

Annual Report and Accounts 2016-17



**Blackpool Teaching
Hospitals**
NHS Foundation Trust

Annual Report

and Accounts
2016-17

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

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Chairman's and Chief Executive's Introduction

The year 2016/17 has been another challenging but successful period for the Trust which has seen good progress in our aims to improve services.

We would like to thank all our dedicated staff and volunteers for all their hard work and commitment during a very challenging year.

Over the past year we have launched our new 2020 Vision, a five year strategy called "Together We Can...". We have been working closely with staff to embed the strategy into our every day practices so the key aims of improving patient and staff experience and reducing mortality rates are at the forefront of everything we do.

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 co-ordination of care for patients who have multiple, complex health and social care needs and we are delighted to see that our work with the Extensive Care Programme on the Fylde Coast and the Better Care Together Partnership work in North Lancashire has seen some excellent results.

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.

Among a number of highlights this year are:

The Palliative and End of Life Care Team at Blackpool Victoria Hospital won the prestigious Palliative Care Team of the Year Award at the annual British Medical Journal (BMJ) Awards in London. The judges were impressed by the team's 'innovative and inclusive approach to training and education', as well as its hard work to raise awareness and change public attitudes about end-of-life care.

The Procurement Department, based at Blackpool Victoria Hospital, beat off competition from 17 other nominations to win the Supplier Engagement Award at the 2016 Excellence in Supply Awards organised by the North West Procurement Development organisation.

The Trust has made significant progress in establishing the Adult Cystic Fibrosis Centre since the contract was awarded in 2015. The service commenced outpatient and inpatient work on 7th February 2017.

One major development this year was the opening of a newly refurbished £408,000 Outpatients area at Blackpool Victoria Hospital. The new development was given the green light after the Trust charity, Blue Skies Hospitals Fund, allocated £200,000 to the project to make it possible. It was opened by the High Sheriff of Lancashire, John Barnett MBE DL, and his wife Danielle alongside Trust Chairman, Ian Johnson.

The Trust enjoyed two major landmarks this year holding a number of special events to commemorate the centenary of the National Artificial Eye Service (NAES) and the 80th anniversary of Blackpool Victoria Hospital.

The NAES dates back to the First World War and was originally known as 'The Army Spectacle Depot' and has developed its national service significantly since then and we were delighted to receive a Royal visitor when HRH The Duke of Gloucester toured the site.

Over the past year, the Trust has begun implementing the Freedom to Speak Up (FTSU) Campaign, with the appointment of a FTSU Guardian, Non-Executive Director (NED) Champion and Executive Director (ED) Lead. These appointments will encourage a culture of safety, learning and openness.

The Trust has formed a wholly owned subsidiary to provide a fully managed facilities management service to the Trust. BFW Management Ltd (Registered Company 10525158) trading as Atlas Ltd commenced trading on 20th March 2017. The subsidiary company had two Directors as at 31st March 2017, who also are members of the NHS Foundation Trust Board of Directors, and staff employed by the Trust in the delivery of these services were transferred to the subsidiary under Transfer of Undertakings (Protection of Employment) (TUPE) arrangements.

In September 2016, the Trust undertook its Well-Led Review in line with Monitor's (now NHS

Improvement's) Well-Led Framework. Mersey Internal Audit Agency and the Advancing Quality Alliance concluded that the Trust is 'well-led'.

During the year there have been changes to the Board of Directors with the retirement of Jim Edney and Michele Ibbs as Non-Executive Directors and the appointment of Non-Executive Directors, Michael Hearty, Mark Cullinan and Mary Whyham in April 2016, July 2016 and December 2016 respectively. In addition, Doug Garrett, Non-Executive Director, will be retiring at the end of May 2017. We would like to thank Doug, Jim and Michele for their efforts and service to the Trust.

We would again like to thank our dedicated team of volunteers, who give up their time to support us, and to everyone who has helped raise funds for the Trust charity, Blue Skies Hospitals Fund. All support 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 2017/18.

Signed:

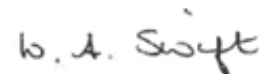


Ian Johnson

CHAIRMAN

Date: 24th May 2017

Signed:



Wendy Swift

CHIEF EXECUTIVE (INTERIM)

Date: 24th May 2017

Performance Report

Overview of Performance

Chief Executive's Statement on Performance of the Trust

I would like to pay tribute to all our staff and volunteers who continue to work tirelessly to develop services for our patients and to improve the patient experience.

We are moving in the right direction thanks to our staff and partners but there is still work to be done. The pressures we have faced over the past 12 months will continue in 2017/18, which is why we need to continue and further intensify our focus on working towards our main aims of improving the patient and staff experience and reducing mortality rates, staff vacancies and length of stay (LOS).

Much of the focus this year has been on developing new models of care on the Fylde Coast and in Morecambe Bay, particularly for those that support frail elderly patients with multiple, long term conditions.

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.

Much of this work links in with the Trust's 'Together we Can...' five year strategy that was launched last year after we worked in conjunction with partner organisations to undertake an in-depth strategic review across all aspects of our care provision, led by senior clinicians from across the organisation and wider Fylde Coast health and care economy. This resulted in the creation and launch of our Five Year Strategy, and 2016/17 has been the first year of its implementation.

This year, we launched our new Quality Strategy which supports the Trust to provide compliance against the care standards set by the Care Quality Commission (CQC), who carried out an announced follow-up inspection of Maternity Services to review progress against the 'inadequate' rating we received in April 2014.

The Quality Strategy sets out our ambition for 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'.

A total of 2,547 members of staff took part in this year's NHS Staff Survey. The survey had 32 key measures covering a range of topics. The Trust was in the best 20% of combined Community and Acute Trusts for three of the 32 (number of staff having an appraisal, flexible working, number of staff reporting incidents of violence), 12 in the better than average, 13 in average, seven in worse than average and two in the worst 20% (quality of appraisal and staff working extra hours).

Significant improvements were: the number of staff having an appraisal in the last 12 months, the organisation and management interest in and action on health and wellbeing, the number of staff receiving mandatory training in the last 12 months and the reduction in the number of staff feeling under pressure by managers to come into work when not feeling well enough.

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 Directors are 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.

Signed: *W. A. Swift*

Wendy Swift

CHIEF EXECUTIVE (INTERIM)

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 24th May 2017.

Date: 24th May 2017

History of the Trust

Blackpool, Fylde and Wyre Hospitals NHS Foundation Trust was established on December 1st 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 2016/17, the Trust services have been provided from the following main sites:

- Blackpool Victoria Hospital;
- Clifton Hospital;
- Fleetwood Hospital;
- Whitegate Drive Walk In Centre;
- National Artificial Eye Service.

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);
- North of England Specialised Commissioning Team;
- Blackpool Council – Public Health;
- Lancashire County Council – Public Health;
- NHS England.

NHS Improvement is the Trust's regulator.

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, Haematology and Adult Cystic Fibrosis Services to 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 well as the millions of holidaymakers that visit each year. We employ 6,964 staff (headcount), had a turnover in excess of £410.7m in 2016/17.

Between 1st April 2016 and 31st March 2017 we treated approximately 104,019 day cases and inpatients (elective and non-elective), 368,554 outpatients and had 86,709 A&E attendances.

Clinicians from Lancashire Teaching Hospitals NHS Foundation Trust provide onsite services for vascular, renal, neurology and oncology services.

Our Vision and Values

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 all of our staff strive to demonstrate. The values and behaviours have been and continue to be 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.



Together we care

Blackpool Teaching Hospitals **NHS**
NHS Foundation Trust

Our Values

People Centred

Serving people
is the focus of
everything we do

The Trust Person is...

- ♥ Always patient focused
- ♥ Always a team player
- ♥ Always honest
- ♥ Always striving to communicate effectively

The Trust Manager is...

- ♥ Always equally patient and staff focused
- ♥ Always supporting effective teamwork
- ♥ Always honest
- ♥ Always striving to communicate widely and effectively

Compassion

Always
demonstrating
we care

The Trust Person is...

- ♥ Always showing empathy
- ♥ Always seeking to understand how others are feeling

The Trust Manager is...

- ♥ Always showing empathy for patients and staff
- ♥ Always seeking to understand how others are feeling

Positive

Having a can do
response whatever
the situation

The Trust Person is...

- ♥ Always staying positive to reassure patients
- ♥ Always reflecting about the impact of their own attitude and behaviours upon the service

The Trust Manager is...

- ♥ Always staying positive to reassure staff and patients
- ♥ Always reflecting about the impact of their own attitude and behaviours upon the service and staff

Excellence

Continually striving to
provide the best
care possible

The Trust Person is...

- ♥ Always striving to do their best for patients and colleagues
- ♥ Always appreciating the efforts of others
- ♥ Always taking responsibility for their actions
- ♥ Always seeking out opportunities for improvements

The Trust Manager is...

- ♥ Always striving to do their best for patients and staff
- ♥ Always appreciating the efforts of others
- ♥ Always taking responsibility for their actions
- ♥ Always seeking out opportunities for improvements

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

Our Five Year Strategic Plan

Blackpool Teaching Hospitals NHS Foundation Trust

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 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 CCG, 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 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, the Trust worked with partner organisations to undertake an in-depth strategic review across all aspects of its care provision, led by senior clinicians from across the organisation and wider Fylde Coast health and care economy. This resulted in the creation and launch of our Five Year Strategy and 2016/17 has been the first year of its implementation.

Our Five Year Strategy is focused around the delivery of six strategic ambitions:



These will be achieved through our strategic work programmes:

Efficiency

Reducing length of stay to deliver high quality care affordably

Quality

Consistency in care provision to deliver high quality care to all patients

Value

Getting most value from all of our resources

Appropriate

Transforming non-elective points of entry into the healthcare system

Partnerships

Working as part of the local health economy to develop new, integrated models of care

Collaboration

Working as part of a Lancashire-wide redesign team to develop new models of care

Enabling

Putting in place enablers such as improved use of information technology, making good use of our estate and enhancing our communications

Each of these work programmes has a lead Executive Director, Non-Executive Director, Divisional Director (a senior consultant) and a Clinical Lead. This team is focused on ensuring that the delivery of the various schemes is contributing to the overall achievement of our strategic ambitions. During 2016/17, we have made good progress against these ambitions and our programmes of work will continue into 2017/18.

Fylde Coast Local Delivery Plan

The Trust is a key partner in the development and implementation of the Fylde Coast Local Delivery Plan (LDP). This is a reflection of the national direction of travel outlined in the Five Year Forward View, as well as our own acknowledgement that we will only be successful in delivering a number of our planned improvements to health and care services if we work in partnership across commissioners and providers of health and care. The Fylde Coast Vanguard received £4.3m of national Vanguard funding for the year to pursue our priorities of introducing new care models. This funding helped us to move faster and at a greater scale than we otherwise would have been able to. Some of these new care models have been underway for some time and are receiving national recognition, such as the development of our Extensive Care Service which is designed to better support patients living with two or more long-term conditions and/or other complex needs in their own homes or in a community-based setting rather than through frequent admissions to the acute hospital.

We are participating in three national initiatives: the Vanguard Programme which is focused on being at the forefront of implementing various aspects contained within the Five Year Forward View; the Test Bed Programme, which is focused on the use of technology to support patients in managing their conditions in their own homes; and the Healthy New Town Programme, which is focused on the design and establishment of new living environments that support improved health and wellbeing.

These, and several other local workstreams, have allowed us to commence delivery against our key Fylde Coast priorities:

- Effective management of the long term conditions agenda, from prevention through to improved personalised outcomes for complex patients with multiple health and social care needs;
- Improving clinical outcomes;
- Improving access to services – right care, right place, right time – across the full range of healthcare system entry points;
- Improving the patient experience of care.

Bay Health and Care

The Trust is one of the Bay Health and Care Partners – who are delivering the Better Care Together (BCT) Strategy across Morecambe Bay.

In the past 12 months, progress has been made with:

- Developing our plans for a system-wide health and care service;
- Improvements in people's care that crosses traditional boundaries by improving integrated care;
- The creation of local partnerships to ensure that people have a greater say over their health.

The Bay Health and Care Vanguard received £4.73m of Vanguard funding for the year to pursue the priorities of introducing new care models – which has supported and enabled by enabling teams to move faster and at a greater scale.

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 (BAF) and many high-level operational risks on the Corporate Risk Register (CRR). All these risks will continue to impact the organisation throughout 2017/18, however mitigation plans are in place and are monitored by the Audit Committee and 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 Preparedness, Resilience and Response framework. 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. In addition, several other plans are 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. The Trustwide Business Continuity Plan has a total of 68 plans covering Workforce, Clinical Support, Estates, Scheduled Care, Unscheduled Care, Adults and Long Term Conditions, Nursing and Quality, ICT, Finance and Families with operational information on alternative options to deliver their services.

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 (NWAS) to Trust staff within Radiology, Security and the Emergency Department on how to use personal protective equipment (PPE). The Trust also has several trained trainers who also provide this practical training.

Through engagement during planning and exercises via the Lancashire Resilience Forum and Local Health Resilience Partnership, the Trust works

closely with its partners to ensure there is a joined up approach to emergency planning.

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

The Trust has undertaken a self-assessment in 2016 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 has submitted a two year financial plan to NHS Improvement to deliver a £3.8m surplus and year end cash balance on £6.2m in 2017/18 and a £8.7m surplus in 2018/19 and year end cash balance of £10.2m. The Trust must also deliver a Cost Improvement Programme (CIP) (CIP of £21.1m in 2017/18 and recurrently).

At its meeting of 24th May 2017, the Audit Committee considered the going concern assessment based on the operational plan for 2017/18 and 2018/19. 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 £21.1m.

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 Accident & Emergency Department

The main challenges in achieving the Accident & Emergency (A&E) waiting time standard in 2016/17, have been the increased volume of attendances and surges in activity, increased acuity of the patients (increase in the number of patients who required care in a resuscitation area on arrival), an increased volume of ambulance activity, an increased volume of patients triaged as 'Red' on arrival to Acute Medical Unit (AMU), and the significant and sustained growth in Delayed Transfers of Care (DTOC) compared to previous years. Whilst spikes in activity have compromised performance standards, the Trust has worked hard to improve the delivery of the ambulance turnaround times. The agency capping threshold has impacted on the ability of the A&E department to flex its workforce to respond to surges in demand. This remains a significant challenge for 2017/18, with the key risks being a continued increase in demand and the ability to manage surges in attendances whilst maintaining quality standards.

Recruitment and retention of A&E personnel remains a challenge. The Royal College of Emergency Medicine has reported a 24% attrition rate for senior trainees due to current pressures of working in an Emergency Department (ED).

This remains a significant challenge for 2017/18, with the key risks being a continued increase in demand and the ability to manage surges in attendances whilst maintaining quality standards. Actions that have and will continue to be taken include:

- Early agreement and implementation of the winter plan through the System Resilience Group;
- Implementation of the independent workforce review within A&E;
- Enhanced streaming of patients as an alternative to A&E;

- Promoting alternatives to Hospital with North West Ambulance Service;
- Increasing awareness of the "Why A&E?" Campaign;
- Participation in the National Ambulatory Care Emergency Care Network and Acute Frailty network;
- Increased partnership working with local primary and social care providers;
- 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 seven 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 and cancelled operations

The open pathway measure was consistently achieved across 2016/17, with the exception of cardiology, cardiac and pain services. The impact of winter pressures has this year compromised the Trust's ability to continue to deliver the Referral to Treatment (RTT) waiting times due to a mandated national directive to reduce bed occupancy during the winter periods to manage the non-elective demand.

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 (LOS) e.g. using different surgical techniques, enhanced recovery pathways and, where necessary, medical staff recruitment. Key Cost Improvement Plan schemes for 2017/18 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 2017/18 will be a particular challenge for gastroenterology with the introduction and implementation of the two week referral National Institute for Health and Care Excellence (NICE) cancer standards. CCG's intentions have also seen the introduction of schemes to deflect patients from secondary care services to Tier 2 services. This has seen a significant reduction in the number of referrals received across orthopaedic and dermatology specialities.

Cancer services

The Trust continued to experience challenges in the delivery of the cancer standards in 2016/17. The greatest challenge has been the impact that patient choice has throughout the patient journey. Work will continue into 2017/18, 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, previously seen by national cancer campaigns and seasonality have continued beyond their usual periods. Increased case complexity is anticipated to continue into 2017/18 and actions to mitigate this include improved matching of demand and capacity through proactive pathway management, improved communications with commissioners to identify changing demands of the services and further development of the Fylde Coast Cancer Strategy. The Trust has a planned implementation to introduce the two week NICE guidance across all specialities in Quarter 4 of the financial year.

Diagnostic services

Capacity across diagnostic services is a key factor in the delivery of all operational standards. Increased demand is forecast into 2017/18, but

the standard of 99% of all patients waiting a maximum of six weeks for their diagnostic tests has been consistently achieved throughout the year. Pressures in diagnostics have significantly increased during the winter period and will continue across all diagnostic services this year.

Capacity issues have been identified with the Magnetic Resonance Imaging (MRI), Computed Tomography (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. In order to enable the Trust to meet new guidance consultation will lead to a 24 hour shift system being introduced in CT in spring 2017. To flex capacity, mobile MRI scanners will support the Trust during the peak requirements, permitting the further development of cardiac MRI scanning, to support the tertiary unit. The Trust recruited to four consultant radiologist posts during 2015/16, this has provided an increased ability for radiologists to attend multi-disciplinary team (MDT) meetings, and will continue to reduce reporting timeframes. A further case for development of an additional MRI scanner is being discussed 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 redesign 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 Trust's Pathology Directorate is currently working with Lancashire Teaching Hospitals NHS FT and University Hospitals of Morecambe Bay NHS FT looking at how we can collaborate to make our Pathology Service more efficient. Pathology at Blackpool Victoria Hospital continues to experience an increased demand for services, with difficulty recruiting into some of the consultant roles. The increase in demand for the Anticoagulation Dosage and Advisory Service (ADAS) and Phlebotomy is currently under negotiation with the local commissioners. The Point of Care Testing (POCT) Department and ADAS are striving to achieve United Kingdom Accreditation Service (UKAS) standards in preparation for inspection for UKAS accreditation.

Financial Performance Review

The Trust had planned to deliver a break even position as part of the Annual Planning process for 2016/17.

taking into account an impairment of assets of £8.0m, the Trust reported a deficit of £4.7m for the year.

Table 1 below compares performance against the 2016/17 plan.

Full details of the Trust's financial performance are set out in the accounts for 1st April 2016 to 31st March 2017 that accompanies the Annual Report in Annex G.

Before the reporting of exceptional items the Trust reported a surplus of £3.3m for the year. After

Table 1 compares the 2016/17 actual performance to the 2016/17 plan.

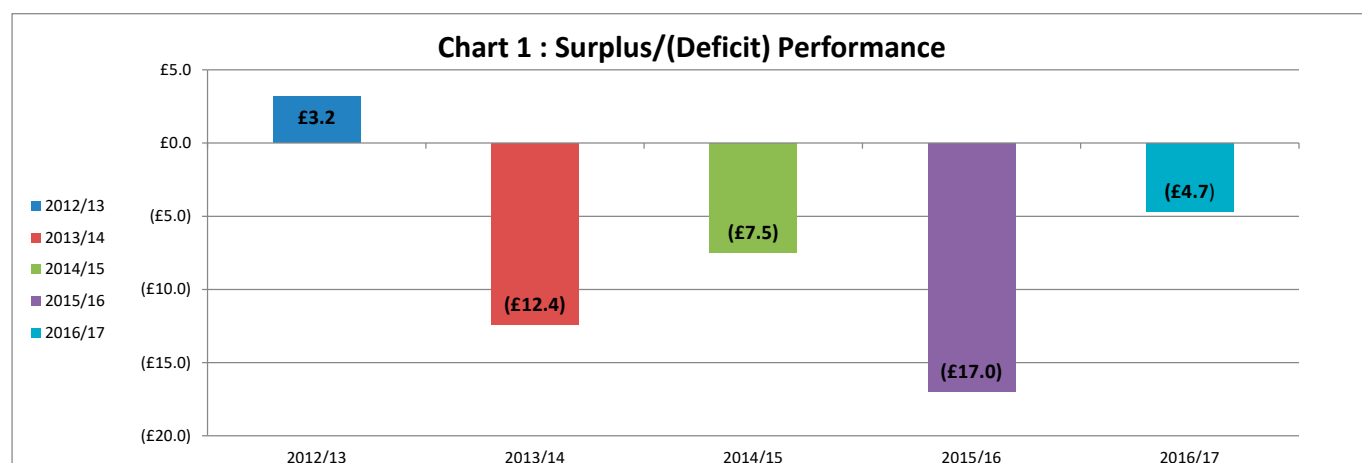
Table 1	Plan £'m	Actuals £'m	Variance £'m
Total Income	399.7	410.7	11.0
Expenses	(387.8)	(397.4)	(9.6)
EBITDA*	11.9	13.3	1.4
Depreciation	(7.4)	(6.0)	1.4
Dividend**	(3.4)	(2.8)	0.6
Loss on Revaluation	0.0	(8.0)	(8.0)
Interest income	0.0	0.0	0.0
Interest expense	(1.1)	(1.2)	(0.1)
Deficit	(0.0)	(4.7)	(4.7)

*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 £3.3m better than plan.

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

Chart 2: Completed Patient Spells

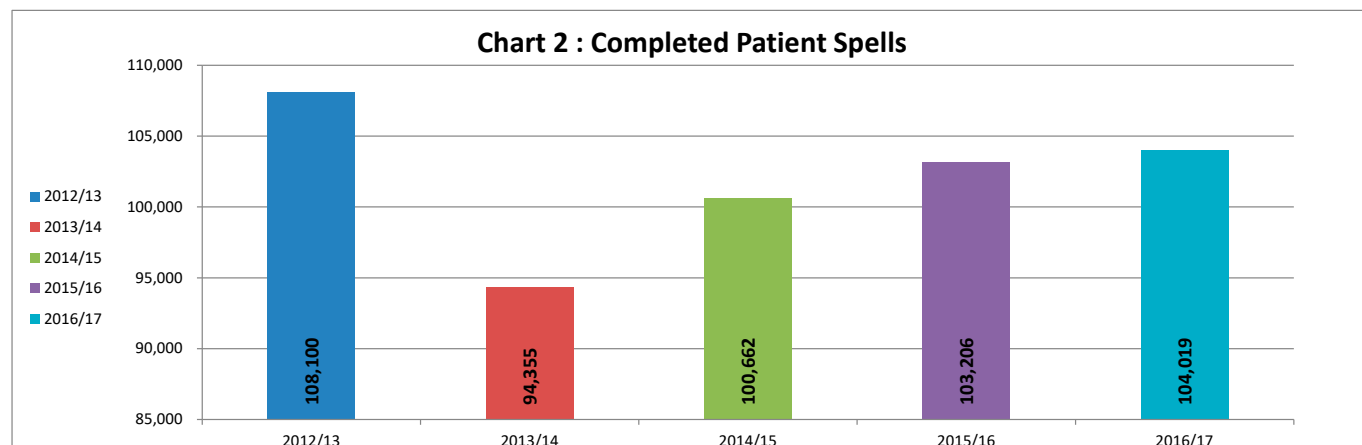


Chart 3: Outpatient Attendances

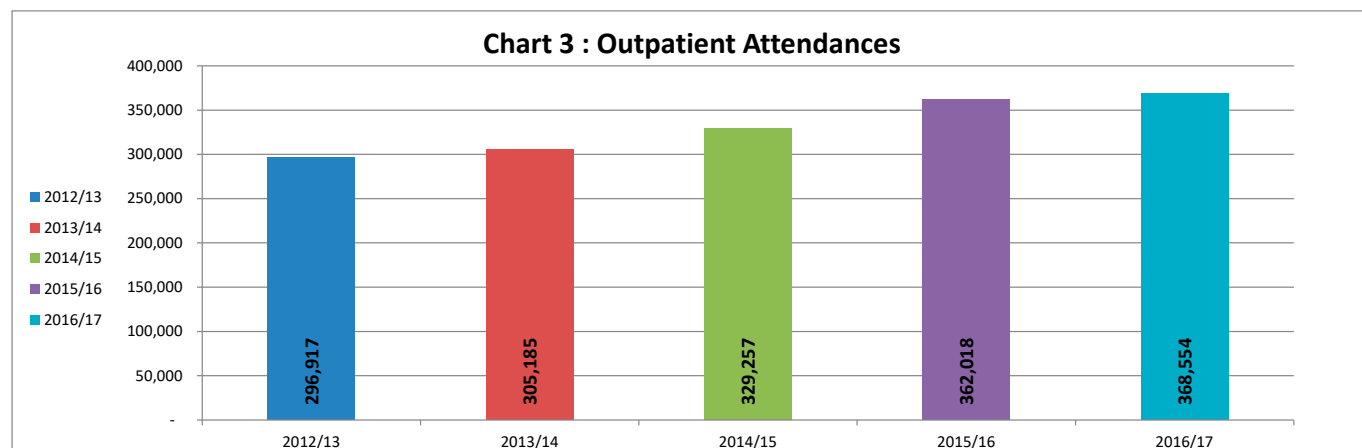
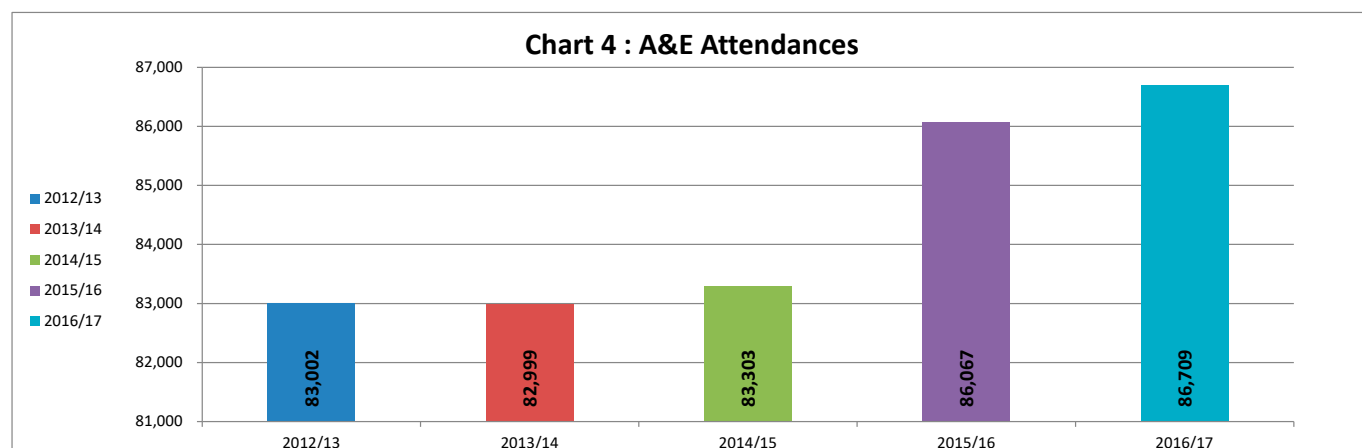


Chart 4: A&E Attendances

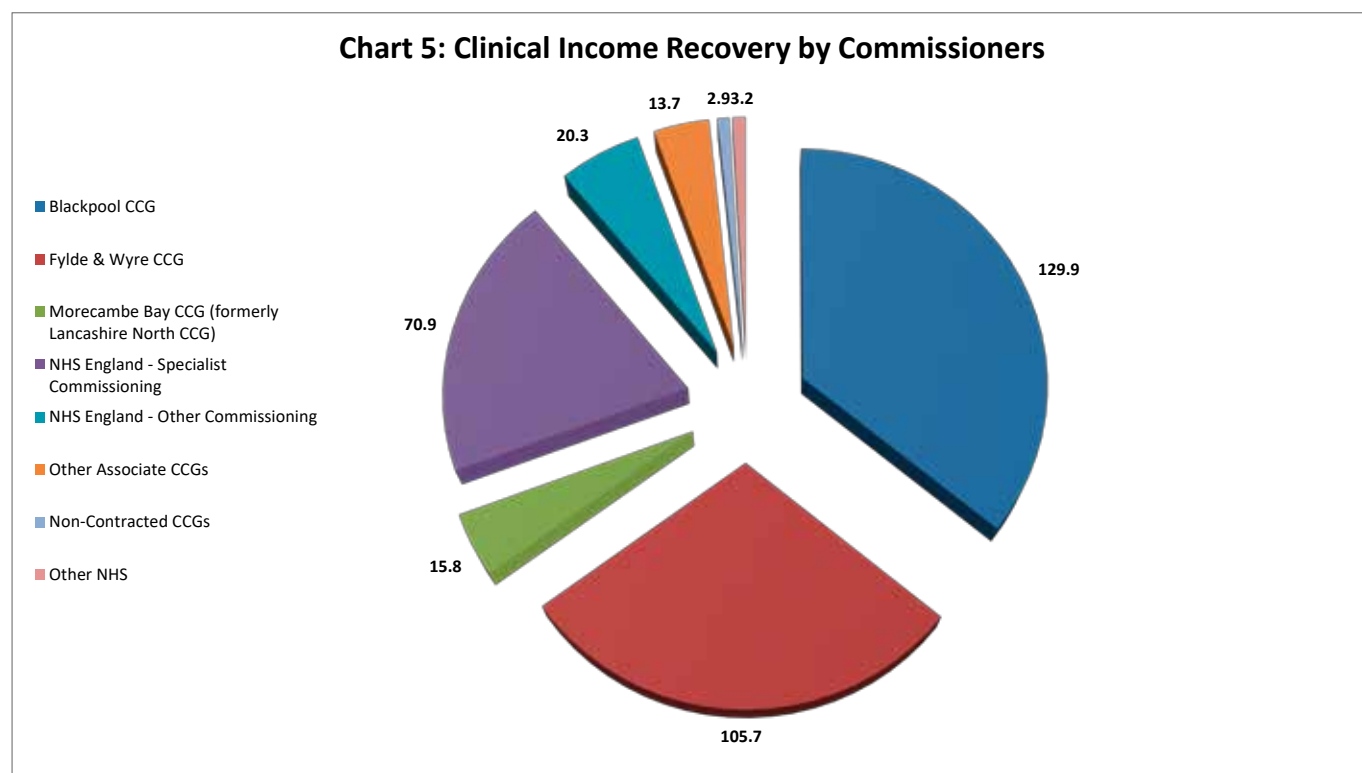


Income from providing clinical services to NHS patients, as shown in Table 2 and Chart 5 below, represents the majority of the Trust's income. The provision of these services is covered by contracts with Clinical Commissioning Groups, other NHS commissioners, and Local Authorities. The terms of these 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

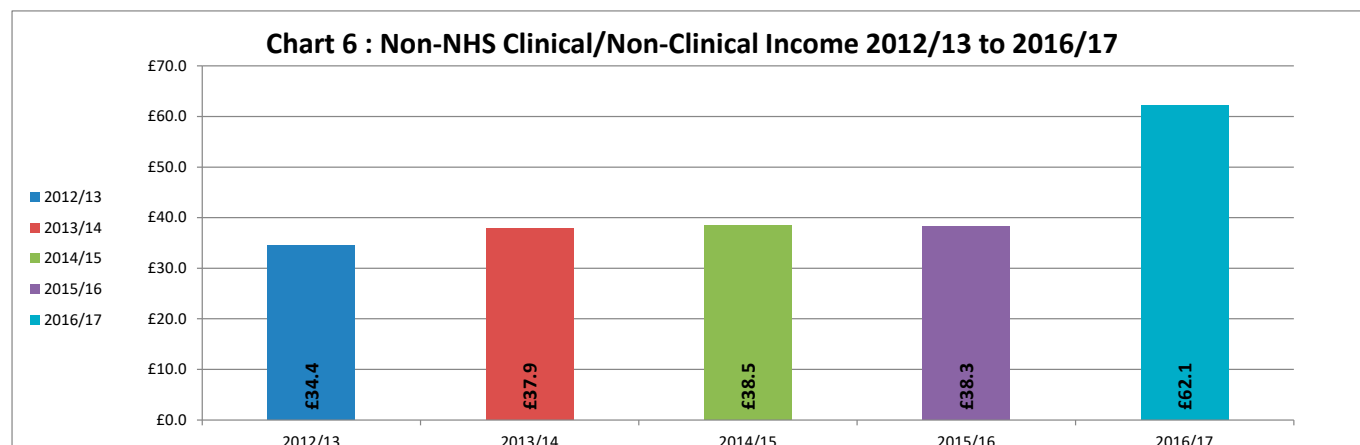
Commissioner	2016/17 Clinical Income (£'m)
Blackpool CCG	129.9
Fylde & Wyre CCG	105.7
Lancashire North CCG	15.8
NHS England - Specialist Commissioning	70.9
NHS England - Other Commissioning	20.3
Other Associate CCGs	13.7
Non-contracted CCGs	2.9
Other NHS Clinical Income	3.2
Total	362.4

Chart 5: Clinical Income Recovery by Commissioners



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 2012/13 to 2016/17

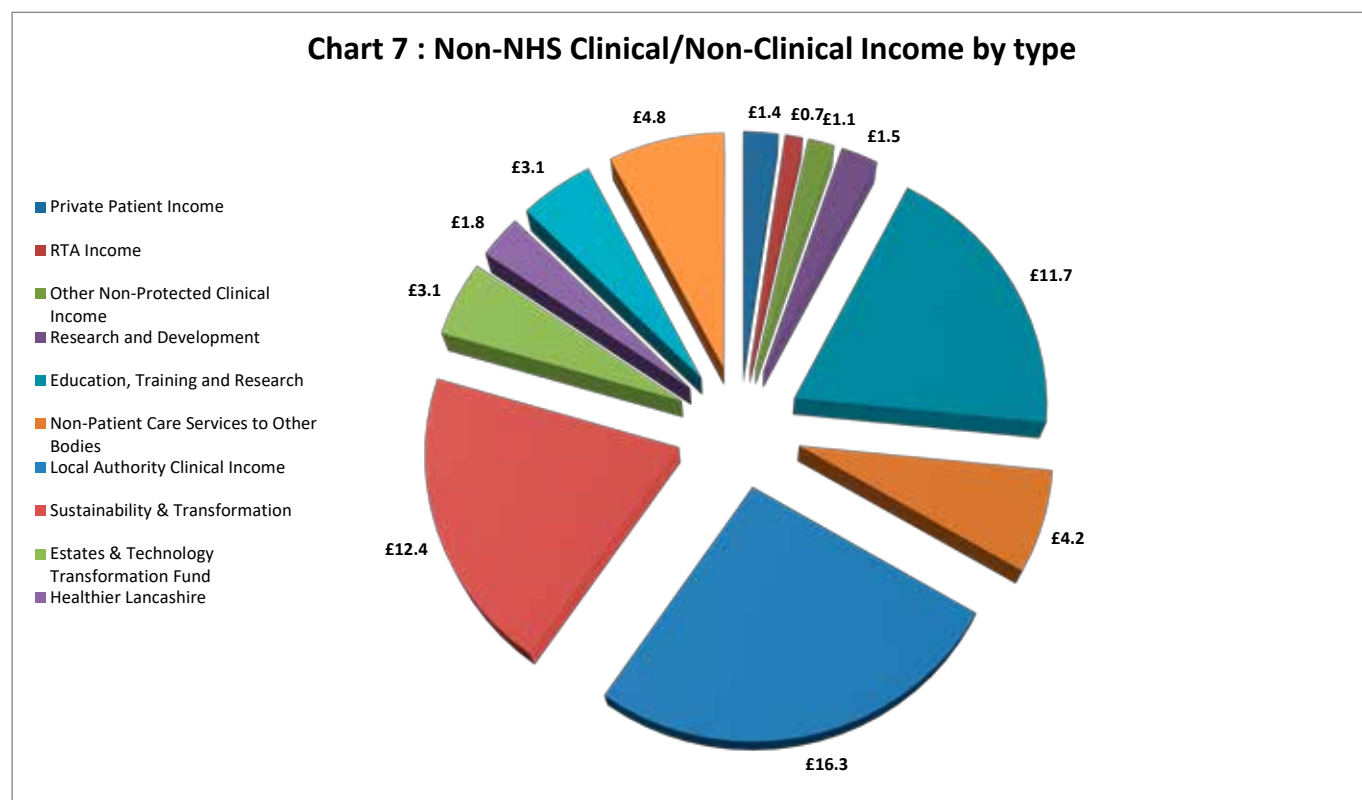


The level of Non-NHS clinical income has increased by £5.4m due to additional services commissioned by local authorities, and non-clinical income includes £12.4m funding from the Sustainability and Transformation Fund.

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

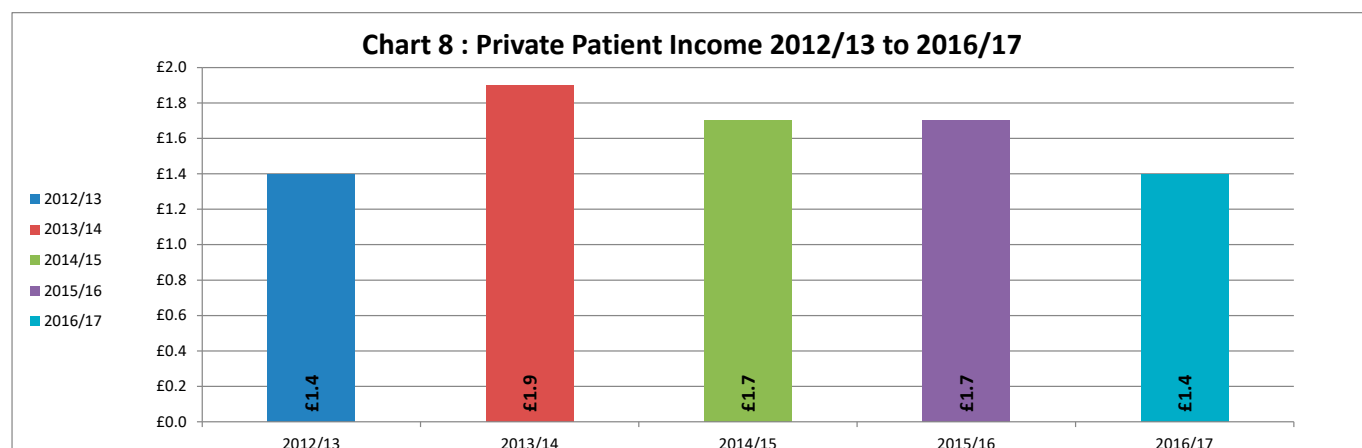
	2016/17 £'m
Private Patient Income	1.4
RTA Income	0.7
Other Non-Protected Clinical Income	1.1
Research and Development	1.5
Education, Training and Research	11.7
Non-Patient Care Services to Other Bodies	4.2
Local Authority Clinical Income	16.3
Sustainability & Transformation	12.4
Estates and Technology Transformation Fund	3.1
Healthier Lancashire	1.8
Sale of Goods and Services	3.1
Other	4.8
Total	62.1

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



These income streams equated to £62.1m or 15.1% of the total income earned for the year. Of this £12.4m or 3% relates to Sustainability and Transformation Fund income and 6.3% 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.

Chart 8: Private Patient Income 2012/13 – 2016/17



The expenditure summarised in Tables 4 and 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 2016/17. The Trust delivered £18.6m in CIP against a target of £22.3m. In addition, the Trust has also accounted for an impairment charge as a result of downward valuation of £8.0m which is included within non-operating costs.

The Trust has in place a Transformation Team 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 £19.2m in 2012/13, £12.7m in 2013/14, £20.3m in 2014/15, £17.8m in 2015/16 and £18.6m in 2016/17.

During the year the Trust spent £5.9m on management costs which represents 1.44% of turnover. By comparison, in 2015/16, management costs as a percentage of turnover were 1.26%. 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.

