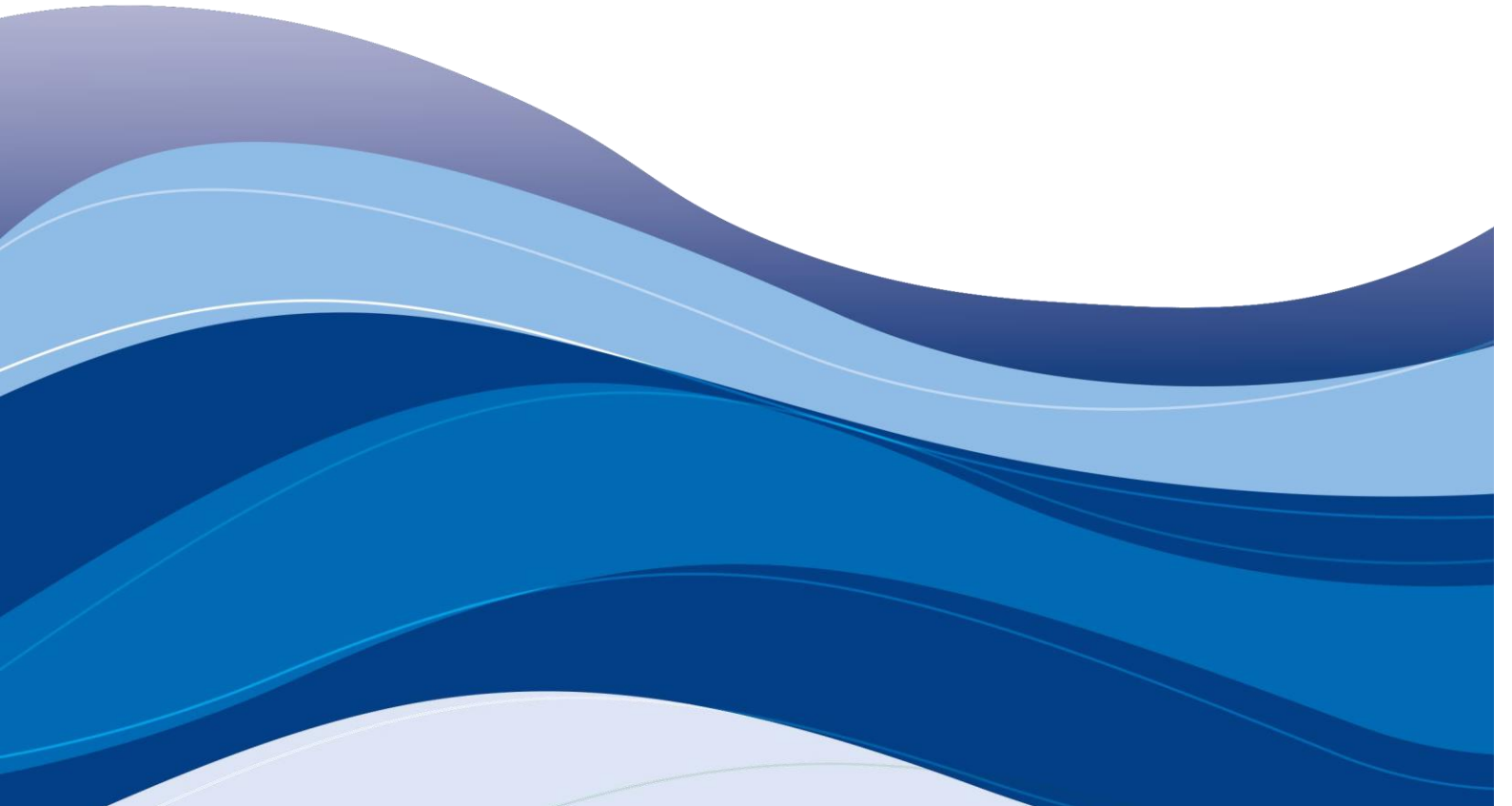
Blackpool Teaching Hospitals
NHS Foundation Trust

Blackpool Teaching Hospitals NHS Foundation Trust

Annual Report and Accounts

2020/2021



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Annual Report and Accounts
2020/2021

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

Note:

i) This Annual Report and Accounts has been prepared on a group basis, Blackpool Teaching Hospitals NHS Foundation Trust and its subsidiary company BFW Management (Atlas) are said 'group' and collectively hereinafter jointly referred to as ("Blackpool Teaching Hospitals NHS FT", "Blackpool Victoria Hospital", "the Trust", "we", "us", "our").

ii) The Charity has been excluded from the consolidation on the grounds that it is immaterial to the Group.

Chairman's and Chief Executive's Introduction

Welcome to our Annual Report and Accounts for 2020/21.

You will see throughout this document and particularly in the 'highlights' section that everyone at Blackpool Teaching Hospitals continues to focus a great deal of time and effort on making improvements to services and ensuring that the quality of everything we do makes a tangible, positive difference to the lives of local people.

We are incredibly proud that this has continued even alongside the huge and undeniable draw on our energy and resources from the Covid-19 pandemic, which has dominated the lives of everyone over the past 12 months.

The response from everyone at the Trust has been astonishing. We can never thank National Health Service (NHS) staff enough and there has been the most incredible amount of hard work delivered by all colleagues.

Blackpool, Fylde and Wyre have experienced high numbers of people infected and needing hospital care for Covid, as well as taking patients from other areas where hospitals didn't have enough staff or beds to cope.

At the height of our response we had over 100 people in our inpatient settings needing care and treatment for the virus. We asked ourselves each and every day what more we could do to support our communities and continue to provide care.

We added beds wherever we could but particularly in critical and enhanced care wards – moving to 'surge' and 'super surge' plans, often for extended periods of time. For every bed we also needed to find more trained and qualified staff to look after people admitted with very serious health issues.

There were some very difficult decisions taken, with partners across the wider health and social care system, including to postpone some outpatient appointments and elective surgery, as well as services in our cardiac unit. This helped people to stay safe at home if they did not need to come into hospital and helped us redeploy our brilliant staff to the frontline.

We worked closely with our staff and partners in community health services and settings to ensure we were supporting people to avoid them coming into hospital where possible and, if they were admitted, to get them home as soon as we could.

In addition, we prioritised getting the vaccination programme up and running and this has made the most amazing progress and impact on reducing infections. This is a fantastic achievement – the NHS at its very best - and vaccinations continue every day.

This past year has been one of the most difficult we will ever face in the NHS. But we continued to move forward with our ambitious and critical improvement plans. The pandemic allowed us to innovate and learn quickly to keep vital services going through the restrictions in place. This is something we don't want to lose as we move forward and will be building on in the months to come.

In particular, the Trust has been working on the issues raised as part of the feedback from our latest Care Quality Commission (CQC) inspection in 2019. The regime, often likened to the way Office for Standards in Education, Children's Services and Skills (OFSTED) works within educational settings, categorised the Trust as 'requires improvement' overall, although there were some areas recognised as providing 'good' services and our community health services for adults were 'outstanding'.

This is important. There are great people doing great things in the Trust and while we need to improve, we should always remember that too.

Over the past 18 months or so and in direct response to some of the issues raised in the CQC report, the Trust has implemented some significant changes and improvements, even as we have been truly stretched and utterly exhausted in our monumental response to Covid.

We're really proud that we have been able to do this and would like to thank teams across the Trust for their determination, resilience and hard work. Everyone has been amazing.

Some of the CQC report results were presented to the System Improvement Board earlier in the year, supported by colleagues from the Trust and the wider team across health and social care in Blackpool, Fylde and Wyre.

The depth and breadth of improvements really is incredible and whilst we've still some way to go, it is important to acknowledge progress which includes:

- A focus on staffing and ensuring we have the right people in the right ratios on our wards to ensure safe and effective care is in place – this has been difficult during Covid as the number of people needing hospital care escalated beyond any previous precedents

- The pressure on staffing meant a quick and determined focus on recruiting more trained professionals and this has included an overseas search with almost 200 much needed registered international nurses welcomed into the team

- The introduction of a 'ward accreditation process' aimed at raising standards and celebrating best practice across the organisation using unannounced visits has been developed and introduced – we are already celebrating some 'silver' wards with a real 'race for gold standards' underway

- Investment in Quality Improvement techniques across our divisions and clinical teams is making improvement everyone's day to day focus

- Prioritising the health and well being of staff, including encouraging them to complete their staff survey to identify the most important improvements, bolstering our Freedom to Speak Up approach and ensuring everyone has been vaccinated against both seasonal 'flu and Covid.

The Trust worked hard to ensure the annual winter pressure found in our hospitals was managed effectively, particularly alongside Covid. We have focused on improving patient flow even when faced with huge demand for inpatient treatment, drastically reducing the number of people who wait more than 12 hours for a bed and also working with colleagues at North West Ambulance Service on efficient handovers between paramedics and the A&E team.

The national '111 first' programme which introduced the ability to book urgent care appointments in advance instead of 'dropping in', was piloted at Blackpool Victoria and was successful in reducing both the number of people in A&E and Covid infection spread too.

We have also revised our governance structures and processes to ensure our work plans are effective and we can provide assurance to the Trust Board and regulators about effective progress and improvements being delivered.

Whilst we have not been fully re-inspected by the CQC, the team did conduct an unannounced visit to A&E and some of our medical wards in January. They found no issues for immediate action and moreover that they were complimentary in their feedback, specifically in relation to:

- A busy but well controlled and calm environment at A&E
- Staff who were helpful and supportive despite the moment being pressured with huge demand for services
- The general cleanliness of the hospital
- The way we were managing staffing under huge pressure in a positive and measured way.

This year we were also visited by colleagues from the North West team at NHS England and NHS Improvement (NHSE/I) focused primarily on infection prevention control measures in place and also by Health Education England's North West Team (HEENW) checking in on our support for junior doctors and medical education. Both provided positive feedback and will help us to continue to identify how we can be more effective.

The Trust implemented a new structure on 1 April 2021, designed to provide more capacity, more capability and better outcomes for both staff and local people. The review of our current structures began last summer and has explored, in significant detail, whether a different approach to the way services are grouped and managed would deliver improvements.

The new structure includes the creation of a tertiary division as part of the Trust and four reconfigured, complimentary divisions to deliver services. We are confident that it will deliver the best possible, integrated care for local people and the most effective support for staff to develop and be supported to achieving the very best quality of care.

The new structure aims to ensure services are in the right place being delivered by the right team, avoiding duplication, inconsistency and inequity of roles. It will also help us develop services such as our cardiothoracic, haematology, the National Eye Service and cystic fibrosis. It also provides a real opportunity to look at the way our current divisional structures work together to support integration and collaboration with partners locally, regionally and nationally across the NHS, wider health and social care, local government and voluntary, community and faith sectors.

Just one of the ways in which we can measure the impact of this is through the results of the annual, national NHS Staff Survey which provides valuable insight into how it really feels to work in healthcare in the UK.

In the questionnaire, there were a range of questions which staff answered anonymously based on 10 themes, such as equality and diversity, health and wellbeing, quality of care for patients and safety culture.

It was great to see the Trust score above the national average in five of the themes and in line with the national average in three themes. This is great news and demonstrates real progress. Where we scored below the national average in the final two themes of staff health and wellbeing and providing a safe environment for staff there is undoubtedly lots to learn and do but I'm confident we will continue to progress.

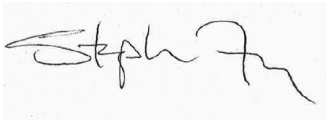
Just the fact that more than 3,500 colleagues diligently found time to complete it during some of the most difficult days we have ever experienced speaks volumes in itself about our drive to improve and I want to thank each and every person who took the time to provide their views, it really is appreciated.
It cannot be underestimated how difficult the past year has been and how everyone at the Trust and the wider healthcare system as a whole has worked unbelievably hard.

We are grateful especially to those who were and continue to be redeployed to areas and specialities outside of their usual place or focus of work. People have worked late, come in early and cancelled leave and other family commitments to care and support each other, as well as our patients and their families.

Colleagues have carried on when they wanted to stop and collapse. They've gone way, way, beyond anything that could be considered an 'extra mile'. They have put their own lives on hold and often on the line without a grumble. It is important also to remember those who have worked from home, schooling and working throughout lockdown which have must have been very difficult indeed.

Each and every person has played their part and we can genuinely never thank colleagues enough.

To summarise, this year has seen unprecedented challenges for NHS organisations. However, the Trust continues to learn, progress and achieve improvements because of our dedicated staff to whom we are indebted.

Signed: 

Steve Fogg
Chairman

Date: 15 June 2021

Signed: 

Kevin McGee
Chief Executive

Date: 15 June 2021

Group Highlights

Trust Highlights

Domestic abuse campaign wins national award

The Trust's Safeguarding Team won the Patient Safety Improvement category at the Nursing Times Awards 2020, the leading nursing awards in the country.

The team, working collaboratively with Lancashire Constabulary and Fylde Coast Women's Aid, devised a swift and direct response to domestic abuse and violence during the Covid-19 pandemic which judges said was "creative, innovative and replicable.''

When the first lockdown was announced it became clear that victims and families exposed to domestic abuse and violence were in a very vulnerable and volatile position.

The team collaborated with Police colleagues, local supermarkets and pharmacies to implement Operation Provide with the purpose to go to the victim rather than wait for the victim to engage with the support services.

Within a few weeks this then developed and evolved to fit the victim's needs as the trust's Health Independent Domestic Violence Advisors worked alongside the police to respond to calls from victims and provide immediate support.

The first phase of Blackpool's 'Emergency Village' was opened

Blackpool Victoria Hospital's Emergency Department (ED) opened the first phase of its Emergency Village development in January 2021.

The upgraded, extended and enhanced waiting room and minors area, which treats non-life threatening emergency illnesses and injuries, was opened by Chief Executive, Kevin McGee and Medical Director, Dr Jim Gardner.

The work was due to start in 2023 but began two and a half years ahead of schedule thanks to a successful bid for part of a share of £300M allocated across the country by the Government to upgrade facilities ahead of winter.

As well as providing a much better environment for people waiting in ED a fundamental element of the redesign has been to look to the future and increase the social distancing capability almost five-fold leading to a safer experience for patients and visitors.

Patients benefited as a new cancer triage unit opened

The Trust opened its new Acute Oncology Triage Unit, within the Oncology and Haematology Unit.

The unit, which helps provide care for cancer patients at Blackpool Victoria Hospital is a dedicated facility for supporting local patients who are going through – or have already been through – treatment for cancer.

These patients are often especially vulnerable because of compromised immune systems due to their treatment, which can make them more susceptible to infections, and some may also need to medical help because of treatment side-effects such as uncontrolled vomiting, anaemia and dehydration. In both instances, these patients would have previously had to attend the ED.

At the triage unit, patients are able to avoid a visit to the ED and receive fast, personal treatment in a dedicated space with staff they are familiar with. It is staffed by a team including a doctor, advanced clinical practitioner, nurses and a matron.

The development was supported by the Rosemere Cancer Foundation which, along with the hospital's own charity Blue Skies Hospitals Fund, raised more than £100,000 to convert what was formerly a disused operating theatre at the rear of the hospital's Oncology and Haematology Day Unit. It is estimated it will help more than 500 cancer patients annually.

Trust team won a national Health Heroes Award for developing integrated care

The Trust's South Neighbourhood Primary Care Network (PCN) was named Integrated Team of the Year at the fifth Our Health Heroes Awards, for their commitment to improving healthcare in one of the most socially deprived areas of Blackpool.

The team beat competition from more than 200 other applicants for the award with Team Leader, Kay Dalton, presented with the honour by Erika Bannerman, Managing Director of NHS Shared Business Services (NHS SBS) at the awards.

The South Neighbourhood PCN covers the South Shore area of Blackpool. It is a Multi-Disciplinary Health and Wellbeing Team (MDT) that brings together community nurses, matrons, case managers, mental health and wellbeing staff, occupational therapists and physiotherapists, with representatives from four local GPs, Blackpool Council Adult Social Care, Blackpool Community Groups, including the Carers Centre, a Lottery-funded social prescribing team, and Blackpool Police.

The team works closely together to improve patient care by improving engagement with community services and finding innovative solutions to many complex issues.

The Trust benefited from new clinical research facility

Blackpool was one of only five areas in the country to be chosen to host a facility to deliver commercial research studies within the NHS.

The National Institute for Health Research (NIHR) launched five new National Patient Recruitment Centres (NPRCs) in November to enable more late phase commercial clinical research to be delivered within the NHS and make it easier for people to take part in studies.

Located at NHS hospital sites across England, including Blackpool Victoria Hospital, the five regionally based NPRCs are funded through a £7m investment as part of the Government's Life Sciences Industrial Strategy and Sector Deal 2 - a series of measures to strengthen the UK environment for clinical research.

NHS 111 First system came to Blackpool

The Fylde coast was the first region in the North West to implement the new NHS 111 First system in August 2020 with a new dedicated treatment area within Blackpool Victoria Hospital's emergency department.

NHS 111 First is part of a national integrated programme to improve outcomes and experience of urgent and emergency care.

To keep patients safe and allow them to maintain social distancing, they are asked to call NHS 111 before visiting the hospital's Emergency Department. NHS 111 would then book them into a time slot at the department, or the most appropriate local service.

The new approach has ensured that patients can access the clinical service they need, first time, with the convenience of a booked appointment or time slot if needed.

Blackpool was one of two 'first mover' sites in the North West, in order to test procedures, check safety, understand system impacts and evaluate the service.

The Trust appointed a Freedom to Speak Up Guardian

In a continuing development for the Trust's Freedom to Speak Up (FTSU) service, Jane Butcher was appointed Interim FTSU Guardian.

Working alongside Trust leaders, Freedom to Speak Up Guardians hold independent posts to embed a culture of openness and transparency where staff are supported to speak up and raise concerns they may have.

Jane now works with a network of champions around the Trust to ensure that when staff need to raise a concern, they can do so quickly and confidentially.

Recently, Jane Butcher has been expanding the service offering provided by Freedom to Speak Up, and the Trust is soon to recruit a Deputy to ensure the highest level of support for staff.

Other developments include sessions run with consultants, SAS doctors attending an equality and diversity summit, and Jane has been invited to sit on the Trust's Safety Movement Group.

The Swan bereavement service was made permanent

The Swan end-of-life care initiative at Blackpool Teaching Hospitals, including a bereavement support service, was set up in response to the Covid pandemic.

Lead Cancer and End of Life Nurse Jackie Brunton led the initiative, which included palliative care teams working seven days a week during the first wave of the pandemic.

Funded through the Blue Skies Hospital Charity and NHS Charities including funds raised by Sir Captain Tom Moore, both services have now been funded permanently.

From June onwards the Trust will benefit from a seven-day palliative care service, and Swan bereavement service. The Trust, in partnership with Trinity Hospice, has invested funding to expand the specialist palliative care team to enable this seven-day service which includes the introduction of new roles such as advanced care practitioners and health care assistants in the team.

The Trust has also invested in the provision to support technology, including iPads and iPhones to enable remote visiting, and the patient experience team has introduced the Staying Connected service to loved ones can send messages to patients.

Trust staffrooms were transformed by the hospital charity

Blue Skies, the hospital charity, helped transform staffrooms across the Trust this year using a series of grants worth £180,000.

Donations from the nation's fundraising, including the late Captain Sir Tom Moore, were used to create wobble rooms and wellbeing packs for staff, mementoes for bereaved families and revamped staff areas.

New appliances, décor and furniture were among the upgrades which also included new seating, tables, fridges and drinks ware.

More than 80 staffrooms in both clinical and administrative areas in hospitals across Blackpool, Fylde and Wyre received the new furnishings.

The Take a Moment event gave staff the chance to reflect

A week of Wellbeing activities, a special live virtual event and visits by directors and senior managers took place to mark a unique event held by the Trust.

'Take a Moment' was a special week of remembrance giving staff the opportunity to reflect on the 12 months since the Trust treated its first Covid-positive patient.

To launch the event, senior staff including Chief Executive Kevin McGee spoke in a live broadcast Teams event and Father Andrew Dawson of the Trust's Chaplaincy team gave a reading.

Kevin, executive directors and other senior managers also spent time visiting teams and sites in hospital and the community to thank staff for their commitment and hard work. Activities including a tree planting outside the Women and Children's Centre also took place.

Finally, a range of events and initiatives designed to support staff health and wellbeing were on offer, including yoga, workshops and a virtual café.

Teams Brief went virtual

In February, members of the Trust's Executive Team held their first ever virtual 'Teams Brief' event.

Previously held in person prior to the pandemic, the virtual event was a live opportunity for staff to watch updates from the executive on a range of topics including staff health and wellbeing, financial planning and the vaccination programme.

Feedback from the event, which has now become a monthly session, was very positive, with attendees describing it as 'a wonderful update' and 'excellent, innovative and informative.' More than 250 staff attended the first session.

Once held, the events can also be viewed again by staff who may not have been able to join in live.

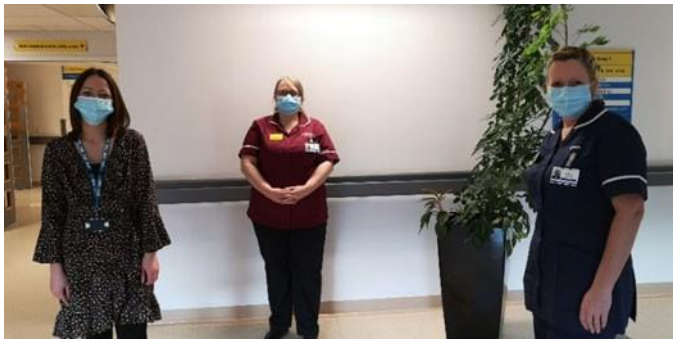
COAST drives Trust's quality improvement

Collaborative Organisational Accreditation System for Teams (COAST), the Trust's ward accreditation programme, was launched at the start of 2021 with the ultimate aim of inspecting every single ward.

The framework for the programme is designed around the Chief Inspector of Hospitals' five key lines of enquiry (KLOE) of: Safe, Effective, Caring, Responsive and Well Led.

So far the COAST team has already seen a number of wards achieve Gold status, and the programme has been recognised as a key drive of a ward's continual quality improvement journey.

Staff regularly share and celebrate their wards' COAST results on social media.



The NHS Staff Survey scored its highest ever levels of feedback

Staff at the Trust believe care of patients is the organisation's top priority – that was the findings of the latest NHS Staff Survey.

Record numbers of staff took the time to complete the 2020 survey and help shape the future of the Trust – in total 3,548 staff (or 49.5 per cent) took part, despite the pressures of the pandemic.

Highlights included that 79 per cent of staff believe care of patients / service users is the organisation's top priority, that 70 per cent of staff would be happy with the standard of care if a friend of relative needed treatment, and that 68 per cent would recommend it as a place to work.

Staff are now being given the chance to examine the results of the survey and to shape future activity via a series of Big Conversations. The outcomes of these sessions will be reported back across the Trust.

Teams which scored the highest levels of completion on the staff survey, and the most improved completion, were given gift bags. This included the Medical Education Undergraduate Team (pictured) which had 100 per cent completion for the second consecutive year – the only team with more than 11 staff to achieve this milestone.

Lancashire Cardiac Centre was in the global spotlight

The Lancashire Cardiac Centre at Blackpool Teaching Hospitals was the focus of global attention in 2021 following pioneering work.

Led by Dr Billal Patel, the team at the centre developed a procedure which requires much less dye to be used when performing angioplasty to insert a stent.

The use of dye, known as contrast, can be harmful to kidneys for those who are at a higher risk of kidney disease.

As a result of the work, Dr Patel presented the ground-breaking procedure to medical faculties across South East Asia, including Hong Kong, Singapore, Indonesia and the Phillipines.

The work was described as a ‘huge win’ for the Lancashire Cardiac Centre and as providing high quality, complex intervention safely while reducing the risk of damaging kidneys during the procedure.

Emergency Department trials HIV testing project

Our Emergency Department trialled a testing programme to help reduce the number of people living in the community with undiagnosed HIV.

Six months’ funding was secured by the team – Trainee Advanced Clinical Practitioner, Peter McKiernan and Suzan Potts, HIV Clinical Nurse Specialist – to enable opt out screening in the department alongside routine blood tests.

The programme received praise from Takudzwa Mukiwa, Head of HIV Prevention England at Terrence Higgins Trust, who remarked how important the trial was for the Blackpool as it has the second highest rates in North West England.

We hope that this work has set an example for other areas with high prevalence to enable their residents to know their HIV status. As recommended recently by the HIV Commission for England, opt-out testing will play a key part in ending new HIV transmissions and HIV-attributed deaths in England by 2030.

Trust staff shone in Royal Variety Performance

A group of Trust staff took part in one of the nation's most iconic TV shows at the end of 2020.

The 15-strong NHS Voices of Care Choir, a cross section of staff, joined legend Michael Ball to sing a moving rendition of You'll Never Walk Alone in the top-of-the-bill slot at the Royal Variety Performance, filmed at Blackpool's Opera House.

The choir was put together by music producer James Hawkins, founder of the NHS Voices of Care Choir who released the chart-topping single with Michael Ball and fundraiser Captain Sir Tom Moore.

BFW Management Ltd (Atlas) Highlights

The Trust has a wholly owned subsidiary company, Atlas BFW Management Ltd (Atlas). Following Atlas' incorporation in December 2016, the Company began trading in March 2017.

Atlas provides fully-managed healthcare facilities services and property management solutions to the Trust, including: Capital Developments, all facets of Hard and Soft Facilities Management, Medical Engineering, Procurement and Property Management.

In addition, as a separate legal organisation, operating independently from the Trust, Atlas offers a range of Estates, Facilities Management and Medical Engineering services to other clients within the local healthcare economy, including GP surgeries and a local hospice.

Developing its services offering and its people, Atlas has now successfully completed its fourth year of operation, and to continues to deliver growth of turnover in the year of 2021 to £54,823,926, from £51,963,744 in 2020.

In addition, by seeking greater cost efficiencies, profit before tax has increased by in the year of 2021 to £710,587, from £624,686 in 2020.

Atlas recognises the need to operate as a financially, and socially responsible organisation. Aspiring to deliver all services in a way that eliminates harmful environmental impacts where possible.

As part of Atlas' work to reduce the Trust's (and its own) carbon footprint and energy consumption, the Company is delivering a range of sustainability initiatives. For example, after successfully securing funding from NHS Improvement on behalf of the Trust in FY 2019-2020, Atlas implemented a long-term initiatives to make use of Light–Emitting Diode (LED) lighting within the Trust's Blackpool Victoria Hospital site. The funding allowed for the successful installation of multiple LED lighting schemes, significantly reducing energy consumption and providing significant financial savings.

As part of the latest phase of the lighting replacement programme, the Trust's multi-story car park, at Blackpool Victoria Hospital, has been upgraded with new LED lighting. The lighting contains specialist technology, used to detect the presence of cars and pedestrians. This allows each light fitting to reduce to minimal power when no one is in the area. When movement is detected within range of each fitting, the light level instantly increases, providing a bright area.

The new lighting is set to drastically reduce energy usage by 50%, with control systems adding up to 28% additional savings, significantly reducing electricity costs, every year.

Additionally, from 1 April 2021, the Trust will be supplied with 'green' electricity, which is generated from natural resources, such as sunlight, wind, or water. The essential factor with these energy resources, is that they don't harm the environment, through factors such as releasing greenhouse gases into the atmosphere.

By purchasing green electricity, Atlas has ensured that the Trust is set to reduce its carbon emissions, by an estimated 1,950 tonnes per annum, (based on 2020 data).

By the last month of the financial year, March 2021, the country was preparing for the easing of lockdown restrictions and still working through the Covid-19 pandemic. Like many organisations, throughout the pandemic, Atlas' business had been impacted in several ways. Facing staff either testing positive, or needing to isolate. To ensuring PPE was distributed and dealing with the increased safety precautions needed to keep its staff safe to carry out their duties. All set against a backdrop of ensuring that their clients' healthcare facilities kept running.

The fully-managed healthcare facilities service provided to the Trust, includes Property Maintenance services, Domestic cleaning services, and non-patient Transport. The Trust's Board has been very proud that through these extremely challenging times, where demand has been extremely high, Atlas' Divisions were able to rise to the challenge, ensuring that the essential support service was continually provided, keeping the Trust's services operational, as well as their staff and patients safe.

This has included increased medical gas support, to ensure oxygen supplies were maintained, increased Domestic Services staffing, ensuring essential PPE was delivered, in addition to urgent Capital and Property works being undertaken, to support the Trust's response to Covid.

This support has been recognised in feedback from Trust staff:

“At the start of the Covid-19 pandemic, we needed to refurbish an area to create a space for our End of Life Bereavement team to be in the hospital and a place for staff to come for support and take time out. Atlas’ team were extremely helpful, respectful and understanding of the importance of this area. The work was carried out quickly and to a high standard. Nothing was ever too much trouble for them, as they ensured right from the outset, that our needs were being fully met.”

“I can honestly say that the whole team involved have been superstars, responding so rapidly to our request for help to create the Hotlabs and being so accommodating, as we had to made adaptions to the rooms along the way. We are really thankful for all their efforts and expertise!”

“We are extremely happy with the high standard of cleanliness in our department since Atlas took over the cleaning contract. The staff are thorough, professional, polite and courteous. The department has never been cleaner.”

“The new Domestic Team have been a dream. Exceptional levels of cleanliness and always friendly on those cold grumpy mornings! To have great communications between the surgery and the domestic team is extremely important and I feel we’ve got it spot on."

The positive feedback is also reflected from within Atlas’ annual staff satisfaction survey. Employee feedback from Atlas’ 2020-2021 Staff Satisfaction Survey is below:

91% of staff agreed with the statement: “I am proud to work for Atlas.”
87% of staff agreed with the statement: “I intend to stay working for Atlas for at least the next 12 months.”
85% of staff agreed with the statement: “I feel a valued part of Atlas and my contribution is recognised.”

Working with our Partners

Lancashire and South Cumbria Integrated Care System (ICS)

Responding to the Covid-19 pandemic

Throughout the Covid-19 pandemic, we have worked effectively with our partner organisations across the ICS to manage the local response, enabling joint decision making towards the operational management of services and ensuring consistency in partner, staff, patient and public communications.
Local Resilience Forums (LRFs) were formed with representation from across the ICS including NHS, local authorities, social care, education, police, fire and armed forces as well as the voluntary, faith and community sector. They worked together to manage the response to Covid-19, including personal protective equipment (PPE), rolling out testing and vaccination programmes, supporting vulnerable communities, communicating key messages and continuing priority work programmes.

One of the first responses was the setting up of **Hospital and Out of Hospital incident response cells** in Lancashire and South Cumbria. The cells' earliest priority was securing the capacity to deal with the first peak through mutual support and agile response to pressures. During the second phase, they restored the delivery of frontline elective clinical services. Working arrangements were designed to avoid silo working and to lock-in positive changes in care models, operational processes and data sharing. Both cells operated under the North West Regional incident command structure.

The Hospital cell, led by Kevin McGee, Chief Executive of Blackpool Teaching Hospital NHS Trust and East Lancashire Hospitals NHS Trust, two of the four acute hospitals in the ICS, covered elective care, tertiary services, critical care, cancer, mutual aid and clinical prioritisation. The Out of Hospital cell, led by Dr Amanda Doyle, Chief Officer for Lancashire and South Cumbria ICS, co-ordinated the work of community services, mental health, learning disabilities and primary care. It also worked with social care, with a Care Sector sub-cell run jointly with the Lancashire LRF and with connections to Cumbria. A Joint-Cell brought these two groups together supported by system-wide functions such as workforce, digital, communications and engagement and included clinical representation, military support and representatives from North West Ambulance Services. Shared sub-cells covered the key areas of testing, digital strategy, PPE and clinical supply, and planning – the latter involving close liaison with Business Intelligence colleagues. The cells and sub-cells continue to meet regularly and produce regular updates for partner organisations, MPs and councillors.

The **Gold Command Winter Pressures Room** was established in preparation for the second wave of the pandemic. Its initial purpose was to support local NHS operational activity and Out of Hospital services facing winter pressures. As a tactical support service, it monitors and analyses pressure on individual trusts and organisations – including A&E attendances, Covid cases, people awaiting a Covid test result before admission, staff sickness, bed capacity, discharge delays, and queueing ambulances. Data is looked at from a system perspective, and capacity redistributed to where it is needed most.

Work at the command room, as well as the System Vaccinations Operations Centre (SVOC), is ongoing seven days a week through collaboration between all Trusts and CCGs, NHSEI leads and ICS executives. It has made a phenomenal difference in terms of collaborative working and system thinking for the benefit of patients.

As the availability of **personal protective equipment (PPE)** was identified as a key issue in April 2020, the Lancashire and South Cumbria PPE and Consumables Policy Group was established to ensure a consistent approach to PPE usage and inform capacity planning for hospitals. This was soon extended to cover PPE policy for primary and community care, ensuring a consistent system-level approach.

The start-up of a local manufacturing route in late June provided a sustainable and reliable supply, as well as creating around 100 new jobs in Preston. A re-usable gown service provided another sustainable source, which was also promoted and used nationally. These initiatives complemented good practices such as the day-to-day careful monitoring of stock and the management of allocation.

The LRF supported in distributing PPE to nursing and care homes, and the advisory group shared links to the ordering portal with all organisations and sub-cells. Public guidance about appropriate PPE use was kept updated on the ICS website and shared through social media.

A successful rollout of **Covid-19 antigen testing** took place across Lancashire and South Cumbria, covering NHS and social care staff, patients, care home residents and the public – including though workplaces. A Lancashire and South Cumbria NHS Testing Group worked with the LRF and the Hospital and Out of Hospital Cells. Partners collaborated to organise and implement Covid testing across the region, which included PCR, Lateral Flow and LAMP testing, rapid tests for patients in acute hospitals, setting up regional and local testing centres, plus mobile testing units. The armed forces also helped nearly 200 local businesses and organisations establish rapid testing of their employees.

Asymptomatic testing was also rolled out, with the aim of preventing transmission and community spread. Originally introduced in NHS Trusts, Lateral Flow tests are now being used for regularly testing essential workers and members of the public who are most at-risk from the virus. As part of the full re-opening of schools in March 2021, additional opportunities for asymptomatic testing were made available for households and bubbles of school pupils and staff.

In November 2020, a Covid Vaccinations Board was set up to provide oversight to the **Covid-19 vaccination programme** in Lancashire and South Cumbria, as operating procedures, decisions and guidance emerged nationally. The team supported the coordination and development of various vaccination sites, and provided strategic nursing capacity and pharmacy capability.

With the support of partners, East Lancashire Hospitals NHS Trust acted as lead provider to recruit staff to support the large vaccination centres. The centres are additionally resourced with members of acute Trusts, CCGs, NHS Midlands and Lancashire Commissioning Support Unit and wider system colleagues. Between early December 2020 and the end of March 2021, we gave over 850,000 first doses and over 120,000 second doses. And by the time you read this we will have given many more. Vaccines have been delivered at 11 hospital hubs, 36 GP-led PCN vaccination centres, 12 pharmacy-run centres, seven large vaccination sites, and care homes, as well as to housebound residents. A new risk assessment tool (QCovid®) helped identify an additional 19,000 adults potentially at a high risk from Covid-19, who were then prioritised to receive the vaccine.

Partners including local councils, the military, police, local businesses, volunteers, returning clinical staff and many more have supported the delivery of the vaccine. More than 1,300 local people offered their support following an appeal for volunteers, and over 20,000 volunteer hours have been undertaken so far (up to end March 2021).

The ICS led the clear communication of public messages, including materials in different languages and formats, about the importance of being vaccinated and how to attend appointments safely. Insight research started in early 2021 to understand views and attitudes towards the vaccine within health inequalities groups and vulnerable communities to inform adjustments in messaging and approaches. In partnership with Muslim faith leaders, a number of videos were produced in several languages to be shared with their communities to increase uptake, and the ICS is also exploring options to deliver temporary clinics in mosques.

Covid-19 virtual wards were launched to monitor vulnerable patients with Covid in their own homes. ELHT, GP practices and local providers worked together to provide the pulse oximetry at home service for eligible patients, identified as being particularly at-risk from the virus due to their age or a pre-existing condition. Patients are given a pulse oximeter so they can measure the oxygen levels in their blood several times a day, which helps spot the early signs of silent hypoxia; when the body is starved of oxygen but without causing noticeable symptoms such as breathlessness.

This effective digital solution enables early treatment to be given, which both improves patients' chances of recovery and ensures that they only go to hospital if necessary. CCGs are considering how the remote monitoring offer could be extended beyond oximetry at home.

CCGs and local authorities across Lancashire and South Cumbria have worked together to establish a network of **designated settings** for Covid-19 care. They ensure that all people requiring admission to a care setting or back to their own care home can be discharged from hospital safely, which helps to reduce the spread of Covid-19 within other settings. Those discharged to a designated setting will have tested positive for Covid-19 in the 48 hours prior to discharge, where they will be able to undergo the necessary period of isolation. Working with acute Trusts and the communities, CCGs developed these settings across seven of the eight CCG areas, but allowing access to settings from all areas, with the first ones in place from November 2020. Designated settings are separate settings (even if they are co-located with a care home), with a separate staffing team and health and care support.

Lancashire County Council and Blackpool Council hold the contracts for the services commissioned from the care homes involved, but the costs are being recharged via the CCGs to the National Discharge Fund. CCGs commissioned the associated medical oversight/input into their homes. They were inspected before the service commenced by the Care Quality Commission to make sure the policies, procedures, equipment and training were in place to maintain infection control and support the care needs of residents.

Performance Report

Overview of Performance

The purpose of this overview is to provide sufficient information for a reader to understand the Organisation, its purpose, the key risks to the achievement of its objectives and how it has performed over the last year.

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.

Our staff achieved some amazing things during a year in which the Trust faced the biggest challenge the NHS has ever seen. The Covid-19 pandemic dominated both the working lives and personal lives of all Blackpool Teaching Hospitals NHS Foundation Trust (BTH) staff during this reporting period.

While the pandemic impacted on the Trust's ability to achieve all constitutional targets, it was able to continue to treat as many urgent patients as possible. This was, in the main, thanks to the commitment of staff and by introducing new ways of working. The introduction of video and telephone consultations enabled as many patients as possible to be seen without the need to visit our hospital sites. This protected both our staff and patients, and dramatically reduced travel to and footfall though our hospitals.

We were incredibly proud to achieve the opening of the first phase of our Emergency Care Village. Located at the front of the Blackpool Victoria Hospital, the state-of-the-art Emergency Department now has an extended and enhanced waiting room and Minors area. The work was due to start in 2023 but began two and a half years ahead of schedule thanks to a successful bid for part of a share of £300M allocated across the country by the Government to upgrade facilities ahead of winter.

The annual NHS Staff Survey is carried out across hundreds of organisations and involves millions of NHS staff members. This year, our results revealed high levels of staff satisfaction at the Trust despite the pressures of the pandemic. The Trust Board welcomed the findings and thanked the record levels of staff for taking part at such a difficult time.

The annual survey is a great way of benchmarking our performance against other NHS organisations across the country, and to highlight any specific areas we as a Trust need to focus on. It really is a testament to our staff that, even during the immense pressures of the pandemic, record numbers took the time to engage with the survey and let us know their thoughts. Our final response rate for this year's survey was 49.5% per cent, which means 3,548 colleagues took the opportunity to have a say and influence the way the Trust is run. This is an increase of 3% from the previous year's response.

This year's survey provided a unique opportunity to learn how a global event can place additional pressure and requirements on staff, the Trust and the NHS as a whole.

It is truly in times of adversity that you see teamwork, commitment and fortitude shine through. Our staff and volunteers worked tirelessly to deal with the operational pressures that we experienced, and the Trust remains committed to delivering safe, compassionate and quality care to every patient every time.

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

This Performance Report was approved by the Board of Directors.

Signed: 

Date: 15 June 2021

Kevin McGee
Chief Executive

History of the Trust

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

On 20 March 2017, the Trust's subsidiary company BFW Management Limited (Atlas) began trading to provide the Trust's Estates Services.

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 1.7 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 and community health services to the 352,000 population of the Fylde coast health economy and the estimated 18.2 million visitors a year.

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

During 2020/21, the Trust services have been provided from the following main sites:

- Blackpool Victoria Hospital;
- Clifton Hospital;
- Fleetwood Hospital;
- Whitegate Health Centre;
- Lytham Road Primary Care Centre;
- South Shore Primary Care Centre;
- Fleetwood Primary Care Centre;
- Moor Park Health & Leisure Centre;
- National Artificial Eye Service.

The Trust provides services across the Blackpool, Fylde and Wyre communities and the wider Lancashire area 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);
- Morecambe Bay Clinical Commissioning Group (CCG);
- Blackpool Council – Public Health;
- Lancashire County Council – Public Health;
- NHS England.

At this stage, whilst the Trust is aware of likely changes in the commissioning environment in 2021/22, it is unlikely that this will be enacted until at least the 1 April 2022.

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 and family planning, stop smoking and palliative care services. The Trust also provides tertiary cardiac, haematology and adult cystic fibrosis services to a 1.7 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. The Trust employs 7,592 staff (excluding

Executive Directors and Non-Executive Directors) and had a turnover (turnover includes operating income from patient care activities and other operating income) of circa of £552m in 2020/21 (£457m in 2019/20.

Between 1 April 2020 and 31 March 2021, the Trust treated 79,633 day cases and inpatients (elective and non-elective), 334,320 outpatients and had 61,293 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 (ICS), 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, meetings, appraisals and our annual awards ceremony.

