> </ul>
<b>Safe</b>	Open and Honest Culture	<ul style="list-style-type: none"> <li>• Number of clinical incidents reported</li> <li>• Performance on questions from staff survey in relation to transparency</li> <li>• Number of duty of candour processes completed for patient safety incidents.</li> </ul>

**IT'S** how we care



## 2.4 Our Quality Priorities 2016/2017

Our Quality Strategy 2016/2019 outlines a number of projects which we will be focusing on in the coming year. This however is closely aligned to our new strategic vision developed throughout 2015/16 by a clinically led process. This is a five year strategy to help us achieve our vision for 2020.

As a high performing Trust operating as part of an integrated care system, we will provide high quality, safe and effective care. This will be achieved in a financially sustainable way, through our skilled and motivated workforce.

This will be delivered through seven work-streams with aspirations to reach the highest level of clinical quality, patient experience, operational performance and staff satisfaction. Through this ambitious transformation programme quality remains a priority within all of the seven strategic work-streams.

We would like to highlight within the Quality Account the following projects of key priorities under the quality domain:-

- Reducing Mortality (SHMI);
- Reducing Infections;
- Reducing Re-Admissions within 30 days;
- Increase the positive outcomes reported for PROMS;
- Reducing Serious Incident Reports;
- Reducing Never Events;
- Enhancing Patient Experience;
- Reducing the Attendance to A&E within 30 days;
- Improving CQC A&E Rating;

- Reducing Mortality from Chronic Diseases.

### 2.4.1 Statements of Assurance from the Board of Directors

#### Review of Services

During 2015/16, the Blackpool Teaching Hospitals NHS Foundation Trust provided and/or subcontracted 49 relevant health 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 relevant health services.

The income generated by the relevant Health services reviewed in 2015/16 represents 90% of the total income generated from the provision of relevant health services by the Blackpool Teaching Hospitals NHS Foundation Trust for 2015/16.

### 2.4.2 Participation in Clinical Audits and National Confidential Enquiries

During 2015/16, 51 national clinical audits and four national confidential enquiries covered relevant Health services that Blackpool Teaching Hospitals NHS Foundation Trust provides.

During that period Blackpool Teaching Hospitals NHS Foundation Trust participated in 91% 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 2015/16 are as follows:-

### 2.4.3 Table 1 National Clinical Audits

Title
Acute coronary syndrome or Acute myocardial ischaemia (MINAP)
NBOCAP: bowel cancer
Cardiac Rhythm Management (CRM)
CMP: adult critical care units (ICNARC)
Child health clinical outcome review programme (CHR/UK) NCEPOD

Title
Congenital Heart Disease Paediatrics
Coronary angioplasty
Diabetes (Adult) ND(A), includes National Diabetes Inpatient Audit (NADIA)
Diabetes (Paediatric) (NPDA)
Elective surgery (National PROMs Programme)
Emergency use of oxygen (British Thoracic Society)
Falls and Fragility Fractures Audit Programme (FFFAP)
Inflammatory Bowel Disease (IBD) programme
NLCA: lung cancer
TARN: severe trauma
Maternal, infant and newborn programme (MBRRACE-UK)* Also known as Maternal, Newborn and Infant Clinical Outcome Review Programme) *This programme was previously also listed as Perinatal Mortality (in 2010/11, 2011/12 Quality Account)
Confidential Enquiry into Patient Outcome and Death (NCEPOD)
Adult cardiac surgery: CABG and valvular surgery
National audit of intermediate care
National Cardiac Arrest Audit (NCAA)
National COPD Audit Programme (RCP)
National comparative audit of blood transfusion programme
National complicated acute diverticulitis audit (CADS)
National Vascular Registry (elements include CIA, peripheral vascular surgery, VSGBI Vascular Surgery Database, AAA, NVD)
NNAP: neonatal intensive care
Oesophago-gastric cancer (National O-G Cancer Audit)
Paediatric asthma (moderate to severe) (British Thoracic Society)
National emergency laparotomy audit (NELA)
Heart Failure Audit
National Joint Registry
National Ophthalmology audit
National Prostate Cancer
Procedural sedation. Paracetamol overdose (care provided in Emergency Departments - College of Emergency Medicine)
Sentinel Stroke National Audit Programme (SSNAP)
UK Parkinson's Audit (Previously known as Nationals Parkinson's audit)
Vital signs in Children (Care in emergency departments)
VTE risk in Lower Limb immobilisation in plaster casts
Adult community acquired pneumonia (British Thoracic Society)
RCP: National Care of the Dying Audit
CCAD: Adult Carotid interventions
RCP: Audit to assess and improve service for people with inflammatory bowel disease
Potential donor audit (NHS Blood & Transplant)
Epilepsy 12 audit (Childhood Epilepsy)
Paediatric fever (College of Emergency Medicine)

Title
National audit of seizure management in Hospitals
Severe sepsis & septic shock (College of Emergency Medicine)
National health promotion in hospitals audit
Fitting childcare in emergency departments
Mental health care in emergency departments
Older people care in emergency departments

#### 2.4.4 Table 2 NCEPOD National Confidential Enquiries into Patient Outcome and Death 2015/16

Title
Chronic neuro disability – Focussing on cerebral palsy. December 2015
Adolescent Mental Health – focussing on self-harm. December 2015
Provision of Mental Health Care in Acute Hospitals July 2015
Non –invasive ventilation December 2015

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 2015/16 are listed below 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 are as follows:-

#### 2.4.5 Table 3 National clinical audit projects participants

Title	Eligible	Participated	% Submitted
Acute coronary syndrome or Acute myocardial ischaemia (MINAP)	✓	✓	91%
NBOCAP: bowel cancer	✓	Not participated in the year	100%
Cardiac Rhythm Management (CRM)	✓	Not participated in the year	100%
CMP: adult critical care units ICNARC	✓	✓	100%
Child health clinical outcome review programme (CHR/UK) NCEPOD	✓	✓	100%
Congenital Heart Disease Paediatrics	✓	Not participated in the year	
Coronary angioplasty	✓	✓	100%
Diabetes (Adult) ND(A), includes National Diabetes Inpatient Audit (NADIA)	✓	✓	91%
Diabetes (Paediatric) (NPDA)	✓	✓	100%
Elective surgery (National PROMs Programme)	✓	Not participated in the current year	100%
Emergency use of oxygen (British Thoracic Society)	✓	✓	100%
Falls and Fragility Fractures Audit Programme (FFFAP)	✓	✓	100%
Inflammatory Bowel Disease (IBD) programme	✓	Not participated in the year	100%
NLCA: lung cancer	✓	✓	100%
TARN: severe trauma	✓	✓	100%

Title	Eligible	Participated	% Submitted
Maternal, infant and newborn programme (MBRRACE-UK)* Also known as Maternal, Newborn and Infant Clinical Outcome Review Programme) *This programme was previously also listed as Perinatal Mortality (in 2010/11, 2011/12 Quality Account)	✓	✓	100%
Confidential Enquiry into Patient Outcome and Death (NCEPOD)	✓	✓	100%
Adult cardiac surgery: CABG and valvular surgery	✓	✓	
National Cardiac Arrest Audit (NCAA)	✓	✓	100%
National COPD Audit Programme (RCP)	✓	✓	
National comparative audit of blood transfusion programme	✓	Not participated in the year	100%
National complicated acute diverticulitis audit (CADS)	✓	✓	100%
National Vascular Registry (elements include CIA, peripheral vascular surgery, VSGBI Vascular Surgery Database, AAA, NVD)	✓	Not participated in the current year	100%
NNAP: neonatal intensive care	✓	✓	100%
Oesophago-gastric cancer (National O-G Cancer Audit)	✓	✓	100%
Paediatric asthma (moderate to severe) (British Thoracic Society)	✓	✓	100%
National emergency laparotomy audit (NELA)	✓	✓	100%
Heart Failure Audit	✓	✓	100%
National Joint Registry	✓	✓	
National Ophthalmology audit	✓	✓	
National Prostate Cancer	✓	✓	100%
Procedural sedation. Paracetamol overdose (care provided in Emergency Departments - College of Emergency Medicine)	✓	✓	
Pulmonary hypertension (Pulmonary Hypertension Audit)	✓	Not participated in the current year	100%
Rheumatoid and early inflammatory arthritis	✓	✓	
Sentinel Stroke National Audit Programme (SSNAP)	✓	✓	100%
UK Parkinson's Audit (Previously known as Nationals Parkinson's audit)		Not participated in the year	
Vital signs in Children (Care in emergency departments)	✓	✓	100%
VTE risk in Lower Limb immobilisation in plaster casts	✓	✓	Ongoing
Adult community acquired pneumonia (British Thoracic Society)	✓	✓	
RCP: National Care of the Dying Audit	✓	✓	100%



Title	Eligible	Participated	% Submitted
CCAD: Adult Carotid interventions	✓	✓	100%
RCP: Audit to assess and improve service for people with inflammatory bowel disease	✓	✓	9%
Potential donor audit (NHS Blood & Transplant)	✓	✓	100%
Epilepsy 12 audit (Childhood Epilepsy)	✓	✓	
Paediatric fever (College of Emergency Medicine)	✓	✓	
National audit of seizure management in Hospitals	✓	✓	100%
Severe sepsis & septic shock (College of Emergency Medicine)	✓	Not taking place 2015/16	100%
National health promotion in hospitals audit	✓	✓	100%
Fitting childcare in emergency departments	✓	✓	Not being undertaken – replaced by Pathways at Trust
Mental health care in emergency departments	✓	✓	100%
Older people care in emergency departments	✓	✓	Ongoing

#### 2.4.6 Table 4 NCEPOD National Confidential Enquiries into Patient Outcome and Death

Title	Eligible	Participated	% Submitted
Chronic neuro disability – Focussing on cerebral palsy. December 2015	✓	✓	100%
Adolescent Mental Health – focussing on self-harm. December 2015	✓	✓	100%
Provision of Mental Health Care in Acute Hospitals July 2015	✓	✓	100%
Non-invasive ventilation December 2015	✓	✓	Ongoing data collection

The reports of seven national clinical audits were reviewed by the provider in 2015/16 and Blackpool Teaching Hospitals NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided (see appendix A).

The reports of 74 local clinical audits were reviewed by the provider in 2015/16 and Blackpool Teaching Hospitals NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided (see appendix B).

#### 2.4.7 Participation in Clinical Research in 2015/16

The number of patients receiving relevant health services provided or sub-contracted by Blackpool Teaching Hospitals NHS Foundation Trust in 2015/16 that were recruited during that period to participate in research approved by a research ethics committee was 1384.

Of the 1384, 1377 participants were recruited to National Institute of Health Research (NIHR) Portfolio Studies which exceeds our target of 1000 for the year. On average there were 130 different research studies/trials open at any one time during 2015/16.

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

#### **2.4.8 Information on the Use of the Commissioning for Quality and Innovation Framework**

A proportion of Blackpool Teaching Hospitals NHS Foundation Trust's income in 2015/16 was conditional on 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 relevant health services, through the Commissioning for Quality and Innovation payment framework.

Further details of the agreed goals for 2015/16 and for the following 12 month period are available electronically at: <http://www.bfwh.nhs.uk/about/performance/>

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.

The total planned monetary value of income of CQUIN in 2015/16 conditional upon achieving quality improvement and innovation goals is £7,062,697. The Trust achieved a monetary total value of £6,900,812 for the associated payment in 2014/15.

CQUINs this year have focussed on a number of quality and improvement initiatives including clinical pathways, service improvements and quality innovations.

The main areas of risk related to the clinical pathway element of the CQUIN, particularly in relation to acute kidney injury, sepsis and heart failure. Processes to drive improvement were agreed at the latter end of 2015/16 with plans to review all mission critical points within each pathway to bring them in line with the latest guidance.

#### **2.4.9 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 and its current registration status is compliant. Blackpool Teaching Hospitals NHS Foundation Trust has the following conditions on registration; no conditions.

The Care Quality Commission has not taken enforcement action against Blackpool Teaching Hospitals NHS Foundation Trust during 2015/16.

The Foundation Trust is fully compliant with the registration requirements of the CQC and was last fully inspected in 2014 against the CQC fundamental standards of care of which the CQC stipulate standards of care should never fall below.

On the 21st/22nd September 2015 the CQC carried out a follow up announced inspection to Maternity Services to review progress against the 'inadequate' rating (April 14). The CQC also reviewed Urgent and Emergency Services in response to CQC monitoring intelligence regarding A&E performance.

The Trust received the final report in January 2016 and overall there was acknowledgment of improvements achieved since the last inspection with one regulated activity action and other areas for the Trust to review. The regulated activity has been included within the trust-wide development plan which is monitored by the Quality Committee and by the commissioner-led Fylde Coast Advisory Board and has also been shared with Monitor. The regulated activity and all other areas identified to review are part of separate maternity and A&E led action plans, which are also monitored by the Quality Committee and quarterly progress shared with the CQC.

Maternity Services were noted to have made improvements since the last inspection with patient experience noted as positive and patient outcomes being in line with the England average on most of the compared measures. Maternity Services ratings moved from 'requires improvement' to 'good'.

Urgent and Emergency Services showed some areas of improvement since the last inspection. However, at the last inspection (January 14) the CQC had not fully developed the inspection methodology for the effectiveness domain and so had not rated this element at that time and gave this element a rating of 'requires improvement'. The well-led element noted improvements in leadership and structures. These were not fully developed at the time of the re inspection and this element also remained at a rating of requires improvement. The overall rating for Urgent and Emergency Services remained as 'requires improvement'.

The overall rating for the Trust remains unchanged for 2015/16 at 'requires improvement'.

#### **2.4.10 Special Reviews/Investigations**

Blackpool Teaching Hospitals NHS Foundation Trust has not participated in any special reviews or investigations by the Care Quality Commission during the reporting year.

#### **2.4.11 Information on the Quality of Data**

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

The Trust is provided with external assurance on a selection of the quality data identified within the Quality Report which was taken from national data submissions, Healthcare Evaluation Data (HED), National Patient Survey results, Local Inpatient Survey results and Information Governance Toolkit results. Local internal assurance is also provided via the analysis of data following local internally led audits in relation to nursing care indicators, analysis of data following incidents for example in relation to slips, trips and falls incidents for patients. The quality and safety metrics are also reported monthly to the Board through the Integrated Performance Report and the Quality Committee Assurance Report.

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 an annual audit programme which provides assurance on the weekly monitoring process of 'patient target list' meetings where all divisions are represented and their performance data presented and reviewed. Random checks on pathways are facilitated by the Trust's Internal Data Team and this is further supported by an external annual review. These measures will continue to be implemented going forward.

The Trust has reviewed its objectives as part of the Trust Strategy Review process and has continued to emphasise its commitment to quality, with the aim of achieving excellence in everything it does. Its quality goals through out 2015/16 were to:-

- All patients and carers involved in decisions about their care;
- Zero inappropriate admissions;
- Zero harms;
- Zero delays;
- Compliance with standard pathways.

Good quality data will continue to inform performance against the key quality goals and will influence future developments to enhance achievements against metrics attached to each of the quality goals.

#### 2.4.12 NHS Number and General Medical Practice Code Validity

Blackpool Teaching Hospitals NHS Foundation Trust submitted records during 2015/16 to the Secondary Uses Service (SUS) 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:-
  - o 99.6% for admitted patient care;
  - o 99.9% for outpatient care; and
  - o 98.7% for accident and emergency care.
- Which included the patient's valid General Medical Practice Code was:-
  - o 99.9% for admitted patient care;
  - o 99.8% for outpatient care; and
  - o 99.9% for accident and emergency care.

#### 2.4.13 Information Governance Assessment Report 2015/16

Blackpool Teaching Hospitals NHS Foundation Trust's Information Governance Assessment Report overall score for 2015/16 was 83% and was graded satisfactory (Green) from Information Governance Toolkit Grading Scheme.

For 2015/16 the grading system is based on:-

- **Satisfactory** level 2 or above achieved in all requirements;
- **Not Satisfactory** minimum level 2 not achieved in all requirements.

Information Governance (IG) is to do with the way organisations 'process' or handle information. It covers personal information, i.e. that relating to patients/service users and employees, and corporate information, e.g. financial and accounting records.

The IG Toolkit is an online system which allows organisations to assess themselves or be assessed against Information Governance policies and

standards. It also allows members of the public to view participating organisations' IG Toolkit assessments.

The purpose of the assessment is to enable organisations to measure their compliance against the law and central guidance and to see whether information is handled correctly and protected from unauthorised access, loss, damage and destruction.

#### 2.4.14 Payment by Results (PBR) Clinical Coding Audit

Blackpool Teaching Hospitals NHS Foundation Trust was not subject to the Payment by Results clinical coding audit during this reporting period by the Audit Commission.



# 3 Review of Quality Performance

## 3.1 The NHS Outcome Framework Indicators

The NHS Outcomes Framework sets out high level national outcomes which the NHS should be aiming to improve. The Framework provides indicators which have been chosen to measure these outcomes.

It is important to note that whilst these indicators must be included in the Quality Accounts the most

recent national data available for the reporting period is not always for the most recent financial year and where this is the case these will be noted underneath the indicator description. It is also not always possible to provide the national average and best and worst performers for some indicators due to the way the data is provided.

Domain	Indicator	National Average	Where applicable – Best Performer	Where applicable – Worst performer	Trust Statement	2015/16	2014/15	2013/14
Preventing people from dying prematurely	SHMI The value and banding (January 2015 – December 2015)	100	68	116	<p>The Blackpool Teaching Hospitals NHS Foundation Trust considers that this data is as described for the following reason:</p> <ul style="list-style-type: none"> <li>Data from national HED system up to November 2015 then local systems to March 2016</li> </ul> <p>The Blackpool Teaching Hospitals NHS Foundation Trust has taken the following actions to improve this (percentage/ proportion/score/rate/number) and so the quality of its services, by undertaking the following action:</p> <ul style="list-style-type: none"> <li>Continued mortality governance programme overseen by Mortality Committee.</li> </ul>	111 (Indicative)	116	119
Enhancing quality of life for people with long-term conditions	% of patient deaths with palliative care coded at either diagnosis or speciality level for Jan 15 – Dec 15 taken from Dr Foster Mortality Comparator	1.04%	15%	0%	<p>The Blackpool Teaching Hospitals NHS Foundation Trust considers that this data is as described for the following reason:</p> <ul style="list-style-type: none"> <li>Data taken from National HED System</li> </ul> <p>The Blackpool Teaching Hospitals NHS Foundation Trust has taken the following actions to improve this (percentage/ proportion/score/ rate/number) and so the quality of its services, by undertaking the following action:</p> <ul style="list-style-type: none"> <li>Education of staff regarding documentation of palliative care input</li> </ul>	0.68%	0.67%	0.57%

Domain	Indicator	National Average	Where applicable – Best Performer	Where applicable - Worst performer	Trust Statement	2015/16	2014/15	2013/14
Helping people to recover from episodes of ill health or following injury	<p>Patient outcome scores for groin hernia surgery</p> <p>April 14 – March 15 (most recent full year of data)</p>	Adjusted National Average 0.084	Adjusted average health gain – best performer 0.154	Adjusted average health gain – worst performer 0.000	<p>The Blackpool Teaching Hospitals NHS Foundation Trust considers that this data is as described for the following reason:</p> <ul style="list-style-type: none"> <li>• Patient reported outcome measures (PROMS) measure quality from the patient perspective and seek to calculate the health gain experienced by patients following a clinical procedure</li> </ul> <p>The Blackpool Teaching Hospitals NHS Foundation Trust has taken the following actions to improve this (percentage/ proportion/score/rate/number) and so the quality of its services, by undertaking the following action:</p> <ul style="list-style-type: none"> <li>• Further increased promotion on the importance of completing questionnaires and enhanced patient awareness that they will receive post- operative questionnaire.</li> <li>• Regularly review scores at service and Trust level to increase our responsiveness to feedback.</li> </ul>	Data not available at time of publishing	Health gain 0.008	Health gain 0.045

Domain	Indicator	National Average	Where applicable – Best Performer	Where applicable – Worst performer	Trust Statement	2015/16	2014/15	2013/14
Helping people to recover from episodes of ill health or following injury	Patient outcome scores for varicose vein surgery April 14 – March 15 (most recent full year of data)	Adjusted National Average 0.095	Adjusted average health gain – best performer 0.154	Adjusted average health gain – worst performer -0.002	<p>The Blackpool Teaching Hospitals NHS Foundation Trust considers that this data is as described for the following reason:</p> <ul style="list-style-type: none"> <li>• Patient reported outcome measures (PROMS) measure quality from the patient perspective and seek to calculate the health gain experienced by patients following a clinical procedure</li> </ul> <p>The Blackpool Teaching Hospitals NHS Foundation Trust has taken the following actions to improve this (percentage/ proportion/score/rate/number) and so the quality of its services, by undertaking the following action:</p> <ul style="list-style-type: none"> <li>• Further increased promotion on the importance of completing questionnaires and enhanced patient awareness that they will receive post-operative questionnaire.</li> <li>• Regularly review scores at service and Trust level to increase our responsiveness to feedback.</li> </ul>	Data not available at time of publishing	Health gain 0.223	Health gain 0.115
	Patient outcome scores for hip replacement surgery April 14 – March 15 (most recent full year of data)	Adjusted National Average 0.437	Adjusted average health gain – best performer 0.524	Adjusted average health gain – worst performer 0.331	<p>The Blackpool Teaching Hospitals NHS Foundation Trust considers that this data is as described for the following reason:</p> <ul style="list-style-type: none"> <li>• Patient reported outcome measures (PROMS) measure quality from the patient perspective and seek to calculate the health gain experienced by patients following a clinical procedure</li> </ul> <p>The Blackpool Teaching Hospitals NHS Foundation Trust has taken the following actions to improve this (percentage/ proportion/score/ rate/number) and so the quality of its services, by undertaking the following action:</p> <ul style="list-style-type: none"> <li>• Further increased promotion on the importance of completing questionnaires and enhanced patient awareness that they will receive post-operative questionnaire.</li> <li>• Regularly review scores at service and Trust level to increase our responsiveness to feedback.</li> </ul>	Data not available at time of publishing	Health gain 0.490	Health gain 0.366
	Patient outcome scores for knee replacement surgery (most recent full year of data)	Adjusted National Average 0.315	Adjusted average health gain – best performer 0.418	Adjusted average health gain – worst performer 0.204	<p>The Blackpool Teaching Hospitals NHS Foundation Trust considers that this data is as described for the following reason:</p> <ul style="list-style-type: none"> <li>• Patient reported outcome measures (PROMS) measure quality from the patient perspective and seek to calculate the health gain experienced by patients following a clinical procedure</li> </ul> <p>The Blackpool Teaching Hospitals NHS Foundation Trust has taken the following actions to improve this (percentage/ proportion/score/ rate/number) and so the quality of its services, by undertaking the following action:</p> <ul style="list-style-type: none"> <li>• Further increased promotion on the importance of completing questionnaires and enhanced patient awareness that they will receive post-operative questionnaire.</li> <li>• Regularly review scores at service and Trust level to increase our responsiveness to feedback.</li> </ul>	Data not available at time of publishing	Health gain 0.327	Health gain 0.276

