



**Blackpool Teaching  
Hospitals**  
NHS Foundation Trust

**Blackpool Teaching Hospitals NHS  
Foundation Trust**

# **Annual Report and Accounts**

**2021/2022**





# **Blackpool Teaching Hospitals NHS Foundation Trust Annual Report and Accounts 2021/2022**

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



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Note:

- i) *This Annual Report and Accounts has been prepared on a group basis, Blackpool Teaching Hospitals NHS Foundation Trust, the Charity 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").*

# Chair's and Chief Executive's Introduction

Welcome to our Annual Report and Accounts for 2021/22.

In these pages you will see examples of some of the incredible work being carried out every day by our colleagues across the Trust, and also details of where we need to make some improvements.

Rest assured that Blackpool Teaching NHS Foundation Trust Hospitals (BTH) remains as committed as ever to delivering the best possible care for our community, despite the continuing pressures caused by the ongoing pandemic.

Our services, particularly our urgent and emergency care pathways, continue to face enormous challenges which have a knock-on effect felt by every service. Staff continue to be redeployed and there are tough decisions made every day over everything from easing visiting rules to cancelling clinics where we absolutely have no other choice.

The Executive Team at the Trust has led our efforts, alongside our partners in the wider care community, to ease these pressures and to continue our focus on elective restoration while maintaining a safe environment which still routinely sees us caring for 100 inpatients every day who have tested positive for COVID. This continues to put strain on all areas of the hospital and not just those wards directly affected.

It's important that everyone knows the efforts being made to support the flow of patients through the hospital and indeed we have actively encouraged patients and family members to get to know how our hospital operates and how they can help ensure patients are discharged quickly and safely. This has been done via our 'Why Not Home, Why Not Today campaign.'

However, we do not work in isolation and we truly appreciate the support of the wider care system. For instance, Hospital and Out of Hospital incident response cells in Lancashire and South Cumbria continued to operate, and the work of the Gold Command Winter Pressures Room continued seven days a week through collaboration between all Clinical Commissioning Groups (CCGs), Trusts, NHS England and NHS Improvement (NHSE/I) leads and Integrated Care System (ICS) Executives. North-West Ambulance Service colleagues can be regularly found on site supporting our Emergency Department colleagues.

You can read about some of this system-wide work in this report, covering everything from personal protection equipment (PPE) and consumable policies to the incredible work of the COVID-19 vaccination programme, COVID virtual ward services and the innovative digital work being carried out here at BTH and further afield. Speaking of COVID-19, our incredible Vaccination Hub marked a significant milestone in August after administering its 40,000<sup>th</sup> vaccine dose – simply incredible.

In January 2022, we received the results of our latest Care Quality Commission (CQC) inspection, which while recognising the hard work we have done since our last inspection in 2019, did continue to rate us as Requires Improvement. It's also important to highlight the positives the report also found. Ann Ford, the CQC's Deputy Chief Inspector for the North, said: "Although we did find concerns across the Trust, we also found that the staff we met were focused on the needs of patients, and there were pockets of outstanding care."

The Trust scored highest for caring across all settings, a reflection of the dedication of colleagues, but it did highlight areas we will be focusing on improving. We will continue to work with the CQC, as well as colleagues and stakeholders across the wider health and social care system, to improve and indeed continue to integrate the changes we have made since the last inspection.

While we must always keep one eye on the future and we will always continue to push ourselves to improve, it would be remiss of us to ignore the many wonderful things we have been doing here at the Trust over the course of the last year.

In these pages you can read how we worked with Lancashire and South Cumbria NHS Foundation Trust to open a new Mental Health Urgent Assessment Centre (MHUAC) next to the A&E department at Blackpool Victoria hospital. This has been established as a safe and calm assessment space for those experiencing urgent mental health needs.

During the last 12 months our colleagues have shown incredible signs of resilience and purpose, with our volunteers in their tangerine jackets returning to support patients, to our Lead Nurse for End of Life



and Bereavement Care being named Nurse of the Year on a national TV show, to the launch of our Clinical Quality Academy. Sometimes it's only when you take a moment to look back that you remember the incredible work that's been done and the incredible progress we've made.

The National Staff Survey is one such way of looking back, and this year we had a record turnout of colleagues who wanted to take part, have their say and make a difference to how we work in the future. Sometimes it's too easy to focus on the numbers, though. While it's incredible that 59% of staff took part, it's also incredible to look back at the changes made as a direct result of the last survey.

This is the first full year of operating under the new Trust structure which was brought in to provide more capacity, capability and better outcomes. This restructure created our current divisions: Families and Integrated Community Care, Tertiary, Clinical Support Services, Integrated Medicine and Patient Flow and Surgery, Anaesthetics and Critical Care, along with our Corporate Services.

We will be examining the results of the staff survey as we use them to prepare our divisional and Trust-wide action plans to measure how successful this first year under our new structure has been.

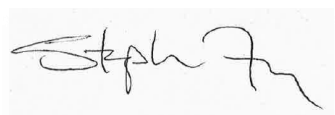
Since last year we've taken steps including introducing a network of more than 130 Health and Wellbeing Champions across the Trust, and introducing conflict resolution sessions. Health and wellbeing remains a constant focus at all levels and over the last year our dedicated Well Team could be seen regularly delivering refreshments to wards and our popular Going The Extra Mile awards.