Five Year Strategic Plan

Blackpool Teaching Hospitals NHS Foundation Trust

In 2020/21, our five-year strategy came to an end and during this time our attention was redirected to support the Covid-19 pandemic response, with strategy development paused. In the last year, we reviewed the impact of the 2020 strategy and developed a new strategy development plan in collaboration with the new Trust Chairman, Stephen Fogg. This strategy is being developed over the coming 12 months focussing on building strong system leadership, collaboration with partners and addressing health inequalities and supporting diversity, whilst aligning and contributing to the Healthier Lancashire and South Cumbria 2030 vision.

Our aim for 2021 is to ensure the foundations are in place across all our services to build, collaborate and develop a new five-year strategy. We want to invest in programmes of work that align to local and regional priorities and ensure that we focus on working towards three key ambitions:

No Waits
Patients receive health care support in a timely manner with services working to recover any slippage caused by the Covid-19 pandemic.

No Waste
Ensure that our resources are employed efficiently, economically and effectively.

Zero Harm
Patients and families receive the highest quality care and support that is safe. Ensuring all our actions are mindful of the climate impact they are having.

These ambitions are underpinned by building the foundations of high-quality patient care, operational delivery and robust governance to deliver a stronger, more resilient, fit for the future health and care service across the Fylde coast.

Risks and Uncertainties

The NHS is changing rapidly and this provides many opportunities, as well as uncertainty, for the Trust.

As a result of the need to repond to the Covid-19 pandemic, the Board of Directors Committee structure was revised. The Board of Directors continued in their original form, albeit with streamlined agendas and shorter meetings in order to release some capacity for senior managers to focus attention on the response to the pandemic.

The Board's committees were also streamlined as a result of the Covid-19 pandemic. In order to release capacity of senior managers to manage the response to the pandemic the usual four Board committees were streamlined into two committees. Firstly, the Quality Committee and Clinical Effectiveness Committee were brought together into the Quality and Clinical Effectiveness Committee. Secondly the Performance and Operations Committee and the Finance and IMT Committee were merged into the Operations Committee.

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 2021/22, along with the final stages of the Covid-19 pandemic and restoration of services to pre-Covid levels. However, mitigations are in place and are monitored by the Board Committees and the Board of Directors. These plans are dependent upon changes taking place across the whole health system. The current risks are predominately financial, workforce and quality-centred and are contained within the Annual Governance Statement towards the end of this document.

In order to allow a prompt response to Covid-19, the Trust established an Incident Coordination Centre (ICC) in the final weeks of the 2019/20 year, which continued throughout the 2020/21 year. The ICC managed and oversaw all decision making related to Covid-19 and reported to the Executive Directors. As mentioned earlier in this section, the Board of Directors, Audit Committee and other Board Committees have met throughout the course of the year, albeit virtually, to conduct business and to review matters of the Board Committees. The Audit Committee receives reports in relation to significant control issues. In year, apart from the issues identified by the internal auditors in the Head of Internal Audit Opinion (HIAO), no further issues were reported to the Audit Committee.

During the previous year, the Foundation Trust had closely monitored the implications of the UK's exit from the European Union (EU), specifically the implications for the Foundation Trust, both in the near term and further out and the potential impact on the UK economy as a whole, and actions had been put in place regarding data protection and any financial impacts. Within 2020/21 the Foundation Trust continued to work in-line with any new regulations or changed ways of working resulting from Brexit. Throughout 2020/21 the key uncertainty and national risk for the organisation was the impact of the Covid-19 pandemic. The Foundation Trust, along with the rest of the NHS, face unprecedented challenges resulting from the pandemic. The Trust enacted national guidance regarding lockdown, visiting and prioritisation of Covid related care delivery as directed by NHS England, and commenced re-instatement of services and visiting as permitted by Government Guidance and NHS England direction. The Trust continues to work within the parameters of current restrictions and NHS practice guidelines. The Foundation Trust has been selected, as part of the Lancashire and South Cumbria Integrated Care

System (ICS), to work as part of a super-charged government initiative to restore normal service delivery to 120% of normal levels; in order to tackle the significant delays and waiting lists for patients to enable them to receive the care and treatment they require which was delayed as a result of national service delivery changes during the pandemic.

Emergency Planning

As a major provider of healthcare services, the Trust is 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 (EPRR) Framework.

The past twelve months have been a challenging one for the Trust and the main focus for the EPRR team has been to support the response to Covid which has been treated as a national level major incident. Key to this was establishing the Incident Coordination Centre (ICC) which has coordinated the Trust's overall response to the pandemic. This has included providing links to the wider NHS, information gathering, reporting and dissemination of guidance, new policies, national and regional updates etc. The ICC has also hosted daily virtual coordination meetings to provide shared situational awareness and direction across all divisions which has been pivotal to the response. The response has been extremely fast paced with the Trust often having to implement new clinical guidance and ways of working at short notice, whilst maintaining clinical governance and oversight, to ensure patient and staff safety was delivered. At the time this report was written the response is ongoing.

In addition to Covid the Trust has also been required to make preparations for any impacts that may arise as a result of the United Kingdom leaving the EU. This was done in parallel to the covid response and is ongoing.

The Trust has an Accountable Emergency Officer, who is the Director of Operations for Planned Care. The Trust has an EPRR team, consisting of an Emergency Planning Manager and a Emergency Planning Officer, providing a shared service between Blackpool Teaching Hospitals and Blackpool Council. The team have recently recruited an Emergency Planning Support Officer who will provide additional support solely for Blackpool Teaching Hospitals.

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 shared service is a key enabler for working with multi-agency partners via the Lancashire Resilience Forum and with years of partnership working in these forums it has proven invaluable during the covid response.

The Trust continues to have detailed plans for responding to the increased demands that a major incident would place on our services, while continuing to provide care for existing patients. The Trust aims to satisfy the EPRR Core Standards and include a suite of plans for a range of emergencies, such as major incidents for receiving casualties and a Trust-wide Business Continuity Plan. These are ratified at Board level. In addition, several other plans are ratified by the Emergency Planning Steering Committee, including the Severe Weather Plan and Decontamination Plan. These documents define the key management systems and responsibilities of staff. The Trust-wide Business Continuity Plan incorporates a number of departmental/service level plans covering all the divisional areas with operational information about alternative options to deliver their services, should the need arise.

The Emergency Planning Team undertake group training sessions to enhance internal management of major incidents for the on call duty staff, this includes On Call Directors and On Call Managers. Training opportunities have been limited during the last year but it is hoped that we will soon be able to re-engage our training programme. On call managers have on occasion rotated into the ICC to provide shift cover for the Incident Manager and this has provided them with real life experience of managing an incident.

The Trust has also undertaken the annual self-assessment against the NHS Core Standards for EPRR. The assessment criteria was changed as a result of the ongoing response to covid but the Trust reported that its preparedness had not reduced since the more detailed Core Standards assurance exercise took place in 2019. It is hoped that the EPRR work plan will resume following the stand down of the response to covid later this year.

Equality of Service Delivery to Different Groups

During 2020/2021, all National Patient Surveys and the NHS Friends and Family Test (FFT) were suspended due to the ongoing Covid pandemic, these were both reinstated in late 2020.

The FFT is a mechanism that allows the organisation to collect feedback to improve patient care and can be linked to protected characteristics. In 2020/2021 our overall satisfaction rate for this survey was 95%, data from this survey relating to protected characteristics is included below:

Gender	Number
Female	4066
Male	2978
Prefer not to say	10
Other, please specify	8
Religion	Number
Atheism	630
Christianity	3577
Buddhism	69
Hinduism	9
Judaism	16
Sikhism	53
Prefer not to say	812
Other, please specify	466
Age Range	Number
0-15	365
16-24	511
25-44	1263
45-64	2061
65-84	2625
75-84	1180
85+	502
Prefer not to say	32

Sexuality	Number
Heterosexual	4931
Gay	156
Lesbian	33
Bisexual	99
Other	434
Prefer not to say	104
Ethnicity	Number
White	6622
Mixed / Multiple Ethnic Group	57
Asian / Asian British	20
Black / African / Caribbean / Black British	12
Other Ethnic Group	33
Do you have a disability?	Number
Yes	2181
No	4489
Prefer not to say	160
Type of disability	Number
Deafness or severe hearing impairment	418
Blind or partially sighted	259
A long standing physical condition	1577
A learning disability	69
A mental health condition	348
A long-standing illness (e.g. asthma COPD cancer HIV diabetes chronic heart disease or epilepsy)	26

The Patient Experience department continues to be involved with inclusivity projects to further promote equalities agenda across the Trust, some of these projects include:

Friends and Family Test (FFT)

Following consultation NHS England reviewed and made changes to the Friends and Family Test survey, these changes came into place in early 2020 which included:

- New FFT Question, and new look survey – all printed copies are black text on yellow card;
- More options around protected characteristic questions;
- Different formats available in print and online – large print and easy read;
- Facility to print, create and complete surveys online in the selected language of the patient;
- App - use text to speech, to read out the question and respond to texts by pressing the microphone button next to the question;
- App - Speech to Text – select the microphone button in the keyboard and speak to the device and the app will transcribe the response in real time.

Hidden Disabilities

The Patient Experience department continues work on highlighting the scheme and engaging staff with the Hidden Disabilities Scheme across the Trust.

A hidden disability is sensory loss, including difficulty seeing or hearing, a physical disability that may not be obvious, autism, a learning disability, dementia or anxiety. It can be difficult for others to recognise or understand it, and can make daily life more challenging for anyone who has one.

Through the Hidden Disabilities scheme patients have the option to wear a lanyard or wristband which is bright green in colour and decorated with a yellow sunflower design. This indicates to staff in appointments or during their stay that they may need a little extra help, time or be prioritised if clinics are delayed. It also acts as a prompt to staff to tailor the way they communicate to these patients. Either by, talking in direct, short phrases, allowing for delayed response and keeping their body language calm with hands held low.

The Patient Experience Team has recently been successful in receiving funds for more materials to further promote this across the Trust. These are on order and will be available soon.

Accessible Information Standard

The Trust continues to work to meet the accessible information standard by having:

- Appointment letters in a patients preferred format
- Easy read leaflets available at service level

The Trust monitors the Equality Delivery System 2 (EDS2) Report and Action Plan at the quarterly Equality, Diversity and Inclusion Committee meeting. The EDS2 requires that the performance of NHS providers be assessed on an annual basis against selected Outcomes within four goals.

The EDS2 report reviews the goals and outcomes and gives a progress grading against each goal / outcome which are detailed below:

Organisation's Equality Objectives:

Goal	Outcomes	Grade	
Better health outcomes for all	Achieve improvements in patient health, public health & patient safety for all, based on comprehensive evidence of needs & results		
	Improve accessibility and information, and deliver the right services that are targeted, useful, and usable and use in order to improve patient experience.		
Improved patient access and experience	People, carers and communities can readily access hospital, community health or primary care services and should not be denied access on unreasonable grounds	Achieving	
	People are informed and supported to be as involved as they wish to be in decisions about their care	N/A – This data was not available in 20-21 due to Covid-19	Personalised care scores in national and local surveys
	People report positive experiences of the NHS	Achieving	The number of compliments has increased from the year previous FFT satisfaction rate is above 95%
	People's complaints about services are handled respectfully and efficiently	Achieving Developing	Complaints are 100% acknowledged within 3 working days of receiving them

			80% of complaints are responded to within Trust timeframes of 25/40 working days
A representative and supportive workforce	Fair NHS recruitment and selection processes lead to a more representative workforce at all levels	Developing	
	The NHS is committed to equal pay for work of equal value and expects employers to use equal pay audits to help fulfil their legal obligations	Achieving	
	Training and development opportunities are taken up and positively evaluated by all staff	Developing	
	When at work, staff are free from abuse, harassment, bullying and violence from any source	Achieving	
	Flexible working options are available to all staff consistent with the needs of the service and the way people lead their lives	Developing	
	Staff report positive experiences of their membership of the workforce	Developing	
Inclusive Leadership	Boards and senior leaders routinely demonstrate their commitment to promoting equality within and beyond their organisations	Developing	
	Papers that come before the Board and other major Committees identify equality-related impacts including risks, and say how these risks are managed	Developing	
	Middle managers and other line managers support their staff to work in culturally competent ways within a work environment free from discrimination	Developing	

Going Concern

The Department of Health and Social Care (DHSC) and NHS England and NHS Improvement has issued updated guidance on assessing Going Concern dated 1 April 2021.

In accordance with the requirements of the Department of Health and Social Care Group Accounting Manual ("GAM"), the Trust has prepared its accounts on a going concern basis, applying the 'continuing provision of services' approach, reflecting the anticipated continued provision of the Trust's services (rather than necessarily the financial position of the Trust as a legal entity).

After making enquiries, the directors have a reasonable expectation that the services provided by the Trust will continue to be provided by the public sector for the foreseeable future and the directors have adopted the going concern basis in preparing the accounts.

Under the 'continuing provision of services' approach, the NHS FT Annual Reporting Manual ("ARM") and the GAM indicate that the going concern assessment is not subject to material uncertainties, and no additional disclosures need to be considered.

Financial Performance Review

With the onset of the Covid-19 Pandemic, NHSE/I suspended the 2020/21 Operational Planning process. NHSE/I published updated financial guidance in March 2020 in response to the pandemic initially

covering the period April 2020 to July 2020 with subsequent guidance being published in July 2020 and September 2020 covering the periods August 2020 to September 2020 and October 2020 to March 2021. The key points from the NHSE/I guidance are:

a) For the first six months, providers were funded on the 2019/20 forecast outturn (based on the deficit between April 2019 to December 2019) uplifted for the impact of inflation (including pay uplifts and CNST) but excluding the efficiency factor. A national top-up payment was also paid to providers where the expenditure in the period was greater than the income received through the block payments based on on the 2019/20 forecast outturn. Providers were also able to claim for additional costs where the payments received through the block payments and national top-up did not equal actual costs to reflect genuine reasonable marginal costs due to Covid-19.

b) For the last six months, system financial envelopes consisting of nationally calculated block payments from commissioners, system top-up to support delivery of a system break even position, system growth funding and a system COVID funding allocation. The expectation is that systems will achieve financial balance within the envelopes.

Before the reporting of exceptional items the Group reported a deficit £19.7m for the year. After taking into account an in year impairment following a revaluation of the Groups land and buildings at the 31 March 2021, the Group reported a deficit of £25.3m for the year.

Full details of the Trust's financial performance are set out in the accounts for 1 April 2020 to 31 March 2021 that accompanies the Annual Report in Annex G.

Table 1 compares the 2020/21 actual performance to the 2020/21 plan.

Table 1	**Plan £'m**	**Actuals £'m**	**Variance £'m**
Total Income	524.7	551.7	27.0
Expenses	(526.9)	(553.9)	(27.0)
EBITDA*	**(2.2)**	**(2.2)**	**0.0**
Depreciation	(13.5)	(13.2)	0.3
Dividend**	(3.6)	(3.1)	0.5
Loss on Revaluation	0.0	(5.6)	(5.6)
Interest income	0.0	0.0	0.0
Interest expense	(1.2)	(1.0)	0.2
Other gains / losses	0.0	0.0	0.0
Corporation Tax	(0.3)	(0.2)	0.1
Deficit	**(20.8)**	**(25.3)**	**(4.5)**

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

*** Public Dividend Capital*

The key variances against forecast are:

- Costs incurred / loss of income relating to Covid- 9 that are lower than the forecast £0.9m;
- Other adverse operational variances (£1.8m).

In line with national guidance, the Trust has accounted for £79.9m of top-up, Covid and additional funding made up as follows:

a) Planned top-up funding as per the nationally calculated template (£49.0m);
b) Additional funding to cover the actual costs incurred or loss of income due to Covid-19 for the period April to September (£12.8m);
c) Additional top-up funding to report a break-even position for the period April to September (£8.9m);
d) The Covid funding In Envelope allocation for October to March (£6.9m System Covid Funding);
e) For October to March, the Trust has also accounted for £2.2m of Out of Envelope Covid funding in relation to the testing service and vaccination programme but this is subject to confirmation.

The Trust undertook a desktop estate revaluation during the year which has returned a decrease in property values and therefore deteriorated the overall deficit position as a result of the associated impairment charge. Further information is provided within note 14 to the annual accounts (Annex G).

Cash Flow and Balance Sheet

The Trust's cash balance at the end of the financial year was £38.9m.

As a Foundation Trust, the Trust is required to ensure that it has enough liquidity to support its working capital requirements. During the year the Trust received net Interim Revenue Support loans totalling £15.7m from the Department of Health and Social Care to support the cash position.

To comply with best practice the Trust is required to pay 95% of undisputed invoices within 30 days of receipt.

The table below summarises the performance for 2020/21.

Subject	Number 2020/21	£'000 2020/21	Number 2019/20	£'000 2019/20
Total Non-NHS trade invoices paid in the year	86,166	263,164	84,312	162,022
Total Non-NHS trade invoice within target	66,145	189,448	7,796	19,173
Percentage of Non-NHS trade invoices paid within target	76.8%	72%	9.2%	11.8%
Total NHS trade invoices paid in the year	3,168	36,055	3,003	25,648
Total NHS trade invoices paid within target	1,591	15,938	39	7,401
Percentage of NHS trade invoices paid within target	50.2%	44.2%	1.3%	28.9%

The payment performance is lower than the Prompt Payment Code requirement but has increased significantly during 20/21.

The Trust paid interest to suppliers under the late payment of Commercial Debts (Interest) Act 1998 of £492 during 2020/21 (2019/20: £175).

The Trust invested over £33.0m in capital schemes during 2020/21 (£19.6m in 2019/20). Expenditure during the period included the following investments:

Table 8: Capital Expenditure 2020/21

	£'m
Building Schemes	15.1
Electronic Information Projects	7.0
Equipment Replacement	8.1
Covid-19	1.3
Charity / Grant Funded Projects	1.5

NHS Improvement's Oversight Framework

NHS England and NHS Improvement's NHS 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.

Segmentation

Blackpool Teaching Hospitals NHS FT is in segment 3 (2019/20: segment 3). NHSI/E are reviewing and are consulting on the Oversight Framework to be more focussed on Integrated Care Systems rather than individual organisations.

NHSI Enforcement Undertaking Notice

The Trust was subject to an Enforcement Undertakings Notice in 2019 in relation to A&E waiting time targets, cancer 62-day targets and continuing to be an outlier within mortality performance. As a result of the Enforcement Notice, the Trust was categorised as a Challenged Trust.

In response to the Notice and the subsequent Care Quality Commission inspection in June 2019, the Trust developed a System Improvement Plan with partners to address the concerns. The Plan includes improved Nursing fill-rates, investment in ward based multi-disciplinary clinical teams (Junior Doctors and Advanced Nurse Practitioners), increased senior presence in the Emergency Department, introduction of a Same Day Emergency Care Service and increased diagnostic capacity for cancer patients.

The System Improvement Plan is monitored by the Blackpool System Improvement Board co-chaired by NHSI’s Regional Medical Director and the Chief Officer for the Lancashire and South Cumbria Integrated Care System.

As the Trust has provided a greater level of assurance on the matters raised in the Notice, the System Improvement Board has agreed a trajectory for the Trust to be removed from the Challenged Status Categoryin the coming months.

Income Disclosures

As per Section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012), 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 2020/21 accounts, which is outlined at Annex F.

Blackpool Teaching Hospitals NHS Foundation Trust has met the requirement for the 2020/21 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.

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.

2021/22 Financial Planning

Guidance on the finance and contracting arrangements for the first 6 months of the 2021/22 financial year (now being referred to nationally as H1) was issued on 25 March 2021.

The H1 arrangements are based on:

a) System funding envelope, comprising:
    a. CCG allocations;
    b. System top up;

    c. System COVID allocation.
b) Block payment arrangements will remain in place.

System financial envelopes are based on the envelopes for the last 6 months of the 2020/21 financial year (referred to nationally as H2 envelopes).

The expectation is that systems will achieve financial balance within the envelopes.

The financial regime for H1 2021/22 is as follows:

a) Block contracts with CCGs and NHSE will continue as in H2 of 2020-21;
    a. Invoicing for non-contracted activity continues to be suspended.
b) The following services will be funded outside of system funding envelopes:
    a. Specialised high cost drugs and devices;
    b. Specific COVID services;
    c. Non-clinical services contracted by NHSE/I and transacted via invoicing.
c) In addition, systems will have access to elective recovery funding (ERF);
d) Support for lower non-NHS income has been added to System COVID allocations.

The Trust's 2021/22 operational and financial plan was submitted on 26th May 2021.

The Trusts financial plan for H1 2021/22 is a deficit of (£6.9m) which is based on the following:

a) 3% efficiency target £8.7m;
b) System funding:
    a. System top-up funding £28.4m;
    b. Share of System COVID funding £8.5m;
    c. Share of System growth funding £10.2m.
c) Share of £10m reduction required to deliver System balance £0.7m.

Documented in the Trust's Board Assusrance Framework is the risk of the Trust's financial sustainability, however, at this stage insufficient guidance has been published in order to assess the overall recurrent financial challenge after H1.

Important Events affecting the Trust since 31 March 2021

There were no important events affecting the Trust since 31 March 2021.

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 and corporate 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, Standing Financial Instructions and Terms of Reference 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 voting Non-Executive Directors (NEDs) (including the Chairman) and five voting Executive Directors (EDs) (including the Chief Executive) and three non-voting Executive Directors. 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 Care Quality Commission.

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 are chaired by the Trust Chairman and there are at least two Non-Executive Directors present at each meeting and there is also attendance by Executive Directors, including the Chief Executive;
- Attend meetings of the Nominations Committee – the Senior Independent Director (SID) attends at least one meeting of the Nominations Committee on an annual basis.

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

- Attend, as observers, Board of Directors meetings held in public;
- Attend Board Committee meetings, i.e. Clinical Effectiveness Committee, Finance and IMT Committee, Performance and Operations Committee, Quality Committee and Workforce Transformation Committee (from June 2020 these Committees were combined into Quality and Clinifcal Effectiveness Committee and the Operations Committee);
- Attend service visits and formal patient safety walkabouts;
- Attend other Trust committees, for example, Charitable Funds Committee, Health Informatics Committee, Patient and Carer Experience & Involvement 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 2020/21 were as follows:

- The retirement of Pearse Butler, Chairman in January 2021
- The appointment of Steve Fogg, Chairman in February 2021.
- The resignation of Mary Watt, Non-Executive Director in December 2020.
- The resignation of Professor Warne, Non-Executive Director in March 2021.
- The resignation of Berenice Groves, Executive Director of Operations (Urgent & Emergency Care, Families, Adult & Long Term Conditions, Unscheduled Care, Soft Facilities Management & Estates, Emergency Preparedness, Resilience and Response), in October 2020.
- The appointment of Natalie Hudson, Interim Executive Director of Operations (Urgent & Emergency Care Families, Adult & Long Term Conditions, Unscheduled Care, Soft Facilities Management & Estate, Emergency Preparedness, Resilience and Response) in November 2020, and subsequent appointment to Executive Director of Operations in MONTH 2021.
- The appointment of Shelley Wright, Joint Executive Director of Communications in November 2020.
- The secondment of Tim Bennett, Deputy Chief Executive/Director of Finance and Performance in November 2020.
- The appointment of Feroz Patel, Interim Executive Director of Finance in November 2020.

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

The appointment and removal of the Chairman and Non-Executive Directors is undertaken in accordance with the procedures outlined in the Trust Constitution as follows:

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- The Council of Governors, at a formal meeting of the Council of Governors, shall appoint or remove the Chairman and Non-Executive Directors of the Foundation Trust.
- The removal of the Chairman or Non-Executive Directors shall require the approval of three-quarters of the total members of the Council of Governors.

As a result of the need to continue to respond to the Covid-19 pandemic, national guidance and the need to enable the senior managers of the Trust to ensure sufficient capacity to manage the Trust's response, all non-business critical meetings were temporarily stood down. A number of the Board Committees were re-instated from June 2020, however, these were refined to ensure streamlined agendas and merged where appropriate.

Board of Directors' meetings have taken place in 2020/21 as follows:

- Formal Board Meetings in Public – 4
- Virtual Formal Board Briefing Session - 2
- Confidential Board Meetings (Private/Extraordinary) – 5
- Informal Board Meetings - 4

The following amendments to the Committee Structure were put in place from June 2020, due to the pandemic and in-line with NHSE/I National Guidance. Two new Committees, namely the Quality and Clinical Effectiveness Committee, which incorporated the Quality Committee and the Clinical Effectiveness Committee; and the Operations Committee, which incorporated, Finance Committee, Performance & Operations Committee and Workforce Transformation Committee.

There were seven committees of the Board of Directors, two of which are statutory committees.

The two statutory committees are:-

- Audit Committee;
- Remuneration Committee.

The remaining five committees up until June 2020 were:-

- Quality Committee;

- Clinical Effectiveness Committee
- Finance and IMT Committee;
- Workforce Transformation Committee.
- Performance and Operations Committee.

From June 2020 onwards, the above five committees were incorporated into:-

- Quality and Clinical Effectiveness Committtee
- Operations 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.

There have been three meetings of the Corporate Trustee during 2020/21.

Board Committees

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

Board Members	Board of Directors (Formal)	Virtual Board Briefing Session	Corporate Trustee	Audit Committee	Remuneration Committee	Quality and Clinical Effectiveness Committee	Operations Committee
Number of Meetings	**4**	**2**	**3**	**6**	**3**	**10 (from June 2020)**	**10 (from June 2020)**
Steve Fogg (from 1.2.21)	1	0	1	N/A	1	1	1
Pearse Butler (until 31.1.21)	3	2	2	1*	2	1	0
Mark Cullinan	3	2	1	6	3	N/A	N/A
Mary Watt (until 31.12.20)	2	2	2	N/A	2	6	N/A
Keith Case	4	2	3	N/A	3	9	N/A
James Wilkie	4	2	3	2 (until June 2020)	3	N/A	10
Mark Beaton	4	2	2	6	3	N/A	10
Sheena Bedi	4	2	3	N/A	3	4 (from Nov 2020)	8

Tony Warne (until 31.03.21)	4	2	2	4 (from Aug 20)	2	10	N/A
Kevin McGee	3	2	2	1*	2*	N/A	N/A
Tim Bennett (until 29.11.20)	2	2	1	4 (until Nov 2020)	N/A	N/A	5
Nicki Latham	4	2	3	1*	N/A	6	6
Jim Gardner	4	2	3	N/A	N/A	9	N/A
Peter Murphy	4	2	2	N/A	N/A	9	N/A
Janet Barnsley	4	2	1	N/A	N/A	N/A	10
Berenice Groves (until 31.10.20)	1	2	N/A	1*	N/A	N/A	3
Kevin Moynes	3	2	3	N/A	2*	N/A	10
Natalie Hudson (from 01.11.20)	3	1	1	N/A	N/A	N/A	5
Shelley Wright (from 12.11.20)	2	0	1	N/A	N/A	N/A	N/A
Feroz Patel (from 30.11.20)	2	0	1	2 (from Nov 2020)	N/A	N/A	4

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

Board Composition and Profile

Steve Fogg (Chairman)
Term of Office from 01.02.21 to 31.01.24 (First Term)

Experience:

- Chair of Lancashire Local Enterprise Partnership
- Chair of Fylde Coast Responsible Business Network
- Board Member – Blackpool Pride of Place
  Former Non-Executive Director at East Lancashire Hospitals Trust
- Former Managing Director, Corporate Shared Services and Membert of UK Management Board BAE
- MAI Director of Integrated Services BAE Systems
- Member, Advisory Group on Social Mobility and D&I Worldskills

Declarations:

- Shares in British Aerospace (BAE)
- Daughter works as a midwife – Blackpool Teaching Hospitals NHS Foundation Trust
- Daughter works as a Doctor within the Greater Manchester area

Pearse Butler (Chairman)
Term of Office from 25.06.18 to 24.06.21 (First Term)
(Resigned 31.01.21)

Experience:

- Former Chair at University Hospitals Morecambe Bay Foundation Trust
- Former Director at Computer Sciences Corporation
- Former Chief Executive at Lancashire & Cumbria Strategic Health Authority
- Former Chief Executive at Royal Liverpool & Broadgreen University Hospital

Declarations:

- Interim Chair of Atlas (BFW Management Ltd) (until 31.12.20)

Mark Cullinan (Non-Executive Director/Senior Independent Director/Deputy Chairman and Chair of Audit Committee)
Term of Office from 01.07.16 to 30.06.19 (First Term)
and from 01.07.19 to 30.06.22 (Second Term)
Interim Chair from 01.06.18 to 24.06.18

Experience:

- Chair of Copeland Radioactive Waste Geological Disposal Facility (GDF) Working Group
- Chair at Impact Housing Association, Cumbria
- Non-Executive Director at Riverside Housing Charitable Foundation
- Deputy Chair of Trustees at St Johns Hospice, North Lancashire and South Cumbria
- Former Chief Executive of Lancaster City Council
- Former Director of Social Services (Children's Services and Adult Social Care) of Wakefield City Council
- Former Chair of the Lancashire Children and Young Person's Trust

Declarations:

- Chair – Impact Housing Association, Cumbria
- Shareholder – Impact and Riverside Housing Associations
- Trustee – St John's Hospice, Lancaster

Mary Watt (Non-Executive Director)
Term of Office from 01.12.16 to 30.11.19 (First Term)
and from 01.12.19 to 30.11.22 (Second Term)
(Resigned 31.12.20)

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:

- Governor – Singleton Church of England Primary School

Keith Case (Non-Executive Director)
Term of Office from 01.08.17 to 31.07.20 (First Term)
and from 01.08.20 to 31.07.23 (Second Term)

Experience:

- Former Director and Management Consultant (Keith Case Limited)
- Former Commercial Director at AMEC plc
- Former Commercial Director (Keith Case Limited)
- Former Director of Procurement at Southern Water
- Former Procurement Consultant (Keith Case Limited)
- Former Head of Procurement, Finance and Assurance (Nuclear Science and Technology Services) at BNFL
- Former Commercial Manager at National Grid plc

Declarations:

- Chair – BFW Management Ltd (from 03.12.18 – 14.01.20)
- Stocks and Shares ISA plus Self Invested Personal Pension

James Wilkie (Non-Executive Director)
Term of Office from 01.02.19 to 31.01.22 (First Term)

Experience:

- Former Non-Executive Director – Countess of Chester Hospital
- Former Chief Executive – Wirral Council
- Former Deputy Chief Executive & Director of Corporate Services – Wirral Council
- Former Director of Planning & Economic development – Wirral Council

Declarations:

- Non-Executive Director – Atlas Board of Directors
- Secretary Lancaster Civic Society
- Chair – Lancaster Vision
- Daughter – employed by the British Pregnancy Advice Service
- Daughter – employed by Lancashire Teaching Hospitals NHS Foundation Trust
- Shareholder – stocks and shares ISA and collective retirement fund

Mark Beaton (Non-Executive Director)
Term of Office from 25.02.19 to 31.01.22 (First Term)

Experience:

- Former Senior Managing Director Operations/Cloud – Accenture
- Leader in the Consulting, Outsourcing and Technology business for 30 years
- Specialised in the Public Sector for 10 years
- Worked in a wider industry portfolio including Financial Services, Retail, Communications, Technology and Media Sectors
- Member of several Boards, both in the UK and Internationally
- Senior Executive personally responsible for several businesses with 20,000+ people.
- Leadership and Diversity Execuitve for a business with 176,000 people spread across 100 countries.

Declarations:

- Shareholder - Accenture

Dr Sheena Bedi (Non-Executive Director)
Term of Office from 01.02.20 to 31.01.23 (First Term)

Experience:

- 30 years' experience working in the NHS
- Former Clinical Director and GP - Salford Health Matters CIC, Salford
- Former Founder, CEO & Medical Director - ABL Health Ltd, Bolton
- Former Neighbourhood Primary Care Lead - Salford Primary Care Together (SPCT), Salford

Declarations:

- Trustee – Smart Works Board, Greater Manchester (Registered Charity)
- Minor shareholder ABL Health

Professor Tony Warne (Non-Executive Director)
Term of Office from 01.04.20 to 31.03.23 (First Term)
(Resigned 31.03.21)

Experience:

- 40 years' experience working in and with NHS organisations.
- Professor in Mental Health Care - The Centre for Nursing, Midwifery, Social Work and Social Sciences Research
- Associate Dean Research and Innovation - College of Health and Social Care
- Dean of School - School of Nursing, Midwifery, Social Work & Social Sciences, Salford University (formerly Head of School).
- Professor; Associate Pro Vice-Chancellor; Programme Director - Industry Collaboration Zones (ICZs)

Declarations:

- Non-Executive Director – Wrightington, Wigan and Leigh NHS Foundation Trust

Kevin McGee (Chief Executive)
Appointed on 01.05.19 (interim) and 01.10.20 (substantive)

Experience:

- Chief Executive at East Lancashire Hospitals Trust
- Former Chief Executive at George Eliot Hospital NHS Trust
- Former Chief Executive at Heart of Birmingham Primary Care Trust
- Former Director of Finance and Chief Operating Officer in large acute hospitals
- Former Director of Commissioning & Performance Management at a Teaching Primary Care Trust
- 34 years' experience working in healthcare (22 years at executive level)
- Qualified Accountant

Declarations:

- Joint Chief Executive – East Lancashire Hospitals Trust/Blackpool Teaching Hospitals NHS FT
- Lancashire and South Cumbria Hospital Cell Lead (from March 2020)
- Atlas Board Member (from March 2020)
- Honorary Fellow – University of Central Lancashire
- Spouse – Director of Finance and Commercial Development at Warrington and Halton Hospitals NHS Foundation Trust

Tim Bennett (Deputy Chief Executive/Executive Director of Finance & Performance)
Appointed in February 2016
Tim commenced a secondment with the Pathology Collaboration for Lancashire and South Cumbria on 29 November 2020.

Experience:

- Former Director of Finance & Performance at Blackpool Teaching Hospitals NHS Foundation Trust
- 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:

- None

Janet Barnsley (Executive Director of Operations - Planned Care) (non-voting)
Appointed on 01.04.18 (interim) and 01.01.20 substantive)

Experience:

- Former Director of Performance and Delivery at Blackpool Clinical Commissioning Group
- Former Service Director for Midlands and Lancashire Commissioning Support Unit
- Former Associate Director of Contracting and Procurement at Blackburn with Darwen Care Trust Plus
- Extensive experience in performance, contracting and business intelligence in acute organisations
- Extensive experience of both NHS provision and commissioning

Declarations:

- Husband – Chief Finance Officer at Blackburn with Darwen Clinical Commissioning Group
- Father-in-law – Chair of East Lancashire Hospice

Berenice Groves (Executive Director of Operations - Urgent & Emergency Care, Families, Adult & Long Term Conditions, Unscheduled Care, Soft Facilities Management & Estates, Emergency Preparedness, Resilience and Response) (non-voting)
Appointed on 01.06.18 (interim) and 01.12.19 (substantive)
(Resigned 30.10.20)

Experience:

- Qualified Paramedic with current registration
- 34 years' NHS experience
- Former Deputy Director of Commissioning – Durham and Darlington Primary Care Trust
- Former National Head of Improvement – Emergency Care Intensive Support Team NHS England
- Former Director of Operations – South Tees NHS Foundation Trust

Declarations:

- Chair of Board of Trustees – Charlotte Straker Care/Nursing Home

Kevin Moynes (Joint Executive Director of HR & OD)
Appointed on 01.10.18 (interim) and 01.03.20 (substantive)

Experience:

- Director of HR and OD at East Lancashire NHS Hospital Trust (current joint post)
- Former Director of HR and OD at the Greater Manchester PCT Cluster (10 PCTs)
- Former Director of HR and OD at Stockport PCT
- Former Associate Director of Strategic HR and OD, Greater Manchester SHA
- Qualified RGN and RSCN

Declarations:

- Joint Director of HR & OD – East Lancashire Hospitals Trust
- Spouse – Very Senior Manager at Health Education England (HEE)

Peter Murphy (Executive Director of Nursing, Allied Health Professionals and Quality)
Appointed on 01.07.19 (interim) and 04.10.19 (substantive)

Experience:

- Former Director of Nursing, Quality & Governance at Salford Royal NHS Foundation Trust
- Former Deputy Director of Nursing, Quality & Governance at Salford Royal NHS Foundation Trust
- Former Governing Body Board Member at Knowsley CCG
- Qualified Register Nurse (RN)

Declarations:

- None

Jim Gardner (Executive Medical Director)
Appointed in January 2020

Experience:

- Former Non-Executive Director at Blackpool Teaching Hospitals NHS Foundation Trust
- Deputy Head of the School of Medicine at the University of Central Lancashire
- GP and Consultant at Helium Healthcare
- Trustee and Chair of the Care, Quality and Services Committee at St John's Hospice
- Group Medical Director at One Medical Group
- Medical Director at Lancashire Area Team, NHS England
- GP Partner at Captain French Lane Surgery

Declarations:

- Member of the Advancing Quality Alliance (AQuA) Board

Natalie Hudson (Interim Director of Operations – Urgent and Emergency Care) (non-voting)
Appointed on 01.10.20

Experience:

- Former Director of Operations at East Lancashire Hospitals NHS Trust
- Former Deputy Director of Operations at East Lancashire Hospitals NHS Trust
- Former Divisional General Manager at East Lancashire Hospitals NHS Trust
- Former Divisional Finance Manager at East Lancashire Hospitals NHS Trust and University Hospitals of Morecambe Bay NHSFT
- Qualified Chartered Certified Accountant (ACCA)

Declarations:

- None

Nicki Latham (Deputy Chief Executive/Director of Strategic Partnerships)
Appointed June 2020

Experience:

- Former Improvement Director at NHS Improvement
- Former Executive Director of Performance and Development at Health Education England
- Former Chief Operating Officer for the NHS National Institute for Health Research
- 15 years' experience in Higher Education holding several senior management posts and experience as a lecturer and researcher

Declarations:

- Governor – Leeds Beckett University

Feroz Patel (Interim Executive Director of Finance)
Appointed in 30 November 2020

Experience:

- Former Chief Finance Officer at Blackpool Teaching Hospitals NHS Foundation Trust
- Former Director of Finance at Stockport NHS Foundation Trust
- Former Deputy Director of Finance at Blackpool Teaching Hospitals NHS Foundation Trust
- Former Acting Director of Finance at Blackpool Teaching Hospitals NHS Foundation Trust

Declarations:

- Nephew - Global Marketing Manager for Hollistter inc.Suppliers of Stoma Products

Shelley Wright (Joint Executive Director of Communications) (non-voting)
Appointed on 12 November 2020

Experience:

- Director of Communications at East Lancashire Hospitals Trust
- Former Executive Director of Communications at Lancashire and South Cumbria NHS Foundation Trust
- Former Director of Communications for the Greater Manchester Combined Authority (GMCA), Mayor of Greater Manchester and Greater Manchester Fire and Rescue Service
- Former Head of Communications for Chorley Council
- Local and regional journalist with strong personal connections to both East Lancashire and Blackpool

Declarations:

- Joint Director of Communications – East Lancashire Hospitals Trust/ Blackpool Teaching Hospitals NHS Foundation Trust

All existing members of the Board of Directors are voting members, with the exception of the Executive Director of Operations (Planned Care) and the Executive Director of Operations (Urgent & Emergency Care, Families, Adult & Long Term Conditions, Unscheduled Care, Soft Facilities Management & Estates, Emergency Preparedness, Resilience and Response).

NHS Improvement's Well-Led Framework Overview

The Trust was inspected by the Care Quality Commission in June 2019 and the Trust was rated as 'Good' for caring, 'Requires Improvement' for safe, effective and responsive and 'inadequate' for well-led. In response, the Trust has made new appointments to the executive team and developed a System Improvement Plan with partners to address the concerns in the CQC report and NHS Improvement's Enforcement Letter which is monitored by the Blackpool System Improvement Board.

Monitoring Improvements in Quality of Healthcare/Performance against Key Healthcare Targets and National and Local Targets

Key quality improvements and service developments are driven from external reviews such as, CQC inspections, agreed targets set with commissioners within the quality contract schedule, feedback from staff/patients surveys, information from concerns raised, lessons learned from internal investigations, peer reviews through national quality surveillance team, audit findings and requirements set from national guidance or directives.

For detailed information on the above see the Performance Report section of the Annual Report and section 7 of the Annual Governance Statement at Annex E.

Specialist Palliative Care, End of Life & Bereavement Service – Dr Harriet Preston, Head of Service Palliative Care & Jackie Brunton Lead Nurse Cancer & End of Life

It goes without saying that we have all experienced an extremely challenging 12 months that have required us to adapt and work in new ways. The Hospital Palliative Care team, Swan and Bereavement teams, Chaplaincy and Psychology formed a collaborative approach to supporting patients, those important to them, but also many staff who found themselves working far outside of their normal daily practice. In addition, we worked closely with our Fylde Coast partners, meeting on a weekly basis, to ensure effective communication and mutual support across the locality in response to COVID. We aim to continue this joined up working going forward.

We continue to see an increase in specialist palliative care referrals year-on-year; and between 1 April 2020 - 31 March 2021, 1289 new referrals were seen. Of these referrals, 47% had a non-malignant diagnosis. The team have remained responsive despite the challenges of a pandemic with 88% of patients having been seen in within 24 hours from referral.

We would like to thank those staff who were deployed or returned from retirement in, in particular staff deployed to Swan Team Debbie Proctor, Lucy Mitchell and Dr Susan Salt who returned from retirement to provide invaluable pastoral support to many members of staff across the Trust. Psychological support to staff was crucial during the pandemic and we are grateful for the support provided by Dr Jean Briggs and colleagues, occupational health, health and wellbeing and organisational development teams have been instrumental to supporting staff well-being and in development of setting up Team Time and Schwartz rounds.