Domain	Indicator	National Average	Where applicable – Best Performer	Where applicable - Worst performer	Trust Statement	2015/16	2014/15	2013/14
Helping people to recover from episodes of ill health or following injury	28 day readmission rate for patients 0-15	N/A	N/A	N/A	<p>The Blackpool Teaching Hospitals NHS Foundation Trust considers that this data is as described for the following reason:</p> <ul style="list-style-type: none"> <li>• The number of patients readmitted to hospital within 28 days of being discharged from hospital expressed as a % of all discharges in the period.</li> </ul> <p>The Blackpool Teaching Hospitals NHS Foundation Trust has taken the following actions to improve this (percentage/ proportion/score/ rate/number) and so the quality of its services, by undertaking the following action:</p> <ul style="list-style-type: none"> <li>• Clinically led reviews of readmissions to identify and implement actions to reduce avoidable admissions</li> <li>• Inclusion of commissioners on joint working group to identify and implement health economy wide readmission avoidance schemes</li> <li>• Monitoring at Trust Board a quality improvement programme for the year</li> </ul>	12.35	11.88	10.73
	28 day readmission rate for patients 16 or over	N/A	N/A	N/A	<p>The Blackpool Teaching Hospitals NHS Foundation Trust considers that this data is as described for the following reason:</p> <ul style="list-style-type: none"> <li>• The number of patients readmitted to hospital within 28 days of being discharged from hospital expressed as a % of all discharges in the period.</li> </ul> <p>The Blackpool Teaching Hospitals NHS Foundation Trust has taken the following actions to improve this (percentage/ proportion/score/ rate/number) and so the quality of its services, by undertaking the following action:</p> <p>The following measures have been implemented to reduce the number of incidences.</p> <ul style="list-style-type: none"> <li>• Clinically led reviews of readmissions to identify and implement actions to reduce avoidable admissions</li> <li>• Inclusion of commissioners on joint working group to identify and implement health economy wide readmission avoidance schemes</li> <li>• Monitoring at Trust Board a quality improvement programme for the year</li> </ul>	7.64	8.03	12.04



Domain	Indicator	National Average	Where applicable – Best Performer	Where applicable - Worst performer	Trust Statement	2015/16	2014/15	2013/14
Ensuring that people have a positive experience of care	Responsiveness to inpatients personal needs: CQC national inpatient survey	National Average 68.9	Best performer 86.1	Worst performer 59.1	<p>The Blackpool Teaching Hospitals NHS Foundation Trust considers that this data is as described for the following reason:</p> <ul style="list-style-type: none"> <li>• The Trust considers our patients feedback to be crucial in ensuring that our services develop in order for the Trust to meet</li> </ul> <p>The Blackpool Teaching Hospitals NHS Foundation Trust has taken the following actions to improve this (percentage/ proportion/score/rate/number) and so the quality of its services, by undertaking the following action:</p> <ul style="list-style-type: none"> <li>• Raising awareness of the Trust's 'Tell Us' campaign</li> <li>• Continue to work with our listeners (volunteers).</li> <li>• Share our National Inpatient survey results throughout the Trust and work collaboratively to make improvements</li> </ul>	70.1	67.1	65.6
	Percentage of staff who would recommend the Trust as a provider of care to their friends or family. Staff Survey	68%	89%	43%	<p>The Blackpool Teaching Hospitals NHS Foundation Trust considers that this data is as described for the following reason:</p> <ul style="list-style-type: none"> <li>• Narrative feedback from the Great Place to Work Survey suggests the Trust has excellent facilities for patients, with a committed and dedicated workforce who are caring and highly qualified.</li> </ul> <p>The Blackpool Teaching Hospitals NHS Foundation Trust has taken the following actions to improve this (percentage/ proportion/score/ rate/number) and so the quality of its services, by undertaking the following action:</p> <ul style="list-style-type: none"> <li>• Further analysis to be undertaken at Divisional level to identify targeted areas of concern and subsequent action plans.</li> </ul>	66%	62%	Data not available FFT not in place
	Percentage of patients who would recommend the provider to friends or family needing care. Inpatients	Data not available	Data not available	Data not available	<p>The Blackpool Teaching Hospitals NHS Foundation Trust considers that this data is as described for the following reason:</p> <ul style="list-style-type: none"> <li>• The FFT is an overarching indicator of patient experience, which when combined with the follow up question can be used to drive cultural change and result in an increased focus on the experiences of patients.</li> </ul> <p>The Blackpool Teaching Hospitals NHS Foundation Trust has taken the following actions to improve this (percentage/ proportion/score/ rate/number) and so the quality of its services, by undertaking the following action:</p> <ul style="list-style-type: none"> <li>• Increasing the response rate to give a true reflection on how our patients rate our inpatient service.</li> <li>• Review written feedback to develop themes which will inform improvement plans</li> </ul>	Data not available	94% average of patients likely to recommend	75% average Net Promoter Score  Scoring for the FFT changed in April to a % score

Domain	Indicator	National Average	Where applicable – Best Performer	Where applicable - Worst performer	Trust Statement	2015/16	2014/15	2013/14
	Percentage of patients who would recommend the provider to friends or family needing care. Patients discharged from Accident and Emergency	Data not available	Data not available	Data not available	<p>The Blackpool Teaching Hospitals NHS Foundation Trust considers that this data is as described for the following reason:</p> <ul style="list-style-type: none"> <li>The FFT is an overarching indicator of patient experience, which when combined with the follow up questions can be used to drive cultural change and result in an increased focus on the experience of patients</li> </ul> <p>The Blackpool Teaching Hospitals NHS Foundation Trust has taken the following actions to improve this (percentage/ proportion/score/ rate/number) and so the quality of its services, by undertaking the following action:</p> <ul style="list-style-type: none"> <li>Increasing the response rate to give a true reflection on how our patients rate our inpatient service.</li> <li>Review written feedback to develop themes which will inform improvement plans.</li> </ul>	Data not available	92%  Average of patients likely to recommend the service	68%  Average Net Promoter Score  Scoring for the FFT changed in April to a %
Treating and caring for people in a safe environment and protecting them from avoidable harm	Percentage of admitted patients' risk-assessed for Venous Thrombo-embolism  April – December 16	96%	100%	79.9%	<p>The Blackpool Teaching Hospitals NHS Foundation Trust considers that this data is as described for the following reason:</p> <ul style="list-style-type: none"> <li>Identified via electronic Trust system</li> </ul> <p>The Blackpool Teaching Hospitals NHS Foundation Trust has taken the following actions to improve this (percentage/ proportion/score/rate/number) and so the quality of its services, by undertaking the following action:</p> <ul style="list-style-type: none"> <li>Ongoing monitoring and Audit</li> </ul>	99.4%	99.9%	99.7%
	Rate of C-difficile per 100,000 bed days of cases reported amongst patients aged 2 or over (2015/16)	National table not yet published	National table not yet published	National table not yet published	<p>The Blackpool Teaching Hospitals NHS Foundation Trust considers that this data is as described for the following reason:</p> <p>*The trajectory for the Trust is nationally set was 40 incidences of CDiff defined with a lapse in care. Of the 66 incidences 43 have been defined as due to a lapse in care. 23 incidences have been agreed as no lapse in care.</p> <p>The Blackpool Teaching Hospitals NHS Foundation Trust has taken the following actions to improve this (percentage/ proportion/score/rate/number) and so the quality of its services, by undertaking the following action:</p> <ul style="list-style-type: none"> <li>Enhanced availability of Antibiotic formulary</li> <li>RCA process redefined and improved</li> <li>Increased environmental cleaning.</li> <li>Enhanced Education and training programme</li> </ul>	*66 cases  21.8	54 cases  18.2	26 cases  8.99

	The number and rate of patient safety incidents (per 100 admissions) (Q1 & 2)	National data not yet published	National data not yet published	National data not yet published	<p>The Blackpool Teaching Hospitals NHS Foundation Trust considers that this data is as described for the following reason:</p> <ul style="list-style-type: none"> <li>• The Trust continues to promote a culture of open and honest reporting by using Ulysses electronic reporting system</li> </ul> <p>The Blackpool Teaching Hospitals NHS Foundation Trust has taken the following actions to improve this (percentage/ proportion/score/ rate/number) and so the quality of its services, by undertaking the following action:</p> <ul style="list-style-type: none"> <li>• Encouraging culture, voluntary reporting</li> <li>• Implementing a monitoring system on the number and management of incidents</li> <li>• Implementation of lessons learned processes</li> </ul>	7.67 (6 months data)	6.60 (12 months data)	6.48 (12 months data)
	The number of and percentage of patient safety incidents per (100 admissions) that resulted in severe harm or death (October 15 – March 16)	N/A	N/A	N/A	<p>The Blackpool Teaching Hospitals NHS Foundation Trust considers that this data is as described for the following reason:</p> <ul style="list-style-type: none"> <li>• The Trust continues to promote a culture of open and honest reporting by using Ulysses electronic reporting system</li> </ul> <p>The Blackpool Teaching Hospitals NHS Foundation Trust has taken the following actions to improve this (percentage/ proportion/score/rate/number) and so the quality of its services, by undertaking the following action:</p> <ul style="list-style-type: none"> <li>• Encouraging culture, voluntary reporting</li> <li>• Implementing a monitoring system on the number and management of incidents</li> <li>• Implementation of lessons learned processes</li> </ul>	0.07% (6 months data)	0.24% (12 months data)	0.28% (12 months data)

## Domain: preventing people from dying prematurely

The standardised Hospital Level Mortality Indicator (SHMI) is a measure of mortality developed by the Department of Health, which compares our actual number of deaths with our predicted number of deaths.

The Trust has continued to implement its mortality governance programme concentrating on pathways of care and has seen significant reductions in SHMI rates.

## Domain: Helping people to recover from episodes of ill health or following injury.

### Patient reported outcome scores

A patient reported outcome measure is a series of questions that patients are asked in order to gauge their views on their own health. In the example groin hernia, knee replacement, hip replacement

and varicose vein surgery, patients are asked to score their health before and after surgery. We are then able to understand whether patients see a 'health gain' following surgery.

The data provided gives the average difference between the first score (pre-surgery) and second score (post-surgery) that patients give themselves. In all procedures where data is available there are improvements in the average score.

However, it is important to note that sample size for all patient reported outcome scores is very small which may impact upon the meaningfulness of the data.

**Domain: Ensuring that people have a positive experience of care**

**Responsiveness to Inpatients' personal needs**

This indicator provides a measure of quality, based on the Care Quality Commission's National Inpatient Survey. The score is calculated by averaging the answers to five questions in the inpatient survey. The highest score achievable is 100%.

The Trust is proud of its 'Tell Us' campaign which is part of our patient experience 2015/2018 strategy which provides the structure to increase the feedback we obtain from patients and relatives which we use to influence and evolve service developments.

**Domain: Treating and caring for people in a safe environment and protecting them from avoidable harm**

Risk assessing inpatients for venous thromboembolism (VTE) is important in reducing hospital acquired VTE and the Trust has worked hard to ensure our patients are risk assessed properly and appropriate treatment timely commenced.

**Domain: Treating and caring for people in a safe environment and protecting them from avoidable harm**

Sign up to Safety national campaign is a unified programme for patient safety across the NHS in England and the Trust has proudly been involved in this programme aimed at reducing avoidable harm by half and saving 6,000 lives over a three year period.

**Domain: Treating and caring for people in a safe environment and protecting them from avoidable harm**

Patient safety incidents are reported to NHS England. The rate of patient safety incidents per 100 admissions reported by Blackpool Teaching Hospitals NHS Foundation Trust is 7.64% for Quarter 1 & 2 2015/2016. Organisations that report more incidents usually have a better and more effective safety culture and the Trust continues to perform within the top 25% of patient safety incident reporters nationally.

## 3.2 An Overview of Quality of Care

The measures in the table below provide performance in 2015/16 against indicators selected by the Board which reflects the list of priorities that the Board deemed necessary to continue to monitor throughout the year. Previous years priority indicators were reviewed at the beginning of the year and some de-selected as priorities for 2015/16 as they had achieved significant progress or considerable improvement had been delivered and other improvement programmes became a priority.

The below are areas that feature in the Trust's strategy for quality improvement, feature within the new Trust's Quality Strategy and fit into the work-streams underpinning the Trust's future strategic direction. The Trust wishes to highlight them in the Quality Account.



	Indicators – To be agreed	2015/16	2014/15	2013/14
Patient safety Outcomes	Hospital Standardised Mortality Rate (Summary Hospital Mortality Indicator)	111 (Indicative)	116	119
	Stroke Mortality Rate Data Source HED:	126.28	132.80	124.34
	Sign Up to Safety Pressure Ulcer harm reduction	Stage 2 13% increase Stage 3 & 4 pressure ulcers 19.67% reduction	Not in place	Not in place
	Sign Up to Safety reduction in harm as a result of a fall	6% reduction	Not in place	Not in place
Clinical Effectiveness	Compliance with implementation of NICE guidance	NG – 9/45 20%	0/8 0% Note national guidance introduced at this point	N/A Not in place
		CG – 64/95 67%	60/96 63%	46/79 58%
	Opportunities to care within clinical pathways - sepsis	91%	93%	N/A Not in place
	Opportunities to care within clinical pathways - AKI	74%	82%	N/A Not in place
	Opportunities to care within clinical pathways - pneumonia	93%	91%	N/A Not in place
	Opportunities to care within clinical pathways - Stroke	87%	92%	N/A Not in place
	Opportunities to care within clinical pathways - #NOF	** 76%	88.73%	N/A Not in place
	Opportunities to care within clinical pathways – Cardiac Chest Pain	96%	98%	N/A Not in place
	Opportunities to care within clinical pathways - COPD	* 94%	97.82%	N/A Not in place
Patient Experience	Percentage of Adult Inpatient who rate care as excellent/very good/ good	Data not available	81%	79%
	Percentage of Adult Inpatients who have been treated with Respect & Dignity	Data not available	90%	86%
	Percentage of Adult Inpatients who felt involved in their care and/or treatment	Data not available	73%	67%

\*COPD start date was 28th May 2014 (not a full year's data )

\*\*#NOF launch date was 25th June 2014 (not a full year's data)

### 3.3 The Risk Assessment Framework

Blackpool Teaching Hospitals aims to meet all national targets and priorities and we have provided an overview of the national targets and minimum standards including those set out within Monitor's Risk Assessment Framework 2015.

National Targets and Minimum Standards	Target	Target 2015/16	2015/16	2014/15	2013/14	2012/13
Access to Cancer Services - All Cancers: one month diagnosis to treatment	First Treatment	$\geq 96\%$	Achieved Q1 99.8% Q2 99.6% Q3 99.8% Q4 – 99.8%	Achieved: Q1 98.8%, Q2 98.9%, Q3 99.8% Q4 99.5%	Achieved: Q1 98.9% Q2 98.9% Q3 99.8% Q4 99.3%	Achieved Q1 99.3% Q2 99.4% Q3 98.5% Q4 98.9%
	Subsequent Treatment – Drugs	$\geq 98\%$	Achieved Q1 100% Q2 100% Q3 100% Q4 100%	Achieved: Q1 100%, Q2 100%, Q3 100 % Q4 100%	Achieved: Q1 99.2% Q2 100% Q3 100% Q4 100%	Achieved Q1 100%, Q2 100%, Q3 99.2%, Q4 98.6%
	Subsequent Treatment – Surgery	$\geq 94\%$	Achieved Q1 97.6% Q2 100% Q3 100% Q4 97.8%	Achieved: Q1 100%, Q2 100%, Q3 100% Q4 96.6%	Achieved: Q1 100% Q2 98.7% Q3 96.3% Q4 97.3%	Achieved Q1 100%, Q2 95.8%, Q3 96.7%, Q4 100%

National Targets and Minimum Standards	Target	Target 2015/16	2015/16	2014/15	2013/14	2012/13
Access to Cancer Services - All Cancers: two month GP urgent referral to treatment:	62 day general	>=85%	Achieved Q2 87.7% Q3 85.8%  Under achieved: Q1 82.3%  Achieved Q4 86.7%	Achieved: Q1 87.1%, Q3 88.7%  Under achieved: Q2 76.7% Q4 82.4%	Achieved: Q1 86.6% Q2 89.4% Q3 85.2% Q4 86.6%  Annual percentage Excluding rare cancer 86.5%	Achieved Q1 85.1%, Q2 89.5%, Q3 85.5%, Q4 83%
	62 day general (Including Rare Cancers)	No performance Standard	Not applicable	Not applicable	Achieved: Q1 86.8% Q2 89.4% Q3 85.4% Q4 86.7%  Annual percentage 87.1%	Not applicable
	62 day screening	>=90%	Achieved: Q2 90.9%  Under achieved: Q1 86.6% Q3 82.0% Q4 89.8%	Achieved: Q1 95.1%, Q2 92.9%  Under achieved: Q3 74.2% Q4 74.4%	Achieved: Q1 89.1% Q2 91.7% Q3 90.1% Q4 94.7%	Achieved Q1 94%, Q2 91.3%, Q3 98%, Q4 96.6%
	62 day upgrade	90%	Q2 94.9% Q3 93.0%  Under achieved: Q1 89.4% Q4 89.4%	Achieved: Q1 93.3%, Q3 92.3% Q4 95.8%  Under achieved: Q2 86.5%	Achieved: Q1 85.4% Q2 95.9% Q3 93.6% Q4 92.6%	Achieved Q1 91.4%, Q2 90.9%, Q3 92.2%, Q4 95.6%
	Breast Symptoms – 2wk wait	93%	Achieved: Q1 94.8% Q3 95.9%  Under achieved: Q2 90.4%  Achieved Q4 99.3%	Achieved: Q1 96.6%, Q2 93.7%, Q3 94.3% Q4 98.0%	Achieved: Q1 94% Q2 94.8% Q3 96.7% Q4 93%	Achieved Q1 93.8%, Q2 96.5%, Q3 97.2%, Q4 93.4%
Cancelled Operations	Percentage of Operations Cancelled	0.8%	Achieved 0.75%	Under Achieved 1.76%	Under Achieved 0.92%	Achieved 0.45%
	Percentage of Operations not treated within 28 days	0%	0%	Achieved 0%	Achieved 0%	Achieved 0%

National Targets and Minimum Standards	Target	Target 2015/16	2015/16	2014/15	2013/14	2012/13
Access to Treatment	18 week Referral to Treatment (Admitted Pathway)	>=90%	Under Achieved 88.7%	Under-achieved 88.75%	Achieved 92.02%	Achieved 94.66%
	18 week referral to treatment Patients on an incomplete pathway	>+92%	Achieved 95.11% (A)	Achieved 92.03%	Achieved 94.78%	Achieved 94.37%
	18 week Referral to Treatment (Non-Admitted Pathways [including Audiology])	>=95%	Achieved 95.41%	Achieved 95.24%	Achieved 96.78%	Achieved 97.51%
Infection Control	Incidence of MRSA	0	5 Not Achieved	3 (Target 0)	1 (target 0)	3 (target <=3)
	Incidence of Clostridium Difficile	40	43 Not Achieved	54 (Target <=28)	26 (target <=29)	28 (target <=51)
Access to A&E	Total time in A&E	95% of patients to be admitted, transferred or discharged within 4hrs	Under Achieved 92.06% (A)	Achieved 96.15%	Not updated on National website as yet	Achieved 96.61%
Access to healthcare for people with a learning disability	The Trust provides self certification that meets the requirements to provide access to healthcare for patients with a learning disability	N/A	Achieved	Achieved	Achieved	Achieved
Where needed the criteria for the above indicators has been included in the Glossary of Terms						

Data comes from the NHS Information Centre Portal

NB. For all indicator figures where the Trust are providing limited assurance, they are clearly referenced with (A).



## 3.4 Statements from Local Clinical Commissioning Groups (CCGs), Local Healthwatch Organisations and Overview and Scrutiny Committees (OSCs) –

### 3.4.1 Statement from Blackpool Clinical Commissioning Group - dated 24/05/2016 and Fylde & Wyre Clinical Commissioning Group – dated 19/05/2016

Blackpool Clinical Commissioning Group (CCG) Statement on the 2015/16 Quality Account:

Blackpool CCG as Commissioner for Blackpool Teaching Hospitals NHS Foundation Trust's services welcomes the opportunity to comment on the Quality Account for 2015/16 and are pleased to acknowledge that there is a clear focus on the key quality elements and Blackpool Teaching Hospital NHS Foundation Trust has referenced its quality strategy 2015/18. The Quality Account is concise given the breadth of information it is required to reference.

We note the improvements in (SHMI) hospital mortality rates in 2015/16; however despite improvements the Trust continue to be an outlier in this respect. Blackpool Teaching Hospitals NHS Foundation Trust needs to maintain its focus on mortality in order to see the Hospital Mortality Rates reduce further. Blackpool CCG will continue and are committed to supporting further improvement in 2016/17 in specific care pathways such as stroke and sepsis. We welcome the continued review and monitoring of internal clinical pathways and support the implementation of reducing mortality from Chronic Disease as a priority in 2016/17.

It is disappointing to note that the Trust exceeded the 2015/16 trajectories for C Difficile infections and MRSA cases attributed to the Trust. Blackpool CCG and Fylde and Wyre CCG have worked collaboratively with the Trust to undertake post infection reviews of each incidence of Health Care Acquired Infection (HCAI). A health economy approach was maintained during 2015/16 in order to promote reduction in HCAI using a lessons learned approach. Public Health England has set the same trajectory for 2016/17 for the Trust (a maximum of 40 C Difficile cases). Blackpool

CCG will continue to work with all stakeholders including local GPs to develop and implement joint improvement strategies and plans for the benefit of the Fylde coast population.

As commissioners we are pleased to see that there has been a 21% decrease in reported stage 3 and 4 pressure ulcers in 2015/16 and note that the Trust included all the Community related pressure ulcer incidents in this data. We recognise the effort and focus the trust has placed on achieving this reduction and associated improvement in the quality and safety of patient care. We fully support the Trusts review of pressure ulcer lessons learned and actions to reduce the incidence of newly acquired pressure ulcers.

The CCG is pleased to note that the Friends and Family Test ratings at the hospital are good and have achieved above the national average rates with many patients recommending the Trust to their friends and family. We would however like to see an increase response rate in some Trust services. The CCG recognises the activities led by the internal patient relations team within the Trust to promote improvement in patient experience and patient satisfaction. The "Tell Us" campaign is a positive approach to get real time feedback.

Blackpool Teaching Hospital NHS Foundation Trust continues to be a high reporter of patient safety incidents together with an associated decrease in reported levels of harm. The CCG view is that this is a positive indicator which clearly demonstrates an organisation with an open transparent culture, and clear and accessible reporting mechanisms. We note the activity to prevent falls has had a positive in year impact (6% reduction) and look forward to seeing the 2017 trajectory of 20% reduction being fully met. We do commend the ongoing work to promote harm free care within the Trust particularly the work to reduce falls.

We recommend future Quality Accounts include any Never Events.

Our comments are based on a draft version of the Quality Account 2015/16; responses to all our data queries were not fully available at the time of comment. In summary; Blackpool CCG are satisfied that on the whole this is an accurate quality account of progress in a challenging year.  
24.5.2016

The Fylde and Wyre Clinical Commissioning Group holds a contract with Blackpool Teaching Hospitals NHS Foundation Trust and welcomes the opportunity to comment on the Trust's 2015/16 Quality Account.

As commissioners, we are pleased to see that through sustained effort over several years, the trust has achieved its target for reducing grade 3 and grade 4 pressure ulcers and is maintaining efforts to address grade 2 pressure ulcers. This is contributing to the Trust being close to target for the bundle of measures which make up the Harm Free Care target. It would be helpful in future publications if in-year achievement against milestones on trajectories to longer term targets could be stated and explained.

The utilisation of harm free care measures in community and maternity services evidences the Trust's drive for integration of care across community and acute settings. It will be necessary to see how the work of the Falls Risk and Response Nurses and the Tissue Viability Nurses has been embedded in general clinical practice across the hospital and community services to maintain effective falls and pressure ulcer avoidance.

Involvement of a wide range of professionals, Governors and patient experience representatives in the oversight of the Sign Up to Safety Campaign is good practice and should provide beneficial scrutiny and challenge, in being assured about real progress with pathway compliance for example.

The CCG continues to closely monitor and work with the Trust to address the on-going concerns about mortality. The Trust has identified that compliance with clinical pathways eg Sepsis and Acute Kidney Injury has been a concern over the year and hence further work is being undertaken with regard to pathway compliance and taking up every opportunity to care.