It says something when there have been more than 5,000 of our Going the Extra Mile awards handed out to our incredible colleagues. The 'extra mile' has become more like 'standard practice' during these testing times and it's sometimes easy to forget the stories of heartbreak, bravery and dedication that go on across the Trust every single day.

We have more than 7,500 staff working at our Trust, across our hospitals and community teams. Each one has a story to tell and we heard some of these when we brought back our popular Celebrating Success Awards in March.

For the first time these awards were held virtually, but more than 3,000 people have now watched them to see just a few of these incredible stories told – from our Unsung Hero award to Volunteer of the Year, Employee of the Year to Clinical Team of the Year – the night was an emotional one for all involved.

Once more over the last 12 months our staff have faced pressures, overcome challenges and poured their blood, sweat and tears into caring for the people who need it most. Our organisation continues to learn, change and improve and this will continue thanks to everyone playing their part.



Signed:

Steve Fogg  
Chair

Date: 20 June 2022



Signed:

Trish Armstrong-Child  
Chief Executive

Date: 20 June 2022

# Group Highlights

## Trust Highlights

### Trust pioneered new heart technology



The Lancashire Cardiac Centre led the way with pioneering heart surgery techniques aiming to provide better outcomes for patients in the region.

The Cardiac Electrophysiology Team received new catheter technology to help patients diagnosed with irregular heart rhythms. The Intellanav Stablepoint Ablation Catheter was a new tool that treats the heart for irregular rhythms, burning millimetre-wide areas of the heart using a catheter.

This new catheter provided physicians with immediate feedback on how hard they are pushing into the heart tissue and how the tissue is responding to the treatment. The centre became one of few hospitals in the UK able to offer this new technology, to provide significantly better outcomes for patients undergoing catheter ablation for heart rhythm disorder.

### Blackpool Mental Health Urgent Assessment Centre opened for patients



A new Mental Health Urgent Assessment Centre opened on the site of Blackpool Victoria Hospital.

The MHUAC is located next to the A&E department, where work is underway to create an Emergency Village, enhancing and expanding emergency care.

It has been established as a safe and calm assessment space for service users who are experiencing urgent mental health needs and have no COVID symptoms or physical injuries.

The centre has three purpose-built assessment rooms for service users and their carers. With access to highly trained mental health nurses, consultant psychiatrists, support workers, and trainee nursing associates, service users will be assessed, supported and treated as required.

### New Medical Examiner Team established at BTH



A new department was set up at Blackpool Victoria Hospital to scrutinise all hospital deaths.

The Medical Examiner Team, led by senior doctors, ensures all patient notes are reviewed and a cause of death agreed between the reporting doctor and the Medical Examiner.

The move was part of a national system being rolled out across England and Wales.

Dr Brack, Consultant Cardiologist and one of the Trust's Medical Examiners, said: "Not only are we responsible for independently inspecting all the medical notes leading up to the passing of a patient, we also act as a point of contact for the bereaved family."

## Record engagement in NHS Staff Survey

Staff at Blackpool Teaching Hospitals believe their workplace is safer, supportive and focussed on patient care, the annual NHS Staff Survey revealed.

In total, a record 59% of staff at the Trust took the time to have their say despite the pressures of the pandemic. This means a total of 4,311 staff, the highest level of engagement the organisation has ever recorded and up from 49% in the 2020 survey, completed the annual benchmark.

Trust Chief Executive, Trish Armstrong-Child, who joined Blackpool Teaching Hospitals NHS FT in September last year, said the results show clear improvements particularly relating to staff feeling safe in the workplace, but acknowledged there was still work to be done.

She added: "It's so encouraging to see so many people taking time out to let us know how they feel. The Staff Survey results are a great way to benchmark ourselves against other NHS organisations, but to also get a real feel for how people are feeling within the organisation."

## New staff and patient area to mark Sir Tom's birthday



A new staff and patient area was opened and named after fundraising hero Captain Sir Tom Moore.

The link corridor on the second floor at Blackpool Victoria Hospital was redecorated, supplied with comfy chairs and painted by two volunteer artists.

The space is now used as a rest area by staff, somewhere different for patients to relax and by the physiotherapy and occupational therapy teams.

## Clifton Hospital pair launched new End of Life mouthcare packs



Clifton Hospital's End of Life training team created a new mouth care pack for patients.

Practice Development Sister Donna Hargreaves and Trainee Advanced Clinical Practitioner (ACP) Harriet Matichiecchia identified a gap and put together a 24-hour grab pack to keep patients' mouths clean and hydrated.

The convenient packs were created to alleviate the need for nursing staff to gather separate items from store rooms. Everything they need, for a 24-hour period, is together in the grab and go pack.

The packs proved so popular they were being rolled out across the Trust.

Harriet Matichiecchia added: "Giving patients good mouth care is a simple but essential aspect of the fundamentals of good nursing practice and contributes to end of life patients having 'good' deaths. This can be from giving patients mouthcare with a cup of tea and two sugars or even Baileys if it is their favourite drink. We only get one chance to get it right".