Seven-day face to face specialist palliative care has been an ambition for the Hospital Palliative Care Team for many years and during the first wave of the pandemic we were able to provide a period of 6 weeks from 1 April 2020, where we worked across 7 days. As a result of the benefits demonstrated by this, we were delighted to have been successful in securing funding to be able to expand the team so that we can continue to provide a 7 day service which will finally allow us to align to national standards (NICE, 2014). We are pleased to report that we have now successfully recruited to all additional posts and will be commencing 7 day working at the beginning of May 2021. We know what a difference this will make to patients, those important to them and to the staff caring for them. We are also delighted that the Swan and Bereavement Team has now secured permanent funding and look forward to working closely and developing services in the years to come. We welcomed Swan Clinical Lead, Malissa Paterson into post in February 2021 and look forward to her team commencing June 2021.

Our education programme continues but is currently under review, with expected competencies for staff groups being mapped to appropriate training to fulfil them. We are now able to offer all training via Microsoft Teams and have found that there are benefits to delivering training in this way.

In the last year we were sad to say goodbye to Mrs Mary Watt who retired from her role as NED Lead for End of Life. We would like to thank Mary for all the support and passion she has brought to the role. We look forward to developing relationships with our new NED when they are appointed.

Moving forward, following the divisional restructure we pleased to be aligned into one Division with the Swan End of Life and Bereavement teams and our community colleagues and look forward to more collaborative working in the future. We continue our Emergency Department (ED)/Acute Medical Unit (AMU)in reach project to provide early specialist input for patients, to reduce length of stay and to increase death in preferred place. We are delighted to be able to recommence our educational programme, a key art of our role, and are currently introducing the new Nursing Care Plans. We are about to undertake the third round of the National Audit of Care at the End of Life (NACEL) audit looking

at deaths in the acute trust and are part of the deteriorating patient collaborative faculty. In addition to the Last 1000 days initiative we hope that we can continue to influence and improve care for those with life limiting illnesses.

Other Key achievements

- **Funding secured to enable expansions of Palliative Care & EOL Bereavement Services** – new roles introduced Specialist Palliative Care Advanced Care Practitioners & Health Care Assistants, Swan Team including Clinical Lead, Specialist Nurses and Support Worker. 7 Day services to commence summer 2021.
- **Swan Bereavement Team** –temporary team established in response to pandemic. Over a **1158** contacts with families and loved ones, **775** contacts of staff support. **257** referrals were received for ongoing support. Team now permanently funded and recruited to.
- **Dedicated funding for full time Lead Nurse for End of Life & Bereavement Care**
- **Development of COVID specific symptom control guidelines**
- **Training Developments**
  - DNACPR Training for senior nursing staff & AHPs – over 75 staff trained
  –additional 89 staff nurses trained to undertake verification of death
  -Established fortnightly EOL Link / Leads meetings
  -Pause & Reflect sessions and one to one support for staff provided by Psychology, Dr Whitfield and Swan Team
- **Purchase of additional 250 Syringe Drivers**
- **Dedicated End of Life Educator for care homes -** post filled in March 2020. Care homes now have access to specific end of life support, training including podcast type videos containing bitesize information about key end of life issues, created by our educator
- **Electronic Palliative Care Coordination System (EPaCCS)** allows us to share decisions and wishes that have been expressed about future care and one of the main ways we are able to share such information. Teams continue to be engaged with regional and national efforts to build upon the progress already made in this area and there is further development planned for 2021

Trust's Pandemic Response

The Trust has been actively responding to the Covid-19 pandemic since 27 January 2020 and has moved through different phases of response based on guidance issued from Government and across the Health System.

The majority of the incident has been managed as a national incident at level 4, which was originally declared 30 January 2020. On 3 August 2020 this was de-escalated to Level 3, and escalated back to Level 4 on 5 November 2020.

Incident Command and Control

The Trust established a formal Incident Coordination Centre (ICC) on the 6 March 2020 and this remained in place throughout the year. It has held regular meetings with all divisions, key service areas and partners (e.g. Fylde Coast Medical Services (FCMS)) to ensure a coordinated and informed response, with links to the CCGs and wider health system.

The ICC has had a physical presence at the Blackpool Victoria Hospital (BVH) site throughout the pandemic and is led by the Strategic Incident Director, supported by:

- Incident Manager (Tactical Command)
- Emergency Preparedness, Resilience and Response team
- Administrative Support
- And operational commanders linked in virtually by a 12noon telephone call

Governance

A range of governance processes were developed to capture and record changes. The Change Oversight Process was developed as a mechanism for ensuring changes such as pauses, and any redesign or transformation of services are documented, reviewed, signed off and logged by the Medical Director, Director of Operations or Director of Nursing. The ICC has processed 179 change requests during the pandemic response.

In addition, a COVID related expenditure process was developed to log financial spending and is reviewed and approved by the Strategic Incident Director. All COVID spend has been clearly documented and monitored, and is currently being reviewed to understand the impact in 2021/22.

A daily Trustwide Incident Co-ordination meeting took place, including operational leads from all clinical divisions, corporate leads, and key functions such as Infection Prevention and Control, and Procurement.

The ICC linked into Fylde Coast CCG who provided co-ordination across the providers, input and support with primary care services, assisted responses within secondary care settings. They also established an ICC and a twice-weekly Fylde Coast System Teleconference.

The Integrated Care System established command and control structures which assisted with mutual aid requests and co-ordination of messages from NHS England and NHS Improvement and the Department of Health and Social care, which was expanded further through the establishment of a Winter Gold Command Room. Alongside a single point of contact for the region an In Hospital and Out of Hospital cell was created. These teams continue to support with response and restoration.

Significant Service Changes implemented during the Pandemic

During 2020/21, a number of significant developments were delivered including:

- The Trust developed a Coronavirus Priority Assessment Pod in February 2020 to meet the requirement to isolate anyone suspected of or meeting the case definition of the novel coronavirus in the very early stages of the pandemic.
- Surge plans were developed to increase the capacity for intensive care (level 3) ventilated beds and a separate COVID specific Intensive Care Unit was created.
- As the majority of face to face outpatient appointments were required to be cancelled the Attend Anywhere video/telephone appointments system was established. This was

introduced to offer patients consultations that would have otherwise not been possible due to the lockdown situation.

- A key strategic decision was taken in April 2020 to relocate the Urgent Treatment Centre to Whitegate Drive which enabled the creation of a separate Emergency Department at the BVH site to accommodate the different streams of patients. This was supported with an enhanced radiology provision to the Whitegate Drive site. The service was relocated back to the BVH site in August 2020 to support collaborative management of patients and allow patients to be streamed to the Urgent Treatment Centre
- The Trust worked with Trinity Hospice and developed a Swan end of life care initiative which included an increased bereavement support service and the bereavement Swan Suite, both of which are now permanent features at the Trust.
- As the incident escalated, specific wards were created to stream patients into negative, query and positive wards (later described as green, amber and red) wherever possible ensuring the patient pathway was appropriate.
- The Trust established a staff swabbing service to test all symptomatic staff. Community staff were utilised and a drive-thru service was launched based at Blackpool Stadium which was supported by Fylde Coast Medical Service from an administrative perspective. The swabbing service was widened as capacity increased to enable all preoperative patients to be tested ahead of admission and the service transferred to the BVH site.
- In addition, the Trust has developed a proactive swabbing service for staff on the elective pathways to ensure key staff that may be asymptomatic or pre-symptomatic are tested to prevent / minimise the impact of any outbreaks in areas where patients have self-isolated prior to planned admission.
- The Trust has managed Department of Health and Social Care specific requests to;
    - Undertake a Mass Antibody Testing exercise to understand the historic staff infection rate – the Trust tested over 7,000 staff in 10 days in July 2020, with 17% of staff testing positive for the presence of Covid-19 antibodies;
    - Undertake a Mass Antigen Testing exercise to understand the current staff infection rate in August 2020 - the Trust tested over 5,500 staff in 7 days using the Pillar 1 service (local NHS laboratories), with 0.1% positivity rate.
    - A second “all staff testing” exercise undertaken via the Pillar 2 (national) testing service at the request of the Department for Health and Social Care in October 2020. 5,500 staff were tested over a 14 day period with a 3% positivity rate
- The Trust was a pilot site for weekly testing of asymptomatic staff using LAMP testing technology. Testing commenced on 11 December 2020, and to date (8 June 2021) in excess of 4,000 staff have signed up to the LAMP testing programme, with over 32,000 tests carried out (See below staff asymptomatic testing (LAMP) table). LAMP testing is now being rolled out across the rest of the NHS to replace lateral flow testing which was originally adopted in other Trusts;
- Vaccinations: the Trust was a Wave 1 Hospital Hub, equipped to store the Pfizer vaccine at ultra low temperatures and one of only 50 sites to commence vaccinations on Tuesday 8th December 2020 – the first day that Covid vaccinations were administered outside of clinical trials anywhere in the world. By 31March 2020, 21,900 vaccinations have been delivered including 11,300 to healthcare workers and 6,400 to care home and other social care staff;
- The Trust was also one of the partners who supported the setting up and operation of the mass vaccination site at Blackpool Winter Gardens;
- Investment in a Neumodx analyser allowed Covid swabs to be analysed on site at Blackpool Victoria Hospital with a much faster turnaround rather than being sent away to other Trusts. Subsequently, development of a Point of Care Testing service delivered fast turnaround test results for patients in A&E prior to admission
- The impact of EU Exit was also managed with oversight through the ICC and the existing incident management processes.
- The Trust’s Community Services supported care homes throughout the COVID pandemic, providing advice and support to homes that had staffing issues or Covid-19 outbreaks. Essential community services continued to be provided in line with National guidance outlined in the ‘Prioritisation of Community Services’ document and some staff were re-deployed from community services to acute hospital services where appropriate and possible. In line with instruction from NHS England and the Chief Dental Officer for England the dental service ceased all routine care but has maintained urgent care services observing Covid-19 guidance. The Community Nursing Teams have reviewed caseloads, identified vulnerable patients and prioritised care provision, including providing Covid vaccinations to care home residents.

Staff Asymptomatic Testing (LAMP)

Data Set	Current Position
On-boarded staff	4623
Total samples submitted since launch	32015
Compliance (Test in last 7 days)	1316 (33.28%)
Current Positive Samples	27
Positives in last 7 days	0

The Role of Infection Prevention

The onset of the Covid-19 pandemic in March 2020 led to significant disruptions to the services provided by the Trust and indeed the entire NHS. However a number of vital services continued throughout but it was necessary to implement Infection Prevention measures that would ensure the safety of both patients and staff. These measures included the use of telephone and video appointments wherever possible to limit face to face clinic appointments. The compulsory wearing of face coverings for patients attending face to face appointments was also introduced in June 2020 and continues to this day. Social distancing is a crucial part of limiting the spread of C-19 and therefore the number of patients attending for appointments or procedures had to be limited to ensure that a minimum 2 meter distance could be maintained between patients, all of which impacted on activity levels.

All patients admitted to the Trust were also tested for Covid-19. The reason for admission and the test result determined whether or not the patient was placed on a Low, Medium or High Risk Covid-19 pathway. In general, patients undergoing planned elective procedures are placed on Low Risk pathways and those requiring an emergency admission are managed on Medium Risk Pathways. Patients with suspected or confirmed Covid-19 are allocated to High Risk pathways and all areas within the Trust are clearly signed to denote which pathway is in operation in that area. Wards and departments within the Trust were reconfigured during the pandemic to facilitate these pathways and to ensure they could be separated. It is hoped that these measures can be stepped down in line with community prevalence and this is currently being assessed.

Complaints

The Patient Relations Team's role is to address, investigate and respond to informal concerns, general enquiries and formal complaints on behalf of the Trust's patients and their relatives. The team managed 4,689 individual cases for the year 2020/21 – a decrease of 13.5% from 2019/20 when 5,424 cases were received.

3,375 of the individual cases from 2020/21 were general enquiries (3,850 : 2019/20), and 943 were informal concerns (1,017 : 2019/20), a 7% decrease in informal cases from 2019/20. The decrease is, in part, due to the quieter time experienced through the first wave of the Covid-19 lockdown period. With decreased activity in the hospital and restrictions on people entering the hospital and having to stay at home, the team experienced a reduction in cases, however, as the year has progressed the numbers have and are continuing to rise.

The number of formal complaints registered by the Patient Relations Team from April 2020 to March 2021 was 371 (507 : 2019/20), a 26.75% decrease from the previous year. Again, the reduction in the number of formal complaints received is explained due to the Covid restrictions and minimised activity in the Trust. The Trust saw the same figure as the previous year in the percentage of complaints that were responded to within 25-40 working day timeframe. 54% (54% : 2019/20) of complaints were responded to within 25-35/40 working days.

Of the 371 formal complaints registered and completed, 26.25% were not upheld, 14.5% were upheld and 47.25% were partially upheld. The themes and issues were predominantly around treatment issues, with 42% of patients having cause to complain about techniques used when receiving care, adverse incidents, poor treatment outcomes or treatment outcomes simply not meeting the patient's expectations.

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 Governance Team at the following address:-

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

Email: bfwh.corporate.governance@nhs.net

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 2020/21.

- To approve the appointment (by the Non-Executive Directors) of the Chief Executive.
  This duty was exercised during 2020/21.

- To decide the remuneration and allowances, and the other terms and conditions of office, of the Non-Executive Directors.
  This duty was exercised during 2020/21.

- To appoint or remove the Foundation Trust's External Auditor.
  This duty was exercised during 2020/21.

- To appoint or remove any other External Auditor appointed to review and publish a report on any other aspect of the Foundation Trust's affairs.
  This duty was not exercised during 2020/21.

- 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 2020/21 in relation to the 2019/20 report.

- 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 ing.
  This duty was not exercised during 2020/21.

- To respond as appropriate when consulted by the Board of Directors in accordance with the Constitution.
  This duty was not exercised during 2020/21.

- To undertake such functions as the Board of Directors shall from time to time request.
  This duty was not exercised during 2020/21.

- 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 the composition of the Non-Executive Directors and, when appropriate, to make recommendations for the revision of the Trust's Constitution.
  This duty was not exercised during 2020/21.

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 (SID) is a Non-Executive Director appointed by the Board of Directors as a whole, in consultation with the Nominations Committee of 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, Deputy Chief Executive/Director of Finance & Performance and Foundation Trust Secretary, have failed to resolve or where it would be inappropriate to use such channels.

During 2020/21, the following change to the Constitution was made to Section 140.5 of the Constitution in relation to the Governor membership of the Nominations Committee: "T*he Nominations Committee's Appointments Panel for the interview will comprise of all the Governor members on the Nominations Committee and the Chair of the Foundation Trust (or when the Chair is being appointed, the Committee Chair will be one of the following unless they are standing for appointment or have a conflict of interest: the Deputy Chair, the Senior Independent Director or another Non-Executive Director.*

The Council of Governors now comprises a total of 28 Governors, including 16 Public Governors (elected from the constituencies of Blackpool, Fylde, Wyre and North West Counties), five Staff Governors (elected from the staff groups of Medical & Dental, Nursing & Midwifery, Clinical Support and Non-Clinical Support) and seven 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 further terms of office, however, they are not eligible for further re-appointment following three terms of office, i.e. in excess of nine years.

Composition of the Council of Governors

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

APPOINTED GOVERNORS	ROLE
Principal Local Councils – 2: Blackpool Council Lancashire County Council	To represent key local non-NHS Local Health Economy partners.
Principal Universities – 4*: University of Central Lancashire*	To ensure strong teaching and research partnership and to represent other University

University of Lancaster* University of Liverpool University of Buckingham	interests.
Lancashire Care Foundation Trust – 1	To engage and assist the Trust in identifying the needs of the local community.
Local College or School Representative – 1	To engage and assist the Trust in dialogue with the younger catchment population.
Blackpool Carers Centre – 1 (CURRENTLY VACANT)	To engage and assist the Trust in identifying the needs of the local community.
Total Appointed Governors – 7	

*Two of the four universities will be full members of the Council of Governors

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 – 1	As above.
Class 4 - Non-Clinical Support – 1	As above.
Total Elected Staff Governors – 5	

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 - North West Counties – 1	To represent patients who are resident in the wider environs of Cumbria and Lancashire.
Total Elected Public Governors – 16	

TOTAL MEMBERSHIP OF COUNCIL OF GOVERNORS
Appointed Governors (nominated) – 7
Staff Governors (elected) – 5
Public Governors (elected) – 16

Total membership of Council of Governors – 28

An election to the Council of Governors took place during 2020/21 and the results were as follows: (*Please note – in each election year , not all Governors (Public and Staff) would stand for election. Only those that come to the end of their first tenure). Thus the figures below are correct.*

Public Governors:

Blackpool Constituency
Rick Scott (newly elected)
Nigel Patterson (newly elected)
Adele Devito (re-elected)
Patricia Roche (re-elected)

Fylde Constituency
Gail Goodman (newly elected)
John Moore (newly elected)

Wyre Constituency
Ian Owen (re-elected)

Staff Governors:

Medical and Dental Constituency
Dr Ranjit More (elected unopposed)

Non-Clinical Support Constituency
Tina Daniels (re-elected)

Nursing and Midwifery
David Collett (elected unopposed)

All elections to the Council of Governors have been conducted in partnership with Civica and in accordance with the Model Election Rules.

There is currently one vacancy on the Council of Governors (an Appointed Governor from the Blackpool Carers Centre).

The next elections to the Council of Governors are due to take place in August 2021.

Membership of the Council of Governors

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

Name	Constituency/Organisation
George Holden (until 31 March 2020)	Blackpool
Adele DeVito*	Blackpool
Zacky Hameed***	Blackpool
Camilla Hardy (until 31 March 2020)	Blackpool
Patricia Roche* (Deputy Lead Governor)	Blackpool
Nigel Patterson* (from 1 April 2021)	Blackpool
Rick Scott* (from 1 April 2021)	Blackpool
Graham Curry**	Blackpool
Jeannette Beckett**	Blackpool
Lisa Robbins**	Blackpool
Graham Stuart (until 31 March 2020)	Fylde
John Moore*(from 1 April 2021)	Fylde

Sheila Jefferson (until 31 March 2020)	Fylde
Gail Goodman* (from 1 April 2021)	Fylde
Steven Gratrix**	Fylde
Christina McKenzie-Townsend**	Wyre
Sue Crouch** (Lead Governor)	Wyre
Ian Owen*	Wyre
Pat Greenhough**	Wyre
Stephen Cross**	North West Counties
Dr Ranjit More*	Medical and Dental
Sharon Vickers***	Nursing and Midwifery
Peter Farrington (until 21 September 2020)	Nursing and Midwifery
David Collett* (from 1 April 2021)	Nursing and Midwifery
Tina Daniels*	Non-Clinical Support
Jennifer Gavin**	Clinical Support
Councillor Martin Mitchell**	Blackpool Council
Cllr Charles Edwards*	Lancashire County Council
Paul Bibby**	Lancashire Care Foundation Trust
Dr Deborah Kenny**	University of Central Lancashire
Margaret Bamforth**	Local College/ School Representative
Dr Amelia Hunt**	Lancaster University
VACANT	Blackpool Carers Centre

* Elected/re-elected or appointed in 2020/21 (although the election took place in 2020/21 the term of office did not commence until 1 April 2021).
** Due for re-election/re-appointment in 2021/22
*** Not eligible for re-election in 2021/22

In 2020/21, there were four Formal Meetings of the Council of Governors and they took place on the following dates:

- 26 June 2020.
- 16 September 2020.
- 18 November 2020.
- 17 March 2021.

There were four Extraordinary/Private Meetings held on the following dates:

- 16 September 2020.
- 09 November 2020.
- 26 November 2020.
- 15 January 2021.

The Chief Executive, Deputy Chief Executive/Director of Finance & Performance, Executive Director of Operations (Planned Care) and the Executive Director of Operations (Urgent & Emergency Care, Families, Adult & Long Term Conditions, Unscheduled Care, Soft Facilities Management & Estates, Emergency Preparedness, Resilience and Response) routinely attend meetings of the Council of Governors. Attendance of the remaining Executive Directors is organised as appropriate. The Non-Executive Directors continue to attend the Council of Governors meetings on a rotational basis.

During 2020/21, the Council of Governors received regular reports/updates from the Chief Executive/Executive Directors plus regular strategic, finance, performance and membership reports.

From November 2020, the Non-Executive Directors have provided the Council of Governors with updates on the work of the Board Committees in order to be held to account in monitoring the Trust's affairs and, in particular, to obtain assurance from the Board Committee Chairs.

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

- Chairman's and Non-Executive Directors' Appraisals/Objectives/ Remuneration;
- Chair and Non-Executive Director Recruitment Updates;
- Executive Director Recruitment Updates;
- Appointment of Senior Independent Director;
- Chair's Updates, including-
    - ICS;
    - Stroke unit;

    - Cancer performance;
    - Atlas (BFW Management Ltd);
    - Staff Survey;
- Governors Declarations - Fit and Proper Persons Test, Interests, Gifts and Hospitality;
- Information Governance Mandatory Training;
- Annual Members Meeting 2019/20
- Annual Report & Accounts 2019/20;
- Quality Accounts 2019/20;
- Financial Statements Audit 2019/20 (PricewaterhouseCoopers LLP) (PwC);
- Governors Induction Manual;
- Governors' Terms of Office - Extended Tenure;
- Lead / Deputy Lead Governor Election;
- Non-Executive Directors Terms of Office/Re-Appointments;
- Governor Elections;
- Provision of External Audit Services;
- Covid-19 Pandemic Updates;
- Governance Arrangements – Board Committees
- Audit Committee Terms of Reference
- Equality Impact Assessments
- People Plan Update;
- Emergency Village and Critical Care Scheme.

During 2020/21, due the pandemic the number of meetings was reduced, however the Governors Strategic Focus Group continued to be actively involved in the strategic direction of the Trust and meetings took place as follows:

- 13 October 2020
- 09 February 2021.

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

- Board Meetings held in Public (attendance as observers);
- Board Committees – Finance & IMT, Quality, Workforce Transformation, Clinical Effectiveness, Performance & Operations (attendance as observers);
- Nominations Committee;
- Membership Committee;
- Governors' Informal Meetings;
- Charitable Funds Committee;
- Health Informatics Committee;
- Patient-Led Assessment of the Care Environment Committee;
- Patient and Carer Experience and Involvement Committee;
- Equality, Diversity and Inclusion Committee;
- Bereavement Committee;
- Fylde Coast NHS Health Event and Annual Meeting;

In addition, Governors have participated in the NHS Providers Governor Focus Conference.

Governor Attendance at the Formal Council of Governors Meetings:

Governors	Number of Formal Meetings (4)
George Holden (until 31 March 2021)	4
Adele DeVito	4
Zacky Hameed	4
Camilla Hardy(until 31 March 2021)	4
Patricia Roche	4
Graham Stuart (until 31 March 2021)	3
Sheila Jefferson (until 31 March 2021)	0
Ian Owen	4
Sue Crouch	3
Christina McKenzie-Townsend	2

Dr Ranjit More	4
Sharon Vickers	2
Peter Farrington (until 21 September 2020)	0
Jenny Gavin	4
Tina Daniels	4
Councillor Martin Mitchell	3
Dr Amelia Hunt	4
Dr Debbie Kenny	4
Margaret Bamforth	4
Councillor Charles Edwards	1
Paul Bibby	3
Jeanette Beckett	4
Graham Curry	3
Lisa Robbins	4
Steven Gratrix	4
Stephen Cross	1
Patricia Greenhough	2
Nigel Patterson*(from 1 April 2021)	N/A
Rick Scott* (from 1 April 2021)	N/A
Gail Goodman*(from 1 April 2021)	N/A
David Collett* (from 1 April 2021)	N/A
John Moore* (from 1 April 2021)	N/A

*Elected to/appointed to, the Council during 2020/21,(although the election took place in 2020/21 the term of office did not commence until 1 April 2021).

Board of Directors Attendance at the Formal Council of Governors Meetings:

Board of Directors	Number of Formal Meetings (4)
Pearse Butler (until 31 January 2021)	3
Steve Fogg (from 1 February 2021)	1
Keith Case*	0
Mark Cullinan*	1
Mary Watt*	0
James Wilkie*	1
Mark Beaton*	2
Dr Sheena Bedi*/**	1
Tony Warne*/** (until 31 March 2021)	3
Kevin McGee***	1
Tim Bennett**/***	1
Janet Barnsley**/***	0
Berenice Groves**/*** (until 31 October 2020)	0
Kevin Moynes***	0
Peter Murphy***	0
Feroz Patel**/*** (from 30 November 2020)	0
Jim Gardner***	0
Natalie Hudson**/***	0
Nicki Latham**/***	0
Shelley Wright**/***	0

* NEDs attend at least one meeting per year (where possible)
**Resigned from, or appointed to, the Board during 2020/21
***EDs attended as required.

Council of Governors – Statutory Committees

There are currently two Governor statutory committees, namely the Nominations Committee and the Membership Committee.

Governor Attendance at Nominations Committee Meetings:

Committee Members (9)	Number of Meetings (12)
Pearse Butler – Trust Chairman (until 31 January 2021)	4
Steve Fogg – Trust Chairman (from 01 February 2021)	0
Camilla Hardy – Elected Public Governor (Blackpool Constituency)	12
Sue Crouch – Elected Public Governor (Wyre Constituency)	12
George Holden – Elected Public Governor (Blackpool Constituency) (until September 2020)	4
Pat Roche – Elected Public Governor (Blackpool Constituency)	12
Tina Daniels – Elected Staff Governor (Non-Clinical Support Constituency)	12
Councillor Martin Mitchell – Appointed Governor (Blackpool Council)	10
Zacky Hameed – Elected Public Governor (Blackpool Constituency)	11
Jeanette Beckett – Elected Public Governor (Blackpool Constituency) (from November 2020)	6

Governor Attendance at Membership Committee Meetings:

Committee Members (8)	Number of Meetings (2)
Tina Daniels (Chair) (from March 2020) – Elected Staff Governor (Non-Clinical Support)	2
Ian Owen (Chair) (until March 2020) – Elected Public Governor (Blackpool)	0
Margaret Bamforth – Elected Public Governor (Blackpool)	2
Zacky Hameed – Elected Public Governor (Blackpool)	2
Sheila Jefferson – Elected Public Governor (Blackpool) (until 31.03.21)	0
Patricia Roche – Elected Public Governor (Blackpool)	2
Sharon Vickers – Elected Staff Governor (Nursing & Midwifery)	1
Stephen Cross - Elected Public Governor (Blackpool)	0

Nominations Committee Report

The Nominations Committee is a formally constituted committee of the Council of Governors.

The membership of the Nominations Committee comprises the Trust Chair (Chair of the Committee) and six Governors (four Public Governors, one Staff Governor and one Appointed Governor).

Membership of the Nominations Committee:

Pearse Butler – Trust Chairman (Chair) (until 31.01.21)
Steve Fogg – Trust Chairman (Chair) (from 01.02.21)
Sue Crouch – Elected Public Governor (Wyre Constituency)
Camilla Hardy – Elected Public Governor (Blackpool Constituency)
George Holden – Elected Public Governor (Blackpool Constituency)
Pat Roche – Elected Public Governor (Blackpool Constituency)
Tina Daniels – Elected Staff Governor (Non-Clinical Support Constituency)
Councillor Martin Mitchell – Appointed Governor (Blackpool Council)

There have been 12 meetings of the Nominations Committee during 2020/21.

The Nominations Committee has the following responsibilities:

Recruitment and Appointment of Non-Executive Directors:-

To determine if Governor Recruitment Working Groups are needed to support the Nominations Committee.

To implement the recruitment plans approved by the Council of Governors in the 'Composition and Recruitment of the Trust Chair and Non-Executive Directors Policy' for the Chair and Non–Executive Directors.

To recommend the recruitment plans in line with the 'Composition and Recruitment of the Trust Chair and Non-Executive Directors Policy' to the Council of Governors for approval of the Chair.

To recommend, if appropriate, the appointment of a recruitment company to the Council of Governors for approval.

To approve the Advert, Job Description and Personal Specification for posts and to approve the questions for review by the Appointments Panel.

To decide whether to psychometric test candidates.

To approve the longlist and shortlist of Candidates (not more than five for each vacancy), identified through a process of open competition.

To inform the Council of Governors of the shortlisted candidates.

To determine the members for each Appointments Panel including the identification of an appropriate independent assessor.

- Chair Recruitment – the Nominations Committee will select the Governors on the Appointments Panel (ensuring there is a balance of 3 Public Governors, 1 Staff Governor and 1 Appointed Governor) plus the Committee Chair and an Independent Assessor. Only the Governors will be entitled to vote.

- NED Recruitment – the Nominations Committee will select the Governors on the Appointments Panel (ensuring there is a balance of 3 Public Governors, 1 Staff Governor and 1 Appointed Governor) plus the Chair and an Independent Assessor. Only the Governors and the Chair will be entitled to vote.

To recommend the preferred candidates for appointment for decision by the Council of Governors.

Terms and Conditions – Trust Chair and Non-Executive Directors:-

To recommend salary arrangements and related terms and conditions for the Trust Chair and Non-Executive Directors for agreement by the Council or Governors.

Performance Management and Appraisal:-

To agree a mechanism for the evaluation of the Trust Chair, which will be led by the Senior Independent Director and will involve the Lead Governor.

To agree a process for setting objectives for Non-Executive Directors, subsequent appraisal by the Trust Chair and feedback to the Council of Governors.

To address issues relating to Board development and to ensure that plans are in place for succession to posts as they become vacant so that a balance of skills and experience is maintained.

Membership Report

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 North West Counties for which we provide tertiary cardiac and haematology services, are eligible to become members. Other members of the public who do not fall into these categories, either due to age or place of residence, are eligible to become affiliate members of the Trust.

Staff Members

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

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

Membership Numbers

The number of public members has decreased over the last 12 months. The Trust's public membership stands at 4,732 as of 31 March 2021 (4,841 for 2020). A total of 15 members have been recruited, with 215 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. The Trust's staff membership stands at 7,481(7,127 for 2020).

Membership Report 1 April 2020 to 31 March 2021

Membership size and movements	
Public constituency	Last year (202021)
At year start (1 April 2020)	4,931
New members	15
Members leaving	215
At year end (31 March 2021)	4,731
Staff constituency***	Last year (2020/21)
At year start (1 April 2020)	7,125
New members	1,914
Members leaving	1,558
At year end (31 March 2021)	7,481
Analysis of current membership	
Public constituency	Number of members
Age (years):*/**	
0-16	1
17-21	54
22+	4,009
Not stated	667
Ethnicity:*/**	
White	3,516
Mixed	17
Asian or Asian British	68
Black or Black British	12
Other	0
Not stated	1,118

Socio-economic groupings: */**	
AB	1,218
C1	1,382
C2	1,044
DE	1,052
Gender analysis:*/**	
Male	2,130
Female	2,474
Other	99

*The dates reflect data from the 1 April 2020 to 31 March 2021.
**Due to members opting not to disclose this information, the figures will not reflect the total Trust membership, therefore this analysis excludes: 646 public members with no stated dates of birth; 1,119 members with no stated ethnicity; and 101 members with no stated gender.
***Staff have the option to opt out of being a member, which means total figures may vary to headcount figures within this Annual Report.

Recruitment of Members

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

- Use of the Trust's Facebook social network site to engage with, and inform, members and the wider public of Trust developments;
- Use of the Trust's Twitter social network page to attract new members (the Trust has over 11,600 followers);
- The Corporate Governance Team act as the direct link between the Trust and members. Contact details are: (bfwh.corporate.governance@nhs.net) and telephone line (01253 951505).

Membership Representation

The Trust's engagement with members during 2020/21 was curtailed due to the pandemic.

Cost Allocation and Charging Guidance

For detailed information on this section please refer to the Financial Performance Review section on page 36.

Better Payment Practice Code

For detailed information on this section please refer to the Financial Performance Review section on page 35.

Income Disclosures

For detailed information on this section please refer to the Financial Performance Review section on page 36.

Quality Governance Framework

Quality Governance provides a framework for the Trust to ensure the delivery of safe, effective and high quality healthcare for all patients and those close to them. Its purpose is to help the Trust to monitor, develop and improve standards of care, through a combination of organisational structures, systems and processes. Monitoring of and reporting on agreed Quality Standards supports the Trust and its Board to ensure high quality performance standards are being achieved, in line with regulatory requirements. Quality Governance requires the Board to have the necessary leadership, skills and knowledge to ensure delivery of the quality agenda and, through this, the Board promotes a quality focused culture throughout the Trust.

The Trust is regulated by the Care Quality Commission and engages with the CQC, to ensure our services provide people with safe, effective, caring, responsive care, through good leadership. The Trust underpins its Quality Governance framework by adhering the Fundamental Standards and delivering care based on the CQC's five key questions, to ensure its services are:-

- **Safe** - patients are protected from abuse and avoidable harm.
- **Effective** - care, treatment and support achieves good outcomes, helps patients to maintain quality of life and is based on the best available evidence.
- **Caring** - staff involve and treat patients with compassion, kindness, dignity and respect.
- **Responsive** - services are organised so that they meet patients' needs.
- **Well-led** - the leadership, management and governance of the organisation make sure it is providing high-quality care that is based around patients' individual needs, that it encourages learning and innovation, and that it promotes an open and fair culture.

The Trust was inspected by the CQC (June 2019) and the inspection report published 17 October 2019 outlines that the Trust is rated as follows:

- Are services safe? Requires Improvement ➔🡐 (2017: Requires Improvement).
- Are services effective? Requires Improvement 🡻 (2017: Good).
- Are services caring? Good ➔🡐 (2017: Good).
- Are services responsive? Requires Improvement ➔🡐 (2017: Requires Improvement).
- Are services well-led? Inadequate 🡻🡻 (2017: Good).

Although the overall rating for the Trust remained the same (Requires Improvement), the lack of improvement in patient safety and the deterioration of quality standards in 'effective' and 'well-led' (both at service level and Trust level) in particular was, of course, extremely disappointing.

In response to the CQC inspection and the publication of the inspection report, a new executive/senior leadership team has been formed. The members drive continuous improvement through good leadership and a methodological approach to quality improvement and have rapidly developed a Trust Improvement Plan that identified immediate actions and longer term strategies, to support organisational focus on getting the basics right, stabilising services and creating the right conditions to drive continuous improvement, with the ultimate aim to transform care delivery to deliver safe, high quality patient care. The Trust recognises that Quality Governance and Quality Improvement are inseparable components that are pertinent to delivering high quality care. The Trust has developed a portfolio of Quality Improvement programmes and across our hospitals and community services, our staff, patients and partners are empowered and supported to provide high quality and safe care for all, via good Quality Governance and Quality Improvement Programmes, with the aim to reduce harm and mortality.

The Trust has developed a three-year Quality Improvement Strategy to achieve these goals:

- We will deliver a programme of quality improvement projects, which will help staff make changes to provide high quality, safe and effective personal care to every patient, every time, and;
- We will focus our efforts on a targeted portfolio of three projects, which we believe will have a significant impact on unintentional patient harm and mortality. These projects are:

1) Reduce preventable deaths;

2) Reduce avoidable harm, and;

3) Improve the last 1,000 days of life.

These three projects, which put Quality Governance and Quality Improvement at the heart of everything the Trust does, are strongly linked to all Fundamental Standards, in particular Regulation 9, Regulation 10 and Regulation 12 of the Health and Social Care Act 2008 (Regulated Activities) Regulations 2014.

Quality Performance Review

The Trust is committed to patient safety and the delivery of high quality care and operates a robust Quality Governance Framework to support staff in delivering high quality care. In order to provide assurance on a) compliance with Fundamental Standards, b) delivery of care that is safe, effective, caring, responsive and well-led, and 3): delivery on the three quality improvement projects (reducing

preventable deaths, reducing avoidable harm and improving the last 1,000 days of life), the Trust has got the following high level quality assurance infrastructure in situ:

Board of Directors
The Board of Directors is committed to supporting Quality Initiatives that meet the three key aims, reducing preventable deaths, reducing avoidable harm and improving the last 1,000 days of life . This support will be shown directly to our front-line staff, devoting the first part of the Trust Board for our staff to present and update them regarding their improvement projects. Members from the Quality Improvement Directorate will be there to support our staff and be responsible for ensuring that all the correct documents are submitted to the Board.

Quality and Clinical Effectiveness Committee
The Quality and Clinical Effectiveness Committee is authorised by the Board to oversee quality activities within the scope of its Terms of Reference, for assuring and delivering quality care across the Trust. The Quality and Clinical Effectiveness Committee predominantly oversees quality standards that fall under the safe, effective, caring, responsive and well-led domains, such as: Serious Incidents, Duty of Candour, Infection Prevention & Control, Patient Experience and safe staffing for all professional groups. The Quality and Clinical Effectiveness Committee also supports and routinely monitors outcomes and ensures feedback on work streams that fit its remit. These include projects that focus on pressure ulcers and care of deteriorating patients. The Quality and Clinical Effectiveness Committee is also accountable for delivering on specific CQC actions and improvement notices and will develop new work streams in response.

Furthermore, the Quality and Clinical Effectiveness Committee will support and routinely monitor outcomes and ensure feedback on work streams that fit its remit. These include projects that focus on learning from deaths, mortality GIRFT and VTE. The Quality and Clinical Effectiveness Committee will also be accountable for delivering on mortality reviews, upholding royal college standards and delivering on specific CQC actions. The Committee will be able to develop new work streams in response to these.

Quality Improvement work streams
These are the individual work streams or improvement projects which are led by our staff at any and all levels, including volunteers, throughout the Trust. The Trust trains these staff in its chosen Quality Improvement Methodology and they receive support from the Trusts Quality Improvement Directorate. Each project identifies a team to work together and be responsible for updating the Board of Directors on their progress.

Quality Improvement Directorate
This directorate has been in place throughout 2020/21 and supports improvement teams from concept to delivery of outcomes. They assist teams to develop project initiation documents, project plans and risk logs and coordinate the tracking of quality improvements. Not all of the projects embarked upon are anticipated to result in the expected benefits. As such, the Quality Improvement team track lessons learned, so the Trust can continuously improve as it continues with its Quality Improvement Programme.

ICP and ICS Boards
The Trust recognises that some of the quality improvement projects cannot be done alone or in isolation. Working with our system partners the Trust will develop system-wide projects to deliver benefits across our ICP and ICS footprint. The Board of Directors will report progress on supporting patients in their last 1,000 days to the ICP Board.

Divisional and Departmental structures
The principles of good Quality Governance, with a clear focus on patient safety in particular, are also embedded within the Divisional and Departmental structures of the Trust. The Divisional Triumvirates (comprising a Divisional Director, Divisional Director of Nursing and a Divisional Director of Operations), supported by a Quality Manager, oversee Divisional and Departmental Quality Governance arrangements and performance, and report compliance on agreed Quality Standards, both set locally and externally by the CQC and NHSE/I at monthly Divisional Performance Boards with Executive Directors.

Sub-committees
The Trust operates a number of sub-committees, which report to the Executive Team. For example, to facilitate the ongoing development of safety and quality initiatives, the Trust continually reviews and monitors the implementation of NICE guidance standards and participates in National Audits to ensure ongoing learning and development is implemented, so to deliver high quality care within best practice guidelines. This is monitored through the Trust's Quality and Clinical Effectiveness Committee and the

Audit Committee respectively; assurance is provided through these committees to the Executive Team on compliance with national standards and guidance.

The Learning from Incidents and Risks Committee is a sub-committee of the Quality and Clinical Effectiveness Committee and reports directly to it. It is responsible for the analysis and interpretation of patient safety incidents, formal complaints, informal concerns and litigation. The Committee oversees the achievement of lessons learned in line with the CQC key lines of enquiry, specifically 'Safe' S6 – 'Are lessons learned and improvements made when things go wrong?' The Committee promotes the reporting of all incidents, ensuring they are investigated appropriately and proportionately and that lessons are learned and shared across the organisation. The Committee also oversees compliance against national standards and frameworks in relation to incident reporting, learning from incidents and compliance with Duty of Candour Regulation 20.

Other Quality Governance Arrangements

Due to the impact of Covid-19, our two main Integrated Acute and Community Contracts commissioned by both our local CCGs and NHSE were not renewed during 2020/21, we operated under national arrangements. This was to ensure an effective NHS response to the Covid-19 outbreak, whilst maintaining sufficient funding for the provision of services to patients and minimising the administrative burdens on NHS commissioners and providers. No quality performance monitoring was therefore carried out under the contracts during this period, however the Trust continued to monitor and report internally all quality performance reporting via the internal committee structure and onwards to Board.

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 Report

Annual Statement on Remuneration by the Chair of the Remuneration Committee

The membership of the Trust's Remuneration Committee comprises all 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	• Provides fixed remuneration for the role which reflect the size and scope of the Director/Snr managers responsibilities • Attracts and retains the talent necessary to deliver the Trust's strategy	• Salaries are paid monthly and are reviewed annually via the Remuneration Committee • Consideration is given to the size and scope of responsibilities; performance and experience; typical pay levels for comparable roles in similar Trusts	• Current salaries are disclosed on page 71 • Increases are normally in line with the national increases implemented for other staff groups	Through achievement of agreed individual and corporate performance objectives
Retirement Benefits	• Provides competitive post-retirement benefits • Attracts and retains the talent necessary to deliver the Trust's strategy	• Membership of the NHS Pension Scheme • Includes range of benefits e.g. life insurance	• Pension Contribution rates are defined in the NHS Pension Scheme rules, the employer contributes 14.8% of pensionable earnings (see page 73)	None
Benefits	• Ensures the overall package is competitive • Retains the talent necessary to deliver the Trust's Strategy	• 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	• To reward individuals for fulfilling the relevant role • Attracts and retains individuals with the skills, experience and knowledge to contribute to an effective Board	• The Nominations Committee determines the fees for the Chair and Non-Executive Directors (NEDs) • All NEDs are paid the same, with an additional allowance for the Chair of the Audit Committee	These are set at a level which: • 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.