It is pleasing to note that the Trust has provided practical tools and training to enable the workforce to understand the spirit behind the Duty of Candour regulation as well as how to evidence when and how the duty has been fulfilled. This can be sustained through the approach to disseminating and applying lessons learned from incidents which are reported.

The CCG is working to support a reduction in health care associated infections across health care settings and recognises that the Trust operates a robust approach to reviewing and learning from each infection experienced by a patient in their care. It is disappointing that the target of cases has been breached and the CCG will continue to work with the Trust and the wider Lancashire health economies to understand and address contributing factors.

Patient feedback and patient confidence in local services are relevant to commissioner decisions. Hence the 95% of patients being likely to recommend the service and the positive in-patient survey results are reassuring. The Always Event pilot is particularly important, as it links to patient knowledge and confidence when leaving the hospital. It is hoped this approach can be rolled out to other areas of the hospital.

#### **3.4.2 Statement from Governors dated 11/05/2016**

In common with almost all NHS Hospital Trusts the context within which Blackpool Hospitals Trust operates has proved increasingly difficult over the last year. The numbers of patients attending A&E continues to increase. Funding is continually being squeezed. There are National shortages of qualified Staff and recruitment and retention is a major issue.

Against this background it is a credit to the hard work and commitment of Staff that standards of care in many areas have been maintained or improved. Mortality, as measured by an indicator called SHMI, has continued to improve; patients rate the care they receive very positively; a recent CQC inspection noted many commendable improvements including Maternity. All this has been achieved whilst achieving major reductions in costs.

However in some areas such as A&E waiting times, compliance with clinical pathways and the number of MRSA and CDiff infections, performance has deteriorated. Some aspects of cancer care need improvement.

The Governors are pleased that the Board has undertaken major reviews of both its Quality Strategy and the overall strategic direction of the Trust so as to better meet the increasingly

challenging future requirements. Wide Staff involvement in these reviews is warmly welcomed.

It will be important in the next few years to closely monitor that the ambitious changes which the Trust is embarking on deliver the required cost savings and quality and safety improvements. Governors will welcome feedback from patients and members on their experience of care from the Trust.

### **3.4.3 Statement from Local Healthwatch Blackpool dated 25/05/2016**



Healthwatch Blackpool  
Empowerment  
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Healthwatch Blackpool would like to thank the Trust for providing the opportunity to view and comment upon their Quality Accounts Report 2015/16. Healthwatch Blackpool welcomes such a detailed and comprehensive report. As an organisation we are committed to our continued support for the Trust in delivering quality healthcare whilst advocating with, for and on behalf of those who use these services.

Maternity services and outpatient services have seen many challenges in recent years and the findings of our reports and visits to these services reflect what is included within this report. Many people we spoke to were very satisfied with the improvements to the maternity departments and told us they were always treated with dignity, care and praised the passion of the staff. The emphasis on patient and staff relations has been felt by many who use the hospital and its outpatient services. We were often told by the people during our engagement days that the location of the hospital, the parking facilities and the welcoming navigators at the entrance were all important reasons for choosing to visit Blackpool Teaching Hospitals. Healthwatch Blackpool is keen to continue its

close work with the hospital and will endeavour to build and develop effective relationships with key personal in order us to provide an open conduit for patient feedback.

We look forward look forwards the coming year and working with the Trust, with patients and the wider public to achieve an excellent person centred local health service.

Healthwatch Blackpool Manager

### **3.4.4 Statement from Local Healthwatch Lancashire date 10/05/2016**

Quality Account 2015/16 – Stakeholder Feedback  
Blackpool Teaching Hospitals NHS Foundation Trust

The basic structure of the Quality Accounts are clear with a contents page and the sections clearly identified. The summary of key areas of activity one page overview of progress is positive. The section which follows develops each of the projects in more detail which is helpful in developing the narrative. In terms of content the use of interactive technology to broaden feedback on the Family and Friends test (in addition to a paper based survey) is very positive.

For each of the quality improvement projects set out in Section 2.1, there is a quick glance box setting out “What”, “How Much”, “Outcome” and “Progress” – this language doesn’t always translate very well against the figures in these boxes and it is difficult to identify how much progress had been made against an indicator / target. Context may be useful in these projects too – in particular setting out the year’s performance against any previous data to show a trend ie, is performance on falls better than in previous years; which areas have the trust done better on than expected; which areas remain “hot spot” issues.

Under the section on patient safety, It would be useful to show how these breakdown, and how this compares against previous years. Which areas are continuing to show as high risk or emerging risks and what mitigation plans are in place going forward into next year’s priorities? Tell Us Campaign – would welcome examples (individual stories from patients / carers and staff) where feedback has influenced or re-shaped services.

The Always Event programme described in page 19 – sounds like this has been received very well.

Digital technology – a fuller description of the Trusts priorities and areas for development both in terms of patient and carer engagement around quality of services, but also in terms of delivering more effective services, eg the role of technology in clinical pathways .

In terms of PROM (Patient Reported Outcome Measures) it would be useful to include a description of any plans by the Patient Experience Department to improve participation and patient response rates.

We would urge the Trust to maintain and develop in practical ways its contribution to Healthier Lancashire and the Transformation and Sustainability Plan for Lancashire and South Cumbria as the best way to improve outcomes for patients in the context of tight resources via 'whole system' change.

Healthwatch Lancashire has developed a 'care circle' approach, where several patients/service users share their experiences without the presence of staff, which we believe provides an additional approach to enrich individual patient stories.

Davina Hanlon, Non-Executive Director  
Mike Wedgeworth, Chair  
Sheralee Turner-Birchall, Chief Officer  
Healthwatch Lancashire  
10th May 2016

### **3.4.5 Statement from Lancashire Health Scrutiny Committee**

The Lancashire Health Scrutiny Committee will not be providing a statement this year.

### **3.4.6 Statement from Blackpool Heath Scrutiny Committee dated 04/05/2016**

#### **Quality Account Response – LCFT**

The Resilient Communities Scrutiny Committee welcomes the opportunity to provide comments on the 2015/16 Blackpool Hospitals Foundation NHS Trust Quality Account and would like to thank the Trust for their continued engagement with the Committee and attendance at meetings over the previous 12 months.

The Committee receives monthly patient experience reporting from the Trust, which is invaluable in assisting Members to understand how patients view services provided by the Trust. In addition regular reports are also received on topics of interest including the results of the Care Quality Commission inspection undertaken in 2015. The Committee would like to build on the work with the Trust and develop the type and quality of information it receives throughout the year focussing on achievement of priorities and in particular considering the long term priority of reducing mortality rates and performance in this area.

Members note that a key priority of the Trust is to achieve honesty and candour and appreciate that this is a difficult cultural change for many organisations. However, it is exceedingly important and the Committee would like to highlight the Francis report which raised concerns regarding the honesty of reporting to local Scrutiny Committees. The Committee would like to continue to build their relationship with the Trust to ensure that areas of concern are openly discussed and recorded in order to ensure the best care for patients.

Resilient Communities Scrutiny Committee,  
Blackpool Council



# 4 Appendices

## Appendix A

Title	Actions taken following National clinical audit
Paracetamol overdose (care provided in Emergency Departments - College of Emergency Medicine)	<p>Audit results identified comparable performance in accordance with MHRA guidance</p> <p>Capability assessment by Senior doctor at triage available 09.00 till 22.00 Monday to Friday. Monday to Friday 09.00 to 22.00 consultant to triage training of triage nurses.</p> <p>The emergency department will continue to work at improving the availability of Parvolex for patients at time of need through responsive prescribing and administration within the team</p>
Coronary angioplasty (subscription funded from April 2012) Continued from 12/13	Above National average - No actions required. Reports disseminated throughout Division for information and reflection, will continue to participate in National Audit
Adult cardiac surgery audit (ACS)	Audit results discussed at Divisional meeting,
2012 National Comparative Audit of the use of Anti D	<p>Notification of blood transfusion status added to the electronic discharge.</p> <p>Ongoing education in awareness amongst staff around the need for consent to transfusion</p>
Diabetes (Paediatric) (NPDA) (14/15)	<p>Audit findings from national audit discussed at speciality audit meeting.</p> <p>Agree to continue participation in the national audit.</p>
National Post-Partum Haemorrhage Audit 2014	Early recognition of PPH & blood loss estimation, Early escalation to seniors following accurate assessment , PPH management guidance issued OBS/ GYNAE/GUID/113
National Care of the Dying Audit round 4	<p>Access to specialist support for care in the last hours or days of life available for all Divisions across the Trust which includes access to specialist support for care in the last hours or days of life. Highlight importance of Healthcare professional's discussions with patient and relative/friends regarding recognition of dying ongoing Transform Training, amend staff survey to Include question about confidence in having these discussions. Review of the number of assessments undertaken in patient's last 24 hours of life to be included in future service evaluation / audits</p>

## Appendix B

Title	Actions taken as a result of local clinical audit
Unscheduled Care	
NCEPOD Study - Tracheostomy study 2013 - A review of care received by patients who underwent a tracheostomy	Tracheostomy insertion and care documentation revised and implemented.
Compliance with NICE CG101 Management of COPD	Production of a new COPD clerking proforma is underway. Respiratory Nurse now designated 'COPD Champion'. Education has been introduced at induction and at weekly respiratory educational meetings.
Management of AF post stroke/TIA	Anti-coagulants to be prescribed to AF patients with stroke or TIA unless contraindicated treating Guidance implemented
Emergency Oxygen Audit	Daily review of prescription chart on ward round to include review of oxygen therapy.
Upper GI follow up for Gastric Ulcers	Sub section added to endoscopy report
Compliance with NICE CG 100 Alcohol Disorders and CORP/PROC/487	Alcohol Liaison Nurse Service ensure appropriate care is maintained using the referral system.
Audit of clinical quality indicators of Acute Medical Unit	Introduction of Advanced Nurse Practitioners to AMU. Recruitment in progress for increased consultant numbers on the ward. Plans approved for Triage area in AMU.
Biologic use of Ankylosing Spondylitis	No actions needed
Monitoring and dose adjustment of therapeutic low molecular weight heparin in patients with renal impairment for venous thromboembolism	Alteration of VTE treatment poster by moving the section on renal impairment to the top of the poster to highlight the importance of calculating the creatinine clearance, Education of junior doctors focusing on foundation programme
Treatment with immunosuppressant/anti-TNF's in Inflammatory Bowel Disease	Pro forma connected to each patient with IBD filled in and kept in each patient notes by Gastro department.
Alcohol Assessment Audit	AMU staff reminded of the importance of recoding alcohol misuse. Staff reminded at induction about the importance of recording alcohol misuse.
Scheduled Care	
Is prescribing of post-operative oxygen therapy in line with Trust guidelines	Ongoing education to Anaesthetists in prescribing oxygen
To monitor compliance with ETCO2 monitoring in theatre recovery	Capnography teaching workbook compiled for all ODP's

Title	Actions taken as a result of local clinical audit
Audit of post-operative pain management in paediatric surgical patients	Clarify local anaesthetic use in tonsillectomies this is not used because of two reasons:- <ul style="list-style-type: none"> <li>• There is insufficient evidence for its efficacy as an analgesic that is simple systemic analgesia;</li> <li>• There is concern about the added risk of aspiration by affecting the patient's swallowing when local is used.</li> </ul>
NSTEMI and medical therapy	Education to GPs and clinicians.
Cardiac CT in stable chest pain patients	Protocol for ordinary cardiac CT developed. New guidance due April 2016
Are we complying with local and national guidelines for the surgical management of Otitis Media Effusion (OME)	100% Compliance no actions needed.
Permanent pacemaker implantation post cardiac surgery	Above national average, no actions required.
Endoscopic stapling pharyngeal pouch	Liaison with booking department to ensure correct coding attached from the point of listing.
Endoscopic Dacryocystostomy	Audit compliance above national average no actions taken.
Time interval between decision to operate and operation in urgent paediatric surgical patients	Intervals will be documented
Visual and anatomical outcome of intravitreal ozurdex for retinal vein occlusion at BVH	100% compliant with our management and audit
Baseline audit of Surgical Complications	Assisted operating restrictions lifted
Audit of indications and outcomes of MRI/CT Scan	Ongoing education at Ophthalmology Grand Rounds
Perioperative temperature management	Anaesthetic record modified promoting the continuation of the monitoring of temperature intra-op.
Audit of prevention of post-operative nausea and vomiting in paediatric surgical patients	Guidelines disseminated when released
NW Regional Functional Female urology Audit	Action cannot be implemented due to job planning issue - Risk assessment completed
Implementation of NICE guidelines for wet ARMD treatment	All targets met
Clinical Support	
Histopathology reports of adult renal cell carcinoma	Latest pro-forma to be utilised. Use of electronic dataset/masterlab upgrade.

Title	Actions taken as a result of local clinical audit
Audit of Histopathology reporting of Oesophageal biopsies for diagnosis and surveillance of Barratt's Oesophagus in compliance with the BSG guidelines	Second review documented in all reports.
Histopathology reporting of Endometrial cancers in resection specimens	Ongoing education of clinicians to provide accurate clinical information and use of pro-forma style reporting at departmental service review meeting.
Audit of Cutaneous melanoma reporting in keeping with KPI's published by RCP	Reporting pro-forma available in the cut up room and with consultants. Clinicians informed of the need to provide accurate information.
Opioids in Palliative Care - CG140	Trust policy being developed to cover the whole of the Trust including community. Appropriate Lead on behalf of the Trust nominated
Safe and Secure handling of medicines - ordering, receipt, storage and distribution on wards and departments	Results discussed at medicines Management Committee (MMC) and disseminated to Divisional Clinical Directors,
NPSA15 (National Patient Safety Agency)	Ongoing education from Pharmacy to Ward Managers on ensuring staff are aware of and follow Trust Policies and Procedures in the safe management of controlled drugs
Re-audit Reducing harm from omitted and delayed medicines in Hospital/ correct use of omission codes	Audit undertaken by Pharmacy - results disseminated to wards who will cascade results and arrange training.
Safe and Secure handling of medicines - ordering, receipt, storage and distribution on wards and departments	Continuous monitoring of temperature of medicines storage area, medicine cupboards clearly labelled, area clean and tidy.
Appropriate use of CT Coronary Angiogram following a CT calcium score >400	Testing reviewed for confirmation
Appropriate use of CT Coronary Angiogram following a CT calcium score of 0	Testing reviewed for confirmation
Families	
Regional audit of women undergoing LLETZ procedure	Colposcopy pro-forma on line system will be available.
Management of Multiple Pregnancy & Birth	Use of multiple pregnancy proforma encouraged, twin pregnancy Hb at 20 and 28 weeks now documented on proforma



Title	Actions taken as a result of local clinical audit
Audit of management of adnexal mass	Education to all doctors undertaken in documentation of BMI and RMI and Intra-operative comments on internal organs
Induction of Labour	ongoing education in adherence to clinical process and documentation. Maternity dashboard reviewed.
Re-audit of the Management of severe pre-eclampsia	Results and management plans reviewed
Management of 2nd stage caesarean section	Ongoing education at induction to new registrars
Audit of Consultant involvement in intrapartum care of women on delivery suite	Raised awareness of deficiencies in Consultant presence, skill mix on DS and availability of ward round stickers
Shoulder dystocia 2015	Education of staff to be included on Drills day, reminder poster from guidelines. Add diagnosis question to Euroking.
Termination of pregnancy	Trust guidelines updated.
Consultant involvement in the intrapartum care of women on delivery suite	Trust guidelines updated
Monitoring and management of coeliac disease following diagnosis	Testing to be added to new diabetic routine bloods, with further screening only routinely offered if positive. New guideline to further rework the screening and diagnosis of celiac ratified and in use.
Diagnosis and Management of Children with DKA	Ongoing education in DKA Calculator use, Long Acting Insulin use and documentation of neuro obs.
Management of orbital and peri-orbital cellulitis in children stage 2	Ongoing training of guidelines
Documentation of x-ray results in the notes	Ongoing education of junior doctors in reviewing requested x-ray and documenting on the x-ray sticker, dated, timed and signed.
Management of low grade cervical smears	Colposcopy guidelines updated
Routine postnatal care of women and their babies	Continue with ongoing development of NIPE system
Corporate	
Health Records Keeping Standards - Basic Clinical Record Keeping	Audit pro-forma designed audits to be undertaken on specialities monthly
Retention, Disposal and Destruction of Acute Health Records	Policy and guidelines reviewed and disseminated
Best Practice Undertaking clinical audit	Policy reviewed and disseminated
Health records folder location audit	KPI monitored and reported

Title	Actions taken as a result of local clinical audit
To review the clinical audit process within the Trust as per recommendations in KPMG External audit 'Quality Assessment'	National reports to be circulated to Divisional Management Teams when published via the Clinical Audit & Effectiveness Department
Isolation audit	Ward managers/Matrons to re-iterate Trust procedure
Accuracy of MUST screening on initial contact	To be replaced by the national BAPEN nutritional care tool audit.
Resuscitation trolley audit	No actions required
ALTC	
Dental Audit	Practice has a nominated lead responsible for Infection control and decontamination. Practice and performance reported via Leads
Improving safeguarding for young people who attend sexual health services	Focus Group to be set up to review /rewrite Fraser Assessment to reflect recommendations from audit.
Health Promotion in Hospitals	HP in hospitals promoted trust-wide
Peer records audit for pressure ulcer management standards	Daily assessment in place and monitored .

## Appendix C

**Table 1: Glossary of Abbreviations**

Abbreviation	Meaning
SUTS	Sign up to Safety
NICE	National Institute Health and Care Excellence
CAUTI	Catheter Associated Urinary Tract Infection
WHO	World Health Organisation
NHS	National Health Service
AKI	Acute Kidney Injury
CLIP	A combined quarterly Complaints, Litigation, Incidents and Patient Relations Service report
IV	Intravenous
CCG	Clinical Commissioning Group
CDI	Clostridium Difficile Infection
SMART form	Signs, Medication, Appointments, Requirements, Time
PROMS	Patient Reported Outcome Measures
HED	Healthcare Evaluation Data
NEL Admissions	Non Elective Admissions
IAPT	Improving Access to Psychological Therapies
URL	Uniform Resource Locator (reference to a resource on the intranet)
CQC	Care Quality Commission

Abbreviation	Meaning
CQUIN	Commissioning for Quality and Innovation
DNACPR	Do Not Attempt Cardio-Pulmonary Resuscitation
GP	General Practitioners
MRSA	Methicillin Resistant Staphylococcus Aureus
NCEPOD	National Confidential Enquiries into Perinatal Outcomes of Death
NICE	National Institute for Health and Care Excellence
PbR	Payment by Results
SHMI	Summary Hospital Level Mortality Indicator
SUS	Secondary Uses System
VTE	Venous Thromboembolism
RCP	Royal College of Physicians

**Table 2: Glossary of Terms**

Abbreviation	Glossary of meaning
Amber Care Bundle	A group of interventions which are proven to provide best care for patients whose recovery is uncertain and are at risk of dying in the next one or two months.
Aseptic Non Touch Technique	A specific type of technique to protect key sites and key parts of a patient from microorganisms which may be transferred from a healthcare worker or the environment to a patient.
Butterfly Scheme	National scheme using Butterfly emblem to identify patients with a diagnosis of dementia or cognitive impairment to highlight specialist needs.
Catheter associated urinary tract infection	An infection which it is believed to have started by a urinary catheter.
Clinical	Relating to the care environment.
Comfort boxes	A box of tools to assist with supporting cognitive impairment and provide cognitive therapy and diversional therapy.
Commissioners	Group responsible for most healthcare services available within a specific geographical area
Clostridium Difficile	Clostridium Difficile (C. diff) is a bacterium that is present naturally in the gut. 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.
CQUIN	Commissioning for Quality and Improvement. This is a system introduced in 2009 to make a proportion of healthcare providers' income conditional on demonstrating improvements in quality and innovation in specified areas of care.
Emergency readmissions to hospital within 28 days of discharge	Location of the latest published data can be accessed from: <a href="http://www.ic.nhs.uk/pubs/hesemergency0910">http://www.ic.nhs.uk/pubs/hesemergency0910</a>

Abbreviation	Glossary of meaning
Friends and Family Test	A test that provides us with a simple, easily understandable way to obtain patient feedback to pinpoint areas for improvement. Further information can be located at the following link: <a href="http://transparency.dh.gov.uk/2012/11/28/nhs-friends-and-family-test">http://transparency.dh.gov.uk/2012/11/28/nhs-friends-and-family-test</a>
Healthcare Evaluation Data (HED)	Enables users to monitor/compare and evaluate hospital performance indicators across different hospital trusts nationally.
Methicillin Resistant Staphylococcus Aureus	MRSA stands for Methicillin-Resistant Staphylococcus Aureus. It is a common skin bacterium that is resistant to some antibiotics. Many people carry this bacteria without developing an infection. MRSA bacteraemia – An MRSA bacteraemia means the bacteria has infected the body through a break in the skin and multiplied, causing symptoms.
Mortality	Mortality relates to death. In health care mortality rates mean death rate.
Monitor	Monitor was established in 2004 and authorises and regulates NHS Foundation Trusts. Monitor works to ensure Foundation Trusts comply with the conditions they signed up to and that they are well led and financially robust.
National Johns Campaign	National campaign to promote the right of families and carers of people with dementia to be allowed to remain with them in hospital for as many hours as they are needed.
National Patient Survey Results	The patient survey question to be monitored by the Trust is in relation to 'Responsiveness to inpatients' personal needs'. <a href="http://www.dh.gov.uk/en/Publicationsandstatistics/PublishedSurvey/NationalsurveyofNHSpatients/DH_126972">http://www.dh.gov.uk/en/Publicationsandstatistics/PublishedSurvey/NationalsurveyofNHSpatients/DH_126972</a>
National Staff Survey Results	The staff survey question to be monitored by the Trust is in relation to the 'Percentage of staff who would recommend the provider to friends or family needing care'. Location of the latest published data can be accessed from: <a href="http://www.nhsstaffsurveys.com/">http://www.nhsstaffsurveys.com/</a>
NHS Outcomes Framework	The NHS Outcomes Framework is structured around five domains, which set out the high-level national outcomes that the NHS should be aiming to improve. They focus on:- <ul style="list-style-type: none"> <li>• Domain 1 Preventing people from dying prematurely;</li> <li>• Domain 2 Enhancing quality caring of life for people with long-term conditions;</li> <li>• Domain 3 Helping people to recover from episodes of ill health or following injury;</li> <li>• Domain 4 Ensuring that people have a positive experience of care; and</li> <li>• Domain 5 Treating and caring for people in a safe environment.</li> </ul> Available at: <a href="http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance">http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance</a>
NICE	National Institute of Excellence. An independent organisation that provides national guidance and standards on the promotion of good health and the prevention and treatment of ill health.
Organisational Strategic Framework	The organisations process of defining its strategy, or direction, and making decisions on allocating its resources and priorities to achieve the strategy.