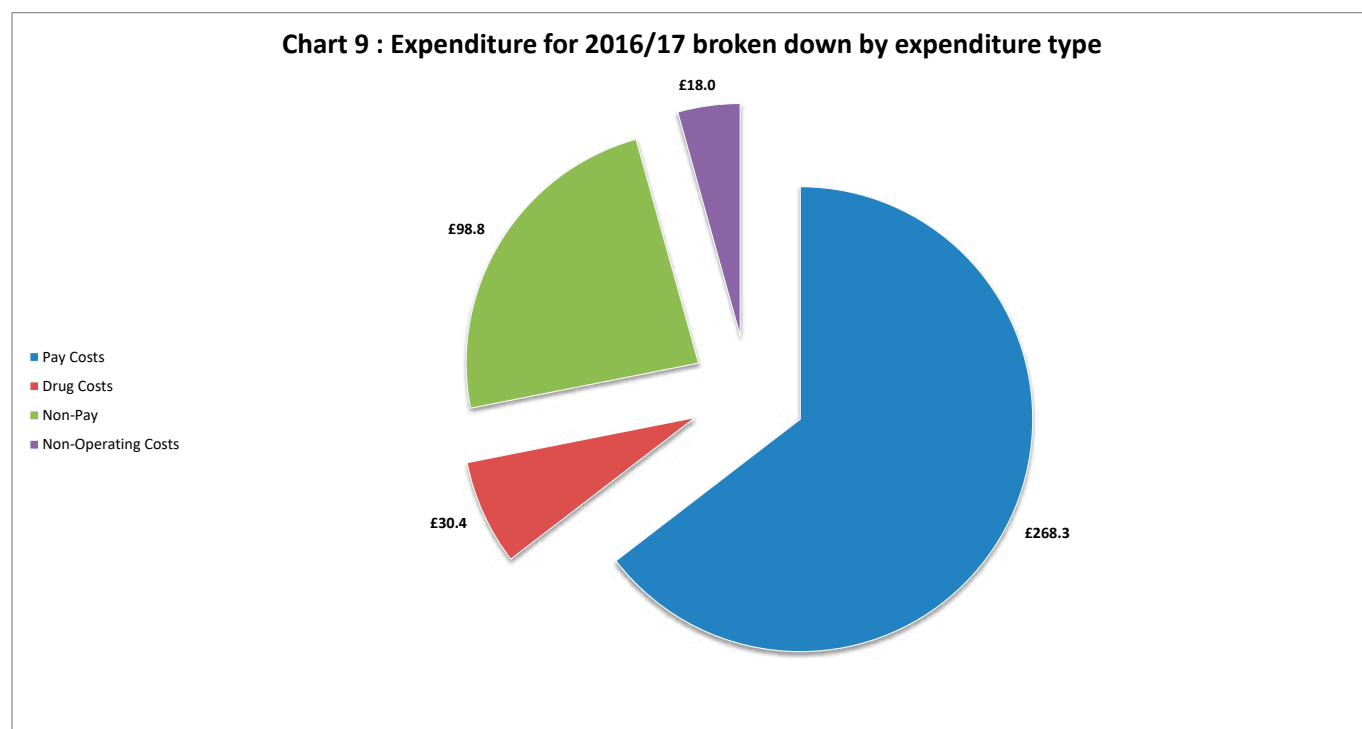
Table 4: Expenditure Trend for 2012/13 – 2016/17

	2012/13	2013/14	2014/15	2015/16	2016/17
	£'m	£'m	£'m	£'m	£'m
Expenditure	364.6	385.6	381.1	399.5	415.5

Table 5: Expenditure for 2016/17 broken down by expenditure type

Expenditure by Type	2016/17 (£'m)
Pay Costs	268.3
Drug Costs	30.4
Non Pay	98.8
Non Operating Costs	18.0
Total	415.5

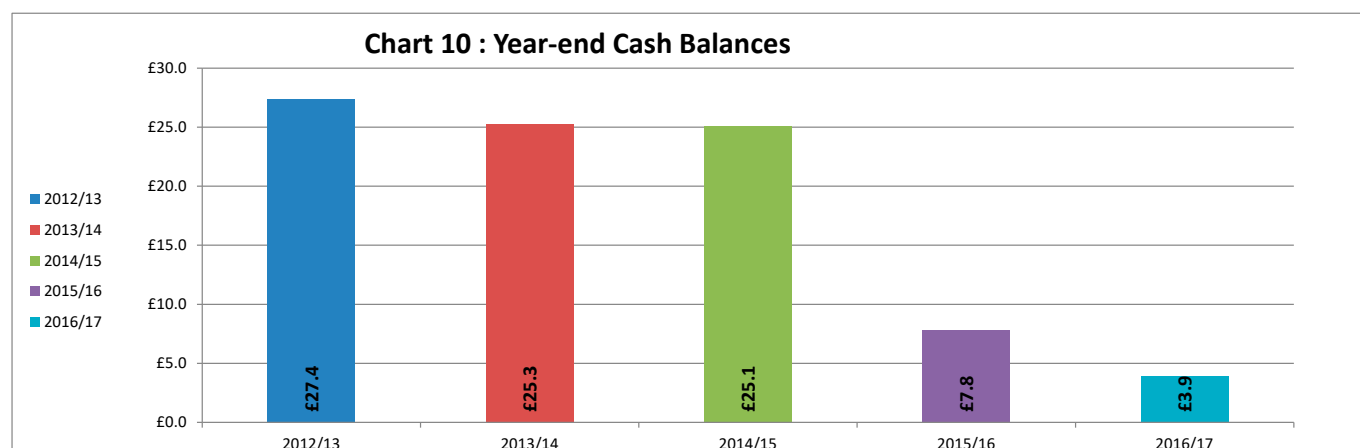
Chart 9: Expenditure for 2016/17 broken down by Expenditure type



Cash Flow and Balance Sheet

The Trust's cash balance at the end of the financial year was £3.9m against a forecasted balance of £0.2m. The cash balance was £3.7m above the forecast as a consequence of Blackpool Council making the payment of the 2017/18 public health contract in March 2017. 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 2016/17. For further information on cash and liquidity expectations for 2017/18 see the Going Concern section within the Performance Report on page 16, 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 below summarises the performance for 2016/17.

Table 6: Better Payment Practice Code

Subject	Number 2016/17	£'000 2016/17	Number 2015/16	£'000 2015/16
Total Non-NHS trade invoices paid in the year	95,562	197,384	107,058	158,434
Total Non-NHS trade invoice within target	35,455	115,057	28,128	64,467
Percentage of Non-NHS trade invoices paid within target	37.1%	58.3%	26.3%	40.7%
Total NHS trade invoices paid in the year	3,365	27,316	3,650	28,408
Total NHS trade invoices paid within target	894	12,916	987	13,187
Percentage of NHS trade invoices paid within target	26.6%	47.3%	27.0%	46.4%

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

The Trust paid £0.003m interest to suppliers under the late payment of Commercial Debts (Interest) Act 1998.

The Trust invested over £8.5m in capital schemes during 2016/17. Expenditure during the period included the following investments;

Table 7: Capital Expenditure 2016/17

	£'m
Medical Equipment	1.9
Electronic Information Projects	4.0
Building Infrastructure Projects	2.6

Performance against Monitor's (now NHS Improvement's) Risk Assessment Framework

Monitor was the Independent Regulator of Foundation Trusts, which has been superseded by NHS Improvement. Monitor had devised a system of regulation described in its Risk Assessment Framework (RAF), which is available from the NHS Improvement's web site:

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 took a proportionate, risk based approach to regulation. The assessment of risk by Foundation Trusts and by Monitor was articulated up until Quarter 2 of 2016 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.

With effect from 1st October 2016, the RAF was discontinued and replaced by the Single Oversight Framework (SOF) and the Trust's annual plan was restated for the purpose of monitoring performance. Details of the Trust's performance against the new framework are set out below.

Performance against NHS Improvement's Single Oversight Framework

NHS Improvement's Single Oversight Framework provides the framework for overseeing Foundation Trusts and identifying potential support needs. The framework looks at five themes:

- Quality of care;
- Finance and use of resources;
- Operational performance;
- Strategic change;
- Leadership and improvement capability (well-led).

Based on information from these themes, Foundation Trusts are segmented from 1 to 4, where '4' reflects Trusts receiving the most support, and '1' reflects Foundation Trusts with maximum autonomy. A Foundation Trust will only be in segments 3 or 4 where it has been found to be in breach or suspected breach of its licence.

The SOF applied from Quarter 3 of 2016/17. Prior to this, Monitor's RAF was in place. Comparative information relating to the RAF has not been presented as the basis of accountability was different.

Segmentation

Blackpool Teaching Hospitals has been segmented 2.

Finance and Use of Resources

The finance and use of resources theme is based on the scoring of five measures from '1' to '4', where '1' reflects the strongest performance. These

scores are then weighted to give an overall score. Given that finance and use of resources is only one of the five themes feeding into the SOF, the segmentation of the Trust disclosed above might not be the same as the overall finance score here.

Area	Metric	2016/17 Q3 score	2016/17 Q4 score
Financial sustainability	Capital service capacity	3	3
	Liquidity	4	4
Financial efficiency	I&E margin	3	2
Financial controls	Distance from financial plan	1	1
	Agency Spend	2	2
Overall scoring		3	3

Table 8: Use of Resources Metrics 2016/17

	2016/17 Plan	2016/17 Annual Performance
Liquidity ratio	-31.5 days	-31.1 days
Capital Service Cover	1.48x	1.75x
I&E Margin	0.02%	0.74%
I&E Margin variance from plan	0.00%	0.72%
Agency	-25.74%	4.16%

Governance Performance – Against Monitor's (now NHS Improvement's) Risk Assessment Framework for Quarters 1 and 2

The Governance rating for Blackpool Teaching Hospitals NHS Foundation Trust was "Green" for quarters 1 and 2 in 2016/17, but was discontinued from 1st October 2016.

On a monthly basis, the Trust is required to submit monitoring returns to NHS Improvement, as the regulator, on financial performance.

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.

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 2016/17 accounts, which is outlined at Annex F.

Blackpool Teaching Hospitals NHS Foundation Trust has met the requirement for the 2016/17 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;
- Fylde and Wyre Clinical Commissioning Group;
- Morecambe Bay CCG (formerly known as Lancashire North Clinical Commissioning Group);
- NHS England;
- Blackpool Council – Public Health;
- Lancashire County Council – Public Health.

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 £71,070 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 2016/17, 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 Deputy Chief Executive/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;
- Hold to account.

The LCFS has developed 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;
- 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 2015/16. Details around quality projects implemented to support achievement of the goals are detailed in the Quality Accounts (page 88). 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 and carers to ensure they receive a high standard of care and a personalised experience. The Patient Experience Department has fostered positive relations with statutory and non-statutory external organisations throughout the year to influence patient and carer partnerships and increase the volume of the individual feedback the Trust receives about its services.

There has been a significant increase in the patient feedback the Trust received in 2016/17, this has been through promotion of the ways people can contact us including the Tell Us Campaign, the NHS Friends and Family Test (FFT), the Listeners, the Bereavement Survey, Patient Opinion and 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 and internal agencies such as the Patient Panel has continued to flourish, contributing to a number of improvement projects and successes across the Trust.

The Listeners

The Patient Experience Department has a dedicated team of volunteers who conduct daily interviews with patients and carers, either at their hospital bedside or in a day clinic, about the quality of their care.

The Listeners spoke with 2,556 patients and carers during the course of 2016/17. This was performed using a question set similar to the national CQC surveys so the department could track and compare both local and national survey data. The Listeners were also asked to perform a number of service specific interviews from clinical leads within the division to give areas a detailed analysis of their performance in the eyes of the patients and carers.

NHS Friends and Family Test (FFT)

The feedback from the NHS FFT enables areas to implement changes in real time, so care is enhanced immediately following their feedback. The Trust calculates and presents the FFT results as a percentage of respondents who are likely to recommend the service to their friends and family.

During April 2016 to March 2017, we have had responses from 48,003 patients, carers or family members. The vast majority 96.07% of those responding said they would be either 'likely' or 'extremely likely' to recommend us and their additional comments have been overwhelmingly positive.

Over the last 12 months, we have added a number of additional surveys into our patient experience software, and we continue to work with various departments in adding further surveys into the system so that each area has a more complete picture of the feedback received. We also continue to improve how we use the free text comments, to ensure that each area is using and learning from the comments our patients make.

The Patient Stories Programme

The Patient Stories Programme continues to be an effective tool in bringing human experiences to life and making them accessible to not only staff but members of the public too.

Through digital media, and the use of video, audio, or still images, patients and their relatives can talk you through what happened to them and the powerful impact of particular care 'touchpoints' they've encountered on their journey's. Over the last year, the Patient Experience Department has concentrated on capturing more stories from our community health teams and particularly sensitive care experiences, such as end-of-life care, where it may not always be appropriate to shadow patients or speak to their families at distressing times.

These stories are shared regularly in the Trust's Board of Directors and Committee meetings, Team Brief, and with the services mentioned to share best practice and to remind staff of their core purpose, focusing on the patient as a whole person rather than just a clinical condition or as an outcome.

Compliments

Compliments help us to improve staff morale which ultimately leads to a better patient experience, as it allows us to develop good practice and improve the quality of care. During 2016/17, we obtained positive feedback regularly via cards, written and verbal thank yous, and tokens of appreciation from patients and their families.

	2014/15	2015/16	2016/17
Total number of compliments	4,666	4,295	4,024

Patient Relations Contacts, Concerns and the Complaint Process

Our Patient Relations Team received 4,166 contacts from members of the public over the last 12 months, an increase of five cases compared to the number they received last year.

The number of formal complaints received by the Trust in 2016/17 was 534 this includes 426 written complaints and 108 verbal complaints made. The overall number of formal complaints shows a decrease of three for the Trust's figures.

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

The Patient Experience Department has worked with divisions to improve response times to complaints, which has been demonstrated in an 82% to 96.5% response time in the last 12 months.

Complaints and concerns are reported as a regular agenda item to the Trust Board and are also discussed at each Divisional Clinical Quality and Risk meetings, the Learning from Incidents and Risks Committee (LIRC) and the Trust's monthly Complaints Review Panel. Closer working with the divisional teams has seen a reduction in the time spent on gathering information and an increase in the time spent on the implementation of recommendations.

More recently the Patient Relations Team has been actively engaged in staff training days to provide advice to teams to promote, support and assist.

Parliamentary and Health Service Ombudsman (PHSO)

During 2016/17, 10 formal complaints were investigated by the Parliamentary and Health Service Ombudsman (PHSO). Of these, the Ombudsman decided one case was not upheld, one upheld, one partially upheld and one case no further investigation to take place. Six cases are still under consideration and classed as being 'referred to the second stage'.

In other instances (cases resolved during 2016/17 but referred to the Ombudsman prior to this financial year), the Ombudsman reviewed and made decisions on 12 cases. Of these cases one was deemed not to need further investigation, six were not upheld, four partially upheld and one upheld. Investigations have been completed during this financial year resulting in seven actions reflecting lessons learnt. These will be monitored by our Board of Directors until completion. Four of the cases resulted in financial payments of £2,100 in total.

The Patient Experience Department continues to work with divisions at improving the quality of responses and reducing the numbers of second responses and referrals to the 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.

clarity around incident reporting. The new NHS England's 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 and this framework is what underpins the Trust's local processes.

Never Events

Never Events are serious incidents that are largely preventable when guidance and safety recommendations that provide protective actions are available and have been implemented by health care providers.

Six Never Events incidents were reported by the Trust within the financial year 2016/17, which were investigated under the Serious Incident investigation process and reported via the Department of Health's Strategic Executive Information System (StEIS). However, one of these incidents actually occurred in November 2015, but was not identified until June 2016. The CQC and our Commissioners are informed of all Never Events and monitor our progress of investigation and implementation of subsequent actions.

The Trust reported three 'Wrong Implant' incidents, which occurred when the wrong size lens was implanted during cataract surgery within the Ophthalmology Unit, Scheduled Care Division.

We reported two 'Wrong Site Surgery' incidents, one of which occurred in November 2015 involving the wrong lesion being removed from a patient's ear in the Ear, Nose and Throat (ENT) Outpatients Clinic and the second involved the removal of the wrong two teeth from a dental patient.

The final incident involved a 'Misplaced Nasogastric tube' within the Unscheduled Care Division.

The Never Events Policy Framework is designed to provide Healthcare Workers, Clinicians, Managers, Boards and Accountable Officers with clarity around their responsibilities and on 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

Sustainable Development Plan and Environmental Performance

Accountability

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.

Context Examples and Case Studies and Stakeholder Engagement

Work has been undertaken to improve the efficiency of the steam distribution system on site, resulting in a reduced cost comparison to previous years. The Trust is continuing the work to replace internal and external lighting with modern light-emitting diode (LED) technology to support our efforts in reducing the amount of energy we use on site.

This year saw the launch of Operation TLC, a behavioural and cultural change programme, focusing on improving the patient environment through simple actions. The programme engaged 812 hospital staff across 28 wards, with 32 Ward Champions trained on Operation TLC behaviours. Staff were trained in their area on how to create a more sustainable healing environment by turning off lights and letting in natural light, switching off unnecessary electrical equipment and controlling the temperature to suit the patient's needs. Another initiative encouraged wards to implement quiet times and set standardised night time switch-off to enhance the patients rest periods and improve sleeping conditions. The project has led to annual projected energy savings in excess of £80,000 and seen a positive increase in patient satisfaction surveys.

Benchmarking

Following the schemes of 2015/16, we have seen improvements in our energy efficiency 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 lower than 2015/16. Our energy use for the year of 2016/17 saw a reduction in use for several months in comparison to 2015/16, most notably during the winter period.

This year continues to see the financial benefits of the 1.2MW CHP onsite at Blackpool Victoria Hospital. Although there was an extended period of downtime due to engine failure, the CHP has still achieved an annual net saving of £200,000 for the Trust and prevented 1,805 tonnes of CO₂ emissions being emitted into the atmosphere.

Sustainability Integration

Operation TLC has now been included in the Trust induction process and ward inductions due to the success from the scheme.

Future

We will continue with sourcing not only sustainable fuel supplies which will assist in reducing our carbon footprint, but also materials that we use and dispose of on a daily basis. Our work will continue to source and implement modern technology such as LED lighting.

Funding will continue to be used in the most efficient way and alongside to that we will continue to look for funding sources to assist in our spend to save schemes and continue the improvements we have made so far.

Quantitative and Qualitative Trends - Environmental Performance in Key Areas for 2015/16 and 2016/17

Table: Environmental Performance

		Non Financial Data		Cost	
		2015/16	2016/17	2015/16	2016/17
Waste Minimisation	Waste Arising (Total waste from all sources)	1,480 tonnes	1,417 tonnes	£299,638	£280,546
	Clinical Waste (waste disposed of via high temperature incineration)	624 tonnes	596 tonnes	£185,960	£187,150
	Waste sent to landfill	22 tonnes	6 tonnes	£2,310	£800.00
	Recycled waste	576 tonnes	296 tonnes	£43,300	£6,898
	Non Hazardous Incineration (Energy from waste)	248 tonnes	548 tonnes	£36,040	£85,700
	Electrical and Electronic waste items	10 tonnes	4.47 tonnes	£0.00	£0.00
	Percentage of Waste subject to a recycling or recovery exercise	98.51%	99.58%	n/a	n/a
Management of Finite Resources	Water	169,593 m3	155,859 m3	£518,337	£477,244
	Electricity - Imported	27,602 GJ	31,281 GJ	£945,324	£1,001,147
	Total Electricity – Imported + CHP generated	61,490 GJ	60,202 GJ	£1,219,148	£1,177,160
	Gas	196,482 GJ	170,804 GJ	£1,295,860	£1,136,270
	Other Energy – Heating Oil	85 GJ	1,577 GJ	£1,300	£17,094
	Fuel used in Blackpool Teaching Hospital Trust owned transport	32,206 litres	33,469 litres	£36,323	£38,542
	Fuel used in ex North Lancashire Primary Care Trust owned transport	51,607 litres	58,920 litres	£63,405	£67,131
Direct Green House Gas (GHG) Emissions	Direct emissions from the energy sources above only – excluding CHP generated electricity	13,447 tonnes	12,593 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 2017). 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>				

Investment into energy efficiency has continued in 2016/17 and is led by the Estates Department. We continue to make substantial savings in both energy and CO₂ emissions as a result of previous years projects around heating and hot water provisions, LED lighting and the Building Management System (BMS).

Progress on Objectives

We are progressing well with our work towards the reduction for carbon omissions in line with National Targets and the Trust Strategy. The replacement of a transformer linked to the CHP plant on one of our sites has acheived the objectives we set to reduce our use of electricity.

Indirect impacts

The utility market continues to remain volatile and is subject to change on a regular basis and this is likely to be reflected in the current climate as we procure utility services for the coming years.

Core reporting on material sections

The Trust recognises that its operations have an environmental impact. These include, but are not limited to: waste production; the impacts of transport; energy and resource use; discharges to water and emissions to air. In addition, the Trust acknowledges the significance of the indirect impacts that it influences through procurement and the choice of contractors and suppliers. It is the Trust's objective to act in a reasonable manner to control and reduce any negative impacts on the environment whilst continuing to provide high quality patient care.

Social, Community and Human Rights Performance

The Trust continues to invest 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.

The Trust has recently formed a "Health Academy" in partnership with St Mary's Catholic College. This is an exciting venture and will provide a vital pipeline for the Trust to attract locally based young people into our workforce of the future.

Our Work Experience Programme has supported 265 students from all local schools and colleges, located within the geographical footprint during the past 12 months.

The Trust continues to work in partnership with Blackpool & Fylde College and Blackpool Sixth Form College to support a Cadet Programme. During the past 12 months, the Trust has supported 90 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 2016, the Trust embarked on a new external Apprenticeship initiative in partnership with Blackpool & Fylde College. During the past 12 months, the Trust has recruited 23 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. It is planned to substantially increase the number of external apprentices, with the introduction of the Apprenticeship Levy in April 2017.

The Trust also continues to work in partnership with Blackpool & Fylde College to deliver various Apprenticeship programmes to our existing staff. During the past 12 months, 52 staff members have been supported to gain a recognised qualification for the roles which they currently undertake. The number of existing staff being supported to complete apprenticeships will also significantly increase with the introduction of the Levy in April.

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 2nd Battalion the Duke of Lancaster Regiment (Reservists) and 4th Battalion the Duke of Lancaster Regiment, 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. The Trust has offered the opportunity of work experience for local service personnel leaving the army.

The Trust wants to increase the profile of reservists in the NHS and information on the Military Covenant to patients who are ex-service men or women.

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.

Human Rights are an important part of the work the Trust carries out and is included in the Equality and Diversity Training for staff to understand the needs of our service users. The Trust is continuing to build on existing partnerships within local community groups including black, asian, minority and ethnic groups (BAME), transgender and disability groups, which assists the Trust in assessing how to provide its services. The Trust will be producing a Patient Monitoring Report in order to act more quickly to any changes in the demographics of the local population, which in turn would impact on service provision.

Important Events affecting the Trust since 31st March 2017

There have been no important events since the end of the financial year affecting the Trust.

Overseas Operations

The Trust has no operations outside the United Kingdom.

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 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 (now NHS Improvement) and other relevant contractual or statutory obligations;
- Ensuring compliance with the Trust's Constitution, Standing Orders, Reservation of Powers & 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 & 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 and the Reservation of Powers & Scheme of Delegation also describe which decisions are to be reserved for the Council of Governors.

The Board of Directors comprises eight Non-Executive Directors (NEDs) (including the Chairman) and six Executive Directors (EDs) (including the Chief Executive (Interim)). 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 NHS Improvement 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:

- Attend Council of Governors meetings – the meetings 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 the Non-Executive Directors attend at least one meeting per year (where possible) and at least three Executive Directors attend the meetings including the Chief Executive (Interim);
- Attend meetings of the Membership Committee - one nominated Non-Executive 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 service visits and formal patient safety walkabouts;
- Attend other Trust committees, for example, Charitable Funds Committee, Health Informatics Committee, Patient & Carer 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 2016/17 were as follows:-

- The resignation of Jim Edney, Non-Executive Director, in May 2016;
- The resignation of Michele Ibbs, Non-Executive Director, in September 2016;
- The appointment of Michael Hearty, Mark Cullinan and Mary Whyham (Non-Executive Directors) in April 2016, July 2016 and December 2016 respectively;
- The resignation of Nicky Ingham, the Director of Workforce & Organisational Development in December 2016 (due to leave the Trust in May 2017).

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 as follows:-

- Any proposal for 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 submitted 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 2016/17:

- Formal Board Meetings – 6;
- Confidential Board Meetings – 6;
- Corporate Trustee Meetings – 4;
- Board Seminars – 2.

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

The two statutory committees are as follows:

- Audit Committee;
- Remuneration Committee.

The remaining four committees are as follows:

- Strategy and Assurance Committee;
- Quality Committee;
- Finance Committee;
- Strategic Workforce Committee.

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 (Blues Skies Hospitals Fund) through setting 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, the Board statutory committee meetings and the Board committee meetings is summarised in the following table:-

Board Members	Board of Directors	Corporate Trustee	Audit Committee	Remuneration Committee	Strategy & Assurance Committee	Finance Committee	Quality Committee	Strategic Workforce Committee
Number of Meetings	6	6	6	6	5	12	4	5
Ian Johnson	6	6	N/A	6	5	11	3	3
Karen Crowshaw	6	6	1 **	6	5	11	N/A	4
Doug Garrett	5	4	5	4	3	N/A	N/A	N/A
Alan Roff	6	5	1 **	5	4	N/A	4	N/A
Jim Edney (until 31.05.16)	2	N/A	2	N/A	N/A	N/A	N/A	N/A
Michele Ibbs (until 30.09.16)	3	3	N/A	2	2	6	N/A	N/A
Dr Malcolm McIlmurray	6	5	N/A	4	4	1 *****	N/A	5
Michael Hearty (from 01.04.16)	6	6	6	6	5	1 *** 2 *****	3	N/A
Mark Cullinan (from 01.07.16)	3	5	2 ****	5	4	7 ****	1 ***	4
Mary Whyham (from 12.12.16)	1	2	1	3	3	2 ****	N/A	N/A
Wendy Swift	6	6	2 *	5 **	5	12	4	3 **
Tim Bennett	6	6	6	N/A	5	12	N/A	N/A
Nicky Ingham	6	5	N/A	2 **	4	4 **	3	5
Professor Mark O'Donnell	6	6	N/A	N/A	5	7 **	3	4
Pat Oliver	6	4	2 **	N/A	4	12	N/A	2
Marie Thompson	6	4	N/A	N/A	4	11	4	5

*: required to attend at least one Audit Committee Meeting per year to present the Annual Governance Statement.

**: required, upon request, to attend meetings for specific agenda items.

***: attended as an observer as part of the induction process.

****: transferred to/from an alternative committee

*****: all Board members invited to attend

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 has undertaken a further review of the Terms of Reference of the Board of Directors and Board Committees, aligning them with the Reservations of Powers & Scheme of Delegation, and the Board of Directors Terms of Reference Manual was approved by the Board of Directors in January 2017. The Terms of Reference will now be reviewed on a three yearly basis.

The following were included in the review:-

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

Board Composition and Profile

Ian Johnson (Chairman)

Term of Office from 16.4.12 to 15.4.15 (First Term)
and from 16.4.15 to 15.4.18 (Second Term)

Experience:

- Thirty years' experience as a Solicitor and Company Director

Declarations of Interests:

- Member - Blackpool Health & Well-Being Board
- Vice Chairman - NHS Providers North West Network
- Member - Lancaster University Council
- Chair – Lancaster Health Innovation Development Board
- Justice of the Peace – South Cumbria
- Member - Independent Remuneration Panel for Lancaster City Council



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:

- Thirty years' experience in the financial services sector at Executive and MD level in retail sales management, customer relations and HR.
- Former Managing Director (Regulated Sales), Lloyds Banking Group
- Former Trustee of HBOS PLC
- Former Regional Director, HBOS PLC
- Former HR Director, Halifax Retail

Declarations of Interests:

- Director - Crowshaw Consulting Limited
- Chair - Erlsmere Management Company Ltd
- Trustee - Curious Minds



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:

- Former CEO in regeneration in Blackpool and Belfast (Laganside)
- Current Director/CEO of range of companies dealing in property, publishing, IT and fashion

Declarations of Interests:

- Trustee - Angel Charity
- Board Member - Bay Housing Association
- Trustee - Curious Minds
- Director - Groundwork
- Interim Chair – BFW Management Ltd



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 of University of Central Lancashire
- Former Chair of North 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)

Declarations of Interests:

- Former Employee - University of Central Lancashire
- Honorary Doctorate - University of Central Lancashire



Jim Edney (Non-Executive Director)

Term of Office from 01.06.13 to 31.05.16 (First Term)

Experience:

- Former Deputy Chief Executive and Executive Director of Resources at Lancashire County Council
- Former Chief Financial Officer at Essex Council
- Former Deputy County Treasurer at Lincolnshire County Council

Declarations of Interests:

- Director - Coleridge Interim Limited
- Board Member and Chair of Audit and Risk Committee - University of Central Lancashire



Michele Ibbs (Non-Executive Director)

Term of Office from 01.09.13 to 31.08.16 (First Term)
and from 01.09.16 to 30.09.16 (Second Term)

Experience:

- Former Board Director/Pro-Vice Chancellor (Marketing, Commercial & International) of Liverpool John Moores University
- Former Marketing Director of Princes Limited, Mitsubishi Corporation
- Former Marketing Director UK of Waterford Wedgwood plc

Declarations of Interests:

- Non-Executive Director – Marsden Building Society
- Non-Executive Director - The Ombudsman Services Limited
- Trustee - The Liverpool Merchants' Guild
- Magistrate - Lancashire



Dr Malcolm McIlmurray - (Non-Executive Director)

Term of Office from 01.08.14 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



Declarations of Interests:

- Honorary Fellow - Lancaster University

Michael Hearty (Non-Executive Director)

Term of Office from 01.04.16 to 31.03.19 (First Term)

Experience:

- Former Finance and Corporate Services Director General with the Welsh Government.
- Former Finance Director and Finance and Corporate Services Director General with the Department for Children, Schools and Families
- Former Deputy Director with the Department of Work and Pensions



Declarations of Interests:

- Independent Advisor - Her Majesty's Revenue and Customs
- Independent Advisor - Public Health England
- Strategic Advisor - Accelerus Ltd
- Council Member - Chartered Institute of Public Finance & Accountancy

Mark Cullinan (Non-Executive Director)

Term of Office from 01.07.16 to 30.06.19 (First Term)

Experience:

- Former Chief Executive of Lancaster City Council
- Former Director of Social Services (Childrens Services and Adult Social Care) of Wakefield City Council
- Former Chair of the Lancashire Children and Young Person's Trust

Declarations of Interests:

- Deputy Chairman – St John's Hospice Board of Trustees



Mary Whyham (Non-Executive Director)

Term of Office from 01.12.16 to 30.11.19 (First Term)

Experience:

- Former Chair of North West Ambulance Service NHS Trust
- Former Assistant Chief Officer, National Probation Service Lancashire
- Former Independent Panel Member for the Judicial Appointments Commission.
- Former Chair Healthwatch Blackpool.

Declarations of Interests:

- Trustee & Vice Chair – Parkinson's UK
- Chair – Blackpool Fylde & Wyre Parkinson's UK
- Governor – Singleton School



Wendy Swift (Chief Executive (Interim))

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

Experience:

- Former Deputy Chief Executive of Blackpool Teaching Hospitals NHS FT
- 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

Declarations of Interests:

- Trustee/Director - Blackpool Football Club Community Trust
- Trustee/Director - Age UK Blackpool (until January 2017)
- Trustee/Director - Ashley Foundation Blackpool



Tim Bennett (Director of Finance & Performance)

Appointed in November 2013
Appointed Deputy Chief Executive/Director of Finance & Performance in February 2016

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

Declarations of Interests:

- Chair, Focus Steering Group – NHS North West Group providing professional development, support and training to Finance, IT, Procurement and Payroll staff



Nicky Ingham (Director of Workforce & Organisational Development)

Appointed in November 2013

Experience:

- Former Director of Workforce & Organisational Development and Acting Deputy Chief Executive at Bolton NHS Foundation Trust
- Former Director of Human Resources & Organisational Development at Alder Hey Children's Hospital
- Chair of North West Human Resource Directors (HRD) Leadership Forum
- Deputy Vice President of Healthcare People Management Association (HPMA) North West
- Vice-President of HPMA North West (2015)

Declarations of Interests:

- Board Member – North West Leadership Academy Board



Professor Mark O'Donnell (Medical Director)

Appointed in April 2012

Experience:

- Consultant Physician in Stroke Medicine at Blackpool Teaching Hospitals NHS Trust.
- Former Consultant Physician in Care of the Elderly and General Internal Medicine at Blackpool, Fylde and Wyre Hospitals NHS Trust
- 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

Declarations of Interests:

- Honorary Professor of Clinical Medicine – University of Buckingham
- Clinical Lead for Stroke Service Review Board, Lancashire & South Cumbria
- Executive Sponsor for Lancashire Procurement Cluster



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

Declarations of Interests:

- Interim Stakeholder Director – BFW Management Ltd



Marie Thompson (Director of Nursing and Quality)

Appointed in February 2009

Experience:

- Registered General Nurse
- Over 25 years' experience in a variety of clinical, practice development and managerial roles

Declarations of Interests:

- Independent Director – Blackpool Coastal Housing



All members of the Board of Directors are voting members.

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

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 Corporate Assurance

Manager/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

Council of Governors Report

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 the document entitled "Your Statutory Duties – A Reference Guide for NHS Foundation Trusts Governors" published by Monitor (now NHS Improvement). 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 2016/17.
- To approve the appointment (by the Non-Executive Directors) of the Chief Executive;
This duty was not exercised during 2016/17.
- To decide the remuneration and allowances, and the other terms and conditions of office, of the Non-Executive Directors;
This duty was exercised during 2016/17.
- To appoint or remove the Foundation Trust's External Auditor;
This duty was exercised during 2016/17.
- 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 exercised during 2016/17.

- 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 2016/17.
- To provide the Governors' 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 2016/17.
- To respond as appropriate when consulted by the Board of Directors in accordance with the Constitution;
This duty was exercised during 2016/17.
- To undertake such functions as the Board of Directors shall from time to time request;
This duty was exercised during 2016/17.
- 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 2016/17.

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 following:-

- Chairman's performance;
- Where the relationship between the Chairman and Chief Executive is either too close or not sufficiently harmonious;
- Where the Foundation Trust's strategy is not supported by the whole Board;
- Where key decisions are being made without reference to the Board;
- 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 Foundation Trust Members and to Governors if they have concerns which contact through the usual channels of the Chair, Chief Executive (Interim), Deputy 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.

In October 2016, following formal approval by the Council of Governors in March 2016, the North of England Constituency was removed from the Trust Constitution and the Lancashire & South Cumbria Constituency was renamed the Lancashire & Cumbria Constituency.

Until October 2016, the Council of Governors comprised a total of 34 Governors, however, due to the above mentioned changes it now comprises 33 Governors, including 17 Public Governors (elected from the constituencies of Blackpool, Fylde, Wyre and Lancashire & Cumbria), six Staff Governors (elected from the staff groups of Medical & Dental, Nursing & 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 Public Governors and Staff Governors were appointed in December 2007 for either two years or three years. All Public 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.

Compostion 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 Lancaster – 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 & Dental – 1	To assist the Trust in developing its services and ensure active representation from those who deliver the services.
Class 2 - Nursing & 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 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 Cumbria – 2 (from September 2016)	To represent patients who are resident in the wider environs of Cumbria and Lancashire.
Area 5 – North of England – 1 (until September 2016)	To represent patients who are resident in the wider environs of the North of England.
Total Elected Public Governors – 18 (until September 2016) 17 (from September 2016)	

TOTAL MEMBERSHIP OF COUNCIL OF GOVERNORS
Appointed Governors (nominated) – 10
Staff Governors (elected) – 6
Public Governors (elected) – 17
Total membership of Council of Governors – 33

Elections to the Council of Governors took place during 2016/17 as follows:-

Public Governors:-

Blackpool Constituency

Beverley Clark
Zacky Hammed (re-elected)
Robert Hudson
Heather O'Hara

Fylde Constituency

Anthony Winter (elected unopposed)

Wyre Constituency

Sue Crouch
Ian Owen

Lancashire & Cumbria

Rev David Crouchley (elected unopposed)

Staff Governors:-

Clinical Support

Jennifer Gavin

Community Health Services (North Lancs)

Michael Phillips (re-elected)

Medical and Dental

Dr Ranjit More

Nursing and Midwifery

Cherith Haythornthwaite
Sharon Vickers (re-elected)

All elections to the Council of Governors have been conducted in partnership with Blackpool Council on behalf of the Trust and in accordance with the Model Election Rules.

There are currently three Appointed Governor vacancies.

The next elections to the Council of Governors will take place in 2017.

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 (until September 2016)	Blackpool
Carol Measures (until September 2016)	Blackpool
Zacky Hameed	Blackpool
Camilla Hardy**	Blackpool
Patricia Roche**	Blackpool
John Butler (until September 2016)	Blackpool
Robert Hudson (from September 2016)	Blackpool
Heather O'Hara (from September 2016)	Blackpool
Beverley Clark (from September 2016)	Blackpool
Clive Barley (until September 2016)	Fylde
Anthony Winter (from September 2016)	Fylde
Sheila Jefferson**	Fylde
Gillian Wood**	Fylde
Peter Askew*	Wyre
Ramesh Gandhi (JP. DL. OBE. FRCS) (until September 2016)	Wyre
John Bamford (until September 2016)	Wyre
Lynden Walthew**	Wyre
Sue Crouch (from September 2016)	Wyre
Ian Owen (from September 2016)	Wyre
Anthony Nixon** (until September 2016)	Lancashire & South Cumbria
Anthony Nixon** (from September 2016)	Lancashire & Cumbria
Reverend David Crouchley (from September 2016)	Lancashire & Cumbria
Reverend David Crouchley (until September 2016)	North of England***
Dr Raj Verma (until July 2016)	Medical and Dental
Dr Ranjit More (from September 2016)**	Medical and Dental
Sharon Vickers	Nursing and Midwifery
Janet Briers (until 26th April 2016)	Nursing and Midwifery
Cherith Haythornthwaite**	Nursing and Midwifery
Paul Aspden**	Non-Clinical Support
Jennifer Gavin (from September 2016)	Clinical Support
Michael Phillips	Community Health Services (North Lancashire)
Councillor Martin Mitchell	Blackpool Council
County Councillor Ron Shewan**	Lancashire County Council
Steve Winterson**	Lancashire Care NHS Foundation Trust
Dr Deborah Kenny (from January 2016)	University of Central Lancashire
Francesca Oram (until 23rd June 2016)	Blackpool Sixth Form College
VACANT	Blackpool Sixth Form College
Phillip Hargreaves**	Institute of Directors (Lancashire Branch)
Anthony Winter (until 30th April 2016)	Citizens Advice Bureau (Blackpool)
VACANT	Citizens Advice Bureau (Blackpool)
VACANT	Council for Voluntary Services
Dr Amelia Hunt	Lancaster University
Michelle Smith	Fylde Coast Carers Trust

* not eligible for re-election or re-appointment in 2017

** due for re-election or re-appointment in 2017

*** disbanded in 2016

Meetings of the Council of Governors took place on the following dates in 2016/17:-

- 25th April 2016;
- 27th July 2016;
- 24th October 2016;
- 25th January 2017.

The Chief Executive (Interim), 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 2016/17, the Council of Governors received regular assurance reports/updates from the Chief Executive (Interim) plus regular strategic, finance, performance and membership reports. During 2016/17, a Governors Strategic Focus Group was established in order to ensure that Governors continue to be actively involved in the strategic direction of the Trust.