### **BTH nurse joined the NHS birthday celebrations in person**



Staff Nurse Cavan McKenna was asked to attend the National Service of Thanksgiving on the anniversary of the foundation of the NHS.

The event took place at St Paul's Cathedral in London and Haematology Unit nurse Cavan joined celebrities and dignitaries.

The service was intended to recognise the contribution made by so many people to the pandemic response.

Cavan said: "It was a great honour and privilege to be chosen to go to London to St Paul's Cathedral to be celebrating the 73<sup>rd</sup> anniversary of the NHS."

### **'Robot' cleaner joined the BTH team**



The Trust partnered with its cleaning and support services provider, Medirest, to introduce a new cleaning 'robot' replacing more traditional floor scrubber machines.

Medirest worked with cleaning innovation specialist, Killis, to develop the technology which is suited to the large open areas in hospitals.

The robot was introduced to support the hospital's team of cleaners, to enhance repetitive cleaning procedures in areas such as corridors, freeing up other team members to focus on touch point and cross-infection hotspots.

### **Physio team shared knowledge on a national stage**



A team of five Trust physiotherapists were chosen to share details of their work at a major national event – with two chosen to deliver a presentation.

The Physiotherapy UK virtual conference is the leading event in its field, attracting professionals from across the UK.

Each year, 200 presenters are given the opportunity to showcase peer-reviewed research via different types of presentation.

The team of five physiotherapists from BTH submitted abstracts and were accepted into the conference, with two upgraded – meaning one paper was allocated a give-minute presentation and another upgraded to a platform presentation.

Specialist Physiotherapist Simon Hayward said: "It's great to see the innovative work we're doing here at Blackpool Teaching Hospitals recognised at a national level."

### **BTH received Gold for its armed forces support**

The Trust was named as one of just a handful of NHS organisations across the country to receive a gold award for its support for the armed forces.



The award was received from the Defence Employer Recognition Scheme (ERS), given by the Ministry of Defence.

The ERS is given to organisations which would like to be more engaged with reservist employees and demonstrate a public commitment to supporting the armed forces. BTH received a Silver award in 2018.

Tina Daniels, Equality and Diversity Lead and Armed Forces Champion at BTH, said: “The Trust is absolutely thrilled to be awarded the ERS Gold Award. We value the expertise and knowledge our Reservists and ex-Military staff bring to their teams, our workforce and to the wider community.”

### **BTH Vaccination Hub reached 40,000 milestone**



The Vaccination Hub at Blackpool Victoria Hospital marked a significant milestone in August after administering its 40,000<sup>th</sup> COVID vaccine dose.

Emily Wheeler, 18, from Anchorholme, received the landmark vaccination and received a gift of treats provided by hospital charity Blue Skies, Costa and Marks and Spencer.

The hub administered its first dose on 9 December 2020. As part of a national programme, it is estimated almost 24 million infections and close to 100,000 deaths in England were prevented by vaccinations.

Emily said: “I wanted to get vaccinated, it’s not just about protecting myself but also keeping my friends and family safe. Hopefully it can give me some freedom to do things, like going away on holiday.”

### **Digital display encouraged patients to make the right choice**



A giant digital screen was installed outside A&E at Blackpool Victoria Hospital to encourage people to use the department for emergencies only.

The screen is used to inform the public about the best service for their particular health needs and also includes details of the average wait time.

Helen Raybould, Directorate Manager of Acute and Emergency Medicine, said: “We wanted to display information for visitors and many of the recent attendances have been for minor conditions that could have been treated elsewhere.

“Visitors to the department can now clearly see the average waiting time, number of ambulances arrivals in the last hour, the number of patients in the department and the longest time to be triaged. We hope that people will think twice about choosing to be seen in A&E when their symptoms are minor and instead contact NHS 111 first.”

### David bounced into the record books



David Kay, the Trust's divisional director of Nursing for the Tertiary division, spent 17 hours making his way from Fleetwood to Lytham on a space hopper.

As well as raising vital funds for local good cause Trinity Hospice, David wrote his way into the Guinness Book of World Records.

He used 10 space hoppers over the 14km route which included an estimated 10,000 bounces. The unusual record attempt attracted attention from the local and regional media.

He said: "I had six blow outs and two slow punctures so was only left with two hoppers at one time and we were panicking a bit after four blow outs but we managed to make the hoppers we had last. The support I had really helped me over the finishing line."

### BTH volunteers came together for a picnic in the park



The Trust's team of volunteers may have been out of action due to restrictions in place across the organisation, but that didn't stop them getting together for a picnic.

Thanks to a donation by hospital charity Blue Skies, the volunteers met at Stanley Park to enjoy picnic bags supplied by Taylors of Cleveleys.

The event was attended by members of the Trust's Executive Team who handed out the food.

Catherine Henshaw, Voluntary Services Team Leader at Blackpool Teaching Hospitals said: "It was lovely to see so many volunteers in the park, it was really great day for it."