Abbreviation	Glossary of meaning
Patient Reported Outcome Measures	The patient reported outcome scores are for i) groin hernia surgery, ii) varicose vein surgery, iii) hip replacement surgery, and iv) knee replacement surgery. <a href="http://www.ic.nhs.uk/statistics-and-data-collections/hospital-care/patient-reported-outcome-measures-proms">http://www.ic.nhs.uk/statistics-and-data-collections/hospital-care/patient-reported-outcome-measures-proms</a>
Percentage of admitted patients risk-assessed for Venous thrombo-embolism	Location of the latest published data can be accessed from:- <a href="http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsStatistics/DH_131539">http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsStatistics/DH_131539</a>
Quality Strategy	A document which outlines the aims and objectives of the Trust relating to patient safety and improving quality.
Quality Improvement	A formal approach to the analysis of performance and systematic efforts to improve it resulting in better outcomes for patients, better systems performance and better staff development.
Registration in the RCP National Audit of Dementia Care	A Nationally led audit to compare care provision for patients cared for in a hospital setting who have a diagnosis of dementia.
Rem Pods	These are pop up reminiscence rooms used to turn any care space into a therapeutic and calming environment.
Root Cause Analysis	A method of problem solving that tries to identify the root causes of issues and why they are happening.
Safety Thermometer	A point of care survey which is used to record the occurrence of four types of harm ( pressure ulcers, falls, catheter associated urinary tract infection and venous thromboembolism).
Sign up to Safety Campaign	This is a national campaign and unified programme for patient safety across the NHS in England.
Summary Hospital Level Mortality Index	The Summary Hospital-level Mortality Index (SHMI) is a system which compares expected mortality of patients to actual mortality. The Summary Hospital Level Mortality Indicator measures whether mortality associated with hospitalisation was in line with expectations. <a href="http://www.ic.nhs.uk/CHttpHandler.ashx?id=10664&amp;p=0">http://www.ic.nhs.uk/CHttpHandler.ashx?id=10664&amp;p=0</a>
Venous thrombo embolism (VTE)	Venous thromboembolism (VTE) is the term used for deep vein thrombosis (DVT) and Pulmonary Embolism (PE). A DVT is a blood clot that forms in a deep vein. Sometimes the clot breaks off and travels to the arteries of the lung where it will cause a pulmonary embolism (PE).
62 day cancer screening waiting time standard	Number of patients receiving first definitive treatment for cancer within 62 days referral from the screening programme as a percentage of the total number of patients receiving first definitive treatment for cancer following a referral from the screening programme.

**Table 3: Glossary of Terms**

Abbreviation	Glossary of meaning
Clostridium. difficile Target	Number of patients identified with positive culture for C. difficile
Rate of Clostridium difficile	<p>Location of the latest published data can be accessed from:-  <a href="http://www.hpa.org.uk/Topics/InfectiousDiseases/InfectionsAZ/ClostridiumDifficile/EpidemiologicalData/MandatorySurveillance/cdiffMandatoryReportingScheme/">http://www.hpa.org.uk/Topics/InfectiousDiseases/InfectionsAZ/ClostridiumDifficile/EpidemiologicalData/MandatorySurveillance/cdiffMandatoryReportingScheme/</a></p> <p>The following information provides an overview on how the criteria for measuring this indicator has been calculated:-</p> <ul style="list-style-type: none"> <li>• Patients must be in the criteria aged 2 years and above;</li> <li>• Patients must have a positive culture laboratory test result for Clostridium Difficile which is recognised as a case;</li> <li>• Positive specimen results on the same patient more than 28 days apart are reported as a separate episode;</li> <li>• Positive results identified on the fourth day after admission or later of an admission to the Trust is defined as a case and the Trust is deemed responsible.</li> </ul>
MRSA Target	Number of patients identified with positive culture for MRSA bacteraemia.
Rate of MRSA	<p>The following information provides an overview on how the criteria for measuring this indicator has been calculated:-</p> <ul style="list-style-type: none"> <li>• An MRSA bacteraemia is defined as a positive blood sample test for MRSA on a patient (during the period under review);</li> <li>• Reports of MRSA cases includes all patients who have an MRSA positive blood culture detected in the laboratory, whether clinically significant or not, whether treated or not;</li> <li>• The indicator excludes specimens taken on the day of admission or on the day following the day of admission;</li> <li>• Specimens from admitted patients where an admission date has not been recorded or where it cannot be determined if the patient was admitted, are attributed to the Trust; and</li> <li>• Positive results on the same patient more than 14 days apart are reported as separate episodes, irrespective of the number of specimens taken in the intervening period, or where the specimens were taken.</li> </ul>

Abbreviation	Glossary of meaning
Maximum 62 days from urgent GP referral to first treatment for all cancers	<p>The following information provides an overview on how the criteria for measuring this indicator has been calculated:-</p> <ul style="list-style-type: none"> <li>• The indicator is expressed as a percentage of patients receiving their first definitive treatment for cancer within 62 days of an urgent GP referral for suspected cancer;</li> <li>• An urgent GP referral is one which has a two week wait from the date that the referral is received to first being seen by a consultant. (see <a href="http://www.dh.gov.uk/prod-consum-dh/groups/dh-digitalassets/documents/digitalasset/dh-103431.pdf">http://www.dh.gov.uk/prod-consum-dh/groups/dh-digitalassets/documents/digitalasset/dh-103431.pdf</a>);</li> <li>• The indicator only includes GP referrals for suspected cancer (i.e. excludes consultant upgrades and screening referrals and where the priority type of the referral is National Code 3 – two week wait);</li> <li>• The clock start date is defined as the date the referral is received by the Trust; and</li> <li>• The clock stop date is defined as the date of first definitive cancer treatment as defined in the NHS Dataset Change Notice. (A copy of this can be accessed at: <a href="http://www.ish.nhs.uk/documents/dscn/dscn2008/dataset/202008.pdf">http://www.ish.nhs.uk/documents/dscn/dscn2008/dataset/202008.pdf</a>). In summary this is the date of the first definitive cancer treatment given to a patient who is receiving care for a cancer condition or it is the date that cancer was discounted when the patient was first seen or it is the date that the patient made the decision to decline all treatment.</li> </ul>
Rate of patient safety incidents and percentage resulting in severe harm or death	<p>Location of the latest published data can be accessed from:- <a href="http://www.nrls.npsa.nhs.uk/resources/?entryid45=132789">http://www.nrls.npsa.nhs.uk/resources/?entryid45=132789</a></p>
Waiting times and the 18 weeks referral to treatment (RTT) pledge	<p>The NHS Constitution gives patients the right to access services within maximum waiting times, or for the NHS to take all reasonable steps to offer you a range of suitable alternative providers if this is not possible.</p> <p>Patients have the legal right to start non-emergency NHS consultant-led treatment within a maximum of 18 weeks from referral, unless the patient chooses to wait longer or it is clinically appropriate that the patient wait longer.</p>
4 hour A&E waiting times	<p>The maximum four-hour wait in A&amp;E is a key NHS commitment and is a standard contractual requirement for all NHS hospitals. In addition, NHS England has an added contractual requirement covering NHS hospitals that no A&amp;E patient should wait more than 12 hours on a trolley.</p>

# Annex B: Statement of Directors' Responsibilities in Respect Of the Quality Account

The Board of Directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 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) and on the arrangements that NHS foundation trust boards should put in place to support data quality for the preparation of the Quality Report.

In preparing the Quality Report, Directors are required to take steps to satisfy themselves that:-

- The content of the Quality Report meets the requirements set out in the NHS Foundation Trust Annual Reporting Manual 2015/16 and supporting guidance;
- The content of the Quality Report is not inconsistent with internal and external sources of information including;
  - o Board minutes and papers for the period April 2015 – March 2016;
  - o Papers relating to Quality reported to the Board over the period April 2015 – March 2016;
  - o Feedback from the commissioners - Blackpool Clinical Commissioning Group dated 24/05/2016; and Fylde & Wyre Clinical Commissioning Group – dated 19/05/2016;
  - o Feedback from Governors dated 11/05/2016;
  - o Feedback from Local Healthwatch organisations – Local Healthwatch Blackpool dated 22/05/2015;
  - o Feedback from the Blackpool Council's Health Scrutiny Committee dated 04/05/2016;
  - o The Trust's Complaints Report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated April 2015 – March 2016;
  - o The 2015 national patient survey published (Data not available);
  - o The 2015 national staff survey published 2015;
  - o The Independent Auditor's Report to the Council of Governors of Blackpool Teaching Hospitals NHS Foundation Trust on the annual Quality Report;
  - o The CQC Intelligent Monitoring Report dated May 2015 (No more reports received);
- 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

By order of the Board:

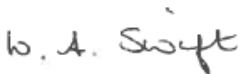
Signed: 

Date: 25th May 2016

**Ian Johnson**

CHAIRMAN

the above requirements in preparing the Quality Report.

Signed: 

Date: 25th May 2016

**Wendy Swift**

CHIEF EXECUTIVE (INTERIM)



# Annex C: External Auditor's Limited Assurance Report on the Contents of the Quality Report

## Independent Auditors' Limited Assurance Report to the Council 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 to perform an independent assurance engagement in respect of Blackpool Teaching Hospitals NHS Foundation Trust's Quality Report for the year ended 31 March 2016 (the 'Quality Report') and specified performance indicators contained therein.

### Scope and subject matter

The indicators for the year ended 31 March 2016 subject to limited assurance (the "specified indicators") marked with the symbol **A** in the Quality Report, consist of the following national priority indicators as mandated by Monitor:

<b><i>Specified indicators</i></b>	<b><i>Specified indicators' criteria</i></b>
Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways.	Appendix C: Table 3 within the Quality Report (page 150).
Percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge.	Appendix C: Table 3 within the Quality Report (page 150).

### 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 specified indicators criteria referred to on page 150 of the Quality Report as listed above (the "Criteria"). The Directors are also responsible for the conformity of their Criteria with the assessment criteria set out in the NHS Foundation Trust Annual Reporting Manual ("FT ARM") and the "Detailed requirements for quality reports 2015/16" 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 Quality Report does not incorporate the matters required to be reported on as specified in Annex 2 to Chapter 7 of the FT ARM and the "Detailed requirements for quality reports 2015/16";
- the Quality Report is not consistent in all material respects with the sources specified below; and
- the specified indicators have not been prepared in all material respects in accordance with the Criteria set out in the NHS Foundation Trust Annual Reporting Manual ("FT ARM") and the "2015/16 Detailed guidance for external assurance on quality reports".

We read the Quality Report and consider whether it addresses the content requirements of the FT ARM and the "Detailed requirements for quality reports 2015/16"; and consider the implications for our report if we become aware of any material omissions.

We read the other information contained in the Quality Report and consider whether it is materially inconsistent with the following documents:

- Board minutes for the period April 2015 to the date of signing the limited assurance report (the period);
- papers relating to Quality reported to the Board over the period April 2015 to the date of signing the limited assurance report;

- feedback from the Commissioners, Blackpool CCG, dated 24 May 2016;
- feedback from Governors dated 11 May 2016;
- feedback from Blackpool Health Scrutiny Committee dated 4 May 2016;
- feedback from local Healthwatch organisations, Healthwatch Blackpool dated 25 May 2016 and Healthwatch Lancashire dated 10 May 2016;
- the Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 18 April 2016;
- the national patient survey dated 21 May 2016;
- the national staff survey dated 23 February 2016;
- Care Quality Commission Intelligent Monitoring Reports dated May 2015; and
- the Head of Internal Audit's annual opinion over the Trust's control environment dated 12 April 2016.

We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with those documents (collectively, the "documents"). Our responsibilities do not extend to any other information.

### **Our Independence and Quality Control**

We applied the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. We apply International Standard on Quality Control (UK & Ireland) 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **Use and distribution of the report**

This report, including the conclusion, has been prepared solely for the Council of Governors of Blackpool Teaching Hospitals NHS Foundation Trust as a body, to assist the Council of Governors in reporting Blackpool Teaching Hospitals NHS Foundation Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2016, to enable the Council of Governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicators. 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 (Revised)'). Our limited assurance procedures included:

- reviewing the content of the Quality Report against the requirements of the FT ARM and "Detailed requirements for quality reports 2015/16";
- reviewing the Quality Report for consistency against the documents specified above;
- obtaining an understanding of the design and operation of the controls in place in relation to the collation and reporting of the specified indicators, including controls over third party information (if applicable) and performing walkthroughs to confirm our understanding;
- based on our understanding, assessing the risks that the performance against the specified indicators may be materially misstated and determining the nature, timing and extent of further procedures;
- making enquiries of relevant management, personnel and, where relevant, third parties;
- considering significant judgements made by the NHS Foundation Trust in preparation of the specified indicators;

- performing limited testing, on a selective basis of evidence supporting the reported performance indicators, and assessing the related disclosures; 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**

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can impact comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time. It is important to read the Quality Report in the context of the assessment criteria set out in the FT ARM the “Detailed requirements for quality reports 2015/16” and the Criteria referred to above.

The nature, form and content required of Quality Reports are determined by Monitor. This may result in the omission of information relevant to other users, for example for the purpose of comparing the results of different NHS Foundation Trusts.

In addition, the scope of our assurance work has not included governance over quality or non-mandated indicators in the Quality Report, which have been determined locally by Blackpool Teaching Hospitals NHS Foundation Trust.

### **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 2016:

- the Quality Report does not incorporate the matters required to be reported on as specified in Annex 2 to Chapter 7 of the FT ARM and the “Detailed requirements for quality reports 2015/16”;
- the Quality Report is not consistent in all material respects with the documents specified above; and
- the specified indicators have not been prepared in all material respects in accordance with the Criteria set out in the NHS Foundation Trust Annual Reporting Manual (“FT ARM”) and the “Detailed guidance for external assurance on quality reports 2015/16”.



**PricewaterhouseCoopers LLP**  
Manchester  
26 May 2016

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 assurance providers does not involve consideration of these matters and, accordingly, the assurance providers accept no responsibility for any changes that may have occurred to the reported performance indicators or criteria since they were initially presented on the website.

# Annex D: A Statement of the Chief Executive's responsibilities as the Accounting Officer

## Statement of the Chief Executive's responsibilities as the Accounting Officer of Blackpool Teaching Hospitals NHS Foundation Trust

The National Health Service Act 2006 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 '*NHS Foundation Trust Accounting Officer Memorandum*' issued by Monitor.


Under the NHS Act 2006, Monitor has directed 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 year.

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;
- ensure that the use of public funds complies with the relevant legislations, delegated authorities and guidance; 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/her 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 are set out in Monitor's '*NHS Foundation Trust Accounting Officer Memorandum*'.

Signed: 

Date: 25th May 2016

**Wendy Swift**

CHIEF EXECUTIVE (INTERIM)

# Annex E: Annual Governance Statement 2015/16

## Annual Governance Statement 2015/16 Blackpool Teaching Hospitals NHS Foundation Trust

### 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 (the 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 the Trust for the year ended 31st March 2016 and up to the date of approval of the Annual Report and Accounts.

### 3. Capacity to Handle Risk

#### 3.1 Leadership

As Accounting Officer, I have overall accountability and responsibility for ensuring that there are effective risk management and integrated governance systems in place within the Trust, and for meeting all statutory requirements and adhering to guidance issued by Monitor. I lead the risk management process as Chair of the Risk Committee, which meets on a bi-monthly basis, and its membership comprises of all the Executive Directors. The Risk Committee oversees all risk management activity and ensures the correct process is adopted for managing risk, controls are present and effective; and action plans are robust for those risks which remain. The Committee monitors and reports to the Board of Directors on the Board Assurance Framework which contains the key risks against the Trusts strategic objectives and the Corporate Risk Register which contains all the significant operational risks. To ensure accountability a lead Executive Director has been identified for each risk on the Board Assurance Framework and Corporate Risk Register.

The Board of Directors has overall responsibility for setting the strategic direction of the Trust and managing the risks in delivering that strategy. All committees have risk management responsibilities reporting in to the Risk Committee and then to the Board of Directors. Some aspects of risk are delegated to the senior managers:-

- The Chief Executive is responsible for reporting to the Board of Directors on the overall risk management policy and for ensuring that the policy is implemented and evaluated effectively;



- The Deputy Chief Executive/Director of Strategy is responsible for strategy (including the estate management and fire safety) and is the Senior Information Risk Owner (SIRO) with overall responsibility for information governance;
- The Director of Finance and Performance is responsible for financial risk, capital programme management, the effective coordination of financial controls and for monitoring performance;
- The Director of Nursing and Quality is the professional lead for nurses, midwives, health visitors and allied health professionals and is also responsible for infection prevention and "soft" facilities management;
- The Director of Nursing and Quality and Medical Director have shared responsibility for clinical risk management;
- The Medical Director is responsible for health and safety and is the Caldicott Guardian;
- The Medical Director is the professional lead for all doctors;
- The Director of Operations is responsible for developing risk based operational key performance indicators and for monitoring performance and reporting to the Board of Directors on a monthly basis;
- The Director of Workforce and Organisational Development is responsible for workforce planning, staffing issues, education and training.

All Divisional Directors, Heads of Departments, Associate Directors of Nursing, and ward/departmental managers have delegated responsibility for the management of risk in their areas. Risk is integral to their day-to-day management responsibilities. It is also a requirement that each individual division produces a divisional/directorate risk register, which is consistent and mirrors the Trust's Corporate Risk Register requirements and is in line with the Risk Management Policy.

Non-Executive Directors work alongside the Executive Directors as an equal member of the Board. They share responsibility for the decisions made by the Board of Directors and for the success of the Trust in leading the local improvement of healthcare services. Non-Executive Directors ensure that financial controls and risk management

systems are robust and defensible and that the Board of Directors is kept fully informed through timely and relevant information.

Governors have an important role to play and are responsible for providing leadership in order to operate effectively, represent the interests of members and influence the strategic direction of the Trust. The Council of Governors is responsible for holding the Non-Executive Directors, individually and collectively, to account for the performance of the Board of Directors. This is attained, for example, by Governors attending and observing committees of the Board of Directors, attending Board of Director meetings in public and meeting with the Chair, Chief Executive and Committee Chairs as well as at meetings of the Council of Governors.

### 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 an induction programme for new employees, which includes awareness of risk management. Each Division and Corporate Directorate has a responsibility to develop specific departmental local induction programmes, which includes awareness of the Division/Directorate Risk Management Strategy.

The Trust has in place a mandatory training programme and the Board of Directors has set out the minimum requirements for staff training required to control key risks and includes risk management processes such as health and safety, moving and handling, resuscitation, infection prevention, safeguarding patients, blood transfusion and information governance. A comprehensive training needs analysis has been kept under review which sets out the training requirements for all members of staff and includes the frequency of training in each case.

The Risk Management team are responsible for undertaking training for all staff on Risk Management and Incident Reporting. An overview of Clinical Governance and Risk Management, including incident reporting, consent and duty of candour is provided to staff through training sessions at Corporate Induction, Junior and Trainee Doctors' Induction, Mandatory Training, e-learning and ad-hoc sessions for clinical and

AHP staff. Specific training on incident reporting and managing incidents and RCAs is undertaken through a rolling programme of presentations available to all staff. Local training sessions are also arranged for individuals or groups upon request. Specific Duty of Candour awareness training has also been rolled out through presentations to Divisions across the organisation and is ongoing.

The Trust uses an integrated electronic risk management system, known as Ulysses which is used to record and manage incidents. The Corporate and Divisional Risk Registers and Board Assurance Framework are managed electronically and updated bi-monthly. 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.

Employees, contractors and agency staff are required to report all adverse incidents and concerns. The Trust supports a learning culture, ensuring that an objective investigation or review is carried out to continually learn from incidents.

Through the above training, staff are provided with examples highlighting the importance of taking responsibility for risk management and how we share learning from incident reporting, risk assessments and identifying both poor and good practice, to improve our services and ultimately patient and staff safety.

The Learning from Incidents and Risks Committee meets on a bi-monthly basis to ensure concerns identified from incidents, complaints and claims are reviewed with lessons learnt being used as a method of improvement and sharing of good practice. Learning from incident trends and themes and serious incident investigations is shared across through the organisation through providing data reports, articles published in Trust newsletters and magazines, Safety Notices and organisational and divisional Lessons Learned posters. All finalised Serious Incident Investigation reports are available for staff to access through the Risk Management intranet site to use as a learning tool.

In addition to the Trust reviewing all internally driven investigation reports, the Trust also adopts an open approach to the learning derived from

third party investigations and audits, and/or external reports. During 2015/16, the Trust has taken on board recommendations from a number of external reports including the report from the Trusts CQC re-inspection that took place in September 2015.

The Trust actively seeks to share learning points with other health organisations, and pays regard to external guidance issued. Accordingly, the Trust reviews any gaps against new guidance and adjusts systems and processes as appropriate in line with best practice.

## 4. The Risk and Control Framework

### 4.1 Key Elements of the Risk Management Strategy

The Risk Management Policy is validated by the Risk Committee and ratified by the Board of Directors. The Risk Management Policy assigns responsibility for the ownership, identification and management of risks to all individuals at all levels in order to ensure that risks which cannot be managed locally are escalated through the organisation. The process populates the Board Assurance Framework and Corporate Risk Register, to form a systematic record of all identified risks. Risks are identified from operational pressures, strategic planning and from the analysis of untoward incidents. The control measures, designed to mitigate and minimise identified risks, are recorded within the Board Assurance Framework, Corporate Risk Register and Divisional Risk Registers.

The Trust's vision and values identify the expected culture for the Trust; these are linked to the strategic objectives, from which the Board Assurance Framework has been developed therefore supporting the risk management framework.

### 4.2 Key Elements of the Quality Governance Arrangements

The Trust Board has adopted 10 strategic measures which were chosen to reflect the priorities of the Board for 2015/16 (taking account the needs of the Trust and its patients as well as the requirements

of Monitor and Commissioners). These measures are used to monitor and assess the performance of the Trust and are measured and reported to the Board on a quarterly basis. The Quality Committee monitors six of the 10 strategic measures and also quarterly receives a report on the wider quality measures included within the Trust's Integrated Performance Report. The Trust's Integrated Performance Report also contains sections on financial, operational and workforce performance all of which are monitored by the relevant subcommittee of the Trust Board. Each Division has to report individual performance, including quality indicator performance, to monthly Divisional Performance Board Meetings held by Executive Directors with each Divisional Management Team. Quality performance is seen to be intrinsically linked to quality risks which are reviewed by the relevant divisional senior management teams and then reviewed by the Executive Directors via the Risk Committee. The Board Assurance Framework identifies the key risks for the organisation and the two main quality risks within 2015/16, failure to maintain a reduction in the Trust Mortality rates and maintaining a high patient experience, have been monitored by the Quality Committee.

The Foundation Trust is fully compliant with the registration requirements of the Care Quality Commission and was last fully inspected in 2014 against the CQC fundamental standards of care of which the CQC stipulate standards of care should never fall below.

On the 21st/22nd September 2015, the CQC carried out a follow up announced inspection to Maternity Services to review progress against the 'inadequate' rating (April 14). The CQC also reviewed Urgent and Emergency Services in response to CQC monitoring intelligence regarding A&E performance.

The Trust received the final report in January 2015 and overall there was acknowledgment of improvements achieved since the last inspection with one regulated activity action and other areas for the Trust to review. The regulated activity has been included within the trust-wide development plan which is monitored by the Quality Committee and by the commissioner led Fylde Coast Advisory Board and has also been shared with Monitor. The regulated activity and all other areas identified to review are part of separate maternity and A&E

led action plans, which are also monitored by the Quality Committee and quarterly progress shared with the CQC.

Maternity Services were noted to have made improvements since the last inspection with patient experience being noted as positive with patient outcomes being in line with the England average on most of the compared measures. Maternity Services ratings moved from 'requires improvement' to 'good'.

Urgent and Emergency Services noted some areas of improvement since the last inspection. However, at the last inspection (January 14) the CQC had not fully developed the inspection methodology for the effectiveness domain and so had not rated this element at that time and gave this element a rating of 'requires improvement'. The well led element although noting improvements in leadership and structures these were not yet fully developed to realise full benefits at the time of the re-inspection and this element also remained at a rating of 'requires improvement'. The overall rating for Urgent and Emergency Services remained as 'requires improvement'.

The overall rating for the Trust remains unchanged for 2015/16 at requires improvement until a full re-inspection takes place.

## **Data Security**

Information Governance (IG) relates to the way organisations 'process' or handles information. It covers personal information, i.e. relating to patients/service users and employees, and corporate information, e.g. financial and accounting records.

The IG Toolkit is an online system which allows organisations to assess themselves or be assessed against Information Governance policies and standards. It also allows members of the public to view participating organisations' IG Toolkit assessments.

The purpose of the assessment is to enable organisations to measure their compliance against the law and central guidance and to see whether information is handled correctly and protected from unauthorised access, loss, damage and destruction.