During 2016/17, a "Select Committee" format was introduced at the Council of Governors' meetings to enable the Governors to challenge and hold the Non-Executive Directors to account in monitoring the Trust's affairs and, in particular, to obtain assurance from the Board Committee Chairs. Each Non-Executive Director Board Committee Chair gave a presentation at a formal Council of Governors meeting during which Governors were able to challenge and seek assurances. The following presentations have been given:-

- Governance and Quality – 27th July 2016;
- Strategic Workforce – 26th October 2016;
- Finance – 25th January 2017.

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

- Governors Visiting Programme;
- Trust Strategy;
- 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;
- Financial Statements Audit & Quality Accounts Review (Pricewaterhouse Coopers) (PwC);
- Council of Governors' Composition;
- Review of Council of Governors Effectiveness;
- Fit and Proper Persons Procedure;
- Governors Elections;
- Council of Governors Terms of Reference Manual;
- Membership Strategy;
- Financial Status;
- Trust Constitution;
- Governors Induction Manual;
- 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 NHS Improvement (should this be necessary), meeting routinely with the Chairman of the Board of Directors and the Council of Governors and with the Corporate Assurance Manager/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 (attendance as observers);
- Governors' Informal Meetings;
- Governors' Sub-Group (Annual Report & Accounts and Quality Report 2016/17);
- Charitable Funds Committee;
- Operational Workforce Committee;
- Health Informatics Committee;
- Patient-Led Assessment of the Care Environment Committee;
- Patient and Carer Experience and Involvement Committee;
- Equality, Diversity and Inclusion Committee;
- Learning from Incidents and Risks Committee (LIRC);
- Procurement Steering Group;
- Governors Strategic Focus Group;
- Dementia Advisory Committee;
- Formal Patient Safety Walkabouts;
- Governor Visiting Programme;
- Workforce Focus Groups.

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

- Governor Induction Day;
- Governor Focus Conference;
- NHS Providers Governwell Events.

Governor Attendance at Council of Governors Meetings:

Governors	Number of Meetings (4)
Clifford Chivers	3
George Holden	4
Neil Brooks*	1
Carol Measures*	0
Zacky Hameed	4
Camilla Hardy	4
Patricia Roche	1
John Butler*	2
Clive Barley*	2
Sheila Jefferson	4
Gillian Wood	3
Peter Askew	1
Ramesh Gandhi (JP. DL. OBE. FRCS)*	4
John Bamford *	1
Lynden Walthew	2
Anthony Nixon	3
Vacant Position	N/A
Reverend David Crouchley	4
Dr Raj Verma*	1
Sharon Vickers	4
Janet Briers*	0
Paul Aspden	4
Michael Phillips	3
Councillor Martin Mitchell	4
County Councillor Ron Shewan	1
Steve Winterson	2
Francesca Oram*	0
Phillip Hargreaves	2
Tony Winter	1
Dr Amelia Hunt	3
Michelle Smith	1
Dr Debbie Kenny	2
Beverley Clark*	2
Sue Crouch*	2
Jenny Gavin*	1
Cherith Haythornthwaite*	1
Robert Hudson*	1
Dr Ranjit More*	2
Heather O'Hara*	2
Ian Owen*	1

*resigned from, or joined, the Council during 2016/17

Board of Directors Attendance at Council of Governors Meetings:

Board of Directors	Number of Meetings (4)
Mr Ian Johnson	4
Mrs Karen Crowshaw *	2
Mr Doug Garrett *	0
Mr Alan Roff *	1
Mr Jim Edney * / ** (until May 2016)	1
Mrs Michele Ibbs * / ** (until September 2016)	0
Dr Malcolm McIlmurray *	1
Mr Michael Hearty * / ** (from April 2016)	1
Mr Mark Cullinan * / ** (from July 2016)	3
Mrs Mary Whyham * / ** (from December 2016)	1
Mrs Wendy Swift	4
Mr Tim Bennett	4
Mrs Nicky Ingham ***	0
Professor Mark O'Donnell ***	1
Mrs Pat Oliver	4
Mrs Marie Thompson ***	1

* NEDs attend at least one meeting per year (where possible)

** resigned from, or appointed to, the Board during 2016/17

*** EDs attended as required

There are currently two Governor statutory committees, namely the Nominations Committee and the Membership Committee, comprising three and 11 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)	3
Steve Winterson – Appointed Governor (Lancashire Care NHS Foundation Trust)	3
Camilla Hardy – Elected Governor (Blackpool Constituency)	3

Governor Attendance at Membership Committee Meetings:-

Committee Members (11)	Number of Meetings (5)
George Holden (Chair)	4
Peter Askew	2
Paul Aspden	1
Clive Barley (until September 2016)	1
David Crouchley	3
Zacky Hameed	2
Sheila Jefferson	2
Anthony Nixon	0
Patricia Roche (from November 2016)	0
Sharon Vickers	5
Lynden Walthew (Deputy Chair)	4

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 Public Governor (Wyre Constituency)
Mrs Camilla Hardy – Elected Public Governor (Blackpool Constituency)
Mr Steve Winterson – Appointed Governor (Lancashire Care NHS Foundation Trust)

There have been three meetings of the Nominations Committee during 2016/17.

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 NHS Improvement'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 setting 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.

**The Lancashire & South Cumbria Constituency was changed to the Lancashire and Cumbria Constituency as from September 2016.*

***The North of England Constituency was disbanded as from September 2016.*

Staff Members

- 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 5,276 as of 31st March 2017. A total of 388 members have been recruited, with 510 members who have been removed from the membership who have either died or have been made inactive (e.g. people who have moved away from the area, have not responded to Trust correspondence or have chosen to opt out).

The total number of staff members has increased over the year. A total of 2,060 staff members have been recruited, with 654 staff members who have been removed from the membership who are no longer employed by the Trust. The Trust's staff membership currently stands at 7,685.

Recruitment of Members

In order to improve the quality of our membership, we have implemented/ continued various initiatives over the past year. These include:

- Recruitment stands within Blackpool Victoria Hospital and at local community events;
- Use of the Trust's Facebook social network site to engage with and inform members and the wider public of developments, seminars and events at the Trust;
- Use of the Trust's Twitter social network page to attract new members, the Trust has over 6,500 followers;
- Continuation of the Youth Health Leaders Project which is now within seven local schools. An open day was held at Blackpool Victoria Hospital on 18th November 2016;
- Two Volunteers who help out with membership engagement and administration;
- A dedicated Membership and Governors Officer who acts as a link between the members, Council of Governors and the Trust;
- A 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 skills and knowledge.

As part of the revised Membership Strategy, the Membership Committee agreed to the the following development areas during 2016/17:-

- Young People;
- Diversity;
- Volunteers;
- Membership Engagement Package;
- Communication.

The Membership Committee has been monitoring the progress against key performance indicators and on an annual basis in April, reporting to both the Council of Governors and the Board of Directors.

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' Meeting in September 2016, a joint formal meeting between the local CCGs and the Trust, to discuss the Trust, its developments, future services, membership, healthcare across the wider health economy and joint working partnerships;
- Members are kept informed about patient and carer groups that are accessible on and off the Blackpool Victoria Hospital site;
- Members are kept up to date with any fundraising activities taking place across the Trust.

Membership Representation

The Trust recognises that in certain areas, such as, younger people and diversity it still remains under-represented and, in order to address these areas, the Membership Committee has introduced a strategy for implementation over the next three years. We continue to forge strong relationships within local schools and colleges to engage young people and 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 28.

Better Payment Practice Code

For detailed information on this section please refer to the Financial Performance Review section on page 25.

Income Disclosures

For detailed information on this section please refer to the Financial Performance Review section on page 27.

Quality Governance Framework

Quality Governance provides a framework for organisations and individuals to ensure the delivery of safe, effective and high quality healthcare. Its purpose is to help organisations monitor, develop and improve standards of care and through a combination of structures and processes, at Divisional up to Board level the Trust ensures quality performance and required standards are achieved.

Quality Performance Review

The Trust continues to be 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. Clinical governance and patient safety is embedded within the Divisions of the Trust who have a nominated Senior Lead Nurse, supported by a Quality Manager, to oversee governance arrangements and report compliance on agreed standards both set locally and externally by the CQC and NHSI at monthly Divisional Performance Boards with Executive Directors. 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 and participate in National Audits to ensure ongoing learning and development is implemented to promote safe care within best practice guidelines. This is monitored, through the Trust's monthly integrated reporting mechanism, by 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 implementation of year one of the Trust's three year Quality Strategy, which was developed to set out our ambition to provide the best patient care that is informed, timely and safe. The three year strategy aims to support 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 which has two goals providing a clear view of what our quality and safety priorities are and measures have been set to monitor progress against each goal.

QUALITY			
Informed	Enhancing the Patient Experience & Promoting Patient Involvement	Providing Evidence Based Care	
Timely	Care at the Right Time	Care at the Right Place	
Safe	Harm Free Care	Open and Honest Culture	
Strategic Enablers	Qualified, Motivates & Safe Staff	Excellent, Accessible Clinical Documentation	Partnership Working

The Quality Strategy supports the Trust to provide compliance against the care standards set by the CQC. The Trust was last inspection rated by the CQC in April 2014, with a follow-up inspection to Maternity Services in September 2015, which resulted in a 'Good' rating. The CQC also reviewed our Accident and Emergency Services in September 2015, providing us with one regulated activity action and some other areas identified for the Trust to review, this resulted in a 'Requires Improvement' rating for this service. Action plans developed to address the regulated activity and the other areas identified for review have been monitored by the Quality Committee and at CQC quarterly engagement meetings. The regulated

activity action is also monitored through the local commissioning-led Quality Review Board.

The Trust's overall rating of 'Requires Improvement' remains unchanged from the 2014 inspection and will remain so until a full inspection is facilitated by the CQC which is expected in 2017/18.

The Trust has an agreed quality contract with local commissioners with agreed key performance indicators that reflect national and local key health care targets, including agreed CQUIN requirements. Progress within performance against the indicators within the quality contract are monitored on a monthly basis with commissioners

at a formal Quality Review Board where key quality improvements are also tabled and priority areas for development agreed.

Key Quality Improvements and service developments are also 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 2016/17 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.

Expansion of Sexual Health Services

Following a successful tender from 1st April 2016 the sexual health service extended the geographical foot print to include, Central, East and West Lancashire, (previously Blackpool and North Lancashire). Genito-urinary Medicine (GUM) and contraceptive staff have joined together to become locality teams, with one team leader and one clinical nurse specialist in each area. Patients now have a single point of access phonenumber to access the service and staff training across all localities will facilitate the provision of a 'one stop service' so that patients do not have to have multiple appointments to receive care. Stakeholders that have been supportive of this development have been County Councils, Lancashire Care Foundation Trust, East Lancashire Hospitals Trust, Southport and Ormskirk Hospitals Trust and Brook Young Peoples' Service. The service is realising an increase in HIV screening, a reduction of sexually transmitted infections, an increase in Long Acting Reversible Contraceptive (LARC) methods such as coils, implants and injection and an increase in dual trained practitioners.

Development of Nurse Led Intravenous (IV) Therapy Service

This year, based on staff and patient feedback, the Trust's Community IV Service has changed to a Nurse Led Service model. This benefits the patients

as the service can now accept direct referrals from the GP and other community practitioners, therefore reducing the need for the patient to attend or be admitted to hospital. Both primary and secondary care staff can now refer to the service and this is therefore supporting early discharge from hospital into the community and early indications are demonstrating an increase in referrals. The service has also expanded to include a midline insertion service for secondary care. The review of the service included support from commissioners, GPs, Community IV Service staff and Microbiology staff. This service review has seen a reduction in regular admissions to hospital for IV therapy and ensured patients are treated in their own homes.

Enhanced Primary Care

Across the Fylde Coast, the Trust has been supporting the development of Enhanced Primary Care. This model is based around neighbourhoods working collaboratively across organisational boundaries with groups of GP practices and other key stakeholders such as social care, mental health as well as physical health services. The key design characteristics are a single point of access with shared ownership, co-ordination and triage through a central neighbourhood hub with a shared vision and goal for all patients. The workforce are being developed to gain widespread generic skills and one of the core elements of neighbourhood working will focus on multi-disciplinary working. The long-term vision is that the neighbourhood team will hold responsibility for the patient wherever they are in the system, preventing admission whenever possible and reaching into acute care to pull the patient out at the earliest opportunity. The aim is to optimise self-care and optimise health and well being rather than illness whilst using technology more effectively to assess patients remotely, to promote self-care and improve access to specialist support, if required.

Maternity Theatres Development

The Trust this year has seen an upgrade to its Obstetric Theatre and Recovery Area, with development of a new Paediatric Resuscitation Room attached to theatre. This upgrade provides a high standard facility with a 'back up' theatre. This was a Trust led programme requiring cross divisional working and was supported by the Trust's commissioners and approved by the

Strategic Development Steering Group and Capital Strategy Group. The Maternity Service Liaison Committee (chaired and attended by service users) endorsed the programme as it reduced the associated risks of running the service on only one Obstetric Theatre and it was subsequently approved and funded via the Trust capital funding stream.

Integrated Children's Community Service – Lancaster

This six month project formed part of Better Care Together to test a new way of working and ultimately reduce attendances and admissions to hospital and out of hours services. Children that had high attendances to A&E and hospital wards were targeted by a team nurse who would visit the family at home and carry out a holistic needs assessment for that family. That would then be discussed at a MDT meeting involving professionals from various organisations. Through this approach of working together and not just focussing on the needs of the child, but the whole family. As part of this process families receive support to manage their child's condition and empower them to reduce future health issues. The Better Care Together – Women & Children's Workstream have linked with other partners at University Hospitals of Morecombe Bay NHS Foundation Trust (UHMB), General Practitioner leads, Children's Centres, the Police, Schools, Housing and Adult Services. The main target set for this project was to contribute towards a 5% bed reduction at UHMB Children's Ward and this has been achieved. The implementation of the initial project received CQUIN funding and has now been allocated Vanguard money to extend the provision of this service.

Patient Tracker

The Trust's Patient Tracker has been internally developed and was initially launched on AMU in 2015, further work on designing the Ward Tracker resulted in a pilot on the Short Stay Ward in 2016. These have shown demonstrable benefits to support a successful £109,000 bid to Blue Skies Charitable Funds to support a Trust roll out over 2016/17. The Ward Tracker provides an electronic replacement for traditional whiteboards and facilitates access to real time clinical information from the point of referral to transfer/discharge; mapping triage, clinical assessments and daily board round (Red and Green day) activity, capturing relevant warning indicators and

patient alert messages. The Ward Tracker is used by members of multi-disciplinary teams to collate relevant clinical information, and is integrated with the existing Cyberlab, Clinical Hub and e-referral systems. The Ward Tracker, in its current form is a live, transparent, auditable, user friendly, evidence based application that provides the Trust with, never had before, clinical information to enhance patient safety and improve organisational efficiency. In time the reports generated will help identify areas of good practice as well as areas requiring focus with an opportunity to improve.

Combined Assessment and Treatment (CAT) Ambulatory Care Service

This new service supports the approach that urgent and emergency care patients in any setting should receive the earliest possible review by a senior decision maker. The service ensures that there is consideration of all potential acute admissions for ambulatory care unless their needs can only be met by an inpatient hospital stay. The Trust recognises that a significant proportion of adult patients requiring emergency care can be managed safely and appropriately on the same day either without admission to a hospital bed, or through admission for only a few hours. The service has been developed with key stakeholders; Ambulatory Emergency Care Network, Primary Care Assessment Unit, Divisional teams, General Practitioners, Pharmacists and Commissioners and provides an effective seven day service that is consistent, resilient and simple to understand for both patients to use and staff to work in. The service is delivering a reduction in the number of emergency bed days used, reduction in the number of patients admitted to hospital for more than one night, an improved patient flow, improved ambulance turnaround, a reduction in readmissions and a reduction in incidents in emergency care.

Frailty Unit

This new service has been developed to reorganise services around the patient and to provide care at all stages of the patient journey from healthy, active ageing through to end-of-life care. This approach is endorsed by NHS Improvement and the Acute Frailty Networks and has been developed with a number of key stakeholders including; Social Services, General Practitioners, Pharmacists and Commissioners. The service delivers a network based model to support the improvement of Acute Frailty Services spanning primary, community and

acute sectors. The facilitation of front door frailty assessment provides admission to the Frailty Unit, bypassing the A&E Department, and an early comprehensive geriatric assessment by a Doctor/Advanced Nurse Practitioner/Therapy Professional. This ambulatory/short stay/post assessment discharge support model is supporting a reduction in length of stay for this patient group, supporting the Trust's A&E 4-hour performance indicator, reducing readmissions of patients, supporting referral to the Trust's Extensive Care Services and ensuring the patient's experience is one that is timely, results in a return to their place of home in a safe manner where possible on the same day.

Cardiac Implantable Device Lead Extraction

Patients have requested (via GP referral) for the ability to have these procedures undertaken in Blackpool and therefore a resumption, after more than five years, of a service to offer extraction of chronic pacemaker and defibrillator leads to patients facing infected or damaged leads or needing access created to allow new leads to be placed has been implemented. Previously this group of patients have faced long inpatient stays and the need for transfer to Liverpool or Manchester for their surgery. Patients are now able to be treated in Blackpool by the team usually caring for their device follow up and regional patients in Lancashire and Cumbria can also be treated in Blackpool rather than travelling further. Commissioners have been engaged and supportive of the redevelopment of this procedure and through clinical collaboration between the Cardiologist, Cardiac Surgeons and Cardiac Anaesthetists improvement to our patients journeys has been achieved. This has supported the delivery of our commissioned Electrophysiology service specification and the delivery of a service that fulfils national requirements (BHRS) which is now a fully commissioned service at the Trust. To date the Trust has received excellent patient feedback in particular from patients who have struggled to access care in other National UK Centres.

Enhanced Recovery

Enhanced Recovery after Surgery (ERAS) is a programme of patient pre-optimisation through education of patients and carers to ensure they are empowered in taking control of their own health and recovery. By placing patients on this pathway of care enables reduced starvation times

and prompt recommencement of diet/fluids, rapid access and encouraged physiotherapy, tapered analgesia with monitoring and response to any potential side effects, the use of less invasive surgical techniques, a focus on removing invasive devices as soon as possible and re-commencement of normal activities of patients at the earliest possible time. All of this promotes earlier discharge with support for patients when discharged earlier through telephone contact or rapid access clinics. ERAS in Cardiac Surgery was introduced at the Trust in 2013 and after evidencing better patient outcomes, including reduced length of stay for patients, a roll out programme has been introduced to encompass all Cardiac Surgeons and extending from two days cover and aiming for five days cover. The programme has been supported by a dedicated nurse with recent agreement for increased physiotherapy input to support the programme. This has been an internally led programme which has been shared at national conferences and show casing/sharing the programme with other Trusts.

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
Base salary	<ul style="list-style-type: none">Provides fixed remuneration for the role which reflect the size and scope of the Director/Snr Managers responsibilitiesAttracts and retains the talent necessary to deliver the Trust's strategy	<ul style="list-style-type: none">Salaries are paid monthly and are reviewed annually via the Remuneration CommitteeConsideration is given to the size and scope of responsibilities; performance and experience; typical pay levels for comparable roles in similar Trusts	<ul style="list-style-type: none">Current salaries are disclosed on page 67Increases are normally in line with the national increases implemented for other staff groups	Through achievement of agreed individual and corporate performance objectives
Retirement benefits	<ul style="list-style-type: none">Provides competitive post-retirement benefitsAttracts and retains the talent necessary to deliver the Trust's strategy	<ul style="list-style-type: none">Membership of the NHS Pension SchemeIncludes range of benefits eg life insurance	<ul style="list-style-type: none">Pension Contribution rates are defined in the NHS Pension Scheme rules, the employer contributes 14.3% of pensionable earnings (see page 69)	None

Element	Purpose and link to strategic objectives	Operation	Maximum opportunity	Performance metrics
Benefits	<ul style="list-style-type: none"> Ensures the overall package is competitive Retains the talent necessary to deliver the Trust's strategy 	<ul style="list-style-type: none"> Access to a range of salary sacrifice schemes (child care, car lease, computer, cycles) Car allowance 	None	None
Annual bonus	None	None	None	None
Chairman and Non-Executive Director fees	<ul style="list-style-type: none"> To reward individuals for fulfilling the relevant role Attracts and retains individuals with the skills, experience and knowledge to contribute to an effective Board 	<ul style="list-style-type: none"> The Nominations Committee determines the fees for the Chair and Non-Executive Directors All NEDs are paid the same, with an additional allowance for the Chair of the Audit Committee 	These are set at a level which: <ul style="list-style-type: none"> Reflects the commitment and contribution that is expected from the Chair and NEDs Comparable with other similar NHS Trusts 	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.

In 2016/17, the national Agenda for Change pay award was 1% with all AfC pay scales being uplifted by this amount. The payment of incremental rises was also reinstated for all AfC staff so those staff not at the top of their payscale will have received their incremental raise, which included the 1% uplift.

During 2016/17, all Directors received a 1% pay increase to their salary. The payscales for senior managers were uplifted by 1% in line with the approach for Agenda for Change staff. The senior

managers received their incremental increase which included the 1% uplift. Senior managers at the top of their payscale will only have received the 1% uplift.

In 2016/17, the Chief Executive (Interim), Deputy Chief Executive/Director of Finance and Performance and Medical Director salaries are above the £142,500 threshold. This was based upon current market rates and externally benchmarked.

During 2016/17, 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. New regulations have been introduced which are likely to be implemented from June 2017. These changes will cap exit payments at £95,000 and introduce a repayment rule for redundancy payments over £80,000 where the employee returns to other public sector employment. Additional changes will reduce the calculation for redundancy pay to three weeks' pay for every year of service up to a maximum of 15 months and a taper on any lump sums.

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. Current salary sacrifice schemes are set to alter as a result of changes published by HMRC.

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 has utilised the annual remuneration survey undertaken by NHS Providers. The survey indicates that in Foundation Trusts the median salary for a Chief Executive is £180,000 with the median salary for Directors ranging from £105,000 to £140,000.

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 40.

Single Total Figure Table 2016/17

(The following table has been subject to audit)

Senior Manager	2016/17						
	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
W Swift - Chief Executive (Interim)	150 - 155	-	-	-	217.5 - 220	-	370 - 375
T Bennett – Deputy Chief Executive /Director of Finance and Performance)	140 - 145	-	-	-	97.5 - 100	-	240 - 245
P Oliver - Director of Operations	120 - 125	-	-	-	27.5 - 30	-	145 - 150
M O'Donnell - Medical Director*	225 - 230	-	-	-	107.5 - 110	-	335 - 340
M Thompson - Director of Nursing and Quality	130 - 135	-	-	-	140 - 142.5	-	270 - 275
N Ingham - Director of Workforce and Organisational Development	105 - 110	-	-	-	0	-	105 - 110
J Edney - Non Executive Director (to 31/05/16)	0 - 5	-	-	-	-	-	0 - 5
M Whyham - Non Executive Director (from 01/12/16)	0 - 5	-	-	-	-	-	0 - 5
M Hearty – Non Executive Director (from 01/04/16)	15 - 20	-	-	-	-	-	15 - 20
M Cullinan – Non Executive Director (from 01/07/16)	5 - 10	-	-	-	-	-	5 - 10
K Crowshaw - Non Executive Director	10 - 15	-	-	-	-	-	10 - 15
D Garrett - Non Executive Director	10 - 15	-	-	-	-	-	10 - 15
A Roff - Non Executive Director	10 - 15	-	-	-	-	-	10 - 15
M Ibbs - Non Executive Director (to 30/09/16)	5 - 10	-	-	-	-	-	5 - 10
M McIlmurray - Non Executive Director	10 - 15	-	-	-	-	-	10 - 15

*figures are inclusive of Medical Director's Consultant salary

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 Director	15 - 20	-	-	-	-	-	15 - 20
RA Shaw - Non Executive Director	10 - 15	-			-	-	10 - 15
K Crowshaw - Non Executive Director	10 - 15	-	-	-	-	-	10 - 15
D Garrett - Non Executive Director	10 - 15	-	-	-	-	-	10 - 15
A Roff - Non Executive Director	10 - 15	-	-	-	-	-	10 - 15
M Ibbs - Non Executive Director	10 - 15	-	-	-	-	-	10 - 15
M McIlmurray - Non Executive Director	10 - 15	-	-	-	-	-	10 - 15

*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 2016/17 (2015/16: Nil). During 2016/17, no compensation payments were made to directors for loss of office (2015/16: Nil).

Marie Thompson, Director of Nursing and Quality holds a Non-Executive Director post at Blackpool Coastal Housing.

Pat Oliver, Director of Operations holds a Non-Executive Director post at BFW Management Ltd, a wholly owned subsidiary company of the Trust.

Table of Salary and Pension Entitlements of Senior Managers

(The following table has been subject to audit)

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 2017	Lump sum at pension age related to accrued pension at 31st March 2017	Cash Equivalent Transfer Value at 1st April 2016	Real Increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31st March 2017	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
W Swift - (Chief Executive (Interim))	10 - 12.5	30 - 32.5	70 - 75	215 - 220	1,391	0	0	22
T Bennett – Deputy Chief Executive/ Director of Finance and Performance	5 - 7.5	15 - 17.5	50 - 55	155 - 160	844	150	994	21
M O'Donnell - Medical Director*	5 - 7.5	17.5 - 20	90 - 95	270 - 275	1,956	0	0	27
M Thompson - Director of Nursing and Quality	5 - 7.5	20 - 22.5	50 - 55	150 - 155	763	146	908	19
N Ingham - Director of Workforce and Organisational Development	0 - 2.5	0 - 2.5	20 - 25	70 - 75	357	13	370	15
P Oliver - Director of Operations	0 - 2.5	5 - 7.5	45 - 50	135 - 140	808	59	867	17

*Figures are inclusive of Medical Director's Consultant salary

In accordance with the NHS Pension Regulations, Mrs Wendy Swift and Professor Mark O'Donnell no longer have an attributable Cash Equivalent Transfer Value (CETV). The real increase for these members is reported as nil in the table above.

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

A Cash Equivalent Transfer Value is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's and any other contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension

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

Real increase in CETV - this reflects the increase in CETV effectively funded by the employer. It takes

account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

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 2016/17 was £225,000-£230,000 (2015/16, £215,000-£220,000). This was 9.4 times (2015/16, 9.4) the median remuneration of the workforce, which was £24,304 (2015/16, £23,363).

In 2016/17, 0 (2015/16, 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

5/6 Directors submitted expense claims in 2016/17 (2015/16: 7/7). The total amount of expenses paid to Directors in 2016/17 was £2,754.37 (2015/16: £4,292.15).

Non-Executive Directors' Expenses

7/10 Non-Executive Directors submitted expense claims in 2016/17 (2015/16: 5/8). The total amount of expenses paid to Non-Executive Directors in 2016/17 was £6,659.00 (2015/16: £7,059.75).

Governor Expenses

5/33 Governors submitted expense claims in 2016/17 (2015/16: 6/33). The total amount of expenses paid to Governors in 2016/17 was £981.40 (2015/16: £2,091.76).

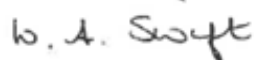
Membership of the Remuneration Committee

Mr Doug Garrett – Chair of the Committee (until September 2016)
Mr Ian Johnson
Mrs Karen Crowshaw (from September 2016 - Chair of the Committee)
Mr Alan Roff
Mr Jim Edney (until May 2016)
Mrs Michele Ibbs (until September 2016)
Dr Malcolm McIlmurray
Mr Michael Hearty
Mr Mark Cullinan (from July 2016)
Mrs Mary Whyham (from December 2016)
Miss Judith Oates – Secretary to the Committee

Six meetings of the Committee took place during 2016/17 with attendance as follows:-

Committee Members (8)	Number of Meetings (6)
Mr Doug Garrett (Chair – until September 2016)	4
Mrs Karen Crowshaw (Chair – from September 2016)	6
Mr Ian Johnson	6
Mr Alan Roff	5
Mr Jim Edney (until 31.05.16)	0
Mrs Michele Ibbs (until 30.09.16)	2
Dr Malcolm McIlmurray	4
Mr Michael Hearty	6
Mr Mark Cullinan (from 01.07.16)	5
Mrs Mary Whyham (from 1.12.16)	3
Miss Judith Oates – Secretary to the Committee	6

Mrs Wendy Swift, Chief Executive (Interim), 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: 24th May 2017

Wendy Swift

CHIEF EXECUTIVE (INTERIM)

Staff Report

Analysis of Staff Numbers

Average number of persons employed	Year ended 31st March 2017	Year ended 31st March 2017	Year ended 31st March 2017	Year ended 31st March 2016
	Permanently employed	Other	Total	Total
	WTE	WTE	WTE	WTE
Medical and Dental	484	62	546	444
Administration and estates	1,070	41	1,111	1,281
Healthcare assistants and other support staff	1,791	10	1,801	1,345
Nursing, midwifery and health visiting staff	2,084	19	2,103	2,144
Nursing, midwifery and health visting learners	65	0	65	18
Scientific, therapeutic and technical staff	600	13	613	744
Healthcare science staff	193	0	193	78
TOTAL	6,287	145	6,432	6,054

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 following table identifies the breakdown of staff groups for April 2016 to March 2017.

Organisation	Ethnic Origin	Full Time Equivalent (FTE)	Headcount
LF Blackpool Teaching Hospitals NHS Foundation Trust	0 White	4.99	7
	4 Indian	3.4	4
	5 Pakistani	1	1
	7 Chinese	6.47	7
	A White - British	4,891.82	5,748
	B White - Irish	33.73	38
	C White - Any other White background	91.7	101
	C2 White Northern Irish	1.8	2
	C3 White Unspecified	0.49	1
	CA White English	37.32	41
	CB White Scottish	8.03	9
	CC White Welsh	1.33	2
	CE White Cypriot (non specific)	0.67	1
	CF White Greek	8	8
	CK White Italian	23.53	24
	CP White Polish	16.28	18
	CQ White ex-USSR Total	1	1
	CX White Mixed	1	1
	CY White Other European	78.45	79
	D Mixed - White & Black Caribbean	11.87	13
	E Mixed - White & Black African	3	3
	F Mixed - White & Asian	13.16	15
	G Mixed - Any other mixed background	10.8	11
	GC Mixed - Black & White	3	3
	GE Mixed – Asian & Chinese	0.64	1
	GF Mixed - Other/Unspecified	2.6	3
	H Asian or Asian British - Indian	129.09	137
	J Asian or Asian British - Pakistani	40.05	45
	K Asian or Asian British - Bangladeshi	5.53	6
	L Asian or Asian British - Any other Asian background	46.93	52
	LA Asian Mixed	1	1
	LE Asian Sri Lankan	2	2
	LF Asian Tamil	1	1
	LH Asian British	2	2
	LK Asian Unspecified	1	1
	M Black or Black British - Caribbean	5	5
	N Black or Black British - African	20.76	22
	P Black or Black British - Any other Black background	5	5
	PC Black Nigerian Total	1	1
	PD Black British	0.33	1
	R Chinese	11.07	14
	S Any Other Ethnic Group	51.02	56
	SC Filipino	28.89	31
	SD Malaysian	2	2
	SE Other Specified	3.53	4
	Undefined	199.01	244
	Z Not Stated	159.92	190
Total		5,972.23	6,964

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 2017		
	Male	Female
Directors and other senior managers*	8	6
Employees	1,311	5,647

*Directors and senior managers comprises Executive Directors and Non-Executive Directors in post at 31st March 2017 as disclosed in the Remuneration Report.

Sickness Absence

Absence is above the target of 4.0% finishing at 4.78% year to date at the end of March 2017. However the latest benchmarking figures available indicate that at the end of January 2017, the average absence rate across the North West region was 5.3% and 5.0% nationally so our Trust performed well against these averages.

Stress/anxiety/depression remained in the top three reasons for long and short term absence spells throughout the year. Analysis of the last 12 months suggests that 51% of the workforce experience this in the 40-55 year old age range. The figures include domestic stress and diagnosed mental

health conditions as well as work related stress To support staff with this, work has been done on the Emotional Wellbeing toolkit, "How are you feeling today" which is incorporated into the Stress Policy to help managers to be able to identify the reasons for stress and put the right interventions in place to support the individual. Occupational Health also offer proactive interventions such as menopause workshops, weight management groups, and physical activity interventions along with the other services such as counselling, Cognitive Behavioural Therapy (CBT) and hypnotherapy. Focus on supporting staff to remain in work is important as well as ensuring that sickness absence is managed consistently and fairly and compliance to the Attendance Management Policy is monitored by the HR Advisory Service.

Overall Trust Sickness Absence Rates	
Year	Sickness Absence Results
2012/2013	3.85%
2013/2014	3.92%
2014/2015	4.47%
2015/2016	4.25%
2016/2017	4.78%

The table below details national sickness absence data and the figures given are for the 2016 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 (2016 Calendar Year)	Average FTE 2016	FTE-Days Available	FTE-Days Lost to Sickness Absence	Average Sick Days per FTE
4.6%	6,076	2,217,902	102,387	10.4

Promoting Equality and Diversity

Equality and Diversity (E&D) continues to be an important part of the Trust's overall work to improve service provision and employment. 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 our 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 and staff who have an assistance dog;

- Improving Translation and Interpreting for patients including easy read documents;
- Closer partnership working with CCG's, Councils and third party organisations;
- Promoting the Military Covenant to support injured ex-service men and women.

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. Work is ongoing in meeting the Accessible Information Standard introduced in July 2016 and new IT systems will further assist the Trust in meeting these standards.

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 usable and used in order to improve patient experience.

The objectives are monitored by the Trust's Equality Diversity and Inclusion Implementation (ED&I) Group. Following the outcome of the last Equality Delivery System (EDS) public consultation and engagement event it was agreed these objectives should continue until review in 2016/17. 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 Equality Delivery System public consultation and engagement event which covered 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 and promote the Military Covenant;
- 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 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. To support this, the Trust has a number of policies which underpin our approach to supporting Equality and Diversity for our staff:

- Equality, Diversity and Human Rights Strategy;
- Recruitment and Selection (two ticks scheme);
- Creating a diverse workforce – supporting staff with a disability (including access to a consultant led Occupational Health Service for advice on reasonable adjustments);
- Gender Reassignment support in the workplace;
- Religious and cultural beliefs.

In accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 the Trust

will be including this information in the Annual Report from next year.

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 continued working with staff to communicate and engage on our Strategic Vision.

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. A number of engagement sessions were held with managers from across the Trust who were given a toolkit to help them cascade the strategy to their members of staff. The sessions highlighted the importance of managers owning the strategic measures in their areas and concentrating their efforts on delivering the key objectives on a day to day basis.

There has been ongoing communications via the Team Brief process to highlight each of the work streams, the action taking place to deliver these and the progress on these. This has also been communicated via regular screen saver messages. The Team Brief process also includes a regular update in relation to performance and financial position.

Members of staff were 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 Health and The Pulse.

The Trust's Vision and Values are reflected throughout all our publications. Our Team Brief highlights the strategic ambition and our staff publications such as the Pulse and Newsround constantly refer to work being undertaken to achieve our ambitions. One area of particular success has been a poster campaign where every day a member of staff or a team has been featured on a poster and been highlighted on our social media outlets. This has helped get the message across that every member of staff has a role to play in the strategy and has been well received.

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 2016, we consulted with our staff and working together we implemented a number of changes throughout the organisation. Some examples of these changes are as follows:

- Development of the Vanguard services;
- Consultation on Family Nurse Partnership which involved health visitors and school nurses;
- Various TUPE transfers relating to service changes (sexual health, smoking cessation);
- Development of a separate company to manage the Trust's estates service and the transfer of staff to this.

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 & 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 Quality Committee who reports to the Board of Directors.

Ongoing security related work continues to effectively reduce the number of security 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 practice for Lone Working and agreeing procedures and training to support our workers to remain safe when in practice. Our Health & Safety and community fire Officer regularly conducts 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's Health, Safety and Security Policies and Procedures are continually reviewed and updated according to current legislation.

Under clause 24 of the NHS Standard Contract for 2015/16, all organisations providing NHS services are required to put in place appropriate security management arrangements to address security management issues, having regard to NHS Protect Standards. 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 SMD ensures that 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's Local Security Management Specialist have throughout 2016/17 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. The outcome of Blackpool Teaching Hospitals' Self Review Toolkit process summary overall score is a "green" rating which will give the assurance it requires in order to confirm that the "standards for providers" are being adhered to and that a proficient, competent and capable security provision is being dispensed at the Trust.

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. The 2016 Staff Survey has been conducted to evaluate staff awareness of the Trust's related security guidance documents. This form of measurement provides the Trust with assurance that part of the LSMS role is being carried out effectively. Staff surveys have been included in the 2017/18 LSMS work-plan that will provide a further form of direct comparison measurement of the Trust's Security Management Strategy.

Specialist advice on all aspects of security is available to Trust staff in varied policies and recently updated. 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 Trust 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. Security awareness presentation/surveys allow the Trust to ascertain future learning aims and develop improved processes. The Trust drives this by presenting security awareness to all new starters at the Trust.

The Trust has throughout this recorded period invested £32,767 to provide new Closed Circuit Television (CCTV) equipment which provides both deterrent and detection of incidents within our Trust sites. These improvements throughout a number of premises has increased the probability of criminals being caught and act as a visual deterrent to people mindful of committing criminal offences. The Trust has an internal hospital safety 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 SMD/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.

The Trust is also undertaking a review of de-escalation and distraction training requirements to better meet the needs of challenging patients and support improved safety of patients, staff and visitors.

Table of Number of Verbal/Aggressive Incidents

No. of Violent / Abusive Incidents	2015/16	2016/17	% of Reduction
Verbal	220	220	0%
Physical	244	226	7.3%

Staff Survey Results

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

Staff engagement is essential to ensure that our Workforce Strategy responds to the real issues and concerns facing our staff. We launched our Trust Strategy in April 2016 with a series of staff roadshows alongside a robust communications and engagement strategy to raise awareness which will continue on an on-going basis to ensure staff are engaged in the Trust's direction of travel and are shaping how it will be delivered, ensuring ultimate success for the Trust. This provides clarity on our direction of travel, our key work streams and our values. We recognise that in order to deliver our vision we must transform our workforce so that they are involved and engaged as we develop our seven key work streams and start to see real change for the benefit of our patients.

Our values were developed through staff conversations in early 2013 and have now been in place for two years. Staff engagement is crucial to our future direction and we have been working towards an 'engaging culture' throughout the organisation for a number of years. To achieve this, we have been steadily working towards transforming the culture of the organisation in terms of the way we involve and listen to our staff through the use of a variety of approaches such as staff engagement "conversations" and staff surveys.

The core values describe our "Trust Way" and from each of the values a simplified set of behaviours and attitudes have been derived to aid practical use of the values in everyday working life and these are described as the Trust Person and the Trust Manager.

The Trust Person is always:-

- Patient focused;
- Supporting patients and colleagues, showing empathy and understanding;
- Positive, managing their own behaviour and attitude and appreciating the efforts of others;
- A team player, striving to communicate effectively and taking responsibility for actions;
- Striving to "do their best" for patients and colleagues and seeking out opportunities for improvements.

The Trust Manager is always:-

- Modelling the behaviours of the Trust person;
- Supporting staff to do their best for patients and colleagues;
- Demonstrating empathy and understanding in their management style;
- Demonstrating a positive attitude and acknowledging the efforts of others;
- Demonstrating effective communicate effectively and taking responsibility for actions;
- Striving to "do their best" for patients, staff and colleagues and seeking out opportunities for improvements.