All Employees on Agenda for Change pay rates received a pay award on 1st April 2020, Employees on Medical and Dental terms and conditions received a pay award on 1st July 2020, backdated to 1st April 2020 of 2.8% for Medical and Dental Consultants and 2% for doctors in training.

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 governing public sector exit payments were introduced in November 2020, however they were repealed shortly thereafter following a successful challenge by UNISON.

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 salary sacrifice schemes. All such schemes are compliant with HMRC legislation.

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 is externally benchmarked. The Committee has utilised established pay ranges in acute trusts and foundation trusts. The Chief Executive and the Director of HR & OD are joint appointments and their salaries reflect salaries for Very Large Acute and Foundation Trusts (£500m+) rather than Large Acute Trusts and Foundation Trusts (£400-500m).

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 41.

Single Total Figure Table 2020/21

(The following table has been subject to audit)

2020/21							
Senior Manager	Salary & Fees (bands of £5,000)	Taxable Benefits to the nearest £100	Annual Performance related bonuses (bands of £5,000)	Long-trem 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)
K McGee - Chief Executive*	125 - 130	-	-	-	297.5 - 300	-	425 - 430
T Bennett - Deputy Chief Executive/Director of Finance and Performance (until 29th November 2020)	95 - 100	-	-	-	32.5 - 35	-	130 - 135
P Murphy - Director of Nursing, Quality & AHP	130 - 135	-	-	-	20 - 22.5	-	150 - 155
J Barnsley - Director of Operations (Planned Care)	120 - 125	-	-	-	152.5 - 155	-	275 - 280
B Groves - Interim Director of Operation for Unscheduled & Emergency Care (until 30th October 2020)	70 - 75	2,000	-	-	2.5 - 5	-	75 - 80
K Moynes - Joint Director of Human Resources & Organisational Development*	70 - 75	-	-	-	0	-	70 - 75
J Gardner - Medical Director**	205 - 210	-	-	-	0	-	205 - 210
N Latham - Deputy Chief Executive / Director of Strategic Partnerships (from 1st June 2020)	110 - 115	-	-	-	40 - 42.5	-	150 - 155
N Hudson - Interim Director of Operations (Urgent & Emergency Care)* (from 5th October 2020)	40 - 45	-	-	-	2.5 - 5	-	45 - 50
F Patel - Interim Director of Finance (from 1st December 2020)	40 - 45	-	-	-	17.5 - 20	-	60 - 65
S Wright - Joint Director of Communications* (from 4th January 2021)	15 - 20	-	-	-	0	-	15 - 20
P Butler - Chairman (until 31st January 2021)	40 - 45	-	-	-	-	-	40 - 45
S Fogg - Chairman (from 1st Feb 2021)	5 - 10	-	-	-	-	-	5 - 10

M Cullinan - Non Executive	15 - 20	-	-	-	-	-	15 - 20
M Watt (Was Whyham) - Non Executive (until 31st December 2020)	5 - 10	-	-	-	-	-	5 - 10
K Case - Non Executive	10 - 15	-	-	-	-	-	10 - 15
J Wilkie - Non Executive	10 - 15	-	-	-	-	-	10 - 15
M Beaton - Non Executive	10 - 15	-	-	-	-	-	10 - 15
S Bedi - Non Executive	10 - 15	-	-	-	-	-	10 - 15
T Warne - Non Executive	10 - 15	-	-	-	-	-	10 - 15

*K Moynes, K McGee, N Hudson & S Wright are employed by East Lancashire Hospitals NHS Trust, and have worked for Blackpool Teaching Hospitals NHS Foundation Trust under a shared agreement. The figures in the above table represent costs attributable to their work for this Trust only.
**Figures are inclusive of Medical Director's Consultant salary.

The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20, less the contributions made by the individual. The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.

This value derived does not represent an amount that will be received by the individual. It is a calculation that is intended to provide an estimation of the benefit being a member of the pension scheme could provide. The pension benefit table provides further information on the pension benefits accruing to the individual.

BFW Management Ltd (Atlas) Remuneration Report

The subsidiary has a Remuneration Committee which comprises of all three Non-executive Directors. Details of the Renumeration for the Senior Managers and Board Members in the Subsidiary Accounts and Annual Report.

Single Total Figure Table 2019/20

(The following table has been subject to audit)

	2019/20						
Senior Manager	Salary & Fees (bands of £5,000)	Taxable Benefits to the nearest £100	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)
W Swift - Chief Executive (To 30 April 2019)***	130 - 135	-	-	-	-	-	130 - 135
K McGee - Chief Executive (From 1 May 2019)**	105 - 110	-	-	-	40 -42.5	-	145 - 150
M Thompson - Director of Nursing and Quality (To 31 July 2019)	45 - 50	-	-	-	-	-	45 - 50
M O'Donnell - Medical Director (To 31 July 2019)* / ***	215 - 220	-	-	-	-	-	215 - 220
N Harper - Acting Medical Director (1 August 2019 - 20 August 2019)	10 - 15	-	-	-	0 - 2.5	-	10 - 15
G Goode - Acting Medical Director (21 August 2019 - 31 December 2019)	85 - 90	-	-	-	97.5 - 100	-	185 - 190
T Bennett - Deputy Chief Executive/Director of Finance and Performance	150 - 155	-	-	-	25 - 27.5	-	175 - 180
P Murphy - Director of Nursing, Quality & AHP	120 - 125	-	-	-	155 - 157.5	-	275 - 280
B Groves - Interim Director of Operation for Unscheduled & Emergency Care	120 - 125	3,300	-	-	75 - 77.5	-	200 - 205
J Barnsley - Interim Director of Planned Care (From 1 April 2019)	115 - 120	-	-	-	0 - 2.5	-	115 - 120
J Gardner - Medical Director	45 - 50	-	-	-	-	-	45 - 50
K Moynes - Joint Director of HR & OD**	75 - 80	-	-	-	47.5 - 50	-	120 - 125
P Butler - Chairman	45 - 50	-	-	-	-	-	45 - 50
M Hearty - Non Executive (To 31/03/20)	15 - 20	-	-	-	-	-	15 - 20
M Cullinan - Non Executive	10 - 15	-	-	-	-	-	10 - 15
M Watt (Was Whyham) - Non Executive	10 - 15	-	-	-	-	-	10 - 15
K Case - Non Executive	10 - 15	-	-	-	-	-	10 - 15
J Gardner - Non Executive (To 31 December 2019)	5 - 10	-	-	-	-	-	5 - 10
J Wilkie - Non Executive	10 - 15	-	-	-	-	-	10 - 15
M Beaton - Non Executive	10 - 15	-	-	-	-	-	10 - 15
S Bedi - Non Executive (From 1 March 2020)	0 - 5	-	-	-	-	-	0 - 5

*figures are inclusive of Medical Director's Consultant salary.
**Kevin Moynes and Kevin McGee are employed by East Lancashire Hospitals NHS Trust, and have worked for Blackpool Teaching Hospitals NHS Foundation Trust under a shared agreement. The figures in the above table represent costs attributable to their work for this Trust only.
***The Salary & fees above for Wendy Swift and Mark O'Donnell include payments made in respect of annual leave not taken and contractual payments in lieu of notice period.

No directors or senior managers of the Trust have received non cash benefits as part of their remuneration package in 2020/21 (2019/20: Nil). During 2020/21 no compensation payments were made to directors for loss of office (2019/20: Nil).

Table of Salary and Pension Entitlements of Senior Managers

(The following table has been subject to audit)

Name and title	Real increase in pension at pension age (bands of £2500) £000	Real increase in pension lump sum at pension age (bands of £2500) £000	Total accrued pension at pension age 31st March 2021 (bands of £5000) £000	Lump sum at pension age related to accrued pension at 31st March 2021 (bands of £5000) £000	Cash Equivalent Transfer Value at 1st April 2020 £000	Real Increase in Cash Equivalent Transfer Value £000	Cash Equivalent Transfer Value at 31st March 2021 £000	Employer's contribution to stakeholder pension £000
K McGee - Chief Executive*	12.5 - 15	40 - 42.5	50 - 55	150 - 155	865	342	1,241	18
T Bennett - Deputy Chief Executive/Director of Finance and Performance (until 29th November 2020)	0 - 2.5	0 - 2.5	70 - 75	165 - 170	1,380	42	1,489	14
P Murphy - Director of Nursing, Quality & AHP	0 - 2.5	(2.5) - 0	55 - 60	155 - 160	1,082	29	1,148	19
J Barnsley - Director of Operations (Planned Care)	7.5 - 10	5 - 7.5	40 - 45	95 - 100	674	123	826	18
B Groves - Interim Director of Operation for Unscheduled & Emergency Care (until 30th October 2020)	0 - 2.5	(2.5) - 0	50 - 55	125 - 130	1,017	11	1,072	10
K Moynes - Joint Director of Human Resources & Organisational Development*/**	(2.5) - 0	(2.5) - 0	20 - 25	70 - 75	0	0	0	4
J Gardener - Medical Director***	0	0	0	0	0	0	0	0
N Latham - Deputy Chief Executive / Director of Strategic Partnerships (from 1st June 2020)	2.5 - 5	0	15 - 20	0	211	26	265	16
N Hudson - Interim Director of Operations (Urgent & Emergency Care)* (from 5th October 2020)	0 - 2.5	0	15 - 20	0	162	0	182	7
F Patel - Interim Director of Finance (from 1st December 2020)	0 - 2.5	0 - 2.5	35 - 40	70 - 75	504	13	573	6
S Wright - Joint Director of Communications* (from 4th January 2021)	0 - 2.5	0	0 - 5	0	2	0	14	1

*K Moynes, K McGee, N Hudson & S Wright are employed by East Lancashire Hospitals NHS Trust, and have worked for Blackpool Teaching Hospitals NHS Foundation Trust under a shared agreement. The figures in the above table represent costs attributable to their work for this Trust only.

**K Moynes retired on 31 July 2020 and returned on 1 August 2021. As such his pensions benefit became payable on 01 August 2021 and therefore no Cash Equavalent Transfer Value (CETV) value is provided.

***Dr J Gardner does not contribute to the NHS pension scheme.

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

A CETV is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's and any other contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures, and 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 pension benefit accrued to the member as a result of their purchasing 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 does not include 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)

The method used to calculate CETVs changed, to remove the adjustment for Guaranteed Minimum Pension (GMP) on 8 August 2019. If the individual concerned was entitled to a GMP, this will affect the calculation of the real increase in CETV. This is more likely to affect the 1995 Section and the 2008 Section.

Fair Pay Multiple

(This section has been subject to audit)

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 2020/21 was £205,000-£210,000 (2019/20: £200,000-£205,000). This was 7.6 times (2019/20: 8.3) the median remuneration of the workforce, which was £26,970 (2019/20: £24,214).

In 2020/21, 18 (2019/20:15) employees received remuneration in excess of the highest-paid director. Remuneration ranged from £205,000 - £330,000 (2019-20: £200,000-£350,000).

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.

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

Four of eleven Directors submitted expense claims in 2020/21 (2019/20: 5/12). The total amount of expenses paid to Directors in 2020/21 was £15,867.33 (2019/20: £12,018.83).

Non-Executive Directors' Expenses

One of sixteen Non-Executive Directors submitted expense claims in 2020/21 (2019/20: 2/9). The total amount of expenses paid to Non-Executive Directors in 2020/21 was £150.20 (2019/20: £3,851.46).

Governor Expenses

One of twentyfour Governors submitted expense claims in 2020/21 (2019/20: 7/31). The total amount of expenses paid to Governors in 2020/21 was £25.20 (2019/20 : £473.21).

Membership of the Remuneration Committee

Pearse Butler – Chair of the Committee
Mark Cullinan

Mary Watt
Keith Case
James Wilkie
Mark Beaton
Dr Sheena Bedi
Professor Tony Warne

Three meetings of the Committee took place during 2021/21 with attendance as follows:

Committee Members (7)	Number of Meetings (3)
Pearse Butler (Committee Chair) (until 31 January 2021)	2
Steve Fogg (Committee Chair) (from 01 February 2021)	1
Mary Watt (until 31 January 2020)	2
Mark Cullinan	3
Keith Case	3
James Wilkie	3
Mark Beaton	3
Dr Sheena Bedi	3
Professor Tony Warne	2

Mr Kevin McGee (Chief Executive), Mr Kevin Moynes (Director of HR & OD) and Mrs Angela Bosnjak-Szekeres (Director of Corporate Governance) provided advice, upon request of the Committee, that materially assisted the Committee in their consideration of matters.

The Committee satisfied itself that the advice received was objective and independent, by ensuring the Executives do not partake in discussions regarding their respective roles and do not participate in the decisions.

There was no fee or other charge paid by the Foundation Trust for the remuneration advice received.

Signed:  Date: 15 June 2021

Kevin McGee
Chief Executive

Staff Report

Analysis of Staff Costs

(The following table has been subject to audit)

Employee Benefits	2020-21	2019-20
	£'000	£'000
Salaries and wages	266,434	238,044
Social security costs	25,960	22,846
Apprenticeship levy	1,448	1,234
Employer's contributions to NHS pensions	28,375	25,740
Employer's contributions paid to NHSE on providers behalf (6.3%)	12,209	11,053
Pension cost – other	128	95
Termination Benefit	11	
Temporary staff (including agency)	41,503	32,106
Total employee benefits including capitalised staff costs	376,068	331,118
Less costs capitalised as part of assets	(1,101)	(1,300)

The employer contribution rate for NHS pensions increased from 14.3% to 20.6% (excluding administration charge) from 1 April 2019. From 2019/20, NHS providers continued to pay over contributions at the former rate with the additional amount being paid over by NHS England on providers' behalf. The full cost of £12.209m (£11.053m 19/20) and related funding have been recognised in the trust accounts.

Analysis of Staff Numbers

(The following table has been subject to audit)

Average number of persons employed	Year ended 31st March 2021	Year ended 31st March 2021	Year ended 31st March 2021	Year ended 31st March 2020
	Permanently employed	Other Staff	Total	Total
	WTE	WTE	WTE	WTE
Medical and Dental	619	83	702	659
Administration and estates	1358	28	1386	1206
Healthcare assistants and other support staff	2130	0	2130	1963
Nursing, midwifery and health visiting staff	1956	230	2186	1996
Nursing, midwifery and health visiting learners	1	1	2	0
Scientific, therapeutic and technical staff	716	10	726	669
Healthcare science staff	195	7	202	190
Other	1	1	2	8
Total Average Numbers	6,976	360	7,336	6,691
Of which:				
Number of employees (WTE) engaged on capital projects	21	0	39	39

Workforce Statistics

From analysis carried out between data collated on the makeup of the local community and that of staff employed, the Trust is reflective of the community it serves. The table below identifies the breakdown of staff groups for April 2020 to March 2021.

Organisation	Ethnic Origin	Full Time Equivalent (FTE)	Headcount
LF Blackpool Teaching Hospitals NHS Foundation Trust	0 White	3.28	4
	4 Indian	3.00	3
	5 Pakistani	1.00	1
	7 Chinese	2.57	3
	A White - British	5188.53	5885
	B White - Irish	39.93	44
	C White - Any other White background	135.71	144
	C2 White Northern Irish	2.00	2
	C3 White Unspecified	0.49	1
	CA White English	32.61	40
	CB White Scottish	9.60	11
	CC White Welsh	1.80	2
	CD White Cornish	1.00	1
	CF White Greek	3.00	3
	CK White Italian	6.27	7
	CP White Polish	18.03	20
	CQ White ex-USSR	0.80	1
	CR White Kosovan	1.00	1
	CW White Other Ex-Yugoslav	1.00	1
	CX White Mixed	1.00	1
	CY White Other European	22.36	24
	D Mixed - White & Black Caribbean	18.32	20
	E Mixed - White & Black African	7.60	8
	F Mixed - White & Asian	14.33	15
	G Mixed - Any other mixed background	16.31	18
	GA Mixed - Black & Asian	3.00	3
	GC Mixed - Black & White	1.63	2
	GF Mixed - Other/Unspecified	2.53	3
	H Asian or Asian British - Indian	287.40	298
	J Asian or Asian British - Pakistani	63.60	67
	K Asian or Asian British - Bangladeshi	8.33	9
	L Asian or Asian British - Any other Asian background	58.84	63
	LA Asian Mixed	3.00	3
	LB Asian Punjabi	1.47	2
	LE Asian Sri Lankan	2.00	2
	LF Asian Tamil	1.00	1
	LH Asian British	5.00	5
	LK Asian Unspecified	4.00	4
	M Black or Black British - Caribbean	16.00	16

	N Black or Black British - African	46.11	48
	P Black or Black British - Any other Black background	2.00	2
	PB Black Mixed	0.75	1
	PC Black Nigerian	8.00	8
	PD Black British	1.00	1
	R Chinese	17.17	18
	S Any Other Ethnic Group	62.61	67
	SC Filipino	238.51	240
	SD Malaysian	3.00	3
	SE Other Specified	9.40	10
	Unspecified	21.52	28
	Z Not Stated	384.55	443
	Grand Total	**6783.95**	**7607**

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 2020		
	Male	**Female**
Directors and other senior managers*/**	10	5
Employees**	1622	5970

*Directors and senior managers comprises Executive Directors and Non-Executive Directors in post at 31 March 2021 as disclosed in the Remuneration Report.
**The figures represent the actual number of people working in the Organisations.

Staff Turnover

Full details can be found at:- NHS workforce statistics - NHS Digital

Sickness Absence

Sickness has ended the year at 4.66% for the rolling twelve month period (April to March) which is above the Trust target of 4% and adverse when compared to the same result last year which was 5.41%.

A physically and mentally healthy workforce is essential to provide the best care for our patients. The focus for the Staff Health and Wellbeing for the next five years is around the preventative agenda, as well as managing health issues in the workforce. The ageing workforce is one area of attention with measures being put in place to support older workers in their chosen professions, or supporting them to find alternative professions if this is not possible. The programme includes new ways of accessing information about menopause and access to an array of apps to help with mental and physical health.

Occupational Health continues to support all staff. The team has had a couple of new additions over the last year. There is now a mental health nurse and a Trainee Associate Psychological Practitioner. The latter post is brand new within Occupational Health and works between OH and Clinical Psychology to support staff.

There are a number of other personal development sessions that staff can access such as stress management and resilience, mindfulness and improved sleep. All of the programmes that have been run previously are continuing, with new programmes being added all of the time.

Interventions in Place

Employee Assistance Programme
The Trust has an Employee Assistance Programme (EAP) that all staff can access. This is an employee benefit that is designed to help staff deal with any personal or professional problems which could be impacting on their general health and well-being. The service operates 24/7 across the whole year and provides counselling, bereavement support; legal and financial advice.

Flu Campaign
The Trust supports its staff with the annual flu campaign, which is launched in October and runs until February. The Trust also supports all testing and vaccinating programmes relating to Covid-19.

Health Check Events
The Health and Wellbeing team offer regular health check events for staff, including BMI, cholesterol and blood pressure checks. These health check appointments are run as individual appointments within the Occupational Health department and as promotional events throughout the calendar year. Other annual events and promotions are being held, in-line with the WHO health calendar, such as world hepatitis day and world sleep day.

Musculoskeletal Awareness
The physiotherapist service continues within Occupational Health with the support of the Moving and Handling Advisor. As well as delivering training, the Advisor looks at incidents and 'hot spots' around the Trust so that advice can be given and risk assessments undertaken so as to prevent further issues. The Advisor also carries out Display Screen Equipment assessments so that we can a) ensure any potential problems are highlighted before they become issues and b) any staff who do need adjustments within the workplace get the right equipment for their need. The Moving and Handling advisor is also involved in the purchase of any new equipment relating to moving and handling patients. This has led to new, innovative equipment being purchased within the Trust.

Resilience Training
The portfolio of training courses for staff is being developed along the brain-based leadership model, and includes stress management and resilience training for all staff. The training is being taken to a multi-platform delivery model, with face to face and webinar training available. The Organisational Development team have established programmes, and bespoke courses depending on need.

The Well Team
The Well team have become an integral part of the Engagement Team within HR and OD. The team coordinates the health check events and organises other activities for staff to take part in. This includes pilates, yoga and fun runs. There is a newsletter produced by the Health and Wellbeing team that details all of the offers available for staff. This also includes a monthly health and wellbeing calendar for staff to follow. There is a Wellbeing Directory that includes all of the detail of support in and out of the Trust. This includes, but is not restricted to, the following:

Staff H&W
Enhanced Employee Assistance Programme (EAP)
Local Bereavement support
Local listening services
Decompression support
Access to HWB rooms/ spaces
Local intranet support
Support for higher risk staff
HWB within induction
Access to resilience coaching
24/7 access to faith rooms
Enhanced chaplaincy/ faith support
Recovery phase HWB package
Plans for psychological intervention
Psychological support for families

H&W initiatives
Team Time
Asset 19
Health and Wellbeing newsletter and calendar
Health and Wellbeing Conversations
Wellbeing and Engagement champions
Workforce Trauma Support training
National campaigns to raise awareness
Frazzle cafes
Mindfulness training
Coaching
Mediation
Resilience training
Mental Health First Aiders
Wellbeing apps
Links to community Mental Health servcies
Links to National Mental Wellbeing helplines
Wellbeing Directory
Occupational Health support -counselling, hypnotherapy, CBT, MSK

Overall Trust Sickness Absence Rates	
Year	**Sickness Absence Results**
2014/15	4.47%
2015/16	4.25%
2016/17	4.78%
2017/18	4.67%
2018/19	4.90%
2019/20	5.41%
2020/21	4.66%

The table below details sickness absence data for Blackpool Teaching Hospitals Foundation Trust (BTH) and also a national average. The figures given are for the 2020 calendar year.

Statistics Produced by NHS Digital*/Department of Health (**based on Jan-Dec 2020)					
National Average of 12 Months (Jan-Dec 2020)* **	**National Average for last available quarter of 2020 (Oct-Dec)** **	**BTH Average FTE 2020 ** **	**BTH FTE-Days Available * **	**BTH FTE-Days Lost to Sickness Absence* **	**BTH Average Sick Days per FTE ** **
4.68%	4.84%	6,379	2,328,335	168,008	26.34
*based on figures converted by DH to best estimates of required data items ** based on statistics published by NHS Digital from ESR Data Warehouse ***this is the latest annual figure available. NHS Digital will not publish the full 2020 calendar year figure until May 2021.					

Further information is published by NHS Digital and can be accessed via the link below:-

https://digital.nhs.uk/data-and-information/publications/statistical/nhs-sickness-absence-rates

Promoting Equality and Diversity

Equality Diversity and Inclusion (ED&I) 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 (PSED) 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 a Lancashire based Deaf association to improve awareness, understanding and communications;
- Working with HealthWatch Lancashire and HealthWatch Blackpool;
- Working with local LGBTQ+ organisations to improve awareness and understanding of the needs for this group of people;
- Further improve the Trust's work around the Accessible Information Standard;
- Dementia Project to assist patients with Dementia during their stay on award;
- Reviewing mechanisms to support patients in hospital with a learning difficulty by having LD Passports;
- Introduced the use of the Sunflower Lanyard for people with hidden disabilities;
- Dedicated lead LD Nurse to progress the Trust's LD
- Purchased license for Photosymbol to create Easy Read documents/leaflets for patients with a LD;
- Mental Health First Aiders to be trained to support staff;
- 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;
- Disability Confident Scheme – Employer level achieved and working towards Leader level;
- Signed the Step into Health scheme to assist ex-military gain work experience in the NHS;
- Working with the MoD Career Transformation Programme team to assist ex-military;
- Achieved the Silver Award of the NHS Employers and MoD Employers Recognition Scheme;
- Working towards achieving Gold Award for the Employee Recognition Scheme in 2021;
- Closer partnership working with CCG's, Councils and third party organisations;
- Awarded the NHS Veteran Hospital Scheme for supporting Veterans and Reservists working in the Trust;
- Working on a passport for Veterans;
- Additional support for staff during Covid-19 including: Wobble Rooms, Mental Health support; Risk Assessments for all staff (see Sickness Absence section for full list).

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 (AIS), introduced in July 2016. A proposal is going to the Board of Directors to implement a new system which will allow for written communications in extended various formats to fully meet the requirements of the AIS. The new Patient Administration System (PAS) will further assist the Trust in meeting these standards.

The Trust's current Equality Objectives are:

- Improve accessibility and information, and deliver the right services that are targeted, useful and useable and in order to improve patient experience;
- Improve recruitment and selection across all staffs groups to create a more diverse workforce.

The objectives are monitored by the Trust's Equality Diversity and Inclusion Implementation (ED&II) Group. Following the outcome of the last Equality Delivery System2 (EDS2) public consultation and

engagement event, which has been postponed due to the Covid-19 pandemic, these objectives will be reviewed at the next EDS2 event.. By maintaining the two equality objectives it provides the ideal opportunity for the Trust to further improve in these areas. EDS2 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 was due to hold its Equality Delivery System 2 (EDS2) public consultation and engagement event in March 2020, but due to the Covid-19 pandemic the event was cancelled. The EDS2 event for 2021 is due on the 19 March. As there was no event in 2020, the Trust is still working with 2019 report which identified:

- Further evidence was required in relation to work carried out with community teams;
- To improve service user involvement in policy development;
- Disability Awareness training
- Visual Impairment Awareness training;
- Trans Gender Awareness 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 (E&D) is part of the Trust's mandatory training programmes to maintain awareness and emphasise the importance of E&D in all aspects of employment and service provision. A review of the topics included within the training identified the need to include awareness around Gypsy Roma Travellers and Armed Forces. 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 (Disability Confident);
- 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;
- Supporting Patients who have an Assistance Dog;
- Supporting Staff who have an Assistance Dog;
- Religious and Cultural Beliefs;
- Accessible Information Policy;
- Reasonable Adjustment Guide;
- Priority Treatment for Ex-Service Personnel (inc. Veterans) with Service Related Health Conditions.
- Reserve Forces Training and Mobilisation Policy

The Trust has a 'Creating a Diverse Workforce Policy' for supporting staff with a disability. This policy applies to all staff employed under a contract of service by Blackpool Teaching Hospitals, NHS Foundation Trust.

The Recruitment Team advise managers on the implementation of this policy and should be involved with the recruiting manager when it is known there is an applicant with a disability for a vacancy.

When an applicant advises the Trust that they have additional needs, the Manager responsible for the recruitment investigates and implements as fully as possible reasonable adjustments, taking advice from:

- The person with the disability
- The Workforce Advisory Team
- Occupational Health
- Health and Safety representatives
- Access to work
- The Equality and Diversity Lead

For any hidden disability or long term health condition evidence of need might be requested prior to undertaking adjustments (such as medical confirmation or an Educational Psychologist's report in the case of Dyslexia or other learning difficulty).

The Trust has also achieved the Disability Confident Employer Level of the scheme, which encompasses the previous Two Ticks and Mindful Employer schemes plus the Guaranteed Interview process. Adjustments are made at the stage interview to ensure interviewees are not disadvantaged in any way by considering different interview processes.

The Trust will not discriminate against a person with a disability whom it employs:

- in the terms of employment afforded to the employee,
- the opportunities afforded for promotion, development or receiving any other benefit or by refusing to afford any such opportunity,
- by ensuring that policies and procedures are legally compliant.

The above is also followed should an employee become disabled during their employment with the Trust. Where an employee has become disabled, or has a disability which has worsened, the Trust will actively explore the potential for retention in their existing employment field. Alternatively the Trust and employee may consider alternative types of employment with or without reasonable adjustment.

The Trust introduced a Health & Wellbeing Passport last year that can be used for any member of staff who feels that they may need some additional support at work, for example a member of staff with a disability or long term health condition.

Gender Pay Gap

Background

The Government introduced legislation that made it a statutory requirement for public organisations to report annually on their gender pay gap, further information can be found at:- https://gender-pay-gap.service.gov.uk/. As a Public Sector organisation, the Trust is covered by the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017, which came into force on 31st March 2017. The Trust's Gender Pay Gap report published in March 2021 (based on 2020 figures) shows the median pay gap as 8.2% an increase compared with the March 2019 report (based on 2018 figures) which shows the median had increased by 3.3%. The Trust's figures are now above the national figure of 7.4% (ONS).

This year's figure (based on 2020 figures) shows an increase of 3.3% to 8.2% from last year which takes the Trust above the national figure of 7.4% for the first time since reporting began. Since reporting began there has been a decrease albeit small in the 'average gender pay gap as a mean' from 25.9% in 2017 to 24.2% in the current report. For the 'average pay gap as a median average' the Trust recorded slight increases from 4% in 2018 and 4.92% in 2019. In the current report the 'average pay gap' has increased from 4.92% in 2019 to 8.2% in 2020.

The staff group identified as receiving a 'bonus' are Medical and Dental staff. This group has 498 staff that are predominantly male however, this year's mean average of 30.94% (an increase of 26.04%) indicates that more males than females in this group have been awarded Clinical Excellence Awards than the previous year. The median figure of 50% (an increase of 38.58%) again shows a larger disparity with more males than females receiving a bonus.

Gender pay gap reports are published on the Trust's website. The gender pay gap shows the difference in average pay between all men and women in the workforce. The gender pay gap is different from equal pay. Equal pay deals with the pay differences between men and women who carry out the same jobs, similar jobs or work of equal value.

Current Position

There are three types of salaries at the Trust; Very Senior Managers (VSM), Medical and Dental (M&D) and Agenda for Change (AfC).

The majority of the workforce is employed under AfC terms and conditions, with the salaries decided by a job evaluation scheme. The AfC process evaluates the job and not the post holder and makes no reference to gender or any other personal characteristics of existing or potential job holders.

M&D salaries are decided by the Department of Health and evaluate the level, knowledge and skills as well as the responsibility of the post/grade.

VSM salaries are negotiated annually and recommendations made by NHS Improvement and NHS England, which are then agreed by the Trust's own Remuneration Committee, there is no reference to gender or other personal characteristics of existing or potential job holders.

The Trust has a 8.2% gender pay gap which for the first time is above the national average of 7.4%.

Modern Slavery Act 2015

We acknowledge and are committed to the Governments objective to eradicate modern slavery and human trafficking.

We have a significant role, not only in supporting victims of modern slavery and human trafficking, but to raise awareness across all our services and ensure appropriately and timely interventions.
We are fully committed to our safeguarding responsibilities towards children and adults who access our services, but also to our employees and local communities.

We are guided by a strict set of ethical values in all of our business dealings and expect our suppliers (i.e. all companies we do business with) to adhere to these same principles.

We have zero tolerance for slavery and human trafficking. Staff are expected to report concerns about slavery and human trafficking and to act upon these concerns in accordance with our policies and procedures. The Trust's Modern Slavery Statement can be found on the Trust's website (https://www.bfwh.nhs.uk/modern-slavery-statement/)

Staff Communication on Matters of Concern and Performance

The Trust has continued working with staff to communicate and engage on our Strategic Vision and our ambitions and has used the appraisal process as the main vehicle to do this.

Training is provided to both managers and employees to help them link their own performance objectives with the achievement of Trust ambitions.

Delivery of the Trust's vision and ambitions has been embedded into the 'Senior Collaborative Leadership' Development Programme. This programme is attended by senior clinical and non-clinical leaders who have been identified through the Trust's succession planning process. New managers also have the opportunity to take part in a development day which focuses on topics such as staff engagement and publicise the Freedom To Speak Up Service.

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 such as Weekly News, its extensive links with the local media and its increasing use of social media. There has also been a continued increase in the use of video technology to get over messages to staff and to the general public.

This year has a major increase in the use of social media with more than 11,000 followers on Twitter and an ever growing audience on Facebook and Instagram. The team also has the use of a its Staff App which has now been rolled out across the organisation. The App now has more than 6,000 staff members signed up to it and has become a vital way of distributing information from the Trust to staff.

There has been a growing emphasis on recognising the work of staff and rewarding them for their commitment and loyalty. The 'Going the Extra Mile' recognition scheme was launched and more 3,000 staff have been recognised and thanked for their contribution.

Freedom to Speak Up Service

The Trust formally launched its Freedom to Speak Up Service in 2017. To strengthen the service there has been a joint approach with East Lancashire NHS Trust and Jane Butcher has been appointed at the Interim Freedom to Speak Up Guardian and will be supported by a Deputy Freedom to Speak up guardian with support from, Kevin Moynes, Executive Lead, and Sheena Bedi, Non-Executive Lead. The need to establish a national Freedom to Speak Up Guardian was identified as part of the Francis Review

findings in 2015 where it identified that patients could be at risk of harm because concerns were not being raised routinely by NHS staff.

Since launching the Service, over 300 concerns have been raised by colleagues and volunteers working across the Trust and Community Sites. The Guardian continues to promote the Service at inductions and across Divisions and is also the appointed Freedom to Speak Up Guardian for Trinity Hospice and Brian House. The Service continues to develop embedding a culture of speaking up and key learning across the Trust and working in line with National Guidance from the National Guardian's Office.

Health and Safety Performance

The dedication to the delivery of a safe environment continues to be a critical factor to the delivery of the highest possible standards of clinical care and our Trust remains committed to improving its environment and sense of overall personal security for those who access our services and for those who provide those services.

The Trust has a focus on the requirement for effective leadership and the Director of Nursing, AHPs, and Quality as the nominated Security Management Director (SMD), together with the Trust's Local Security Management Specialist (LSMS), worked throughout 2020/21 towards providing the Trust's security priorities to give the assurance that the Trust has a proficient, competent and capable security provision.

The Trust's CCTV/Body Cameras continue to provide both a deterrent and detection of crime, by increasing the probability of any persons committing any criminal offence being caught.

One of the key areas of work for the Trust is working to reduce violence against NHS staff and a key part of this is to constantly measure the scale of the problem. Again this year the Trust continues to work in partnership with other agencies and organisations, such as Lancashire Police and the Local authority to try to reduce aggressive incidents against staff.

All staff are encouraged to report any security incidents, including risks around the protection of the Trust's property assets to enable improvements to be driven forward; helping to deliver an environment that is safe and secure for both patients, staff, and visitors through action planning, risk assessment and ongoing monitoring.

The Trust has taken the approach of identifying gaps and risks associated with any of the Health & Safety regulations, which benefits the Trust in gaining a wider picture of Health & Safety compliance. This is reflected in the diversity of our achievements this year. Our Health & Safety Officers regularly assist staff with Displayed Screen Equipment (DSE) assessments, Control of Substances Hazardous to Health (COSHH), Pregnancy, and building, environmental, fire and workplace risk assessments.

The Trust is compliant with the Reporting of Injuries Diseases and Dangerous Occurrences, Regulations 2013, (RIDDOR). All RIDDOR incidents are investigated within reporting timeframes. RIDDOR reportable incidents for 1 April 2020 to 31 March 2021 shows the Trust reported three patients, 22 staff, one contractor and 0 (nil) visitor RIDDORs; from these one contractor and three staff incidents were reported as a dangerous occurrence and all related to sharps/splash incidents.

The Health and Safety team continues to work towards providing a Trust-wide risk profile, ensuring a safe site, safe plant and equipment for our staff and service users.

Table of Number of Verbal/Aggressive Incidents

No. of Violent / Abusive Incidents	2019/20	2020/21	%
Verbal	320	277	-13.4%
Physical	206	240	+16.5%

Counter Fraud, Bribery and Corruption

NHS Counter Fraud Authority (NHS CFA) is a special health authority that provides the framework to minimise losses through fraud. The Trust's local policy complements the national and regional initiatives and sets out the rationale for reporting alleged fraudulent activity and ultimately eliminating fraud in the NHS.

The Interim 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 also appointed a counter fraud "Champion", to support the Trust's delivery of the Counter Fraud Strategic Plan. The Trust has invested in a full time "in house" LCFS who has developed a counter fraud work plan that is risk based and aims to proactively reduce fraud and enhance an anti-fraud culture, whilst simultaneously supporting 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, regulatory bodies, UK Visas and Immigration, 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 assessmen, which is monitored by NHS CFA and reviewed at a local level, to ensure existing controls continue to mitigate the risk of fraud, bribery and corruption.

NHS CFA promotes the Trust's counter fraud provision is delivered in accordance to the "NHS CFA Strategy 2020-2023".

The Trust's counter fraud, bribery and corruption work is aligned to the NHS CFA counter fraud, bribery and corruption strategy. This document explains how NHS CFA intends to use their resources and commitment in the fight against NHS fraud.

The Trust's counter fraud work plan and resource allocation are aligned to the objectives of the CFA strategy document and locally identified risks.

Staff Engagement

High staff engagement remains the lifeblood of our organisation. Strong engagement scores are associated with lower patient mortality and higher levels of staff empathy, compassion and patient satisfaction. This year, the National Staff Survey results showed that the Trust has retained an overall engagement score of 7.1/10 (the national average is 7.0.) It is worth highlighting that there is no national target as such for engagement levels; rather the score reflects the impact of our ongoing dialogue with staff.

The National Staff Survey also reports on three key engagement indicators: advocacy, involvement and motivation. Staff advocacy of care has noticeably improved year on year, while involvement and motivation scores have decreased; potentially due to the effects of the pandemic on staff. This data frames our actions for improvement (see below.)

Staff voice remains at the core of our engagement strategy; with forums such as “Great Place to Work” and “Big Conversations” scheduled to re-launch in spring 2021 following an enforced hiatus due to the pandemic. Wellbeing and Engagement champions have recently been recruited to promote staff voice at a team level.

Reward and recognition remain vitally important; the Trust unveiled a staff gratitude rainbow in 2020 and will shortly be launching Employee of the Month and Thankful Thursday. Plans for an engagement wall are being made for later in the year while our Long Service Awards recognise the dedication and commitment of our longer serving staff. The GEM recognition scheme remains both popular and impactful and peer to peer “Thank you” Cards have been introduced to encourage staff to express their appreciation of each other (which is linked to higher levels of wellbeing.)

Our commitment to communicate extends to an ongoing project to install digital screens throughout the Trust to engage with staff at every touchpoint of the employee lifecycle while senior executives are engaging with staff via the relaunched “Back to the floor” programme.

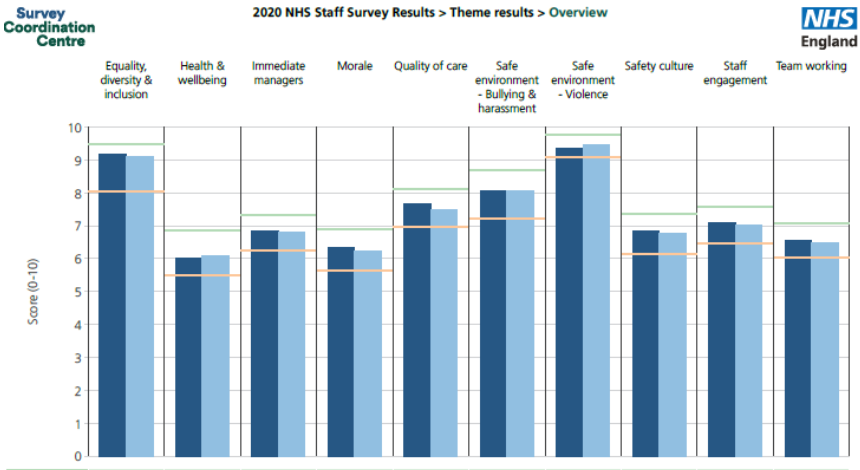
Our actions for improvement will be drawn from the National Staff Survey and we will continue to focus on the key priorities contained within the plan:

- **Recognition** (the extent to which staff receive recognition and perceive their contributions are valued)
- **Influence** (the extent to which staff are involved in wider decisions that may impact on them
- **Personal Development** (the extent to which staff perceive opportunities for personal growth).

NHS National Staff Survey

The NHS staff survey is conducted annually. The results from questions are grouped to give scores in ten indicators. The indicator scores are based on a score out of 10 for certain questions with the indicator score being the average of those.

The response rate to the 2020 survey among Trust staff was 49.5% (2019: 47%). Scores for each indicator together with that of the survey benchmarking group (Combined Acute & Community Trusts) are presented below:



	Equality, diversity & inclusion	Health & wellbeing	Immediate managers	Morale	Quality of care	Safe environment - Bullying & harassment	Safe environment - Violence	Safety culture	Staff engagement	Team working
Best	9.5	6.9	7.3	6.9	8.1	8.7	9.8	7.4	7.6	7.1
Your org	9.2	6.0	6.8	6.3	7.7	8.1	9.3	6.8	7.1	6.6
Average	9.1	6.1	6.8	6.2	7.5	8.1	9.5	6.8	7.0	6.5
Worst	8.1	5.5	6.2	5.6	7.0	7.2	9.1	6.1	6.4	6.0
Responses	3,472	3,478	3,489	3,432	3,126	3,364	3,470	3,457	3,514	3,490

The Trust’s best and worst scores from the benchmarking group are presented below:-

	Top 5 scores (compared to average)
70%	Q16d. Staff given feedback about changes made in response to reported errors/near misses/incidents
75%	Q12d. Last experience of physical violence reported
65%	Q4f. Have adequate materials, supplies and equipment to do my work
61%	Q19b. I am unlikely to look for a job at a new organisation in the next 12 months
51%	Q10c. Don't work any additional unpaid hours per week for this organisation, over and above contracted hours

	Bottom 5 scores (compared to average)
60%	Q10b. Don't work any additional paid hours per week for this organisation, over and above contracted hours
81%	Q12a. Not experienced physical violence from patients/service users, their relatives or other members of the public
70%	Q18d. If friend/relative needed treatment would be happy with standard of care provided by organisation
53%	Q11c. In last 12 months, have not felt unwell due to work related stress
49%	Q11d. In last 3 months, have not come to work when not feeling well enough to perform duties

Commentary

The response rate has again improved. 7,169 staff were eligible to complete the survey and 3,548 staff (49.5%) returned their completed questionnaire; an increase of 2.5% from the previous year's response rate. It is noteworthy that the Trust's response rate has significantly increased by 15% over the past three years.