The Health Informatics Committee (HIC) is responsible for all aspects of Information Management, Information Governance and Information Communications Technology throughout the Trust known collectively as Information Management; this includes the identification and management of information and data security risks. The HIC is chaired by the Deputy Chief Executive who is also the nominated Board Lead for Information Governance. The Trust's Chief Information Officer is also the Trust's Senior Information Risk Owner (SIRO).

The reporting and investigation of incidents is an integral part of all employees' duties. It applies to ALL staff and all untoward events and near misses.

### Information Security Incidents

These are known as an 'Information Governance related Serious Incident Requiring Investigation' (IG SIRI). As a guide this includes any incident which involves actual or potential failure to meet the requirements of the Data Protection Act 1998 and/or the Common Law of Confidentiality.

The IG SIRI category is determined by the context, scale and sensitivity:-

- Level 0 or 1 confirmed IG SIRI but no need to report to Information Commissioner's Office (ICO), Department of Health (DH) and other central bodies/regulators;
- Level 2 confirmed IG SIRI that are reported to ICO, DH and other central bodies/regulators.

A further category of IG SIRI is also possible and is used in incident closure where it is determined that it was a near miss or the incident is found to have been mistakenly reported:-

- Level 0 Near miss/non-event - used where an IG SIRI has been found not to have occurred or severity reduced due to fortunate events which were not part of pre-planned controls this is recorded as a "near miss" to enable lessons learned activities to take place and appropriate recording of the event.

### Cyber Incidents

A Cyber-related incident is anything that could (or has) compromised information assets within Cyberspace. "Cyberspace is an interactive domain made up of digital networks that is used to store, modify and communicate information. It includes the internet, but also the other information systems that support our businesses, infrastructure and services."

*Source: UK Cyber Security Strategy, 2011*

All organisations processing Health, Public Health and Adult Social Care personal data are also expected to use the IG Toolkit to report level 2 Cyber SIRI's to contribute to health and social response to the UK's Cyber Security Strategy. Level 2 Cyber Incidents will be notified to the Department of Health and Social Care Information Centre (HSCIC) only.

The Cyber SIRI category is determined by the context, scale and sensitivity. Every incident can be categorised as level:-

- Level 0 or 1 confirmed Cyber SIRI but no alerting to HSCIC & DH;
- Level 2 confirmed Cyber SIRI alerting to Health and HSCIC & DH.

### 4.3 Organisations Key Risks

The key organisational risks for the year were identified from the strategic objectives for 2015/16, forming the Board Assurance Framework and operational risks collated for the Corporate Risk Register, these included the following:-

1 n-Year Risks 2015/16	Future Major and Significant Clinical Risks 2016/17
<b>Objective 1:</b> To provide an holistic model of care, with treatment undertaken in community settings wherever possible.	
<b>Objective 2:</b> To prevent unnecessary emergency admissions to hospital through new service models that provide enhanced support in community settings and integrated care for the most	
<ul style="list-style-type: none"> <li>• Failure to have robust joint working and plans with partners risks non-achievement of the Trust's strategic objectives, non-delivery of strategic initiatives and non-delivery of required levels of service quality and financial performance.</li> </ul>	<ul style="list-style-type: none"> <li>• Failure to have robust plans within the Trust and with partners risks non-achievement of a sustainable Trust (non-achievement of strategic objectives and financial and performance levels).</li> </ul>
<b>Objective 5:</b> To support and develop a skilled, motivated and flexible workforce that is able to innovate in the development of our services.	
<ul style="list-style-type: none"> <li>• Failure to attract, recruit and retain appropriately skilled staff risks the delivery of safe patient care and higher than planned expenditure through agency/locum costs;</li> <li>• Failure to engage and motivate staff risks the Trust being unable to improve/maintain quality whilst at the same time reducing costs.</li> </ul>	
<ul style="list-style-type: none"> <li>• Lack of sufficient funding to support or the inability to plan and implement the transition of care from acute focused to community based care risks intervention by regulators/ bankruptcy.</li> </ul>	<ul style="list-style-type: none"> <li>• Failure to achieve Monitor compliance standards risks being in breach of the regulations (Monitor's Risk Assessment Framework) &amp; breaching terms of authorisation;</li> <li>• Failure to deliver the planned £11.3m deficit supported by a £20m CIP and a minimum cash balance of £7.8m (CoS rating of 1) risks the Trust's ability to deliver its strategic plans and maintain a minimum cash balance of £5m. We have defined resilience as having a minimum of £5m cash by year end. At month 6, our YTD deficit was worse than plan by £1.5m and forecasted deficit (unmitigated) was £23.6m. Therefore a recovery plan has commenced to recover the financial position (Financial resilience);</li> <li>• Failure of the strategy refresh to identify a means to become a financial sustainable Trust, and/or that these means do not deliver financial improvement within an appropriate timeframe (such that the Trust's cash balances fall below £5m and move in to a negative cash position) risks insolvency and Regulatory intervention (Financial sustainability).</li> </ul>



**Objective 3:** To provide safe, high quality and patient-centred care, using evidence-based pathways to deliver standardised approaches to care with positive outcomes.

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>• Failure to maintain a reduction in the Trust's mortality rates risks service quality, patient confidence in our services and Regulatory action;</li> <li>• Failure to deliver the Better Care Fund risks non-achievement of the Trust's strategic objectives, non-delivery of strategic initiatives and non-delivery of required levels of service quality and financial performance;</li> <li>• Failure to deliver a positive patient experience risks service quality, patient confidence in our services and Regulatory action.</li> </ul> | <ul style="list-style-type: none"> <li>• Failure to implement an electronic patient record (EPR) risks the ability for the Trust to achieve the strategic plan and to be paper-light by 2018;</li> <li>• Failure to reduce the Trust's SHMI to within the expected range by April 2016 risks service users confidence and regulatory action;</li> <li>• Failure to deliver a positive patient experience risks service quality, patient confidence in our services and Regulatory action.</li> </ul> |
|--|--|

All the above risks have been assessed, mitigations put in place and are managed within impact scores ratified by the Board of Directors. The risks are monitored on an ongoing bi-monthly basis at the Risk Committee and reported to the Board of Directors. The Trust has mitigated several significant risks in on the Corporate Risk Register in 2015/16:-

- The replacement of the x-ray gantry in the Emergency Department;
  - o Mitigation: a refurbishment scheme was approved to procure a replacement;
- The de-escalation of Cardiac Day Case Unit as an escalation area for medical patients;
  - o Mitigation: Ward 6 was identified as a more appropriate area for medical escalation patient;
- The replacement of essential equipment within Cardiac and Surgery;
  - o Mitigation: equipment has been purchased as part of the capital replacement programme;
- The management of private and overseas patients (including debt recovery);
  - o Mitigations: a Private Patients Manager has now been appointed and procedural documents and financial governance arrangements are now in place for the management of private patients;
- The replacement programme for the Trusts personal computers (PC);
  - o Mitigation: PC replacement programme has been undertaken as part of the capital replacement programme.

#### 4.4 Principle Risks to the NHS Foundation Trust Provider Licence

The Internal Auditors have undertaken a review of the Governance Arrangements, Risk Management and the Board Assurance Framework as part of the Internal Audit Annual Plan which was agreed by the Chief Executive and the Audit Committee, the outcome of which was 'significant assurance with minor improvement opportunities'.

The Trust has internally reviewed the committee structures, in particularly their Terms of Reference, reporting lines and effectiveness, as a result linking the Strategic Compliance Measures, Board Assurance Framework risks and Executive Directors portfolios to Board Committees ensuring robust risk management.

The Finance Committee has the remit to provided rigour and oversight over the Trust's performance, the Strategic Workforce Committee to monitor and address human resources concerns, the Quality Committee to focus on the quality of services provided to patients and any serious incidents and the Risk Committee to holistically review all risks. The Audit Committee gains assurance through several sources; internally from the Head of Corporate Assurance, the Director of Finance and Performance and periodically via the Chairs of the Quality, Strategic Workforce and Risk Committees. The Internal Auditors provide assurance through the Audit Plan including in-year progress via management responses and external assurance via the External Auditors. It then reports to the Board of Directors on the level of assurance of aspects of governance, risk management and internal controls.

In 2016, the Trust has undertaken an initial self-assessment against the Trust's 'Provider Licence' which identified the Trust has good reporting systems to Monitor for governance and finance, and there are some areas for further review regarding patient choice. This has been reported to the Audit Committee and the Board of Directors and the Audit Committee with monitor the actions.

The Provider Licence requires the Trust to involve both patients and public stakeholders in the governance agenda. This has been achieved through engagement with the Foundation Trust Membership, Governors, Blackpool CCG, Fylde and Wyre CCG, Blackpool Overview and Scrutiny Committee, Lancashire Overview and Scrutiny Committee, Blackpool Local Safeguarding Children's Board, Blackpool Vulnerable Adults Board, and local branches of Health watch. The Trust has engaged with Public Governors in managing risk through the participation on the Learning from Incidents, Risks and Claims Committee, and through sharing the Board of Directors meeting information including the Chief Executives Assurance Report which contains risk management mitigations. As part of the Annual Report and Annual Accounts, the Reader's Panel has given comments on the document.

The Trust has a Patient and Carer Experience and Involvement Strategy in place to outline how staff must ensure they systematically listen to, capture and use the views and experiences of public stakeholders, groups and organisations in the delivery, evaluation, improvement and development of our services.

The Trust has been carrying out Equality Impact Assessments (EIA) since 2007. Since their inception within the Trust, it has been a requirement to complete EIA for all policies, procedures and guidelines before being sent to the relevant committee for validation and ratification. 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 characteristic groups and other groups if required to do so.

Patient feedback is actively solicited through daily and monthly surveys and is reviewed on an on-going basis with performance reports reviewed regularly by the Patient Experience and Involvement Committee, the Quality Committee and the Board of Directors.

In addition, the Trust has reviewed its compliance with 'The NHS Foundation Trust Code of Governance' and is fully compliant with all the provisions. Several areas of development have been identified to improve compliance and these have been reported to the Audit Committee and Board of Directors.

The Foundation Trust is fully /is not fully compliant with the registration requirements of the Care Quality Commission.

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.

Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with.

The 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

As at 31st March 2016, the Trust's Governance Rating status, published on Monitor's website is "Under Review".

The Trust achieved its planned delivery of a Financial Services Risk Rating (FSRR) of 2 at the 31st March 2016.

The Trust is meeting Monitor's monthly (and quarterly) reporting and monitoring requirements on an ongoing basis.

The Trust has arrangements in place for setting objectives and targets on a strategic and annual basis and during 2016/17 the Trust has consolidated and developed a number of systems and processes to help deliver an improvement in the financial performance which includes the following:-

- Approval of the annual planning review submission by the Board of Directors;
- Approval of the annual budgets by the Board of Directors;
- The production of an integrated long term plan, based upon the Trusts five year strategy, and will include financial, activity, workforce and risk rating information;
- Monthly Finance Committee to ensure Directors meet their respective financial targets reporting to the Board;
- Monthly Divisional Performance Meetings attended by the Executive Team to ensure that Divisions meet the required level of performance for key areas;
- Monthly Cash Committee is actively continuing with measures to further improve cash balances which reports to the Finance Committee. The Cash Committee has minimised the risk of the Trust using the Working Capital Facility;
- The Trust has continued to utilise a Programme Management Office to support robust planning and delivery of the Trust's Strategic Transformation Plan, including the Cost Improvement Programme Plan;
- The Divisions play an active part in ongoing review of financial performance including Cost Improvement requirements / Quality, Innovation, Productivity and Prevention (QIIPP) delivery;
- Monthly reporting to the Board of Directors on key performance indicators covering Finance and activity, Quality and Safety and Human Resource targets through the Integrated Performance Report (IPR);
- Weekly reporting to the Executive Team

on key influences on the Trust's financial position including activity on quality and safety performance and workforce indicators, with further enhancements to include the reporting of cash, orders raised, and goods receipted to be introduced for 2016/17.

The 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 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;
- The Trust subscribes to a national benchmarking organisation (HED). 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 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.

During 2015/16, the Trust undertook a comprehensive strategic review, prompted by the requirement to assess its position in relation to resilience and sustainability. The review followed the seven stage Strategy Development Toolkit, published by Monitor in October 2014. The Trust considered the need for strategic change from a number of perspectives (national, regional / local health and social care economy, and internal), before undertaking a Strength, Weaknesses, Opportunities and Threats (SWOT) analysis and a 'base case' financial forecasting exercise, and finally considering its financial and clinical sustainability in this 'base case' or 'do nothing' scenario.

It is recognised that the Trust's strategic vision needs to address the key issues associated with achievement of clinical and financial sustainability, and that significant changes will be required in years one and two in order to meet the most immediate issue of financial sustainability resulting from the 'base case' financial forecast. However,

the strategic vision must also deliver improvements in clinical quality and safety and ensure increased levels of efficiency, whilst meeting the needs of the local population.

The Trust welcomes Lord Carter of Coles Review of Operational Productivity in NHS Providers, as it supports the Trust in identifying opportunities to improve efficiency and strengthen its financial position. Whilst the opportunity identified by the Carter Review is at the highest end of this range that the Trust has concluded locally, it is not beyond the range of outcomes which could be achieved. Further work is required to understand how much of this can be achieved within the 1-3 year time period indicated by the Carter Review Team.

## 6. Information Governance

During 2015/16, the Trust achieved Information Governance Toolkit (IGT) internal assessment compliance score of 83% and was graded Satisfactory (Green). The IGT submission is subject to independent audit. The Trust's auditors, KPMG have reviewed the evidence provided as part of the Version 13 submission and provided an overall rating opinion of 'Significant Assurance' in respect of our process of self-assessment.

During this period the Trust has incurred 103 incidents classified as IG SIRT severity level 1 (see Table 1) and 1 incident classified as IG SIRT severity level 2 (see Table 2).

**Table 1**

Summary of other Personal Data Related Incidents in 2015-16 (1st April 2015 – 31st March 2016) (SIRT 1's)		
Category	Breach Type	Total
A	Corruption or inability to recover electronic data	1
B	Disclosed in error	61
C	Lost in Transit	5
D	Lost or stolen hardware	0
E	Lost or stolen paperwork	8
F	Non-secure disposal- hardware	0
G	Non-secure disposal-paperwork	9
H	Uploaded to website in error	0
I	Technical security failing (including hacking)	0
J	Unauthorised access/disclosure	19
K	Other	0
	<b>Total</b>	<b>103</b>

**Table 2**

Summary of Serious Incident Requiring Investigations Involving Personal Data as Reported to the Information Commissioner's Office In April 2015 – March 2016					
Date of Incident	Nature of Incident	Paper or electronic information	Nature of data involved	Number of people potentially affected	Notification steps
06/11/2015	Disclosed in error	Paper	CAMHS information containing personal and sensitive information sent to wrong person - following 2 previous episodes	1	StEIS IGT & ICO
Further action on information risk	SUI now complete, has been closed on the IGT. Awaiting ICO decision.				



## 7. Annual Quality Report

The Directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) 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 Trust has built on the extensive work undertaken to develop the Quality Account and has drawn on the various guidance published in-year in relation to the Quality Account. The Trust's vision, values and priorities were originally set through wide involvement and in consultation with patients, staff, external stakeholders and Governors. The consultation of the Quality Account included consultation with the Council of Governors in selecting the areas for external audit assurance processes. In the preparation of the Quality Account, the Trust appointed a Quality Account Project Lead to develop the Quality Account who has reported direct to the Director of Nursing and Quality on progress on the development of the Accounts.

A formal review process was established, involving the submission of our initial draft Quality Report to our external stakeholders (Commissioners, Overview and Scrutiny Committees and Healthwatch). The Quality Account drafts were formally reviewed through the Trust's governance arrangements, formal Executive Directors' meeting and the Board of Directors. The Trust set 2015/16 priorities for improvement for clinical effectiveness, quality of the patient experience and patient safety and these were developed to embed and monitor quality improvement processes, set against the needs of our patients in the development and delivery of our services.

The Board of Directors can confirm that they have met the necessary requirements under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 and subsequent amendment guidance to prepare its Quality Accounts for the financial year 2015/16. 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 Quality Committee reporting directly to the Board leads the quality improvement strategy, which has been reviewed this year, 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. 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 Health Informatics 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, advise, review data and (where applicable) correct anomalies;

- **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 through its sub committees who monitor performance against regulatory requirements and approved plans and objectives;

- **People and Skills**

Our Workforce Strategy 2014-2019 is a key document that brings together strategically all the Trust's processes to attract, develop, retain, support and reward our staff to meet our strategic priorities. In order to meet the new challenges and opportunities of the future the Trust's recognises the need to have a flexible and dynamic workforce. The impact staff experience has on our patients experience and the delivery of high quality safe and effective care is recognised by the Board of Directors.



The Board's aim is to create a great and safe place to work and the best place to receive care by ensuring that our staff experience compassion, excellence and positivity and that as an organisation the Trust is putting people, patients and staff, at the centre of everything it does. Our strategy for 2020 outlines how we aspire to achieve this aim and to enhance on this further a detailed review of the Trust Strategy has taken place throughout the latter part of 2015/16, which will set the future direction of travel for the organisation.

During the review of our Trust strategy our current core components for ensuring the quality of our workforce and achieving our mission of Together We Care has provided the assurance to the Board that we have been able to provide to regulators working on behalf of the public as to the quality and safety of our working practices.

Six areas of policy which are central to providing this assurance in relation to our workforce are:-

- Safe staffing levels;
- Safe recruitment and induction practice;
- Compliance with mandatory training requirements;
- Staff being able to raise concerns (whistle-blowing);
- Effective systems of feedback;
- Revalidation of medical and dental staff and future revalidation of nursing staff.

- **Data Use and Reporting**

The Trust is provided with external assurance on a selection of the quality data identified within the Quality Report which was taken from national data submissions, HED, National Patient Survey results, Local Inpatient Survey results and Information Governance Toolkit results. Local internal assurance is also provided via the analysis of data following local internally led 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 quality and safety metrics are also reported monthly to the Board through the Integrated Performance Report and the Quality Committee Assurance Report.

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 an annual audit programme which provides assurance on the weekly monitoring process of 'patient target list' meetings where all divisions are represented and their performance data presented and reviewed. Random checks on pathways are facilitated by the Trust's Internal Data Team and this is further supported by an external annual review.

The Trust has reviewed its objectives as part of the Trust Strategy Review process and has continued to emphasise its commitment to quality, with the aim of achieving excellence in everything it does. Its quality goals through out 2015/16 were to:-

- All patients and carers involved in decisions about their care;
- Zero inappropriate admissions;
- Zero harms;
- Zero delays;
- Compliance with standard pathways.

The Trust has delivered on its Care Quality Commission quality and safety action plan which has been closed in conjunction with the CQC and commissioners. The Trust believes quality should be supported at every level of the organisation and has developed a Quality Development Plan to oversee key risk areas and new areas for quality development based on the CQC's re-inspection in September 2015. Monitoring of this is overseen by the Quality Committee for the Board and is also monitored via Commissioners.

The Board of Directors at the Trust can confirm it has the appropriate mechanisms in place to prepare, approve and publish its Quality Report for 2014/15. 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.

## 8. 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 Account 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, Risk Committee and Quality 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 some examples of the work undertaken, which has involved the Board of Directors, Audit Committee, Risk Committee and Quality Committee. My review has been informed by:-

- The Internal Audit reviews on the Trust's Governance Arrangements, Risk Management and the Board Assurance Framework, CQC Enforcement Guidance and Information Governance as part of the Internal Audit Annual Plan which was agreed by the Chief Executive and the Audit Committee;
- The self-assessment review of all the Board Committees performance; Strategic Workforce Committee, Finance Committee, Risk Committee, Strategy and Assurance Committee, Audit Committee and Quality Committee and a review of their Terms of Reference.

# Head of Internal Audit Opinion

## 2015/16 Head of Internal Audit Opinion to Blackpool Teaching Hospitals NHS Foundation Trust

*Basis of opinion for the period 1 April 2015 to 31 March 2016*

Our internal audit service has been performed in accordance with KPMG's internal audit methodology which conforms to Public Sector Internal Audit Standards. As a result, our work and deliverables are not designed or intended to comply with the International Auditing and Assurance Standards Board (IAASB), International Framework for Assurance Engagements (IFAE) or International Standard on Assurance Engagements (ISAE) 3000. PSIAS require that we comply with applicable ethical requirements, including independence requirements, and that we plan and perform our work to obtain sufficient, appropriate evidence on which to base our conclusion.

### *Roles and responsibilities*

The Board is collectively accountable for maintaining a sound system of internal control and is responsible for putting in place arrangements for gaining assurance about the effectiveness of that overall system.

The Annual Governance Statement (AGS) is an annual statement by the Accountable Officer, on behalf of the Board, setting out:

- how the individual responsibilities of the Accountable Officer are discharged with regard to maintaining a sound system of internal control that supports the achievement of policies, aims and objectives;
- the purpose of the system of internal control as evidenced by a description of the risk management and review processes, including the Assurance Framework process; and
- the conduct and results of the review of the effectiveness of the system of internal control including any disclosures of significant control failures together with assurances that actions are or will be taken where appropriate to address issues arising.

The Assurance Framework should bring together all of the evidence required to support the AGS.

The Head of Internal Audit (HoIA) is required to provide an annual opinion in accordance with Public Sector Internal Audit Standards, based upon and limited to the work performed, on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes (i.e. the system of internal control). This is achieved through a risk-based programme of work, agreed with Management and approved by the Audit Committee, which can provide assurance, subject to the inherent limitations described below.

The purpose of our HoIA Opinion is to contribute to the assurances available to the Accountable Officer and the Board which underpin the Board's own assessment of the effectiveness of the system of internal control. This Opinion will in turn assist the Board in the completion of its AGS, and may also be taken into account by other regulators to inform their own conclusions.

The opinion does not imply that the HoIA has covered all risks and assurances relating to the organisation. The opinion is substantially derived from the conduct of risk-based plans generated from a robust and Management-led Assurance Framework. As such it is one component that the Board takes into account in making its AGS.

# Head of Internal Audit Opinion

## *Opinion*

Our opinion is set out as follows:

- Basis for the opinion;
- Overall opinion; and
- Commentary.

The basis for forming our opinion is as follows:

- An assessment of the design and operation of the underpinning Assurance Framework and supporting processes;
- An assessment of the range of individual assurances arising from our risk-based internal audit assignments that have been reported throughout the period. This assessment has taken account of the relative materiality of these areas; and
- An assessment of the process by which the organisation has assurance over its registration requirements of its regulators.

Our overall opinion for the period 1 April 2015 to 31 March 2016 is that:

**Significant with minor improvements assurance can be given on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.**

The commentary below provides the context for our opinion and, together with the opinion, should be read in its entirety.

Our opinion covers the period 1 April 2015 to 31 March 2016 inclusive, and is based on the four core and five strategic audits that we completed in this period.

### *The design and operation of the Assurance Framework and associated processes*

Overall our review found that the Trust's Assurance framework is founded on a systematic risk management process and provides appropriate assurance to the Board.

The Assurance Framework reflects the organisation's key objectives and risks and is reviewed on a quarterly basis by the Board following review by the Risk Committee. It was last reviewed by the Board on 27<sup>th</sup> January 2016.

It should be noted that despite our positive conclusion around the overall framework for seeking and receiving assurance around strategic risks, we have deferred two of the strategic reviews which formed part of our 2015/16 Internal Audit Plan into 2016/17. These are the Sustainability review and the Clinical Engagement Review. The delay has been at the request of Trust management, and reflects the greater assurance which management feel would be provided by delaying the reviews until the new Trust strategy and governance structures have been fully embedded.

## Head of Internal Audit Opinion

*The range of individual opinions arising from risk-based audit assignments, contained within our risk-based plan that have been reported throughout the year*

In 2015/16, we issued one report that provided 'partial assurance with improvements required'. None of our reports had a conclusion of "no assurance".

The report receiving only partial assurance related to Discharge Process.