Through the use of the appraisal process for all staff and a specially designed questionnaire for managers known as the Leadership and Management Style Questionnaire (LMSQ) we will be able to discuss and measure the extent to which staff at all levels of the organisation are living the values and provide support and training for identified areas of development. Our aim is to embed the core values into all HR policies and processes to ensure that we are aligning our expectations in respect of behaviour into how we

manage and lead alongside how we challenge poor performance. We are embedding the values into recruitment and selection processes, appraisal and performance management.

average for 13 of the 32 key findings and below average on seven of the key findings.

Summary of Performance

The results from the Staff Opinion Survey 2016 show an increase in the response rate (38%), which is below the national average of 44%. This year we surveyed the full census of staff so the number of staff who completed the survey was 2,547 which is our highest number to date. Our Staff Engagement score is 3.81, which is just above the national average of 3.80. We rank 18th 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 and of these, three are within the top 20% of scores for Combined Acute and Community Trusts. We are

Future Priorities and Targets

Detailed analysis is currently being undertaken by Division and Occupational groups to identify key differences within the data to enable targeted approaches to be taken in addressing concerns. Workforce 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.

Survey Questions	2015/16 %		2016/17 %		Trust Improvement/ Deterioration
	Trust	National Average	Trust	National Average	
Response Rate	34.1%	41%	38%	44%	3.9% improvement

Survey Questions	2015/16 %		2016/17 %		Trust Improvement/ Deterioration
	Trust	National Average	Trust	National Average	
Top 5 Ranking Scores					
Percentage of staff appraised in last 12 months	94%	86%	96%	86%	2% improvement
Percentage of staff working extra hours	67%	72%	67%	71%	No change
Percentage of staff satisfied with the opportunities for flexible working patterns	55%	50%	55%	51%	No change
Staff satisfaction with the quality of work and patient care they are able to deliver	4.04 out of 5.00	3.94 out of 5.00	4.02 out of 5.00	3.92 out of 5.00	0.02 deterioration
Percentage of staff reporting most recent experience of violence	61%	52%	73%	67%	12% improvement

Survey Questions	2015/16 %		2016/17 %		Trust Improvement/ Deterioration
Bottom 5 Ranking Scores	Trust	National Average	Trust	National Average	
Quality of appraisals	2.90 out of 5.00	3.04 out of 5.00	2.95 out of 5.00	3.11 out of 5.00	0.05 improvement
Percentage of staff reporting errors, near misses or incidents witnessed in the last month	88%	90%	89%	91%	1% improvement
Percentage of staff experiencing harassment, bullying or abuse from staff in last 12 months	26%	24%	26%	23%	No change
Percentage of staff believing that the organisation provides equal opportunities for career progression or promotion	87%	87%	85%	87%	2% deterioration
Quality of non-mandatory training, learning or development	4.07 out of 5.00	4.04 out of 5.00	4.05 out of 5.00	4.07 out of 5.00	0.02 deterioration

Expenditure on Consultancy

During 2016/17, the Trust incurred £2.851m on external consultancy costs (2015/16: £1.58m).

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 2017, for more than £220 per day and that last for longer than six months

Number of existing engagements as of 31st March 2017	3
Of which...	
Number that have existed for less than one year at time of reporting	0
Number that have existed for between one and two years at time of reporting	3
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 2016 and 31st March 2017, 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 2016 and 31st March 2017	4
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	4
Number for whom assurance has been requested	2
Of which:	
Number for whom assurance has been received	2
Number for whom assurance has been not received	0
Number that have been terminated as a result of assurance not being received	0

Table 3: For any off-payroll engagements of board members, and/or senior officials with significant financial responsibility, between 1st April 2016 and 31st March 2017.

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.	7

Exit Packages

During the year the Trust approved two exit packages. Termination benefits packages used by the NHS Foundation Trust consist 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 31st March 2017. (2015/16 comparatives shown in brackets).

Exit package cost band		Compulsory redundancies	Other departures agreed	Total
		Number	Number	Number
<£10,000		0 (0)	0 (0)	0 (0)
£10,000 - £25,000		0 (0)	2 (0)	2 (0)
£25,001 - £50,000		0 (0)	0 (0)	0 (0)
£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)	2 (0)	2 (0)
		£000	£000	£000
Total resource cost - 2016/17		0	40	40
Total resource cost - 2015/16		0	0	0

Exit packages: Non compulsory departure payments	2016/17		2015/16	
	Agreements	Value	Agreements	Value
	Number	£000	Number	£000
Voluntary redundancies including early retirement contractual costs	0	0	0	0
Exit payments following employment tribunals or court orders	2	40	0	0
Non-contractual payments requiring HMT approval	0	0	0	0
Total	2	40	0	0

Details of exit packages agreed for Non Executive and Executive Directors of the NHS Foundation Trust can be found in the Remuneration Report.

Disclosures with the NHS Foundation Trust Code of Governance

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

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 18th April 2017. The Audit Committee approved that the Trust complied with all the provisions.

Disclosure of Public Interest

The Trust has not held any public consultations between 1st April 2016 – 31st March 2017.

Disclosures from the Audit Committee

Role and Composition

The primary 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. It also reviews the Annual Governance Statement prepared by the Chief Executive in her role as the Accountable Officer.

The Committee is chaired by Mr Michael Hearty, who joined the Trust in April 2016. The Board considers Mr Hearty to have the relevant financial experience as a qualified accountant, Chartered Institute of Public Finance and Accountancy (CIPFA) where he was a member of the Council until 2015. Mr Hearty has extensive experience of strategic and operational leadership in two large and complex UK Government Departments, the Department for Work and Pensions and the Department for Children Schools and Families (now the Department for Education), and with the Welsh Government, with the latter two being Board level positions.

In addition to the Committee members, standing invitations are extended to the Deputy Chief Executive/Director of Finance and Performance, External and Internal Audit representatives, the Local Counter Fraud Specialist and members of the Corporate Assurance Team. 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. The Chief Executive also has a standing invitation to the Committee, in particular for the Annual Governance Statement, Draft Internal Audit Plan and Annual Report and Annual Accounts. Other Non-Executive Directors have been invited and have attended as chairs of Board Committees.

The Committee operates in accordance with the revised Terms of Reference after the Strategy and Assurance Committee had requested on 30th March 2016 that the Committee take on the

formal oversight of risk management and provide assurance to the Board of Directors. Whilst also gaining assurance on the implementation of the Trust Strategy and associated transformation through the assurance reporting from the Chair of the Strategy and Assurance Committee. At the Audit Committee meeting on 8th November 2016 the Committee considered and accepted updated Terms of Reference. The Board accepted these revisions and recommendations on 25th January 2017. The Audit Committee has met on six occasions during the year ended 31st March 2017. The Committee's membership consists of three Non-Executive Directors. Each meeting has complied with the criterion for frequency of attendance and been quorate as set out in the Audit Committee's Terms of Reference.

Administrative support has been provided by Mrs Paula Clark as Personal Assistant to the Deputy Chief Executive/Director of Finance and Performance.

The Remit of the Internal and External Auditors

Internal Audit

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

STRUCTURE AND ROLE

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 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 Deputy Chief Executive/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 (KPIs)

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 ended on 30th September 2016 and the Audit Committee agreed to an extension until 30th September 2017.

External Audit

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.

The Trust limits work undertaken by the external auditors outside the audit code to ensure independence is not compromised. In 2016/17, PwC did not provide any other services to the Trust.

The Council of Governors on 26th October 2016 approved the extension for a further year of PwC as the Trust's external auditors until 31st May 2018. 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 Work of the Audit Committee in Discharging Its Responsibilities including 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 Head of Corporate Assurance and Local Counter Fraud Specialist on the robustness of risk management, governance and fraud arrangements throughout the Trust.

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 Head of Internal Audit and Internal Audit Manager. Receiving reports on the Core Financial Controls and Financial Management; Governance Arrangements, Risk Management and Board Assurance Framework; Information Governance; Data Quality; Contingent Labour; Mortality; Length of Stay; Strategy Implementation including Cost Improvement Plans and Lessons Learned.

At its meetings on 18th April 2017 and 24th May 2017, 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.

The Committee has reviewed and considered the work of the External Auditor at its meetings in the year from 1st April 2016 to 31st March 2017 by:

In relation to 2015/16;

Considering the Trust's Annual Governance Statement at the meeting held on 25th May 2016 and recommending it to the Board for approval:-

- There were two significant items of judgement, an Emphasis of Matter regarding material uncertainties with respect to the Trust's cash position and going concern which were discussed by the Audit Committee and accepted by the Board.

In relation to 2016/17;

For completeness, and even though the discussions in relation to 2016/17 were not completed until May 2017, 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 2016/17;
- Considering the extent of co-ordination with, and reliance on, Internal Audit;
- 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 24th May 2017 which was presented to the Board of Directors at its meeting also on 24th May 2017;
- The accounting treatment of Charitable Funds and their relationship with the Trust's accounts.

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:

- The Trust's approach to Monitor's Well-led Review Framework;
- The arrangements for Whistleblowing and Freedom to Speak Up and their effectiveness;
- Consideration of Local Counter Fraud Specialist Reports and Annual Report;
- The Trust's approach to value for money, including private patient activity, overseas income and orthopaedics and ophthalmology service improvements;
- The management of medical devices;
- The introduction of 'deep dives' into significant risks on the Corporate Risk Register;
- An update of the Standing Financial Instructions and Reservation of Powers and Scheme of Delegations;

- Review of the Governance Framework for the Estates Alternative Delivery Model;
- The identification and agreement of matters for consideration by the Board.

Conclusion

The Committee has continued to focus in 2016/17 on supporting the Trust's governance and assurance arrangements. 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 of Directors 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.

Signed:



Michael Hearty

AUDIT COMMITTEE CHAIRMAN

Date: 24th May 2017

Annex A: Quality Accounts

1: Statement on Quality from the Chief Executive

Blackpool Teaching Hospitals NHS Foundation Trust vision states that our care will be safe, high quality and managed within available resources, provided in the most appropriate environment and to agreed pathways of care. 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 continue to work to the Trust's values of being people centred, excellent, compassionate, positive and they continually strive to provide the best care possible, both within a hospital setting and a community setting. I would like to thank all the staff at the Trust who work tirelessly every day to provide positive outcomes for our patients.

Ensuring our patients receive a positive experience of care is important to our staff and for us as an organisation. 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.

We have continued to increase our efforts towards driving quality and safety improvements across the organisation. This has been supported by the implementation of the first year of our Quality Strategy and within the Quality Accounts we are pleased to report progress against the three key

principles set out within the strategy, that care will be;

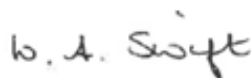
- Informed;
- Timely;
- Safe.

We are pleased with our achievements for 2016/17 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 as their views are extremely important to us. We are pleased that Governors and other local stakeholders 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 2016 – 31st March 2017 is a balanced and accurate account of the quality services we provide. These Quality Accounts are our eighth 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

Signed:



Wendy Swift

CHIEF EXECUTIVE (INTERIM)

Date: 24th May 2017

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 supported the implementation of year 1 of our 3 year Quality Strategy (set out on page 109 of the Quality Accounts). The organisational Strategic Framework already in place underpins the current quality programme set out in this Quality Account for 2016/17 and this continues to enable progress against the quality priorities set out in the Trust's Quality Strategy. This has enabled us to maintain a focus on the quality and safety agenda, whilst the organisation facilitates implementation of the outcomes of its Trust-wide strategic review, which took place in 2015/16. Progress against year 1 of the Quality Strategy has demonstrated improvements to the health and outcomes of our local population based on the values and principles set by the Board of Directors within the Trust's vision and values.

outlined within the metrics identified in the Quality Strategy are believed by the Trust to 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 will be measured through agreed targets for specified metrics within the three key elements of the Quality Strategy, 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.

2.1 Rationale for the Selection of Priorities for 2017/18

The Trust's priorities for 2017/18 in relation to the key elements of the quality of care for clinical effectiveness this includes, quality of patient experience and patient safety. The initiatives chosen to deliver these priorities were established as a result of consultation with patients, governors, managers and clinical staff. The Trust shared its proposed priorities for 2017/18 with our Clinical Commissioning Groups, Blackpool Healthwatch, Lancashire Healthwatch, Blackpool Health Scrutiny Committee, Lancashire Overview and Scrutiny Committee and a sub group of the Council of Governors.

The Trust has aligned its priorities for the coming year against what it set out in its Quality Strategy last year and as it moves into the 2nd year of reporting against this strategy, this will assist the Trust to achieve delivery of care that is informed, timely and safe. The improvement priorities

2.2 A Review of Quality Improvement Projects 2016/17

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

Quality Initiative	Target Achieved (on plan) / Close to Target / Behind Plan.	
Harm Free Care	Target achieved	✓
Sign up to Safety	See individual scores on page 92	
Reducing Patient Falls	Behind plan	↓
Reduction in Pressure Ulcers	Behind Plan (Stage 2 & 4)	↓
	Target Achieved (Stage 3)	✓
Care of the Deteriorating Patient	Target achieved	✓
Clinical Pathways	Behind Plan	↓
Patient Safety – Lessons Learned		
Duty of Candour		
Infection Prevention - Methicillin Resistant Staphylococcus Aureus (MRSA)	Behind plan	↓
Infection Prevention – Clostridium difficile	Target achieved	✓
Patient Family and Carer Experience – FFT	Behind Plan	↓
Patient Family and Carer Experience – ‘Tell Us’ Campaign	i) Data awaited	
	ii) Behind Plan	↓
Patient Family and Carer Experience – Always Events	On plan	=
Patient Family and Carer Experience – PROM’s	On Plan	✓
Workforce Experience		
Dementia Care	Target achieved	✓
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%

To help us monitor the safety of our patients, we have continued to measure the harms occurring to our patients in a drive to deliver 'harm free care'. 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.

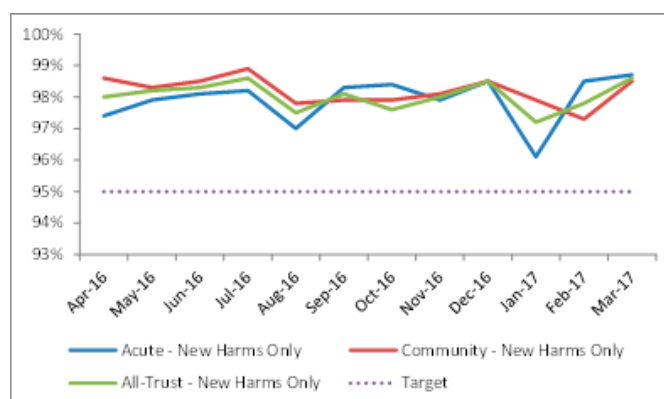
In 2016/17, based on Safety Thermometer data:

- 87 out of 8,117 hospital in-patients (1.07%) were reported as having a Catheter Associated Urinary Tract Infection (CAUTI);
- 40 out of 8,117 hospital in-patients (0.49%) were reported as having a Venous thromboembolism (VTE);
- 48 out of 8,117 hospital in-patients (0.59%) were reported as having a pressure ulcer;
- 195 out of 8,117 hospital in-patients (2.4%) were reported as having a fall.

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 focus on pressure ulcer and fall prevention has actively supported patient and staff education and training to promote effective care to prevent these harms. Focus in the year from a VTE perspective has been to re-establish the multi-disciplinary VTE Committee to review our practise guidance/policy in line with the latest best practice evidence and ensure risk assessments are carried out and patients receive the correct treatment plan based on their risk

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



Outcome:

Acute 98.1%, Community 98.2%, Trust 98.2.

Progress:

✓ Target Achieved.

2.2.2 Sign up to Safety



What: Improve the safety of our patients and reduce avoidable harms

How Much: Over 2 years, improve:
 Stage 2 pressure ulcers - 30% reduction.
 Stage 3 & 4 pressure ulcers - 50% reduction.
 Falls - 20% reduction.
 Failure to rescue deteriorating patients - 50%.
 Meet pathways compliance for Sepsis & Acute Kidney Injury (AKI).

Sign up to Safety (SUTS) is a national initiative to help NHS organisations and their staff achieve their safety aspirations and care for their patients in the safest way possible.

The Trust has continued to participate in the national Sign Up To Safety (SUTS). This is a national 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 continued to work with commissioners, Academic Health Science Network's, Health Foundation, NHS England and regulatory bodies to continue to develop and embed safety initiatives to improve patient outcome and experience.

The Trust's key focus of safety covers the following areas:

- Falls;
- Pressure ulcers;
- Clinical pathways (sepsis and AKI);
- Care of the deteriorating patient (including maternity patients).

These focus areas were identified as each has a risk that impacts on patient safety; supports the delivery of the overall Trust Strategy; and Quality Strategy, supports the delivery of our pledge to deliver the National Leading Change Adding Value; the 10 Commitments (A National Framework for Nursing, Midwifery and Care Staff); and supports 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.

Each work stream of focus has a comprehensive quality improvement action plan, which highlights proposed activities to drive and embed improved standards of care and enhance patient experience and outcome.

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

Outcome: <ul style="list-style-type: none"> • Stage 2 pressure ulcers increased 7.22%, stage 3 decreased by 55.32% and stage 4 increased by 15.38% from 2015/16. The overall increase for all grades together was 3.65% over 2 years. 	Progress: <ul style="list-style-type: none"> ↓ Behind Plan for stage 2 & 4 ✓ Target Achieved for stage 3
<ul style="list-style-type: none"> • This year, falls resulting in harm increased by 7.23% and over 2 years saw a 3.2% increase. 	<ul style="list-style-type: none"> ↓ Behind Plan.
<ul style="list-style-type: none"> • There has been a reduction of 70.83% in year of failure to rescue a deteriorating patient and over 2 years, a 81.58% reduction. 	<ul style="list-style-type: none"> ✓ Target Achieved.
<ul style="list-style-type: none"> • In year there has been improvement in year, the cumulative compliance with pathways were sepsis (28.4%) and acute kidney injury (11.4%). 	<ul style="list-style-type: none"> ↓ Behind Plan.

2.2.3 Reducing Patient Falls

Sign up to
SAFETY

NHS
England



What: Reduce the number of patients experiencing a harm as a result of a fall.

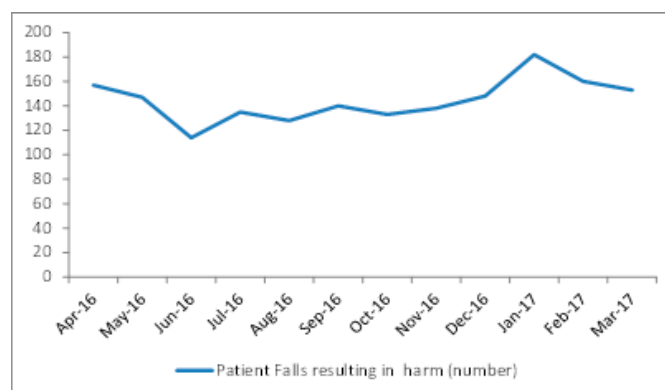
How Much: 20% reduction by March 2017.

As part of our Sign Up To Safety (SUTS) Campaign we have been lucky to employ a Falls Risk and Response Nurse who has provided intensive support to clinical staff in the hospital and community hospital settings in promoting and ensuring patient safety in falls prevention and post fall care.

In addition to the support, the role has also introduced a variety of quality improvement initiative:

- Developed staff and patient educational tools for the prevention and safe management of falls;
- Developed patient information leaflet
- Standardised patient falls alarms and developed an educational video;
- Supported the revision of the trust falls prevention policy to bring it in line with the latest National Institute for Health and Care Excellence (NICE) guidance;
- Worked closely with voluntary agencies such as Age UK, N-Vision and the Parkinson Society to raise awareness of falls prevention;
- Reviewed current lifting equipment and developed a comprehensive training package for staff in liaison with the clinical education department;
- Developed falls champions in all clinical areas.

The Falls Committee also 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.



“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.

Outcome:

This year, falls resulting in harm increased by 7.23% and over 2 years saw a 3.2% increase. This represents 0.6% of all inpatient admissions for the year.

Progress:

↓ Behind Plan.

Although falls have increased, falls resulting in a serious harm have decreased by 22.86% over the 2 years. The increase in falls reflects the increase in patient admissions and improved reporting.

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%.
Stage 3 & 4 pressure ulcers - 50%.

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. They can happen to patients in hospital or in their own home. The risk of a pressure ulcer developing increases if the patient is 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 (SUTS) 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.



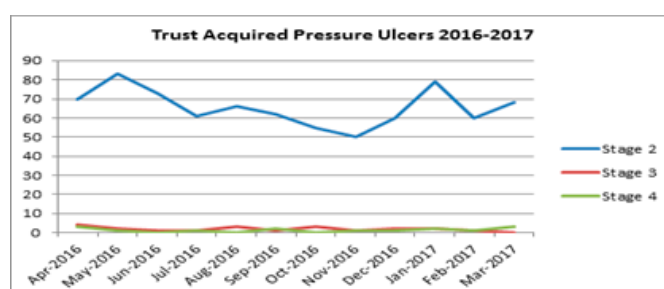
The Tissue Viability Nurses also held a successful 'Stop the Pressure' day as part of a national campaign to raise awareness for the public and staff.

Improvements we have made this year

- The team are involved in a project to provide

intensive wrap around support to wards and community localities to promote staff and patient education;

- Use of photography in the community so skin changes can be discussed with senior nurses who can advise on patient treatment and management;
- Implementation of a pressure ulcer pathway to support staff education, care planning and care delivery;
- Implementation of a Patient Passport to support continuity of patient's skin care in different care settings;
- Review and re-invigoration of Tissue Viability Link Nurses network;
- Ongoing review and revision of the wound care formulary to support accurate and evidence based prescribing, whilst realising financial efficiencies;
- Supported a pilot trial of a 'new' mattress to support quality efficiencies and improved patient outcomes in moisture lesion reduction;
- Development of patient information leaflets;
- Commencement of a Care Home project to increase education and awareness of Care Home staff in supporting pressure ulcer development.



Outcome:

Stage 2 pressure ulcers increased 7.22%, stage 3 decreased by 55.32% and stage 4 increased by 15.38% from 2015/16. The overall position for all grades together was an increase of 3.65% over 2 years.

Progress:

↓ Behind Plan for stage 2 & 4.

✓ Target Achieved for stage 3.

Stage 3 and stage 4 pressure ulcers have decreased during 2016/17. Stage 2 pressure ulcers have increased by 1.94% in 2016/17.

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: 50% reduction from our 2014 baseline of 'Failure to Rescue Deteriorating Patients

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 (NICE CG50) (National Institute Health and Care Excellence). 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 a 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.

This year our focus has been on five main areas:

1. Annual monitoring of compliance against the NICE standard for managing patients who are deteriorating and as a result of our audit we have improved staff education and awareness of recognition and treatment of a deteriorating patient.
2. Redesign of our Intravenous (IV) Service to support a reduction in patient harm in specific patient pathways including respiratory, anaemic patients, heart failure patients, de-hydrated patients and ladies who experience excessive vomiting during pregnancy.
3. Improved the identification of patients where we have missed an opportunity for Do Not Attempt Cardio-Pulmonary Resuscitation in order to learn lessons to improve the care of patients at the end of life.
4. Improved education of midwifery staff in relation to recognise and act training and improvement of compliance with the intrapartum NICE Guidelines and Cardiotocography (CTG) interpretation
5. Reviewed and revised the training and management of central venous access

Outcome:

There has been a reduction of 70.83% in year of failure to rescue a deteriorating patient and over 2 years an 81.58% reduction.

Progress:

✓ Target Achieved

2.2.6 Clinical Pathways

What: Improve the safety of our patients through delivery of care within defined evidence based pathways

How Much: Pathways compliance - AKI 50%.
Sepsis 40%

This year the sepsis and Acute Kidney Injury (AKI) pathways in particular have been the focus of our Sign Up To Safety Campaign (SUTS).

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

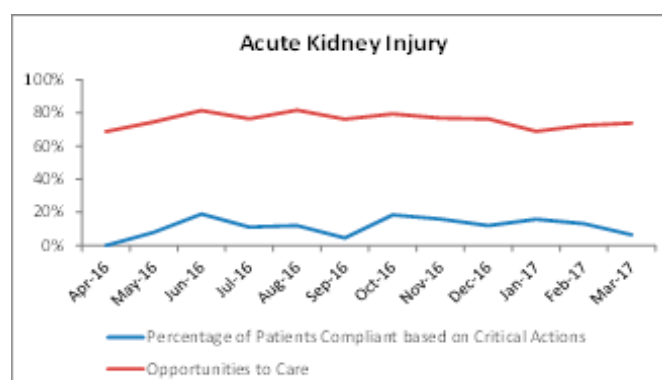
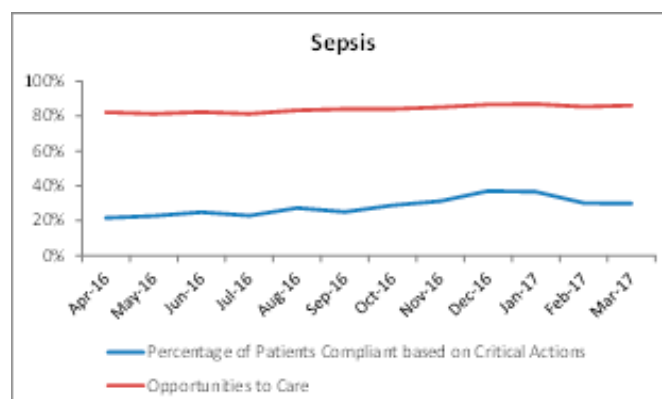
- Support a reduction in mortality;
- Enhance best practice standards.

This year the clinical pathways work has also been incorporated into the Trust's Quality Work Programme. This is part of the Trust's transformation programme to support clinical sustainability and delivery of consistency in high quality care to all our patients.

Led by a Clinical Consultant, the group has placed specific focus on addressing the points of care in the sepsis pathway in particular for those patients that are admitted as emergencies via the Accident and Emergency (A&E) Department.

The team has implemented a pilot using a combination of Rapid Assessment & Treatment and a designated person to manage the interventions that will have the most positive effect for the patient e.g. antibiotic administration.

The team has also worked closely with the Critical Care Outreach Team to improve the education and awareness of staff, both medical, nursing and allied health professionals, in relation to recognising and care delivery for patients with sepsis and AKI.



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 looked at our opportunities to care and are now reviewing this information with the overall compliance information to help us identify specific areas to focus on within key pathways.

Outcome: 2016/17:

Acute Kidney Injury pathway compliance = 11.4%,
Sepsis pathway compliance = 28.4%,

Progress:

↓ Behind Plan.

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 over 16,000 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 root cause analysis (RCA) reports are made available to all staff to read and learn from through the Trust's internal 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, Divisional governance and departmental meetings, ward level meetings, handovers and patient safety huddles;
- A bi-monthly dedicated forum (Learning from Incidents and Risk Committee) 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, complaints and general 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 incidents, 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 Care Quality Commission (CQC), regulatory bodies and NHS England;
- A monthly Lessons Learned newsletter and regular lessons learned articles posted in the organisation's 'Pulse' magazine and other Trust newsletters and publications.



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 whilst 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 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 guidance and templates to use 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.

Saying Sorry

Saying sorry when things go wrong is vital for the patient, their family and carers, as well as to support learning and improve safety. Of those that have suffered harm as a result of their healthcare, fifty percent wanted an apology and explanation. Patients, their families and carers should receive a meaningful apology – one that is a sincere expression of sorrow or regret for the harm that has occurred.

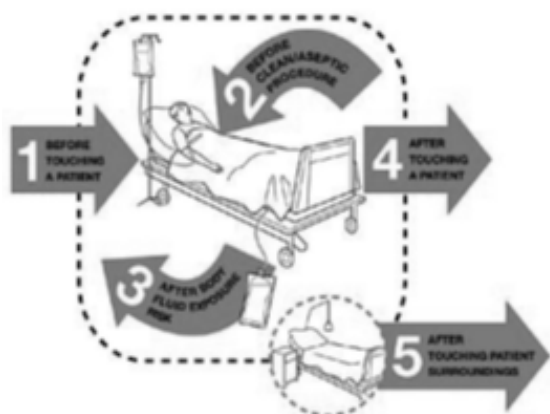
2.2.9 Infection Prevention

Reduce cases of Methicillin Resistant Staphylococcus Aureus (MRSA) – 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

Methicillin Resistant Staphylococcus aureus (MRSA) is a bacterium which can live on the skin and is perfectly harmless unless it gets into the blood stream where it can cause infection which can be 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.



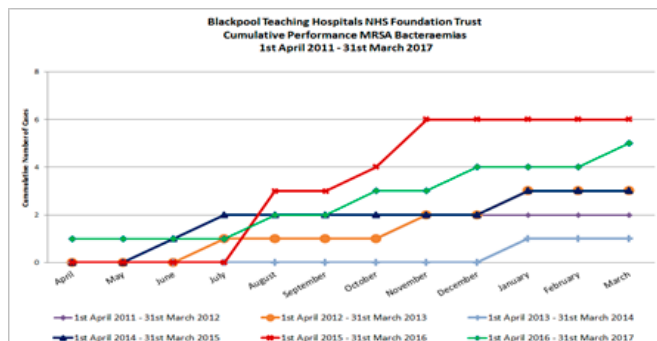
Improvements achieved:

- 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;
- To reduce blood culture contamination rates;
- Sustain compliance with hand hygiene practices;
- Sustain compliance with Aseptic Non Touch Technique to minimise infections;

- Review of central and peripheral IV lines to reduce entry points and potential introduction of infection;
- A continued focus on the management of IV lines and compliance with practice.



Outcome:

5 cases of MRSA Blood Stream Infections
2 contaminants
2 avoidable MRSA Blood Stream Infections
1 unavoidable MRSA Blood Stream Infection

Progress:

↓ Behind Plan.

2.2.10 Reduce cases of Clostridium difficile (C-Diff) – Acute

What: Reduce cases of Clostridium Difficile within the Trust

How Much: 40 avoidable cases of Clostridium Difficile

Clostridium Difficile (C Diff) 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:

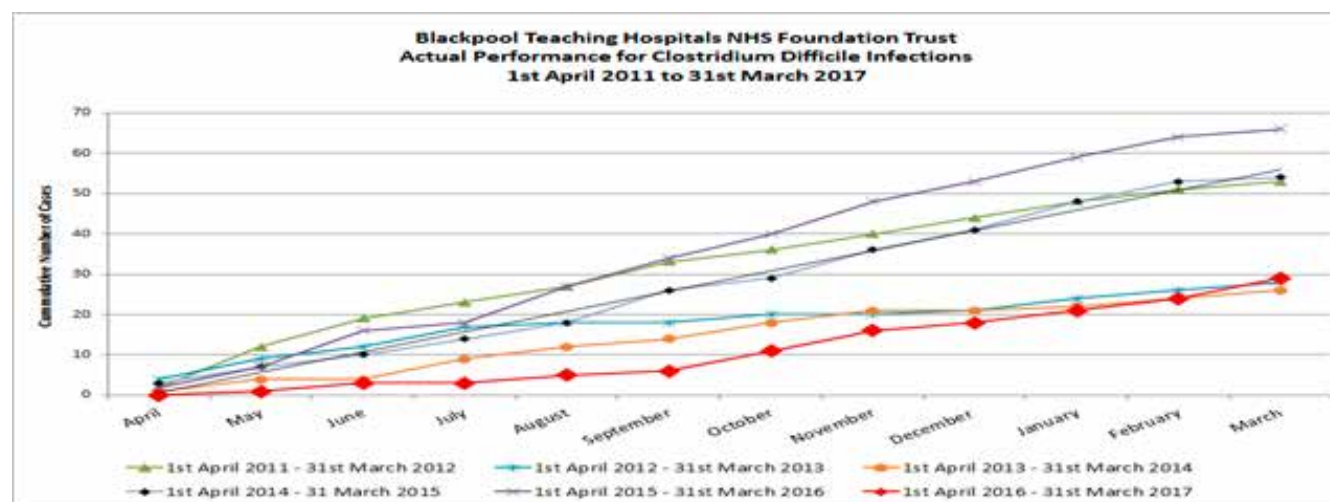
- Antibiotic Stewardship committee formed;
- Overall 94% compliance with Antibiotic prescribing;
- Enhanced cleaning processes incorporating

deep clean programme as part of new contract for domestic services;

- 4th Consultant Microbiologist appointed;
- Sepsis Pathway provides guidance on best practice for prescribing antibiotics;
- Pneumonia pathway provides guidance on best practice for prescribing antibiotics;
- Nurse Led Intravenous Therapy Service;
- Designated Infection Control Doctor.

On-going 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;
- Deep clean programme utilising Ultra Violet-C (UV-C) technology.



Outcome:

29 cases of Clostridium difficile
4 avoidable cases of Clostridium difficile
25 unavoidable cases

Progress:

✓ Target Achieved.

2.2.11 Patient, Family and Carer Experience

i) NHS Friends and Family Test

What: Achieve the organisations objective by 2018 that 98% of patients would be likely to recommend the service to their friends or family if they needed similar care or treatment

How Much: 98% 2016/17

In April 2016 Blackpool Teaching Hospitals changed their provider for the NHS Friends and Family Test (FFT) and we are now able to access daily feedback in more progressive and user friendly ways via an online dashboard. This has helped to improve how the FFT feedback is shared with clinical and operational teams and has enabled us to triangulate all of our patient experience data in one system so any concerns are highlighted immediately.



- The NHS Friends and Family Test was launched in 2013 following the publication of the Francis Report;
- In 2016 Blackpool Teaching Hospitals surveyed 45,504 patients using the NHS Friends and Family test survey;
- Every service user that comes into contact with our services is given the opportunity to complete the FFT form;
- Our Community Services consistently achieve 98% of their patients being likely to recommend the service to their friends and family.

The organisations ambition is to achieve 98% by 2018. Already in some clinical areas and divisions this is being achieved on a regular basis. By improved mechanisms of sharing the information gained from the NHS Friends and Family Test, services can respond more effectively and be more responsive to the needs of our service users.

Outcome:

96%

Progress:

↓ Behind Plan.

2.2.11 Patient, Family and Carer Experience

ii) 'Tell Us' Campaign

What: To be better than average (Trust) for Trusts in the National Inpatient Survey against Question: 'Patients wanted to be more involved in decisions about their care'.

How Much: To improve

- i) on 2015 National Inpatient Survey Result of 71% of patients feel involved in decisions about their care and
- ii) the Local Listener Survey Result of 94% of patients feel involved in decisions about their care.



- Blackpool Teaching Hospitals uses the Picker Institute Europe to undertake our annual National Inpatient survey. The findings are later reported by the Care Quality Commission (CQC);
- 1,250 people who were inpatients during July 2016 were sent the survey;
- The Trust's response rate was 42% which was above the Picker trust average;
- Initial Picker Findings show 94% of patients felt they were treated with respect and dignity during their stay.

The Patient Experience Department continues to run the "Tell Us" campaign as part of the 2015/18 Patient and Carer Involvement Strategy. The department highlighted the strengths of the campaign and the importance of capturing patient and carer feedback across the organisation in 2016 by hosting awareness days, training sessions and sharing first person experiences via the patient stories programme.

During 2016/17, excellent progress has been made in capturing the views of patients during their stay and feeding this information back to clinical teams within 24 hours. The 'listeners programme' real time activity has increased to 41 wards and outpatient areas across the Victoria Hospital and Clifton Hospital sites, as well as into local community centres. The volunteer 'listeners' had face-to-face interviews with up to 2,000 patients during the last 12 months, many of which were requested specifically by the staff for a number of different services.

The Patient Panel continue to act as a 'critical friend' to the Trust, and were instrumental in the design and development of the new Outpatients area in 2016, meeting with the project leads regularly to ensure the patient's voice was represented. They also helped design a new badge for newly qualified nurses and junior doctors, sat on recruitment panels for newcomers and helped draft the text for the revised bedside folder.

Outcome:

- i) awaiting publication of CQC 2016 data
- ii) 87%

Progress:

- i) awaiting publication of CQC 2016 data
- ii) ↓ Behind Plan

2.2.11 Patient, Family and Carer Experience

iii) Always Event™

What: Progress the concept of the Always Event programme throughout the organisation. Aim for all patients to be able to say “I always know what to do when I get home or, if not, I know who to contact”.

How Much: Increase the number of wards facilitating the discharge information ‘Always Event’.



In the pilot areas of the AE programme:

- 100% of patients said they felt well looked after on the ward in the ‘ready for home interviews’;
- 100% of patients said they had confidence in the doctors and nurses who treated them before discharge;
- 95% of patients said they were told about the purpose of any new medication and how to take it;
- 89% of patients feel they were given enough information from the areas involved to help with their recovery.

The ‘Always Event’ pilot on the Stroke Unit and a Cardiac Ward was completed in 2016 focusing on enhancing communication at discharge. Staff in these areas were completing a Signs, Medication, Appointments, Requirement, Time (SMART) discharge form with the patient (and family members) before they leave the hospital so they have a clearer understanding of what signs/symptoms to look out for, their medication any follow up appointments they would need to go to and any requirements they may have.

Patients were also given a contact card with the ward and pharmacy telephone details on along with the SMART principles and participated in ‘ready for home interviews’ conducted by the volunteers, to encourage them to raise any outstanding concerns with staff before they leave the area.

Evaluation of the pilot showed that only 37% of patients could recall the SMART form after leaving the hospital, but 75% could recall receiving a contact card which they found useful to refer to.

Other Wards have since requested using the contact cards and two surgical wards are now distributing them to patients at discharge along with the two pilot areas. Easy read versions of the cards have also been created which wards can access Trust wide. The options discharge booklet which is accessible to patients on all wards has also been reproduced to highlight to patients what their expected date of discharge is, the different stages of the discharge process and how they can use the SMART principles to gain further information from staff about going home.

Outcome:

The Always Event Programme is now operational on four wards, and has driven the design of reviewing and improving all communication materials given to patients at discharge.

Progress:

= On Plan.

2.2.11 Patient, Family and Carer Experience

iv) Patient Reported Outcome Measures (PROMs)

What: PROMS data to be consistently collected, reported on and fully utilised.

Achieve an increase in participation rate of all eligible patients to support the national average health gain for each individual measure

How Much: 20% increase in patient response rate.



- PROMS have been collected by all providers of NHS funded care since 2009.
- The first questionnaire is completed prior to surgery with the second questionnaire being sent to the patient's home 6 months post-surgery.
- Blackpool Teaching Hospitals current provider is used by OVER 90% NHS Trusts.

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. The Trust is then able to understand whether patients see a 'health gain' following surgery.

Vascular services within the Trust moved to Lancashire Teaching Hospitals in 2016 and therefore, Blackpool Teaching Hospitals no longer collects PROMs data for varicose veins.

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 and therefore the Trust also uses internal data alongside the national data set. A change of provider for PROMS data collection took place in July 2016. The Trust is already seeing a benefit from this as it now receives monthly updates on submissions which provides an indication of an improvement within performance.

Outcome:

28.9% increase response rate based on indicative response figures for 2015/16 = 15.1% (validated Quarter 3 - 2017) and for 2016/17 = 44% (validated Quarter 3 - 2017).

Response Rates breakdown for 2016/17:

Indicative response rate for Groin Hernia – 56%.

Indicative response rate for Knee replacements – 35%.

Indicative response rate for Hip replacements - 39%.

Progress:

✓ On Plan.

2.2.12 Workforce Experience



The Trust has a zero tolerance policy in relation to bullying and harassment and is taking action to support the implementation of the policy through the 'Great Place to Work' (GP2W) action plan. Steps include:

- Raising awareness of bullying and harassment through communications;
- Raising awareness of the support available to all staff;
- Design and embed a triage system/flowchart to enable people to identify whether they are being bullied and what support is most appropriate;
- Including Bullying and Harassment in appropriate training, such as Talksafe and courageous Conversations;

- Ensuring Bullying and Harassment is included in all leadership programmes in relation to dealing with poor performance of all staff/behaviour to ensure managers and all staff understand the boundaries between managing and bullying;
- Further diagnosis of the reasons for staff reporting bullying and harassment through focus groups;
- Including Bullying and Harassment issues in Divisional GP2W Action Plans;
- Training of additional Staff Advocates from all disciplines and levels.