### **Jackie named Nurse of the Year**



Jackie Brunton, Lead Nurse for End of Life and Bereavement Care, was named Nurse of the Year at the star-studded Who Cares Wins event aired on national TV.

Jackie was one of just three people shortlisted and attended an event where she was presented her award by TV presenter Kate Garraway.

Jackie was chosen after being nominated by Sue Ayrton of Blackpool, whose father Neville died from COVID at Blackpool Victoria Hospital early in the pandemic. Jackie supported Sue when visiting ceased to see her dad Neville, 73 via an iPhone in his last days when visiting restrictions were introduced across the country.

The work done by Jackie and the team during the pandemic laid the foundations for the Trust's full-time Swan bereavement support service and establishing the Swan Suite.

### **The Trust's Clinical Quality Academy launched**

Eleven improvement projects were selected for inclusion in the 2021/22 Clinical Quality Academy set to run a series of quality improvement seminars.

The chosen teams were selected following a rigorous application process, with a large number of clinical leads from across many disciplines within the Trust applying for inclusion. The carefully selected teams began their training in October when the Trust welcomed two of the world's leading quality improvement exponents, Maureen Bisognano and Zoe Egerickx to open the academy, and lead the teams off on their quality improvement journey.

Speaking about the launch of the Clinical Quality Academy, Pete Murphy, Director Nursing, AHP and Quality said: "This is a unique opportunity for Blackpool Teaching Hospitals to take a huge step forward in quality improvement methodology."

### **Trust ESR team gained national recognition**



Blackpool Teaching Hospitals gained national recognition for Operational Roster Excellence at the Allocate Awards 2021.

The Trust's Workforce Deployment Services Team was commended for its roll-out of the SafeCare rostering system, software which placed live staffing data in the hands of ward managers, matrons, senior nurses and operations teams.

Trish Trench, Workforce Deployment Services Operational Manager, said: "I'd like to thank all

the Senior Nursing Team, Matrons and Ward Managers for their support during the roll-out and making this project a success."

Judges said of the Blackpool Teaching Hospitals winning entry: "An excellent implementation in challenging times. This project was well planned, well supported and well executed. The Trust has seen significant benefits from the SafeCare system already and has a roadmap for further improvements."



## BTH Pathology services celebrated 60<sup>th</sup> anniversary



BTH's Pathology Directorate celebrated its 60<sup>th</sup> anniversary in 2021.

The directorate brings together a range of services which all fall under the umbrella of 'Laboratory Diagnostics.'

These include Cellular Pathology, Anticoagulant Dosing and Advisory Service (ADAS), Phlebotomy, Biochemistry, Microbiology, Virology, Point of Care testing (POCT), Haematology, Blood bank, Mortuary and the Medical Examiner's office.

Since the directorate's founding in 1961, much has changed in the science behind diagnosing diseases.

Historically, a process might typically involve culturing a swab, incubating it for 24-48 hours, followed by biochemical tests to identify which micro-organism has caused the infection taking a further 24 hours.

Bacteria can now be analysed by mass spectrometry in a matter of minutes after day one to identify the causative organism and treatments can be suggested based on those findings.

Dawn Singleton, BTH's pathology directorate manager, said: "I would encourage anyone thinking of getting into these areas to just go for it – it's a rewarding career with lots of opportunities for growth and learning – science is evolving so fast and the jobs we do are evolving with it."

## BTH haematology consultant received OBE honour



A haematology consultant at Blackpool Teaching Hospitals was awarded one of the country's highest honours after being made an OBE for services to Blood Transfusion and Patient Care.

Dr Sharran Grey, Haematology Consultant Clinical Scientist in the Lancashire Haematology Centre was honoured in 2021 New Year's honours list but didn't actually receive the OBE until February 2022 due to COVID restrictions. Dr Grey attended the ceremony at Windsor Castle and accompanied by her family was awarded the OBE by Prince Charles.

This is not the first time that Dr Grey has received national acclaim, in 2017 she was awarded the NHS England Chief Scientific Officer's Healthcare Science Award for her doctoral research on Accelerated Red Cell Transfusion for Selected Patients.



### **Home First service received new transport**



The Trust's Transfer of Care Hub had the opportunity to trial a dedicated transport ambulance to support Home First patients after a hospital admission.

Home First is a joint Health and Social Care initiative that allows patients to be assessed in their own environment to determine their ongoing care, therapy and equipment needs following on from a hospital admission.

This transport partnership with Mersey Medical will allow Home First staff to travel with their patients providing a safe and comfortable journey home. The vehicle will also support staff during the visit completing equipment collections for any aids that

help encourage patients to retain their independence at home. The vehicle has the ability to transport up to four patients at once providing a drop-off service which supports the expansion of Home First and the much-needed increased number of daily visits the team can provide.

### **Blackpool and Lancashire Sexual Health Services move to new, modern premises**

The sexual health clinic based at Royal Preston Hospital was due to relocate to the Fatima Health Centre on Garstang Road in Preston.

The region's sexual health clinics have been provided at Royal Preston Hospital since 1991 during which time the service has increased the availability of appointments and now offer clinics from Monday to Saturday, seeing more than 16,000 patients per year.