This does not prevent us from issuing an overall opinion of "significant assurance with minor improvements" as the organisation is implementing the recommendations raised as a result of our work to address the issues identified.

One of our strategic reviews covered Medical Device. As agreed with the interim Chief Executive, the format of this document is an action plan which we have worked to develop with management rather than a traditional assurance report. As the report does not provide a level of assurance it does not impact on our annual opinion.

In our 2015/16 reports, we did not raise any high risk recommendations.

Kpmg LLP

KPMG LLP, Chartered Accountants, Manchester

12 April 2016



## 9. Conclusion

My review of the effectiveness of the systems of internal control has taken account of the work of the senior management team within the Trust,

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 internal control issues, I have not identified any significant control issues.

Signed: *W. A. Swift*

Date: 25th May 2016

**Wendy Swift**

CHIEF EXECUTIVE (INTERIM)

# 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*

### Report on the financial statements

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#### Our opinion

In our opinion, Blackpool Teaching Hospitals NHS Foundation Trust's (the "Trust's") financial statements (the "financial statements"):

- give a true and fair view of the state of the Trust's affairs as at 31 March 2016 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 2015/16.

#### Emphasis of Matter – Going Concern

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In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of disclosures made in note 1 (Accounting policies and other information) to the financial statements concerning the Trust's ability to continue as a going concern. The Trust faces a significant financial challenge and is forecasting a break-even position for 2016/17, however, the forecasts are subject to a number of uncertainties, such as the receipt of £10 million from the Sustainability and Transformation fund, which is conditional on the Trust achieving a break-even position or better in 2016/17. These conditions together with the other matters explained in note 1 of the financial statements, indicate the existence of a material uncertainty that may cast significant doubt about the Trust's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Trust was unable to continue as a going concern.

#### What we have audited

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The financial statements comprise:

- the Statement of Financial Position as at 31 March 2016;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Cash flows for the year then ended;
- the Statement of Changes in Taxpayers' Equity for the year then ended, and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

Certain required disclosures have been presented elsewhere in the Annual Report, rather than in the notes to the financial statements. These are cross-referenced from the financial statements and are identified as audited.

The financial reporting framework that has been applied in the preparation of the financial statements is the NHS Foundation Trust Annual Reporting Manual 2015/16 issued by the Independent Regulator of NHS Foundation Trusts ("Monitor").

#### Our audit approach

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##### Context

Our 2015/16 audit was planned and executed having regard to the fact that the Trust's operations and financial performance were broadly similar in nature from the previous year, albeit that the financial performance of the Trust was worsening in terms of forecasting a larger deficit. In light of this, our approach to the audit in terms of scoping and areas of focus was largely unchanged.

## Overview



- Overall materiality: £7,670,000 which represents 2% of total revenue.
- We performed our audit of the financial information for the Trust at the Blackpool Victoria Hospital, which is where the finance function is based.
- In establishing our overall approach, we assessed the risks of material misstatement, taking into account the nature, likelihood and potential magnitude of any misstatement. Following this assessment, we applied professional judgement to determine the extent of the testing required over each balance in the financial statements.
- Our principal areas of focus/risks were:
  - Financial position and sustainability (Going Concern);
  - Risk of fraud in revenue and expenditure recognition; and
  - Valuation of property, plant and equipment.

## The scope of our audit and our areas of focus

We conducted our audit in accordance with the National Health Service Act 2006, the Code of Audit Practice and relevant guidance issued by the National Audit Office on behalf of the Comptroller and Auditor General (the “Code”) and, International Standards on Auditing (UK and Ireland) (“ISAs (UK & Ireland)”).

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are identified as “areas of focus” in the table below. We have also set out how we tailored our audit to address these specific areas in order to provide an opinion on the financial statements as a whole, and any comments we make on the results of our procedures should be read in this context. This is not a complete list of all risks identified by our audit.

Area of focus	How our audit addressed the area of focus
<p><b>Financial position and sustainability (Going Concern)</b></p> <p><i>The Trust’s future plans are discussed on pages 17 to 20 of the Performance Report. The Trust’s finances for the year ended 31 March 2016 are discussed on pages 22 to 33 of the Performance Report.</i></p> <p>We focussed on this area because the assessment of the Trust’s financial position and financial sustainability, and in particular the Annual Plan, requires significant levels of judgement in choosing appropriate assumptions. We also focussed on the Trust’s forecasted cash position, as whilst the Trust forecasts that the cash position will remain positive throughout 2016/17, the forecast does indicate significant sensitivity to the underlying assumptions and there is minimal headroom for the Trust to be able to accommodate any adverse variances against any of the assumptions underpinning the Trust’s cash forecast. Management has identified possible mitigation strategies in the event that the cash reserves are fully depleted, which we have considered as part of our assessment. However, the underlying assumptions directly impact upon the Trust’s financial position and financial sustainability for the 2016/17 financial year, which could have serious implications for the Trust and its stakeholders.</p>	<p>We evaluated the composition of the Annual Plan and the financial projections and the process by which they were drawn up.</p> <p>In particular, we obtained the reconciliation for income and expenditure from the 2015/16 actual results to the 2016/17 Annual Plan and understood the following assumptions which the Annual Plan is most sensitive to:</p> <ul style="list-style-type: none"> <li>• the receipt of £10 million from the Sustainability and Transformation Fund;</li> <li>• the forecast impact of the tariff deflator and inflationary increases in expenditure; and</li> <li>• the forecast impact of cost improvement plan (CIP) savings.</li> </ul> <p>We then tested the appropriateness of these assumptions by:</p> <ul style="list-style-type: none"> <li>• agreeing the inflation rates to Monitor guidance;</li> <li>• considering whether non-recurring income and expenditure had been appropriately included/excluded from the forecasts; and</li> <li>• agreeing a sample of CIP schemes to supporting documentation (including project initiation forms and project highlight reports).</li> </ul> <p>We found the assumptions used to be reasonable although we noted that any change in these assumptions would have a direct impact on the Trust’s financial results and cash flow forecast for 2016/17.</p>

We tested management's forecasting accuracy by comparing the 2015/16 actual results to those included in the 2015/16 Annual Plan.

We also performed a sensitivity analysis over the assumptions within the Trust's 2016/17 Annual Plan. We determined that the calculations were most sensitive to assumptions for achievement of CIP targets and the receipt of the £10 million Sustainability and Transformation Fund monies.

The Trust presented a number of mitigations as part of its own Going Concern paper submitted to the Trust's Audit Committee. We considered the mitigation strategies proposed and, for the purposes of our assessment, we have only taken into consideration the ability of the Trust to liquidate some of its assets and stretch creditors.

Based on the information currently available, there is a material uncertainty around the future cash position of the Trust over the 12 month period from the date of signing this opinion. An Emphasis of Matter paragraph is included in our opinion to highlight this uncertainty.

#### *Risk of fraud in revenue and expenditure recognition*

We focused on this because there is a heightened risk that due to the financial position and sustainability, and the pressure the Trust is under to improve its reported financial position, income and/or expenditure may have been recognised in such a way as to misreport the Trust's financial position.

The Trust's principal source of revenue is from Clinical Commissioning Groups ("CCGs") and NHS England, which accounts for 94.8% of income in 2015/16. The service level agreements with the CCGs are renegotiated annually and consist of standard monthly instalments and quarterly over/under performance invoices or credit notes, which are negotiated with the CCG and are therefore subject to management judgement regarding the value and recoverability of the related income.

Expenditure could be understated in an attempt to minimise the deficit or secure a Financial Sustainability Risk Rating of at least '2'. Items of expenditure whose value are dependent on estimates could have also been considered more liable to manipulation.

We therefore consider the following to be the key areas in which reported income or expenditure may be manipulated and we focused our work as follows:

- recognition of revenue and expenditure, including the inherent complexities in a number of contractual arrangements entered into by the Trust and the timing and complexity of the intra-NHS balance reconciliation process;
- manipulation of journal postings to the ledgers; and
- manipulation of management estimates (including impairment of receivables, accruals, provisions, deferred income and other liabilities).

We tested the potential for manipulation of **journal** postings to the ledgers by selecting a sample of journals that had been recognised in both income and expenditure, focussing in particular on those recognised near the end of the year or included in accrued/deferred income or prepaid/accrued expenses, by tracing the journal entry to the supporting documentation (for example, invoices, goods received notes and cash receipts and payments). For the sample tested we were satisfied that the journals were supported by appropriate documentation and that the related income and expenditure was recognised in the correct accounting period.

We evaluated and tested **management's estimates** (such as the impairment of receivables, accruals, provisions, accrued and deferred income) and the basis of their calculation. We reviewed each accounting estimate for bias by considering the accounting treatment, management's calculations and events after the year end. We also considered the prior estimate for accuracy given the current year activity. Our testing did not identify any material issues

For **income from activities**, we obtained and agreed the income recorded during the year to the signed contracts with the CCGs with no exceptions noted. For income arising from over performance on contracts, we have agreed the income to the supporting invoice and underlying performance reports. Our testing did not identify any material issues.

We tested a sample of income and expenditure transactions recognised close to year end (both before and after the year-end) to check that **cut-off procedures** were appropriately applied and that the transactions had been recognised in line with the accounting policies and in the correct period. This involved agreeing the transactions to supporting invoices, goods receipt notes (where applicable) and cash receipts or payments.

We obtained the Trust's **intra NHS confirmations** for debtor, creditor, income and expenditure balances, and checked that management had investigated all disputed amounts and discussed the results of their investigation and the resolution thereof, which we agreed to correspondence with the counterparty. We considered the impact, if any, these disputes would have on the value of income and expenditure recognised in 2015/16 and determined that there was no material impact.

We performed testing to check that there were no **unrecorded liabilities** by:

- agreeing a sample of large payments recognised after the year end to supporting documentation and checking that they related to post-year end expenditure;
- agreeing a sample of large invoices received after the year end to supporting documentation and checking that they related to post-year end expenditure;
- agreeing a sample of invoices and payments after the year end for the Trust's top 5 suppliers, by value, to supporting documentation and checking that they related to post-year end expenditure;
- considering the monthly activity with the top 5 suppliers, by value, and identifying unusual trends around the year end date; and
- comparing the list of accrued expenses recognised at 31 March 2016 with that recognised in the prior year to identify differences year on year which we then investigated.

### Valuation of property, plant and equipment

*See note 1 to the financial statements for the directors' disclosures of the related accounting policies, judgements and estimates relating to property, plant and equipment and note 11 for further information.*

We focussed on this area because Property, plant and equipment ("PPE") represents the largest balance in the Trust's statement of financial position. At 31 March 2016 PPE was valued at £181.8m.

Land and buildings are measured at fair value based on periodic valuations. The valuations are carried out by professionally qualified valuers in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual, and are required to be performed with sufficient regularity to ensure that the carrying value is not materially different from fair value at the reporting date.

A full valuation of the Trust's portfolio of land and buildings (including dwellings) was undertaken during 2013/14 by the Trust's valuation experts. Management have applied the Building Cost Information Service (BCIS) indexation for the purpose of an interim valuation as at 31 March 2016 and this has resulted in an impairment of £2.4 million of the Land and Buildings balance.

In evaluating the valuation of these assets our audit work focussed on the key assumptions adopted by the Trust:

- the indexation applied in calculating the revaluation; and
- the useful economic lives adopted for the properties.

We used our valuations specialists to confirm that management's decision to apply the BCIS indexation to the carrying value of Land and Buildings (including dwellings) was appropriate, particularly given the time period that had elapsed since the last full valuation and the Trust's specific circumstances, including regional adjustments. Our testing did not identify any material issues.

The changes arising from these factors are within our acceptable range and are consistent with those used by other comparable organisations and our knowledge of management's plans surrounding the future use of those properties.

We independently recalculated the revaluation/impairment arising from the valuation exercise for a sample of assets based on the above factors and confirmed that this had been correctly reflected in the Annual Accounts (note 11).



### How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Trust, the accounting processes and controls, and the environment in which the Trust operates.

### Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

<b>Overall materiality</b>	£7,670,000 (2014/15: £7,470,000).
<b>How we determined it</b>	2% of revenue (2014/15: 2% of revenue)
<b>Rationale for benchmark applied</b>	Consistent with last year, we have applied this benchmark, a generally accepted auditing practice, in the absence of indicators that an alternative benchmark would be more appropriate.

We agreed with the Audit Committee that we would report to it any misstatements identified during our audit above £250,000 (2014/15: £250,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

## Other reporting in accordance with the Code

### Opinions on other matters prescribed by the Code

In our opinion:

- the information given in the Performance Report and the Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements;
- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2015/16; and
- the part of the Staff Report to be audited has been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2015/16.

### Other matters on which we are required to report by exception

We are required to report to you if, in our opinion:

<ul style="list-style-type: none"><li>information in the Annual Report is:<ul style="list-style-type: none"><li>materially inconsistent with the information in the audited financial statements; or</li><li>apparently materially incorrect based on, or materially inconsistent with, our knowledge of the group and parent company acquired in the course of performing our audit; or</li><li>otherwise misleading.</li></ul></li></ul>	We have no exceptions to report.
<ul style="list-style-type: none"><li>the statement given by the directors on page 12, in accordance with provision C.1.1 of the NHS Foundation Trust Code of Governance, that they consider the Annual Report taken as a whole to be fair, balanced and understandable and provides the information necessary for members to assess the Trust's performance, business model and strategy is materially inconsistent with our knowledge of the Trust acquired in the course of performing our audit.</li></ul>	We have no exceptions to report.
<ul style="list-style-type: none"><li>the section of the Annual Report on pages 88 to 91, as required by provision C.3.9 of the NHS Foundation Trust Code of Governance, describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.</li></ul>	We have no exceptions to report.

<ul style="list-style-type: none"> <li>the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2015/16 or is misleading or inconsistent with information of which we are aware from our audit. We have not considered whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.</li> </ul>	We have no exceptions to report.
We are also required to report to you if:	
<ul style="list-style-type: none"> <li>we have referred a matter to Monitor under paragraph 6 of Schedule 10 to the NHS Act 2006 because we had reason to believe that the Trust, or a director or officer of the Trust, was about to make, or had made, a decision which involved or would involve the incurring of expenditure that was unlawful, or was about to take, or had taken a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency.</li> </ul>	We have no exceptions to report.
<ul style="list-style-type: none"> <li>we have issued a report in the public interest under paragraph 3 of Schedule 10 to the NHS Act 2006.</li> </ul>	We have no exceptions to report

## Arrangements for securing economy, efficiency and effectiveness in the use of resources

Under the Code we are required to report to you if we are not satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2016; we have nothing to report as a result of this requirement.

## Responsibilities for the financial statements and the audit

### Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view in accordance with the NHS Foundation Trust Annual Reporting Manual 2015/16.

Our responsibility is to audit and express an opinion on the financial statements in accordance with the National Health Service Act 2006, the Code, and ISAs (UK & 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 as a body in accordance with paragraph 24 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.

### What an audit of financial statements involves

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 Trust's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the Directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

<ul style="list-style-type: none"> <li>the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2015/16 or is misleading or inconsistent with information of which we are aware from our audit. We have not considered whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.</li> </ul>	We have no exceptions to report.
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<ul style="list-style-type: none"> <li>we have referred a matter to Monitor under paragraph 6 of Schedule 10 to the NHS Act 2006 because we had reason to believe that the Trust, or a director or officer of the Trust, was about to make, or had made, a decision which involved or would involve the incurring of expenditure that was unlawful, or was about to take, or had taken a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency.</li> </ul>	We have no exceptions to report.
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### Our responsibilities and those of the directors

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Our responsibility is to audit and express an opinion on the financial statements in accordance with the National Health Service Act 2006, the Code, and ISAs (UK & 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 as a body in accordance with paragraph 24 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.

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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 Trust's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the Directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

# Annex G: Accounts for the Period 1st April 2015 to 31st March 2016

## Foreword To The Accounts Blackpool Teaching Hospitals NHS Foundation Trust

These accounts for the year ended 31st March 2016 have been prepared by the Blackpool Teaching Hospitals NHS Foundation Trust stating accounts are prepared in accordance with paragraphs 24 and 25 of Schedule 7 to the NHS Act 2006 and are presented to Parliament pursuant to Schedule 7, paragraph 52 (4) (a) of the National Health Service Act 2006.

Signed: *W. A. Swift*

Date: 25th May 2016

**Wendy Swift**

CHIEF EXECUTIVE (INTERIM)

**Statement of comprehensive income for the year ended 31 March 2016**

		2015/16	2014/15
	NOTE	£000	£000
Income from activities	3	<b>359,821</b>	349,311
Other operating income	4	<b>23,756</b>	24,229
Operating expenses	5	<b>(396,412)</b>	(376,561)
<b>OPERATING DEFICIT</b>		<b>(12,835)</b>	(3,021)
<b>FINANCE COSTS</b>			
Finance income	8	<b>79</b>	97
Finance costs	9	<b>(1,213)</b>	(1,260)
Public Dividend Capital dividends payable		<b>(3,074)</b>	(3,274)
<b>Net finance costs</b>		<b>(4,208)</b>	(4,437)
<b>DEFICIT FOR THE YEAR</b>		<b>(17,043)</b>	(7,458)
<b>Other comprehensive (expense)/income:</b>			
Revaluation losses on property, plant and equipment	11	<b>(1,012)</b>	(2,517)
Revaluation gains on property, plant and equipment	11	<b>432</b>	370
<b>Total other comprehensive expense</b>		<b>(580)</b>	(2,147)
<b>TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR</b>		<b>(17,623)</b>	(9,605)

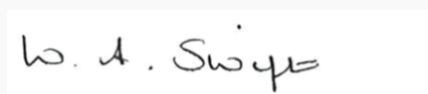
The notes on pages v to xxxvi form part of these accounts.  
All revenue and expenditure is derived from continuing operations.



## Statement of Financial Position as at 31st March 2016

	NOTE	31st March 2016 £000	31st March 2015 £000
<b>NON-CURRENT ASSETS:</b>			
Intangible assets	10	2,180	1,873
Property, plant and equipment	11	181,816	187,141
Trade and other receivables	15	484	406
<b>Total non-current assets</b>		<b>184,480</b>	<b>189,420</b>
<b>CURRENT ASSETS:</b>			
Inventories	14	2,447	2,389
Trade and other receivables	15	17,731	12,343
Non-current assets held for sale	16	1,500	350
Cash and cash equivalents	17	7,763	25,085
<b>Total current assets</b>		<b>29,441</b>	<b>40,167</b>
<b>CURRENT LIABILITIES:</b>			
Trade and other payables	18	(44,555)	(41,892)
Borrowings	20	(3,343)	(4,492)
Provisions	21	(4,232)	(836)
Other liabilities	19	(4,823)	(2,923)
<b>Total current liabilities</b>		<b>(56,953)</b>	<b>(50,143)</b>
<b>NON-CURRENT LIABILITIES:</b>			
Borrowings	20	(39,303)	(41,265)
Provisions	21	(1,262)	(4,153)
Other liabilities	19	(1,500)	(1,500)
<b>Total non-current liabilities</b>		<b>(42,065)</b>	<b>(46,918)</b>
<b>TOTAL ASSETS EMPLOYED</b>		<b>114,903</b>	<b>132,526</b>
<b>TAXPAYERS' EQUITY</b>			
Public dividend capital	Page iii	144,779	144,779
Revaluation reserve	Page iii	21,588	22,980
Income and expenditure reserve	Page iii	(51,464)	(35,233)
<b>TOTAL TAXPAYERS' EQUITY</b>		<b>114,903</b>	<b>132,526</b>

The accounts on pages v to xxxvi were approved by the NHS Foundation Trust Board on 25 May 2016 and are signed on its behalf by:



Signed: Wendy Swift, Interim Chief Executive

Date: 25 May 2016

**Statement of changes in taxpayers' equity for the year ended 31st March 2016**

	NOTE	Total taxpayers' equity £000	Public Dividend Capital £000	Revaluation reserve £000	Income and Expenditure reserve £000
<b>Taxpayers' equity at 1st April 2015</b>		<b>132,526</b>	<b>144,779</b>	<b>22,980</b>	<b>(35,233)</b>
Total Comprehensive Expense for the year:					
Deficit for the financial year		(17,043)	0	0	(17,043)
Impairment of property, plant & equipment	11	(1,012)	0	(1,012)	0
Revaluation gains on property, plant & equipment	11	432	0	432	0
Transfer to retained earnings on disposal of assets	11	0	0	(34)	34
Transfer between reserves		0	0	(778)	778
<b>Taxpayers' equity at 31st March 2016</b>		<b>114,903</b>	<b>144,779</b>	<b>21,588</b>	<b>(51,464)</b>
 <b>Taxpayers' equity at 1st April 2014</b>		 <b>140,992</b>	 143,640	 26,201	 (28,849)
Deficit for the financial year		(7,458)	0	0	(7,458)
Impairment of property, plant & equipment	11	(2,517)	0	(2,517)	0
Revaluation gains on property, plant & equipment	11	370	0	370	0
Transfer to retained earnings on disposal of assets	11	0	0	(37)	37
Public Dividend Capital Received	13	1,139	1,139	0	0
Transfer between reserves		0	0	(1,037)	1,037
<b>Taxpayers' equity at 31st March 2015</b>		<b>132,526</b>	<b>144,779</b>	<b>22,980</b>	<b>(35,233)</b>

The notes on pages v to xxxvi form part of these accounts.

**Cash flow statement for the year ended 31st March 2016**

	NOTE	Year ended 31st March 2016 £000	Year ended 31st March 2015 £000
<b>Cash flows from operations</b>			
Total operating deficit		(12,835)	(3,021)
Adjusted for:			
Depreciation	11	5,775	5,646
Amortisation	10	780	758
Impairments	11	3,168	3,631
Reversal of Impairments	11	(773)	(454)
(Increase)decrease/ in trade and other receivables		(6,412)	1,167
Increase in inventories		(58)	(75)
Increase in trade and other payables		3,860	6,402
Increase/ (decrease) in other liabilities		1,900	(637)
Increase/(decrease) in provisions		485	(2,064)
Other movements in operating cash flows		(86)	(29)
<b>Net cash (used in)/generated from operations</b>		<b>(4,196)</b>	<b>11,324</b>
<b>Cash flows from investing activities</b>			
Interest received		81	96
Purchase of property, plant and equipment		(6,148)	(10,195)
Purchase of intangible assets		(1,010)	(414)
Sales of property, plant and equipment		1,364	24
<b>Net cash used in investing activities</b>		<b>(5,713)</b>	<b>(10,489)</b>
<b>Cash flows from financing activities</b>			
Public Dividend Capital received		0	1,139
Loans received from the Department of Health		1,440	4,910
Other loans received		0	477
Loans repaid to the Department of Health		(4,433)	(3,171)
Other loans repaid		(119)	(59)
Interest paid		(1,196)	(1,236)
Public Dividend Capital dividends paid		(3,105)	(3,102)
<b>Net cash used in financing activities</b>		<b>(7,413)</b>	<b>(1,042)</b>
<b>Decrease in cash and cash equivalents</b>		<b>(17,322)</b>	<b>(207)</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>		<b>25,085</b>	25,292
<b>Cash and cash equivalents at the end of the financial year</b>	17	<b>7,763</b>	25,085

The notes on pages v to xxxvi form part of these accounts.  
All revenue and expenditure is derived from continuing operations.

## Notes to the accounts

### 1. Accounting policies and other information

Monitor has directed that the accounts 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 accounts have been prepared in accordance with the 2015/16 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 unless otherwise stated 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 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 accounts 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 two NHS Pension Schemes. Both are 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 NHS Foundation Trust to identify its share of the underlying scheme liabilities. Therefore, each 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 schemes 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 NHS Foundation 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.

## Notes to the accounts

### 1.4 Exceptional items

Exceptional Items are those items that, in the NHS Foundation 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 NHS Foundation 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 reporting 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 NHS Foundation 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.