Action is also being taken to ensure equal opportunities for career progression:

- Succession planning approach includes all staff and a number of staff from Black and Minority Ethnic (BME) backgrounds have been identified;
- The Senior Collaborative Leadership Programme has representation from BME staff who have been identified through succession planning;
- Great Place to Work Group monitor results of pulse check surveys and National Staff Survey information bi-monthly.

Percentage of staff not experiencing harassment, bullying or abuse from staff in last 12 months (historical comparison)

2014	2015	2016
Data not comparable due to change in scoring approach	81%	81%

Percentage of staff believing that the Trust provides equal opportunities for career progression (historical comparison)

2014	2015	2016
89%	87%	85%

2.2.13 Improving care for patients living with dementia

What: Patients aged 75 years or over have a dementia assessment on admission

How Much: 90% against all three elements of the Dementia assessments

The Trust's Quality Strategy sets out our ambitions to provide the best patient care that is informed, timely and safe for all of our patients. This is even more key for those patients with a diagnosis of dementia and with the numbers of patients with dementia forecast to rise rapidly the development of a Dementia Strategy in 2016 was an important step forward for the Trust.

The strategy was endorsed by the Quality Committee in July 2016 and formalised the work already undertaken under the umbrella of dementia care and built on projects, service improvements and process developments already achieved. It sets out key action areas, each of which have 3 priority focus areas, that were developed following multi professional and cross organisational workshops and feedback from patients and carers following listeners events.



The seven key action areas include:

- Patient Centred Care;
- Education and Training;
- Communication;
- Living Well at Home;
- Partnership Working;
- Environment and resources;
- End of Life Care.

Key achievements to support Year 1 implementation of the strategy include:

- Development of Dementia Advisory Board;
- Facilitation and launch of Dementia Strategy during Dementia Awareness Week;
- Programme to support increased use of Dementia Corridor;
- Review of dementia training framework;
- Development of dementia garden at Clifton Hospital;
- Launch of carers hub/dementia café;
- Development of dementia buddy role concept;
- Involvement and increased partnership links with local Dementia Action Alliances;
- Completion of National Dementia Audit;
- Signed up to the National Johns Campaign;
- Development of Health and Wellbeing Plan;
- Development of Dementia Pathway;
- Minimum standards of environmental requirements agreed and programmes of work commenced.

Outcome:

Element 1: 92%

Element 2: 98%

Element 3: 100%

Progress:

✓ Target achieved.

2.2.14 End of Life Care

Transforming End of Life Care

There has been significant change within End of Life and Specialist Palliative Care at Blackpool Teaching Hospitals over the past year. Although the highly successful 'Transforming End of Life Care in Acute Hospitals' project has come to completion, we have grown as a Hospital Specialist Palliative care team and have gained 2 Associate Nurse Specialists to join our Trinity nursing colleagues. The team have taken ownership of the education legacy that the 'Transforming End of Life Care' project has begun and continue to deliver both ward-based education and the highly successful transform study days alongside providing specialist input into patient care.

Work continues on Acute Medical Unit (AMU) to support staff in identifying those patients who have an uncertain recovery and may be suitable for being cared for by the Amber Care Bundle. We hope to capitalise on the trust-wide roll out of the electronic patient tracker by supporting more board rounds to aid earlier identification of patients that would benefit from escalation decisions and advance care planning discussions. The e-discharge format has recently been changed to reflect the use of the Amber Care Bundle, and by incorporating the Amber Care Bundle into the 'Sign Up To Safety' programme we hope to encourage its use more widely across the Trust. As part of this we have been working closely with the Critical Care Outreach team looking at a more timely cardiopulmonary resuscitation decision-making. To support this we hold training sessions on cardiopulmonary resuscitation decision making for senior doctors which remain extremely well evaluated by all attendees.

We continue to provide Sage and Thyme communication skills training to a wide variety of staff across the Trust and have recently trained 2 further facilitators. We hope to gain further funding to train more facilitators so that we can ensure its sustainability. Attendance at the Patient Experience Committee allows us to identify any themes of complaints and compliments surrounding end of life care to ensure we are delivering the best possible experience for patients and their relatives.

The team have continued to work hard in improving how we deliver End of Life Care in the Trust and we were again delighted to have this recognised when we were chosen as the 'Palliative and End of Life Care' Team of the Year at the 2016 British Medical Journal awards.



2.2.15 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;
- Harbour Mental Health Hospital, Lancashire Care;
- Trinity Hospice, Brian House and associated Palliative Care Services;

- Community Chaplaincy where appropriate, particularly to link discharged patients with a supportive faith community.

The provision of a 24 hour/7 day service ensures that spiritual care remains a high priority, particularly when patients are in the dying phase. A Chaplaincy Support Sheet can be used within the nursing notes when provision of chaplaincy support needs to be highlighted, particularly when a stable patient rapidly deteriorates or is moved to the community hospital, Trinity Hospice or rapid discharged home.

Spiritual Care training continues to be delivered and is 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. Referrals for support from the chaplaincy team have remained positive throughout the year. A new lead Chaplain has come into post in 2016, he sees the work of chaplaincy as slowly evolving as it engages with a secular society. The Trust recognises the need for spiritual care is greater than ever before, and the Chaplaincy services delivered within the Trust sensitively engages with people in an empathetic style, at times of considerable distress.

2.2.16 Bereavement Care

The Trust's Neonatal Bereavement Care Nurse, and Bereavement manager have been supported by the staff of the Bereavement office and Carleton Crematorium in partnership with Blackpool Stillbirth and Neonatal Death Charity (SANDS), to revise the weekly service for early losses with a new weekly service open to parents. Other occasions to recognise grief supported by Chaplains are the annual Snow Drop Service, the quarterly Light up a life service at Trinity and the SANDS December Service in the Winter Gardens. Spiritual care is provided to all inpatient areas at and the Harvest Festival at Clifton Hospital was a particular highlight within that provision. Memorial services for staff continue to be an important part of Chaplaincy work to ensure staff spiritual needs are also supported and met.

The Tree of Lights evening memorial service was particularly well received this year, with a more

uplifting tone and very positive feedback from staff and relatives as to the spiritual care and support they received within the Trust.

2.2.17 Volunteers

The work of the chaplaincy team is considerably enhanced by the team of volunteers who visit patients on the wards.



New picture in the Chapel in memory of former Trust Chair Beverly Lester.

The picture is abstract and represents the themes of darkness to light, despair to hope, death to peace.

2.3 Our Plans for the Future

2.3.1 The Quality Improvement Strategy 2016 – 2019

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

Our Quality Strategy set out our ambitions to provide the best patient care that is informed, timely and safe and 2016/17 saw the first year of implementation of the Strategy. Achievement of our quality ambitions 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 - ITS 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.

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 Quality 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 2 key quality related measures (lowering the mortality rate and securing improved patient experience and involvement). We are committed to ensuring that:

Care is informed	Care will be informed by evidence base 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.

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 has been monitored by the Trust's Quality Committee throughout 2016/17 and will continue to be reported on a quarterly basis to Quality Committee for year 2 implementation of the Strategy.

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 to Board of Directors through the Quality Committee.

2.3.3 Quality Improvement Metrics

Care Domain:	Key Goals:	Metrics:
Informed	Enhancing the Patient Experience and Promoting Patient Involvement	<ul style="list-style-type: none"> • Patients rating of care as excellent/very good/good; • Patients who have been treated with dignity and respect; • Patients who feel involved in their care; • Patients who would recommend the service to friends and family.
Informed	Providing Evidence Based Care	<ul style="list-style-type: none"> • Compliance with clinical pathways based on: <ul style="list-style-type: none"> - Patient compliance; - Opportunities to care; • New clinical pathways implemented will achieve agreed % targets against set of survival critical points; • Mortality rates for conditions with a clinical pathway as reflected in 12 month rolling SHMI.
Timely	Care in the Right Place	<ul style="list-style-type: none"> • Number of 'none optimal placement' of patient to initial admitting ward; • Number of patients within extensive care service; • Number of A&E attendances /NEL admissions for people within extensive care service; • % of eligible rapid discharge patients achieved.
Timely	Care at the Right Time	<ul style="list-style-type: none"> • 18 week access targets; • Cancer treatment targets; • A&E 4 hour standard; • Cancelled operations; • Access times for community-based services - e.g. therapies, nursing, IAPt, health visitors.
Safe	Harm Free Care	<ul style="list-style-type: none"> • Reduction in falls incidents resulting in harm; • Reduction in failure to rescue; • Reduction in avoidable harm due to pressure ulcers.
Safe	Open and Honest Culture	<ul style="list-style-type: none"> • Number of clinical incidents reported; • Performance on questions from staff survey in relation to transparency; • Number of duty of candour processes completed for patient safety incidents.

IT'S how we care

2.4 Our Quality Priorities 2017/18

Our Quality Strategy 2016/19 outlines a number of projects for focus on and these have been closely aligned to the Trusts strategic vision which was developed through a clinically led process during 2015/16. 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 programmes with aspirations to reach the highest level of clinical quality, patient experience, operational performance and staff satisfaction. Although one of our work programmes is specifically named “Quality” and is focused on some of the key areas identified in the Quality Strategy (e.g. the implementation of clinical pathways), our ambitious transformation programme has the achievement of safe, high quality care as a priority across all of the seven strategic work programmes. This is reflected in the selection of our Trust strategic ambitions.

Our Quality Strategic Work Programme

During 2016/17, our “Quality” work programme has been focused on increasing the level of consistency in our care provision to deliver high quality care to all patients, and this will continue into future years of our strategy. During 2016/17, this group has:

- Undertaken a full review of our clinical pathways that have already been implemented, to ensure that “mission critical” aspects of care are being audited;
- Worked with multi-disciplinary clinical teams to remove any barriers and redesign ways of working to support these “mission critical” aspects of care being provided in a timely manner;
- Provided guidance and feedback to clinical teams around possible areas of improvement.

As a consequence, we have seen our pathways compliance rates increase and our mortality rates decrease.

Our Other Strategic Work Programmes

During 2016/17, we have been dedicated to the achievement of safe, high quality care through our wider work programmes, particularly:

- “Efficiency” - with a focus on reducing unnecessary length of stay in hospital and reducing readmission rates;
- “Value” - with a focus on improving utilisation of our theatres (including reducing cancellations and increasing day case rates) and our workforce (including reducing our reliance on contingent labour);
- “Appropriate” - with a focus on improving patient experience and flow through our non-elective points of entry into the hospital.

Our Priorities Going Forwards

We would like to highlight within the quality accounts the following projects of key priorities under the quality domain:

- Reducing Mortality (SHMI);
- Reducing Infections;
- Reducing Re-Admissions within 30 days;
- Increasing the positive outcomes reported for PROMS;
- Increasing the reporting of near miss incidents;
- Reducing Harm from Serious Incidents;
- Reducing Never Events;
- Enhancing Patient Experience;
- Reducing the Re-attendance to A&E within 30 days;
- Improving CQC A&E Rating;
- Reducing Mortality from Chronic Diseases.

Some of these will be addressed via our strategic work programmes and some through our existing operational groups.

2.4.1 Statements of Assurance from the Board of Directors

Review of Services

During 2016/17, the Blackpool Teaching Hospitals NHS Foundation Trust provided and/

or subcontracted the following relevant health services;

- Accident and Emergency Services;
- Acute Services;
- Cancer Services;
- Community Services;
- Diagnostic Screening and Pathology Services;
- End of Life Care Service;
- Mental Health and Learning Disability Services;
- Urgent Care Walk in Services.

The Blackpool Teaching Hospitals NHS Foundation Trust has reviewed all the data available to them on the quality of care in all of these relevant health services.

The income generated by the relevant Health services reviewed in 2016/17 represents 100 per cent of the total income generated from the provision of relevant health services by the

Blackpool Teaching Hospitals NHS Foundation Trust for 2016/17.

2.4.2 Participation in Clinical Audits and National Confidential Enquiries

During 2016/17, 53 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 96% 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 2016/17 are as follows:

2.4.3 Table 1 National Clinical Audits

Title
Acute coronary syndrome or Acute myocardial ischaemia (MINAP)
Adult Asthma (British Thoracic Society)
Adult cardiac surgery National Institute for Cardiovascular Outcomes Research (NICOR)
Paediatric asthma (moderate to severe) (British Thoracic Society)
NBOCAP bowel cancer
Cardiac Rhythm Management (CRM)
CMP adult critical care units Intensive Care National Audit & Research Centre (ICNARC)
Child health clinical outcome review programme (CHR/UK) National Confidential Enquiry into Patient Outcome and Death (NCEPOD)
Chronic Kidney Disease in primary care
Congenital Heart Disease (CHD)
Coronary Angioplasty/National Audit of Percutaneous Coronary Interventions (PCI)
Diabetes (Paediatric) National Paediatric Diabetes Audit (NPDA)
Elective surgery (National PROMs Programme) Patient Reported Outcome Measures (PROMS)
Endocrine and Thyroid National Audit
Falls and Fragility Fractures Audit Programme (FFFAP)
Head and Neck Cancer Audit (HANA) Head and Neck Audit (HANA)
Inflammatory Bowel Disease (IBD) programme
Learning Disability Mortality Review Programme Learning Disabilities Mortality Review (LeDeR)
Major Trauma Audit Trauma Audit Research Network (TARN)
"Maternal, infant and newborn programme - Mothers and Babies: Reducing Risk through Audits and Confidential Enquiries (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 accounts)"
Medical & Surgical Clinical Outcome Review Programme. National Confidential Enquiry into Patient Outcome and Death (NCEPOD)

Title
Mental Health Clinical Review National Confidential Inquiry into Suicide and Homicide
National Audit of Dementia
National Audit of Pulmonary Hypertension
National Cardiac Arrest Audit (NCAA)
National Chronic Obstructive Pulmonary Disease (COPD) Audit Programme (RCP)
National comparative audit of blood transfusion programme
National Diabetes Audit – Adults
National emergency laparotomy audit (NELA)
National Heart Failure Audit
National Joint registry (NJR)
National lung cancer audit (NLCA)
National Neurosurgery Audit programme
National Ophthalmology audit
National Prostate Cancer audit
National Vascular Registry
Neonatal intensive and special care (NNAP)
Nephrectomy audit
Oesophago-gastric cancer (National Oesophago-gastric Cancer Audit)
Paediatric Intensive Care Paediatric Intensive Care Audit Network (PICANet)
Paediatric Pneumonia British Thoracic Society (BTS)
Percutaneous Nephrolithotomy (PNCL)
Prescribing Observatory for Mental Health (POMH-UK)
Radical Prostatectomy Audit
Renal Replacement Therapy (Renal Registry)
Rheumatoid and early inflammatory arthritis
Sentinel Stroke National Audit Programme (SSNAP)
Severe Sepsis and Septic Shock – care in the emergency departments
Specialist rehabilitation for patients with complex needs
Stress Urinary Incontinence audit
UK Cystic Fibrosis Registry
Smoking cessation audit 2016 (BTS)
Procedural sedation in adults - Royal College of Emergency Medicine (RCEM)
National Audit - Seven day services survey
Vital signs in Children (Care in emergency departments)
VTE risk in Lower Limb immobilisation in plaster casts - Royal College of Emergency Medicine (RCEM)
Adult community acquired pneumonia (BTS)
National Care of the Dying Audit - Royal College of Physicians (RCP)
Potential donor audit (NHS Blood & Transplant)
Emergency use of oxygen (BTS)
National complicated acute diverticulitis audit (CADS)
Epilepsy 12 audit (Childhood Epilepsy)
National audit of seizure management in Hospitals
Initial Management of the fitting child (RCEM)
Mental health care in emergency departments (RCEM)
Assessing for cognitive impairment in older people (RCEM)

2.4.4 Table 2 NCEPOD National Confidential Enquiries into Patient Outcome and Death 2016/17

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 2016/17 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;

Title
Chronic neuro disability – Focussing on cerebral palsy ongoing (published December 2015).
Adolescent Mental Health – focussing on self-harm ongoing (published December 2015).
Provision of Mental Health Care in Acute Hospitals ongoing. (published July 2015)
Non-invasive ventilation ongoing (published December 2015)

2.4.5 Table 3 National clinical audit projects participants

The national clinical audits that Blackpool Teaching Hospitals NHS Foundation Trust are participating in, and for which data collection is being undertaken during 2016 / 17 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

National Clinical Audit Title	Eligible	Participated	Number or Percentage submitted
Acute coronary syndrome or Acute myocardial ischaemia - Myocardial Ischaemia National Audit Project (MINAP)	✓	✓	91%
Adult Asthma (British Thoracic Society)	✓	✓	34
Adult cardiac surgery - National Institute for Cardiovascular Outcomes Research (NICOR)	✓	✓	100%
Paediatric asthma (moderate to severe) (British Thoracic Society)	✓	✓	100%
NBOCAP bowel cancer	✓	✓	100%
Cardiac Rhythm Management (CRM)	✓	✓	100%
CMP adult critical care units - Intensive Care National Audit & Research Centre (ICNARC)	✓	✓	100%
Child health clinical outcome review programme (CHR/UK) National Confidential Enquiry into Patient Outcome and Death (NCEPOD)	✓	✓	100%
Chronic Kidney Disease in primary care	No	Not applicable to Blackpool Teaching Hospitals	
Congenital Heart Disease (CHD)	✓	✓	100%
Coronary Angioplasty/National Audit of Percutaneous Coronary Interventions (PCI)	✓	✓	100%
Diabetes (Paediatric) – National Paediatric Diabetes Audit (NPDA)	✓	✓	100%
Elective surgery (National PROMs Programme)	✓	✓	100%
Endocrine and Thyroid National Audit	✓	Not participating	
Falls and Fragility Fractures Audit Programme (FFFAP)	✓	✓	100%

National Clinical Audit Title	Eligible	Participated	Number or Percentage submitted
Head and Neck Cancer Audit (HANA)	✓	✓	353
Inflammatory Bowel Disease (IBD) programme	✓	Not participating	
Learning Disability Mortality Review Programme (LeDeR Programme)	No	Not applicable to Blackpool Teaching Hospitals	
Major Trauma Audit (TARN)	✓	✓	100%
"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 Accounts)"	✓	✓	100%
Medical & Surgical Clinical Outcome Review Programme. National Confidential Enquiry into Patient Outcome and Death (NCEPOD)	✓	✓	100%
Mental Health Clinical Review National Confidential Inquiry into Suicide and Homicide	No	Not applicable to Blackpool Teaching Hospitals	
National Audit of Dementia	✓	✓	100%
National Audit of Pulmonary Hypertension	No	Not applicable to Blackpool Teaching Hospitals	
National Cardiac Arrest Audit (NCAA)	✓	Not participating replaced by MEDICU	
National COPD Audit Programme (RCP)	✓	✓	100%
National comparative audit of blood transfusion programme	✓	✓	100%
National Diabetes Audit - Adults	✓	✓	
National emergency laparotomy audit (NELA)	✓	✓	100%
National Heart Failure Audit	✓	✓	Ongoing
National Joint registry (NJR)	✓	✓	524
National lung cancer audit (NLCA)	✓	✓	100%
National Neurosurgery Audit programme	No	Not applicable to Blackpool Teaching Hospitals	
National Ophthalmology audit	✓	✓	Ongoing
National Prostate Cancer audit	✓	✓	100%
National Vascular Registry	No	Not applicable to Blackpool Teaching Hospitals	
Neonatal intensive and special care - National Neonatal Audit Programme (NNAP)	✓	✓	401
Nephrectomy audit	✓	✓	100%
Oesophago-gastric cancer (National O-G Cancer Audit)	✓	✓	100%
Paediatric Intensive Care - Paediatric Intensive Care Audit Network (PICANet)	No	Not applicable to Blackpool Teaching Hospitals	
Paediatric Pneumonia (BTS)	✓	✓	Ongoing
Percutaneous Nephrolithotomy (PNCL)	✓	✓	100%
Prescribing Observatory for Mental Health (POMH-UK)	No	Not applicable to Blackpool Teaching Hospitals	
Radical Prostatectomy Audit	No	Not applicable to Blackpool Teaching Hospitals	

National Clinical Audit Title	Eligible	Participated	Number or Percentage submitted
Renal Replacement Therapy (Renal Registry)	No	Not applicable to Blackpool Teaching Hospitals	
Rheumatoid and early inflammatory arthritis	✓	✓	Ongoing
Sentinel Stroke National Audit Programme (SSNAP)	✓	✓	100%
Severe Sepsis and Septic Shock – care in the emergency departments	✓	✓	100%
Specialist rehabilitation for patients with complex needs	No	Not applicable to Blackpool Teaching Hospitals	
Stress Urinary Incontinence audit	✓	Not participating 2016/17	
UK Cystic Fibrosis Registry	✓	Not participating 2016/17 Service started February 2017	
Smoking cessation audit 2016 (BTS)	✓	✓	100%
Procedural sedation in adults (RCEM)	✓	✓	100%
National Audit - Seven day services survey	✓	✓	100%
Vital signs in Children (Care in emergency departments)	✓	✓	100%
VTE risk in Lower Limb immobilisation in plaster casts (RCEM)	✓	✓	Ongoing
National Care of the Dying Audit (RCP)	✓	✓	100%
Potential donor audit (NHS Blood & Transplant)	✓	✓	100%
Emergency use of oxygen (BTS)	✓	✓	100%
Epilepsy 12 audit (Childhood Epilepsy)	✓	✓	100%
National audit of seizure management in Hospitals	✓	✓	100%
Initial Management of the fitting child (RCEM)	✓	✓	100%
Mental health care in emergency departments (RCEM)	✓	✓	100%
Assessing for cognitive impairment in older people (RCEM)	✓	✓	100%

2.4.6 Table 4 National Confidential Enquiries into Patient Outcome and Death (NCEPOD)

Title	Eligible	Participated	% Submitted
Chronic neuro disability – Focussing on cerebral palsy ongoing (published December 2015).	✓	✓	100%
Adolescent Mental Health – focussing on self-harm ongoing (published December 2015).	✓	✓	100%
Provision of Mental Health Care in Acute Hospitals ongoing (published July 2015)	✓	✓	100%
Non –invasive ventilation ongoing (published December 2015)	✓	✓	100%

The reports of 10 national clinical audits were reviewed by the provider in 2016/17 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 77 local clinical audits were reviewed by the provider in 2016/17 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 2016/17

The number of patients receiving relevant health services provided or sub-contracted by Blackpool Teaching Hospitals NHS Foundation Trust in 2016/17 that were recruited during that period to participate in research approved by a Research Ethics Committee was 1,424.

Of the 1,424; 1,417 participants were recruited to National Institute of Health Research (NIHR) Portfolio Studies which exceeds our target of 1,200 for the year. On average there were 115 different research studies / trials open at any one time during 2016/17.

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 2016/17 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 2016/17 and for the following 12 month period are available electronically at: <http://www.bfwh.nhs.uk/about-our-trust/performance/quality/>

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 2016/17 conditional upon achieving quality improvement and innovation goals is £6,442,983. The Trust achieved a monetary total value of £7,062,697 for the associated payment in 2015/16.

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 2016/17 with plans to review all mission critical points within each pathway to bring them in line with the latest guidance. This is being led by a new clinical pathway lead and is being monitored via the Quality Committee.

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 2016/17.

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. In September 2015 the

CQC carried out a follow up announced inspection to Maternity Services to review progress against the inadequate rating of April 14. The CQC also reviewed Urgent and Emergency Services in response to CQC monitoring intelligence regarding A&E performance. Maternity Services ratings moved from 'requires improvement' to 'good'. A requirement action in relation to timeliness of assessment for mental health patients in A&E by a mental health practitioner was received, Urgent and Emergency Services rating remained 'requires improvement'. The regulated activity has been included within the Trust wide development plan which is monitored by the Quality Committee and by the Commissioner led Quality Review Board.

The overall rating for the Trust remains unchanged for 2016 / 2017 at 'requires improvement' and this will remain unchanged until a full re inspection is facilitated by the CQC.

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

High quality information leads to improved decision making that in turn results in better patients care, wellbeing and patient safety. Data should always be accurate, up to date and clear and Blackpool Teaching Hospitals NHS Foundation Trust will be taking the following actions to improve data quality: -

- Provision of external assurance on a selection of the quality data identified within the Quality Report;
- Local internal assurance is provided via the analysis of data following local internally led audits in relation to nursing care indicators, analysis of data following incidents, analysis of complaints and claims data;
- Quality and safety metrics performance data are reported for scrutiny to the Board on a monthly data through the Integrated Performance Report and the Quality Committee

Assurance report;

- Controlled process for the provision of external information with control checks throughout the process is in place. 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;
- Weekly monitoring processes with divisional presentation of their performance data is in place;
- Random checks on pathways are facilitated by the Trusts internal data team and this is further supported by an external annual review;
- Good quality data will continue to inform performance against the key quality goals within the Trusts strategy 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 2016/17 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:
 - 99.7% for admitted patient care;
 - 99.9% for outpatient care; and
 - 98.7% for accident and emergency care.
 - which included the patient's valid General Medical Practice Code was:
 - 99.9% for admitted patient care
 - 99.8% for outpatient care; and
 - 99.9% for accident and emergency care.
- (As at Month 10 (April 2016 – January 2017))*

2.4.13 Information Governance Assessment Report 2016/17

Blackpool Teaching Hospitals NHS Foundation Trust's Information Governance Assessment Report overall score for 2016/17 was 80% and maintained 2015/16 grading of satisfactory (Green) from Information Governance Toolkit Grading Scheme.

For 2016/17, 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) relates to 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 the Trust to assess ourselves 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 the Trust to measure our 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		Preventing people from dying prematurely			
Indicator		SHMI - The value and banding of the Summary Hospital Level Mortality Indicator (January 2015 – December 2016)			
National Average		100			
Where applicable – Best Performer		69			
Where applicable – Worst Performer		120			
Trust Statement					
The Blackpool Teaching Hospitals NHS Foundation Trust considers that this data is as described for the following reason:			<ul style="list-style-type: none">• Data from national Health Care Evaluation Data (HED) system up to December 2016 as governed by standard national definitions.		
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:			<ul style="list-style-type: none">• Continued mortality governance programme overseen by Mortality Committee;• Increased focus on pathways, out of hospital deaths and deaths within 48 hours of admission		
2014/15	116	2015/16	111 (Indicative)	2016/17	116 (Indicative) up to December 2016

Domain	Enhancing quality of life for people with long-term conditions
Indicator	% of patient deaths with palliative care coded at either diagnosis or speciality level for Jan 2015 – Dec 2016 taken from Dr Foster Mortality Comparator
National Average	22.94%
Where applicable – Best Performer	90.76%
Where applicable – Worst Performer	0%
Trust Statement	
The Blackpool Teaching Hospitals NHS Foundation Trust considers that this data is as described for the following reason:	<ul style="list-style-type: none">• Data taken from National HED System as governed by standard national definitions

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:			<ul style="list-style-type: none"> Education of staff regarding documentation of palliative care input 		
2014/15	Health gain 0.67%	2015/16	0.68%	2016/17	27.37% (Indicative) up to December 2016

Domain		Helping people to recover from episodes of ill health or following injury			
Indicator		Patient outcome scores for groin hernia surgery April 2015 – March 2016 (most recent full year of data)			
National Average		Adjusted National Average		Data not available until August 2017	
Where applicable – Best Performer		Adjusted average health gain – best performer		Data not available until August 2017	
Where applicable – Worst Performer		Adjusted average health gain – worst performer		Data not available until August 2017	
Trust Statement					
The Blackpool Teaching Hospitals NHS Foundation Trust considers that this data is as described for the following reason:			<ul style="list-style-type: none">• Patient reported outcome measures (PROMS data taken from NHS Digital as governed by standard national definitions) measure quality from the patient perspective and seek to calculate the health gain experienced by patients following a clinical procedure		
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:			<ul style="list-style-type: none">• The Trust made the decision to change provider for its PROMs service provision. Since the change we have started to see a rise in the number of responses to the PROMs questionnaires; we should see the full results of this in 2017-18;• Increased promotion continues throughout the Trust, on the importance of completing the questionnaire and enhancing patient awareness that they will receive post-operative questionnaire;• Participation rate information is now published within monthly and quarterly reports for reporting and monitoring purposes. Further monthly bulletins are circulated to Divisions for action and the Medical Director.		
2014/15	Health gain 0.008	2015/16	Data not available until August 2017	2016/17	Data not available until August 2018

Domain		Helping people to recover from episodes of ill health or following injury			
Indicator		Patient outcome scores for varicose vein surgery April 2015 – March 2016 (most recent full year of data)			
National Average		Adjusted National Average		Service no longer provided at Blackpool Teaching Hospitals	
Where applicable – Best Performer		Adjusted average health gain – best performer		Service no longer provided at Blackpool Teaching Hospitals	
Where applicable – Worst Performer		Adjusted average health gain – worst performer		Service no longer provided at Blackpool Teaching Hospitals	
Trust Statement					
The Blackpool Teaching Hospitals NHS Foundation Trust considers that this data is as described for the following reason:			<ul style="list-style-type: none">• Patient reported outcome measures (PROMS data taken from NHS Digital as governed by standard national definitions) measure quality from the patient perspective and seek to calculate the health gain experienced by patients following a clinical procedure		
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:			<ul style="list-style-type: none">• As Vascular Services have now moved to Lancashire Teaching Hospitals, Blackpool Teaching Hospitals no longer collects PROMs data for varicose veins.		
2014/15	Health gain 0.223	2015/16	Service no longer provided at Blackpool Teaching Hospitals	2016/17	Service no longer provided at Blackpool Teaching Hospitals

Domain	Helping people to recover from episodes of ill health or following injury	
Indicator	Patient outcome scores for hip replacement surgery April 2015 – March 2016 (most recent full year of data)	
National Average	Adjusted National Average	Data not available until August 2017
Where applicable – Best Performer	Adjusted average health gain – best performer	Data not available until August 2017
Where applicable – Worst Performer	Adjusted average health gain – worst performer	Data not available until August 2017
Trust Statement		
The Blackpool Teaching Hospitals NHS Foundation Trust considers that this data is as described for the following reason:	<ul style="list-style-type: none">• Patient reported outcome measures (PROMS data taken from NHS Digital as governed by standard national definitions) measure quality from the patient perspective and seek to calculate the health gain experienced by patients following a clinical procedure.	

<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"> • The Trust made the decision to change provider for its PROMs service provision. Since the change we have started to see a rise in the number of responses to the PROMs questionnaires; we should see the full results of this in 2017/18; • Increased promotion continues throughout the Trust, on the importance of completing the questionnaire and enhancing patient awareness that they will receive post-operative questionnaire; • Participation rate information is now published within monthly and quarterly reports for reporting and monitoring purposes. Further monthly bulletins are circulated to Divisions for action and the Medical Director. 		
2014/15	0.490	2015/16	Data not available until August 2017	2016/17	Data not available until August 2018

Domain	Helping people to recover from episodes of ill health or following injury	
Indicator	Patient outcome scores for knee replacement surgery (most recent full year of data)	
National Average	Adjusted National Average	Data not available until August 2017
Where applicable – Best Performer	Adjusted average health gain – best performer	Data not available until August 2017
Where applicable – Worst Performer	Adjusted average health gain – worst performer	Data not available until August 2017
Trust Statement		
<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"> • Patient reported outcome measures (PROMS data taken from NHS Digital as governed by standard national definitions) measure quality from the patient perspective and seek to calculate the health gain experienced by patients following a clinical procedure.

<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"> • The Trust made the decision to change provider for its PROMs service provision. Since the change we have started to see a rise in the number of responses to the PROMs questionnaires; we should see the full results of this in 2017/18; • Increased promotion continues throughout the Trust, on the importance of completing the questionnaire and enhancing patient awareness that they will receive post-operative questionnaire; • Participation rate information is now published within monthly and quarterly reports for reporting and monitoring purposes. Further monthly bulletins are circulated to Divisions for action and the Medical Director. 		
2014/15	0.327	2015/16	Data not available until August 2017	2016/17	Data not available until August 2018

Domain		Helping people to recover from episodes of ill health or following injury			
Indicator		28 day readmission rate for patients 0-15			
National Average		N/A			
Where applicable – Best Performer		N/A			
Where applicable – Worst Performer		N/A			
Trust Statement					
The Blackpool Teaching Hospitals NHS Foundation Trust considers that this data is as described for the following reason:		<ul style="list-style-type: none">• The number of patients readmitted to hospital within 28 days of being discharged from hospital expressed as a % of all discharges in the period (data taken from local source and as governed by NHSI standard national definition)• Clinically led reviews of readmissions to identify and implement actions to reduce avoidable admissions;• Inclusion of commissioners on joint working group to identify and implement health economy wide readmission avoidance schemes;• Monitoring at Trust Board a quality improvement programme for the year			
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:					
2014/15	11.88	2015/16	12.35	2016/17	11.8

Domain	Helping people to recover from episodes of ill health or following injury				
Indicator	28 day readmission rate for patients 16 or over				
National Average	N/A				

Where applicable – Best Performer		N/A			
Where applicable – Worst Performer		N/A			
Trust Statement					
The Blackpool Teaching Hospitals NHS Foundation Trust considers that this data is as described for the following reason:		<ul style="list-style-type: none">• The number of patients readmitted to hospital within 28 days of being discharged from hospital expressed as a % of all discharges in the period (data taken from local source and as governed by NHSI standard national definition).			
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:		<ul style="list-style-type: none">• Clinically led reviews of readmissions to identify and implement actions to reduce avoidable admissions;• Inclusion of commissioners on joint working group to identify and implement health economy wide readmission avoidance schemes;• Monitoring at Trust Board a quality improvement programme for the year.			
2014/15	8.03	2015/16	7.64	2016/17	7.2

Domain		Ensuring that people have a positive experience of care			
Indicator		Responsiveness to inpatients personal needs: CQC national inpatient survey			
National Average – 2016/17		69.6			
Where applicable – Best Performer - 2016/17		86.2			
Where applicable – Worst Performer 2016 /17		58.9			
Trust Statement					
The Blackpool Teaching Hospitals NHS Foundation Trust considers that this data is as described for the following reason:		<ul style="list-style-type: none">• The Trust considers our patients feedback to be crucial in ensuring that our services develop in order for the Trust to meet (data taken from National Picker Institute data and validated by CQC and governed by standard national definitions)			
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:		<ul style="list-style-type: none">• Raising awareness of the Trust’s ‘Tell Us’ campaign;• Continue to work with our listeners (volunteers);• Share our National Inpatient survey results throughout the Trust and work collaboratively to make improvements.			
2014/15	67.1	2015/16	70.1	2016/17	67.8

Domain		Ensuring that people have a positive experience of care			
Indicator		Percentage of staff who would recommend the Trust as a provider of care to their Friends or family. Staff Survey			
National Average		National survey data not available until October 2017			
Where applicable – Best Performer		National survey data not available until October 2017			
Where applicable – Worst Performer		National survey data not available until October 2017			
Trust Statement					
The Blackpool Teaching Hospitals NHS Foundation Trust considers that this data is as described for the following reason:			<ul style="list-style-type: none">National survey data not available until October 2017. Local feedback from the Great Place to Work Survey indicates 71% for the same question (data taken from local source and governed by standard national definitions but internal programme).		
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:			<ul style="list-style-type: none">Further analysis to be undertaken at Divisional level to identify targeted areas of concern and subsequent action plans.		
2014/15	62%	2015/16	66%	2016/17	Data October 2017

Domain		Ensuring that people have a positive experience of care			
Indicator		Percentage of patients who would recommend the provider to friends or family needing care. Inpatients			
National Average		95.33%			
Where applicable – Best Performer		99.91%			
Where applicable – Worst Performer		69.92%			
Trust Statement					
The Blackpool Teaching Hospitals NHS Foundation Trust considers that this data is as described for the following reason:		<ul style="list-style-type: none">• 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 (data taken from NHS England and governed by standard national definition).			
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:		<ul style="list-style-type: none">• Increasing the response rate to give a true reflection on how our patients rate our inpatient service;• Review written feedback to develop themes which will inform improvement plans			
2014/15	94% average of patients likely to recommend the service	2015/16	95% average of patients likely to recommend the service	2016/17	94.70%

Domain		Ensuring that people have a positive experience of care			
Indicator		Percentage of patients who would recommend the provider to friends or family needing care. Patients discharged from Accident and Emergency			
National Average		86.16%			
Where applicable – Best Performer		99.66%			
Where applicable – Worst Performer		47.75%			
Trust Statement					
The Blackpool Teaching Hospitals NHS Foundation Trust considers that this data is as described for the following reason:			<ul style="list-style-type: none">• 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 (data taken from NHS England and governed by standard national definition).		
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:			<ul style="list-style-type: none">• Increasing the response rate to give a true reflection on how our patients rate our inpatient service;• Review written feedback to develop themes which will inform improvement plans.		
2014/15	92% Average of patients likely to recommend the service	2015/16	87% Average of patients likely to recommend the service	2016/17	93.27%

Domain	Ensuring that people have a positive experience of care	
Indicator	Percentage of patients who would recommend the provider to friends or family needing care. Patients discharged from Maternity Services as per question asked at birth	
National Average	96.58%	
Where applicable – Best Performer	100%	
Where applicable – Worst Performer	78.5%	
Trust Statement		
The Blackpool Teaching Hospitals NHS Foundation Trust considers that this data is as described for the following reason:	<ul style="list-style-type: none">• 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 (data taken from NHS England and governed by standard national definition)	

<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"> • Increasing the response rate to give a true reflection on how our patients rate our inpatient service; • Notifying services of any emerging themes so they can take immediate actions to rectify the situation and reviewing written feedback to develop themes which will inform improvement plans; • FFT results easily accessible online via the FFT portal; • Maternity areas are now using a tablet to collect their FFT responses; • Conducting a number of presentations with staff of all levels about the importance of real time feedback i.e. ward managers meetings, band 6 development programmes, weekly induction sessions etc. 		
2014/15	Not previously reported in Quality Accounts	2015/16	Not previously reported in Quality Accounts	2016/17	98%

Domain		Ensuring that people have a positive experience of care			
Indicator		The number of Mixed Sex Accommodation Breaches			
National Average		N/A No national definition set			
Where applicable – Best Performer		N/A No national bench marking information			
Where applicable – Worst Performer		N/A No national bench marking information			
Trust Statement					
The Blackpool Teaching Hospitals NHS Foundation Trust considers that this data is as described for the following reason:		<ul style="list-style-type: none">• The organisation records a breach as any patient that is not transferred out of a critical care area within a specified time period if the area within critical care they are situated in is mixed sex (data taken from local system and governed by agreed definition set with local Commissioners).			
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:		<ul style="list-style-type: none">• The Patient Experience Team and the clinical teams have developed agreed escalation flow chart which details actions to be taken to prevent breaches occurring within critical care;• The Patient Experience Team works alongside the clinical teams and the commissioners to understand and learn lessons from occurred breaches.			
2014/15	6	2015/16	18	2016/17	6

Domain	Treating and caring for people in a safe environment and protecting them from avoidable harm				
Indicator	Percentage of admitted patients' risk-assessed for Venous Thromboembolism (VTE)				
National Average	Info not available from DOH at time of printing				
Where applicable – Best Performer	Info not available from DOH at time of printing				
Where applicable – Worst Performer	Info not available from DOH at time of printing				
Trust Statement					
The Blackpool Teaching Hospitals NHS Foundation Trust considers that this data is as described for the following reason:			• Nationally published via NHS Digital and is governed by standard national definition for VTE. National data not available at time of publishing data provided from local source.		
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:			• Ongoing monitoring and Audit; • Re-instated the VTE Committee with a medical Chair; • VTE Assessment completion incorporated into IT Tracker.		
2014/15	99.9%	2015/16	99.4%	2016/17	99.4%

Domain	Treating and caring for people in a safe environment and protecting them from avoidable harm				
Indicator	Rate of Clostridium Difficile (C Diff) per 100,000 bed days of cases reported amongst patients aged 2 or over (2016/17)				
National Average	National table not yet published				
Where applicable – Best Performer	National table not yet published				
Where applicable – Worst Performer	National table not yet published				
Trust Statement					
The Blackpool Teaching Hospitals NHS Foundation Trust considers that this data is as described for the following reason:			<ul style="list-style-type: none">*The trajectory set for the Trust was 40 incidences of CDiff defined as being lapse in care. Of the 29 incidences 4 have been defined as due to a lapse in care. 25 incidences have been agreed as no lapse in care (data pulled from Public Health England and governed by standard national definition).		
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:			<ul style="list-style-type: none">Enhanced availability of Antibiotic formulary;RCA process redefined and improved;Increased environmental cleaning;Enhanced Education and training programme.		
2014/15	54 cases 18.2	2015/16	66 cases 21.8	2016/17	*29 cases 11.02

Domain		Treating and caring for people in a safe environment and protecting them from avoidable harm			
Indicator		The number of and percentage of patient safety incidents per (100 admissions) that resulted in severe harm or death (April 2016 – March 2017)			
National Average		N/A			
Where applicable – Best Performer		N/A			
Where applicable – Worst Performer		N/A			
Trust Statement					
The Blackpool Teaching Hospitals NHS Foundation Trust considers that this data is as described for the following reason:			<ul style="list-style-type: none">• The Trust continues to promote a culture of open and honest reporting. Data from the Local the Safeguard electronic incident reporting system and governed by standard national definition for levels of incident reporting.		
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:			<ul style="list-style-type: none">• Encouraging a culture of voluntary reporting;• Implementing a monitoring system on the number and management of incidents;• Implementation of lessons learned processes;• Promoting duty of candour.		
2014/15	0.24% (12 months data)	2015/16	0.01% (18) (12 months data)	2016/17	0.01% (10) (12 months data)

Domain	Treating and caring for people in a safe environment and protecting them from avoidable harm	
Indicator	The number of emergency c sections	
National Average	National data not published as percentage	
Where applicable – Best Performer	National data not published as percentage	
Where applicable – Worst Performer	National data not published as percentage	
Trust Statement		
The Blackpool Teaching Hospitals NHS Foundation Trust considers that this data is as described for the following reason:	<ul style="list-style-type: none">• The Trust promotes a maternity safety culture enabling the optimum outcomes for all families (data taken from the National Maternity Data set and is governed by standard national definition).	