The Sexual Health service is hosted by Blackpool Teaching Hospitals NHS Foundation Trust, this commitment to relocate the Preston 'hub' to larger, modern premises, demonstrates a commitment to improving public health in the Preston area. The new premises will support the team to provide high quality integrated sexual health care in a bright modern setting.

Speaking about the move to new premises, Sally Myerscough, HIV Service Manager said: "Our new Sexual Health Suite will double the number of clinical rooms available to fifteen. This will support the service to fully integrate and they will be offering contraceptive clinics alongside genito-urinary medicine (GUM) and HIV clinics. The change to service delivery will allow the service to provide a more holistic and one stop shop care for patients."

## 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.

### Overview

Atlas has now completed its fifth year of operation and continues to support patient experience and safe clinical care through its service offer and its people. Turnover has increased to £64.8m in the year to 31st March 2022, a rise of £9.8m on the previous year, generating a Profit Before Tax of £0.5m. Atlas has also contributed to the Group cost reductions by £2m of which £1.1m related to consumables and £0.4m to utilities. These savings were passed through to the Group and support the delivery of services.

### Highlights

#### Medical Engineering

The department has increased compliance with planned maintenance to 95% (94% 2020/21).

#### Facilities

##### Transport

- From April 2021 – March 2022, there has been zero Reportable Safety incidents, zero Near Misses and zero Speeding Incidents.

##### Catering

- Atlas' Catering Team has retained its 5 Star Hygiene Rating and implemented Natashas Law:- ([What is Natashas Law? — Natasha Allergy Research Foundation \(narf.org.uk\)](https://www.narf.org.uk/)).

##### Domestic Services

- Atlas' Domestic Services Team has implemented National Standards of Cleanliness 2021 into the community buildings and retained BICs accreditation (British Institute of Cleaning). Despite the challenge of the COVID Pandemic staff have responded to the increased demands including completing additional shifts/ cleans when needed.

#### Estates

The Estates department undertakes planned maintenance as well as reactive work to ensure that services operate within a safe environment. Examples include; safety checks, service contracts (lifts) replacing old equipment (obsolete fuel storage tanks), repairs (steam leaks).

The helpdesk was relaunched, and the department continues to support the implementation of the new CAFM (Computer aided Facilities Management) system to log and respond to calls.

The Department also commissioned the new programmable lighting system at the main entrance to enable the Hospital to celebrate special occasions.

#### Capital & Property

Atlas has supported the estate capital programme which covers general capital (£6.5m), the Emergency Village and Critical Care Scheme (£12.6m) and overseen the safe handover of a new 24 bedded Modular Ward (£5.5m).

The property team continues to work closely with the Trust to enable the effective and efficient management of properties, facilitating moves and ensuring statutory compliance.

#### Quality, Risk and Compliance

Atlas implements robust systems to monitor and maintain statutory compliance across Acute and Community care. The company has successfully retained its certification, 'ISO 9001' which is an internationally recognised quality management certification.

## Feedback

### Client Survey

Support has also been recognised in our 2021-2022 Client Survey, with feedback from Trust staff such as:

- “Thank you, issues are always dealt with promptly and professionally.”
- “They are all work so hard, from engineers to electricians.”
- “The Catering team are fantastic, they are very accommodating, and we appreciate them all at Clifton.”

### Staff Survey

The positive feedback is also reflected in the Atlas’ annual staff satisfaction survey. Employee feedback from Atlas’ 2021-2022 Staff Satisfaction Survey includes:

- 95% of staff agreed with the statement: “I take pride in my work.”
- 93% of staff agreed with the statement: “We are extremely focussed on our Customer's needs.”
- 94% of staff agreed with the statement: “I have a clear understanding of what is expected in my role.”

# Working with our Partners

## **Lancashire and South Cumbria Health and Care Partnership responding to the COVID-19 Pandemic**

Over the last 12 months, we have continued to work with our colleagues in the CCGs in Lancashire and South Cumbria, along with partners across the Integrated Care System to manage the local response to COVID-19.

NHS partners continued to work with Local Resilience Forums (LRFs) in Lancashire and Cumbria, which include partners from the NHS, local authorities, social care, education, police, fire and armed forces. Working together, these partnerships helped to manage the response to COVID-19, which this year focused on:

- Changes to national guidance.
- Rollout of the COVID vaccination and testing programmes.
- Communicating key messages.
- Continuing priority work programmes.

### **Examples of System Working**

**Hospital and Out of Hospital incident response cells** in Lancashire and South Cumbria which were established in 2020/21, continued to operate under the North West Regional incident command structure.

The Hospital cell continued to cover elective care, tertiary services, critical care, cancer, paediatrics, mutual aid and clinical prioritisation. The Out of Hospital cell continued to co-ordinate the work of community services, mental health, learning disabilities and primary care. It also worked with social care, to run a Care Sector sub-cell jointly with the Lancashire LRF and with connections to Cumbria.

A Joint Hospital and Out of Hospital cell was chaired by Kevin McGee, Chief Executive of Lancashire Teaching Hospitals and the Provider Collaboration, was strengthened to enable collective system decision making with revised membership, which included the involvement of Directors of Adult Social Care from local authorities.