Three of the ten National Staff Survey indicators scored significantly higher than last year: Health and Wellbeing, Safe Environment (Bullying and Harassment) and Safety Culture, while the Trust has maintained scores in seven themes: Equality, Diversity and Inclusion, Immediate Managers, Morale, Quality of Care, Safe Environment (Violence), Staff Engagement and Team Working. No themes have deteriorated.

The Trust's areas of improvement and deterioration from the 2018 survey are presented below:

	Most improved from last survey
65%	Q4f. Have adequate materials, supplies and equipment to do my work
49%	Q11d. In last 3 months, have not come to work when not feeling well enough to perform duties
70%	Q18d. If friend/relative needed treatment would be happy with standard of care provided by organisation
38%	Q4g. Enough staff at organisation to do my job properly
68%	Q18c. Would recommend organisation as place to work

	Least improved from last survey
53%	Q11c. In last 12 months, have not felt unwell due to work related stress
59%	Q2a. Often/always look forward to going to work
75%	Q2b. Often/always enthusiastic about my job
72%	Q8g. Immediate manager values my work
59%	Q4i. Team members often meet to discuss the team's effectiveness

Summary of Performance

Although the survey has identified some areas for improvement; no significant areas of concern were found. In comparison with other Combined Acute & Community Trusts; out of 75 questions the Trust performed significantly better in 21 responses, and significantly worse in 10 responses.

The addition of 4, Covid related questions provides insight into how the pandemic has altered the shape of our workforce. 35% of respondents have worked on a covid ward, 11% have been redeployed, 31.1% have been required to work from home while 8.6% have been shielding.

Future Priorities and Targets

Detailed analysis is being undertaken by division and occupational groups to identify particular areas for focus and decide how best the data can be translated into a divisional action plan that delivers meaningful change. Big Conversation sessions will be arranged once the new divisional structures are in place and staff voice will be integral to identifying focal areas for improvement. Divisional managers, supported by HR colleagues, will utilise this feedback and staff survey data to develop annual action plans with progress regularly reported through the Employee Engagement Sponsor Group (EESG) chaired by the Chief Executive.

A corporate improvement plan has been developed for the key themes overall arising from the staff survey. These themes have been integrated into the Great Place to Work improvement action plan. This plan continues to be monitored quarterly at the EESG, alongside divisional plans. A communication plan is currently being developed to provide feedback to staff on the outcome of the staff survey in respect of a 'Together We Did' which will be aligned to the Workforce Transformation Strategy.

Trade Union Facility Time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 implements the requirement for the Trust to report annually on paid time off provided to trade union representatives directly for trade union duties and activities.

- **Blackpool Teaching Hospitals NHS Foundation Trust**
  1 April 2019 to 31 March 2020

- **Employees in your organisation**
  5,001 to 9,999 employees

- **Trade union representatives and full-time equivalents**
  Trade union representatives: 67
  FTE trade union representatives: 67

- **Percentage of working hours spent on facility time**
  0% of working hours: 39 representatives
  1 to 50% of working hours: 24 representatives
  51 to 99% of working hours: 3 representatives
  100% of working hours: 1 representative

- **Total pay bill and facility time costs**
  Total pay bill: £333241000.00
  Total cost of facility time: £105217.69
  Percentage of pay spent on facility time: 0.03%

- **Paid trade union activities**
  Hours spent on paid facility time: 5253
  Hours spent on paid trade union activities: 205.5
  Percentage of total paid facility time hours spent on paid TU activities: 3.91%

Expenditure on Consultancy

During 2020/21, the Trust incurred £3.147m on external consultancy costs (2019/20: £3.126m).

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.

Table 1: Highly paid off-payroll engagements as of 31 March 2021, earning £245 per day or greater	
Number of existing engagements as of 31st March 2021	0
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	0
Number that have existed for between two and three years at time of reporting	0
Number that have existed for between three and four years at time of Reporting	0
Number that have existed for four or more years at time of reporting	0

Table 2: All highly paid off-payroll workers engaged at any point during the year ended 31 March 2021, earning £245 per day or greater	
Number of off-payroll workers engaged during the year ended 31 March 2021	2
Of which:	
Not subject to off-payroll legislation *	0
Subject to off-payroll legislation and determined as in-scope of IR35 *	2
Subject to off-payroll legislation and determined as out-of-scope of IR35 *	0
Number of engagements reassessed for compliance or assurance purposes during the year	0
Of which: number of engagements that saw a change to IR35 status following review	0

*A worker that provides their services through their own limited company or another type of intermediary to the client will be subject to off-payroll legislation and the Trust must undertake an assessment to determine whether that worker is in-scope of Intermediaries legislation (IR35) or out-of-scope for tax purposes.

Table 3: For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2020 and 31 March 2021	
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.	20

Exit Packages

(This section has been subject to audit)

During the year, the Trust approved one exit packages (19/20: Nil). 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 31 March 2021. (2019/20 comparatives are 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	1	(0)	0	(0)	1	(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	1	(0)	0	(0)	**1**	**(0)**
	£000		£000		**£000**	
Total resource cost - 2020/21	11		0		**11**	
Total resource cost - 2019/20	0		0		**0**	

Exit packages: Non-compulsory departure payments	**2020/21**		2019/20	
	Agreements	**Value**	**Agreements**	**Agreements**
	Number	**£000**	**Number**	**Number**
Voluntary redundancies including early retirement contractual costs	**0**	**0**	**0**	**0**
Mutually agreed resignations (MARS) contractual costs	**0**	**0**	0	0
Contractual payments in lieu of notice	**0**	**0**	0	0
Exit payments following employment tribunals or court orders	**0**	**0**	**0**	**0**
Non-contractual payments requiring HMT approval	**0**	**0**	**0**	**0**
Total	**0**	**0**	**0**	**0**
Of which: Non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months of their annual salary	**0**	**0**	**0**	**0**

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

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 Governance Department has undertaken a review of the Trust's performance against the NHS Foundation Trust Code of Governance on the "comply" or "explain" basis. The Trust has undertaken a self-assessment in which the Trust complied with the provisions.

NHS Oversight Framework

For detailed information on this section please refer to the Financial Performance Review section on page 36.

Statement of Accounting Officer's Responsibilities

For detailed information on this section please refer Annex D on page 99.

Annual Governance Statement

For detailed information on this section please refer to Annex E on page 101.

Disclosure of Public Interest

The Trust has not held any public consultations between 1 April 2020 and 31 March 2021.

Disclosures from the Audit Committee

Foreword

The last year was an incredibly challenging year due to the COVID-19 pandemic, and the internal and external audit findings for the year need to be considered in the context that the Trust, like other organisations across the NHS, is facing a number of challenging issues and wider organisational factors particularly with regards to the ongoing pandemic response and the recovery. The COVID-19 pandemic led to changes to the NHS financial framework, the establishment of the control and command structures both regionally and within individual organisations and an ongoing focus on the emergency response. This has required NHS organisations to operate in a different way to previous 'business as usual' practice.

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 considers reports from the Trust's Executive Directors, Non-Executive Directors and the Internal and External Auditors and provides assurance reports 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 Report and Financial and Quality Accounts and the related External Auditor's Reports. It also reviews the Annual Governance Statement prepared by the Chief Executive in his role as the Accountable Officer.

The Committee has the oversight of risk management and provides assurance to the Board of Directors, whilst gaining assurance on the implementation of the Trust Strategy and associated transformation through the assurance reporting from Committee Chair's.

During 2020/21, the Committee has been chaired by Mr Mark Cullinan, who joined the Trust in July 2016. The Board considers Mr Cullinan to have the relevant experience as a Fellow of the Chartered Management Institute (FCMI). Mr Cullinan has extensive experience of strategic and operational

leadership in a range of Local Authority and housing roles; holding the Chief Executive position at Lancaster City Council.

The Committee's membership consists of three Non-Executive Directors (NEDs). In addition to the Committee members, standing invitations are also extended to the Director of Finance, External and Internal Audit representatives, the Local Counter Fraud Specialist and the Director of Corporate Governance. 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 matters involving the Annual Governance Statement, Draft Internal Audit Plan and Annual Report and Accounts.

The Committee has met on six occasions during the year ended 31 March 2021. 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.

The work of the Committee has been affected by the pandemic and the assurance framework has been delivered in a limited way with a number of internal audits being affected by the inability of the auditors to attend onsite, the in year change of the internal and external audit provider and the streamlining of the Board Committee structures in line with the pandemic response which has in turn has changed the assurance processes.

The Remit of the Internal and External Auditors

Internal Audit

KPMG has provided the Trust's internal audit service since 1 October 2012. The core members of the Internal Audit Team are the Head of Internal Audit and the Internal Audit 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 Association of Chartered Accountants (ACA) Association of Chartered Certified Accountants (ACCA) qualified staff.

Following a tender process in March 2021, Mersey Internal Audit Agency were appointed as the Trust's internal auditors with effect from 1 April 2021.

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

Under the terms of the contract the Internal Audit Team are required to:

- Develop an annual 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.

The initial contract term with KPMG ended on 30 September 2016. The Audit Committee agreed to extend the contract for 1 year until 30 September 2017. Subsequently, the Audit Committee had approved a further 1-year extension on 4 July 2017 until 31 March 2020 and again on 28 January 2020 until 31 March 2021.

The pandemic response by the Trust had affected the timings of the audits, and necessitated a revision to the audit plan, resulting in the completion of a number of audits at the end of the financial year.

External Audit

Following a tender process, the Council of Governors appointed Deloitte LLP as the external auditors for the Trust from 1 October 2020. In 2020/21, Deloitte LLP were paid £124,800 (including VAT) in respect of the 2020/21 statutory audit fees. Deloitte LLP were also paid £24,000 (excluding VAT) by BFW Management Ltd in respect of statutory audit on their 2020/21 Annual Accounts.

The Board maintains a policy on engaging its external auditors for the provision of non-audit services, (other than the audit of the Quality Accounts) (The Use of External Auditors for Non-Audit Services - CORP/POL/257). This policy was reviewed and approved by the Audit Committee on 23rd April 2019 and Board of Directors on 07 May 2019. This policy requires the approval of the Director of Finance to retain the Trust's External Auditors for the supply on non-audit services and report non-audit services to the Audit Committee. In 2020/21, Deloitte LLP did not provide any non-audit services to the Trust. However, Deloitte LLP provided audit services in relation the statutory audit on the BFW Management Ltd 2020/21 Annual Accounts and the statutory audit on the Charity 2020/21 Annual Accounts.

The Work of the Audit Committee in Discharging Its Responsibilities including Internal Control and Risk Management Systems

Throughout the year the Committee has received reports from both Internal and External Auditors in relation to the adequacy of the systems of internal control and also received reports on risk management, governance and fraud arrangements throughout the Trust. The contract with Deloitte to carry out external audit services ended mid-year, this has, in a way, affected the reporting schedule to the Audit Committee.

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; Governance Arrangements, Risk Management and Board Assurance Framework; Data Security and Protection Toolkit and Data Quality.

The Committee also met in private with Internal Audit and External Audit representatives on 15 June 2021 to allow discussion of matters in the absence of Executive Officers.

At its meeting on 15 June 2021 the Committee received the Head of Internal Audit Opinion.

The Committee has reviewed and considered the work of the External Auditor at its meetings in the year from 1 April 2020 to 31 March 2021 by:

In relation to 2019/20;

Considering the Trust's Annual Governance Statement for 2019/20 at the meeting held on 28 April 2020.

In relation to 2020/21;

For completeness, and even though the discussions in relation to 2020/21 were not completed until June 2021, 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 2020/21;
- Consideration of a number of accounting treatments under International Financial Reporting Standards (IFRS) and the Group Accounting Manual (GAM) and the impact thereon in relation to the Annual Accounts;
- Receiving and considering the Annual Audit Representation Letter at its meeting on 15 June 2021;
- 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 as part of or during the year:

- Review of Trust policies (Corporate Risk Register, Board Assurance Framework, Standing Financial Instructions);
- Review of the Draft Business Continuity Report;
- Consideration of Local Counter Fraud Specialist Reports and Annual Report;
- The Committee received a presentation from the Chairs of the Quality and Clinical Effectiveness Committee and the Operations Committee;
- The identification and agreement of matters for consideration by the Board
- COVID-19 Risks and Governance/Amendments to Standing Financial Instructions.
- National Cost Collection Update;

Conclusion

The Committee has continued to focus in 2020/21 on supporting the Trust's governance, risk and assurance arrangements despite the streamlined assurance framework that was implemented as a result of the response to the Covid-19 pandemic. The Committee recognises the challenges the Trust has faced this year and its continued focus was on seeking assurance on the improvements being made and processes being embedded throughout the improvement journey. 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:  Date: 15 June 2021

Mark Cullinan
Audit Committee Chair

Signed:  Date: 15 June 2021

Kevin McGee
Chief Executive

Annex A – Quality Account

Annex not required to be included in the Annual Report this year, under the National Health Service (Quality Accounts) (Amendment) (Coronavirus) Regulations 2020, but will be available on the Trust's website.

Annex B: Statement of Directors' Responsibilities in Respect Of the Quality Account

Annex no longer required under the National Health Service (Quality Accounts) (Amendment) (Coronavirus) Regulations 2020.

Annex C: External Auditor's Limited Assurance Report on the Contents of the Quality Account

Annex no longer required under the National Health Service (Quality Accounts) (Amendment) (Coronavirus) Regulations 2020.

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 NHS Act 2006 states that the Chief Executive is the Accounting Officer of the NHS Foundation Trust. The relevant responsibilities of the Accounting Officer, including their responsibility for the propriety and regularity of 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, other items of comprehensive income and cash flows for the financial year.

In preparing the accounts and overseeing of public funds, the Accounting Officer is required to comply with the requirements of the Department of Health and Social Care 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 and Social Care 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 legislation, delegated authorities and guidance
- confirm that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS foundation trust's performance, business model and strategy, and
- prepare the financial statements on a going concern basis and disclose any material uncertainties over going concern.

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 them 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.

As far as I am aware, there is no relevant audit information of which the Foundation Trust's Auditors are unaware, and I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the entity's auditors are aware of that information.

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in the NHS Foundation Trust Accounting Officer Memorandum.

Signed: Date: 15 June 2021

Chief Executive

Annex E: Annual Governance Statement

ANNUAL GOVERNANCE STATEMENT 2020/21

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.

These include:

a) Ensuring that the accounts of the Trust that are presented to the Board of Directors for approval are prepared under principles and in a format directed by the Secretary of State with the approval of the Treasury.
b) Ensuring that the accounts disclose a true and fair view of the Trust's finances.
c) Ensuring that managers at all levels have a clear view of their objectives and the means to assess achievements in relation to those objectives, have well defined responsibilities for making the best use of resources, have the training, information and access to expert advice they need to exercise their responsibilities effectively and are appraised and held to account for the responsibilities assigned to them.
d) Ensuring the Trust achieves value for money from the resources available to it, avoiding waste and extravagance in the Trust's activities.
e) Ensuring the implementation of any recommendations affecting good practice.
f) Ensuring the National Audit Office is provided with information it requests and that the Trust co-operates with external auditors in their enquiries.
g) Ensuring internal audit arrangements comply with the NHS Internal Audit Manual.
h) Ensuring prompt action is taken in response to concerns raised by internal or external audit.
i) Ensuring the Executive Director of Finance properly discharges their responsibilities for the effective and sound financial management and information and that the Trust meets the financial objectives set by the Secretary of State for Health and the assets of the Trust are properly safeguarded.
j) Ensuring that the Standards of Business Conduct and Code of Confidentiality policies are promoted and observed by staff. (http://fcsp.xfyldecoast.nhs.uk/trustdocuments/Documents/CORP-POL-358.pdf http://fcsp.xfyldecoast.nhs.uk/trustdocuments/Documents/CORP-POL-107.docx)
k) Ensuring appropriate advice is tendered to the Board of Directors is required on all matters of financial probity and regularity and all considerations of prudent and economical administration, efficiency and effectiveness.
l) Ensuring that the appropriate action is taken if the Board of Directors or Chairman contemplates a course of action which I consider would infringe the requirements of propriety and regularity or adversely affect my responsibility for obtaining value for money from the Trust's resources.

As Accountable Officer I have fulfilled these duties by:

a) Continuing to review and realign the responsibilities of the Executive Directors
b) Maintaining the Board of Directors' focus, through my Chief Executive Report and the Integrated Performance Report, on actions taken to address any areas of slippage on performance and advise the Board of emergent national and regional priorities.

c) Ensuring there is effective partnership between the Trust and the wider health economy and beyond and establishing processes to ensure that I and the senior management team have effective working relationships with our partner organisations within the Integrated Care Partnership (ICP) and Integrated Care System (ICS), the Care Quality Commission, local commissioners and social care providers, local and regional education partners, local councils and MPs, other NHS providers including Trusts and GPs and the public. I am also the In-Hospital Cell leader for the ICS.
d) Attendance at Chief Executive Forums and other appropriate local, regional and national conferences.
e) Attendance and pro-active participation at the meetings in relation to the Fylde Coast Integrated Care Partnership the Lancashire and South Cumbria ICS and the Provider Collaborative Board.

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 Hospitals NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Blackpool Teaching Hospitals NHS Foundation Trust for the year ended 31 March 2021 and up to the date of approval of the annual report and accounts.

3. Capacity to Handle Risk

As Accountable Officer, the Chief Executive has overall accountability and responsibility for ensuring that there are effective risk management and integrated systems in place within the Trust, and for meeting all statutory requirements and adhering to guidance issued by NHS Improvement.

The Trust has a Risk Assurance Meeting (RAM), which holds the Divisions to account for the management of risk within their areas of responsibility. The Committee's remit is to ensure that the Risk Management Policy is implemented, and the correct processes are adopted for managing risk; controls are present and effective; and action plans are robust for those risks which remain.

The Board Committees monitor and review the Board Assurance Framework to ensure it is effective and report to the Board of Directors on the assurances. The Trust Board is responsible for monitoring the overall programme for management of risk across the organisation and its activities and decides the risk appetite of the Trust. The Board of Directors sets the strategic direction of the Trust and receives regular reports on the performance of the Trust in meeting its objectives. The Board recognises that its long-term sustainability depends upon the delivery of its strategic objectives, within these agreed parameters and also that the relationship with staff, patients, contractors and the public and stakeholders is key to the Trust's success. As such, Blackpool Teaching Hospitals NHS Foundation Trust, upholds a duty of care to ensure that Health and Safety is not compromised and as such, the Trust will not accept risks that result in a negative impact on Health and Safety. However, within regulatory constraints, the Trust has a greater appetite to take considered risks to pursue innovation and challenge and take opportunities where positive gains can be anticipated regarding organisational issues.

All committees have risk management responsibilities reporting into the Audit Committee and the Board of Directors. Some aspects of risk are delegated to the senior managers of the Trust.
The Chief Executive is responsible for 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 Interim Executive Director of Finance is responsible for financial risk, capital programme management and the effective co-ordination of financial controls. They are responsible for ensuring that the Trust carries out its business of providing healthcare within sound financial governance arrangements that are controlled and monitored through robust audit and accounting mechanisms that are open to public scrutiny on an annual basis.

The Deputy Chief Executive/Executive Director of Strategic Planning is responsible for monitoring performance, business intelligence, informatics and estate management including facilities management. The Executive Director of Nursing, Allied Health Professionals and Quality is the professional lead for nurses, midwives, health visitors and allied health professionals and responsible for safeguarding and patient experience, health and safety and has an additional specific responsibility as the Security Management Director within the Trust.

The Executive Director of Nursing, Allied Health Professionals and Quality and the Medical Director have a shared responsibility for clinical risk management.

They are supported by the members of the Executive Team in providing leadership to the risk management process. Executive Directors are lead directors for the strategic risks on the Board Assurance Framework. In this way the senior leaders in the organisation have an operational and strategic oversight of the key risks to achieving the Trust's strategic objectives. Each area of risk is mapped to the Care Quality Commission's Core Outcomes and risks contained in the Corporate Risk Register. The Board of Directors receives regular updates on recommended changes to the Board Assurance Framework taking into account the progress of mitigation plans, positive assurances received since the last report to the Board of Directors, and gaps in assurance identified in the period. In addition, two of the Board Committees (Quality and Clinical Effectiveness Committee and Operations Committee) continue to undertake deep dives of the risks on the Board Assurance Framework at each meeting.
The Executive Medical Director is the professional lead for all Doctors. He is also the Caldicott Guardian, the Director of Infection Prevention Control, and oversees the medical education training and research and development.

The Executive Medical Director, as Responsible Officer, reports directly to the Chief Executive Officer. The Executive Medical Director has oversight of the systems and processes to ensure there is strong clinical education across the whole of the organisation, that medical revalidation arrangements are robust and effective and that the professional standards required of our medical staff are met, addressing any shortcomings effectively within the guidance issued by the General Medical Council. As the Trust's Caldicott Guardian, he is the senior person responsible for protecting the confidentiality of patient and service-user information and enabling appropriate information-sharing.

The Executive Director of Operations (Planned Care) and the Executive Director of Operations (Unscheduled Care) are responsible for the operational key performance indicators, monitoring performance and reporting to the Board of Directors. In addition, the Executive Director of Operations (Planned Care) is the responsible officer for Emergency Planning, Resilience and Response.
The Joint Executive Director of Human Resources and Organisational Development is responsible for management of risks within his areas of operational responsibility, especially those risks associated with health and wellbeing, bullying and harassment. They are responsible for ensuring provision of employment services across the Trust and ensuring that there is a systematic approach to managing the risks of employment checks and professional clinical registration.

The Director of Corporate Governance works closely with the Executive Team and the Board of Directors to continue the work commenced in 2019/20 to further strengthen the corporate governance function.
All Deputy Directors, Divisional Directors, Heads of Departments, Associate Directors of Nursing, and ward/departmental managers have delegated responsibility for the management of risk in their areas and it is integral to their day-to-day management responsibilities. It is also a requirement that each of the Trust's divisions produce 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 part of the unitary 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 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. This is achieved by Governors attending Board Committees and the Board of Director meetings held in public and the meetings of the Council of Governors.

The Trust supports the whole workforce to ensure they are appropriately trained and equipped to manage risk relevant to their role and requirements. Under normal circumstances, all staff are required to complete Core Skills Training (CST) and any essential to role training identified by their line manager. All

managers have access to live CST compliance reports via the Learning Hub. Staff and their managers will receive 90, 60 and 30-day reminders of any CST due, enabling them to schedule this in. However, owing to the need to ensure sufficient operational capacity to manage the Covid-19 pandemic, the decision was made to temporarily step down the requirement for training that was not 'essential to role'. Similarly, the need to undertake appraisals was halted during the pandemic. Both CST and appraisal compliance are to be stepped back up from 1 April 2021.

Knowledge of how to manage risk is essential to the successful embedding and maintenance of effective risk management.

Training required to fulfil this strategy will be provided in accordance with the Trust's Training Needs Analysis. Management and monitoring of training will be in accordance with the Policy, Core Skills Training Framework (CSTF) and Role Specific Training. This information can be accessed on the Learning and Development pages on the Trust intranet.

Specific training will be provided in respect of high-level awareness of risk management for the Board. Risk Awareness Sessions are included as part of the Board's Development Programme.

Training will be available on undertaking and managing risk assessments, particularly the scoring or grading of risks and how to use the risk register.

The specific training required by staff groups is outlined in the risk management training plan along with a description of how the training is managed.

4. The Risk and Control Framework

The Trust's Risk Management Policy assigns responsibility for the ownership, identification and management of risks to all individuals at all levels of the Trust. This is in order to ensure that risks which cannot be managed locally are escalated through the Trust in a timely and methodical way. 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 Risk Management Framework has been revised in 2020/21 and ratified by the Board of Directors on 4 March 2021 to ensure that it remains fit for purpose and mirrors best practice within the area.
In order to allow a prompt response to Coivd-19, and the oversight of the strategic and operational risks the Trust established an Incident Co-ordination Centre (ICC) in the final quarter of the 2019/20 year, which has continued throughout the 2020/21 year. The ICC has managed and overseen all decision-making relating to the Covid-19 pandemic and has reported throughout the year to the Executive Directors. The Board has also received regular updates on the ICC activities during the pandemic.
The Board of Directors Committee structure was temporarily revised during the Covid-19 pandemic. The Board of Directors and its immediate committees continued in their original form, albeit with streamlined agendas and shorter meetings in order to release some capacity for senior managers to focus attention on the response to the pandemic.

The Board of Directors is responsible for agreeing the risk appetite of the Trust, and agreed risk appetite statements at its meeting on 1 April 2021. The risk appetite statements are now included under the relevant sections of the Board Assurance Framework, and have been shared with the Trust's Internal Auditors following their approval. The Board of Directors have agreed to review the risk appetite statement on an annual basis.

Risk management is used by divisions, services and departments to support the delivery of the organisational aims and objectives - in particular with regards to the three strategic objectives: no waits, no waste and zero harm. Wards and departments have 'safety at a glance' posters in place, outlining the top three risks that may jeopardise achieving those strategic objectives. Risk is discussed at length at the Risk Assurance Meeting and at Board, and is reported at all relevant governance forums, for example the Quality and Clinical Effectiveness Committee meeting and the Operations Committee meeting.

The Trust has robust and embedded incident management systems and processes in place, which are managed through a dedicated Risk and Incident team, which is headed up by the Governance, Risk & Patient Safety Manager, the Head of Quality Governance and overseen by the Deputy Director of Quality Governance. Reporting of incidents, concerns or issues is proactively encouraged and, most recently, the

Trust communicated an important message to all staff in the Trust to that effect; to date, 6,785 staff have confirmed that they have read and understood that message.

The Trust delivers training for all staff on incident management and risk management and encourages the principles of honesty, openness and transparency, for example, through Duty of Candour when something has gone wrong. Statutory Duty of Candour compliance currently stands at 100%.

As a result of the Covid-19 pandemic the Trust established an Ethics Committee in April 2020; this Committee has been chaired by the Trust's Executive Medical Director and is attended by a number of Non-Executive Directors, Trust Senior Managers, the Director of Public Health from the Local Authority and an independent ethics expert.

The remit of the Ethics Committee was to provide a mechanism within the Trust for the discussion of ethical issues arising from Covid-19 which may have had an impact on how clinical practice was delivered, ensuring that care continued to be provided in a fair and equitable way.
The Trust's Board Assurance Framework (BAF) has been reviewed and revised during the 2020/21 year with the assistance of the Good Governance Institute (GGI). Although the timing of the BAF review has been affected by the pandemic the strategic and operational risks were managed from the beginning of the pandemic through the ICC and reported weekly to the Executives.

The Operations Committee and the Quality and Clinical Effectiveness Committee review and approve any new risks identified for the Corporate Risk Register and any increases in risk score. The Executive Directors review and challenge risks, actions, and target scores with the divisions and assess the strength of the controls in place. The RAM mees regularly to scrutinise movement against the risk scores, new risks, and overdue risks and actions.

The Board of Directors, Audit Committee, Board Committees and the Council of Governors have continued to meet, albeit virtually, throughout the year and will continue to do so until it is safe to recommence meetings in person.

The Trust reports significant control issues to the Audit Committee. The Trust developed a longer-term plan alongside the Integrated Care System, the In-Hospital Cell and the Out of Hospital Cell in order to build resilient services over the next two years.

A Blackpool Teaching Hospitals Restoration Cell has been established which comprises six workstreams, each with a Senior Responsible Officer:

a) Emergency Preparedness, Resilience and Response
b) BTH Business as Usual
c) BTH Improvement
d) Clinical Harm Reviews
e) Data Cell
f) Strategy

In February 2021, the Trust successfully recruited a dedicated Risk Manager. The post holder is assisting with strengthening the risk management function across the organisation and develop the existing risk management infrastructure.

The Foundation Trust is fully compliant with the registration requirements of the Care Quality Commission.

Within the Trust we have a Quality and Clinical Effectiveness Committee which meets monthly and is chaired by a Non-Executive Director, and attended by Executive Directors and senior managers, corporate and divisional from across the organisation. The Committee has devolved responsibility from the Board of Directors for assurance regarding quality governance arrangements across the organisation and has an associated workplan. Each division has divisional quality governance group supported by the quality governance team which feed into the overarching committee. Risk Management, CQC action plan and preparation, incidents/serious incidents, health and safety, complaints, infection control, COAST visits, quality improvement, mortality and SHMI, all report into the Quality and Effectiveness Committee. The COAST programme is a key programme of work in assessing our CQC compliance across the organisation. Wards are assessed against the CQC standards and given accreditation. CQC action plans are monitored and reported to the CQC and to the Operations Committee.

The Trust maintains registers of interests, including gifts and hospitality, for decision-making staff (as defined by the Trust with reference to the guidance) within the past twelve months as required by the Managing Conflicts of Interest in the NHS23 guidance.

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.

All risks are assigned to Risk Leads and Risk Handlers who are directly involved in the management of the risk. Action plans and controls are devised with the key stakeholders who have direct involvement. These risks are discussed at various meetings and Committees across the Trust. Th Trust works in partnership with external organisations such as Atlas, ICS, ICP, CCG and other organisations, of which, these are included in devising action plans and discussing the controls in place if they have direct involvement.

The Trust has undertaken risk assessments and has a sustainable development management plan in place which takes account of UK Climate Projections 2018 (UKCP18). The Trust ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with. The Trust's subsidiary, Atlas, works in conjunction with the Trust's sustainability plan in order to assist with the Trust's obligations.

The Board of Directors receives on an annual basis the NHS Certification (FT4) and this is due to be reviewed in July 2021. This is published on the Trust's website at: Blackpool Teaching Hospitals NHS Foundation Trust | Together we care (bfwh.nhs.uk)

Major Risk including Significant Clinical Risk

Risk management is used by divisions, services and departments to support the delivery of the organisational aims and objectives - in particular with regards to the three strategic objectives: no waits, no waste and zero harm. Wards and departments have 'safety at a glance' posters in place, outlining the top three risks that may jeopardise achieving those strategic objectives. Risk is discussed at length at the Risk Assurance Meeting and at Board, and is reported at all relevant governance forums, for example the Quality and Clinical Effectiveness Committee meeting and the Operations Committee meeting.

Strategtic Objective: Reduction of Avoidable Harm
Risk: Breeching Fundamental Standards
Risk: Unable to Provide Required Care Standard (Staffing)
Risk: Infection Control Standards

Strategtic Objective: Maintenance of Financial Control / Eliminating Waste
Risk: Level of Funding Insufficient
Risk: Effective Use of Resources
Risk: Lack of Capacity to meet the Demand

Strategtic Objective:Reduction in Waiting Times/Post COVID Restoration
Maintenance of Cancer Targets
18 Week RTT
Waiting Times within Mental Health Services

Strategtic Objective: New risks are identified during day to day practices, when new processes are being developed and through various meetings / committees such as the Risk Assurance Meeting, Risk Support Sessions with the divisions and meetings with risk owners inc. Executive Directors. The Trust Board and Board of Directors examine and sought for new risks across various external parties.

5. Review of Economy, Efficiency and Effectiveness of the Use of Resources

The Trust is meeting NHS England and NHS Improvement (NHSE/I's) monthly (and other periodic) reporting and monitoring requirements on an ongoing basis.

With the onset of the COVID-19 pandemic, NHSE/I suspended the 2020/21 Operational Planning process. NHSE/I published updated financial guidance in March 2020 in response to the pandemic initially covering the period April 2020 to July 2020 with subsequent guidance being published in July 2020 and September 2020 covering the periods August 2020 to September 2020 and October 2020 to March 2021. The key points from the NHSE/I guidance are:

a) For the first six months, providers were funded on the 2019/20 forecast outturn (based on the deficit between April 2019 to December 2019) uplifted for the impact of inflation (including pay uplifts and CNST) but excluding the efficiency factor. A national top-up payment was also paid to providers where the expenditure in the period was greater than the income received through the block payments based on on the 2019/20 forecast outturn. Providers were also able to claim for additional costs where the payments received through the block payments and national top-up did not equal actual costs to reflect genuine reasonable marginal costs due to COVID-19.
b) For the last six months, system financial envelopes consisting of nationally calculated block payments from commissioners, system top-up to support delivery of a system break even position, system growth funding and a system COVID funding allocation. The expectation is that systems will achieve financial balance within the envelopes.

In response to the COVID-19 pandemic, the Trust has reviewed the delegated financial limits and has implemented a COVID-19 expenditure application process to ensure that the Trust was able to urgently procure goods, services or works due to COVID-19, report on, claim and be reimbursed for COVID-19 related expenditure and loss of income and maintain payments to suppliers whilst minimising any fraud risks and continue to ensure value for money.

The Trust agreed an adjusted financial performance deficit for 2020/21 of £22.3m. The Trust recorded an actual adjusted deficit of £23.2m.

The Trust is forecasting a deficit for the first six months of 2021/22 of £6.9m, after receipt of £40m of Integrated Care System (ICS) support. Guidance for planning for the second half of 2021/22 is not yet available, but the Trust have produced a prudent plan where the deficit could be as high as £60m if no further support is received from the ICS as this is not guaranteed.

In the absence of guidance for planning for the second half of 2021/22 not being available yet, the Trust is seeking to secure as much of the Integrated Care System (ICS) support recurrently as possible and also planning to deliver a minimum 3% efficiency target with a further 2% efficiency stretch target in the second half of 2021/22.

The Trust is committed to the development of a balanced and sustainable financial plan and the Board of Directors has also appointed a Financial Improvement Director to help with balancing improvements and investment within budget.

The amount of attempted fraud is on a par with recent years, however, the monetary value of alleged fraudulent activity has significantly increased, principally due to one particular case (valued at approx. £270k).

In order to ensure control protocols are not reduced during this period, the Senior Finance Team along with other Corporate Departments has strengthened Business Continuity processes across all sections of the Finance Team.

The Trust continues to ensure value for money initiatives are strengthened through:

- Ensuring value for money continues to be an important component of the Internal and External Audit plans providing assurances to the Trust regarding processes that are in place to ensure the effective use of resources;
- Reviewing in-year cost pressures are and ensuring they are reviewed rigorously, challenged, and mitigating strategies considered;
- Continuing to benchmark spend with other Lancashire Acute Providers and utilising Lord Carter review model hospital data sets to ensure that it continues to develop and 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.

The Trust received notice from NHSI of Enforcement Undertakings against its Provider License based on Care Quality Commission (CQC) inspection findings, mortality alerts, A&E performance and 62 day cancer performance. The CQC report dated October 2019 gives a rating of 'requires improvement', with the Well Led rating being 'inadequate'. In the CQC report dated October 2019 some areas were recognised as providing 'good' services and our community health services for adults were 'outstanding'. There is no rating in the CQC report dated January 2021. The Trust is therefore unable to demonstrate that the actions taken to date had fully mitigated the issues identified in the original CQC report.

In response to the Notice and the subsequent Care Quality Commission (CQC) inspection in June 2019 and report dated October 2019, the Trust has developed a System Improvement Plan with partners to address the concerns. The Plan includes improved Nursing fill-rates, investment in ward based multi-disciplinary clinical teams (Junior Doctors and Advanced Nurse Practitioners), increased senior presence in the Emergency Department, introduction of a Same Day Emergency Care Service and increased diagnostic capacity for cancer patients. The System Improvement Plan is monitored by the Blackpool System Improvement Board co-chaired by NHSI's Regional Medical Director and the Chief Officer for the Lancashire and South Cumbria Integrated Care System.

The Trust is expecting a further CQC inspection during quarter 1 of 2021/22 and expects the CQC findings and report to show that the Trust has made significant progress with its action plans.

The Trust is putting a great deal of time and effort into making improvements to our services and ensuring that the quality of everything we do makes a tangible, positive difference to the lives of local people.

Even through the challenges of the last 18 months, the improvement journey is still going strong and a few of the improvements are highlighted below:

- Sepsis Success – The number of sepsis deaths at Blackpool Victoria Hospital has been halved through innovative changes to treatment methods.
- Trust Praised for "World Class'' Clinical Skills Training Unit – The Simulation and Clinical Skills Unit at the Trust has become only the third unit in the world to be recognised for the quality of service it delivers.
- PLACE Award – Blackpool Victoria Hospital has beaten all national results for providing a good environment and enhanced non-clinical patient services.
- Freedom to Speak Up (FTSU) – The FTSU Service has continued to grow over the last 12 months and an increase can be seen in staffs' awareness about how to raise concerns from both the staff survey and the increase in colleagues coming through the FTSU Service to raise concerns.
- SWAN Model Launched – In December 2019, the Trust launched The Swan Model of End of Life and Bereavement Care to provide excellent, individualised end of life and bereavement care for every patient and every family, every time.
- National Award for NHS Training Team – The Health Informatics Education and Training Team has received the Silver award from the NHS Digital Training Service Accreditation (TSA) scheme. The scheme involves the training service being externally assessed by NHS Digital TSA assessors. The assessment measures the performance of the training service against National NHS Education and Training Standards and proves the service is operating at a nationally recognised standard.
- Top Accolade for NHS Occupational Health Team – The Trust's Occupational Health and Wellbeing Department has been recognised for the high standard of service it provides to staff with a nationally recognised re-accreditation. The team has achieved and was awarded with the Safe Effective Quality Occupational Health Service (SEQOHS) Accreditation following a formal, independent assessment.
- Electronic Learning for Acute Kidney Injury – The Trust has developed a sustainable electronic learning package, to raise awareness with staff and educate regarding patient risks of Acute Kidney Injury and the importance of effective fluid balance monitoring.
- Trust Gains Veteran Accreditation – The Trust was awarded Veteran Aware Accreditation. The award from the Veterans Covenant Hospital Alliance (VCHA) is in acknowledgement of dedication to treating veterans with compassion and empathy. The Trust is now one of only 33 Trusts nationwide to be accredited and this pays tribute to the empathy shown to servicemen and women who are treated at our hospitals and community sites.

- COAST – The Trust's ward accreditation programme was launched at the start of 2021 with the aim of inspecting every ward. The framework is designed around the Chief Inspector of Hospitals, five Key lines of enquiry (KLOE) of: Safe, Effective, Caring, Responsive and Well-Led.
- Emergency Village – Blackpool Victoria Hospital's Emergency Village development aims to create a better Emergency Department together with the Critical Care wards, by upgrading facilities and adding capacity, enhancing patient experience across the Fylde coast. Phase One of the Emergency Village was officially opened in January 2021.
- Cancer Triage Unit – The new Acute Oncology Triage Unit, within the Oncology and Haematology Unit, is a dedicated facility for supporting local patients who are going through – or have already been through – treatment for cancer.

6. Information Governance

Information Governance (IG) supports the appropriate use of information. The Trust's Information Governance framework provides a way to support the organisation in its processing of information both personal information, i.e. relating to patients/service users and employees, and corporate information, e.g. financial and accounting records.

We aim to deliver a high standard of excellence in Information Governance by ensuring that information is collated, stored, used and disposed of securely, efficiently and effectively and that all of our processes adhere to legal requirements. Including completion of Data Protection Impact Assessments, annual Information Governance training for all staff, contract reviews and a comprehensive information asset management programme. The Trust has a suite of Information Governance policies to ensure patient, staff and organisational information is managed and processed accordingly. Whilst only 'specific to role' training was mandated throughout the Covid-19 pandemic there has been a drive to improve compliance against the IG core skills training modules in the final quarter of 2020/21 which will continue throughout 2021/22.

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 Trusts' Chief Information Officer who is also the Trusts' Senior Information Risk Owner (SIRO).

'The legal framework governing the use of personal confidential data in health care is complex. It includes the NHS Act 2006, the Health and Social Care Act 2012, the Data Protection Act, and the Human Rights Act. The law allows personal data to be shared between those offering care directly to patients' but it protects patients' confidentiality when data about them are used for other purposes. These "secondary uses" of data are essential if we are to run a safe, efficient, and equitable health service.'

NHS England

7. Data Security and Protection

The National Data Guardian (NDG) review showed how having the right people engaged in senior data security and protection roles can make a significant difference. The Trust has a robust Information Governance Framework in place that identifies roles at a senior level that are key to effective data security and protection, these include the:

- **Senior Information Risk Owner (SIRO)** - acts as an advocate for information risk and provides written advice to the Accounting Officer on the content of the annual Statement of Internal Control (SIC) regarding information risk. The SIRO ensures that the Trust deploys technologies, processes and controls to protect against malicious (external) attacks and is responsible for the approving the scope of the annual penetration testing of the Trust's IT systems.

- **Caldicott Guardian (CG)** - who is a senior person responsible for protecting the confidentiality of people's health and care information and making sure it is used properly.

- **Data Protection Officer (DPO)** – informs, monitors and advises the Trust about complying with the General Data Protection Regulation (GDPR) and other data protection legislation and guidance.

The Data Security Protection Toolkit (DSPT) 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' DSPT assessments. The Trust completes the DSPT on an annual basis, doing so to a 'standards met' level demonstrates compliance with the NDG standards and provides evidence of how risks to data security are being managed and controlled within the organisation. Compliance against ten standards is measured:

- Personal Confidential Data
- Staff Responsibilities
- Training
- Managing Data Access
- Process Reviews
- Responding to Incidents
- Continuity Planning
- Unsupported Systems
- IT Protection
- Accountable Suppliers

The annual submission of the DSPT is normally required by 31st March each year and this is validated via an independent audit by the Trusts internal auditors (KPMG). Due to Covid 19 the submission date for 2020/21 DSPT submission has been put back to 30th June. The associated audit by KPMG is due for completion in May.