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:			<ul style="list-style-type: none"> • Promotion of normal birth via the Fylde Coast Birth Centre; • The Team are participating in the maternity and neonatal collaborative safety programme; • Labour ward leadership programme ongoing; • All emergency caesarean section are individually reviewed and monitored at Divisional and Trust Board. 		
2014/15	11%	2015/16	12.2%	2016/17	14.3%

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. The latest nationally published SHMI rate for the Trust is 114.31 for the period July 2015 to June 2016, this compares to 115.11 for the period July 2014 to June 2015. The latest available data from the hospital evaluation data system for the period November 2015 to October 2016 shows a further reduction to 114.22.

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 Strategy 2015 - 18 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. The Trust has re-instated the VTE Committee to support ongoing work in reducing this harm across the organisation and added the completion of the VTE assessment as a field on the IT Tracker system which allows wards to identify patient risk and ensure it is being managed in line with best practice.

Domain: Treating and caring for people in a safe environment and protecting them from avoidable harm

Sign up to Safety (SUTS) 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. Further information can be found on Page 92.

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 was 9.04% for the year 2016/17, compared to 8.29% for the year 2015/16. 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 2016/17 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 2016/17 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 accounts.

	Indicators	2016/17	2015/16	2014/15	2013/14
Patient safety Outcomes	Hospital Standardised Mortality Rate (Summary Hospital Mortality Indicator)	115 (Indicative)	115 (Indicative)	119	119
	Stroke Mortality Rate Data Source HED:	119 (Indicative)	135	133	124
	Sign Up to Safety Pressure Ulcer harm reduction	Stage 2, 1.94% increase, stage 3, 32.26% decrease and stage 4 16.67% decrease.	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	7.23% increase overall	6% reduction	Not in place	Not in place

	Indicators	2016/17	2015/16	2014/15	2013/14
Clinical Effectiveness	Compliance with implementation of NICE guidance	NG – 59/66 89%	NG – 9/45 20%	0/8 0% Note national guidance introduced at this point	N/A Not in place
		CG – 98/102 96%	CG – 64/95 67%	60/96 63%	46/79 58%
	Opportunities to care within clinical pathways - sepsis	84%	91%	93%	N/A Not in place
	Opportunities to care within clinical pathways - AKI	75%	74%	82%	N/A Not in place
	Opportunities to care within clinical pathways - pneumonia	95%	93%	91%	N/A Not in place
	Opportunities to care within clinical pathways - Stroke	93%	87%	92%	N/A Not in place
	Opportunities to care within clinical pathways - Fractured Neck of Femur (#NOF)	75%	** 76%	88.73%	N/A Not in place
	Opportunities to care within clinical pathways – Cardiac Chest Pain	97%	96%	98%	N/A Not in place
	Opportunities to care within clinical pathways – Chronic Obstructive Pulmonary Disease (COPD)	94%	* 94%	97.82%	N/A Not in place
Patient Experience	Percentage of Adult Inpatient who rate care as excellent/very good/good	(2015 data) 80%	81%	81%	79%
	Percentage of Adult Inpatients who have been treated with Respect & Dignity	(2015 data) 91%	89%	90%	86%
	Percentage of Adult Inpatients who felt involved in their care and/or treatment	(2015 data) 71%	71%	73%	67%

*COPD start date was 28th May 2014 (not a full years data)

**#NOF launch date was 25th June 2014 (not a full years 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 2016/17	2016/17	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 99.0% Q2 99.0% Q3 100% Q4 - not available	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 - not available	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 100% Q2 100% Q3 100% Q4 - not available	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 2016/17	2016/17	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 Q1 88.5% Q2 85.04% Q3 86.56% Under achieved: Q4 - not available	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	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 Q1 90.0% Q2 91.43% Q4 - not available Under achieved: Q3 80.95%	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%	Achieved Q1 91.8% Q2 93.1% Q4 - not available Under achieved: Q3 88.28%	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 – 2 week wait	93%	Achieved Q1 98.6% Q2 99.19% Q3 99.18% Q4 - not available	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%
	Maximum 6 week wait for diagnostic procedures	99%	Achieved Q1 99.16% Q2 99.67% Q3 99.75% Q4 99.75%	Not previously reported			

Data comes from the NHS Information Centre Portal

National Targets and Minimum Standards	Target	Target 2016/17	2016/17	2015/16	2014/15	2013/14	2012/13
Cancelled Operations	Percentage of Operations Cancelled	0.8%	1.01%	Achieved 0.75%	Under Achieved 1.76%	Under Achieved 0.92%	Achieved 0.45%
	Percentage of Operations not treated within 28 days	0%	0%	0%	Achieved 0%	Achieved 0%	Achieved 0%
Access to Treatment	18 week Referral to Treatment (Admitted Pathway)	>=90%	Under Achieved 86.24%	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 93.56% (A)	Achieved 95.11% (A)	Achieved 92.03%	Achieved 94.78%	Achieved 94.37%
	18 week Referral to Treatment (Non-Admitted Pathways [including Audiology])	>=95%	Under Achieved 93.68%	Achieved 95.41%	Achieved 95.24%	Achieved 96.78%	Achieved 97.51%
Infection Control	Incidence of MRSA	0	4 Not Achieved	5 Not Achieved	3 (Target 0)	1 (target 0)	3 (target <=3)
	Incidence of Clostridium Difficile	40	21 Achieved	43 (Target <=40)	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 87.9% (A)	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	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 17/05/2017

Blackpool CCG as Commissioner for Blackpool Teaching Hospitals NHS Foundation Trust's services welcomes the opportunity to comment on the Quality Account for 2016/17.

It is pleasing to note that Blackpool Teaching Hospitals NHS Foundation Trusts Quality Strategy 2015/18 provides the framework underpinning the Trust's focus on key areas for improved patient quality and safety for 2017/18.

The Quality Account provides an overall picture of varying levels of achievement and underachievement against agreed specified targets. However, the report is somewhat contradictory in places, as for instance, it describes the addition of two Tissue Viability nurses to the workforce as being able to implement quality improvement initiatives. It is therefore disappointing to note that there has been a 15.8% increase in Stage 4 pressure ulcers after a reported significant reduction of 21% for Stage 3 and 4 pressure ulcers for 2015/2016.

It is pleasing to note that the Harm Free Care target of 95% has been exceeded by both Acute and Community Services and is testament to the hard work and continued focus of improving the quality and safety of patient care within the Trust in this regard.

It is disappointing to note the underachievement of some of the Sign up to Safety measures; particularly in relation to Stage 2 and 4 pressure ulcers and the increase in falls resulting in by 7.23%. This does not seem to be reflective of the focussed work undertaken by the Trust in both of these areas.

We are encouraged by the renewed focus/review of Sepsis and AKI pathways planned for 2017/18 as

these have underachieved for 2016/17.

The Trust continues to actively lead in a health-economy approach to undertaking post infection reviews of each incidence of Health Care Acquired Infection (HCAI) during 2016/17 in order to continue to actively promote a reduction in HCAI using a lessons learned approach. The increased focus and dedication in this respect has resulted in a noticeable reduction cases of CDifficile; the Trust had 29 cases against a trajectory of a maximum of 40 C Difficile cases, with most importantly only 4 attributable to being avoidable. 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 note the reported improvements in (SHMI) hospital mortality rates in 2016/17; however despite this the Trust continues 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 improvements in 2017/18 in specific care pathways such as Stroke, Diabetes and Sepsis. The account may have benefitted the reader if it had contained more detail with regards to the work being taken to improve outcomes in relation to these pathways.

Timely, accurate and informative discharge information for patients and their GPs has been a focus for Blackpool CCG. Reporting and sharing real time examples where issues have occurred with the Trust. The Always Event Programme is an important initiative towards ensuring that patients have accurate discharge information thereby enabling safe and effective ongoing care.

Blackpool Teaching Hospitals 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.

Our comments are based on a draft version of the Quality Account 2016/17; 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.

Fylde & Wyre Clinical Commissioning Group – dated 09/05/2017

This Quality Account gives an overview of the Trust's year 1 progress with the range of quality measures and improvements identified in the Quality Strategy, the development of which was an opportunity to take stock and define real priority areas for addressing patient safety.

The Quality Account presents a mixed picture of significant improvement in some areas and underachievement against target in others. This position recognises the continuous effort required to sustain progress across many domains of quality and safety within a large workforce. The Quality Account should give a clear message about the organisational safety culture; the expectation of personal responsibility, most particularly at senior clinical leadership levels; putting learning into practice and recognition for those who achieve evidenced improvements and sustained safe care.

Whilst the Harm Free Care target of 95% has been exceeded in both community and acute services, the targets set within the Sign Up to Safety commitment have not been fully met. Recognising there are different calculations to the measures, readers would benefit from a clearer explanation of why there is confidence in the statement that 'increase in falls reflects the increase in patient admissions and improved reporting'. Nevertheless, the reduction in harms arising from falls is testament to the focused work undertaken.

Similarly, a 15.38% increase in stage 4 pressure ulcers should be explained following last year's reported reduction and the work undertaken to address and embed learning in changed practice needs to be described. The requirement is for the Trust to ensure earlier learning is truly embedded in sustained good practice across all areas of the organisation and that every opportunity to care is taken.

The two pathways on which the pathway compliance and Opportunities to Care have been reported were cause for concern in last year's Quality Account ie sepsis and acute kidney injury and the results reported here demonstrate that

considerable work is still required to ensure that patients consistently and reliably receive the best care for their condition. The wider work on staff complying with agreed pathways of care must be maintained in order to move the Trust from being a national outlier for mortality, as measured by Summary Hospital-Level Mortality Indicator (SHMI). More information about diabetes, stroke, sepsis and pneumonia care would have given assurance about the work being done to drive down the on-going mortality concern. The CCG will continue to monitor and work with the Trust on this concern in 2017/18.

Greater explanation about how the cases of MRSA have led to the specific further improvements identified to be actioned would benefit readers.

The Trust is to be commended on the significant improvement in identifying and successfully managing patients whose condition deteriorates, sometimes rapidly.

We are heartened to see that the Always Event Programme is addressing the information patients need on discharge to help them feel confident to manage their own on-going care, at least in relation to the reason for their inpatient stay. Timely, accurate and informative discharge information for patients and their GPs has been a focus for the CCG over the last year and we have shared with the Trust real examples which come to us, to help inform the Trust's improvements. It is important that this becomes normal practice for all discharging departments and wards as soon as possible, as is the drive to ensure all patients are enabled to feel involved in decisions about their care.

The quality and improvements in out of hospital care should feature very clearly in the next Quality Account.

3.4.2 Statement from Governors dated 11/05/2017

Blackpool Teaching Hospital's governors play an important advisory and strategic role within the Trust, representing all Trust members and the wider community. Supporting high quality treatment and care is at the heart of the governors'

annual work programme and we were pleased to receive an encouraging progress update on achievements secured in the first year of the Trust's 3-year Quality Strategy. Despite continuing and well-publicised challenges with regard to the demand on A&E, staff recruitment and pressure on resources, it is very pleasing to note that patient satisfaction, as measured by the Friends and Family Test, continues to meet targets set. This is to the credit of all staff, including the Trust's leadership, who steadfastly continue to place patients at the heart of all that they do.

There is much for the Trust to be proud of around Quality Improvement and we support the work that is being done to make positive changes. However, there should be no "resting on laurels". Improving quality is at the heart of everything the Trust does and the governors are well placed to provide support, feedback, challenge and oversight, as appropriate.

Governors welcome the increasing level of joint working locally with other health and social care partners and we are delighted that this Trust was identified in the NHS's Next steps on the Five Year Forward View as a probable early candidate for Accountable Care System status. The new Extensive Care Service, established this year to better meet needs, within the community, of those individuals most vulnerable to repeated hospital admission, is already demonstrating an impact, although it is too early yet to conduct a formal evaluation.

We expect the health services landscape to see significant and rapid change over the next few years. Pursuing better outcomes for more people, with constrained resources, will prompt new and different ways of working. We believe that this trust is well-placed to meet the challenges ahead and we, as elected and appointed governors, are committed to ensuring that the voice of the community continues to influence development at a time of potentially rapid organisational change.

3.4.4 Statement from Local Healthwatch

No statement provided for this year's Quality Accounts

3.4.5 Statement from Lancashire Health Scrutiny Committee

No statement provided for this year's Quality Accounts

3.4.6 Statement from Blackpool Health Scrutiny Committee dated 10/05/2017

Blackpool Health Scrutiny Committee welcomed the opportunity to comment on Blackpool Teaching Hospitals' Quality Accounts (QA) which Members found interesting to read and was well structured (bite-size for each service area with tables) albeit still long but a good, public friendly formats. The Committee recognises the importance of involving the public and other stakeholders in helping promote health improvement through delivering safe, quality clinical services which involve patients ('patient experience'). The Committee also recognises that acute services are a challenging environment and BTH covers a vast array of services and supports an impressive number of patients so inevitably the QA is long.

Due to the General Election Purdah, it is not possible to comment specifically on the QA content in terms of quality, progress etc but general comments are provided on report format (readability etc).

1. The Committee recognised that whilst Francis advocated QAs as an important improvement format, Scrutiny has to balance priorities against what are long reports. An executive summary (in so far as this is possible) would be welcome for Scrutiny and particularly the public.
 - Listing key priorities, exceptional performance highlights (poor but also very good practice) linking to the improvement plan, proposed major improvements / plans (Quality Strategy), i.e. highlighting shortfalls, trends and proposed actions (detailed statistics in appendices).
 - How the public/patients have been involved throughout the year. The QA includes feedback from Scrutiny, commissioners and Healthwatch bodies there is no feedback section for the public.

- There are repetitive elements early on, e.g. Quality Strategy mentioned a few times within the first chapter (opening paragraph).
 - It is recognised that BTH has to complete its QA using NHS Improvement's template so it would be welcome if NHS Improvement took on board Scrutiny feedback in developing a simpler QA format. Scrutiny also recognises the challenge of having to produce the QA within 30 days of the end of the financial year for comment meaning that first circulated drafts for comment will contain less information than evolving drafts. Again feedback for NHS Improvement to consider.
2. Page 89 refers to Blackpool Overview and Scrutiny Committee, minor point but should be Blackpool Health Scrutiny (are other Blackpool scrutiny committees).
 3. The language used in the document was generally good, i.e. tried veered away from standard health-speak so more meaningful/ intelligible to patients and the public but did drift into complex health-speak.
 - However, perhaps having the glossary and abbreviations at the start might be helpful for the public. Likewise short explanations of some common definitions, e.g. 'duty of candour' and some of the lesser known medical conditions
 - 'Specified metrics' could do with a more meaningful phrase than 'metrics'.
 - The Non - Executive Director Chair (bottom of page 89) doesn't seem to read right.
 4. The original QA letter states that the QA was a first draft and constantly being updated. A more complete draft was sent through a few weeks later. Whilst the early notification and first draft were appreciated, the later draft contained updated/additional information.
 - It would be simpler to be sent a final consultation draft in good time as Members (or other stakeholders) don't have time to comment on a first draft and then have to check comments against a later draft.
 5. The feedback limit of 500 words encourages focus but doesn't really allow proper opportunity to constructively comment on what are important areas (quality, safety, patients).
 - A limit is not really necessary as most respondees will recognise the need to be concise and the gist of their comments/ suggestions could be summarised. However, to aid collation of responses then a limit of 1000 words would be a realistic balance.
 6. Font size Arial 8 albeit the contents pages needs to be more viewable to people with visual limitation, i.e. font size 11 or 12. Arial 10 for Chief Executive's statement which also needs proof-reading. Likewise colour keys need to be considered carefully, alternative graphics may be more effective. BTH works with N-Vision who may have views.
 7. The report structure was good (effective use of text, tables, diagrams) kicking off with explanatory information on next year's priorities (contents page incorrectly refers to last year), concise reviews of key projects (states from the previous year but should be this year) and future plans with more detailed information contained within appendices e.g. clinical audit table and some subsequent long lists could be in appendices. However, see executive summary suggestion above.
 8. The list of reviewed projects was comprehensive but the same approach reviewing key services / wards / departments would be useful as most people will use these.
 - Reduction in Pressure Ulcers is ticked as being 'behind plan' ('below target' is more meaningful) but also 'on target'.
 - It was notable that nearly half of the projects were 'behind plan'.
 - 'Harm free care' section refers to pressure ulcers and falls improving but in 'review of projects' falls is 'behind plan'. Perhaps a reference to the Vitaline service in relation to falls.
 - 'Harm free care' arguably focuses too much on professional work/information and could do with more details on direct support for

patients, e.g. references have been made to people offered enhanced mattresses and cushions for managing pressure ulcers and also awareness publicity issued.

- Patient safety - 16,000 patient safety incidents reported by staff (near misses to serious) seems quite high so needs to be put into context, i.e. total numbers of patients and how the figure benchmarks against the national average / comparable trusts.
 - 'Lessons learnt' briefing on page 97 is a smart device (quite pictorial)
 - Patient safety - text for 'lessons learnt' and 'duty of candour' is duplicated.
 - Workforce experience - could there be more details on developing staff and patient effective experience
9. The list of key achievements with simple ticks was good.
- However, key data still missing limiting comment, e.g. what does Xx% reduction in failure to rescue patients mean? Rescue in what sense, deteriorating or dying?
 - In top 25% of Trusts whose staff received an appraisal. What is the outcome, i.e. staff happier/motivated/supported, patients getting better treatment?
10. Quality improvement metrics was easy to follow with good examples although 'metrics' could be replaced with a more meaningful phrase
11. Priorities going forward - understandably lot of reduction/improvement targets
- Little reference to partnership working, e.g. more community-focused care / reducing 'delayed transfers of care' due to bed shortages will involve other partners, no reference to the ambulance service either (tackling handover delays)
12. The overall rating for the Trust remains unchanged for 2016 / 2017 at 'requires improvement' and this will remain unchanged until a full re inspection is facilitated by CQC.
- This has been noted by the Committee who would hope to see a 'good' rating achieved

for whenever the next CQC inspection takes place.

13. Quality Performance (NHS Outcomes Framework) may need a little more spacing for readability between each 'domain' performance area being considered.
- Refers to Preventing people from dying prematurely. The Committee noted that BTH's figure was 116 well below the national average (100) and close to the 'worse performance' (120). Furthermore, the indicative figure (116) for 2016 fell back to the 2014 level after an improvement in 2014. The Committee appreciates that this is a challenging priority area.
 - Noted that data for a lot of the 'domain' performance areas is not available until August, over four months after the relevant financial year. Perhaps this could be produced more promptly.
14. Risk Management Framework - the Committee monitors the same performance indicators every six months through the Blackpool Clinical Commissioning Group.

Although Purdah has limited comments on this occasion, it is good that the BTH has allowed extra time to respond. Scrutiny has also welcomed the opportunities for regular in-year engagement with BTH which Scrutiny has appreciated as a more effective real-time approach to assurance / health improvement than simply an annual report. Scrutiny recognises sustainability issues are foremost for the health sector, particularly acute service providers, maintaining quality services against increasing demand and financial pressures. Hence Scrutiny will continue to monitor sustainability themes at BTH and also Sustainability and Transformation Partnerships which involve BTH.

It may be useful to provide a link to minutes of meetings held during 2015 and 2016 where improvement has been sought at BTH. The progress item on 26 April 2017 was deferred but the report provides a trail to current progress and links to Scrutiny comments from previous meetings. <http://democracy.blackpool.gov.uk/ieListDocuments.aspx?CId=139&MId=4503>. The

Committee also hopes to make use of the QA information to help inform its next meeting concerning BTH.

On a general point, Members hoped staff are fully supported in their roles including good support networks to turn to. This is important in terms of staff being fully able to support vulnerable people and keep staff illness and turnover to a minimum.

The Committee looks forward to continuing to work constructively with BTH for the benefit of patients.

3.5 Independent Auditor's Report to the Council of Governors of Blackpool Teaching Hospitals NHS Foundation Trust on the Annual Quality Report

Head of Internal Audit Opinion

2016-17 Head of Internal Audit Opinion to Blackpool Teaching Hospitals NHS Foundation Trust

Basis of opinion for the period 1 April 2016 to 31 March 2017

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.

Opinion

Our opinion is set out as follows:

- Basis for the opinion;
- Overall opinion; and
- Commentary.

Head of Internal Audit Opinion

The basis for forming our opinion is as follows:

- An assessment of the design and operation of the underpinning Assurance Framework and supporting processes; and
- 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 2016 to 31 March 2017 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.

Commentary

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 2016 to 31 March 2017 inclusive, and is based on the eleven audits that we completed in this period.

The design and operation of the Assurance Framework and associated processes

Overall our review found that the Assurance framework in place is founded on a systematic risk management process and does provide appropriate assurance to the Board.

The Assurance Framework does reflect the organisation’s key objectives and risks and is reviewed on at least an annual basis by the Board.

The range of individual opinions arising from risk-based audit assignments, contained within our risk-based plan that have been reported throughout the year

We issued two ‘partial’ assurance opinions in relation to Lessons Learned and Length of Stay and a ‘no assurance’ opinion in relation to the WLI payments element of our Contingent Labour report in 2016-17. We raised four high risk recommendations in respect of our 2016-17 assignments.

None of our 2016-17 assignments prevent us from issuing “significant with minor improvements” assurance. This is because the assignments that received ‘partial’ or ‘no’ assurance ratings relate to strategic rather than core mandated reviews. The issues noted in these assignments also relate to specific areas and processes within the Trust rather than being generally reflective of the internal control environment we have observed in the course of our work in 2016/17.

KPMG LLP

KPMG LLP

Chartered

Accountants

Manchester

18 April 2017

4 Appendices

Appendix A

Title	Actions taken following issue of National Report
Oesophago-gastric cancer (NAOGC) 2014	All HGD patients discussed at MDT. OG multi-disciplinary teams aware of the proportion of their elderly patients managed with curative intent. Trust monitors the proportion of patients with OG cancers diagnosed at an early stage. Trust ensures that cancers diagnosed at an early stage consider endoscopic treatment in preference to surgery. Trusts to review the quality of the data submitted to the audit, and ensure it is complete and valid.
National comparative Audit of the medical use of blood 2011	Patients receive patient information leaflet prior to receiving blood. Currently piloting the introduction of intravenous iron in cardiac patients with the intention of expanding to other directorates if successful.
National audit of seizure management in Hospitals	Paediatric Epilepsy services at Blackpool have met the criteria's to get Best Practice Tariffs. Referrals to Paediatric Epilepsy nurses and referrals to be seen in Epilepsy clinic- which ensure children to be seen by Consultant with interest in epilepsy and appropriate investigations have been implemented
National Adult Community Acquired Pneumonia Audit 2014	Ensure GP referrals with chest symptoms have CXR requested on arrival. Encourage Nursing staff to inform doctors on-call when CXR are available for review
VTE risk in Lower Limb immobilisation in plaster casts	Heparin Indicator pathway poster developed and displayed. Heparin Indicator pathway worksheet for inclusion in patient notes
Head and neck oncology Data for Head and Neck Oncology (DAHNO)	Highlight need to include radiology data when inputting to DRM team
National Audit - Assessing for cognitive impairment in older people	Standardisation of cognitive impairment assessment to be introduced throughout the Trust. Hospitals should screen for dementia / delirium in over 75s in the ED, pathway triggered in ED being developed. This information, if new, should be shared with GP for discharged patients and inpatient teams for admitted patients. Review of Early Warning Score position and decision position of how best to ensure that safe care in this population group can be accurately recorded.
Mental Health in the Emergency Department	Ensure patients who have self-harmed have a risk assessment in the ED. Implement guidance; Previous mental health issues should be documented in the patient's clinical record. A Mental State Examination (MSE) should be recorded in the patient's clinical record, the provisional diagnosis should be documented in the patient's clinical record, details of any referral or follow-up arrangements should be documented in the patient's clinical record. From the time of referral, a member of the mental health team will see the patient within 1 hour. An appropriate facility is available for the assessment of mental health patients in the ED. Continue to participate in the National Audit on behalf of the Trust

Title	Actions taken following issue of National Report
Procedural Sedation in Adults	Sedation pro forma to be implemented. To document: Consent, monitoring, Drugs used, Adverse events, Sedating clinician, Procedural clinician. Procedural logbook
Vital signs in Children	ED consultants to share with clinicians following guidance; ED clinicians should ensure that children presenting with medical illnesses have a full set of vital signs taken and documented within 15 minutes of arrival or triage. ED clinicians should ensure that children with abnormal vital signs should have a further complete set taken and documented within 60 minutes. ED clinicians should ensure adequate documentation of patients' care plans for those with abnormal vital signs, ensuring consistent validation and escalation of abnormal results. ED clinicians should consider with management how to maximise consistency of assessment. RCEM recommends that all EDs adopt vital signs scoring system, such as PEWS (or an equivalent early warning score). ED clinicians should ensure a reliable process for senior review of paediatric patients discharged with abnormal vital signs

Appendix B

Title	Actions taken as a result of local clinical audit
Unscheduled Care	
Audit on practice of endoscopic dilatations of benign and malignant GI stenosis	All patients should have dysphagia score documented in ADAM report. Laminated dysphagia score sheets to be placed in endoscopy rooms
Compliance with NICE CG 100 Alcohol Disorders and CORP/PROC/487	Continue training of all staff in assessment skills in key admission areas of the hospital
Management of patients with the diagnosis of Pemphigoid (Bullova)	Proforma/sticker with tick list created to go in notes to record when BP clinically suspected.
Acutely ill patients in Hospital: Recognition of and response to acute illness of adults in hospital	Introduce National Early Warning Score (NEWS) to the Trust. Continue to review all adult 2222 calls (excluding A&E). Procedural document now on document library. Continued delivery of training to nursing staff & reinforce the use of NEWS, the Graded Response Strategy (GRS) and the use of appropriate documentation
Percutaneous lung biopsy - safety and diagnostic adequacy	Chest radiologist performing PTLB audit/record of PTLB cases; New flow charts displayed and new documentation implemented
Management of head injuries in children under 16 years old presenting to the children's emergency department	Child Head Injury Pathway introduced

Title	Actions taken as a result of local clinical audit
Recording monitoring and assessment of fluid balance and recognition of risk factors for acute kidney injury (AKI)	Incorporate lessons learned in 'Recognise and Act' and 'Forward to Basics (F2B)' training.
Diabetic Ketoacidosis audit	Implement new DKA pathway to serve as a prompt for correct diagnosis, regular monitoring and treatment adjustment. Educate and increase awareness of importance of complying to guideline. Ensure capillary ketone test kit is available on MAU, ward 11 and ward 18
Audit to assess the need and care for a urinary catheter in acute care	Catheterisation checklist available.
Asymptomatic primary hyperparathyroidism management and evaluation of surgical candidates for Parathyroidectomy	Education provided for staff including the rationale for the use of vitamin D replacement
Re-audit acute upper GI bleed	Early referral of all GI bleeds notify A&E AMU. Complete severity of GI bleed score (GBS) documentation on initial assessment and referral admitting doctors to document score. Post endoscopy prognostic score (Rockall score) to be recorded on endoscopy system. Management plan formulation including for re bleeding. Immediate prescribing of omeprazole infusion post endoscopy for appropriate patients.
Audit of colonic SEMS for obstructing colonic tumours	Discuss with all relevant stakeholders
Check listing and monitoring patient receiving Anti-thymocyte Globulin treatment	Introduction of a new ATG check listing and monitoring bedside form
Management of Spontaneous Bacterial Peritonitis	New guidelines adopted for management of SBP, Implementation of the care bundle Ongoing education to Improve access to training in ascetic tap
Audit of patient case notes who have undergone Haemopoietin progenitor cell transplantation	Documentation designed to record review by Haematology CNS prior to discharge e.g. to discuss contacts in case of complications, patient's concerns and information
Review of pre and post ambulatory unit Clinical Quality Indicator's in conformity with The Society of Acute Medicine	Ongoing education of staff in ensuring all patients to AMU are triaged within 15 mins of arrival, and for junior doctors to ensure patients are assessed within 4hrs of arrival. Continual improvement of patients senior review within 12hrs
Hand injury documentation	Hand injury teaching at induction. Hand injury teaching added to rolling teaching program
Observation ward - safe discharge	Checklist poster on the wall for patient on ward 24 hours after transfer, Ongoing education FY1 & FY2. FY1 do a ward / board round of patients each morning.

Title	Actions taken as a result of local clinical audit
Management of atrial fibrillation for those patients admitted as an acute medical admission	Poster produced as part of regional audit
Performance of Lumbar Puncture in Adults	Checklist developed in order to document consent, side effects of anaesthetic, samples taken and sent. Ongoing education continues
Prospective study on quality of care of patients with decompensated liver cirrhosis in first 24 hrs	Copies of Cirrhosis bundle have now been made available on AMU, education given on the use of the care bundle.
Scheduled Care	
Post-operative management of lower limb amputation patients	Acute pain team now involved in post-operative management of amputation patients. All amputations to be undertaken with a post FRCA anaesthetist. introduction of perineal catheters for infusion of local anaesthesia to improve post-operative pain
Protected lung ventilation in theatre	No actions required
Reliability of National Hip Fracture Database	NHFD forms to be filled in by the operating surgeon, better communication with the NHFD clerk, and outline which times to be inputted into NHFD, to be sent to NHFD clerk.
NCEPOD Study -Lower Limb Amputation Study	Vascular services now transferred to RPH. Patients are seen as required at BTH, care transferred to RPH if required.
Anaesthesia and peri-operative/post-operative analgesia for hip fracture	Regional anaesthesia for all hip fractures to be encouraged.
VTE prophylaxis in Obstetrics	Electronic prescription chart to be produced
Radio frequency ablation of the soft palate for snoring	Post-operative questionnaires included in casenotes
NICE IPG495 - Radiofrequency tissue reduction of turbinate hypertrophy	Improve awareness of need for post-op patient reported outcome measures among doctors and nurses in clinic,
IV fluid prescription therapy monitoring during the first 24 hours on SAU according to NICE guideline CG174	Ongoing education of junior doctors on prescribing fluids and documentation of fluid status
Systolic blood pressure and pneumatic tourniquet inflation pressure	Revision of competency and training provided where appropriate.
Anaesthetic record keeping	Target standards met in most areas no action required other than future audits to be undertaken in consent, Who and machine checklist
Post-operative nausea & vomiting	Droperidol introduced on the theatre formulary
Paediatric day case re-admissions	Ongoing education of juniors in implementation of new guideline

Title	Actions taken as a result of local clinical audit
Safety and efficacy of 25 suterless vitrectomy in macular hole treatment	Compliant no actions required
Audit of outcome of lid cancer surgery	All patients undergoing surgery must have studio photos taken. Pre-operative documentation re designed.
Personal Cataract Surgery - complications and outcome (Dr Prasad)	Compliant no actions required
Implementation of CHAD2VASC in patients who develop AF	Raising awareness amongst staff about CHADVAS scoring
New onset atrial fibrillation in cardiac critical care	All the information pertaining to the episode of new onset AF is included in the hand over to the ward during transfer and complete the PATS and SBAR forms
Peri operative diabetic management in adults (insulin and non-insulin diabetics)	Patients with diabetes to be prioritised on lists. BMs to be maintained.
Multiple changes to list order - an error waiting to happen	Patients will be listed according to age, ENT patients will be listed according to surgical requirements
Are there significant adverse events to our current practice in paediatric sedation undergoing day surgery	Compliant no actions required
Clinical Support	
Re-audit NPSA 15 (National Patient Safety 15)	Results disseminated
Adequacy of cervical biopsies and cervical loop excision biopsies	Results shared with Colposcopy Unit and National Cervical QA Team to maintain compliance
Cervical loop histopathology reports	Cervical loop biopsy reporting proforma introduced and circulated to all Pathologists
Audit to measure the compliance of completing the IRMER sticker in case notes	Results to be disseminated to all radiology staff
Clinical usefulness of improved cell block technique in diagnostic cytopathology	All cell blocks to be recorded by entering in the text and SNOMED
Use of PCC (Octaplex) in emergency warfarin reversal according to local guideline	PCC Checklist completed by the medical and surgical teams and blood bank BMS to authorise PCC use, education in transfusion to be introduced in junior doctors induction session.

Title	Actions taken as a result of local clinical audit
Clinical consistency of Endobronchial Ultrasound Transbronchial Node Aspiration histological results	No actions required
To establish the sensitivity of breast and axillary ultrasound, as well as breast and axillary biopsy / FNA in picking up invasive breast cancer in BVH	No changes are needed to their current practice
NPSA Audit	Management Team to arrange dissemination of results to Head Nurses and Matrons no other actions required
Re-audit Omission and delay of Medicines	Ward managers to police documentation standards and Medicines Management Team to carry out spot checks
To establish concordance of prostate cancer staging report with IUCC and the Royal College of Radiologists Guidelines	Educational poster developed and distributed to Radiologists
Medication Review: Does it happen at BTH	Medication review tool completed supported by traffic light tool attached to patients inpatient chart
Compliance to the RCPATH dataset for colorectal cancer	All standards met, no actions required
Compliance with national guidelines for external and internal examination at coronial autopsy	External examination now includes at minimum sex, age, weight, height, ethnicity and surface features.
Self-Administration of medicines Audit	ADON's to confirm that results & expectations discussed at each ward meeting. Ward Managers to ensure that they are cascading the information about the policy to their staff.
Families	
Postnatal management of Antenatally detected Hydronephrosis	Antenatal scan result now documented in notes and whether baby has passed urine. Follow up plan also documented in the baby notes by the doctor doing the check.
Management of spasticity in children	An online system has been developed for communication between community and hospital staff.
Children with acquired brain injury	Review of clinical psychology services for more specialist neuropsychological assessments to be available.
Assessing risk factors for commencing empirical antibiotics in early neonatal sepsis	Following pathway
Management of postpartum haemorrhage	Improvement of management & measurement of blood loss -. Early escalation and accurate documentation information cascaded and incorporated into local induction
Safeguarding Audit 2014	No actions required

Title	Actions taken as a result of local clinical audit
Audit of Health Promotion for children looked after in Blackpool, Fylde & Wyre	Completion of IHA cases to include discussions on sleep and diet
Management of babies with grade 2 or 3 HIE born at greater than 36 weeks	Documentation to be standardised
Diagnosis and Management of Children with DKA	Current guidelines updated to be in line with BSPED guideline.
Re-audit LLETZ procedure	Ongoing education to users of data collection onto compuscope and education on avoiding LLETZ in low grade smears. Plan to be devised where excision margins should include endocervical, ectocervical and deep soft tissue (lateral) margin.
Monitoring of children and adolescents on treatment for ADHD	Regular assessment of diet and lifestyle to be undertaken. Side effects of medications including assessment of movement disorders to be completed and documented
Audit of Neonatal Resuscitation Documentation proforma	Neonatal resuscitation proforma amended, ongoing education in changes
Stress urinary incontinence audit	Re-introduction of self-catheterisation to patients having TVT's
Care provided to pregnant women with Cardiac disease	Pre-conception counselling offered and contraception advice to be discussed at cardiac clinic
Bliss baby Charter Audit	Please see detailed action plan.
Audit of GP discharge letters within 48 hours for newly diagnosed diabetes patients	Posters have been placed in doctor's office and accessible information is in major clinical areas to act as a reminder. A system that allows free communication between GPs and Paediatric Diabetic Nurses has been set up

Appendix C

Table i: Glossary of Abbreviations

Abbreviation	Meaning
SUTS	Sign up to Safety
NICE	National Institute Health and Care Excellence
CAUTI	Catheter Associated Urinary Tract Infection
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

Abbreviation	Meaning
PROMS	Patient Reported Outcome Measures
HED	Healthcare Evaluation Data
NEL Admissions	Non Elective Admissions
IAPt	Improving Access to Psychological Therapies
CQC	Care Quality Commission
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
VTE	Venous Thromboembolism
RCP	Royal College of Physicians
CTG	Cardiotocography
UV-C	Ultra Violet
BME	Black and Minority Ethnic
AMU	Acute Medical Unit
NHIR	National Institute of Health Research
#NOF	Fractured Neck of Femur
COPD	Chronic Obstructive Pulmonary Disease
A&E	Accident & Emergency
SSNAP	Sentinel Stroke Audit Programme
RCEM	Royal College of Emergency Medicine
RCP	Royal College of Physicians
CADS	Complicated Acute Diverticulitis Audit
MINAP	Myocardial Ischaemia National Audit
NICOR	National Institute for Cardiovascular Outcomes Research
ICNARC	Intensive Care National Audit Research Centre
NPDA	National Paediatric Diabetes Audit
NCAA	National Cardiac Arrest Audit
NELA	National Emergency Laparotomy Audit

Table ii: Glossary of Terms

Term	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 1 or 2 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.