The **Gold Command Winter Pressures Room** was established in preparation for the second wave of the pandemic in 2020 and continued to support local NHS operational activity and winter pressures. As a tactical support service, it monitored and analysed pressure on individual trusts and organisations – including A&E attendances, COVID-19 cases, people awaiting a COVID test result before admission, staff sickness, bed capacity, discharge delays, and queueing ambulances. Data was viewed from a system perspective and capacity was redistributed accordingly.

Work at the command room, as well as the System Vaccinations Operations Centre (SVOC), operated seven days a week through collaboration between all CCGs and trusts, NHSE/I leads and ICS executives. It made a major difference in terms of collaborative working and system thinking for the benefit of patients.

The **Lancashire and South Cumbria Personal Protective Equipment (PPE) and Consumables Policy Group** continued to operate throughout 2021/22, and coordinated the usage and capacity planning for health services across the region.

The PPE and Consumables Policy Group worked effectively as a joint forum for debating, testing and implementing approaches to the use of PPE, including 'fit-testing' of equipment and clear facemasks.

System-wide staff notices and information were circulated to inform the wearing of face coverings across all healthcare settings (hospital trusts, GP practices, dentists), including information for the wearing of face coverings by patients and visitors. These were re-circulated as necessary in response to changes in the national guidance on the wearing of face coverings.

**Antigen testing** became firmly embedded within the national response to COVID-19. Routine asymptomatic testing programmes, using rapid lateral flow testing, were established across the health and care sectors, in education and in workplaces.

The COVID-19 Vaccination Programme Board, established in November 2020, continued to provide oversight during 2021/22 as well as strategic direction to make sure the local offer met public need and was fit for purpose.

In addition, NHS teams went to extraordinary lengths to take the vaccine to different communities and many fixed sites across Lancashire and South Cumbria including pop-up and mobile services, as well as buses and street teams, often delivered through partnerships with religious and community groups as well as council services. This hyper-local approach proved invaluable to increase uptake in many health inclusion groups.

NHS teams were able to react quickly as the programme expanded to under-18s, vaccinating children in schools, and then facilitating the rollout of boosters and third doses for those whose immune systems meant they needed more protection.

In response to the emerging Omicron variant of the COVID-19 virus, the Government announced the acceleration of the winter booster programme. Capacity was doubled in the space of a week with daily vaccines moving from 10,000 a day to 20,000. A call out for support saw a reinvigoration of the vaccine response with many volunteers and retired clinicians returning to support the booster programme.

Blackpool Teaching Hospitals NHS Foundation Trust itself celebrated the delivery milestone of 40,000 COVID vaccine doses during August 2021.

**Pulse oximetry at home and COVID-19 virtual ward services** what were launched across Lancashire and South Cumbria in 2020/21, continued to monitor vulnerable patients with COVID-19 in their own homes.

In response to the successful vaccination programme and the COVID-19 variants that emerged during 2021/22, the services continued to adapt patient criteria so that those most at risk from complications were offered the service.

The services also expanded to include a lighter-touch pathway for lower-risk patients, where patients were contacted by text message and offered a pulse oximeter to self-monitor their oxygen saturation levels at home during the course of their illness. This allowed them to easily self-refer into the service or contact NHS 111 if they had any concerns.

COVID-19 virtual wards remained in place and provided an enhanced level of virtual monitoring and care overseen by hospital clinicians, usually for those patients who were receiving treatment to help them recover from COVID-19 whilst in their own home. This enabled people to be discharged earlier from hospital and prevented a hospital admission altogether.

**Urgent and emergency care** has been a priority across the healthcare system over the last 12 months, against a backdrop of the challenge to restore services, meet new care demands and reduce the care back logs that were a direct consequence of the pandemic, whilst supporting staff recovery and taking further steps to address inequalities in access, experience and outcomes.

Through the Urgent and Emergency Care Network (UECN) in Lancashire and South Cumbria, the ICS along with each local A&E Delivery Board submitted responses in September and October 2021 to NHSEI for the system flow assurance process for Place Based Partnerships and ICSs.

In response to the continuing demand on services, system partners came together through the joint cell to develop and implement surge plans. These have increased capacity across hospital and out-of-hospital services, with a particular focus upon enhancing discharge arrangements and improving flow.

## **Preparing for the Future**

This year has seen significant national developments in relation to health and care reorganisation and emerging guidance for delivering integrated care for the benefit of our population and staff. This will

ultimately result in the closedown of eight CCGs and the establishment of the Integrated Care Board (ICB) in Lancashire and South Cumbria. The Health and Care Bill (2021) defined the new NHS bodies as Integrated Care Boards which would replace CCGs, and the partnerships as Integrated Care Partnerships (ICPs).

All NHS provider trusts are expected to be part of a provider collaborative in order to help set system priorities and allocate resources. In Lancashire and South Cumbria, a Provider Collaboration Board (PCB) was established with two provider collaboratives: an NHS Provider Collaborative and a Mental Health, Learning Disability and Autism Provider Collaborative.