During 2020/21, the Trust has achieved Cyber Essentials certification and is working towards Cyber Essentials plus certification which will provide further assurance that the Trust takes data security seriously.

Data Security and Protection Incidents.

The reporting and investigation of information related incidents is an integral part of all employees' duties. They fall in to one of two categories, Reportable or Non-Reportable. As a guide this includes any incident which involves actual or potential failure to meet the requirements of the General Data Protection Regulation (GDPR), the Data Protection Act 2018 and/or the Common Law Duty of Confidentiality.

All incidents are assessed by using the **CIA** triad (Confidentiality, Integrity and Availability) along with guidance issued via the DSPT to help us determine if a breach is reportable. The process evaluates the significance of an incident and the likelihood of serious consequences occurring. The incidents are graded according to the impact on the individual(s) involved not the organisation.

During 2020/21, the Trust has achieved Cyber Essentials certification and is working towards Cyber Essentials plus certification which will provide further assurance that the Trust takes data security seriously.

Date of incident	Nature of incident	Number of individuals affected	How patients were informed	Lessons learned
June 2020	Confidentiality: Unauthorised access/disclosure	1	N/A	A number of recommendations were made with regard to reviewing preventative measures in place.

8. Data Quality and Governance

Integrated Performance Reports are designed to support the Board of Directors to maintain oversight on the functioning of the organisation, in line with the Provider License conditions set out by NHS England and NHS Improvement).

NHSI's Single Oversight Framework (2017) sets out to monitor the Trust's performance against five key themes:

a) Quality of Care (Safe, Effective, Caring & Responsive)

b) Finance & Use of Resources
c) Operational Performance
d) Strategic Change
e) Leadership & Improvement Capability (Well Led)

In April 2019, Blackpool Teaching Hospitals NHS Foundation Trust received notice from NHSI of Enforcement Undertakings against its Provider License based on Care Quality Commission inspection findings, mortality alerts, A&E performance and 62-day cancer performance. The need to ensure that the reporting at Board level provides the right level of data to ensure oversight and accountability, in line with regulatory requirements and that throughout the organisation performance reporting, accountability frameworks and escalation routes interlink from floor to Board was paramount.

We set our Ambition to:

a) Move to a CQC rating of "good", with a longer-term ambition to become rated as "outstanding";
b) Remove our Provider License Enforcement Undertaking from Segment 3 to Segment 1;
c) Become an efficient and productive organisation by meeting all the national constitutional standards and any new standards developed as part of our commitments to the Integrated Care Partnership (ICP) and Integrated Care System (ICS).

In order to respond to our ambitions, we have reviewed the current Integrated Performance Report and developed a new version alongside improved management of reporting and accountability at Board, Committee and Operational level to support both day to day operations and executive oversight. To do this, we set up task and finish groups to oversee four key work streams: Functionality, Improvement and Transformation, Organisational Performance Reporting and Accountability, System Performance Reporting and Accountability.

In recognition of our system working being in the developmental stages and the release of a new Single Oversight Framework in 2019/20, any updates and improvements to the reporting mechanism have become business as usual, led by the Head of Performance and the Trust Board updated accordingly. This practice has continued in 2020/21.

Data quality policies and procedures are reflected in the national Information Governance Toolkit and all evidence is audited via the Information Governance Team and Internal Audit. Data quality reports are developed and submitted through the Health Informatics Committee, Divisional Performance Review Meetings and through to the Board of Directors.

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 Board Committees who monitor performance against regulatory requirements, the Board Assurance Framework, the strategic measures and all associated approved plans and objectives.
All data that supports the performance dashboards, Integrated Performance Report and national returns is checked annually to ensure that compliance with the reporting standards criteria is met and activity conforms to the standard definitions.

Local internal assurance is also provided via:-

a) Analysis of data following local internally led audits, analysis of data following incidents, analysis of complaints and claims data, and safe staffing.
b) Quality and safety metrics performance data reporting for scrutiny to the Board on a bi-monthly basis through the Integrated Performance Report (IPR), and Committees of the Board including the Quality & Clinical Effectiveness Committee reports.
c) Operational, financial and workforce metrics reported for scrutiny to the Board on a bi-monthly basis through the Integrated Performance Report (IPR)
d) Controlled processes for the provision of external information with control checks throughout the process with formal sign-off procedures.
e) Data reporting validation by internal and external control systems involving Clinical Audit.
f) Quarterly formal divisional performance review meetings held with Executive Directors, to overall monitor financial, operational, governance and quality key performance indicators.
g) *Scrutiny of data provision to commissioners continued to be monitored and reported internally.
h) *Internal Quality Surveillance Information System (QSIS) reviews were undertaken as part of the National Quality Surveillance Programme.

i) Formal process for the provision of external information with control checks throughout the process.

*During 2020/21, as a result of the pandemic, various meetings were stood down and reporting processes were amended. A number of statutory returns were suspended due to the pandemic, but a number of Covid related returns were created.

The Trust has a fully controlled sign-off process of key performance indicators (KPIs) on data which are submitted through the Information Management Department, and in terms of sign off, within the Performance Department's processes.

The assurance on the performance of operational data that impacts on quality of care, such as elective waiting times, is monitored through the process of 'patient target list' meetings, which have been undertaken on a streamlined basis during the pandemic, where all divisions are represented and their performance data presented and reviewed on a weekly basis. Random audits across the patient pathways at sub-speciality level are executed throughout the year. Results of these audits are used to generate any improvement plans required. Additionally, we have introduced a team of validators which supports the Trust performance function by ensuring improved accuracy of recording mechanisms that are driven by audit findings.

8.1 Governance and Leadership

The Board of Directors is committed to supporting Quality Initiatives that meet the two key aims of reducing preventable deaths and reducing avoidable harm. This support is shown directly to our front-line staff and the first part of each Trust Board meeting has an item for our staff to provide an update on improvement projects. Members from the Quality Improvement Directorate are there to support our staff and be responsible for ensuring that all the correct documents are submitted to the Board.

In the Quality Governance Framework, the Quality and Clinical Effectiveness Committee is authorised by the Board to oversee quality activities within the scope of its Terms of Reference, for assuring and delivering quality care across the Trust. The Quality and Clinical Effectiveness Committee predominantly oversees quality standards that fall under the safe, effective, caring, responsive and well-led domains.

8.2 Policies and Procedural Documents

Trust-wide policies and procedural documents support the delivery of high quality of care. Through adherence of these policies and procedural documents, standardisation and compliance with evidence-based and/or best practice standards achieves delivery of safe, high quality care to patients.

8.3 Systems and Processes

The Board of Directors ensures that adequate systems and processes are maintained to measure, evaluate 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 Committees, who monitor performance against regulatory requirements, the Board Assurance Framework and all associated approved plans and objectives.

8.4 People and Skills

The Trust's Workforce Transformation Strategy 2019–2021 was updated in 2019 and remains a key document and is an overarching strategy to seven others, these include:

a) Compassionate Leadership and Just Culture
b) Employee Engagement
c) Health & Wellbeing
d) Equality, Diversity & Inclusion
e) Recruitment & Retention
f) Clinical Education
g) Apprenticeship

These strategies bring together the Trust's processes to attract, develop, retain, support, engage 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 and the delivery of high quality safe and effective care is recognised by the Board of Directors. All of these strategies have been approved by the Board of Directors.

The Board 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 2021/22 outline how we aspire to achieve this aim.

The monitoring of progress of the Trust strategies, 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.

Key areas of policy which are central to providing this assurance in relation to our workforce are:

a) Safe staffing levels;
b) Safe recruitment and induction practice;
c) Compliance with mandatory training requirements;
d) Staff being able to raise concerns (whistleblowing);
e) Effective systems of feedback;
f) Engagement of staff;
g) Optimising staff Health and Wellbeing;
h) Revalidation of medical, nursing and dental staff.

The Trust's safe staffing governance is overseen by the Quality and Clinical Effectiveness and Operations Committees, which are Committees of the Board of Directors and meet on a monthly basis. Also, in attendance at these committees are senior representatives from Nursing and Allied Health Professionals, Human Resources, Operations, Finance and Planning.

Whilst Covid-19 has impacted on some of our projects, work has continued in our roll out of Allocate Safecare for all inpatient areas, which fully supports the deployment of staff to safely meet the care hours required in line with national recommendations from NHS Improvement in accordance with their Safer Staffing Tool Kit calculation.

The Trust's Recruitment and Retention Strategy describes its long term approach to ensuring that there is a continuous pipeline of talent into key roles. On a monthly basis, assurance on safe staffing processes and levels is reported by senior nursing leaders to the Trust's Quality & Clinical Effectiveness Sub Board Committee. This assurance explains how areas of emerging concern are identified and addressed promptly (NHS Improvement guidance NHS Improvement National Quality Board 2018). They also support Commitment 9 of Leading Change, adding value: “We will have the right staff in the right places at the right time” (NHS England 2016)

A nursing and medical staffing trajectory is reported monthly by senior HR leaders to the Trust's Operations Committee.

To support the achievement of safe staffing and to take into account the daily fluctuating patient care needs there is a trust wide twice daily review of staffing levels across the organisation chaired by a senior nurse where decisions and management of risk is made to ensure patient safety and appropriate skill mix of qualified to unqualified nurses is facilitated. Medical safe staffing levels are monitored daily by the Medical Deployment Team and any areas of concerns escalated to senior HR, Medical and Operational leaders.

8.5 Improvement Plans

Work began in 2020 on our Emergency Village as part of the Trust's plans to improve patient pathways as they access Urgent and Emergency Care on site. This is coupled with our continued programme of ensuring that patients can be treated effectively and appropriately outside the hospital environment. Innovations have continued, despite the Covid-19 pandemic, and the introduction of virtual wards and clinics has been completed at pace to manage patients safely in their own homes.

8.6 Transformation of Services

In 2021 we will be embarking on a total transformation of our services across both the Acute and Community Settings, including the introduction of a Tertiary Division in line with the Long-Term plan. Pathways have been redesigned with support from our specialist commissioning partners that will see a more targeted flow throughout our various settings. Throughout 2021 we will be working to develop a long-term strategy to align to the long-term plan and system level strategies.

Creation of the new divisions became effective from April 2021, with Divisions then starting work to confirm their directorates and working arrangements. This will ensure that our patients have timely access to the care they need, particularly for our sickest and more complex patients with the aim of

reducing waiting time, ensuring that we deliver the highest quality services aligned to our commissioning requirements.

Quality Improvement and Clinical Effectiveness remain at our heart with the Trust investing in new roles in 2020 to support these priorities.

As we make improvements, we envisage that these will become business as usual and will be realigned into our Divisional accountability structure.

8.7 Quality Improvement Strategy

The Trust Quality Strategy sets out our Quality Improvement approach to achieve our goals. The Trust strategy is in line with the NHS national Patient Safety Strategy. All Quality Improvement work undertaken at our Trust places the patient and family at its centre. Our Quality Improvement Strategy runs from 2019-2022.

Our ambition in that time is to reduce our mortality rate to one that is below the national average, saving over 900 additional lives across the Fylde coast.

Our two high level Trust aims are to: reduce preventable deaths and reduce avoidable harm. Our high-level System-wide aim is to improve the last 1,000 days of life. The Trust has invested in a Quality Improvement (QI) team to support this portfolio and work has commenced on the following programmes:

i) Reduce Preventable Deaths - Identification and Management of the Deteriorating Patient
Aim: To reduce the number of cardiac arrests outside of critical care units by 50% by September 2021.

A Breakthrough Series Collaborative was launched across the Trust in February 2021, sponsored by the Trust Medical Director and Director of Nursing, AHP and Quality and supported by an expert faculty. Medical, nursing and allied health professions have formed ten teams who are working on local and cross cutting projects using improvement methodology to ensure interventions lead to improvement.

ii) Reduce Avoidable Harm – Eliminating Pressure Ulcers
Aim: The trust aims to achieve the following for Phase 1 & 2 by 31st May 2021:

A 50% reduction category 2 hospital acquired pressure ulcers
A 50% reduction in community acquired pressure ulcers
An 80% reduction in Category 3 and 4 hospital acquired pressure ulcers

Phase 1 of the Trust Pressure Ulcer Collaborative commenced in March 2020, launching the first Breakthrough Series Collaborative in July 2020. Sponsored by the Director of Nursing, AHP and Quality and supported by Divisional Directors of Nursing, the first phase brought together ten teams from hospital and community with the highest prevalence of pressure ulcers. Through use of improvement methodology, teams have achieved a statistically significant reduction in hospital acquired pressure ulcers (all categories). The community teams face complex challenges and have learned a great deal about what is required to improve as they continue with their tests of change. The second phase of the programme commenced in January 2021 and a further ten teams have joined. They have taken learning from the first phase and are using this to drive their improvements, which will contribute to an overall improvement for the Trust.

iii) Improve the Last 1000 days of Life

The aspiration of this programme is to give our patients back the gift of time, to live as well as possible until they are dying, and then allowing patients to die with dignity. This will be achieved by working with our patients, families, system partners and the community to improve services and enable patients to be in the place they love, longer. Sponsored by the Director of Nursing, AHP and Quality, an expert faculty are currently being formed, along with representation to form a Stakeholder Council. Through this council we plan to engage the right people, draw from their invaluable local knowledge and develop our shared vision. The group of key stakeholders will work together to further develop the programme drivers, ready for the launch in May 2021.

iv) Safety Culture Programme

The NHS Patient Safety Strategy was published as a statement of intent to significantly improve the way we learn, treat staff and involve patients. Sponsored by our Medical Director and Director of

Nursing, AHP and Quality, our priority is to support our staff to deliver safe, reliable and effective care with zero avoidable harm to our patients. Our Trust has developed plans to build on existing initiatives and create opportunities for further development to improve our safety culture. We have employed a Patient Safety Specialist who has commenced a "Safety Movement", bringing together individuals, wards and departments, in our community and acute settings, to create the right setting to improve patient safety. This will start with creating "insight" through a safety culture survey and creation of a syllabus of activities to raise education and awareness.

v) Building Improvement Capability
Aim: to ensure our people have quality improvement awareness, ability and expertise.

Our Trust approach to building capability is to run cross cutting programmes to deliver improvement goals, where improvement methods are taught in learning sessions and practiced in action periods. Alongside this, we take '1000 flowers blooming' approach by training individuals through Quality Improvement and Service Redesign programme (QSIR). QSIR is supported by NHS Improvement and delivered by our own people. In 2021 we will launch our first Clinical Quality Academy, designed for clinically led teams to deliver improvement projects at the front line. By taking these different approaches we are maximising our potential to move at pace and scale, creating a critical mass of "improvers" and creating a culture of empowerment. This programme is sponsored by the Director of Nursing, AHP and Quality.

vi) COAST: Collaborative Organisational Accreditation System for Teams
Aim: COAST will act as the consistent theme across all clinical teams within the organisation setting out clear expectations in relation to the quality of care delivered to patients.

Blackpool Teaching Hospitals have developed the COAST tool to assess the quality of care delivered to patients. Ruth May Chief Nursing Officer for England identifies this as a key enabler of a shared governance approach to harnessing the collective nursing and midwifery leadership in order to influence and drive change, at local, regional and national levels. Accreditation will empower Nurse Leaders and in time allied healthcare professionals and clinical leads to develop and improve practice, to influence policy and to shape professional strategy – placing them at the centre of decision-making processes and enabling managers to take on facilitative leadership roles. The tool itself closely follows the CQC key lines of enquiry and the questions sets each match those which would be expected during a CQC inspection. In taking this approach we are moving forward at pace a sustainable improvement journey for our clinical teams by which we can monitor the quality of care we provide on our journey to good.

This programme is sponsored by the Director of Nursing, AHP and Quality.

9. 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 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, Quality and Clinical Effectiveness Committee and Operations Committee plans 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, Operations Committee, Quality and Clinical Effectiveness Committee. My review has been informed by:

a) The Board of Directors receiving Assurance Reports from the Chairs and minutes of the Audit Committee, Operations Committee, Quality and Clinical Effectiveness Committee.
b) The Audit Committee receiving assurance on the performance of Quality and Clinical Effectiveness Committee and the Operations Committee through the Committee Chair being members of the Audit Committee.
c) The Audit Committee's monitoring of the Counter Fraud Service.
d) The Internal Audit core reviews on:

    i. Core Financial Controls (Completed February 2021)

ii. Risk Management and Board Assurance Framework (Completed March 2021)
iii. Core Governance Controls and Governance (ongoing at the time of the report)
iv. Data Security and Protection Toolkit (ongoing at time of report)

10. 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 discrete portfolios. I have noted the outcomes internal audit reports and the Head of Internal Audit Opinion of significant assurance with minor improvement opportunities on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. The Trust has made sustained improvement and embedded a number of revised processes. Work continues to address the improvement opportunities identified by the Internal Auditors in order to continue our journey of sustained performance improvement in the coming years.

Signed: Date: 15 June 2021

Kevin McGee, Chief Executive

Annex F: Independent Auditor's Report To The Council of Governors

Independent auditor's report to the Council of Governors and Board of Directors of Blackpool Teaching Hospitals NHS Foundation Trust

Report on the audit of the financial statements Opinion
In our opinion the financial statements of Blackpool Teaching Hospitals NHS Foundation Trust (the 'Foundation Trust') and its subsidiary (the 'Group'):

- give a true and fair view of the state of the Group's and the Foundation Trust's affairs as at 31 March 2021 and of the Group's and Foundation Trust's income and expenditure for the year then ended;
- have been properly prepared in accordance with the accounting policies directed by NHS Improvement – Independent Regulator of NHS Foundation Trusts; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

We have audited the financial statements which comprise:

- the Consolidated Statement of Comprehensive Income;
- the Group and Foundation Trust statements of financial position;
- the Consolidated Statement of Changes in Equity;
- the Group and Foundation Trust statements of cash flows; and
- the related notes 1 to 38.

We have also audited the information in the Remuneration Report and Staff Report that is subject to audit, being:

- the table of salaries and allowances of senior managers and related narrative notes on page 70;
- the table of pension benefits of senior managers and related narrative notes on page 72;
- the table of pay multiples and related narrative notes on page 74; and
- the table of exit packages and related narrative notes on page 91.

The financial reporting framework that has been applied in their preparation is applicable law and the accounting policies directed by NHS Improvement – Independent Regulator of NHS Foundation Trusts.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), the Code of Audit Practice and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the Foundation Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Foundation Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

The going concern basis of accounting for the Group and the Foundation Trust is adopted in consideration of the requirements set out in the accounting policies directed by NHS Improvement – Independent Regulator of NHS Foundation Trusts , which require entities to adopt the going concern

basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

Other information
The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The accounting officer is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard. Responsibilities of accounting officer
As explained more fully in the statement of accounting officer's responsibilities, the accounting officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the accounting officer is responsible for assessing the Group's and the Foundation Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Foundation Trust without the transfer of the Foundation Trust's services to another public sector entity.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement

when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations, including fraud
We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which our procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

We considered the nature of the Group and its control environment, and reviewed the Group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, internal audit, and the Audit Committee about their own identification and assessment of the risks of non-compliance with laws and regulations.

We obtained an understanding of the legal and regulatory framework that the Group operates in, and identified the key laws and regulations that:
- had a direct effect on the determination of material amounts and disclosures in the financial statements. This included the National Health Service Act 2006.
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. These included the Data Protection Act 2018 and relevant employment legislation.

We discussed among the audit engagement team including relevant internal specialists such as IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our specific procedures performed to address this are described below:

- determination of whether an expenditure is capital in nature is subjective: we tested the expenditure on a sample basis to assess whether they meet the relevant accounting requirements to be recognised as capital in nature.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations;
- review of local counter fraud reports produced; and
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC and the licensing authority.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the National Health Service Act 2006 In our opinion:

- the parts of the Remuneration Report and Staff Report subject to audit have been prepared properly in accordance with the National Health Service Act 2006; and
- 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.

Matters on which we are required to report by exception

Use of resources

Under the Code of Audit Practice and Schedule 10(1(d)) of the National Health Service Act 2006 , we are required to report to you if we have not been able to satisfy ourselves that the Foundation Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

On 11 June 2021 we reported to the Foundation Trust significant weaknesses in the Foundation Trust's arrangements which were:

- Weakness in the Foundation Trust's governance arrangements in how the organisation monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements, reflected in the findings of the Trust's most recent CQC inspection reports of January 2021 and October 2019, and NHSI's formal enforcement actions which remain in place;.

We recommended that the Foundation Trust continues to progress its action plans in these outstanding areas.

- Weaknesses in the Foundation Trust's arrangements to secure financial sustainability in how the body plans to bridge its funding gaps and identifies achievable savings. including the deficit of £28m in 2020/21 and the forecast deficit of £7m for the first 6 months of 2021/22.

We recommended that the Foundation Trust focus upon the identification and delivery of cost improvements in order to develop a balanced and sustainable financial plan.

These weaknesses have not yet been addressed.

Our work in respect of the Foundation Trust's arrangements is not complete at the date of our report on the financial statements. We will report the outcome of our work on the Foundation Trust's arrangements

and include any additional exception reporting in respect of significant weaknesses in our audit completion certificate and our separate Auditor's Annual Report. We are satisfied that the remaining work is unlikely to have a material impact on the financial statements.

Respective responsibilities of the accounting officer and auditor relating to the Foundation Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources
The accounting officer is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in the use of the Foundation Trust's resources.

We are required under the Code of Audit Practice and Schedule 10(1(d)) of the National Health Service Act 2006 to satisfy ourselves that the Foundation Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

We are not required to consider, nor have we considered, whether all aspects of the Foundation Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We undertake our work in accordance with the Code of Audit Practice, having regard to the guidance, published by the Comptroller & Auditor General in April 2021, as to whether the Foundation Trust has proper arrangements for securing economy, efficiency and effectiveness in the use of resources against the specified criteria of financial sustainability, governance, and improving economy, efficiency and effectiveness.

The Comptroller & Auditor General has determined that under the Code of Audit Practice, we discharge this responsibility by reporting by exception if we have reported to the Foundation Trust a significant weakness in arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2021 by the time of the issue of our audit report. Other findings from our work, including our commentary on the Foundation Trust's arrangements, will be reported in our separate Auditor's Annual Report.

Annual Governance Statement and compilation of financial statements

Under the Code of Audit Practice, we are required to report to you if, in our opinion:
- the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual, is misleading, or is inconsistent with information of which we are aware from our audit; or
- proper practices have not been observed in the compilation of the financial statements.

We are not required to consider, nor have we considered, whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in respect of these matters.

Reports in the public interest or to the regulator

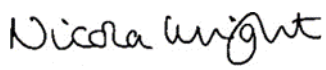
Under the Code of Audit Practice, we are also required to report to you if:
- any matters have been reported in the public interest under Schedule 10(3) of the National Health Service Act 2006 in the course of, or at the end of the audit; or
- any reports to the regulator have been made under Schedule 10(6) of the National Health Service Act 2006 because we have reason to believe that the Foundation Trust, or a director or officer of the Foundation Trust, is about to make, or has made, a decision involving unlawful expenditure, or is about to take, or has taken, unlawful action likely to cause a loss or deficiency.

We have nothing to report in respect of these matters.

Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until we have completed our work in respect of the Foundation Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources (as reported in the Matters on which we are required to report by exception – Use of resources section of our report) and the work necessary to issue our statement on consolidation schedules. We are satisfied that our remaining work in this area is unlikely to have a material impact on the financial statements.

Use of our report
This report is made solely to the Council of Governors and Board of Directors ("the Boards") of Blackpool Teaching Hospitals NHS Foundation Trust, as a body, in accordance with paragraph 4 of Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Boards those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Boards as a body, for our audit work, for this report, or for the opinions we have formed.



Nicola Wright (Key Audit Partner) For and on behalf of Deloitte LLP Appointed Auditor
Newcastle, United Kingdom 15 June 2021

ADDENDUM REPORT – 26 August 2021

Independent auditor's certificate of completion of the audit to the Council of Governors and Board of Directors of Blackpool Teaching Hospitals NHS Foundation Trust

Issue of opinion on the audit of the financial statements
In our audit report for the year ended 31 March 2021 issued on 15 June 2021 we reported that, in our opinion, the financial statements:
gave a true and fair view of the state of the Group's and the Foundation Trust's affairs as at 31 March 2021 and of the Group's and Foundation Trust's income and expenditure for the year then ended;
had been properly prepared in accordance with the accounting policies directed by NHS Improvement – Independent Regulator of NHS Foundation Trusts; and
had been prepared in accordance with the requirements of the National Health Service Act 2006.

Foundation Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources
As part of our audit, we are required to report to you if we are not able to satisfy ourselves that the Foundation Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

As at the date of issue of our audit report for the year ended 31 March 2021 on 15 June 2021, we had not completed our work on the Foundation Trust's arrangements.

In our audit report for the year ended 31 March 2021 issued on 15 June 2021, we reported significant weaknesses in the Foundation Trust's governance arrangements and arrangements to secure financial sustainability.

Certificate of completion of the audit
In our audit report for the year ended 31 March 2021 issued on 15 June 2021, we explained that we could not formally conclude the audit on that date until we had completed our work in respect of the Foundation Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources and the work necessary to issue our statement on the consolidation schedules. We have now completed our work in these areas.

No matters have come to our attention since that date that would have a material impact on the financial statements on which we gave our opinion.

On 11 June 2021 we reported to the Foundation Trust significant weaknesses in the Foundation Trust's governance arrangements and arrangements to secure financial sustainability. The significant weaknesses reported were:

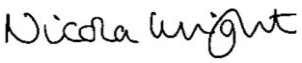
Weakness in the Foundation Trust's governance arrangements in how the organisation monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements, reflected in the findings of the Trust's most recent CQC inspection reports of January 2021 and October 2019, and NHSI's formal enforcement actions which remain in place.

We recommended that the Foundation Trust continues to progress its action plans in these outstanding areas.

Weakness in the Foundation Trust's arrangements to secure financial sustainability in how the body plans to bridge its funding gaps and identifies achievable savings including the deficit of £28m in 2020/21 and the forecast deficit of £7m for the first 6 months of 2021/22. Subsequent to our opinion dated 15 June 2021, the Foundation Trust updated the 2021/22 half year forecast and is now planning to breakeven.

We recommended that the Foundation Trust focus upon the identification and delivery of cost improvements in order to develop a balanced and sustainable financial plan.

We certify that we have completed the audit of Blackpool Teaching Hospitals NHS Foundation Trust in accordance with requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice.



Nicola Wright (Key Audit Partner) For and on behalf of Deloitte LLP Appointed Auditor
Newcastle upon Tyne, United Kingdom 26 August 2021

Annex G: Accounts for the Period 1 April 2020 to 31 March 2021

FOREWORD TO THE ACCOUNTS

BLACKPOOL TEACHING HOSPITALS NHS FOUNDATION TRUST

These accounts for the year ended 31 March 2021 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 25 (4) (a) of the National Health Service Act 2006.

Signed:  Date: 15 June 2021

Kevin McGee
Chief Executive

Blackpool Teaching Hospitals NHS Foundation Trust

Annual accounts for the year ended 31 March 2021

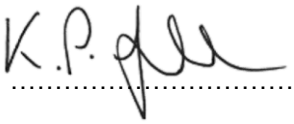
Annual Accounts 2020/21

Blackpool Teaching Hospitals NHS Foundation Trust

Foreword to the accounts

Blackpool Teaching Hospitals NHS Foundation Trust

These accounts, for the year ended 31 March 2021, have been prepared by Blackpool Teaching Hospitals NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 within the National Health Service Act 2006.

Signed 

Name **Kevin McGee**
Job title **Chief Executive**

Date **15 June 2021**

Blackpool Teaching Hospitals NHS Foundation Trust

Consolidated Statement of Comprehensive Income for the year ended 31 March 2021

		Group	
		2020/21	2019/20
	Note	£000	£000
Operating income from patient care activities	3	471,735	425,173
Other operating income	4	79,926	31,797
Operating expenses	6, 7, 8	(572,730)	(483,004)
Operating deficit from continuing operations		**(21,069)**	**(26,034)**
Finance income	11	1	191
Finance expenses	12	(1,014)	(1,554)
PDC dividends payable		(3,066)	(1,747)
Net finance costs		**(4,079)**	**(3,110)**
Other (losses) / gains	13	(8)	24
Corporation tax expense		(155)	(156)
Deficit for the year from continuing operations		**(25,311)**	**(29,276)**
Deficit for the year		**(25,311)**	**(29,276)**
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	7	(2,212)	(171)
Revaluations	19	1,250	2,976
Total comprehensive expense for the period		**(26,273)**	**(26,471)**

The notes on pages A8 to A56 form part of these accounts.
All revenue and expenditure is derived from continuing operations.

In accordance with Section 408 of the Companies Act 2006, the Trust is exempt from the requirement to present its own income statement and statement of comprehensive income. The results of the Trust are included in note 37.

Blackpool Teaching Hospitals NHS Foundation Trust

Statements of Financial Position as at 31 March 2021

		Group		Trust	
		31 March 2021	31 March 2020	31 March 2021	31 March 2020
	Note	£000	£000	£000	£000
Non-current assets					
Intangible assets	15 ,16	6,365	5,972	6,054	5,866
Property, plant and equipment	17 ,18	198,408	186,716	196,704	184,874
Receivables	22	1,254	1,072	1,254	1,072
Total non-current assets		**206,027**	**193,760**	**204,012**	**191,812**
Current assets					
Inventories	21	8,008	8,888	5,419	6,189
Receivables	22	20,986	30,433	24,227	33,865
Cash and cash equivalents	24	38,906	27,449	30,148	23,024
Total current assets		**67,900**	**66,770**	**59,794**	**63,078**
Current liabilities					
Trade and other payables	25	(68,596)	(68,737)	(61,299)	(66,176)
Borrowings	27	(3,598)	(72,761)	(3,491)	(72,656)
Provisions	29	(2,701)	(383)	(2,701)	(383)
Other liabilities	26	(13,128)	(7,733)	(12,791)	(7,517)
Total current liabilities		**(88,023)**	**(149,614)**	**(80,282)**	**(146,732)**
Total assets less current liabilities		**185,904**	**110,916**	**183,524**	**108,158**
Non-current liabilities					
Trade and other payables	25	(1,516)	(1,516)	(1,500)	(1,500)
Borrowings	27	(29,899)	(33,428)	(28,346)	(31,769)
Provisions	29	(2,202)	(2,259)	(2,202)	(2,259)
Total non-current liabilities		**(33,617)**	**(37,203)**	**(32,048)**	**(35,528)**
Total assets employed		**152,287**	**73,713**	**151,476**	**72,630**
Financed by					
Public dividend capital		254,856	150,008	254,856	150,008
Revaluation reserve		10,696	12,972	10,696	12,972
Income and expenditure reserve		(113,265)	(89,267)	(114,076)	(90,350)
Total taxpayers' equity		**152,287**	**73,713**	**151,476**	**72,630**

The notes on pages A8 to A56 form part of these accounts.

The accounts on pages A3 to A56 were approved by the Trust Board on 15 June 2021 and are signed on its behalf by:

Signed: Kevin McGee, Chief Executive

Date: 15 June 2021

Blackpool Teaching Hospitals NHS Foundation Trust

Consolidated Statement of Changes in Equity for the year ended 31 March 2021

	Group			
Group	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2020 - brought forward	**150,008**	**12,972**	**(89,267)**	**73,713**
Deficit for the year	-	-	(25,312)	**(25,312)**
Other transfers between reserves	-	(334)	334	**-**
Impairments	-	(2,212)	-	**(2,212)**
Revaluations	-	1,250	-	**1,250**
Transfer to retained earnings on disposal of assets	-	(980)	980	**-**
Public dividend capital received	104,848	-	-	**104,848**
Taxpayers' and others' equity at 31 March 2021	**254,856**	**10,696**	**(113,265)**	**152,287**

Consolidated Statement of Changes in Equity for the year ended 31 March 2020

	Group			
	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2019 - brought forward	**147,436**	**10,445**	**(60,269)**	**97,612**
Deficit for the year	-	-	(29,276)	**(29,276)**
Other transfers between reserves	-	(278)	278	**-**
Impairments	-	(171)	-	**(171)**
Revaluations	-	2,976	-	**2,976**
Public dividend capital received	2,572	-	-	**2,572**
Taxpayers' and others' equity at 31 March 2020	**150,008**	**12,972**	**(89,267)**	**73,713**

The notes on pages A8 to A56 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 organisation. Additional PDC may also be issued to trusts by the Department of Health and Social Care. A charge, reflecting the cost of capital utilised by the Trust, is payable to the Department of Health and Social Care 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.

Other transfers between reserves: Where assets are depreciated that have been subject to an earlier upward revaluation and an amount is held within the revaluation reserve, a transfer is made to the income and expenditure reserve equivalent to the element of the depreciation charged on the revalued amount.

Income and expenditure reserve
The balance of this reserve is the accumulated surpluses and deficits of the Trust.

Blackpool Teaching Hospitals NHS Foundation Trust

Statement of Changes in Equity for the year ended 31 March 2021

	Trust			
	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' equity at 1 April 2020 - brought forward	**150,008**	**12,972**	**(90,350)**	**72,630**
Deficit for the year	-	-	(25,040)	**(25,040)**
Other transfers between reserves	-	(334)	334	**-**
Impairments	-	(2,212)	-	**(2,212)**
Revaluations	-	1,250	-	**1,250**
Transfer to retained earnings on disposal of assets		(980)	980	**-**
Public dividend capital received	104,848	-	-	**104,848**
Taxpayers' and others' equity at 31 March 2021	**254,856**	**10,696**	**(114,076)**	**151,476**

Statement of Changes in Equity for the year ended 31 March 2020

	Trust			
	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' equity at 1 April 2019 - brought forward	**147,436**	**10,445**	**(60,727)**	**97,154**
Deficit for the year	-	-	(29,901)	**(29,901)**
Other transfers between reserves	-	(278)	278	**-**
Impairments	-	(171)	-	**(171)**
Revaluations	-	2,976	-	**2,976**
Public dividend capital received	2,572	-	-	**2,572**
Taxpayers' and others' equity at 31 March 2020	**150,008**	**12,972**	**(90,350)**	**72,630**

The notes on pages A8 to A56 form part of these accounts.

Information on reserves

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Other transfers between reserves: Where assets are depreciated that have been subject to an earlier upward revaluation and an amount is held within the revaluation reserve, a transfer is made to the income and expenditure reserve equivalent to the element of the depreciation charged on the revalued amount.

Income and expenditure reserve
The balance of this reserve is the accumulated surpluses and deficits of the Trust.

Blackpool Teaching Hospitals NHS Foundation Trust

Statements of Cash Flows for the year ended 31 March 2021

		Group		Trust	
		2020/21	2019/20	2020/21	2019/20
	Note	£000	£000	£000	£000
Cash flows from operating activities					
Operating Deficit		(21,069)	(26,034)	(21,008)	(26,848)
Non-cash income and expense:					
Depreciation and amortisation	6.1	13,243	10,573	13,096	10,436
Net impairments	7	5,622	(7,785)	5,622	(7,785)
Income recognised in respect of capital donations	4	(1,502)	(451)	(1,502)	(451)
(Decrease) / increase in receivables and other assets		9,719	(806)	9,456	(2,645)
Decrease in inventories		880	3,371	770	3,175
Increase in payables and other liabilities		6,654	2,994	2,256	3,407
Increase in provisions		2,269	566	2,269	566
Tax (paid)		(156)	(58)	-	-
Net cash flows (used in) operating activities		**15,660**	**(17,630)**	**10,959**	**(20,145)**
Cash flows from investing activities					
Interest received		6	196	-	176
Purchase of intangible assets		(3,012)	(1,457)	(2,799)	(1,457)
Purchase of property plant and equipment		(30,357)	(11,754)	(30,357)	(11,744)
Sales of Property Plant and Equipment		1,071	46	1,071	46
Receipt of cash donations to purchase assets		618	-	618	-
Net cash flows (used in) investing activities		**(31,674)**	**(12,969)**	**(31,467)**	**(12,979)**
Cash flows from financing activities					
Public dividend capital received		104,848	2,572	104,848	2,572
Movement on loans from DHSC		(71,050)	43,721	(71,050)	43,721
Movement on other loans		(1,385)	(923)	(1,385)	(923)
Capital element of finance lease rental payments		(104)	(98)	-	-
Interest on loans		(1,095)	(1,352)	(1,095)	(1,352)
Other interest		-	-	-	(65)
Interest paid on finance lease liabilities		(57)	(54)	-	-
PDC dividend (paid)		(3,663)	(1,339)	(3,663)	(1,339)
Cash flows (used in) other financing activities		(23)	(65)	(23)	-
Net cash flows generated from financing activities		**27,471**	**42,462**	**27,632**	**42,614**
Increase in cash and cash equivalents		**11,457**	**11,863**	**7,124**	**9,490**
Cash and cash equivalents at 1 April - brought forward		**27,449**	**15,586**	**23,024**	**13,534**
Cash and cash equivalents at 31 March	24.1	**38,906**	**27,449**	**30,148**	**23,024**

The notes on pages A8 to A56 form part of these accounts.

All revenue and expenditure is derived from continuing operations.

Blackpool Teaching Hospitals NHS Foundation Trust

Notes to the Accounts

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

NHS Improvement, in exercising the statutory functions conferred on Monitor, has directed that the financial statements of the trust shall meet the accounting requirements of the *Department of Health and Social Care Group Accounting Manual (GAM)* , which shall be agreed with HM Treasury and which therefore meets the requirements of HM Treasury's *Financial Reporting Manual (FReM)* .

Consequently, the following financial statements have been prepared in accordance with the *GAM* 2020/21 issued by the Department of Health and Social Care. The accounting policies contained in the *GAM* follow International Financial Reporting Standards (IFRS) to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board.

Where the *GAM* permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to accounts.

Note 1.1.1 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, and certain financial assets and financial liabilities.

Note 1.2 Going concern

These accounts have been prepared on a going concern basis.

After making enquiries, the directors have a reasonable expectation that the services provided by the Trust will continue to be provided by the public sector for the foreseeable future.

For this reason, the directors have adopted the going concern basis in preparing the accounts, following the definition of going concern in the public sector adopted by HM Treasury’s Financial Reporting Manual.

Note 1.3 Consolidation

NHS Charitable Fund

The Trust is the Corporate Trustee to Blackpool Teaching Hospitals Charitable Fund (Registered number 1051570). The Trust has assessed its relationship to the charitable fund and determined it to be a subsidiary because the Trust is exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with the charitable fund and has the ability to affect those returns and other benefits through its power over the fund.

The charitable fund's statutory accounts are prepared to 31 March in accordance with the UK Charities Statement of Recommended Practice (SORP) which is based on UK Financial Reporting Standard (FRS) 102.

The Charitable Fund Accounts have not been consolidated into these accounts as the transactions are considered immaterial in the context of the Trust. The provisional turnover of the Charity in 2020/21 was £758k (£1,324k in 2019/20) and its net assets were £1,366k, (£1,638k in 2019/20).

An Annual Report and Audited Accounts of the Trust's Charity (covering the year reported in these Accounts) will be available from 31 January 2022 and may be accessed via the Charity Commission website at www.charity-commission.gov.uk.

Other Subsidiaries

Atlas BFW Management Ltd (Trading as Atlas) commenced trading on 20th March 2017 as a wholly owned subsidiary of the Trust to provide a fully managed facilities management service to the Trust and other clients.

Subsidiary entities are those over which the Trust are exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. 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 minority interests are included as a separate item in the Statement of Financial Position.

The amounts consolidated are drawn from the published financial statements of BFW Management Ltd for the years ended 31 March 2021 and 31 March 2020.

Where subsidiaries' accounting policies are not aligned with those of the Trust (including where they report under UK FRS102) then amounts are adjusted during consolidation where the differences are material.

All intragroup balances and transactions, including unrealised profits arising from the intragroup transactions, have been eliminated in full.

Note 1.4.1 Revenue from contracts with customers

Where income is derived from contracts with customers, it is accounted for under IFRS 15. The GAM expands the definition of a contract to include legislation and regulations which enables an entity to receive cash or another financial asset that is not classified as a tax by the Office of National Statistics (ONS).

Revenue in respect of goods/services provided is recognised when (or as) performance obligations are satisfied by transferring promised goods/services to the customer and is measured at the amount of the transaction price allocated to those performance obligations.

At the year end, the Trust accrues income relating to performance obligations satisfied in that year. Where the Trust's entitlement to consideration for those goods or services is unconditional a contract receivable will be recognised. Where entitlement to consideration is conditional on a further factor other than the passage of time, a contract asset will be recognised. Where consideration received or receivable relates to a performance obligation that is to be satisfied in a future period, the income is deferred and recognised as a contract liability.

Notes to the Accounts

Note 1.4.1 Revenue from contracts with customers continued

Revenue from NHS contracts

The accounting policies for revenue recognition and the application of IFRS 15 are consistently applied. The contracting arrangements in the NHS changed between 2019/20 and 2020/21 affecting the application of the accounting policy under IFRS 15. This difference in application is explained below.

2020/21

The main source of income for the Trust is contracts with commissioners for health care services. In 2020/21, the majority of the Trust's income from NHS commissioners was in the form of block contract arrangements. During the first half of the year the Trust received block funding from its commissioners. For the second half of the year, block contract arrangements were agreed at an Integrated Care System level. The related performance obligation is the delivery of healthcare and related services during the period, with the Trust's entitlement to consideration not varying based on the levels of activity performed.