Term	Meaning
Catheter associated urinary tract infection	An infection which it is believed to have started by a urinary catheter.
Clinical	Relating to the care environment.
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: http://www.ic.nhs.uk/pubs/hesemergency0910
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: http://transparency.dh.gov.uk/2012/11/28/nhs-friends-and-family-test
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' http://www.dh.gov.uk/en/Publicationsandstatistics/PublishedSurvey/NationalsurveyofNHSpatients/DH_126972

Term	Meaning
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: http://www.nhsstaffsurveys.com/
NHS Outcomes Framework	<p>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:</p> <ul style="list-style-type: none"> • Domain 1 Preventing people from dying prematurely • Domain 2 Enhancing quality caring of life for people with long-term conditions • Domain 3 Helping people to recover from episodes of ill health or following injury; • Domain 4 Ensuring that people have a positive experience of care; and • Domain 5 Treating and caring for people in a safe environment <p>Available at: http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance</p>
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.
Patient Reported Outcome Measures	<p>The patient reported outcome scores are for i) groin hernia surgery, ii) varicose vein surgery, iii) hip replacement surgery, and iv) knee replacement surgery</p> <p>http://www.ic.nhs.uk/statistics-and-data-collections/hospital-care/patient-reported-outcome-measures-proms</p>
Percentage of Admitted Patients Risk-Assessed for Venous Thrombo-Embolism	Location of the latest published data can be accessed from: http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsStatistics/DH_131539
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.
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

Term	Meaning
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. http://www.ic.nhs.uk/CHttpHandler.ashx?id=10664&p=0
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.
Sage & Thyme	This is a foundation level communication skills training, suitable for any member of staff (e.g. medical, nursing, AHP, admin, students) and for any specialty. It was designed to train staff how to listen and respond to patients or carers who are distressed or concerned and places published research evidence about effective communication skills within a memorable structure for clinical practice. Both hospital and community staff attend the training helping us to deliver an integrated service.
Leading Change Adding Value	A National Framework for Nursing, Midwifery and Care Staff
Clostridium Difficile Target	Number of patients identified with positive culture for Clostridium Difficile
Rate of Clostridium Difficile	<p>Location of the latest published data can be accessed from: http://www.hpa.org.uk/Topics/InfectiousDiseases/InfectionsAZ/ClostridiumDifficile/EpidemiologicalData/MandatorySurveillance/cdiffMandatoryReportingScheme/</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"> • Patients must be in the criteria aged 2 years and above • Patients must have a positive culture laboratory test result for Clostridium Difficile which is recognised as a case • Positive specimen results on the same patient more than 28 days apart are reported as a separate episode • 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
MRSA Target	Number of patients identified with positive culture for MRSA bacteraemia

Term	Meaning
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"> • An MRSA bacteraemia is defined as a positive blood sample test for MRSA on a patient (during the period under review); • 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; • The indicator excludes specimens taken on the day of admission or on the day following the day of admission; • 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 • 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.
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"> • 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; • 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 consultation (see http://www.dh.gov.uk/prod-consum-dh/groups/dh-digitalassets/documents/digitalasset/dh-103431.pdf); • 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); • The clock start date is defined as the date the referral is received by the Trust; and • 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: http://www.ish.nhs.uk/documents/dscn/dscn2008/dataset/202008.pdf. 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.
Rate of patient safety incidents and percentage resulting in severe harm or death	<p>Location of the latest published data can be accessed from: http://www.nrls.npsa.nhs.uk/resources/?entryid45=132789</p>

Term	Meaning
Waiting times and the 18 weeks referral to treatment (RTT) pledge	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. 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.
4 hour A&E waiting times	The maximum four-hour wait in A&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&E patient should wait more than 12 hours on a trolley.

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.

NHS Improvement 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 2016/17* 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 2016 – March 2017;
 - o Papers relating to Quality reported to the Board over the period April 2016 – March 2017;
 - o Feedback from the commissioners - Blackpool Clinical Commissioning Group dated 17/05/2017; and Fylde & Wyre Clinical Commissioning Group dated 09/05/2017;
 - o Feedback from Governors dated 11/05/2017;
 - o Feedback from Local Healthwatch organisations – Local Healthwatch Blackpool (not provided feedback this year)
 - o Feedback from Lancashire Healthwatch organisations (not provided feedback this year)
 - o Feedback from the Blackpool Council's Health Scrutiny Committee dated 10/05/2017;
 - o The Trust's Complaints Report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated April 2016 – March 2017;
 - o The 2017 national patient survey 23/05/2017;
 - o The 2017 national staff survey published 2017;
 - o The Head of Internal Audit's Annual Opinion of the Trust's control environment dated 18/04/2017;
 - o Independent Auditor's Report to the Council of Governors of Blackpool Teaching Hospitals NHS Foundation Trust on the Annual Quality Report 23/05/2017;
 - o The CQC Inspection Report dated 29/01/2016.
- 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 NHS Improvement's Annual Reporting Manual and supporting guidance (which incorporates the Quality Accounts regulations) as well as the standards to support data quality for the preparation of the Quality Report.

The Board of Directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the Quality Report.

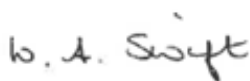
By order of the Board:

Signed: 

Ian Johnson

CHAIRMAN

Date: 24th May 2017

Signed: 

Wendy Swift

CHIEF EXECUTIVE (INTERIM)

Date: 24th May 2017

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 2017 (the 'Quality Report') and specified performance indicators contained therein.

Scope and subject matter

The indicators for the year ended 31 March 2017 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:

<i>Specified Indicators</i>	<i>Specified indicators criteria</i> (exact page number where criteria can be found)
Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways	In line with the definition included within NHS Improvement's "Detailed requirements for external assurance for quality reports for foundation trusts 2016/17" Annex A (Quality Report 2016/17)
Percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer of discharge	In line with the definition included within NHS Improvement's "Detailed requirements for external assurance for quality reports for foundation trusts 2016/17" Annex A (Quality Report 2016/17)

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 pages 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 for foundation trusts 2016/17" issued by Monitor (operating as NHS Improvement) ("NHSI").

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 the FT ARM and the "Detailed requirements for quality reports for foundation trusts 2016/17";
- 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 FT ARM and the "Detailed requirements for external assurance for quality reports for foundation trusts 2016/17".

We read the Quality Report and consider whether it addresses the content requirements of the FT ARM and the “Detailed requirements for quality reports for foundation trusts 2016/17”; 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 and papers for the period April 2016 to March 2017;
- Papers relating to Quality Report, reported to the Board over the period April 2016 to March 2017;
- Feedback from the Commissioners, Blackpool Clinical Commissioning Group dated 17/05/2017; and Fylde & Wyre clinical Commissioning Group dated 09/05/2017;
- Feedback from Governors dated 11/05/2017;
- Feedback from local Health watch organisations - Local Health watch Blackpool (not provided feedback this year)
- Feedback from local Health watch organisations - Local Health watch Lancashire (not provided feedback this year);
- Feedback from the Blackpool Council’s Health Scrutiny Committee dated 10/05/2017;
- The Trust’s complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated April 2016 to March 2017;
- The 2017 national patient survey dated 23/05/2017;
- The 2017 national staff survey published 2017;
- The Head of Internal Audit’s Annual Opinion over the Trust’s control environment dated 18/04/2017; and
- The CQC Inspection Report dated 29/01/2016.

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 2017, 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 the “Detailed requirements for quality reports for foundation trusts 2016/17”;
- 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 and “Detailed requirements for quality reports for foundation trusts 2016/17” and the Criteria referred to above.

The nature, form and content required of Quality Reports are determined by NHSI. 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 2017:

- The Quality Report does not incorporate the matters required to be reported on as specified in the FT ARM and the “Detailed requirements for quality reports for foundation trusts 2016/17”;
- 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 FT ARM and the “Detailed requirements for external assurance for quality reports for foundation trusts 2016/17”.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Manchester
26 May 2017

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 NHS Improvement.

NHS Improvement, in exercise of the powers conferred on Monitor by the NHS Act 2006, has given Accounts Directions which require Blackpool Teaching Hospitals NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. 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 *Department of Health Group Accounting Manual*

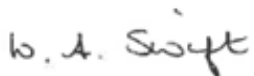
and in particular to:

- observe the Accounts Direction issued by NHS Improvement, 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* (and the *Department of Health Group Accounting 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 as set out in the NHS Foundation *Trust Accounting Officer Memorandum*.

Signed: 

Date: 24th May 2017

Wendy Swift

CHIEF EXECUTIVE (INTERIM)

Annex E: Annual Governance Statement 2016/17

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 in Blackpool Teaching Hospital NHS

Foundation Trust for the year ended 31st March 2017 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 NHS Improvement. I lead the risk management process as Chief Executive and the Executive Directors Meetings meets on a bi-monthly basis to review the risk management processes. The Executive Directors Meetings 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 Audit Committee monitors and reports to the Board of Directors on the assurances against the Risk Management Policy and Board Assurance Framework which contains the key risks against the Trust's 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 Audit 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 Chief Information Officer is the nominated Senior Information Risk Owner (SIRO) for the Trust and has responsibility for information and cyber security risk including the annual review of the information risk assessment to support the statement of internal control;
- The Director of Finance and Performance is responsible for financial risk, capital programme management, the effective coordination of financial controls and for monitoring performance and has an additional specific responsibility as the Security Management Director within the Trust;
- The Director of Nursing and Quality is the professional lead for nurses, midwives, health visitors and allied health professionals and is also responsible for estate management including fire safety and facilities management;
- The Director of Nursing and Quality and Medical Director have shared responsibility for clinical risk management;
- The Medical Director is the professional lead for all doctors;
- The Medical Director has additional specific responsibilities as the Caldecott Guardian, Director of Infection Prevention Control and the nominated director for health and safety management;
- 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 of Directors. 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 achieved 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 arrangements.

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 areas 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 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 Trust's 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 Quality 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 Trust. 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 six strategic measures which reflect the priorities of the Board for 2016/17 (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, as a subcommittee to the Board, monitors two of the six strategic measures and also quarterly receives a report on the metrics aligned to the quality goals set within the Trust's Quality Strategy. Wider quality measures are also included within the Trust's Integrated Performance Report, also monitored by the Quality Committee. 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 Divisional Performance Boards. The Board Assurance Framework identifies the key risks for the organisation and the two main quality risks within 2016/17; failure to maintain a reduction in the Trust's 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 CQC and was last fully inspected in 2014 against the CQC's fundamental standards of care of which the CQC stipulate standards of care should never fall below.

The CQC also did a follow up announced inspection (September 2015) to Maternity Services to review progress against an inadequate rating which was changed to a 'good' rating. At the same time they reviewed Urgent and Emergency Services in response to CQC monitoring intelligence regarding A&E performance 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 is included within the Trustwide development plan which is monitored by the Quality Committee and by the commissioners led Fylde Coast Advisory Board/Quality Review Contract Board during 2016/17 and has also been shared with NHSI. All other areas identified to review have been actioned and those action plans have been closed following review of them with the CQC at the Trust's quarterly CQC engagement meeting.

Ongoing internal mock assessment processes are in place within all divisions ensuring divisions are constantly reviewing their compliance against the CQC standards and CQC key lines of enquiries. The Trust has recently had an independent review at Board level against the Well-Led CQC standard and are currently working through an associated action plan to ensure good ratings are achieved against this standard.

The overall rating for the Trust remains unchanged for 2016/17 at 'requires improvement' until a full re-inspection takes place.

Data Security

Information Governance (IG) relates to the way organisations 'process' or handle 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 Trust's Chief Information Officer who is also the Trust's Senior Information Risk Owner.

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 Serious Incidents Requiring Investigation' (IG SIRIs). 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 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 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 and DH;
- Level 2 confirmed Cyber SIRI alerting to HSCIC and DH.

4.3 Organisations Key Risks

The key organisational risks for the year were identified from the strategic objectives for 2016/17, forming the Board Assurance Framework and operational risks collated for the Corporate Risk Register, these included the following:

In-Year Risks 2016/17	Future Major and Significant Clinical Risks 2017/18
National Compliance Requirements - Single Operating Framework and Care Quality Commission Regulations	
<ul style="list-style-type: none"> Inability to achieve the agreed performance targets in the Risk Assessment Framework (RAF). 	<ul style="list-style-type: none"> Inability to achieve the agreed performance targets within the Single Oversight Framework throughout 2017/18 risks the Trust being in breach of its Provider Licence. The inability of the Health and Social Care system to manage emergency admissions and flow risks safe patient care, performance targets and delivering a balanced budget. Failure to comply with the Care Quality Commission Standards throughout 2017/18 risks Regulatory action.
Strategic Ambition 1: QUALITY: Mortality – SHMI We aim to achieve our lowest levels of mortality by meeting and then falling below our expected number of deaths; <=100 by 2019.	
<ul style="list-style-type: none"> Failure to deliver a high quality and safe patient care risks the achievement of a SHMI of 100. Failure to comply with the CQC standards. 	<ul style="list-style-type: none"> Failure to deliver a high quality and safe patient care risks the achievement of a SHMI of 100 by 2019.
Strategic Ambition 2: QUALITY: Patient Experience: Friends and Family Test We aim to achieve our highest levels of patient satisfaction; 98% by 2019.	
<ul style="list-style-type: none"> Failure to deliver a positive patient experience risks service quality, patient confidence in our services and Regulatory action. 	<ul style="list-style-type: none"> Failure to deliver a positive patient experience risks the achievement of a Patient Family and Friends Test score of 98% by 2019.
Strategic Ambition 3: OPERATIONS: Length of stay We aim to achieve top quartile performance, moving to top decile performance, for both non-elective and elective lengths of stay, whilst at the same time maintaining high quality care; Non-elective - 5.1 days by 2018 and 4.4 days by 2021; Elective - 2.2 days by 2018 and 1.7 days by 2021 and Readmissions within 30-days - 94.2 by 2019 and 79.5 by 2021.	
<ul style="list-style-type: none"> Inability to achieve the top quartile performance for both non-elective and elective lengths of stay risks delivery of the £2.5m length of stay CIP, achievement of the performance targets within the RAF and reducing avoidable harms. 	<ul style="list-style-type: none"> Inability to achieve the top quartile performance for both non-elective and elective lengths of stay risks delivery of the £3m length of stay CIP, achievement of the performance targets within the Single Oversight Framework and reducing avoidable harms.
Strategic Ambition 4: WORKFORCE: Vacancy rate We aim to significantly reduce our clinical vacancy rate, based on future workforce numbers; 2.5% by 2021.	

<ul style="list-style-type: none"> Failure to attract, recruit and retain appropriately skilled staff risks the achievement of a 2.5% vacancy rate by 2021. 	<ul style="list-style-type: none"> Failure to attract, recruit and retain appropriately skilled staff risks the achievement of a 2.5% clinical vacancy rate by 2021.
Strategic Ambition 5: WORKFORCE: Staff Satisfaction: Friends & Family Test We aim to achieve our highest levels of staff satisfaction; 85% by 2021.	
	<ul style="list-style-type: none"> Failure to engage and motivate staff risks the achievement of a Staff Satisfaction Family and Friends Test score of 85% by 2021.
Strategic Ambition 6: FINANCE: Finance We aim to achieve a Use of Resource Rating of 3; 3 by 2019.	
<ul style="list-style-type: none"> Inability to achieve the income and expenditure position and deliver the planned £22m CIP and a minimum cash balance of £0.2m by March 2017 risks achieving a break even position, the planned financial risk rating and the ability for the Trust to operate effectively. 	<ul style="list-style-type: none"> Inability to achieve the income and expenditure position and deliver the planned £21m CIP and a minimum cash balance of £6.2m by March 2018 risks achieving a break even position, the planned financial risk rating and the ability for the Trust to operate effectively.
Enablers Putting in place enablers such as improved use of information technology, making good use of our estate and enhancing our communications	
<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Failure to implement an electronic patient record (EPR) by 2018 risks the ability for the Trust to achieve the strategic plan and integrated data systems The failure to agree and establish a model for an Accountable Care System/ Organisation risks the ability of the health economy and Trust to deliver the Fylde Coast Strategy and financial sustainability

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 through the Audit Committee and reported to the Board of Directors. The Trust has mitigated several significant risks in on the Corporate Risk Register in 2016/17;

- The number of patients referred into Extensive Care Service is less than expected;
 - Mitigation: Working with GP Practices to promote the service, creation of standardised materials and adapted the referral criteria to meet GP requests to support the referral process and ultimately the number of referrals.
- The storage facility within the Catheter Laboratories for cardiac images is almost at capacity;
 - Mitigation: Trust IT Department are now supporting the system for the next five years.

- Failure to manage patients appropriately risks Clostridium Difficile;
 - Mitigation: UVC decontamination system, a rolling programme of deep cleaning and an increased number of covert hand hygiene auditors.
- The continued use of Ward 6 as a winter escalation area;
 - Mitigation: Ward 6 is now a substantive respiratory ward.
- Failure to provide high quality care of the elderly services risks patient safety;
 - Mitigation: Two new substantive Care of Older Person Consultants have joined the current workforce.
- A failure to invest in the ICT Core infrastructure;
 - Mitigation: Funding approved and order raised.

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 Board committees Terms of Reference in 2016/17, which saw the disbandment of the Risk Committee. The Audit Committee has taken on the role of assurance on the risk management function directly and 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 Finance 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.

The Finance Committee has the remit to provide rigour and oversight over the Trust's performance, the Strategic Workforce Committee to monitor and address human resources concerns, the Quality Committee has the remit to focus on the quality of services provided to patients and any serious incidents.

In 2017, the Trust has undertaken a self-assessment against the Trust's 'Provider Licence' which identified the Trust has good reporting systems to NHS Improvement 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 will 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 the Chief Executive's Presentation at the Board of Directors meeting which contains risk management mitigations. As part of the Annual Report and Annual Accounts, the Readers Panel has given comments on the document.

The Trust has been carrying out Equality Impact Assessments (EIA) since 2007. Since their inception within the Trust, it has been a requirement to completed 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.

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.

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 and Carer Experience and Involvement Committee, the Quality Committee and the Board of Directors.

Themes from all patient feedback forums and processes, including complaints and PALs enquiries are triangulated against themes from incidents and claims, and this is used to inform risk assessments, subsequent action plans and service improvements/developments to address gaps and mitigate risks.

In addition, the Trust has reviewed its compliance with 'The NHS Foundation Trust Code of

Governance' and is fully compliant with all the provisions; this has been reported to the Audit Committee and Board of Directors.

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

The Trust achieved its planned delivery of a Use of Resource Rating (UOR) of 3. This is in line with the annual plan converted from the Financial Sustainability Risk Rating submitted to NHS Improvement Financial Services Risk Rating of 2.

The Trust is meeting NHSI's monthly (and quarterly) reporting and monitoring requirements on an ongoing basis.

The Trust submitted a two-year plan to NHSI in December 2016 stating the Trust's arrangements, objectives and targets on a strategic and annual basis for 2017/18 and 2018/19. The Trust continues to develop systems and processes to help deliver an improvement in the financial performance which includes the following:

- Approval of the two year plan 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 Trust's 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 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 Transformation Team (formerly Programme Management Office) to support robust planning and delivery of the Trust's strategic transformation plan, including the programme management of the two-year 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 (QIPP) 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 utilises the Lord Carter Review model hospital data sets to ensure that it continues to develop, it identify opportunities to improve efficiency and strengthen its financial position;
- 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.

Following the comprehensive strategic review carried out in 2015/16, 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 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.

The Trust's strategic vision addresses the key issues associated with achievement of clinical and financial sustainability. Significant changes are required in years two (2017/18) and three (2018/19) 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.

6. Information Governance

During 2016/17, the Trust achieved Information Governance Toolkit (IGT) internal assessment compliance score of 80% 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 14 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 61 incidents classified as IG SIRI severity level 1 (see Table 1) and 5 incidents classified as IG SIRI severity level 2 (see Table 2).

Table 1

Summary of other Personal Data Related Incidents in 2016-17 (1st April 2016 – 31st March 2017) (SIRI 1's)		
Category	Breach Type	Total
A	Corruption or inability to recover electronic data	0
B	Disclosed in error	26
C	Lost in Transit	4
D	Lost or stolen hardware	0
E	Lost or stolen paperwork	8
F	Non-secure disposal- hardware	0
G	Non-secure disposal-paperwork	4
H	Uploaded to website in error	0
I	Technical security failing (including hacking)	0
J	Unauthorised access/disclosure	19
K	Other	0
	Total	61

Table 2

SUMMARY OF SERIOUS INCIDENT REQUIRING INVESTIGATIONS INVOLVING PERSONAL DATA AS REPORTED TO THE INFORMATION COMMISSIONER'S OFFICE IN April 2016 – March 2017				
Number and Date of Incident	Nature of incident	Nature of data Involved	Number of data subjects potentially affected	Notification steps
151024 31/05/2016	Disclosed in error	Personal and sensitive.	1	IGT & ICO
151555 16/06/2016	Disclosed in error	Personal and sensitive.	1	IGT & ICO
154360 29/07/2016	Disclosed in error	Personal and sensitive.	1	IGT & ICO
154513 01/08/2016	Disclosed in error	Personal and sensitive.	1	IGT & ICO
159188 14/10/2016	Unauthorised Disclosure	Personal and sensitive.	1	IGT & ICO
Further action on information risk	ICO Confirmed no further action			

7. Annual Quality Report

The Trust's 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. NHS Improvement has issued guidance to NHS Foundation Trust Boards on the form and content of Annual Quality Accounts which incorporate the above legal requirements and the NHS Foundation Trust Annual Reporting Manual is what the Trust's Quality Accounts are based on.

The Trust's vision, values and priorities were originally set through wide involvement and in consultation with patients, staff, external stakeholders and Governors. Ongoing delivery and future developments of the Trust's Strategy continue to be inclusive of partners and key stakeholders across the Fylde Coast to ensure that a wide and balanced view of governance delivery is reflected within the Quality Accounts. The consultation of the Quality Accounts included consultation with the Council of Governors in selecting the area for external audit assurance processes. In the preparation of the Quality Accounts, the Trust appointed a Quality Account Project Lead to develop the Quality Accounts who

has reported direct to the Director of Nursing and Quality.

A formal review process of the Accounts is established, involving the submission of our draft Quality Accounts to our external stakeholders (Commissioners, Overview and Scrutiny Committees and Healthwatch) all of whom are invited to provide formal comment on the Accounts. The Quality Accounts drafts were formally reviewed through the Trust's governance arrangements; Quality Committee, Audit Committee and the Board of Directors.

The Trust set 2016/17 priorities for improvement and these are presented within the Quality Accounts which are developed taking into account frameworks that are in place in relation to the following areas;

- **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 reviews quarterly quality performance against an agreed set of indicators on a quarterly 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 are reflected in the national Information Governance Toolkit and all evidence is audited via the Information Governance Team. Data quality reports are developed and submitted through the Health Informatics Committee, Performance Boards 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, (where applicable) correct anomalies and support the ongoing development of the Trust's Integrated Performance Report.

- **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 four sub committees who monitor performance against regulatory requirements, the Board Assurance Framework, the six strategic measures and all associated approved plans and objectives.

- **People and Skills**

The Trust's Workforce Strategy 2014/19 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 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 therefore aims 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 and ambitions for 2021 outlines how we aspire to achieve this aim.

The monitoring of progress of the Trust Strategy, against the 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 quality and safety within the delivery 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, nursing and dental staff.

Data Use and Reporting

The Trust is provided with external assurance on a selection of the quality data identified within the Quality Accounts 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, failure to rescue and slips, trips and falls incidents for patients. The quality and safety metrics are also reported to the Board through the Integrated Performance Report and the Quality Committee Assurance Report. All data regarding quality performance which is included in the commissioning quality contract is monitored monthly with commissioners at the formal Quality Contract Review Board.

The Trust has a fully controlled process for the provision of external information with control checks throughout the process. Formal sign off processes of key performance indicators on data are submitted through the Information Management Department and in terms of quality data signed off by the Director Lead for Quality and Safety.

Assurance on the performance of operational data that impacts on quality of care, such as elective waiting times, is weekly monitored through the 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's Quality goals emphasise ongoing commitment to quality and include:

- All patients and carers involved in decisions about their care;
- Zero inappropriate admissions;
- Zero harms;
- Zero delays;
- Compliance with standard pathways.

The Board of Directors at the Trust can confirm it has the appropriate mechanisms in place to prepare, approve and publish its Quality Accounts for 2016/17. The Board of Directors is satisfied that the Quality Accounts 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 report attached to this Annual Report and other performance information available to me. My review is also informed by comments made by the External Auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit Committee, the Finance Committee, Quality Committee and Strategy and Assurance Committee and a plan to address

weaknesses and ensure continuous improvement of the system is in place.

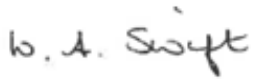
In describing the process that has been applied in maintaining and reviewing the effectiveness of the system of internal control, I have detailed some examples of the work undertaken, which has involved the Board of Directors, Audit Committee and Quality Committee. My review has been informed by:

- The Board of Directors receiving Assurance Reports from the Chairs of the Audit, Quality, Finance and Strategic Workforce Committees;
- The Audit Committee challenging the Chairs of the Quality, Finance and Strategic Workforce Committees and giving assurance on their performance to the Board of Directors;
- The Audit Committee's review of the Clinical Audit Plan;
- The Internal Audit reviews on;
 - Governance Arrangements, Risk Management and the Board Assurance Framework concluded 'significant assurance with minor improvement opportunities';
 - Information Governance concluded 'significant assurance with minor improvement opportunities';
 - Core Financial Controls and Financial Management concluded 'significant assurance with minor improvement opportunities';
 - Data Quality concluded 'significant assurance with minor improvement opportunities';
- The outcome of the external Well-led Review undertaken by Mersey Internal Audit Agency and the Advancing Quality Alliance concluded the Trust is 'well-led'.

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: 

Date: 24th May 2017

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

Our opinion

In our opinion, Blackpool Teaching Hospitals NHS Foundation 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 2017 and of its income and expenditure and cash flows for the year then ended; and
- have been properly prepared in accordance with the Department of Health Group Accounting Manual 2016/17.

Emphasis of Matter – Going Concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of disclosures made in Note 1 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 surplus position of £3.8m for 2017/18, however, the forecasts are subject to a number of uncertainties, such as the receipt of £9.4m from the Sustainability and Transformation fund, which is conditional on the Trust achieving a surplus of £3.8m. The Trust has built in achieving a challenging Cost Improvement Plan (CIP) of £21m.

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

The financial statements comprise:

- the Statement of Financial Position as at 31 March 2017;
- the Statement of Comprehensive Income for the year then ended;
- the Cash Flow Statement for the year then ended;
- the Statement of Changes in Taxpayer's Equity for the year then ended; and
- the Notes to the accounts, which include a summary of significant accounting policies and other explanatory information.

Certain required disclosures have been presented elsewhere in the Annual Report and Accounts 2016/17 (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 Department of Health Group Accounting Manual 2016/17.

Our audit approach

Context

Our 2016/2017 audit was planned and executed having regard to the fact that the Trust's operations and financial stability remain largely unchanged from the previous year. In light of this, our approach to the audit in terms of scoping and areas of focus were largely unchanged.

Overview



- Overall materiality: £8,214,000 which represents 2 % of total revenue.
- We performed our audit of the financial information for the Trust at Blackpool Victoria Hospital which is where the Trust's 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 testing required over each balance in the financial statements.

Our principal areas of focus and risk were:

- Management override of control and the risks of fraud in revenue and expenditure recognition;
- Financial sustainability and going concern; 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 of Audit Practice") 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
Management override of control and the risks of fraud in revenue and expenditure recognition <i>See note 1 to the financial statements for the directors' disclosures of the related accounting policies, judgements and estimates relating to the recognition of income and expenditure and notes 3-5 for further information.</i> We focused on this area because there is a heightened risk due to the Trust being under increasing financial pressure. Whilst the Trust is looking at ways to maximise revenue and reduce costs, there is significant pressure to report results in line with its annual plan and to demonstrate its ability to reduce its cost base via CIPs. As all Trusts are under pressure to achieve their control totals there is a risk that the Trust could adopt accounting policies, make accounting judgements or estimates or treat income and expenditure transactions in such a way as to lead to material misstatement in the reported surplus or deficit position.	Revenue We evaluated and tested the accounting policy for income recognition and found it to be consistent with the requirements of the Group Accounting Manual 2016/17. For income/receivable transactions, we tested on a sample basis that the transactions and the associated income had been posted to the correct financial year by tracing them to invoices or other documentary evidence. Our testing did not identify any items incorrectly recorded. We tested a sample of contracts across Clinical Commissioning Groups ("CCG") and NHS England and management's reconciliations of the contract value to the income received in year. We agreed the income recognised in the year to the contract terms and any correspondence between the Trust and the CCG regarding over/under performance. We agreed income back to invoices and cash receipts. Our testing did not identify any material errors. We tested a sample of income to invoices and subsequent cash received (for NHS and non-NHS income) to check whether it had been correctly recorded, and this did not identify any items requiring amendment in the financial

Area of focus	How our audit addressed the area of focus
<p>Given these incentives, we considered the risk of management manipulation in each of the key areas of focus, which are:</p> <ul style="list-style-type: none"> • Recognition of revenue and expenditure; • The inherent complexities in a number of contractual arrangements entered into by the Trust, for example intra-NHS transactions; • Manipulation through journal postings; and • Management estimates. 	<p>statements.</p> <p><i>Expenditure</i></p> <p>For invoices received/ balances paid for a period after the year-end we tested on a sample basis that the transactions and the associated expense had been posted to the correct financial year by tracing them to other documentary evidence or invoices. Our testing did not identify any items incorrectly recorded.</p> <p>We tested a sample of operating expenses through to invoice to ensure that this had been correctly accounted for. No differences were identified that required amendment within the financial statements.</p> <p><i>Intra- NHS balances</i></p> <p>We obtained the Trust's mismatch reports received from NHS Improvement ("NHSI"), which identified balances (debtor, creditor, income or expenditure balances) that were different with the counterparty. We checked that management had investigated disputed amounts above £250,000 (based on the National Audit Office's reporting criteria), then discussed with them the results of their investigation and the resolution, which we agreed to correspondence with the counterparty. We then considered the impact, if any, these disputes would have on the value of income and expenditure recognised in 2016/17 and determined that there was no material impact.</p> <p><i>Manipulation through journal postings</i></p> <p>We selected a sample of manual and automated journal transactions that had been recognised in income, focusing in particular on those with unusual characteristics and those recognised near the end of the year. We considered the journals process and obtained an understanding of the user profiles, ensuring that a proper authorisation control was in place. We traced these journal entries to supporting documentation to check that the transaction was valid and had been correctly accounted for within the financial statements. Our testing identified no issues that required further reporting.</p> <p><i>Management estimates</i></p> <p>We evaluated and tested management's accounting estimates, focussing on:</p> <ul style="list-style-type: none"> • accruals; • provisions; • deferred income; and • Property, Plant and Equipment Valuation (see specific area of focus below). <p>We evaluated and challenged the key accounting estimates on which management's estimates were based and the basis of their calculation on a sample basis by comparing the assumptions used by management in the calculation of their estimate with independent assumptions and investigating any differences.</p> <p>Our testing identified no matters that required amendment within the financial statements of the Trust.</p>
<p><i>Financial sustainability and going concern</i></p> <p>The Trust's future business plans are highlighted in the Introduction to the Annual Report and Accounts. The Trust's finances for the year ended 31 March 2017 are discussed in</p>	<p>In considering the financial performance of the Trust we:</p> <ul style="list-style-type: none"> • Understood the Trust's FY18 Annual Plan and cash flow forecasts, including the key assumptions within, for example, underperformance against CIPs over the key assumptions on the Trust's forecasts;

Area of focus	How our audit addressed the area of focus
<p><i>detail in the 'Performance Report' within the Annual Report and Accounts.</i></p> <p>The Trust's overall financial position for the year end is a £4.7m deficit, though this includes £12.4m of Sustainability and Transformation Funding ("STF").</p> <p>We identified two key factors within our assessment of the risk around financial sustainability; the Trust's reliance on STF funding, and the CIP requirement for 2017/18.</p> <p>We examined the Trust's cash flow forecast for 2017/18 and the subsequent period to May 2018 (inclusive). We noted throughout the period the Trust expects to maintain positive cash balances.</p> <p>There is a cost improvement requirement for 2017/18 of £21m (2016: £22.3m).</p>	<ul style="list-style-type: none"> Assessed progress with agreeing the 2017/18 contracts with the significant CCGs, confirming those contracts were agreed and signed off, given the importance of this in forming our views around going concern; Assessed the Trust's ability to achieve its CIP/efficiencies target through consideration of historical delivery of CIP/efficiencies and, as above, the sensitivity of the FY18 Annual Plan to underperformance in this area; and Assessed the potential need for additional financial support to enable the Trust to meet its liabilities as they fall due. <p>Given the results of our testing we have included an Emphasis of matter paragraph in our report as noted above.</p>
<p><i>Valuation of Property, Plant and Equipment</i></p> <p><i>Management's accounting policies, key judgements and use of experts relating to the valuation of the Trust's estate are disclosed in note 1 to the financial statements.</i></p> <p>We focussed on this area because Property, Plant and Equipment (PPE) represents the largest balance in the Trust's statement of financial position. The PPE balance at 31 March 2017 is £166.5m.</p> <p>Land and buildings are measured at fair value based on periodic valuations. The valuations are carried out by a professionally qualified valuer 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.</p> <p>In 2016/17, management have undertaken a full valuation of the Trust's estate, which resulted in an overall decrease of £17.1m, an impairment charged to the revaluation reserve of £9.4m, a charge to the Income Statement of £8m and a gain recognised of £0.3m in the revaluation reserve.</p>	<p>We used our own valuations experts to consider the assumptions and estimates applied by management's expert during the course of this valuation. This exercise considered whether the valuation methodology was appropriate, particularly given the time period that had elapsed since the last full valuation and the Trust's specific circumstances, including regional adjustments. No differences were identified that required amendment within the financial statements.</p> <p>We independently recalculated the revaluation/impairment arising from the valuation exercise for a sample of assets based on the above factors and confirmed that these had been correctly reflected in the Annual Accounts.</p> <p>We physically verified a sample of assets across land, buildings and other categories to check existence and, in doing so, assessed whether there was any indication of physical obsolescence which would indicate potential impairment. We also inspected the repairs and maintenance expenses codes to confirm that there had been no significant alterations to the existing value and use of assets. Our testing identified no matters that required amendment within the financial statements.</p>

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:

Overall materiality	£8,214,000 (2016: £7,670,000).
How we determined it	2% of revenue (2016: 2% of revenue)
Rationale for benchmark applied	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 appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £250,000 (2016: £250,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Other reporting

Opinions on other matters prescribed by the Code of Audit Practice

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; and
- the parts of the Remuneration and Staff Reports to be audited have been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2016/17.

Arrangements for securing economy, efficiency and effectiveness in the use of resources

Under the Code of Audit Practice we are required to report, by exception, if we conclude we are not satisfied that the Trust has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2017; we have nothing to report as a result of this requirement.

Other matters on which we report by exception

We are required to report to you if:

- information in the Annual Report is:
 - materially inconsistent with the information in the audited financial statements; or
 - apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Trust acquired in the course of performing our audit; or
 - otherwise misleading.
- the statement given by the directors within the Performance Report 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.
- the section of the Annual Report titled Disclosures from the Audit Committee, 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.
- the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2016/17 or is misleading or inconsistent with our knowledge acquired in the course of performing 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.
- we have referred a matter to Monitor under Schedule 10 (6) of the National Health Service 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.
- we have issued a report in the public interest under Schedule 10 (3) of the National Health Service Act 2006.

We have no matters to report in relation to these responsibilities.

Respective responsibilities of the Directors and the Auditor

As explained more fully in the Accountability Report, 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 Department of Health Group Accounting Manual 2016/17.

Our responsibility is to audit and express an opinion on the financial statements in accordance with the National Health Service Act 2006, the Code of Audit Practice, and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

The Trust is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. We are required under Schedule 10(1) of the National Health Service Act 2006 to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources and to report to you where we have not been able to satisfy ourselves that it has done so. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively. We have undertaken our work in accordance with the Code of Audit Practice, having regard to the criterion determined by the Comptroller and Auditor General as to whether the Trust has proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary.

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.

Certificate

We certify that we have completed the audit of the financial statements in accordance with the requirements of Chapter 5 of Part 2 to the National Health Service Act 2006 and the Code of Audit Practice



Rebecca Gissing (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
26 May 2017

- (a) The maintenance and integrity of the Blackpool Teaching Hospitals NHS Foundation Trust's website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- (b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Annex G: Accounts for the Period 1st April 2016 to 31st March 2017

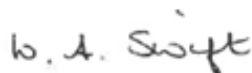
FOREWORD TO THE ACCOUNTS

BLACKPOOL TEACHING HOSPITALS NHS FOUNDATION TRUST

These accounts for the year ended 31st March 2017 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:



Date: 24th May 2017

Wendy Swift

CHIEF EXECUTIVE (INTERIM)

**Statement of comprehensive income for the year ended
31 March 2017**

**Blackpool Teaching
Hospitals**
NHS Foundation Trust

		2016/17	Restated 2015/16
	NOTE	£000	£000
Income from activities	3	368,188	359,821
Other operating income	4	42,547	22,943
Operating expenses	5	(411,450)	(395,638)
OPERATING DEFICIT		(715)	(12,874)
FINANCE COSTS			
Finance income	8	40	79
Finance costs	9	(1,207)	(1,213)
Public Dividend Capital dividends payable		(2,839)	(3,074)
Net finance costs		(4,006)	(4,208)
Gains on disposal of assets	7	20	39
DEFICIT FOR THE YEAR		(4,701)	(17,043)
Other comprehensive (expense)/income:			
Revaluation losses on property, plant and equipment	11	(9,445)	(1,012)
Revaluation gains on property, plant and equipment	11	338	432
Total other comprehensive expense		(9,107)	(580)
TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR		(13,808)	(17,623)

The notes on pages v to xxxvii form part of these accounts.
All revenue and expenditure is derived from continuing operations.

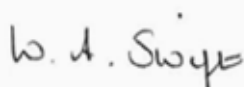
Blackpool Teaching Hospitals

NHS Foundation Trust

Statement of Financial Position as at 31st March 2017

	NOTE	31st March 2017 £000	31st March 2016 £000
NON-CURRENT ASSETS:			
Intangible assets	10	3,281	2,180
Property, plant and equipment	11	166,455	181,816
Trade and other receivables	14	411	484
Total non-current assets		170,147	184,480
CURRENT ASSETS:			
Inventories	13	4,116	2,447
Trade and other receivables	14	28,410	17,731
Non-current assets held for sale	15	0	1,500
Cash and cash equivalents	16	3,871	7,763
Total current assets		36,397	29,441
CURRENT LIABILITIES:			
Trade and other payables	17	(51,174)	(44,555)
Borrowings	19	(3,342)	(3,343)
Provisions	20	(2,244)	(4,232)
Other liabilities	18	(9,840)	(4,823)
Total current liabilities		(66,600)	(56,953)
Total assets less current liabilities		242,941	243,362
NON-CURRENT LIABILITIES:			
Borrowings	19	(35,961)	(39,303)
Provisions	20	(1,388)	(1,262)
Other liabilities	18	(1,500)	(1,500)
Total non-current liabilities		(38,849)	(42,065)
TOTAL ASSETS EMPLOYED		101,095	114,903
TAXPAYERS' EQUITY			
Public dividend capital	Page iii	144,779	144,779
Revaluation reserve	Page iii	12,481	21,588
Income and expenditure reserve	Page iii	(56,165)	(51,464)
TOTAL TAXPAYERS' EQUITY		101,095	114,903

The accounts on pages v to xxxvii were approved by the NHS Foundation Trust Board on 24th May 2017 and are signed on its behalf by:



Signed: Wendy Swift, Chief Executive (Interim)

Date: 24th May 2017

Statement of changes in taxpayers' equity for the year ended 31st March 2017

Blackpool Teaching Hospitals
NHS Foundation Trust

	NOTE	Total taxpayers' equity £000	Public Dividend Capital £000	Revaluation reserve £000	Income and Expenditure reserve £000
Taxpayers' equity at 1st April 2016		114,903	144,779	21,588	(51,464)
Total Comprehensive Expense for the year:					
Deficit for the financial year		(4,701)	0	0	(4,701)
Impairment of property, plant & equipment	11	(9,445)	0	(9,445)	0
Revaluation gains on property, plant & equipment	11	338	0	338	0
Transfer to retained earnings on disposal of assets	11	0	0	0	0
Transfer between reserves		0	0	0	0
Taxpayers' equity at 31st March 2017		101,095	144,779	12,481	(56,165)
Taxpayers' equity at 1st April 2015		132,526	144,779	22,980	(35,233)
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
Taxpayers' equity at 31st March 2016		114,903	144,779	21,588	(51,464)

The notes on pages v to xxxvii form part of these accounts.