**Below are some examples of how Blackpool Teaching Hospitals worked with partners to prepare for the future:**

Among the health and care partnership work programmes were those focused on **mental health in both children and young people and adults**. Both the Child and Adolescent Mental Health Services (CAMHS) and adult mental health services remained open and accessible during the pandemic. Indeed, services saw a significant increase in the number of referrals.

The NHS Long Term Plan set out the ambition to establish **Maternal Mental Health Services** (MMHSs) in all areas of England by 2023/24. In 2020/21, Blackpool Teaching Hospitals NHS Foundation Trust bid successfully for Early Implementer and Fast Follower transformation funding from NHSE/I to develop and test the service across the whole of Lancashire and South Cumbria. This much-needed service will provide evidence-based care for women who have post-traumatic stress disorder following birth trauma or loss, neonatal admission, termination of pregnancy, separation, or severe fear of childbirth (tokophobia).

Improving Access to Psychological Therapy (IAPT) services across Lancashire and South Cumbria, including Blackpool Teaching Hospital's own Blackpool Healthier Minds continued to work towards expanding access and maintaining existing referral to treatment time and recovery standards in line with national targets.

**Digital plans** continued at pace, with the ongoing response to COVID-19 accelerating the spread and adoption of digital solutions over the last 12 months. Systems include Badgernet which has been deployed across maternity services including within Blackpool Teaching Hospitals and plans continue to procure electronic patient records (EPR) for acute and community services. Badgernet is the system-wide Maternity Information System which is already being used by Lancashire Teaching Hospitals, East Lancashire Hospitals and University Hospitals of Morecambe Bay, with Blackpool Teaching Hospitals due to go live in summer 2022.

Blackpool Teaching Hospitals is also part of the **Lancashire and South Cumbria Pathology Collaboration**, working towards the formation of a single pathology service for the area. At the end of March 2022, work was paused to allow time for further comments and consultation from those involved.

The New Hospitals Programme also entered an important phase in early 2022, with the announcement of the shortlist.

The programme team has collected information on everything, from what future clinical and technological developments might be needed in new hospital facilities, to potential land availability and building specifications. Thousands of patients, staff and stakeholders have been involved in conversations to start building a picture of how new hospital facilities should operate.

The shortlisted proposals were for new facilities at Royal Lancaster Infirmary and Royal Preston Hospital, with options including two new hospitals and partial rebuilds and refurbishment.

# 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

In last year's report we wrote how this organisation had faced a year of 'the biggest challenge the NHS has ever seen.'

There is no doubt that these challenges have continued to be felt during 2021/22 and, unfortunately, we continue to operate against the difficult backdrop of the COVID pandemic and its aftermath.

In January 2022, the CQC published its report into a series of inspections carried out at the Trust in September and October 2021.

The report acknowledged some of the changes we made since the last inspection in 2019 however, While the overall CQC rating for the Trust remained as requires improvement the rating for the Blackpool Victoria site was reduced to inadequate.

The report highlighted four particular areas where we need to focus and improve: Urgent care, elective activity, risk and governance and staff engagement. In addition, we received a formal notice setting out a number of immediate actions to address their concerns.

We provide regular updates to the System Improvement Board on our actions to address these concerns. Further information can be found on page xx of this report and the full CQC report can be found here: [Trust - RXL Blackpool Teaching Hospitals NHS Foundation Trust \(19/01/2022\) INS2-11127547511 \(cqc.org.uk\)](#)

We remain committed to becoming an outstanding organisation and simply cannot achieve this without the tireless support of all our staff.

The report acknowledges the fundamental changes made by our organisation since the last inspection in 2019, but highlights four particular areas where we need to focus and improve: Urgent care, elective activity, risk and governance and staff engagement.

Work continues on each of these areas – and beyond – but over the last 12 months work has continued at pace on our Emergency Village development. In November we held Same Day Emergency Care (SDEC) Summit to discuss a variety of topics ahead of the SDEC facility opening (due to be completed in August 2022). We opened Ward 4 a modular ward in mid-April 2022, which will help with our elective recovery efforts and due to receive its first patients before the end of April.

Meanwhile over the last 12 months we also took steps including launching our Clinical Quality Academy to focus on making real and lasting changes among clinical teams at the Trust. New appointments at the Trust included, Sue McKenna, Andrew Roach, Fiona Eccleston and Adrian Carridice-Davids as Non-Executive Directors, Louise Ludgrove as Interim Director of People & Culture and Esther Steel, who joined as our new Director of Corporate Governance.

Once again colleagues across the Trust took the time to have their say in the NHS Staff Survey. I was delighted to see that a record level of engagement took place, with 59% of colleagues having their say, up from 49% last year. This means 4,311 colleagues were keen to tell us how they feel and to play a part in how the Trust will move forward.

For the first time, the survey this year was linked to the NHS People Promise, and of the nine themes which included 'We are compassionate and inclusive' and 'We are safe and healthy' the Trust scored above average in eight. We scored slightly below average in 'We are always learning.' For further information:- [Blackpool Teaching Hospitals scores highly in annual NHS Staff Survey results | Blackpool Teaching Hospitals NHS Foundation Trust \(bfwh.nhs.uk\)](#).