## Notes to the accounts

### 1.5 Property, Plant and Equipment continued

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 1st April, 1st July, 1st October, or 1st 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 arise from a clear consumption 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 that arises from a clear consumption 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.

#### *De-recognition*

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.

### 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.

## Notes to the accounts

### 1.6 Leases

#### *Finance Leases (continued)*

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 Intangible assets

#### *Recognition*

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the NHS Foundation 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 NHS Foundation Trust intends to complete the asset and sell or use it;
- the NHS Foundation 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 NHS Foundation Trust to complete the development and sell or use the asset; and
- the NHS Foundation 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:

Software licences	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 1st April, 1st July, 1st October, or 1st 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.

## Notes to the accounts

### 1.8 Donated, government grant and other grant funded assets

Donated and grant funded property, plant and equipment assets are capitalised at their fair value on receipt. The donation / grant is credited to income at the same time, unless the donor has imposed a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the donor, in which case, the donation / grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

The donated and grant funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

### 1.9 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.

### 1.10 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.

### 1.11 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 NHS Foundation 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 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 NHS Foundation 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 NHS Foundation 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 or Expenditure'**

Financial assets and financial liabilities at 'Fair Value through Income or Expenditure' are financial assets or financial liabilities held for trading. The NHS Foundation 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 NHS Foundation 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 year end, the NHS Foundation Trust reviews trade receivables 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.

## Notes to the accounts

### 1.11 Financial instruments and financial liabilities continued

#### *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 NHS Foundation 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.

### 1.12 Provisions

The NHS Foundation Trust provides for legal or constructive obligations that are of uncertain timing or amount at the reporting 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 minus 0.80% in real terms (2014/15: 2.2%), except for early retirement provisions and injury benefit provisions which both use the HM Treasury's pension discount rate of 1.37% in real terms (2014/15: 1.3%).

#### *Clinical negligence costs*

The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the NHS Foundation Trust pays an annual contribution to the NHSLA, which, in return, settles all clinical negligence claims. Although the NHSLA is administratively responsible for all clinical negligence cases, the legal liability remains with the NHS Foundation Trust. The total value of clinical negligence provisions carried by the NHSLA on behalf of the NHS Foundation Trust is disclosed at note 21.2. A provision is held in the NHS Foundation Trust's accounts for the excess payable by the NHS Foundation Trust to the NHSLA and is disclosed under 'other legal claims' in note 21.

#### *Non-clinical risk pooling*

The NHS Foundation Trust participates in the Liabilities to Third Parties Scheme. This is a risk pooling scheme under which the NHS Foundation 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.

### 1.13 Borrowings

The NHS Foundation Trust is permitted to borrow funds. 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 NHS Foundation Trust are disclosed in note 20.

### 1.14 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 22 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 22, 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.

## Notes to the accounts

### 1.15 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 cost of capital utilised by the NHS Foundation Trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the NHS Foundation Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for (i) donated assets (including lottery funded assets), (ii) average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, and (iii) any PDC dividend balance receivable or payable. In accordance with the requirements laid down by the Department of Health (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

### 1.16 Value Added Tax (VAT)

Most of the activities of the NHS Foundation 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.

### 1.17 Corporation Tax

The NHS Foundation 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 NHS Foundation 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.

### 1.18 Third Party Assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the NHS Foundation 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 FRoM.

### 1.19 Foreign currencies

The NHS Foundation 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 NHS Foundation Trust's surplus/deficit in the period in which they arise.

### 1.20 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 NHS Foundation Trust not been bearing its own risks (with insurance premiums then being included as normal revenue expenditure).

However the losses and special payments note is compiled directly from the losses and compensations register which reports on an accrual basis with the exception of provisions for future losses.

### 1.21 Accounting standards not adopted

Monitor have directed that NHS Foundation Trusts adopt International Financial Reporting Standards set out by the International Accounting Standards Board. The NHS Foundation Trust have adopted all relevant standards as they apply to NHS Foundation Trusts.

### 1.22 Accounting standards adopted early

The NHS Foundation Trust has not adopted any accounting standards early in 2015/16.



## Notes to the accounts

### 1.23 Accounting standards not yet effective and not adopted early

The HM Treasury FReM does not require the following Standards and Interpretations to be applied in 2015-16. These standards are still subject to HM Treasury FReM interpretation, with IFRS 9 and IFRS 15 being for implementation in 2018-19, and the government implementation date for IFRS 16 still subject to HM Treasury consideration.

- IFRS 9 Financial Instruments – Application required for accounting periods beginning on or after 1 January 2018, but not yet adopted by the FReM: early adoption is not therefore permitted
- IFRS 15 Revenue for Contracts with Customers - Application required for accounting periods beginning on or after 1 January 2017, but not yet adopted by the FReM: early adoption is not therefore permitted
- IFRS 16 Leases – Application required for accounting periods beginning on or after 1 January 2019, but not yet adopted by the FReM: early adoption is not therefore permitted.

### 1.24 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 NHS Foundation 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 NHS Foundation Trust is managed and maintained. The appropriateness of this treatment will be reviewed annually.

#### Revaluation of land, buildings and dwellings

At 31st March 2016 the NHS Foundation Trust's valuer carried out a desktop revaluation of the land, buildings and dwellings. This has resulted in an downward valuation of these non-current assets by £1.386m, split between a revaluation reserve decrease of £0.580m, impairment charge to operating expenditure of £1.579m and recognition of (£0.773m) in operating income relating to the reversal of impairments previously charged to operating expenses. In addition to this the Trust has revalued Bispham Hospital to open market value as a result of the property being in an advanced stage of sale, this has resulted in an impairment of £1.589 being charged to operating expenditure.

See Note 11 for further details on these revaluations.

#### Sale of Bispham Hospital

The NHS Foundation Trust has actively marketed Bispham Hospital for sale and received offers for £1.5m. The Trust has transferred the asset from Property, Plant and Equipment assets to non-current assets held for resale. The sale is expected to be completed in within 2016/17.

#### 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.

## Notes to the accounts

### 1.24 Accounting estimates, judgements and critical accounting policies continued

#### *Going concern*

The Trust financial plan is to deliver a break-even position in 2016/17, a cash surplus during the year, and cash balance at 31st March 2017 of £0.2m, after seeing a £14.6m deficit in 2015/16 before exceptional items (asset impairments £2.4m).

The Trust's performance in 2015/16 was not in isolation to the national position whereby the majority of acute trusts were reporting deficits. The deficits were largely driven by: higher acuity levels being experienced, causing extra demand on resources including beds; safer staffing level guidance resulting in the need to employ additional staff (including temporary staff to cover shifts); new NICE guidance requiring additional tests and treatments, and a shortage of agency staff forcing agency prices upwards.

#### Financial Priorities for 2016/17

There is a significant challenge for the Trust to manage cash levels to a surplus position during the year, which is an issue in both cash amounts and working capital terms. Department of Health announcements relating to the tariff uplift and the Sustainability and Transformation (ST) Fund provide the Trust with an opportunity to make the stepped change back to financial resilience, and deliver a robust structure to allow the longer term strategic changes that are required.

The Trust has been notified that the ST Fund (emergency services) will be £10m for 2016/17 but will require the Trust to break-even, and is dependent on meeting a number of conditions including:

- Meeting agreed performance trajectories on the A&E and RTT standards;
- Maintaining agency expenditure within a ceiling agreed with NHS England and NHS Improvement;
- Developing a plan and reporting regularly on progress towards achieving the savings outlined by Lord Carter as part of his review into NHS productivity.

The challenges for the Trust in 2016/17 are to ensure that the cash position is managed robustly and that the I&E break even position is achieved. The key assumptions in delivering the planned break even position are:

- A Cost Improvement Programme (CIP) of £19.3m is met in 2016/17 and recurrently;
- The conditions of the ST Fund are met and funds received quarterly in arrears with the final instalment received in March 2017;
- Pay costs are contained within planned resource levels;
- Expenditure costs are monitored and controlled, and where adverse variances occur, rectification actions are taken to cover shortfalls;
- Activity contracts are aligned with commissioner plans, and the demand and capacity planning and actions, are sufficient resilient and reliable to ensure resource levels are within planned levels;
- Applying the 'Grip and Control' approach to the improvement of financial and operation controls.

The Trust has undertaken a sensitivity analysis which provides a net neutral sensitised plan. The scenarios modelled upside and downside elements, of which the main aspects were:

#### Upsides:

- Receipt of development funding above realistic expenditure levels;
- Increased margin on tenders won;
- Additional short term CIP mitigation plans across pay and non-pay expenditure.

#### Downsides:

- The Trust does not deliver £2.2m (net) of CIP (including agency);
- CQUIN not fully achieved.

Consideration of the impact of the above downsides on the cash position has also been considered within the cash mitigation plans as outlined above.

Having reviewed the financial plans at the Board meeting and having received a paper on Going Concern assessments at a meeting on 19 April 2016 the Audit Committee considered the plan for 2016/17 and the going concern assessment. After making enquiries, the Directors believe that it is appropriate to prepare the financial statements on a going concern basis.

#### *Charitable Fund*

The NHS Foundation Trust is the corporate trustee to Blackpool Teaching Hospitals Charitable Fund (Registered number 1051570). The NHS Foundation Trust has assessed its relationship to the charitable fund and determined it to be a subsidiary because the NHS Foundation Trust has the power to govern the financial and operating policies of the charitable fund so as to obtain benefits from its activities for itself, its patients or its staff.

From 2013/14, the NHS Foundation Trust is required to consolidate the charitable fund into its accounts, however because the income and expenditure of the fund represent 0.2% of the NHS Foundation Trust income and expenditure, the fund is not considered to be material and has not been consolidated.

## Notes to the accounts

## 2. Operating segments

2015/16	Unscheduled Care	Scheduled Care	Families	Adult Community Services and Long Term Conditions	Clinical Support & Facilities Management	Corporate Services	Total
	£000	£000	£000	£000	£000	£000	£000
Income	111,377	120,712	44,497	56,492	21,707	27,979	382,764
Expenditure	(86,508)	(106,194)	(32,235)	(59,015)	(63,472)	(39,285)	(386,709)
<b>EBITDA</b>	<b>24,869</b>	<b>14,518</b>	<b>12,262</b>	<b>(2,523)</b>	<b>(41,765)</b>	<b>(11,306)</b>	<b>(3,945)</b>
Net loss on revaluation of non current assets							(2,395)
Depreciation and amortisation							(6,554)
Net profit on disposal of non current assets							39
Interest receivable							79
Interest payable							(1,193)
PDC dividend							(3,074)
<b>Deficit for the Financial Year</b>							<b>(17,043)</b>

2014/15	Unscheduled Care	Scheduled Care	Families	Adult Community Services and Long Term Conditions	Clinical Support & Facilities Management	Corporate Services	Total
	£000	£000	£000	£000	£000	£000	£000
Income	106,482	116,302	42,040	55,926	20,864	31,447	373,061
Expenditure	(85,806)	(100,745)	(30,965)	(54,791)	(60,251)	(33,755)	(366,313)
<b>EBITDA</b>	<b>20,676</b>	<b>15,557</b>	<b>11,075</b>	<b>1,135</b>	<b>(39,387)</b>	<b>(2,308)</b>	<b>6,748</b>
Restructuring costs							(58)
Net loss on revaluation of non current assets							(3,177)
Depreciation and amortisation							(6,404)
Net loss on disposal of non current assets							(130)
Interest receivable							97
Interest payable							(1,260)
PDC dividend							(3,274)
<b>Deficit for the Financial Year</b>							<b>(7,458)</b>

## 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 NHS Foundation 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 NHS Foundation Trust does not report on assets or liabilities by segment.

## Notes to the accounts

### 2. Operating segments continued

The majority of the NHS Foundation Trust's revenue is generated from external customers in England, with the exception of the bodies listed below, and transactions between segments are immaterial.

	2015/16	2014/15
	£000	£000
Scottish NHS bodies	363	330
Local Health Boards in Wales	116	130
Northern Ireland Health and Social Care Trusts	67	34

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 26. 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 2016 £000	Year ended 31st March 2015 £000
Elective income	56,733	60,880
Non elective income	81,280	78,958
Outpatient income	39,232	35,594
A & E income	9,435	8,181
Community Trust income from CCG's & NHS England	62,926	62,854
Community Trust income not from CCG's & NHS England	6,708	5,995
Other NHS Clinical income	95,617	90,545
Private patient income	1,684	1,723
Other clinical income	6,206	4,581
	<b>359,821</b>	<b>349,311</b>

#### Of which operating income from activities relates to:

	Year ended 31st March 2016 £000	Year ended 31st March 2015 £000
Commissioner requested services	344,677	336,103
Non-commissioner requested services	15,144	13,208
	<b>359,821</b>	<b>349,311</b>

## Notes to the accounts

## 3. Income from activities continued

## 3.2 Income from activities by source

	Year ended 31st March 2016 £000	Year ended 31st March 2015 £000
NHS Foundation Trusts	1,454	1,539
NHS Trusts	24	1
Clinical Commissioning Groups and NHS England	343,224	334,000
Local Authorities	10,837	9,370
NHS Other	1,074	753
Non NHS:		
- Private patients	1,684	1,657
- Overseas visitors	79	66
- NHS Injury scheme income	1,000	710
- Other	445	1,215
	<b>359,821</b>	<b>349,311</b>

## 3.3 Overseas visitors (relating to patients charged directly by the NHS foundation trust)

	Year ended 31st March 2016 £000	Year ended 31st March 2015 £000
Income recognised this year	79	66
Cash payments received in-year	150	5
Amounts added to provision for impairment of receivables (relating to invoices raised in current and prior years)	0	1
Amounts written off in-year (relating to invoices raised in current and previous years)	101	0

## 4. Other Operating Income

	Year ended 31st March 2016 £000	Year ended 31st March 2015 £000
Research and Development	1,568	1,944
Education, training and research *	10,647	11,322
Charitable and other contributions to expenditure	51	159
Non-patient care services to other bodies **	4,521	4,889
Profit on disposal of property, plant & equipment	40	24
Reversal of impairments of property, plant & equipment	773	454
Sales of goods and services ***	2,864	2,416
Income in respect of staff costs where accounted on gross basis	666	535
Other	2,626	2,486
	<b>23,756</b>	<b>24,229</b>

\* Education, training and research income comprises income relating the North West Leadership Academy for which the NHS Foundation 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 NHS Foundation Trust.

\*\*\* Sales of goods and services includes income from catering sales, commercial laundry services, staff accommodation rentals, and car parking.



## Notes to the accounts

## 5. Operating expenses

## 5.1 Operating expenses comprise:

		Year ended 31st March 2016 £000	Restated Year ended 31st March 2015 £000
	NOTE		
Services from Foundation Trusts		1,040	1,148
Services from NHS Trusts		177	178
Services from CCG's and NHS England		260	260
Services from other NHS Bodies		122	103
Purchase of healthcare from non NHS bodies *		6,036	8,252
Non Executive Directors' costs	6	159	154
Executive Directors' costs	6	1,238	1,258
Employee costs (excluding Executive Directors' costs)	6	236,373	226,652
Agency/Contract staff	6	17,214	14,716
Redundancy	6	0	58
Drug costs *		28,374	25,923
Supplies and services - clinical		44,982	40,433
Supplies and services - general		7,906	8,031
Establishment		4,758	4,692
Transport		681	789
Premises *		18,926	19,355
Rentals payable under operating leases		1,066	1,361
Increase in provision for impairment of receivables		(895)	1,343
Increase in other provisions	21	1,203	(1,815)
Depreciation	11	5,775	5,646
Amortisation	10	780	758
Non-current asset impairments	11	3,168	3,631
Loss on disposal of property, plant and equipment	7	1	154
Audit services - statutory audit		75	69
Clinical negligence		10,175	6,627
Training, courses and conferences		1,669	2,324
Legal, professional and consultancy fees		1,665	1,933
Insurance costs		260	181
Other		3,224	2,347
		<b>396,412</b>	<b>376,561</b>

* Transactions in 2014/15 relating to NHS Property Services have been reclassified as follows:	£000
Purchase of healthcare from non NHS bodies	2,215
Premises	(2,215)
Expenditure relating to the drugs dispensing service in 2014/15 have been reclassified as follows:	
Purchase of healthcare from non NHS bodies	551
Drugs	(551)

## Notes to the accounts

## 5. Operating expenses continued

## 5.2 Other auditors' remuneration

PricewaterhouseCoopers LLP provide statutory audit services to the NHS Foundation Trust and to the Blackpool Teaching Hospitals Charitable Fund. The cost of audit services for the charitable fund are not included in operating expenses but are paid for by the charity. The cost for statutory audit of the charity was £9,888 in 2015/16 (2014/15: £9,600)

Pricewaterhouse Coopers LLP did not provide any other services to the NHS Foundation Trust in 2015/16 (2014/15: Nil) other than for statutory audit.

## 5.3 Auditors liability limitation agreements

The audit engagement contract with PricewaterhouseCoopers LLP approved by the Board of Governors on 17th March 2014 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 PricewaterhouseCoopers LLP.

## 5.4 Operating leases

## As lessee

## 5.4.1 Payments recognised as an expense

	Year ended 31st March 2016 £000	Year ended 31st March 2015 £000
Minimum lease payments	1,066	1,361
	<u>1,066</u>	<u>1,361</u>

## 5.4.2 Total future minimum lease payments

	Year ended 31st March 2016 £000	Year ended 31st March 2015 £000
Payable:		
Not later than one year	1,046	906
Between one and five years	2,592	2,113
Later than five years	145	403
	<u>3,783</u>	<u>3,422</u>

## Notes to the accounts

## 5. Operating expenses continued

## 5.4.3 Significant leasing arrangements

The significant operating lease arrangements held by the NHS Foundation 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 NHS Foundation Trust	Annual commitment	Lease term
	£000	Years
- IT Equipment	282	5
- Endoscopy equipment	263	7
- Patient Monitors x4 leases	145	5
- MRI Scanner	81	4
- CT Scanner	70	5

## 6. Employee costs and numbers

## 6.1 Staff costs

			Year ended 31st March 2016	Year ended 31st March 2015
	Permanently employed £000	Other £000	Total £000	Total £000
Salaries and wages	201,002	0	201,002	192,535
Social security costs	13,746	0	13,746	13,535
Employers contribution to NHS Pension Scheme	22,863	0	22,863	21,840
Agency / Contract staff	0	17,214	17,214	14,716
Termination benefits	0	0	0	58
<b>Total</b>	<b>237,611</b>	<b>17,214</b>	<b>254,825</b>	<b>242,684</b>

Employee costs above reconciles to the total of Executive Directors' costs and Employee costs on Note 5.1 Operating expenses.

Termination benefits relate to amounts paid to staff for agreed departures under the schemes set out in the Staff Report within the Annual Report.

## Notes to the accounts

## 6. Employee costs and numbers continued

## 6.2 Average number of persons employed

	Year ended 31st March 2016		Year ended 31st March 2015
	Permanently employed WTE	Other WTE	Total WTE
Medical and Dental	373	71	444
Administration and estates	1,193	88	1,281
Healthcare assistants and other support staff	1,345	0	1,345
Nursing, midwifery and health visiting staff	2,111	51	2,162
Scientific, therapeutic and technical staff	802	20	822
	<b>5,824</b>	<b>230</b>	<b>6,054</b>
			<b>5,883</b>

## 6.3 Retirements due to ill health

In the year ended 31st March 2016 there were 10 early retirements from the NHS Foundation Trust on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £0.685m. (2014/15: 4 cases with estimated liability of £0.176m) The cost of these ill-health retirements will be borne by the NHS Pension Scheme. Accordingly, no provision is recognised in the NHS Foundation Trust's accounts.

## 6.4 Pension costs

Past and present employees are covered by the provisions of the two NHS Pensions Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions). Both are unfunded, defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of Secretary of State, in England and Wales. They are 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, each scheme is accounted for as a defined contribution scheme: the cost to the Trust of participating in each Scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the accounts do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

## a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and are accepted as providing suitably robust figures for financial reporting purposes. The valuation of scheme liability as at 31 March 2016, is based on valuation data as 31 March 2015, updated to 31 March 2016 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the scheme actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Pension Accounts, published annually. These accounts can be viewed on the NHS Pensions website. Copies can also be obtained from The Stationery Office.

## b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account its recent demographic experience), and to recommend contribution rates payable by employees and employers.

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012. The Scheme Regulations allow contribution rates to be set by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate.

## Notes to the accounts

## 7. Net gain/(loss) on disposal of non current assets

	Year ended 31st March 2016 £000	Year ended 31st March 2015 £000
Gain on disposal of property, plant and equipment	40	24
Loss on disposal of property, plant and equipment	(1)	(154)
	<u>39</u>	<u>(130)</u>

The gain on disposal results from the sale of equipment assets with no carrying value.

## 8. Finance income

	Year ended 31st March 2016 £000	Year ended 31st March 2015 £000
Interest from bank accounts	<u>79</u>	<u>97</u>

## 9. Finance costs

	NOTE	Year ended 31st March 2016 £000	Year ended 31st March 2015 £000
Loans from Foundation Trust Financing Facility		1,193	1,234
Unwinding of discount on provisions	21	20	26
		<u>1,213</u>	<u>1,260</u>



## Notes to the accounts

## 10. Intangible assets

Intangible assets comprise the following elements:

	Software Licences £000	Licences & Trademarks £000	Total £000
Cost at 1st April 2015	3,229	1,904	5,133
Additions purchased	508	579	1,087
<b>Cost at 31st March 2016</b>	<b>3,737</b>	<b>2,483</b>	<b>6,220</b>
Accumulated amortisation at 1st April 2015	2,301	959	3,260
Charged during the year	496	284	780
<b>Accumulated amortisation at 31st March 2016</b>	<b>2,797</b>	<b>1,243</b>	<b>4,040</b>
<b>Net book value at 31st March 2016</b>	<b>940</b>	<b>1,240</b>	<b>2,180</b>
<b>Net book value</b>			
Purchased at 31st March 2016	940	1,240	2,180
<b>Total at 31st March 2016</b>	<b>940</b>	<b>1,240</b>	<b>2,180</b>
<b>Prior year - restated:</b>			
Cost at 1st April 2014 - brought forward	3,027	1,569	4,596
Additions purchased	202	335	537
<b>Cost at 31st March 2015</b>	<b>3,229</b>	<b>1,904</b>	<b>5,133</b>
Accumulated amortisation at 1st April 2014 - brought forward	1,798	704	2,502
Charged during the year	503	255	758
<b>Accumulated amortisation at 31st March 2015</b>	<b>2,301</b>	<b>959</b>	<b>3,260</b>
<b>Net book value at 31st March 2015</b>	<b>928</b>	<b>945</b>	<b>1,873</b>
<b>Net book value</b>			
Purchased at 31st March 2015	928	945	1,873
<b>Total at 31st March 2015</b>	<b>928</b>	<b>945</b>	<b>1,873</b>

## Notes to the accounts

## 11. Property, plant and equipment

	Land	Buildings excluding dwellings	Dwellings	Plant and machinery	Transport equipment	IT Hardware	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1st April 2015	7,944	162,632	3,401	32,377	93	9,003	43	215,493
Additions purchased	0	1,101	0	2,467	0	1,310	0	4,878
Additions donated	0	15	0	32	0	0	0	47
Impairment charges to revaluation reserve	0	(1,012)	0	0	0	0	0	(1,012)
Impairments recognised in operating expenses / income	(339)	(2,056)	0	0	0	0	0	(2,395)
Revaluations	0	373	59	0	0	0	0	432
Transfer to assets held for sale	0	(1,500)	0	0	0	0	0	(1,500)
Disposals	0	0	0	(355)	0	0	0	(355)
Transfer of depreciation to gross book value following revaluation	0	(2,620)	(71)	0	0	0	0	(2,691)
<b>Cost or valuation at 31st March 2016</b>	<b>7,605</b>	<b>156,933</b>	<b>3,389</b>	<b>34,521</b>	<b>93</b>	<b>10,313</b>	<b>43</b>	<b>212,897</b>
Accumulated depreciation at 1st April 2015	0	0	0	22,209	90	6,030	23	28,352
Charged during the year	0	2,620	71	2,190	3	887	4	5,775
Disposals	0	0	0	(355)	0	0	0	(355)
Transfer of depreciation to gross book value following revaluation	0	(2,620)	(71)	0	0	0	0	(2,691)
<b>Accumulated depreciation at 31st March 2016</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>24,044</b>	<b>93</b>	<b>6,917</b>	<b>27</b>	<b>31,081</b>
<b>Net book value at 31st March 2016</b>	<b>7,605</b>	<b>156,933</b>	<b>3,389</b>	<b>10,477</b>	<b>0</b>	<b>3,396</b>	<b>16</b>	<b>181,816</b>
<b>Net book value</b>								
<b>Owned</b>								
Purchased at 31st March 2016	7,605	153,480	3,389	9,894	0	3,394	16	177,778
Donated at 31st March 2016	0	3,453	0	583	0	2	0	4,038
<b>Total at 31st March 2016</b>	<b>7,605</b>	<b>156,933</b>	<b>3,389</b>	<b>10,477</b>	<b>0</b>	<b>3,396</b>	<b>16</b>	<b>181,816</b>

Donated assets are provided as physical assets rather than as cash. There are no restrictions on the use of donated assets.