Information on reserves

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. Additional PDC may also be issued to NHS foundation trusts by the Department of Health. A charge, reflecting the cost of capital utilised by the NHS foundation trust, is payable to the Department of Health as the public dividend capital dividend.

Revaluation reserve

Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse impairments previously recognised in operating expenses, in which case they are recognised in operating income. Subsequent downward movements in asset valuations are charged to the revaluation reserve to the extent that a previous gain was recognised unless the downward movement represents a clear consumption of economic benefit or a reduction in service potential.

Income and expenditure reserve

The balance of this reserve is the accumulated surpluses and deficits of the NHS foundation trust.

Cash flow statement for the year ended 31st March 2017

		Year ended 31st March 2017 £000	Restated Year ended 31st March 2016 £000
	NOTE		
Cash flows from operations			
Total operating deficit		(715)	(12,874)
Adjusted for:			
Depreciation	11	5,309	5,775
Amortisation	10	657	780
Net impairment of property, plant and equipment	11	8,044	2,395
Income recognised in respect of capital donations		(475)	(47)
Increase in trade and other receivables		(10,347)	(6,412)
Increase in inventories		(1,669)	(58)
Increase in trade and other payables		4,240	3,860
Increase in other liabilities		5,017	1,900
(Increase)/decrease in provisions		(1,887)	485
Net cash generated from/(used in) operations		8,174	(4,196)
Cash flows from investing activities			
Interest received		43	81
Purchase of property, plant and equipment		(4,390)	(6,148)
Purchase of intangible assets		(1,608)	(1,010)
Sale of property, plant and equipment		1,520	1,364
Net cash used in investing activities		(4,435)	(5,713)
Cash flows from financing activities			
Loans received from the Department of Health		0	1,440
Loans repaid to the Department of Health		(3,223)	(4,433)
Other loans repaid		(119)	(119)
Interest paid		(1,188)	(1,196)
Public Dividend Capital dividends paid		(3,101)	(3,105)
Net cash used in financing activities		(7,631)	(7,413)
Decrease in cash and cash equivalents		(3,892)	(17,322)
Cash and cash equivalents at the beginning of the financial year		7,763	25,085
Cash and cash equivalents at the end of the financial year	16	3,871	7,763

The notes on pages v to xxxvii form part of these accounts.
 All revenue and expenditure is derived from continuing operations.

Notes to the accounts

1. Accounting policies and other information

NHS Improvement, in exercising the statutory functions conferred on Monitor, is responsible for issuing an accounts direction to NHS foundation trusts under the NHS Act 2006. NHS Improvement has directed that the financial statements of NHS foundation trusts shall meet the accounting requirements of the Department of Health Group Accounting Manual (DH GAM) which shall be agreed with the Secretary of State. Consequently, the following financial statements have been prepared in accordance with the DH GAM 2016/17 issued by the Department of Health. The accounting policies contained in that manual follow International Financial Reporting Standards (IFRS) and HM Treasury's Financial Reporting Manual (the "FReM") 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 property, plant and equipment, intangible assets, inventories and certain financial assets and liabilities.

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.

Sustainability and Transformation Fund (STF) income is recognised when the Trust has achieved financial and activity targets set by NHS Improvement. STF Incentive and Bonus income is recognised once notified by NHS Improvement

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 entitlements earned by employees but not taken before the year end which employees can carry forward into the next financial year, has not been recognised in the financial statements as it is not considered to be material.

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;
- the cost of the item can be measured reliably and
- the item has 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.

An item of property, plant and equipment which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 or IFRS 5.

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	10 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 expenses.

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 Department of Health Group Accounting Manual, 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 continued

Finance Leases (continued)

The asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for as an item of property plant and equipment. The annual rental is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to Finance Costs in the Statement of Comprehensive Income. The lease liability is de-recognised when the liability is discharged, cancelled or expires.

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 expenses. 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 goods or services is made.

Financial assets or liabilities in respect of assets acquired or disposed of through finance leases are recognised and measured in accordance with the accounting policy for leases described at note 1.6.

All other financial assets and financial liabilities are recognised when the 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.

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.

Notes to the accounts

1.11 Financial instruments and financial liabilities continued

Available-for-sale financial assets

Available-for sale-financial assets are non-derivative financial assets which are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the trust intends to dispose of them within 12 months of the Statement of Financial Position Date.

Available-for-sale financial assets are recognised initially at fair value, including transaction costs, and measured subsequently at fair value, with gains or losses recognised in reserves and reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'. When items classified as 'available-for-sale' are sold or impaired, the accumulated fair value adjustments recognised are transferred from reserves and recognised in 'finance costs' in the Statement of Comprehensive Income.

Impairment of financial assets

At the Statement of Financial Position date, the NHS Foundation Trust assesses whether any financial assets, other than those held at 'fair value through income and expenditure' 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 (2015/16: minus 0.80%), except for early retirement provisions and injury benefit provisions which both use the HM Treasury's pension discount rate of 0.24% in real terms (2015/16: 1.37%).

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 20.2. 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 20.

Non-clinical risk pooling

The NHS Foundation Trust participates in the Property Expenses Scheme and Liabilities to Third Parties Scheme. Both are risk pooling schemes 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 19.

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 21 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 21, unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

- Possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- Present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

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 Gifts

Gifts are items that are voluntarily donated, with no preconditions and without the expectation of any return. Gifts include all transactions economically equivalent to free and unremunerated transfers, such as the loan of an asset for its expected useful life, and the sale or lease of assets at below market value.

1.22 Accounting standards not adopted

NHS Improvement 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.

Notes to the accounts

1.23 Accounting standards adopted early

The NHS Foundation Trust has not adopted any accounting standards early in 2016/17.

1.24 Accounting standards that have been issued but not yet adopted

The Department of Health Group Accounting Manual does not require the following Standards and Interpretations to be applied in 2016-17. 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 2018, 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.
- IFRIC 22 Foreign Currency Transactions and Advance Consideration - Application required for accounting periods beginning on or after 1 January 2018.

1.25 Accounting estimates, judgements and critical accounting policies

The following are the judgements and estimations that management has made in the process of applying the NHS foundation trust's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

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 2017 the NHS Foundation Trust's valuers carried out a full revaluation of the land, buildings and dwellings. This has resulted in an downward valuation of these non-current assets by £17.151m, split between a charge to the revaluation reserve of £9.107m, and an impairment charge to operating expenditure of £8.044m. On 20th March 2017 BFW Management Ltd, a wholly owned subsidiary of the Trust commenced trading (See note 1.26 further details) enabling the Trust to exclude VAT from its estate valuation. This reduction in value is included in the impairment charge and charge to the revaluation reserve.

See Note 11 for further details on these revaluations.

Sale of Bispham Hospital

The NHS Foundation Trust completed the sale of Bispham Hospital for £1.525m on 3rd August 2016. At 31st March 2016 the NHS Foundation Trust recorded an asset value of £1.5m within non-current assets held for resale.

Selection of asset lives

Property, plant & equipment assets are allocated an asset life when acquired by the Trust, as stated in note 1.5. The useful economic lives of assets are reviewed and amended annually by management where significantly different. Individual asset lives are adjusted where these are materially different to their remaining life.

During 2016/17 the Trust has extended the lives of short term medical equipment from 5 to 10 years to reflect the useful economic life being obtained from those assets. Depreciation has been charged during 2016/17 on assets with a net book value at 31st March 2016 based on that value spread evenly over the remaining life of the individual asset. The life of assets held in other categories has been reviewed by management and are considered to be not materially different to the previously selected lives.

Notes to the accounts

1.25 Accounting estimates, judgements and critical accounting policies continued

Going concern

These accounts have been prepared on a going concern basis.

The Trust has submitted a two year financial plan to NHS Improvement to deliver a £3.8m surplus and year end cash balance on £6.2m in 2017/18 and a £8.7m surplus in 2018/19 and year end cash balance of £10.2m.

Financial Priorities for 2017/18

The Trust has been notified that the ST Fund will be £9.4m for 2017/18 and 2018/19 but will require the Trust to achieve a surplus of £3.7m in 2017/18 and £8.6m in 2018/19, 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 2017/18 are to ensure that the cash position is managed robustly and that the I&E surplus position is achieved. The key assumptions in delivering the planned surplus are:

- A Cost Improvement Programme (CIP) of £21.0m is met in 2017/18 and recurrently;
- The conditions of the ST Fund are met and funds received quarterly in arrears with the final instalment after March 2018;
- 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.

This may cast significant doubt about the Trust's ability to continue as a going concern so it is appropriate to make full disclosure as required by accounting standards. The Board believes that adopting the going concern basis in preparing the financial statements is appropriate and the financial statements do not include the adjustments that would result if the Trust were unable to continue as a going concern.

1.26 Subsidiary Entities

A Subsidiary is an entity that the Trust controls subject to the following applying:

- power over the entity;
- exposure, or rights, to variable returns from its involvement with entity; and
- the ability to use its power over the entity to affect the amount of the Trust's returns.

The income, expenses, assets, liabilities, equity and reserves of subsidiaries are consolidated in full into the appropriate financial statement lines. The capital and reserves attributable to non-controlling interests are included as a separate item in the Statement of Financial Position.

BFW Management Ltd Trading As Atlas

BFW Management Ltd commenced trading on 20th March 2017 as a wholly owned subsidiary of the NHS Foundation Trust to provide a fully managed facilities management service to the Trust.

Due to the limited time of the operation of BFW Management Ltd in 2016/17 the value of trading activities is not considered to be material enough to warrant the preparation of consolidated accounts for the 2016/17 financial year.

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 (2015/16: Not consolidated).

Notes to the accounts
2. Operating segments

2016/17	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	116,893	119,820	46,514	63,669	24,610	39,229	410,735
Expenditure	(93,840)	(104,445)	(32,069)	(60,729)	(69,294)	(36,999)	(397,376)
EBITDA	23,053	15,375	14,445	2,940	(44,684)	2,230	13,359
Net loss on revaluation of non current assets							(8,044)
Depreciation and amortisation							(5,966)
Net profit on disposal of non current assets							20
Restructuring costs							(64)
Interest receivable							40
Interest payable							(1,207)
PDC dividend							(2,839)
Deficit for the Financial Year							(4,701)

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)
EBITDA	24,869	14,518	12,262	(2,523)	(41,765)	(11,306)	(3,945)
Restructuring costs							0
Net loss on revaluation of non current assets							(2,395)
Depreciation and amortisation							(6,554)
Net loss on disposal of non current assets							39
Interest receivable							79
Interest payable							(1,193)
PDC dividend							(3,074)
Deficit for the Financial Year							(17,043)

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. Consequently, total assets attributable to each operating segment are not disclosed.

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.

	2016/17	2015/16
	£000	£000
Scottish NHS bodies	343	363
Local Health Boards in Wales	140	116
Northern Ireland Health and Social Care Trusts	70	67

The Trust has three external customers which generate income amounting to more than 10% of the Trust's total income. The values of income from the largest customers are set out in note 25. The income from these customers is included in all of the segments reported above.

3. Income from activities

3.1 Income from Activities by category

	Year ended 31st March 2017 £000	Year ended 31st March 2016 £000
Elective income	54,396	56,733
Non elective income	84,325	81,280
Outpatient income	40,431	39,232
A & E income	10,401	9,435
Community Trust income from CCG's & NHS England	61,867	62,926
Community Trust income not from CCG's & NHS England	15,204	6,708
Other NHS Clinical income	97,298	95,617
Private patient income	1,431	1,684
Other clinical income	2,835	6,206
	368,188	359,821

Of which operating income from activities relates to:

	Year ended 31st March 2017 £000	Year ended 31st March 2016 £000
Commissioner requested services	348,165	344,677
Non-commissioner requested services	20,023	15,144
	368,188	359,821

Notes to the accounts
3. Income from activities continued
3.2 Income from activities by source

	Year ended 31st March 2017 £000	Year ended 31st March 2016 £000
NHS Foundation Trusts	2,564	1,454
NHS Trusts	72	24
Clinical Commissioning Groups and NHS England	345,349	343,224
Local Authorities	16,300	10,837
NHS Other	667	1,074
Non NHS:		
- Private patients	1,431	1,684
- Overseas visitors	316	79
- NHS Injury scheme income	722	1,000
- Other	767	445
	368,188	359,821

3.3 Overseas visitors (relating to patients charged directly by the NHS foundation trust)

	Year ended 31st March 2017 £000	Year ended 31st March 2016 £000
Income recognised this year	316	79
Cash payments received in-year	137	150
Amounts added to provision for impairment of receivables (relating to invoices raised in current and prior years)	31	0
Amounts written off in-year (relating to invoices raised in current and previous years)	0	101

Notes to the accounts
4. Other Operating Income

	Year ended 31st March 2017 £000	Restated (1) Year ended 31st March 2016 £000
Research and Development	1,528	1,568
Education, training and research (2)	11,740	10,647
Charitable and other contributions to expenditure	475	51
Non-patient care services to other bodies (3)	4,218	4,521
Sustainability and Transformation Fund (4)	12,350	0
Estates and Technology Transformation Fund (5)	3,056	0
Sales of goods and services (6)	3,146	2,864
Healthier Lancashire (7)	1,823	0
Income in respect of staff costs where accounted on gross basis	1,700	666
Other	2,511	2,626
	42,547	22,943

(1) Prior year restatement:

The Government Accounting Manual for 2016/17 issued by the Department of Health introduced changes in the way Foundation Trusts are required to disclose gains on the disposal of assets and also income arising from the reversal of the impairment of property, plant and equipment assets.

Loss on disposal of assets: In 2015/16 the Trust reported a £40k gain within other operating income. This income is now reported on the Statement of Comprehensive income as a gain on disposal of assets. Further details are disclosed at note 7: Net gain/(loss) on disposal of non-current assets.

Reversal of impairments of property, plant and equipment: In 2015/16 the Trust reported within Other operating income a reversal of impairments of £773k and an impairment charge of £3,168k in operating expenditure. Trusts are now required to account for impairment charges and reversals on a net basis within operating expenditure. The prior year disclosure has been restated to zero and removed from the note.

Other notes:

(2) 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.

(3) 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.

(4) The Sustainability and Transformation Fund was established in 2016/17 by the Department of Health therefore no income was received in 2015/16.

(5) Non-recurrent income relating to the Estates and Technology Transformation Fund was received in 2016/17.

(6) Sales of goods and services includes income from catering sales, staff accommodation rentals, and car parking.

(7) The Trust is the host organisation for the Healthier Lancashire initiative which is a consortium of NHS organisations established to improve healthcare across the in Lancashire and South Cumbria.

Blackpool Teaching Hospitals

NHS Foundation Trust

5. Operating expenses

5.1 Operating expenses comprise:

		Year ended 31st March 2017 £000	Restated (1) Year ended 31st March 2016 £000
	NOTE		
Services from Foundation Trusts		930	1,040
Services from NHS Trusts		337	177
Services from CCG's and NHS England		260	260
Services from other NHS Bodies		0	122
Purchase of healthcare from non NHS bodies (2)		0	6,036
Non Executive Directors' costs	6	156	159
Executive Directors' costs	6	1,127	1,238
Employee costs (excluding Executive Directors' costs)	6	253,305	236,373
Agency/Contract staff	6	13,684	17,214
Redundancy	6	64	0
Drug costs		30,407	28,374
Supplies and services - clinical		44,333	44,982
Supplies and services - general		6,431	7,906
Establishment		4,525	4,758
Transport		615	681
Premises		21,879	18,926
Rentals payable under operating leases		1,383	1,066
Decrease in provision for impairment of receivables		(23)	(895)
(Decrease)/Increase in other provisions	20	(1,690)	1,203
Depreciation	11	5,309	5,775
Amortisation	10	657	780
Net impairments of property, plant and equipment (1)	11	8,044	2,395
Audit services - statutory audit		71	75
Clinical negligence		11,262	10,175
Training, courses and conferences		1,773	1,669
Legal, professional and consultancy fees (3)		3,009	1,665
Insurance costs		182	260
Other		3,420	3,224
		411,450	395,638

(1) Prior year restatement:

The Government Accounting Manual for 2016/17 issued by the Department of Health introduced changes in the way Foundation Trusts are required to disclose losses on the disposal of assets and also income arising from the reversal of the impairment of property, plant and equipment assets.

Loss on disposal of assets: In 2015/16 the Trust reported a £1k loss within operating expenditure. This charge is now reported on the Statement of Comprehensive income as part of the net gain on disposal of assets. Further details are disclosed at note 7: Net gain/(loss) on disposal of non-current assets.

Net impairments of property, plant and equipment: In 2015/16 the Trust reported within Other operating income a reversal of impairments of £773k and an impairment charge of £3,168k in operating expenditure. Trusts are now required to account for impairment charges and reversals on a net basis within operating expenditure. The prior year disclosure has been restated to report of net impairment of £2,395k.

Other notes:

(2) In 2015/16 the Trust contracted healthcare activity with Spiral Health Community Interest Company and Spire Healthcare Ltd. The contracts with these organisations ended prior to 31st March 2016 and no costs have been incurred in 2016/17.

(3) Consultancy costs include £1,437k relating to the Healthier Lancashire initiative to improve healthcare across Lancashire.

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 £10,080 in 2016/17 (2015/6: £9,888)

PricewaterhouseCoopers LLP did not provide any other services to the NHS Foundation Trust in 2016/17 (2015/16: 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. The annual engagement letter was signed on 8th March 2017.

5.4 Operating leases

As lessee

5.4.1 Payments recognised as an expense

	Year ended 31st March 2017 £000	Year ended 31st March 2016 £000
Minimum lease payments	1,383	1,066
	1,383	1,066

5.4.2 Total future minimum lease payments

	Year ended 31st March 2017 £000	Year ended 31st March 2016 £000
Payable:		
Not later than one year	961	1,046
Between one and five years	2,138	2,592
Later than five years	0	145
	3,099	3,783

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.
- 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
- Infusion pumps	184	5

6. Employee costs and numbers

6.1 Staff costs

			Year ended 31st March 2017	Year ended 31st March 2016
	Permanently employed £000	Other £000	Total £000	Total £000
Salaries and wages	211,721	0	211,721	201,002
Social security costs	18,627	0	18,627	13,746
Employers contribution to NHS Pension Scheme	24,084	0	24,084	22,863
Agency / Contract staff	0	13,684	13,684	17,214
Total	254,432	13,684	268,116	254,825

Employee costs above reconciles to the total of Executive Directors' costs and Employee costs on Note 5.1 Operating expenses.

Notes to the accounts
6. Employee costs and numbers continued
6.2 Average number of persons employed

			Year ended 31st March 2017	Restated Year ended 31st March 2016
	Permanently employed WTE	Other WTE	Total WTE	Total WTE
Medical and Dental	484	62	546	549
Administration and estates	1,070	41	1,111	1,222
Healthcare assistants and other support staff	1,791	10	1,801	1,571
Nursing, midwifery and health visiting staff	2,084	19	2,103	2,082
Nursing, midwifery and health visiting learners	65	0	65	18
Scientific, therapeutic and technical staff	600	13	613	642
Healthcare science staff	193	0	193	78
	6,287	145	6,432	6,162

In 2015/16 the Trust carried out a review of job roles allocated to pay group categories and also identified posts which had previously not been allocated a whole time equivalent (WTE) value. The average number of persons employed reported in the 2015/16 financial statements did not reflect the updated information arising from this review but included in the in year reporting to Monitor (now NHS Improvement, the independent regulator of NHS Foundation Trusts). The prior year WTE values have been updated to provide a consistent comparator against the 2016/17 values.

6.3 Retirements due to ill health

In the year ended 31st March 2017 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 £0.487m. (2015/16: 10 cases with estimated liability of £0.685m) 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. 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 2017, is based on valuation data as 31 March 2016, updated to 31 March 2017 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.

Notes to the accounts

6. Employee costs and numbers continued

6.4 Pension costs continued

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.

The next actuarial valuation is to be carried out based on valuation data as at 31 March 2016. This will set the employer contribution rate payable from April 2019 and will consider the cost of the Scheme relative to the employer cost cap. There are provisions in the Public Service Pension Act 2013 to adjust member benefits or contribution rates if the cost of the Scheme changes by more than 2% of pay. Subject to this 'employer cost cap' assessment, any required revisions to member benefits or contribution rates will be determined by the Secretary of State for Health after consultation with the relevant stakeholders.

7. Net gain/(loss) on disposal of non current assets

	Year ended 31st March 2017 £000	Year ended 31st March 2016 £000
Gain on disposal of property, plant and equipment	32	40
Loss on disposal of property, plant and equipment	(12)	(1)
	<u>20</u>	<u>39</u>

The gain on disposal results from the sale of equipment assets with no carrying value.

8. Finance income

	Year ended 31st March 2017 £000	Year ended 31st March 2016 £000
Interest from bank accounts	<u>40</u>	<u>79</u>

9. Finance costs

	NOTE	Year ended 31st March 2017 £000	Year ended 31st March 2016 £000
Interest of capital loans from the Department of Health		1,120	1,193
Interest on other borrowings		59	0
Interest on late payment of commercial debt		3	0
Unwinding of discount on provisions	20	25	20
		<u>1,207</u>	<u>1,213</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 2016	3,737	2,483	6,220
Additions purchased	737	1,021	1,758
Cost at 31st March 2017	4,474	3,504	7,978
Accumulated amortisation at 1st April 2016	2,797	1,243	4,040
Charged during the year	284	373	657
Accumulated amortisation at 31st March 2017	3,081	1,616	4,697
Net book value at 31st March 2017	1,393	1,888	3,281
Net book value			
Purchased at 31st March 2017	1,393	1,888	3,281
Total at 31st March 2017	1,393	1,888	3,281
Prior year - restated:			
Cost at 1st April 2015 - brought forward	3,229	1,904	5,133
Additions purchased	508	579	1,087
Cost at 31st March 2016	3,737	2,483	6,220
Accumulated amortisation at 1st April 2015	2,301	959	3,260
Charged during the year	496	284	780
Accumulated amortisation at 31st March 2016	2,797	1,243	4,040
Net book value at 31st March 2016	940	1,240	2,180
Net book value			
Purchased at 31st March 2016	940	1,240	2,180
Total at 31st March 2016	940	1,240	2,180

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 2016	7,605	156,933	3,389	34,521	93	10,313	43	212,897
Additions purchased	0	2,567	0	1,888	0	2,169	0	6,624
Additions donated	0	185	0	195	0	95	0	475
Impairment charges to revaluation reserve	0	(9,043)	(402)	0	0	0	0	(9,445)
Impairments recognised in operating expenses	0	(8,044)	0	0	0	0	0	(8,044)
Revaluations	0	301	37	0	0	0	0	338
Reclassifications	0	0	0	(2,375)	0	0	0	(2,375)
Transfer of depreciation to gross book value following revaluation	0	(2,701)	(72)	0	0	0	0	(2,773)
Cost or valuation at 31st March 2017	7,605	140,198	2,952	34,229	93	12,577	43	197,697
Accumulated depreciation at 1st April 2016	0	0	0	24,044	93	6,917	27	31,081
Charged during the year	0	2,701	72	1,546	0	986	4	5,309
Reclassifications	0	0	0	(2,375)	0	0	0	(2,375)
Transfer of depreciation to gross book value following revaluation	0	(2,701)	(72)	0	0	0	0	(2,773)
Accumulated depreciation at 31st March 2017	0	0	0	23,215	93	7,903	31	31,242
Net book value at 31st March 2017	7,605	140,198	2,952	11,014	0	4,674	12	166,455
Net book value								
Owned								
Purchased at 31st March 2017	7,605	137,480	2,952	10,362	0	4,577	12	162,988
Donated at 31st March 2017	0	2,718	0	652	0	97	0	3,467
Total at 31st March 2017	7,605	140,198	2,952	11,014	0	4,674	12	166,455

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. A full asset revaluation took place on 31st March 2017 based on modern replacement cost and was undertaken by Cushman & Wakefield.

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 expenses with any excess being recognised in the revaluation reserve.

On 20th March 2017, BFW Management Ltd, a wholly owned subsidiary of the Trust, commenced trading to provide a fully managed facilities management service to the Trust (see note 1.26 for further details). This contractual relationship has enabled the Trust to exclude VAT from the valuation of building asset values. This has resulted in an impairment charge being recognised in operating expenses and the revaluation reserve.

The impact of the revaluation on charges to operating expenses and reserves is as follows:

	2016/17 £000	Restated 2015/16 £000
Revaluation gains recognised in the revaluation reserve	(338)	(432)
Impairments charged to the revaluation reserve	9,445	1,012
Net impairments recognised in operating expenses	8,044	806
	17,151	1,386

The analysis of prior year impairment charges has been restated due to the reclassification of the reversal of impairments of property, plant & equipment (£773k) from other operating income to operating expenses. Non-current asset impairments and reversal of impairments are now stated net.

Of which the net impairment charge arises from:	£000
Exclusion of VAT from building asset values	23,497
Net increase in asset values from full asset revaluation at 31st March 2017	(6,346)
	17,151

In addition to the revaluation in 2015/16 the Trust impaired the carrying value of Bispham Hospital which had been marketed for sale and accounted for as a asset held for sale at 31st March 2016 (See note 15).

	2015/16 £000
Bispham Hospital	
Impairment recognised in operating expenses	1,589
	1,589

Notes to the accounts
11. Property, plant and equipment continued

Prior year	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)
Cost or valuation at 31st March 2016	7,605	156,933	3,389	34,521	93	10,313	43	212,897
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)
Accumulated depreciation at 31st March 2016	0	0	0	24,044	93	6,917	27	31,081
Net book value at 31st March 2016	7,605	156,933	3,389	10,477	0	3,396	16	181,816
Net book value								
Owned								
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
Total at 31st March 2016	7,605	156,933	3,389	10,477	0	3,396	16	181,816
Purchased at 31st March 2015	7,944	159,027	3,401	9,304	3	2,970	20	182,669
Donated at 31st March 2015	0	3,605	0	864	0	3	0	4,472
Total at 31st March 2015	7,944	162,632	3,401	10,168	3	2,973	20	187,141

Notes to the accounts
12. Capital Commitments

Commitments under capital expenditure contracts at the statement of financial position date were £2.004m (2015/16: £3.302m). 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	2016/17 £000	2015/16 £000
Other - Information Technology	1,114	821	1,935	2,510
Other - Medical Equipment	69	0	69	0
Obstetric Theatre	0	0	0	384
Outpatients Development	0	0	0	408
	<u>1,183</u>	<u>821</u>	<u>2,004</u>	<u>3,302</u>

13. Inventories

	31st March 2017 £000	31st March 2016 £000
Drugs and consumables	<u>4,116</u>	<u>2,447</u>

During 2016/17 management have conducted a review of inventories and identified areas holding inventory which had previously not been counted or recognised in the financial statements. The significant new inventories relate to drugs held in ward areas, the out of hours emergency drug cupboard, and also consumables held in community properties. A full inventory count was conducted at the year end and included in the value at 31st March 2017.

There have been no write-downs or reversal of write-downs of inventories during 2016/17 (2015/16: 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 2017.

Inventories charged to operating expenses include drugs totalling £22.61m (2015/16 £21.72m) issued through the in-house pharmacy and cardiac consumables totalling £4.664m (2015/16: £5.003m). The figure reported for drugs in operating expenses includes costs of non-inventory items.

Notes to the accounts
14. Trade and other receivables
14.1 Trade and other receivables

	31st March 2017	31st March 2016
	£000	£000
Current		
NHS receivables	10,050	7,526
Other receivables with related parties	1,101	568
Provision for impairment of receivables	(616)	(645)
Prepayments	1,947	1,204
Accrued income	11,742	5,041
Interest receivable	2	5
PDC dividend receivable	588	326
VAT receivable	953	764
Other receivables	2,643	2,942
Trade and other receivables - current	28,410	17,731
Non current		
Other receivables	906	973
Provision for impairment of receivables	(495)	(489)
Trade and other receivables - non current	411	484
Total	28,821	18,215

Accrued income an amount due from the Sustainability and Transformation Fund of £5,163k.

The NHS Foundation Trust has declared an amount receivable of £2.156m (2015/16 £2.243m) 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 and included in other receivables.

14.2 Ageing of receivables past their due date but not impaired

	31st March 2017	31st March 2016
	£000	£000
0 - 30 days	970	1,058
30- 60 days	21	259
60- 90 days	1,114	1,281
90- 180 days	1,561	435
Over 180 days	952	639
	4,618	3,672

14.3 Analysis of provision for impairment of receivables

	2016/17	
	NHS Debts	Non NHS Debts
	£000	£000
As at 1st April 2016	446	688
Amounts written off during the year as uncollectable	0	0
Amounts reversed unused during the year	(346)	(2)
Increase in allowance recognised in operating expenses	127	198
As at 31st March 2017	227	884
	1,111	

Notes to the accounts
14. Trade and other receivables continued
14.4 Ageing of impaired receivables

	31st March 2017 £000	31st March 2016 £000
0 - 30 days	0	345
30- 60 days	2	0
60- 90 days	10	0
90- 180 days	12	0
Over 180 days	1,087	789
	1,111	1,134

15. Non-current assets for sale and assets in disposal groups

	Property, plant & equipment 2016/17 £000	2015/16 £000
NBV of non-current assets for sale and assets in disposal groups at 1 April	1,500	350
Plus assets classified as available for sale in the year	0	1,500
Less assets sold in year	(1,500)	(350)
NBV of non-current assets for sale and assets in disposal groups at 31 March	0	1,500

At 31st March 2016 the Trust included Bispham Hospital as an asset held for sale valued at £1,500k. Completion of the sale took place on 3rd August 2016 with proceeds received of £1,525k. The additional income is reported within the gain on the disposal of asset reported in note 7.

16. Cash and cash equivalents

	31st March 2017 £000	31st March 2016 £000
Balance at beginning of the year	7,763	25,085
Net change in the year	(3,892)	(17,322)
Balance at 31st March	3,871	7,763
Made up of:		
Cash with Government Banking Service	3,788	7,667
Cash in transit and in hand	83	96
	3,871	7,763

Notes to the accounts
17. Trade and other payables

	31st March 2017 £000	31st March 2016 £000
NHS payables	8,191	8,375
Amounts due to other related parties	3,584	3,728
Non-NHS trade payables - revenue	22,537	19,654
Non-NHS trade payables - capital	3,893	1,509
Accruals	7,783	6,650
Subtotal	45,988	39,916
Tax & social security costs	5,186	4,639
Trade and other payables - current	51,174	44,555

18. Other liabilities

	31st March 2017 £000	31st March 2016 £000
Deferred income - Current	9,840	4,823
Deferred income - Non-Current	1,500	1,500
Other liabilities	11,340	6,323

The increase in deferred income arises from the payment in March 2017 of the 2017/18 public health block contract by Blackpool Council.

19. Borrowings

	31st March 2017 £000	31st March 2016 £000
Current		
Loans from Independent Trust Financing Facility	3,223	3,224
Energy Efficiency Loans Programme	119	119
Borrowings - current	3,342	3,343
Non current		
Loans from Independent Trust Financing Facility	35,901	39,124
Energy Efficiency Loans Programme	60	179
Borrowings - non-current	35,961	39,303
Total borrowings	39,303	42,646

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: £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 3: £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
20. Provisions
20.1 Provisions analysis

	31st March 2017 £000	31st March 2016 £000
Pensions relating to other staff	15	14
Permanent Injury Benefit	79	75
Other legal claims	130	157
Other	2,020	3,986
Provisions - current	2,244	4,232
Pensions relating to other staff	94	99
Permanent Injury Benefit	1,294	1,163
Provisions - non-current	1,388	1,262
TOTAL	3,632	5,494

20.2 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 2016	114	1,238	157	3,985	5,494
Change in discount rate	4	138	0	0	142
Arising during the year	4	75	48	670	797
Utilised during the year	(15)	(101)	(75)	(148)	(339)
Reversed unused	0	0	0	(2,487)	(2,487)
Unwinding of discount	2	23	0	0	25
At 31st March 2017	109	1,373	130	2,020	3,632
Expected timing of cash flows:					
Within one year	15	79	130	2,020	2,244
Between one year and five years	60	313	0	0	373
After five years	34	981	0	0	1,015
Total	109	1,373	130	2,020	3,632

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. £179.364m is included in the provisions of the NHSLA at 31 March 2017 in respect of clinical negligence liabilities of the NHS Foundation Trust (2015/16: £163.093m).

Provisions in the other category relate to the potential return of £2.02m non-recurrent funding conditional on completion of development initiatives in 2017/18.

Notes to the accounts
21. Contingencies

	31st March 2017 £000	31st March 2016 £000
Contingent liabilities		
Employer and Occupier Liability	53	122

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

22. 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.

22.1 Financial Assets by category

	31st March 2017 Loans and Receivables £000	31st March 2016 Loans and Receivables £000
NHS Trade and other receivables	21,123	11,911
Non-NHS Trade and other receivables	2,579	2,272
Cash and cash equivalents	3,871	7,763
Total Financial Assets	27,573	21,946

22.2 Other Financial Liabilities by category

	31st March 2017 £000	31st March 2016 £000
NHS Trade and other payables	(8,371)	(8,375)
Non-NHS Trade and other payables	(37,617)	(31,541)
Subtotal - Trade and other payables	(45,988)	(39,916)
Other borrowings	(39,303)	(42,646)
Subtotal - Borrowings	(39,303)	(42,646)
Total Financial Liabilities at amortised cost	(85,291)	(82,562)

The NHS Foundation Trust has three 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.

Blackpool Teaching Hospitals

NHS Foundation Trust

Notes to the accounts

22. Financial Instruments continued

22.3 Maturity of financial liabilities

	31st March 2017 £000	31st March 2016 £000
In one year or less	(49,330)	(43,259)
in more than one year but not more than two years	(3,283)	(3,343)
In more than two years but not more than five years	(8,261)	(9,772)
In more than two years but not more than five years	(24,417)	(26,188)
Total Financial Liabilities at amortised cost	(85,291)	(82,562)

23. 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 2017 £000	31st March 2016 £000
Patients' monies	1	11
Blackpool Teaching Hospitals Charitable Fund	1,626	1,919
	1,627	1,930

24. Losses and special payments

	2016/17		2015/16	
	Number	£000	Number	£000
Losses:				
Bad debts and claims abandoned	0	0	366	312
Total losses	0	0	366	312
Special payments:				
Ex-gratia payments	58	56	38	16
Total special payments	58	56	38	16
Total Losses and Special Payments	58	56	404	328

Losses and special payments are reported on an accruals basis but do not include provisions for future losses.

25. Related party transactions

Ultimate parent

The NHS Foundation Trust is a public benefit corporation established under the NHS Act 2006. NHS Improvement (NHSI) formerly 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. NHSI 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. NHSI is accountable to the Secretary of State for Health. The NHS Foundation Trust's ultimate parent is therefore HM Government.

Notes to the accounts
25. 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	
	2016/17	2015/16	31st March 2017	31st March 2016
	£000	£000	£000	£000
Blackpool CCG	130,594	129,888	268	598
Chorley & South Ribble CCG	2,083	1,812	158	126
Cumbria CCG	2,006	1,727	45	224
East Lancashire CCG	1,145	959	44	36
Fylde & Wyre CCG	103,233	101,615	3,217	3,202
Greater Preston CCG	6,186	5,620	247	194
Lancashire North CCG	15,677	16,080	205	320
Health Education England	10,671	9,067	9	30
NHS England	95,129	84,370	7,847	4,955
Lancashire Care NHSFT	1,124	677	429	386
Lancashire Teaching Hospitals NHSFT	2,072	1,100	2,024	278
University Hospitals of Morecambe Bay	412	355	43	45
	370,332	353,270	14,536	10,394

Most income from CCG's is in respect of services provided under healthcare contracts and priced using national prices (Payment by Results).

	Expenditure		Payables	
	2016/17	2015/16	31st March 2017	31st March 2016
	£000	£000	£000	£000
Lancashire Teaching Hospitals NHS Foundation Trust	1,371	1,382	2,320	473
NHS Litigation Authority	11,262	10,175	0	6
NHS Property Services	5,396	5,340	3,874	5,338
Pennine Acute Hospitals NHS Trust	22	0	367	293
University Hospitals of Morecambe Bay	537	603	361	195
	18,588	17,500	6,922	6,305

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 20.

Notes to the accounts

25. 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	
	2016/17 £000	2015/16 £000	31st March 2017 £000	31st March 2016 £000
University of Central Lancashire	116	41	26	9
St Johns Hospice	67	0	5	0
Buckingham University	63	0	0	0
University of Liverpool	4	10	1	1
The Institute of Cancer Research	1	0	0	0
University of Cumbria	0	173	0	9
	251	224	32	19

	Expenditure		Payables	
	2016/17 £000	2015/16 £000	31st March 2017 £000	31st March 2016 £000
Age UK	17	22	1	0
University of Central Lancashire	565	212	26	4
Lancaster University	44	0	9	0
University of Cumbria	0	16	0	2
NHS Shared Business Services	56	112	11	21
Fylde Coast Womens Aid	26	0	0	0
Ormerod Home Trust Ltd	4	0	0	0
	712	362	47	27

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 2017 £000	Year ended 31st March 2016 £000	Year ended 31st March 2017 £000	Year ended 31st March 2016 £000
Salaries and other short term benefits	1,034	1,132	229	220
Pension contributions:				
Employer contributions to the NHS Pension Scheme	121	134	27	25
Accrued pension under NHS Pension Scheme	338	352	91	85
Accrued lump sum under NHS Pension Scheme	1,014	1,057	274	256
			Number	Number
Number of directors to whom benefits are accruing under the NHS Pension Scheme			6	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

25. Related party transactions continued

BFW Management Ltd

The NHS Foundation Trust has formed a wholly owned subsidiary to provide a fully managed facilities management service to the Trust. BFW Management Ltd (Registered Company 10525158) commenced trading on 20th March 2017 and received income from the Trust of £0.45m in respect of services for the period up to 31st March 2017.

The subsidiary company had two Directors as at 31st March 2017 who also are members of the NHS Foundation Trust Board of Directors. Neither of these Directors have received remuneration in respect of their duties relating to BFW Management Ltd.

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:

	2016/17	2015/16
	£000	£000
Donations received from the charitable fund, recognised as income	475	47
Amounts receivable from the fund as at 31st March	181	84

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 2017 the Trust owed £3.311 million (31 March 2016: £3.230 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 20.

26. Events after the reporting year

There are no events after the end of the reporting year.

Further copies of the Annual Report and Accounts for the period 1st April 2016 to 31st March 2017 can be obtained by writing to:

Miss Judith Oates
Corporate Assurance Manager/
Foundation Trust Secretary
Blackpool Teaching Hospitals NHS Foundation Trust
Trust Headquarters
Blackpool Victoria Hospital
Whinney Heys Road
Blackpool
FY3 8NR

Alternatively the document can be downloaded from our website www.bfwhospitals.nhs.uk

If you would like to 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
FY3 8NR