The Trust has received additional income outside of the block and system envelopes to reimburse specific costs incurred and other income top-ups to support the delivery of services. Reimbursement and top-up income is accounted for as variable consideration.

Comparative period (2019/20)

In the comparative period (2019/20), the Trust's contracts with NHS commissioners included those where the Trust's entitlement to income varied according to services delivered. A performance obligation relating to delivery of a spell of health care was generally satisfied over time as healthcare was received and consumed simultaneously by the customer as the Trust performed it. The customer in such a contract was the commissioner, but the customer benefited as services were provided to their patient. Even where a contract could be broken down into separate performance obligations, healthcare generally aligned with paragraph 22(b) of the Standard entailing a delivery of a series of goods or services that were substantially the same and had a similar pattern of transfer. At the year end, the Trust accrued income relating to activity delivered in that year, where a patient care spell was incomplete. This accrual was disclosed as a contract receivable as entitlement to payment for work completed was usually only dependent on the passage of time.

In 2019/20, the Provider Sustainability Fund and Financial Recovery Fund enabled providers to earn income linked to the achievement of financial controls and performance targets. Income earned from the funds was accounted for as variable consideration.

Revenue from research contracts

Where research contracts fall under IFRS 15, revenue is recognised as and when performance obligations are satisfied. For some contracts, it is assessed that the revenue project constitutes one performance obligation over the course of the multi-year contract. In these cases it is assessed that the Trust's interim performance does not create an asset with alternative use for the Trust, and the Trust has an enforceable right to payment for the performance completed to date. It is therefore considered that the performance obligation is satisfied over time, and the Trust recognises revenue each year evenly over the course of the contract.

NHS injury cost recovery scheme

The 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, for instance by an insurer. The Trust recognises the income when it receives notification from the Department of Work and Pension's Compensation Recovery Unit, has completed the NHS2 form and confirmed there are no discrepancies with the treatment. The income is measured at the agreed tariff for the treatments provided to the injured individual, less an allowance for unsuccessful compensation claims and doubtful debts in line with IFRS 9 requirements of measuring expected credit losses over the lifetime of the asset.

Note 1.4.2 Revenue grants and other contributions to expenditure

Government grants are grants from government bodies other than income from commissioners or trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure.

The value of the benefit received when accessing funds from the Government's apprenticeship service is recognised as income at the point of receipt of the training service. Where these funds are paid directly to an accredited training provider, the corresponding notional expense is also recognised at the point of recognition for the benefit.

Note 1.4.3 Apprenticeship service income

The value of the benefit received when accessing funds from the Government's apprenticeship service is recognised as income at the point of receipt of the training service. Where these funds are paid directly to an accredited training provider from the Trust's Digital Apprenticeship Service (DAS) account held by the Department for Education, the corresponding notional expense is also recognised at the point of recognition for the benefit.

Note 1.4.4 Other income

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.

Note 1.5 Expenditure on employee benefits

Short-term employee benefits

Salaries, wages and employment-related payments such as social security costs and the apprenticeship levy are recognised in the period in which the service is received from employees. The cost of annual leave entitlements earned but not taken by employees at the end of the period is recognised in financial statements to the extent that the employees are permitted to carry forward leave into the following period.

Notes to the Accounts

Note 1.5 Expenditure on employee benefits continued

Pension costs

NHS Pension Scheme

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Both schemes are unfunded, defined benefit schemes that cover NHS employers, general practices and other bodies, allowed under the direction of Secretary of State for Health and Social Care in England and Wales. The scheme is not designed in a way that would enable employers to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as though it is a defined contribution scheme: the cost to the trust is taken as equal to the employer's pension contributions payable to the scheme for the accounting period. The 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 Trust commits itself to the retirement, regardless of the method of payment.

Note 1.6 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 cost. Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment.

Note 1.7 Property, plant and equipment

Note 1.7.1 Recognition

Property, plant and equipment is capitalised where:
- it is held for use in delivering services or for administrative purposes
- it is probable that future economic benefits will flow to, or service potential be provided to, the Trust
- it is expected to be used for more than one financial year
- the cost of the item can be measured reliably
- the item has cost of at least £5,000, or
- collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control.
- 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.

Subsequent expenditure

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably. Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income in the period in which it is incurred.

Note 1.7.2 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.

Valuation guidance issued by the Royal Institute of Chartered Surveyors states that valuations are performed net of VAT where the VAT is recoverable by the entity.

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

Note 1.7.2 Measurement continued

For specialised assets, current value in existing use is interpreted as the present value of the asset's remaining service potential, which is assumed to be at least equal to the cost of replacing that service potential. Specialised assets are therefore valued at their depreciated replacement cost (DRC) on a modern equivalent asset (MEA) basis. An MEA basis assumes that the asset will be replaced with a modern asset of equivalent capacity and meeting the location requirements of the services being provided. Assets held at depreciated replacement cost have been valued on an alternative site basis where this would meet the location requirements.

Assets in the course of construction are valued at cost less any impairment loss. Cost includes professional fees and, where capitalised in accordance with IAS23, borrowing costs. Assets are revalued and depreciation commences when they are brought into use.

IT equipment, transport equipment, furniture and fittings, and plant and machinery that are held for operational use are valued at depreciated historic cost where these assets have short useful economic lives or low values or both, as this is not considered to be materially different from current value in existing use.

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.

Depreciation

Items of property, plant and equipment are depreciated over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits. Freehold land is considered to have an infinite life and is not depreciated.

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.

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 and Social Care 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.

Note 1.7.3 De-recognition

Assets intended for disposal are reclassified as 'held for sale' once the criteria in IFRS 5 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.

Note 1.7.4 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.

In 2020/21 this includes assets donated to the Trust by the Department of Health and Social Care as part of the response to the coronavirus pandemic. As defined in the GAM, the Trust applies the principle of donated asset accounting to assets that the Trust controls and is obtaining economic benefits from at the year end.

Note 1.7.5 Useful lives of property, plant and equipment

Useful economic lives reflect the total life of an asset and not the remaining life of an asset. The range of useful economic lives are shown in the table below:

	Min Life	Max life
	Years	Years
Buildings, excluding dwellings	44	75
Dwellings	60	60
Plant & machinery	1	15
Transport equipment	10	15
Information technology	5	15
Furniture & fittings	10	15

Finance-leased assets are depreciated over the shorter of the useful life or the lease term, unless the Tust expects to acquire the asset at the end of the lease term in which case the assets are depreciated in the same manner as owned assets above.

Note 1.8 Intangible assets

Note 1.8.1 Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the Trust's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the Trust and where the cost of an asset can be measured reliably.

Note 1.8 Intangible assets continued

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 the requirements set out in IAS 38 are met:
- the project is technically feasible to the point of completion and will result in an intangible asset for sale or use;
- the Trust intends to complete the asset and sell or use it;
- the Trust has the ability to sell or use the asset;
- how the intangible asset will generate probable future economic or service delivery benefits is known, e.g. the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset;
- adequate financial, technical and other resources are available to the trust to complete the development and sell or use the asset and;
- the Trust can measure reliably the expenses attributable to the asset during development.

Software
Software which is integral to the operation of hardware, e.g. an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware, e.g. application software, is capitalised as an intangible asset.

Note 1.8.2 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.

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset 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.

Intangible assets held for sale are measured at the lower of their carrying amount or “fair value less costs to sell”.

Amortisation
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.

Intangible assets are amortised over their expected useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

Note 1.8.3 Useful economic life of intangible assets

Useful lives reflect the total life of an asset and not the remaining life of an asset. The range of useful lives are shown in the table below:

	Min Life Years	Max life Years
Development expenditure		
Software	**2**	**5**
Licenses & trademarks	**3**	**5**
Other (purchased)	**5**	**15**

Note 1.9 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. Costs are accounted for in the year that the economic benefit is consumed.

In 2019/20 other inventories related to items where the economic benefit was expected to be consumed over more than one year and were valued at 50% of cost on the basis that half of the useful economic life of these assets had been consumed at the end of the financial year. During 2020/21 the other inventory stocks have been written down to nil value.

Note 1.9 Inventories continued

In 2020/21, the Trust received inventories including personal protective equipment from the Department of Health and Social Care at nil cost. In line with the GAM and applying the principles of the IFRS Conceptual Framework, the Trust has accounted for the receipt of these inventories at a deemed cost, reflecting the best available approximation of an imputed market value for the transaction based on the cost of acquisition by the Department.

Note 1.10 Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the Trust's cash management. Cash, bank and overdraft balances are recorded at current values.

Note 1.11 Financial assets and financial liabilities

Note 1.11.1 Recognition

Financial assets and financial liabilities arise where the Trust is party to the contractual provisions of a financial instrument, and as a result has a legal right to receive or a legal obligation to pay cash or another financial instrument. In response to the adoption of IFRS 9 the GAM expands the definition of a contract to include legislation and regulations which give rise to arrangements that in all other respects would be a financial instrument and do not give rise to transactions classified as a tax by ONS.

This includes the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the Trust's normal purchase, sale or usage requirements and are recognised when, and to the extent which, performance occurs, i.e. when receipt or delivery of the goods or services is made.

Note 1.11.2 Classification and measurement

Financial assets and financial liabilities are initially measured at fair value plus or minus directly attributable transaction costs except where the asset or liability is not measured at fair value through income and expenditure. Fair value is taken as the transaction price, or otherwise determined by reference to quoted market prices or valuation techniques.

Financial assets or financial 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 below.

Financial assets are classified as subsequently measured at amortised cost.

Financial liabilities are classified as subsequently measured at amortised cost.

Financial assets and financial liabilities at amortised cost

Financial assets and financial liabilities at amortised cost are those held with the objective of collecting contractual cash flows and where cash flows are solely payments of principal and interest. This includes cash equivalents, contract and other receivables, trade and other payables, rights and obligations under lease arrangements and loans receivable and payable.

After initial recognition, these financial assets and financial liabilities are measured at amortised cost using the effective interest method less any impairment (for financial assets). The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

Interest revenue or expense is calculated by applying the effective interest rate to the gross carrying amount of a financial asset or amortised cost of a financial liability and recognised in the Statement of Comprehensive Income and a financing income or expense. In the case of loans held from the Department of Health and Social Care, the effective interest rate is the nominal rate of interest charged on the loan.

Note 1.11 Financial assets and financial liabilities continued

Impairment of financial assets

For all financial assets measured at amortised cost including lease receivables, contract receivables and contract assets or assets measured at fair value through other comprehensive income, the Trust recognises an allowance for expected credit losses.

The Trust adopts the simplified approach to impairment for contract and other receivables, contract assets and lease receivables, measuring expected losses as at an amount equal to lifetime expected losses. For other financial assets, the loss allowance is initially measured at an amount equal to 12-month expected credit losses (stage 1) and subsequently at an amount equal to lifetime expected credit losses if the credit risk assessed for the financial asset significantly increases (stage 2).

For financial assets that have become credit impaired since initial recognition (stage 3), expected credit losses at the reporting date are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

Expected losses are charged to operating expenditure within the Statement of Comprehensive Income and reduce the net carrying value of the financial asset in the Statement of Financial Position.

Note 1.11.3 Derecognition

Financial assets are de-recognised when the contractual rights to receive cash flows from the assets have expired or the Trust has transferred substantially all the risks and rewards of ownership.
Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

Note 1.12 Leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

Finance leases
Where substantially all risks and rewards of ownership of a leased asset are borne by the NHS foundation 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.

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
Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially in other liabilities on the statement of financial position and subsequently as a reduction of rentals on a straight-line basis over the lease term.

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.

The Trust as a lessor

Operating leases
Rental income from operating leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Note 1.13 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which 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. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the discount rates published and mandated by HM Treasury, effective for 31 March 2021.

Early retirement provisions and injury benefit provisions both use the HM Treasury's pension discount rate of minus 0.95% (minus 0.50%) in real terms.

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. The contribuition is charged to expenditure. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the Trust is disclosed at note 29.2 but is not recognised in the Trust's accounts.

Non-clinical risk pooling

The Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the Trust pays an annual contribution to NHS Resolution 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.

Note 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 30 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 30, 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.

Note 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.

At any time the Secretary of State can issue new PDC to, and require repayments of PDC from, the Trust. PDC is recorded at the value received.

A charge, reflecting the cost of capital utilised by the 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 Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, with certain additions and deductions as defined in the PDC dividend policy issued by the Department of Health and Social Care.

This policy is available at https://www.gov.uk/government/publications/guidance-on-financing-available-to-nhs-trusts-and-foundation-trusts.

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.

Note 1.16 Value added tax

Most of the activities of the Trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT. The net amount of VAT recoverable from or payable to HMRC at the year end is reported within trade and other receivables (note 22) or trade and other payables (note 25). Atlas BFW Management Ltd are required to comply with all VAT legislation applicable to commercial entities in the United Kingdom.

Note 1.17 Corporation tax

Atlas BFW Management Ltd (trading as Atlas) is a wholly owned subsidiary of Blackpool Teaching Hospitals NHS Foundation Trust and is subject to corporation tax on profits.

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the financial position date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting year, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year
Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Note 1.18 Foreign Exchange

The Trust's functional currency and presentational currency is sterling. Transactions denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. At the end of the financial year, monetary items denominated in foreign currencies are retranslated at the spot exchange rate on 31 March. Resulting exchange gains and losses for either of these are recognised in the Trust's surplus/deficit in the year in which they arise.

Note 1.19 Third Party Assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Trust has no beneficial interest in them. However, they are disclosed in note 24.2 to the accounts in accordance with the requirements of HM Treasury's *FReM*.

Note 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, including losses which would have been made good through insurance cover had NHS foundation trusts not been bearing their 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.

Note 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.

Note 1.22 Transfers of functions to other NHS bodies

For functions that have been transferred to the Trust from another NHS body, the transaction is accounted for as a transfer by absorption. The assets and liabilities transferred are recognised in the accounts using the book value as at the date of transfer. The assets and liabilities are not adjusted to fair value prior to recognition.

For functions that the Trust has transferred to another NHS body, the assets and liabilities transferred are de-recognised from the accounts as at the date of transfer. The net loss or gain corresponding to the net assets transferred is recognised within expenses, but not within operating activities. Any revaluation reserve balances attributable to assets de-recognised are transferred to the income and expenditure reserve.

Note 1.23 Critical judgements in applying accounting policies

In the application of the Trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Note 1.24 Sources of estimation uncertainty

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Revaluation of land, buildings and dwellings

At 31 March 2021 the Trust's valuers carried out a desktop revaluation of the land, buildings and dwellings. Valuations are carried out annually and are performed in accordance with the Royal Institute of Chartered Surveyors' (RICS) Valuation - Professional Standards (the 'Red Book'), primarily on the basis of depreciated replacement cost for specialised operational property and existing use value for non-specialised operational property. This has resulted in a reduction of valuation of these non-current assets by £7.564m, split between a net reduction charged to the revaluation reserve of £1.943m and net impairment charges made to operating expenditure of £5.621m. Further details relating to the revaluations are disclosed in note 19. The Trust last carried out a full revaluation exercise as at 31 March 2020.

Note 1.24 Sources of estimation uncertainty continued

The valuation exercise was carried out during March 2021 with a valuation date of 31 March 2021. Because the Trust undertakes annual revaluations of estate assets, estimation uncertainty relating to asset lives and depreciation does not present significant risk of causing material adjustments. However, the Trust's reliance on valuation methods does present a risk relating to the carrying amount of non-current assets. The total balance of intangible and tangible fixed assets as at 31 March 2021 is £206.0m (31 March 2020 £193.8m), of which £153.5m relates to estate assets.

Impact of the Covid-19 Pandemic

At 31 March 2020 the Trust's valuer declared a 'material valuation uncertainty' in the March 2020 valuation report, as detailed below, due to the impact of the COVID-19 pandemic. At 31 March 2021 the Trust's valuers have expressed the following opinion in respect of the impact of the pandemic on the 2020/21 valuation.

"The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally. Nevertheless, as at the valuation date property markets are mostly functioning again, with transaction volumes and other relevant evidence at levels where an adequate quantum of market evidence exists upon which to base opinions of value. Accordingly, and for the avoidance of doubt, our valuation is not reported as being subject to 'material valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards. "

Impact of the Covid-19 Pandemic - comparative period (2019/20)

At 31 March 2020 the Trust's valuers carried out a full revaluation of the land, buildings and dwellings. The valuation exercise was carried out during February and March 2020 with a valuation date of 31 March 2020. In applying the Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards 2020 ('Red Book'), the valuer declared a 'material valuation uncertainty' in the March 2020 valuation report. This was on the basis of uncertainties in markets caused by the COVID-19 pandemic. The values in the report were used to inform the measurement of property assets at valuation in the 2019/20 financial statements. Whilst the valuer declared this material valuation uncertainty, the valuer continued to exercise professional judgement in providing the valuation and this was the best information available to the Trust.

Valuation of inventory

The Trust is required to carry out stocktaking procedures at the end of the financial year to determine a valuation of inventories as set out in note 1.9.

At 31 March 2020 as a result of the COVID-19 pandemic the Trust was not able to carry out a number of manual stocktaking procedures due to access restrictions and social distancing measures that were in place at the time. Where a manual stockcount was not possible the Trust estimated the value of inventory based on the value at the date of the most recent stockcount or previous year end where appropriate and took into consideration any known changes. The value of inventory which was subject to this estimation approach at 31 March 2020 was £2.682m.

At 31 March 2021 the Trust was able to carry out all manual stocktaking procedures.

Clinicians pension tax reimbursement

Clinicians who are members of the NHS Pension Scheme and who as a result of work undertaken in the tax year 2019/20 face a tax charge in respect of the growth of their NHS pension benefits above their pension savings annual allowance thresholds will be able to opt to have this charge paid by the NHS Pension Scheme.

The Trust has been required to make a contractually binding commitment to pay them a corresponding amount on retirement, ensuring that they are fully compensated in retirement for the effect of the 'Scheme Pays' deduction on their income from the NHS Pension Scheme in retirement.

The Trust has created a provision broadly equal to the tax charge owed by clinicians who want to take advantage of the 2019/20 Commitment. This is offset by a commitment recorded in receivables from NHS England and the Government to fund the payments to clinicians as and when they arise.

The provision and matching receivable have been calculated by estimating the number of clinicians who will apply for the allowance multiplied by a pre-calculated national 'average discounted value per nomination' provided by the Government Actuaries Department and NHS Business Services Authority of £3,927 (2019/20 - £3,345). The provision held is based based on an assumption that 30% (2019/20 - 100%) of the 239 consultant headcount working in 2019/20 will submit an application.

Note 1.25 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2020/21.

Note 1.26 IFRS Standards that have been issued but have not yet been adopted

IFRS Standards and amendments that have not yet been adopted within the FReM, and are therefore not applicable to Department of Health and Social Care group accounts in 2020/21 are shown below.

● IFRS 16 Leases:

IFRS 16 Leases will replace IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease and other interpretations and is applicable in the public sector for periods beginning 1 April 2022. The standard provides a single accounting model for lessees, recognising a right of use asset and obligation in the statement of financial position for most leases: some leases are exempt through application of practical expedients explained below. For those recognised in the statement of financial position the standard also requires the remeasurement of lease liabilities in specific circumstances after the commencement of the lease term. For lessors, the distinction between operating and finance leases will remain and the accounting will be largely unchanged.

IFRS 16 changes the definition of a lease compared to IAS 17 and IFRIC 4. The Trust will apply this definition to new leases only and will grandfather its assessments made under the old standards of whether existing contracts contain a lease.

On transition to IFRS 16 on 1 April 2022, the Trust will apply the standard retrospectively with the cumulative effect of initially applying the standard recognised in the income and expenditure reserve at that date. For existing operating leases with a remaining lease term of more than 12 months and an underlying asset value of at least £5,000, a lease liability will be recognised equal to the value of remaining lease payments discounted on transition at the Trust's incremental borrowing rate. The Trust's incremental borrowing rate will be a rate defined by HM Treasury. Currently this rate is 0.91% but this may change between now and adoption of the standard. The related right of use asset will be measured equal to the lease liability adjusted for any prepaid or accrued lease payments. For existing peppercorn leases not classified as finance leases, a right of use asset will be measured at current value in existing use or fair value. The difference between the asset value and the calculated lease liability will be recognised in the income and expenditure reserve on transition. No adjustments will be made on 1 April 2022 for existing finance leases.

For leases commencing in 2022/23, the Trust will not recognise a right of use asset or lease liability for short term leases (less than or equal to 12 months) or for leases of low value assets (less than £5,000). Right of use assets will be subsequently measured on a basis consistent with owned assets and depreciated over the length of the lease term. The financial impact is currently being assessed.

● IFRS 17 Insurance Contracts:

Application required for accounting periods beginning on or after 1 January 2023, but not yet adopted by the FReM: early adoption is not therefore permitted.

Note 1.27 Discontinued operations

Discontinued operations occur where activities either cease without transfer to another entity, or transfer to an entity outside of the boundary of Whole of Government Accounts, such as private or voluntary sectors. Such activities are accounted for in accordance with IFRS 5. Activities that are transferred to other bodies within the boundary of Whole of Government Accounts are 'machinery of government changes' and treated as continuing operations.

Note 2 Operating Segments

All of the activities of the Trust arise from a single business segment, the provision of healthcare, which is an aggregate of all the individual speciality components therein. Similarly the large majority of the Trust's revenue arises from within the UK Government. The majority of expenses incurred are payroll expenditure on staff involved in the production or support of healthcare activities generally across the Trust, together with the related supplies and overheads needed to establish this production. The business activities which earn and incur these expenses are of one broad nature and therefore on this basis one segment "Healthcare" is deemed appropriate.

The operating results of the Trust are reviewed monthly or more frequently by the Trust's chief operating decision maker which is the overall Foundation Trust Board and which includes professional Non-Executive Directors. The Trust Board review the financial position of the Trust as a whole, rather than individual components included in the totals, in terms of allocating resources. This process implies a single operating segment of healthcare in its decision making process.

Note 3 Operating income from patient care activities (Group)

All income from patient care activities relates to contract income recognised in line with accounting policy 1.4.1.

Note 3.1 Income from patient care activities (by nature)	2020/21 £000	2019/20 £000
Acute services		
Block contract / system envelope income*	390,452	302,928
High cost drugs income from commissioners (excluding pass-through costs)	2,748	31,591
Other NHS clinical income	(3,564)	1,520
Community services		
Block contract / system envelope income*	54,153	52,674
Income from other sources (e.g. local authorities)	11,873	12,475
All services		
Private patient income	832	1,382
Additional pension contribution central funding**	12,209	11,053
Other clinical income	3,032	11,550
Total income from activities	**471,735**	**425,173**

*As part of the coronavirus pandemic response, transaction flows were simplified in the NHS and providers and their commissioners moved onto block contract payments at the start of 2020/21. In the second half of the year, a revised financial framework built on these arrangements but with a greater focus on system partnership and providers derived most of their income from these system envelopes. Comparatives in this note are presented to be comparable with the current year activity. This does not reflect the contracting and payment mechanisms in place during the prior year.

**The employer contribution rate for NHS pensions increased from 14.3% to 20.6% (excluding administration charge) from 1 April 2019. Since 2019/20, NHS providers have continued to pay over contributions at the former rate with the additional amount being paid over by NHS England on providers' behalf. The full cost and related funding have been recognised in these accounts.

Note 3.2 Income from patient care activities (by source)

Income from patient care activities received from:	2020/21 £000	2019/20 £000
NHS England	111,140	108,016
Clinical commissioning groups	344,895	297,850
Department of Health and Social Care	1	-
Other NHS providers	2,262	2,258
NHS other	1	615
Local authorities	11,873	13,389
Non-NHS: private patients	832	1,382
Non-NHS: overseas patients (chargeable to patient)	72	249
Injury cost recovery scheme	656	874
Non NHS: other	3	540
Total income from activities	**471,735**	**425,173**

Note 3.3 Overseas visitors (relating to patients charged directly by the provider)

	2020/21	2019/20
	£000	£000
Income recognised this year	72	249
Cash payments received in-year	58	105
Amounts added to provision for impairment of receivables	376	130
Amounts written off in-year	376	-

Note 4 Other operating income (Group)

	2020/21			2019/20		
	Contract income	Non-contract income	Total	Contract income	Non-contract income	Total
	£000	£000	£000	£000	£000	£000
Research and development	2,702	-	**2,702**	1,476	-	**1,476**
Education and training [1]	8,407	-	**8,407**	9,410	-	**9,410**
Non-patient care services to other bodies [2]	7,051	-	**7,051**	5,711	-	**5,711**
Provider sustainability fund (2019/20 only)	-	-	**-**	1,093	-	**1,093**
Marginal rate emergency tariff funding (2019/20 only)	-	-	**-**	4,196	-	**4,196**
Reimbursement and top up funding [3]	46,561	-	**46,561**	-	-	**-**
Income in respect of employee benefits accounted on a gross basis	1,848	-	**1,848**	3,383	-	**3,383**
Receipt of capital grants and donations [4]	-	1,502	**1,502**	-	451	**451**
Charitable and other contributions to expenditure [5]	-	9,858	**9,858**	-	-	**-**
Rental revenue from operating leases	-	247	**247**	-	271	**271**
Other income	1,750	-	**1,750**	5,806	-	**5,806**
Total other operating income	**68,319**	**11,607**	**79,926**	**31,075**	**722**	**31,797**
Of which:						
Related to continuing operations			79,926			31,797
Related to discontinued operations			-			-

Other notes:

(1) Blackpool Teaching Hospitals NHS Foundation Trust (the Group) host services for the North West Leadership Academy, and Healthier Lancashire and South Cumbria. A review of the role of the Group in hosting these services was undertaken in 2019/20 and concluded that the Group is acting in the capacity of an agent. Income and costs for these services are therefore reported on a net basis.

(2) Non-patient care services to other bodies includes service level agreement income from other NHS bodies for estates, IT and payroll services provided by the Trust.

(3) Reimbursement and top up funding. As part of the temporary financial regime introduced by DHSC, the Trust has received additional income outside of the block and system envelopes to reimburse specific costs incurred and other income top-ups to support the delivery of services through the Covid19 pandemic. As part of this approach payments under the marginal rate emergency tariff funding and the provider sustainability fund were halted.

(4) Receipt of capital grants and donations includes £0.6m in relation to equipment donated by the Department of Health and Social Care to the Trust in support of its response to the Covid19 pandemic.

(5) Charitable and other contributions to expenditure includes £9.8m in relation to Personal Protective Equipment and other inventory procured and donated by the Department of Health and Social Care to the Trust in support of its response to the Covid19 pandemic.

Note 5.1 Additional information on contract revenue (IFRS 15) recognised in the period

	2020/21	2019/20
	£000	£000
Revenue recognised in the reporting period that was included within contract liabilities at the previous period end	7,733	10,998
Revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods	-	-

The Trust has exercised the practical expedients permitted by IFRS 15 paragraph 121 in preparing this disclosure. Revenue from (i) contracts with an expected duration of one year or less and (ii) contracts where the Trust recognises revenue directly corresponding to work done to date is not disclosed.

Note 5.2 Income from activities arising from commissioner requested services

Under the terms of its provider licence, the Trust is required to analyse the level of income from activities that has arisen from commissioner requested and non-commissioner requested services. Commissioner requested services are defined in the provider licence and are services that commissioners believe would need to be protected in the event of provider failure. This information is provided in the table below:

	Group	
	2020/21	2019/20
	£000	£000
Income from services designated as commissioner requested services	408,023	388,713
Income from services not designated as commissioner requested services	63,712	36,460
Total	**471,735**	**425,173**

Note 6.1 Operating expenses (Group)

	2020/21	2019/20
	£000	£000
Purchase of healthcare from NHS and DHSC bodies	1,233	1,427
Purchase of healthcare from non-NHS and non-DHSC bodies	2,002	1,742
Staff and executive directors costs	374,956	329,818
Remuneration of non-executive directors	166	181
Supplies and services - clinical (excluding drugs costs)	51,600	43,093
Supplies and services - general	8,488	8,399
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	41,748	40,802
Inventories written down	880	-
Consultancy costs	3,234	3,126
Establishment	15,002	9,640
Premises	21,449	16,605
Transport (including patient travel)	1,805	2,364
Depreciation on property, plant and equipment	10,890	8,501
Amortisation on intangible assets	2,353	2,072
Net impairments	5,622	(7,785)
Movement in credit loss allowance: contract receivables / contract assets	(312)	1,759
Increase/(decrease) in other provisions	-	(219)
Change in provisions discount rate(s)	97	122
Audit fees payable to the external auditor		
audit services- statutory audit	149	175
other auditor remuneration (external auditor only)	114	-
Internal audit costs	55	130
Clinical negligence	15,905	13,566
Legal fees	448	344
Insurance	310	246
Research and development	278	1
Education and training	840	897
Rentals under operating leases	1,217	1,405
Early retirements	11	-
Car parking and security	574	394
Hospitality	6	92
Losses, ex gratia and special payments	180	13
Other	11,430	4,094
Total	**572,730**	**483,004**
Of which:		
Related to continuing operations	572,730	483,004
Related to discontinued operations	-	-

(1) Blackpool Teaching Hospitals NHS Foundation Trust (the Group) hosts services for the North West Leadership Academy, and Healthier Lancashire and South Cumbria. A review of the role of the Group in hosting these services was undertaken in 2019/20 and concluded that the Group is acting in the capacity of an agent. Income and costs for these services are therefore reported on a net basis.

Note 6.2 Other auditor remuneration (Group)

	2020/21 £000	2019/20 £000
Other auditor remuneration paid to the external auditor:		
Fees paid to provider of prior year external audit services	114	-
Total	**114**	**-**

The provider of statutory audit services to the Trust for 2020/21 is Deloitte LLP.

Other auditor remuneration represents additional fees payable to PriceWaterhouseCoopers LLP in 2020/21 in relation to the conclusion of their 2019/20 statutory audit work.

Deloitte LLP provide statutory audit services to the Group 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 £10,800 in 2020/21. (2019/20 £10,800 provided by PricewaterhouseCoopers LLP).

Note 6.3 Limitation on auditor's liability (Group)

The limitation on auditor's liability for external audit work is £1.0 million (2019/20: £1 million).

The audit engagement contract with Deloitte LLP approved by the Board of Governors contains a £1.0 million 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 Deloitte LLP.

Note 7 Impairment of assets (Group)

	2020/21 £000	2019/20 £000
Net impairments charged to operating surplus / deficit resulting from:		
Changes in market price	5,622	(7,785)
Total net impairments charged to operating surplus / deficit	**5,622**	**(7,785)**
Impairments charged to the Revaluation Reserve	2,212	171
Total net impairments	**7,834**	**(7,614)**

The impairments arise from the annual revaluation of Trust land and building assets. At 31 March 2021 the Trust's valuers carried out a desktop revaluation of the land, buildings and dwellings. Valuations are performed in accordance with the Royal Institute of Chartered Surveyors' RICS Valuation - Professional Standards (the 'Red Book'), primarily on the basis of depreciated replacement cost for specialised operational property and existing use value for non-specialised operational property.

Blackpool Teaching Hospitals NHS Foundation Trust

Note 8 Employee benefits (Group)

	2020/21 Total £000	2019/20 Total £000
Salaries and wages	266,434	238,044
Social security costs	25,960	22,846
Apprenticeship levy	1,448	1,234
Employer's contributions to NHS pensions	40,584	36,793
Pension cost - other	128	95
Termination benefits	11	-
Temporary staff (including agency)	41,503	32,106
Total gross staff costs	**376,068**	**331,118**
Recoveries in respect of seconded staff	-	-
Total staff costs	**376,068**	**331,118**
Of which		
Costs capitalised as part of assets	1,101	1,300

Employee benefits excluding capitalised staff costs reconciles to the total of staff and executive directors costs in Note 6.1 Operating expenses.

Blackpool Teaching Hospitals NHS Foundation Trust (the Group) host services for the North West Leadership Academy, and Healthier Lancashire and South Cumbria. A review of the role of the Group in hosting these services was undertaken in 2019/20 and concluded that the Group is acting in the capacity of an agent. Income and costs for these services are therefore reported on a net basis and the WTE for the hosted services staff should be excluded.

Note 8.1 Retirements due to ill-health (Group)

During 2020/21 there were 3 early retirements from the Trust agreed on the grounds of ill-health (3 in the year ended 31 March 2020). The estimated additional pension liabilities of these ill-health retirements is £56k (£119k in 2019/20).

These estimated costs are calculated on an average basis and will be borne by the NHS Pension Scheme.

Note 9 Pension costs (Group)

Past and present employees are covered by the provisions of the two NHS Pension 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 the Secretary of State for Health and Social Care 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 if it were a defined contribution scheme: the cost to the NHS body 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 financial statements 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 is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2021, is based on valuation data as 31 March 2020, updated to 31 March 2021 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 report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay. The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. In January 2019, the Government announced a pause to the cost control element of the 2016 valuations, due to the uncertainty around member benefits caused by the discrimination ruling relating to the McCloud case.

The Government subsequently announced in July 2020 that the pause had been lifted, and so the cost control element of the 2016 valuations could be completed. The Government has set out that the costs of remedy of the discrimination will be included in this process. HMT valuation directions will set out the technical detail of how the costs of remedy will be included in the valuation process. The Government has also confirmed that the Government Actuary is reviewing the cost control mechanism (as was originally announced in 2018). The review will assess whether the cost control mechanism is working in line with original government objectives and reported to Government in April 2021. The findings of this review will not impact the 2016 valuations, with the aim for any changes to the cost cap mechanism to be made in time for the completion of the 2020 actuarial valuations.

Note 10 Operating leases (Group)

Note 10.1 Blackpool Teaching Hospitals NHS Foundation Trust as a lessor

This note discloses income generated in operating lease agreements where Blackpool Teaching Hospitals NHS Foundation Trust Group and Trust is the lessor.

	2020/21 £000	2019/20 £000
Operating lease revenue		
Minimum lease receipts	247	271
Total	**247**	**271**

	31 March 2021 £000	31 March 2020 £000
Future minimum lease receipts due:		
- not later than one year;	287	285
- later than one year and not later than five years;	545	837
- later than five years.	-	-
Total	**832**	**1,122**

Operating lease revenue arises from retail units situated within the main entrance of Blackpool Victoria Hospital.

Note 10.2 Blackpool Teaching Hospitals NHS Foundation Trust as a lessee

This note discloses costs and commitments incurred in operating lease arrangements where Blackpool Teaching Hospitals NHS Foundation Trust (Group and Trust) is the lessee.

	2020/21 £000	2019/20 £000
Operating lease expense		
Minimum lease payments	1,217	1,405
Total	**1,217**	**1,405**

	31 March 2021 £000	31 March 2020 £000
Future minimum lease payments due:		
- not later than one year;	540	1,043
- later than one year and not later than five years;	1,029	1,499
- later than five years.	203	280
Total	**1,772**	**2,822**

The significant operating lease arrangements held by the Group and Trust relate to property and medical equipment 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 Group and Trust relate to:

	Annual commitment £000	Lease term Years
- Endoscopy Equipment	263	7
- Decontamination Equipment	125	5
- Fleetwood Hospital Outpatients	77	10
- 5x Ultrasounds	65	5
- Gastroenterology Equipment	86	7

Note 11 Finance income (Group)

Finance income represents interest received on assets and investments in the period.

	2020/21 £000	2019/20 £000
Interest on bank accounts	1	191
Total finance income	**1**	**191**

Note 12 Finance expenditure (Group)

Finance expenditure represents interest and other charges involved in the borrowing of money or asset financing.

	2020/21 £000	2019/20 £000
Interest expense:		
Loans from the Department of Health and Social Care	819	1,264
Other loans	123	142
Finance leases	57	54
Total interest expense	**999**	**1,460**
Unwinding of discount on provisions	(8)	10
Other finance costs	23	84
Total finance costs	**1,014**	**1,554**

Note 13 Other (losses) / gains (Group)

	2020/21 £000	2019/20 £000
Gains on disposal of assets	91	46
Losses on disposal of assets	(99)	(22)
Total other gains / (losses)	**(8)**	**24**

The loss on disposal results from the disposal of IT and equipment assets with a carrying value of £99k.

The gain on disposal results from the sale of equipment assets with no carrying value.

Notes to the Accounts

Note 14 Corporation tax expense

This note discloses the UK corporation tax charge applicable on the ordinary activities of Atlas BFW Management Ltd (trading as Atlas).

Corporation Tax only applies to the activities of Atlas BFW Management Ltd and therefore the Group. The Trust is a Health Service Body within the meaning of s519A ICTA 1988 and accordingly is exempt from taxation in respect of income and capital gains within categories covered by this.

	Group 2020/21 £000	Group 2019/20 £000
UK Corporation Tax		
Total current tax charge for the year	**155**	**148**
Adjustment in respect of prior years, charged in the current year	**0**	**8**
Deferred Tax		
Origination and reversal of timing differences	**0**	**0**
Tax charge	**155**	156

Factors affecting the tax charge for the current year

The tax charge is lower than (2019/20: equal to) the standard rate of corporation tax in the UK of 19% (2019/20: 19%), the differences are explained below.

	Group 2020/21 £000	Group 2019/20 £000
Current tax reconciliation	0	0
Profit on ordinary activities before taxation	**866**	781
Tax on profit before taxation at standard UK tax rate of 19% (2019/20: 19%)	**165**	148
Effects of:		
Other adjustments / allowances	**(10)**	0
Tax charge for the year	**155**	148

Changes to the UK corporation tax rates were substantively enacted as part of the Finance Bill 2015 on 6 September 2016. These include a further reduction in the main rate of corporation tax to the rate reductions enacted in the Finance Act 2015. The main rate of corporation tax is 19% from 1 April 2017 and will remain at this rate for 2021/22.

Blackpool Teaching Hospitals NHS Foundation Trust

Note 15.1 Intangible assets - 2020/21

Group	Software licences	Licences & trademarks	Development expenditure	Intangible assets under construction	Other (purchased)	Total
	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2020 - brought forward	**6,896**	**5,915**	**-**	**-**	**2,176**	**14,987**
Additions	927	976	-	843	-	**2,746**
Valuation / gross cost at 31 March 2021	**7,823**	**6,891**	**-**	**843**	**2,176**	**17,733**
Amortisation at 1 April 2020 - brought forward	**4,882**	**3,727**	**-**	**-**	**406**	**9,015**
Provided during the year	1,098	879	-	-	376	**2,353**
Amortisation at 31 March 2021	**5,980**	**4,606**	**-**	**-**	**782**	**11,368**
Net book value at 31 March 2021	**1,843**	**2,285**	**-**	**843**	**1,394**	**6,365**
Net book value at 31 March 2020	**2,014**	**2,188**	**-**	**-**	**1,770**	**5,972**

Note 15.2 Intangible assets - 2019/20

Group	Software licences	Licences & trademarks	Development expenditure	Intangible assets under construction	Other (purchased)	Total
	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2019 - as previously stated	**6,464**	**5,168**	**-**	**-**	**1,746**	**13,378**
Additions	432	747	-	-	430	**1,609**
Valuation / gross cost at 31 March 2020	**6,896**	**5,915**	**-**	**-**	**2,176**	**14,987**
Amortisation at 1 April 2019 - as previously stated	**3,973**	**2,890**	**-**	**-**	**80**	**6,943**
Provided during the year	909	837	-	-	326	**2,072**
Amortisation at 31 March 2020	**4,882**	**3,727**	**-**	**-**	**406**	**9,015**
Net book value at 31 March 2020	**2,014**	**2,188**	**-**	**-**	**1,770**	**5,972**
Net book value at 31 March 2019	**2,491**	**2,278**	**-**	**-**	**1,666**	**6,435**

Intangible assets under construction relates to IT software development that will align IT systems across regional NHS organisations and provide ongoing benefit to the Trust.