## Notes to the accounts

## 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 desktop asset revaluation took place on 31st March 2016 based on modern replacement cost and was undertaken by Cushman & Wakefield (formerly 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.

The impact of the revaluation on charges to operating expenses and reserves is as follows:

	2015/16 £000	2014/15 £000
Revaluation gains recognised in the revaluation reserve	(432)	(370)
Impairments charged to the revaluation reserve	1,012	1,171
Impairments recognised in operating expenses	1,579	1,469
Reversal of impairments recognised in other operating income	(773)	(454)
	<u>1,386</u>	<u>1,816</u>

In addition the above revaluation, the Trust has impaired other assets:

2014/15: The Trust impaired the carrying values of both Blenheim House & Rossall Hospital which were in advanced stages of sale. The sale of both properties completed in May 2015.

	Blenheim House £000	Rossall Hospital £000	2014/15 Total £000
Impairments charged to the revaluation reserve	362	984	1,346
Impairments recognised in operating expenses	98	2,064	2,162
	<u>460</u>	<u>3,048</u>	<u>3,508</u>

2015/16: The Trust has impaired the carrying value of Bispham Hospital which has been marketed for sale and is accounted for as an asset held for sale (See note 16)

	2015/16 £000
<b>Bispham Hospital</b>	
Impairment recognised in operating expenses	1,589
	<u>1,589</u>

## Notes to the accounts

## 11. Property, plant and equipment continued

Prior year	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant and machinery	Transport equipment	IT Hardware	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1st April 2014	8,517	167,827	3,692	0	28,088	119	7,718	43	216,004
Additions purchased	0	3,420	0	0	4,847	0	1,487	0	9,754
Additions donated	0	0	0	0	159	0	0	0	159
Impairment charges to revaluation reserve	(100)	(2,188)	(229)	0	0	0	0	0	(2,517)
Impairments recognised in operating expenses / income	(473)	(2,704)	0	0	0	0	0	0	(3,177)
Revaluations	0	357	13	0	0	0	0	0	370
Transfer to assets held for sale	0	(350)	0	0	0	0	0	0	(350)
Disposals *	0	(1,034)	0	0	(717)	(26)	(202)	0	(1,979)
Transfer of depreciation to gross book value following revaluation	0	(2,696)	(75)	0	0	0	0	0	(2,771)
<b>Cost or valuation at 31st March 2015</b>	<b>7,944</b>	<b>162,632</b>	<b>3,401</b>	<b>0</b>	<b>32,377</b>	<b>93</b>	<b>9,003</b>	<b>43</b>	<b>215,493</b>
Accumulated depreciation at 1st April 2014	0	0	0	0	21,139	115	5,054	19	26,327
Charged during the year	0	2,755	75	0	1,787	1	1,024	4	5,646
Disposals	0	(59)	0	0	(717)	(26)	(48)	0	(850)
Transfer of depreciation to gross book value following revaluation	0	(2,696)	(75)	0	0	0	0	0	(2,771)
<b>Accumulated depreciation at 31st March 2015</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>22,209</b>	<b>90</b>	<b>6,030</b>	<b>23</b>	<b>28,352</b>
<b>Net book value at 31st March 2015</b>	<b>7,944</b>	<b>162,632</b>	<b>3,401</b>	<b>0</b>	<b>10,168</b>	<b>3</b>	<b>2,973</b>	<b>20</b>	<b>187,141</b>
<b>Net book value</b>									
<b>Owned</b>									
Purchased at 31st March 2015	7,944	159,027	3,401	0	9,304	3	2,970	20	182,669
Donated at 31st March 2015	0	3,605	0	0	864	0	3	0	4,472
<b>Total at 31st March 2015</b>	<b>7,944</b>	<b>162,632</b>	<b>3,401</b>	<b>0</b>	<b>10,168</b>	<b>3</b>	<b>2,973</b>	<b>20</b>	<b>187,141</b>
Purchased at 31st March 2014	8,517	164,148	3,692	0	5,923	4	2,661	24	184,969
Donated at 31st March 2014	0	3,679	0	0	1,026	0	3	0	4,708
<b>Total at 31st March 2014</b>	<b>8,517</b>	<b>167,827</b>	<b>3,692</b>	<b>0</b>	<b>6,949</b>	<b>4</b>	<b>2,664</b>	<b>24</b>	<b>189,677</b>

## Notes to the accounts

## 12. Capital Commitments

Commitments under capital expenditure contracts at the statement of financial position date were £3.302m (2014/15: £1.421m). All commitments relate to the acquisition of property, plant and equipment assets.

Capital commitments relate to the following periods:

	< 1 year £000	2-5 years £000	2015/16 £000	2014/15 £000
Other - Information Technology replacement programme	968	1,542	2,510	1,421
Obstetric Theatre	384	0	384	0
Outpatients Development	408	0	408	0
	<u>1,760</u>	<u>1,542</u>	<u>3,302</u>	<u>1,421</u>

## 13. Public Dividend Capital

During 2015/16 the NHS Foundation Trust has received Public Dividend Capital to for the following schemes:

	2015/16 £000	2014/15 £000
Improving Birthing Environments	0	114
Maternity	0	361
Electronic Prescribing	0	259
Electronic Document Management System	0	405
	<u>0</u>	<u>1,139</u>

## 14. Inventories

	31st March 2016 £000	31st March 2015 £000
Drugs and consumables	<u>2,447</u>	<u>2,389</u>

There have been no write-downs or reversal of write-downs of inventories during 2015/16 (2014/15: Nil). 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 31st March 2016.

Inventories charged to operating expenses include drugs totalling £21.720m (2014/15 £20.923m) issued through the in-house pharmacy and cardiac consumables totalling £5.003m (2014/15: £4.597m). The figure reported for drugs in operating expenses includes costs of non-inventory items.



## Notes to the accounts

## 15. Trade and other receivables

## 15.1 Trade and other receivables

	31st March 2016 £000	31st March 2015 £000
<b>Current</b>		
NHS receivables	7,526	3,538
Other receivables with related parties	568	416
Provision for impairment of receivables	(645)	(1,929)
Prepayments	1,204	876
Accrued income	5,041	4,037
Interest receivable	5	7
PDC dividend receivable	326	295
VAT receivable	764	625
Other receivables	2,942	3,503
Other receivables - Capital	0	975
<b>Trade and other receivables - current</b>	<b>17,731</b>	<b>12,343</b>
<b>Non current</b>		
Other receivables	973	796
Provision for impairment of receivables	(489)	(390)
<b>Trade and other receivables - non current</b>	<b>484</b>	<b>406</b>
<b>Total</b>	<b>18,215</b>	<b>12,749</b>

The NHS Foundation Trust has declared an amount receivable of £2.243m (2014/15 £2.046m) from the Compensation Recovery Unit (CRU) in respect of charges due under the NHS Injury Scheme. The NHS Foundation Trust recovers approximately £1.25m each year and this amount has been classified as current.

## 15.2 Ageing of receivables past their due date but not impaired

	31st March 2016 £000	31st March 2015 £000
0 - 30 days	1,058	380
30- 60 days	259	(6)
60- 90 days	1,281	493
90- 180 days	435	299
Over 180 days	639	901
	<b>3,672</b>	<b>2,067</b>

## 15.3 Analysis of provision for impairment of receivables

	2015/16	
	NHS Debts	Non NHS Debts
	£000	£000
As at 1st April 2015	1,022	1,297
Amounts written off during the year as uncollectable	0	(290)
Amounts reversed unused during the year	(1,020)	(439)
Increase in allowance recognised in operating expenses	444	120
<b>As at 31st March 2016</b>	<b>446</b>	<b>688</b>
		<b>1,134</b>

## Notes to the accounts

## 15. Trade and other receivables continued

## 15.4 Ageing of impaired receivables

	31st March 2016 £000	31st March 2015 £000
0 - 30 days	345	923
30- 60 days	0	0
60- 90 days	0	49
90- 180 days	0	91
Over 180 days	789	1,256
	<b>1,134</b>	<b>2,319</b>

## 16. Non-current assets for sale and assets in disposal groups

	Property, plant & equipment 2015/16 £000	2014/15 £000
NBV of non-current assets for sale and assets in disposal groups at 1 April	350	0
Plus assets classified as available for sale in the year	1,500	350
Less assets sold in year	(350)	0
NBV of non-current assets for sale and assets in disposal groups at 31 March	<b>1,500</b>	<b>350</b>

Blenheim House was classified as held for sale during 2014/15 and sold in May 2015. Bispham Hospital has been reclassified as held for sale during 2015/16 and the sale of the asset is expected to complete during 2016/17.

## 17. Cash and cash equivalents

	31st March 2016 £000	31st March 2015 £000
Balance at beginning of the year	25,085	25,292
Net change in the year	(17,322)	(207)
<b>Balance at 31st March</b>	<b>7,763</b>	<b>25,085</b>
<b>Made up of:</b>		
Cash with Government Banking Service	7,667	24,982
Cash in transit and in hand	96	103
	<b>7,763</b>	<b>25,085</b>

## Notes to the accounts

## 18. Trade and other payables

	31st March 2016 £000	31st March 2015 £000
NHS payables	8,375	4,043
Amounts due to other related parties	3,728	3,116
Non-NHS trade payables - revenue	19,654	18,609
Non-NHS trade payables - capital	1,509	2,702
Accruals	6,650	9,100
<b>Subtotal</b>	<b>39,916</b>	<b>37,570</b>
Tax & social security costs	4,639	4,322
<b>Trade and other payables - current</b>	<b>44,555</b>	<b>41,892</b>

## 19. Other liabilities

	31st March 2016 £000	31st March 2015 £000
Deferred income - Current	4,823	2,923
Deferred income - Non-Current	1,500	1,500
<b>Other liabilities</b>	<b>6,323</b>	<b>4,423</b>

## 20. Borrowings

	31st March 2016 £000	31st March 2015 £000
<b>Current</b>		
Loans from Independent Trust Financing Facility	3,224	4,373
Energy Efficiency Loans Programme	119	119
<b>Borrowings - current</b>	<b>3,343</b>	<b>4,492</b>
<b>Non current</b>		
Loans from Independent Trust Financing Facility	39,124	40,967
Energy Efficiency Loans Programme	179	298
<b>Borrowings - non-current</b>	<b>39,303</b>	<b>41,265</b>
<b>Total borrowings</b>	<b>42,646</b>	<b>45,757</b>

ITFF Loan 1: £25m expiring on 30th March 2034 and attracts interest at a fixed rate of 3.7%. The NHS Foundation Trust is committed to repaying 2.17% of the balance in each September and March with effect from 30th September 2011.

ITFF Loan 2: £5.6m expired on 30th March 2016 and attracted interest at a fixed rate of 1.45%.

ITFF Loan 3: £16.5m expiring on 18th June 2037 and attracts interest at a fixed rate of 2.06%. The NHS Foundation Trust is committed to repaying 2.08% of the balance in each September and March with effect from 18th December 2013.

ITFF Loan 4: £9.25m expiring on 18th September 2021 and attracts interest at a fixed rate of 1.42%. The NHS Foundation Trust is committed to repaying 7.69% of the balance in each September and March with effect from 18th September 2015.

Other Loan: £0.477m from Salix Finance Ltd under the Energy Efficiency Loans Programme on an interest free basis. The NHS Foundation Trust is committed to repaying 12.5% in each September and March with effect from 1st March 2015.

## Notes to the accounts

## 21. Provisions

## 21.1 Provisions analysis

	31st March 2016 £000	31st March 2015 £000
Pensions relating to other staff	14	14
Permanent Injury Benefit	75	76
Other legal claims	157	105
Other	3,986	641
<b>Provisions - current</b>	<b>4,232</b>	<b>836</b>
Pensions relating to other staff	99	113
Permanent Injury Benefit	1,163	1,240
Other	0	2,800
<b>Provisions - non-current</b>	<b>1,262</b>	<b>4,153</b>
<b>TOTAL</b>	<b>5,494</b>	<b>4,989</b>

## 21.2 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 2015	127	1,316	105	3,441	4,989
Change in discount rate	0	(8)	0	0	(8)
Arising during the year	0	0	120	1,285	1,405
Utilised during the year	(15)	(77)	(68)	(550)	(710)
Reversed unused	0	(11)	0	(191)	(202)
Unwinding of discount	2	18	0	0	20
<b>At 31st March 2016</b>	<b>114</b>	<b>1,238</b>	<b>157</b>	<b>3,985</b>	<b>5,494</b>
Expected timing of cash flows:					
Within one year	15	75	157	3,985	4,232
Between one year and five years	56	291	0	0	347
After five years	43	872	0	0	915
<b>Total</b>	<b>114</b>	<b>1,238</b>	<b>157</b>	<b>3,985</b>	<b>5,494</b>

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 an estimate of the amounts payable by the NHS Foundation Trust in relation to the excess on claims for clinical negligence and injury to third parties. In return for an annual contribution from the NHS Foundation Trust to the NHS Litigation Authority, the claims are settled by the NHSLA on the NHS Foundation Trust's behalf and excess amounts charged to the NHS Foundation Trust at that point. £163.093m is included in the provisions of the NHSLA at 31 March 2016 in respect of clinical negligence liabilities of the NHS Foundation Trust (2014/15: £76.651m).

The other category consists of provisions for the following:

- 1) Potential return of £3.8m non-recurrent funding conditional on completion of development initiatives in 2016/17.
- 2) Potential fine by from the Information Commissioner's Office in respect of a data governance failure of £0.185m.

## Notes to the accounts

## 22. Contingencies

Contingent liabilities	31st March	31st March
	2016	2015
	£000	£000
Employer and Occupier Liability	<u>122</u>	<u>101</u>

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 (NHSLA) scheme of which the NHS Foundation Trust is a member. This estimate is based on an assessment of the outcome of each case and as such may vary up to the point of settlement or withdrawal. Costs are charged to the NHS Foundation Trust up to the value of the excess by the NHSLA as they are incurred.

The NHS Foundation Trust has no contingent assets.



## Notes to the accounts

## 23. Financial Instruments

The NHS Foundation Trust does not have any listed capital instruments and is not a financial institution. Due to the nature of the NHS Foundation 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 NHS Foundation Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the NHS Foundation Trust's standing financial instructions and policies agreed by the board of directors. NHS Foundation Trust treasury activity is subject to review by the NHS Foundation Trust's internal auditors.

**Credit Risk**

The majority of the NHS Foundation Trust's income is due from NHS commissioners and is subject to legally binding contracts which limits credit risk. Non-NHS customers do not represent a large proportion of total income and the majority of these customers are organisations that are unlikely to cease trading in the short term or default on payments - e.g. universities, local councils, insurance companies, etc.

**Liquidity Risk**

The NHS Foundation Trust's net operating costs are incurred under service agreements with Clinical Commissioning Groups, which are financed from resources voted annually by Parliament. The NHS Foundation Trust largely finances capital expenditure through internally generated funds and from loans.

**Market Risk**

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

**23.1 Financial Assets by category**

	<b>31st March 2016</b>	31st March 2015
	<b>Loans and Receivables</b>	Loans and Receivables
	<b>£000</b>	£000
NHS Trade and other receivables	<b>11,911</b>	6,123
Non-NHS Trade and other receivables	<b>2,272</b>	3,168
Cash and cash equivalents	<b>7,763</b>	25,085
<b>Total Financial Assets</b>	<b>21,946</b>	34,376

**23.2 Other Financial Liabilities by category**

	<b>31st March 2016</b>	31st March 2015
	<b>£000</b>	£000
NHS Trade and other payables	<b>(8,375)</b>	(4,043)
Non-NHS Trade and other payables	<b>(31,541)</b>	(33,527)
<b>Subtotal - Trade and other payables</b>	<b>(39,916)</b>	(37,570)
Other borrowings	<b>(42,646)</b>	(45,757)
<b>Subtotal - Borrowings</b>	<b>(42,646)</b>	(45,757)
<b>Total Financial Liabilities at amortised cost</b>	<b>(82,562)</b>	(83,327)

The NHS Foundation Trust has four loans with the Independent Trust Financing Facility (ITFF) and one interest free loan with the Energy Efficiency Loans Programme categorised within financial liabilities. The carrying value of the liability is considered to approximate to fair value as the ITFF arrangement is of a fixed interest rate and equal instalment repayment feature and the interest rate is not materially different to the discount rate.

## Notes to the accounts

## 23. Financial Instruments continued

## 23.3 Maturity of financial liabilities

	31st March 2016 £000	31st March 2015 £000
In one year or less	(43,259)	(42,062)
in more than one year but not more than two years	(3,343)	(3,092)
In more than two years but not more than five years	(9,772)	(8,409)
In more than two years but not more than five years	(26,188)	(29,764)
<b>Total Financial Liabilities at amortised cost</b>	<b>(82,562)</b>	<b>(83,327)</b>

## 24. Third party assets

The NHS Foundation Trust held the following cash and cash equivalents on behalf of third parties which have been excluded from cash and cash equivalents in the NHS Foundation Trust's statement of financial position:

	31st March 2016 £000	31st March 2015 £000
Patients' monies	11	14
Blackpool Teaching Hospitals Charitable Fund	1,919	1,957
	<b>1,930</b>	<b>1,971</b>

## 25. Losses and special payments

	2015/16		2014/15	
	Number	£000	Number	£000
Losses:				
Bad debts and claims abandoned	366	312	25	72
Total losses	366	312	25	72
Special payments:				
Ex-gratia payments	38	16	47	57
Total special payments	38	16	47	57
<b>Total Losses and Special Payments</b>	<b>404</b>	<b>328</b>	<b>72</b>	<b>129</b>

Losses and special payments are reported on an accruals basis but do not include provisions for future losses.

## 26. Related party transactions

## Ultimate parent

The NHS Foundation Trust is a public benefit corporation established under the NHS Act 2006. Monitor, the Regulator of NHS Foundation Trusts has the power to control the NHS Foundation Trust within the meaning of IAS 27 'Consolidated and Separate Financial Statements' and therefore can be considered as the NHS Foundation Trust'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 NHS Foundation Trust's ultimate parent is therefore HM Government.

## Notes to the accounts

## 26. Related party transactions continued

## 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.

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	
	2015/16	2014/15	31st March 2016	31st March 2015
	£000	£000	£000	£000
Blackpool CCG	129,888	125,825	598	1,939
Chorley & South Ribble CCG	1,812	1,741	126	131
Cumbria CCG	1,727	1,881	224	2
Fylde & Wyre CCG	101,615	99,832	3,202	1,339
Greater Preston CCG	5,620	5,343	194	117
Lancashire North CCG	16,080	16,028	320	72
Health Education England	9,067	8,404	30	17
NHS England	84,370	80,361	4,955	1,592
Lancashire Care NHSFT	677	960	386	121
Lancashire Teaching Hospitals NHSFT	1,100	1,253	278	921
University Hospitals of Morecambe Bay	355	400	45	25
	<b>352,311</b>	<b>342,028</b>	<b>10,358</b>	<b>6,276</b>

Most income from CCG's is in respect of services provided under healthcare contracts and priced using national prices (Payment by Results).

	Expenditure		Payables	
	2015/16	2014/15	31st March 2016	31st March 2015
	£000	£000	£000	£000
Lancashire Teaching Hospitals NHS Foundation Trust	1,382	776	473	501
NHS Litigation Authority	10,175	6,627	6	12
NHS Property Services	5,340	5,053	5,338	1,711
Pennine Acute Hospitals NHS Trust	0	1	293	659
University Hospitals of Morecambe Bay	603	746	195	112
	<b>17,500</b>	<b>13,203</b>	<b>6,305</b>	<b>2,995</b>

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 21.

## Notes to the accounts

## 26. Related party transactions continued

## Non Whole of Government Accounts Bodies

The NHS Foundation Trust has a number of related parties with non Whole of Government Accounts (WGA) bodies where Governors hold positions at Universities. Teaching Hospital status was achieved through collaboration with the University of Liverpool therefore is treated as a related party. NHS Shared Business Services is classed as a related party to the NHS although it is outside the WGA boundary. The NHS Foundation Trust has had transactions with these bodies as set out below:

	Income		Receivables	
	2015/16	2014/15	31st March 2016	31st March 2015
	£000	£000	£000	£000
University of Central Lancashire	41	192	9	23
University of Cumbria	173	164	9	22
University of Liverpool	10	10	1	0
	<b>224</b>	<b>366</b>	<b>19</b>	<b>45</b>
	Expenditure		Payables	
	2015/16	2014/15	31st March 2016	31st March 2015
	£000	£000	£000	£000
Age UK	22	12	0	3
University of Central Lancashire	212	524	4	239
University of Cumbria	16	17	2	0
NHS Shared Business Services	112	163	21	79
	<b>362</b>	<b>716</b>	<b>27</b>	<b>321</b>

## 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 2016	Year ended 31st March 2015	Year ended 31st March 2016	Year ended 31st March 2015
	£000	£000	£000	£000
Salaries and other short term benefits	1,132	1,145	220	220
Pension contributions:				
Employer contributions to the NHS Pension Scheme	134	133	25	25
Accrued pension under NHS Pension Scheme	352	345	85	83
Accrued lump sum under NHS Pension Scheme	1,057	1,035	256	250
			<b>Number</b>	<b>Number</b>
Number of directors to whom benefits are accruing under the NHS Pension Scheme			7	7

During the year reported in these accounts, none of the Board Members, Governors or key management staff have undertaken any material transactions with Blackpool Teaching Hospitals NHS Foundation Trust.

None of the key management personnel received an advance from the NHS Foundation Trust. The NHS Foundation 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.

## Notes to the accounts

### 26. Related party transactions continued

#### Blackpool Teaching Hospitals Charitable Fund

The NHS Foundation Trust has also received revenue and capital payments from Blackpool Teaching Hospitals Charitable Fund and related charities (formerly 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 NHS Foundation Trust Board.

Transactions with the fund are as follows:

	2015/16 £000	2014/15 £000
Donations received from the charitable fund, recognised as income	47	159
Amounts receivable from the fund as at 31st March	84	51

The amount receivable at 31st 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 31st March 2016 the Trust owed £3.230 million (31 March 2015: £3.008 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 21.

### 27. Events after the reporting period

There are no events after the end of the reporting period.



Further copies of the Annual Report and Accounts for the period 1st April 2015 to 31st March 2016 can be obtained by writing to:

**Miss Judith 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](http://www.bfwhospitals.nhs.uk)

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

**Mrs Wendy Swift**

Chief Executive (Interim)  
Blackpool Teaching Hospitals NHS Foundation Trust  
Trust Headquarters  
Blackpool Victoria Hospital  
Whinney Heys Road  
Blackpool  
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