Note 16.1 Intangible assets - 2020/21

Trust	Software licences	Licences & trademarks	Development expenditure	Intangible assets under construction	Other (purchased)	Total
	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2020 - brought forward	**6,896**	**5,915**	**-**	**-**	**2,045**	**14,856**
Additions	927	976	-	630	-	**2,533**
Valuation / gross cost at 31 March 2021	**7,823**	**6,891**	**-**	**630**	**2,045**	**17,389**
Amortisation at 1 April 2020 - brought forward	**4,882**	**3,727**	**-**	**-**	**382**	**8,991**
Provided during the year	1,098	879	-	-	367	**2,344**
Amortisation at 31 March 2021	**5,980**	**4,606**	**-**	**-**	**749**	**11,335**
Net book value at 31 March 2021	**1,843**	**2,285**	**-**	**630**	**1,296**	**6,054**
Net book value at 31 March 2020	**2,014**	**2,188**	**-**	**-**	**1,663**	**5,865**

Note 16.2 Intangible assets - 2019/20

Trust	Software licences	Licences & trademarks	Development expenditure	Intangible assets under construction	Other (purchased)	Total
	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2019 - as previously stated	**6,464**	**5,168**	**-**	**-**	**1,617**	**13,249**
Additions	432	747	-	-	430	**1,609**
Valuation / gross cost at 31 March 2020	**6,896**	**5,915**	**-**	**-**	**2,047**	**14,858**
Amortisation at 1 April 2019 - as previously stated	**3,973**	**2,890**	**-**	**-**	**66**	**6,929**
Provided during the year	909	837	-	-	317	**2,063**
Amortisation at 31 March 2020	**4,882**	**3,727**	**-**	**-**	**383**	**8,992**
Net book value at 31 March 2020	**2,014**	**2,188**	**-**	**-**	**1,664**	**5,866**
Net book value at 31 March 2019	**2,491**	**2,278**	**-**	**-**	**1,551**	**6,320**

Blackpool Teaching Hospitals NHS Foundation Trust

Note 17.1 Property, plant and equipment - 2020/21

Group	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2020 - brought forward	**7,455**	**143,632**	**3,090**	**1,038**	**41,991**	**92**	**26,217**	**71**	**223,586**
Additions	-	10,903	-	4,840	9,349	-	5,153	-	**30,245**
Impairments	-	(2,167)	(45)	-	-	-	-	-	**(2,212)**
Revaluations	91	(8,415)	(80)	-	-	-	-	-	**(8,404)**
Transfers to / from assets held for sale	-	(980)	-	-	-	-	-	-	**(980)**
Disposals / derecognition	-	-	-	-	(637)	-	(2,422)	-	**(3,059)**
Valuation/gross cost at 31 March 2021	**7,546**	**142,973**	**2,965**	**5,878**	**50,703**	**92**	**28,948**	**71**	**239,176**
Accumulated depreciation at 1 April 2020 - brought forward	**-**	**-**	**-**	**-**	**22,677**	**81**	**14,066**	**46**	**36,870**
Provided during the year	-	3,952	80	-	2,953	1	3,900	4	**10,890**
Impairments	-	5,748	-	-	-	-	-	-	**5,748**
Reversals of impairments	-	(126)	-	-	-	-	-	-	**(126)**
Revaluations	-	(9,574)	(80)	-	-	-	-	-	**(9,654)**
Disposals / derecognition	-	-	-	-	(604)	-	(2,356)	-	**(2,960)**
Accumulated depreciation at 31 March 2021	**-**	**-**	**-**	**-**	**25,026**	**82**	**15,610**	**50**	**40,768**
Net book value at 31 March 2021	**7,546**	**142,973**	**2,965**	**5,878**	**25,677**	**10**	**13,338**	**21**	**198,408**
Net book value at 31 March 2020	**7,455**	**143,632**	**3,090**	**1,038**	**19,314**	**11**	**12,151**	**25**	**186,716**

Blackpool Teaching Hospitals NHS Foundation Trust

Note 17.2 Property, plant and equipment - 2019/20

Group	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2019 - as previously stated	**7,455**	**138,850**	**2,929**	**-**	**34,331**	**86**	**17,912**	**71**	**201,634**
Additions	-	546	-	1,038	8,119	6	8,305	-	**18,014**
Impairments	-	(753)	(54)	-	-	-	-	-	**(807)**
Reversals of impairments	-	605	31	-	-	-	-	-	**636**
Revaluations	-	4,384	184	-	-	-	-	-	**4,568**
Disposals / derecognition	-	-	-	-	(459)	-	-	-	**(459)**
Valuation/gross cost at 31 March 2020	**7,455**	**143,632**	**3,090**	**1,038**	**41,991**	**92**	**26,217**	**71**	**223,586**
Accumulated depreciation at 1 April 2019 - as previously stated	**-**	**2,409**	**57**	**-**	**21,016**	**80**	**11,395**	**40**	**34,997**
Provided during the year	-	3,654	73	-	2,096	1	2,671	6	**8,501**
Impairments	-	535	-	-	-	-	-	-	**535**
Reversals of impairments	-	(8,320)	-	-	-	-	-	-	**(8,320)**
Revaluations	-	1,722	(130)	-	-	-	-	-	**1,592**
Disposals / derecognition	-	-	-	-	(435)	-	-	-	**(435)**
Accumulated depreciation at 31 March 2020	**-**	**-**	**-**	**-**	**22,677**	**81**	**14,066**	**46**	**36,870**
Net book value at 31 March 2020	**7,455**	**143,632**	**3,090**	**1,038**	**19,314**	**11**	**12,151**	**25**	**186,716**
Net book value at 31 March 2019	**7,455**	**136,441**	**2,872**	**-**	**13,315**	**6**	**6,517**	**31**	**166,637**

Note 17.3 Property, plant and equipment financing - 2020/21

Group	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2021									
Owned - purchased	7,546	140,123	2,965	5,878	22,593	10	13,177	21	**192,313**
Finance leased	-	-	-	-	1,631	-	-	-	**1,631**
Owned - donated/granted	-	2,850	-	-	1,453	-	161	-	**4,464**
NBV total at 31 March 2021	**7,546**	**142,973**	**2,965**	**5,878**	**25,677**	**10**	**13,338**	**21**	**198,408**

Note 17.4 Property, plant and equipment financing - 2019/20

Group	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2020									
Owned - purchased	7,455	141,096	3,090	1,038	16,784	11	11,997	25	**181,496**
Finance leased	-	-	-	-	1,758	-	-	-	**1,758**
Owned - donated/granted	-	2,536	-	-	772	-	154	-	**3,462**
NBV total at 31 March 2020	**7,455**	**143,632**	**3,090**	**1,038**	**19,314**	**11**	**12,151**	**25**	**186,716**

NHS Blackpool Teaching Hospitals NHS Foundation Trust

Note 18.1 Property, plant and equipment - 2020/21 Trust	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation/gross cost at 1 April 2020 - brought forward	**7,455**	**143,632**	**3,090**	**1,038**	**39,989**	**86**	**26,211**	**71**	**221,572**
Additions	-	10,903	-	4,840	9,349	-	5,154	-	**30,245**
Impairments	-	(2,167)	(45)	-	-	-	-	-	**(2,212)**
Revaluations	91	(8,415)	(80)	-	-	-	-	-	**(8,404)**
Transfers to / from assets held for sale	-	(980)	-	-	-	-	-	-	**(980)**
Disposals / derecognition	-	-	-	-	(637)	-	(2,422)	-	**(3,059)**
Valuation/gross cost at 31 March 2021	**7,546**	**142,973**	**2,965**	**5,878**	**48,701**	**86**	**28,943**	**71**	**237,162**
Accumulated depreciation at 1 April 2020 - brought forward	**-**	**-**	**-**	**-**	**22,507**	**81**	**14,064**	**46**	**36,698**
Provided during the year	-	3,952	80	-	2,816	1	3,899	5	**10,753**
Impairments	-	5,748	-	-	-	-	-	-	**5,748**
Reversals of impairments	-	(126)	-	-	-	-	-	-	**(126)**
Revaluations	-	(9,574)	(80)	-	-	-	-	-	**(9,654)**
Disposals / derecognition	-	-	-	-	(605)	-	(2,355)	-	**(2,960)**
Accumulated depreciation at 31 March 2021	**-**	**-**	**-**	**-**	**24,718**	**82**	**15,608**	**51**	**40,459**
Net book value at 31 March 2021	**7,546**	**142,973**	**2,965**	**5,878**	**23,983**	**4**	**13,335**	**20**	**196,704**
Net book value at 31 March 2020	**7,455**	**143,632**	**3,090**	**1,038**	**17,482**	**5**	**12,147**	**25**	**184,874**

Blackpool Teaching Hospitals NHS Foundation Trust

Note 18.2 Property, plant and equipment - 2019/20 Trust	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation / gross cost at 1 April 2019 - as previously stated	**7,455**	**138,850**	**2,929**	**-**	**32,527**	**80**	**17,906**	**71**	**199,818**
Additions	-	546	-	1,038	7,921	6	8,305	-	**17,816**
Impairments	-	(753)	(54)	-	-	-	-	-	**(807)**
Reversals of impairments	-	605	31	-	-	-	-	-	**636**
Revaluations	-	6,106	314	-	-	-	-	-	**6,420**
Transfer of depreciation to gross book value following revaluation	-	(1,722)	(130)	-	-	-	-	-	**(1,852)**
Disposals / derecognition	-	-	-	-	(459)	-	-	-	**(459)**
Valuation/gross cost at 31 March 2020	**7,455**	**143,632**	**3,090**	**1,038**	**39,989**	**86**	**26,211**	**71**	**221,572**
Accumulated depreciation at 1 April 2019 - as previously stated	**-**	**2,409**	**57**	**-**	**20,973**	**80**	**11,393**	**40**	**34,952**
Provided during the year	-	3,654	73	-	1,969	1	2,671	6	**8,374**
Impairments	-	535	-	-	-	-	-	-	**535**
Reversals of impairments	-	(8,320)	-	-	-	-	-	-	**(8,320)**
Transfer of depreciation to gross book value following revaluation	-	1,722	(130)	-	-	-	-	-	**1,592**
Disposals / derecognition	-	-	-	-	(435)	-	-	-	**(435)**
Accumulated depreciation at 31 March 2020	**-**	**-**	**-**	**-**	**22,507**	**81**	**14,064**	**46**	**36,698**
Net book value at 31 March 2020	**7,455**	**143,632**	**3,090**	**1,038**	**17,482**	**5**	**12,147**	**25**	**184,874**
Net book value at 31 March 2019	**7,455**	**136,441**	**2,872**	**-**	**11,554**	**-**	**6,513**	**31**	**164,866**

Note 18.3 Property, plant and equipment financing - 2020/21

Trust	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2021									
Owned - purchased	7,546	140,122	2,965	5,878	22,530	4	13,174	20	**192,239**
Owned - government granted	-	-	-	-	606	-	-	-	**606**
Owned - donated / granted	-	2,851	-	-	847	-	161	-	**3,859**
NBV total at 31 March 2021	**7,546**	**142,973**	**2,965**	**5,878**	**23,983**	**4**	**13,335**	**20**	**196,704**

Note 18.4 Property, plant and equipment financing - 2019/20

Trust	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2020									
Owned - purchased	7,455	141,096	3,090	1,038	16,710	5	11,993	25	**181,412**
Owned - government granted	-	-	-	-	-	-	-	-	**-**
Owned - donated / granted	-	2,536	-	-	772	-	154	-	**3,462**
NBV total at 31 March 2020	**7,455**	**143,632**	**3,090**	**1,038**	**17,482**	**5**	**12,147**	**25**	**184,874**

Note 19 Revaluations of property, plant and equipment

Land and buildings (including dwellings) valuations are carried out by professionally qualified valuers (Cushman & Wakefield) in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual.

During February and March 2021 the Trust's valuers carried out a desktop revaluation of the land, buildings and dwellings with a valuation date of 31 March 2021. In applying the Royal Institute of Chartered Surveyors' RICS Valuation - Professional Standards (the 'Red Book'), Trust assets are valued primarily on the basis of depreciated replacement cost for specialised operational property and existing use value for non-specialised operational property.

The Trust last carried out a full revaluation exercise as at 31 March 2020.

The revaluation that took place at 31 March 2021 and is reported in the 2020/21 Annual Accounts has resulted in impairment losses that reverse revaluations recognised in previous years. Impairment losses in excess of any revaluation gain recognised in previous years has been recognised in operating expenses.

The impact of the revaluation on charges to operating expenses and reserves is as follows (Group and Trust):

	2020/21	2019/20
	£000	£000
Revaluation gains recognised in the revaluation reserve	**(269)**	(2,976)
Impairments charged to the revaluation reserve	**2,212**	171
Impairments recognised in operating expenses	**5,747**	535
Reversal of previous impairments recognised in operating expenses	**(126)**	(8,320)
	7,564	(10,590)

Comparative period (2019/20)

At 31 March 2020 the Trust's valuers carried out a full revaluation of the land, buildings and dwellings. This resulted in an increase in value of these non current assets of £10.590m.

The valuation exercise was carried out during February and March 2020 with a valuation date of 31 March 2020. In applying the Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards 2020 ('Red Book'), the valuer declared a 'material valuation uncertainty' in the March 2020 valuation report. This was on the basis of uncertainties in markets caused by COVID-19. The values in the report were used to inform the measurement of property assets at valuation in the 2019/20 financial statements. Whilst the valuer declared this material valuation uncertainty, the valuer continued to exercise professional judgement in providing the valuation and this was the best information available to the Trust.

Note 20 Investments

Blackpool Teaching Hospitals NHS Foundation Trust is the sole shareholder of Atlas BFW Management Ltd (trading as Atlas). The Trust owns 100 of 100 ordinary £1 shares. The principal activity of Atlas BFW Management Ltd is to provide estate management and facilities services.

Note 21 Inventories

	Group		Trust	
	31 March 2021 £000	31 March 2020 £000	31 March 2021 £000	31 March 2020 £000
Drugs	997	897	997	897
Consumables	7,009	5,104	4,420	2,405
Other	2	2,887	2	2,887
Total inventories	**8,008**	**8,888**	**5,419**	**6,189**

Inventories recognised in expenses for the year were £42,041k (2019/20: £37,020k). Write-down of inventories recognised as expenses for the year were £880k (2019/20: £0k). There is no provision held against inventory as at 31 March 2021 (31 March 2020: Nil).

In response to the COVID 19 pandemic, the Department of Health and Social Care centrally procured personal protective equipment and passed these to NHS providers free of charge. During 2020/21 the Trust received £9,761k (2019/20 Nil) of items purchased by DHSC.

These inventories were recognised as additions to inventory at deemed cost with the corresponding benefit recognised in income. The utilisation of these items is included in the expenses disclosed above.

Note 22.1 Receivables

	Group		Trust	
	31 March 2021 £000	31 March 2020 £000	31 March 2021 £000	31 March 2020 £000
Current				
Contract receivables [1],[3]	18,687	27,266	20,417	28,458
Contract assets [2]	-	2,575	-	2,575
Allowance for impaired contract receivables / assets	(825)	(2,165)	(798)	(2,165)
Prepayments	306	1,770	1,827	3,295
Interest receivable	-	5	-	5
PDC dividend receivable	459	-	459	-
VAT receivable	1,246	385	1,209	1,101
Clinician pension tax provision reimbursement funding from NHSE [4]	51	147	51	147
Other receivables	1,062	450	1,062	450
Total current receivables	**20,986**	**30,433**	**24,227**	**33,866**
Non-current				
Contract receivables	1,508	885	1,508	885
Allowance for other impaired receivables	(484)	(465)	(484)	(465)
Clinician pension tax provision reimbursement funding from NHSE [4]	230	652	230	652
Total non-current receivables	**1,254**	**1,072**	**1,254**	**1,072**
Of which receivable from NHS and DHSC group bodies:				
Current	11,338	24,888	10,700	23,522
Non-current	230	652	230	652

1) Contract receivables includes an accrual of £1,016k for income due from NHS England to reimburse the Trust for additional costs and loss of income attributable to the COVID-19 pandemic.

2) Contract assets at 31st March 2020 relates to an accrual for income recognised by the Trust for partially completed episodes of patient care. The income accrued in respect of this at 31 March 2021 is Nil due to changes in contracting and funding arrangements introduced in response to the COVID-19 pandemic.

3) The Trust has an amount receivable of £2,158k (2019/20 £2,135k) from the Compensation Recovery Unit (CRU) in respect of charges due under the NHS Injury Scheme. The Trust recovers approximately £650k each year and this amount has been classified as current with £1,508k classified as non-current and included in contract receivables.

4) Clinicians who are members of the NHS Pension Scheme and who as a result of work undertaken in the tax year 2019/20 face a tax charge in respect of the growth of their NHS pension benefits above their pension savings annual allowance threshold will be able to have this charge paid by the NHS Pension Scheme.

The Trust has created a provision broadly equal to the tax charge owed by clinicians who want to take advantage of the 2019/20 commitment. This is offset by a receivables balance from NHS England as there has been a commitment by the Government to fund the payments to clinicians as and when they arise.

Note 22.2 Allowances for credit losses - 2020/21

	Group		Trust	
	Contract receivables and contract assets	All other receivables	Contract receivables and contract assets	All other receivables
	£000	£000	£000	£000
Allowances as at 1 Apr 2020 - brought forward	**2,630**	**-**	**2,630**	**-**
New allowances arising	860	-	833	-
Reversals of allowances	(1,172)	-	(1,172)	-
Utilisation of allowances (write offs)	(1,009)	-	(1,009)	-
Allowances as at 31 Mar 2021	**1,309**	**-**	**1,282**	**-**

Note 22.3 Allowances for credit losses - 2019/20

	Group		Trust	
	Contract receivables and contract assets	All other receivables	Contract receivables and contract assets	All other receivables
	£000	£000	£000	£000
Allowances as at 1 Apr 2019 - as previously stated	**871**	**-**	**871**	**-**
New allowances arising	1,855	-	1,855	-
Reversals of allowances	(96)	-	(96)	-
Allowances as at 31 Mar 2020	**2,630**	**-**	**2,630**	**-**

Allowances for credit losses relating to Injury Cost Recovery debt totalling £484k have been reclassified from other receivables to contract receivables in the 2020/21 financial year. 2019/20 comparatives have been similarly reclassified with £465k moved from other receviables to contract receivables.

Note 22.4 Exposure to credit risk

The Trust minimises its exposure to credit risk arising from deposits with banks and financial institutions through implementing its Treasury Management procedures. Cash required for day to day operational purposes is held within the Trust's Government Banking Services (GBS) account. GBS balances are swept into the Bank of England overnight, with the specific aim of reducing credit risk exposure for bodies within government.

The Trust regularly reviews debtor balances, and has a comprehensive system in place for pursuing past-due debt. Aged debts are regularly assessed and proactive credit control is in place, including referral to debt recovery agents when internal efforts are exhausted and it is deemed potentially cost-effective to pursue.

The main source of income for the Trust is from CCGs in respect of healthcare services provided under contractual agreements. The credit risk associated with such customers is minimal. Non-NHS customers (for example, private patients and prescription charges) typically have a higher rate of write-off, but represent a small proportion of income. Therefore, the Trust is not exposed to significant credit risk from its customers.

The movement in the Allowance for credit losses during the year is disclosed in Note 22.2. The Trust's approach to the impairment of financial assets is detailed in its Accounting Policies. The carrying amount of financial assets represents the Trust's maximum level of credit exposure. Therefore, the maximum exposure to credit risk at the Statement of Financial Position date was £18.5m (£29.3m 2019/20), being the total of the carrying amount of financial assets excluding cash. There are no amounts held as collateral against these balances.

Note 23 Non-current assets held for sale and assets in disposal groups

	Group		Trust	
	2020/21	2019/20	2020/21	2019/20
	£000	£000	£000	£000
NBV of non-current assets for sale and assets in disposal groups at 1 April	**-**	**-**	**-**	**-**
Assets classified as available for sale in the year	980	-	980	-
Assets sold in year	(980)	-	(980)	-
NBV of non-current assets for sale and assets in disposal groups at 31 March	**-**	**-**	**-**	**-**

During 2020/21 the Trust re-categorised Wesham Rehabilitation Centre as an asset held for sale valued at £980k. The sale took place with proceeds received of £980k.

Note 24.1 Cash and cash equivalents movements

Cash and cash equivalents comprise cash at bank, in hand and cash equivalents. Cash equivalents are readily convertible investments of known value which are subject to an insignificant risk of change in value.

	Group		Trust	
	2020/21	2019/20	2020/21	2019/20
	£000	£000	£000	£000
At 1 April	**27,449**	**15,586**	**23,024**	**13,534**
Net change in year	11,457	11,863	7,124	9,490
At 31 March	**38,906**	**27,449**	**30,148**	**23,024**
Broken down into:				
Cash at commercial banks and in hand	12	33	12	33
Cash with the Government Banking Service	38,894	27,416	30,136	22,991
Total cash and cash equivalents as in SoFP	**38,906**	**27,449**	**30,148**	**23,024**

Note 24.2 Third party assets held by the Trust

Blackpool Teaching Hospitals NHS Foundation Trust held cash and cash equivalents which relate to monies held by the Trust on behalf of patients or other parties. This has been excluded from the cash and cash equivalents figure reported in the accounts.

	Group and Trust	
	31 March 2021	31 March 2020
	£000	£000
Blackpool Teaching Hospitals Charitable Fund	1,427	1,815
Patients monies	3	3
Total third party assets	**1,430**	**1,818**

Note 25.1 Trade and other payables

	Group		Trust	
	31 March 2021 £000	31 March 2020 £000	31 March 2021 £000	31 March 2020 £000
Current				
Trade payables	20,300	32,741	15,118	32,259
Capital payables	7,846	9,108	7,846	9,108
Accruals	30,612	17,961	28,744	16,123
Receipts in advance and payments on account	2,196	1,857	2,196	1,857
Social security costs	7,487	6,783	7,395	6,691
Other taxes payable	155	149	-	-
PDC dividend payable	-	138	-	138
Total current trade and other payables	**68,596**	**68,737**	**61,299**	**66,176**
Non-current				
Receipts in advance and payments on account	1,500	1,500	1,500	1,500
Deferred tax	16	16	-	-
Total non-current trade and other payables	**1,516**	**1,516**	**1,500**	**1,500**
Of which payables from NHS and DHSC group bodies:				
Current	9,537	13,177	5,259	12,851
Non-current	-	-	-	-

Note 25.2 Movement in deferred tax liability above

	Group		Trust	
	31 March 2021 £000	31 March 2020 £000	31 March 2021 £000	31 March 2020 £000
Deferred tax liability at beginning of year	**16**	16	**0**	0
Charge to the statement of comprehensive income in the year	**0**	0	**0**	0
Deferred tax liability at end of year	**16**	16	**0**	0
The deferred tax liability consists of:				
Accelerated capital allowances	**16**	16	**0**	0

Note 26 Other liabilities

	Group		Trust	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	£000	£000	£000	£000
Current				
Deferred income: contract liabilities	13,128	7,733	12,791	7,517
Total other current liabilities	**13,128**	**7,733**	**12,791**	**7,517**
Non-current				
Deferred income: contract liabilities	-	-	-	-
Total other non-current liabilities	**-**	**-**	**-**	**-**

Note 27 Borrowings

	Group		Trust	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	£000	£000	£000	£000
Current				
Loans from DHSC	2,568	71,204	2,568	71,204
Other loans	923	1,452	923	1,452
Obligations under finance leases	107	105	-	-
Total current borrowings	**3,598**	**72,761**	**3,491**	**72,656**
Non-current				
Loans from DHSC	23,731	26,231	23,731	26,231
Other loans	4,615	5,538	4,615	5,538
Obligations under finance leases	1,553	1,659	-	-
Total non-current borrowings	**29,899**	**33,428**	**28,346**	**31,769**

On 2 April 2020, the Department of Health and Social Care (DHSC) and NHS England and NHS Improvement announced reforms to the NHS cash regime for the 2020/21 financial year. One element of these reforms was the announcement that all DHSC interim revenue and capital loans as at 31 March 2020 would be extinguished and replaced with the issue of Public Dividend Capital (PDC) to fund the repayment. As a result interim revenue and capital loans totalling £67,827,000 (principal) as at 31 March 2020 were repaid on 23 September 2020, funded by receipt of a matching amount of PDC.

Further information on borrowings

	Original Value	Interest Rate	Term	Balance at 31 March 2021 *
Analysis of DHSC loans	**£000**	**%**	**Years**	**£000**
Normal course of business loans				
Capital loan 1: Agreement dated 6 March 2009	25,000	3.70	25	14,151
Capital loan 2: Agreement dated 26 July 2012	16,500	2.06	25	11,418
Capital loan 3: Agreement dated 7 October 2013	9,250	1.42	8	729
Analysis of other loans				
Blackpool Council Loan: Agreement dated 7 July 2017	9,230	1.96	10	5,538
Analysis of finance leases				
Siemens Financial Services Ltd: Agreement dated 16 May 2018	1,723	0.82	15	1,660

* Includes accrued interest at 31 March 2021

Note 27.1 Reconciliation of liabilities arising from financing activities (Group)

Group - 2020/21	Loans from DHSC	Other loans	Finance leases	Total
	£000	£000	£000	£000
Carrying value at 1 April 2020	**97,435**	**6,990**	**1,764**	**106,189**
Cash movements:				
Financing cash flows - (payments) and receipts of principal	(71,050)	(1,385)	(104)	**(72,539)**
Financing cash flows - payments of interest	(905)	(190)	(57)	**(1,152)**
Non-cash movements:				
Additions	-	-	-	**-**
Application of effective interest rate	819	123	57	**999**
Carrying value at 31 March 2021	**26,299**	**5,538**	**1,660**	**33,497**

Group - 2019/20	Loans from DHSC	Other loans	Finance leases	Total
	£000	£000	£000	£000
Carrying value at 1 April 2019	**53,656**	**7,919**	**1,667**	**63,242**
Cash movements:				
Financing cash flows - (payments) and receipts of principal	43,721	(923)	(98)	**42,700**
Financing cash flows - payments of interest	(1,203)	(149)	(54)	**(1,406)**
Non-cash movements:				
Additions	-	-	195	**195**
Application of effective interest rate	1,261	143	54	**1,458**
Carrying value at 31 March 2020	**97,435**	**6,990**	**1,764**	**106,189**

The Trust entered into no new borrowing arrangements during 2020/21 following the reforms to the NHS cash regime announced above. The 2020/21 funding regime and the early payment of commissioner block income removed the need for the Trust to seek financial cash support until March 2021. In March 2021 the Trust received £15.735m revenue cash support in the form of additional public dividend capital (PDC).

Blackpool Teaching Hospitals NHS Foundation Trust

Note 27.2 Reconciliation of liabilities arising from financing activities (Trust)

Trust - 2020/21	Loans from DHSC	Other loans	Finance leases	Total
	£000	£000	£000	£000
Carrying value at 1 April 2020	**97,435**	**6,990**	**-**	**104,425**
Cash movements:				
Financing cash flows - payments and receipts of principal	(71,050)	(1,385)	-	**(72,435)**
Financing cash flows - payments of interest	(905)	(190)	-	**(1,095)**
Non-cash movements:				**-**
Application of effective interest rate	819	123	-	**942**
Carrying value at 31 March 2021	**26,299**	**5,538**	**-**	**31,837**

Trust - 2019/20	Loans from DHSC	Other loans	Finance leases	Total
	£000	£000	£000	£000
Carrying value at 1 April 2019	**53,656**	**7,919**	**-**	**61,575**
Financing cash flows - payments and receipts of principal	43,721	(923)	-	**42,798**
Financing cash flows - payments of interest	(1,203)	(149)	-	**(1,352)**
Non-cash movements:				**-**
Application of effective interest rate	1,261	143	-	**1,404**
Carrying value at 31 March 2020	**97,435**	**6,990**	**-**	**104,425**

Note 28 Finance leases

Note 28.1 Blackpool Teaching Hospitals NHS Foundation Trust as a lessee

Obligations under finance leases where the Trust is the lessee.

	Group		Trust	
	31 March 2021 £000	31 March 2020 £000	31 March 2021 £000	31 March 2020 £000
Gross lease liabilities	**2,037**	**2,198**	**-**	**-**
of which liabilities are due:				
- not later than one year;	161	161	-	-
- later than one year and not later than five years;	645	645	-	-
- later than five years.	1,231	1,392	-	-
Finance charges allocated to future periods	(377)	(434)	-	-
Net lease liabilities	**1,660**	**1,764**	**-**	**-**
of which payable:				
- not later than one year;	107	105	-	-
- later than one year and not later than five years;	469	453	-	-
- later than five years.	1,084	1,206	-	-

Atlas BFW Management Ltd have entered into a 15 year finance lease agreement for the rental of beds and mattresses as part of a bed replacement programme provided as part of the fully managed facility service to the Trust.

There are no finance leases in the Trust (2019/20: Nil).

Note 29.1 Provisions for liabilities and charges analysis (Group and Trust)

Group and Trust	Pensions: early departure costs	Pensions: injury benefits	Staff & Occupiers Liability	Clinicians Pension Tax	Other provisions	Total
	£000	£000	£000	£000	£000	£000
At 1 April 2020	**65**	**1,652**	**126**	**799**	**-**	**2,642**
Change in the discount rate	2	95	-	-	-	**97**
Arising during the year	63	343	550	139	1,995	**3,090**
Utilised during the year	(16)	(103)	(57)	-	(3)	**(179)**
Reversed unused	-	-	(82)	(657)	-	**(739)**
Unwinding of discount	-	(8)	-	-	-	**(8)**
At 31 March 2021	**114**	**1,979**	**537**	**281**	**1,992**	**4,903**
Expected timing of cash flows:						
- not later than one year;	16	105	537	51	1,992	**2,701**
- later than one year and not later than five years;	67	428	-	38	-	**533**
- later than five years.	31	1,446	-	192	-	**1,669**
Total	**114**	**1,979**	**537**	**281**	**1,992**	**4,903**

Pensions: early departure costs / permanent injury benefit:
These provisions 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. During 2020/21 the Trust has provided for one new Permanent Injury Benefit case (2019/20: one).

Staff and occupiers liability:
This provision represents an estimate of the amounts payable by the Trust in relation to the excess on claims for injury to third parties. In return for an annual contribution from the Trust to NHS Resolution, the claims are settled by NHS Resolution on the Trust's behalf and excess amounts charged to the Trust at that point.
In addition the Trust has created a provision in year in relation to 5 employment tribunal cases currently being managed through the Trust's legal advisors.

Clinicians pension tax
Clinicians who are members of the NHS Pension Scheme and who as a result of work undertaken in this tax year (2019/20) face a tax charge in respect of the growth of their NHS pension benefits above their pension savings annual allowance threshold will be able to have this charge paid by the NHS Pension Scheme. The Trust has been required to make a contractually binding commitment to pay them a corresponding amount on retirement, ensuring that they are fully compensated in retirement for the effect of the 2019/20 Scheme Pays deduction on their income from the NHS Pension Scheme in retirement.
The Trust has created a provision broadly equal to the tax charge owed by clinicians who want to take advantage of the 2019/20 Commitment. This is offset by a receivables balance from NHS England as there has been a commitment by the Government to fund the payments to clinicians as and when they arise. In year the Trust has re-assessed the number of clinicians it believes will take the option to have their tax charge paid by the NHS Pension Scheme which resulted in a reduction of provision held.

Other provisions
Other provisions have been created in year relating to: (1) an HMRC VAT assessment on particular healthcare services purchased by the Trust where the period of assessment is under dispute, (2) potential claims from staff in relation to costs they have incurred whilst homeworking during the pandemic, (3) unfunded contractual obligations the Trust is obliged to fulfil following a DHSC arbitration process relating to property costs, (4) potential claims from staff in relation to salary sacrifice contribution made as part of the Trust's staff lease car scheme.

Note 29.2 Clinical negligence liabilities

At 31 March 2021, £336,801k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Blackpool Teaching Hospitals NHS Foundation Trust (31 March 2020: £315,521k).

Note 30 Contingent assets and liabilities

	Group		Trust	
	31 March 2021 £000	31 March 2020 £000	31 March 2021 £000	31 March 2020 £000
Value of contingent liabilities				
NHS Resolution legal claims	(52)	(75)	(52)	(75)
Value of contingent liabilities	**(52)**	**(75)**	**(52)**	**(75)**

This is the maximum potential liability for Staff and Occupiers Liability, which represents the difference between the balance provided and the excess due to NHS Resolution scheme of which the 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 Trust up to the value of the excess by NHS Resolution as they are incurred.

The Group and Trust has no contingent assets.

Note 31 Contractual capital commitments

	Group		Trust	
	31 March 2021 £000	31 March 2020 £000	31 March 2021 £000	31 March 2020 £000
Property, plant and equipment	8,339	2,178	8,339	2,178
Total	**8,339**	**2,178**	**8,339**	**2,178**

Prior to 31 March 2021 the Trust entered into contracts to continue the construction of the Emergency Village & Critical Care development £4.9m; Demolition of Parkwood Hospital £1.3m; as well as commitments to purchase equipment that suppliers were unable to fulfil before the end of the financial year due to the impact of the coronavirus pandemic.

Note 32 Other financial commitments

The Group and Trust is committed to making payments under non-cancellable contracts (which are not leases, PFI contracts or other service concession arrangements), analysed by the period during which the payment is made:

	Group		Trust	
	31 March 2021 £000	31 March 2020 £000	31 March 2021 £000	31 March 2020 £000
Not later than 1 year	1,831	-	-	-
After 1 year and not later than 5 years	1,825	-	-	-
Paid thereafter	229	-	-	-
Total	**3,885**	**-**	**-**	**-**

During the 2020/21 financial year Atlas BFW Management Ltd has established a new database recording contracts entered into for the ongoing maintenance of medical devices. At 31 March 2021 Atlas had commitments totalling £3.885m under these contracts.

Retrospective analysis has not been possible so comparative figures for 2019/20 are not available.

Note 33 Financial instruments

Note 33.1 Financial risk management

Although the Group does not hold or deal in complex financial instruments, it is required to comment upon its exposure to credit, liquidity and market risk and how those risks are managed.

Credit Risk

The majority of the Group'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.

The Group's treasury management operations are carried out by the finance department, within parameters defined formally within the Group's standing financial instructions and policies agreed by the board of directors. The Group's treasury activity is subject to review by the Group's internal auditors.

The Group ensures that daily cash flows are examined and cash forecasts are prepared to identify risks at an early stage ensure appropriate action is taken on a timely basis.

Liquidity Risk

The Group is exposed to liquidity risk in that it needs to maintain sufficient cash balances to meet payable obligations in order to ensure continuity of service. However, that risk is mitigated by the regular monthly receipt of contractual cash from NHS commissioners. Where the Group is unable to maintain sufficient cash balances the it may apply for financial assistance from the Secretary of State under section 42a of the National Health Service Act 2006.

Market Risk

As the Group does not deal in currencies, invest cash over the long term, borrow at variable rates or hold any equity investments in companies (other than its own subsidiary) its exposure to market risk (either interest rate, currency or price) is limited.

Foreign Exchange Risk

All financial assets and liabilities are recorded in sterling. Therefore the Group has no exposure to foreign exchange risks.

Note 33.2 Carrying values of financial assets (Group)

Carrying values of financial assets as at 31 March 2021	Held at amortised cost	Total book value
	£000	£000
Trade and other receivables excluding non financial assets	20,229	**20,229**
Cash and cash equivalents	38,906	**38,906**
Total at 31 March 2021	**59,135**	**59,135**

Carrying values of financial assets as at 31 March 2020	Held at amortised cost	Total book value
	£000	£000
Trade and other receivables excluding non financial assets	29,295	**29,295**
Cash and cash equivalents	27,449	**27,449**
Total at 31 March 2020	**56,744**	**56,744**

Note 33.3 Carrying values of financial assets (Trust)

Carrying values of financial assets as at 31 March 2021	Held at amortised cost	Total book value
	£000	£000
Trade and other receivables excluding non financial assets	21,986	**21,986**
Cash and cash equivalents	30,148	**30,148**
Total at 31 March 2021	**52,134**	**52,134**

Carrying values of financial assets as at 31 March 2020	Held at amortised cost	Total book value
	£000	£000
Trade and other receivables excluding non financial assets	30,486	**30,486**
Cash and cash equivalents	23,024	**23,024**
Total at 31 March 2020	**53,510**	**53,510**

Note 33.4 Carrying values of financial liabilities (Group)

Carrying values of financial liabilities as at 31 March 2021	Held at amortised cost £000	Total book value £000
Loans from the Department of Health and Social Care	26,299	**26,299**
Obligations under finance leases	1,660	**1,660**
Other borrowings	5,538	**5,538**
Trade and other payables excluding non financial liabilities	57,699	**57,699**
Total at 31 March 2021	**91,196**	**91,196**

Carrying values of financial liabilities as at 31 March 2020	Held at amortised cost £000	Total book value £000
Loans from the Department of Health and Social Care	97,435	**97,435**
Obligations under finance leases	1,764	**1,764**
Other borrowings	6,990	**6,990**
Trade and other payables excluding non financial liabilities	59,810	**59,810**
Total at 31 March 2020	**165,999**	**165,999**

Note 33.5 Carrying values of financial liabilities (Trust)

Carrying values of financial liabilities as at 31 March 2021	Held at amortised cost £000	Total book value £000
Loans from the Department of Health and Social Care	26,299	**26,299**
Other borrowings	5,538	**5,538**
Trade and other payables excluding non financial liabilities	51,708	**51,708**
Total at 31 March 2021	**83,545**	**83,545**

Carrying values of financial liabilities as at 31 March 2020	Held at amortised cost £000	Total book value £000
Loans from the Department of Health and Social Care	97,435	**97,435**
Other borrowings	6,990	**6,990**
Trade and other payables excluding non financial liabilities	57,494	**57,494**
Total at 31 March 2020	**161,919**	**161,919**

The Trust has three loans (2019/20: eight) with the Department of Health and Social Care (DHSC), and one loan with Blackpool Council categorised within financial liabilities. The carrying value of the liability is considered to approximate to fair value as the DHSC and Blackpool Council arrangements are of a fixed interest rate and equal instalment repayment feature and the interest rate is not materially different to the discount rate.

Note 33.6 Maturity of financial liabilities

The following maturity profile of financial liabilities is based on the contractual undiscounted cash flows. This differs to the amounts recognised in the statement of financial position which are discounted to present value.

	Group		Trust	
	31 March 2021 £000	31 March 2020 restated* £000	31 March 2021 £000	31 March 2020 restated* £000
In one year or less	62,271	133,421	55,737	130,841
In more than one year but not more than five years	14,093	15,117	13,448	14,472
In more than five years	21,175	24,587	19,944	23,195
Total	**97,539**	**173,125**	**89,129**	**168,508**

As part of the reforms to the NHS cash regime £67.827m DHSC interim revenue and capital loans as at 31 March 2020 were repaid in September 2020 funded by the issue of Public Dividend Capital.

* This disclosure has previously been prepared using discounted cash flows. The comparatives have therefore been restated on an undiscounted basis.

Note 34 Losses and special payments

	2020/21		2019/20	
Group and Trust	Total number of cases Number	Total value of cases £000	Total number of cases Number	Total value of cases £000
Losses				
Bad debts and claims abandoned	378	586	-	-
Total losses	**378**	**586**	**-**	**-**
Special payments				
Ex-gratia payments	53	19	37	13
Total special payments	**53**	**19**	**37**	**13**
Total losses and special payments	**431**	**605**	**37**	**13**

Note 35 Related parties

Parent

The Trust is a public benefit corporation established under the NHS Act 2006, and the Department of Health and Social Care are the Trust's parent. The Trust is therefore a related party to all bodies within the government accounts boundary.

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.

The main bodies with whom the Group has had transactions are those with which the Group has received income above £1m during the year. These are:

NHS & Other DH Bodies	Local Authorities
NHS Blackpool CCG	Blackpool Borough Council
NHS Chorley & South Ribble CCG	Lancashire County Council
NHS East Lancashire CCG	Central Government
NHS Fylde & Wyre CCG	HM Revenue & Customs
NHS Greater Preston CCG	NHS Providers
NHS Morecambe Bay CCG	Lancashire & South Cumbria NHSFT
NHS England including Regional & Commissioning Hubs	Liverpool University Hospitals
Health Education England	Lancashire & South Cumbria NHSFT

Non Whole of Government Accounts Bodies

The Trust has a number of related parties with non Whole of Government Accounts (WGA) bodies where Directors hold positions, such as at Universities. The Trust's Teaching Hospitals status was achieved through collaboration with the University of Liverpool, therefore this entity is treated as a related party. NHS Shared Business Services is classed as a NHS related party despite it being outside the WGA boundary. The Trust's transactions with these bodies is set out below:

	Income		**Receivables**	
	2020/21	2019/20	**2021**	2020
	£000	£000	**£000**	£000
University of Central Lancashire	**81**	142	**82**	34
Lancaster University	**(5)**	21	**0**	12
Blackpool 6th form College	**1**	0	**0**	0
University of Liverpool	**1**	0	**0**	0
Fylde Coast Womens Aid	**80**	0	**54**	0
	159	**163**	**136**	**46**

	Expenditure		**Payables**	
	2020/21	2019/20	**2021**	2020
	£000	£000	**£000**	£000
University of Central Lancashire	**537**	335	**1**	47
Lancaster University	**56**	113	**16**	74
Blackpool 6th form College	**6**	0	**6**	0
University of Liverpool	**2**	0	**0**	0
Fylde Coast Womens Aid	**97**	64	**10**	0
	699	512	32	121

Key management personnel

During the year reported in these accounts, none of the Board Members, Governors or key management staff have undertaken any material transactions with the Group. Details of Directors' remuneration and other benefits are included in the Annual Report's Remuneration Report.

Blackpool Teaching Hospitals Charitable Fund

The 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:	**2020/21**	2019/20
	£000	£000
Donations received from the charitable fund, recognised as income	**278**	451
Amounts receivable from the fund as at 31st March	**36**	50

The amount receivable at 31 March is not secured and is not subject to particular terms and conditions.

Note 36 Hosted Services

Blackpool Teaching Hospitals NHS Foundation Trust (the Group) hosts services for the North West Leadership Academy, and Healthier Lancashire and South Cumbria. A review of the role of the Group in hosting these services was undertaken in 2019/20 and concluded that the Group was acting in the capacity of an agent, and consequently that income and costs should be reported on a net basis.

The application of reporting on a net basis has resulted in a decrease in turnover and expenditure stated in the Statement of Consolidated Comprehensive Income of £8,928k (2019/20: £9,062k).

As at 31 March 2021, the Group Statement of Financial Position includes deferred income of £3,696k (2019/20: £3,357k) in respect of the North West Leadership Academy, which has been transferred to payables and disclosed as receipts in advance.

Note 37 Trust income statement and statement of comprehensive income

In accordance with Section 408 of the Companies Act 2006, the Trust is exempt from the requirement to present its own income statement and statement of comprehensive income. The Trust's deficit for the year was £25.0m (2019/20 £29.9m deficit).

Further copies of the Annual Report and Accounts for the period 1 April 2020 to 31 March 2021 can be obtained by writing to:

Corporate Governance Team
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: https://www.bfwh.nhs.uk/

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

Mr Kevin McGee
Chief Executive
Blackpool Teaching Hospitals NHS Foundation Trust
Trust Headquarters
Blackpool Victoria Hospital
Whinney Heys Road
Blackpool
FY3 8NR