The survey is a rich source of data about our organisation and the results and the narrative behind it will form part of our strategies over the next 12 months as an organisation and at a divisional level.

I would like to take this chance to thank everyone – our colleagues, volunteers, patients, families and wider stakeholders and partners – for everything they have done and continue to do. We know we are on an improvement journey but with you by our sides I know we will continue to grow, learn and offer the best possible level of care for everyone.

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.

A handwritten signature in dark ink, reading "Trish Armstrong-Child". The signature is written in a cursive style with a horizontal line underneath.

Signed:

Trish Armstrong-Child  
Chief Executive

Date: 20 June 2022



## The 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 name 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 approximately 1.8 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 353,919 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 2021/22, 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.

From 1st July 2022, under the Health and Care Act 2022, Integrated Care Systems (ICSs) will be legally and operationally established as statutory bodies. CCGs will be absorbed into their local ICS and their commissioning powers will transfer to the local Integrated Care Board (ICB).

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 an approximate 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 over 7,500 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 £625m in 2021/22 (£552m in 2020/21).

Between 1 April 2021 and 31 March 2022, the Trust treated 102,881 day cases and inpatients (elective and non-elective), 397,075 outpatients and had 79,016 A&E attendances.

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

## Trust's Five Year Strategy

### Developing a New Five-Year Strategy

In 2021/22, the Trust committed to developing a new five-year strategy. Over the last 12 months, the Trust has completed a number of workshops and surveys with patients, staff, carers, governors, and children's groups to co-produce a strategic framework and underpinning strategy. The 2022-2027 strategy was officially launched on 15 June 2022.

The new Trust mission sets out why we are here:

- "We will deliver safe, effective sustainable care for everyone, everyday"
- The new Trust vision sets out what we want to achieve in the next five years:
- "We will improve the lives of people who live, work and volunteer within the Fylde coast and beyond"

The Trust strategy has three key aims, with underpinning priorities and objectives:

- Our people: to widen access to job opportunities, becoming the employer of choice within our community with an empowered, diverse, and engaged workforce.
- Our population: to work with our population to co-produce high quality services with a key focus on preventative care and reducing health inequalities.
- Our responsibility: to work with partners to deliver high quality, financially sustainable services and reduce our environmental impact

The strategy was approved at Trust Board in March 2022 and sets out a high level five-year workplan to deliver the key aims and objectives. Over the next year, the Trust will work to develop its supporting strategic plans to enable the delivery of the strategy, specifically for:

- Research, Innovation and Education
- Digital
- Finance
- People Plan
- Green plan

The Trust will report annually on its progress against its key aims.

## New Trust Strategic Framework (2022 to 2027):



## Trust Values

Values help us to define our Trust beliefs and the behaviours we agree to live by every day. They set out how we expect to behave when interacting with patients and their carers, colleagues, and partners. They guide us in informing what is important to the Trust and provide clarity and direction for decision-making.

The current Trust values were implemented in 2014:

- 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

As part of the Trust strategy development, over a third of staff felt that the current values would not deliver the new Trust strategy. During 2022/23, the Trust will be reviewing and developing new values taking into account the new Trust strategy alongside staff and patient survey feedback and speaking out principles to understand what we feel is important in our everyday interactions and when improving the lives of people who live, work and volunteer within the Fylde coast and beyond.

## 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 respond 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 Information Management Technology (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 2022/23, 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.

## Emergency Planning

As a major provider of healthcare services, the Trust is prepared and able to respond in the event of an emergency, 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 with considerable focus still supporting the response to COVID which is still being treated as a national level major incident. Key to this was maintaining 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, distribution and collection of situation reports and dissemination of guidance, new policies, national and regional updates. When required, the ICC has hosted daily virtual coordination meetings to provide shared situational awareness and direction across all divisions which has been pivotal to the response. A focus of the Trust has also been to plan and implement the recovery of business-as-usual services which remains a challenge as we continue to see patients requiring hospital stays as a result of the various waves of COVID.

At times throughout the year, it has also been necessary to declare an internal incident due to the increased demand on hospital services. This enables support to be provided to divisions and the Emergency Department to ensure the flow of patients can be coordinated and that they are receiving the appropriate level of care. During these demanding times the on-call managers and directors have rotated into the ICC to provide incident management cover.

The Trust has an Accountable Emergency Officer, who is the Executive Director of Integrated Care. The Accountable Emergency Officer is supported by an EPRR team, consisting of an Emergency Planning Manager and an Emergency Planning Officer, providing a shared service between Blackpool Teaching Hospitals and Blackpool Council. Key to the team is the Emergency Planning Support Officer who provides support solely for Blackpool Teaching Hospitals and also coordinates the arrangements for senior managers and Directors on call.

Through engagement 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.

The Trust is currently reviewing its 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 which are all ratified at executive 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.

A significant investment has been made in upgrading our decontamination facilities and as a result we are updating training and exercising in this area. Training sessions to enhance internal management of incidents for the on-call senior managers and Directors are also provided by the EPRR team.

The Trust completed the annual self-assessment against the NHS Core Standards for EPRR and reported that its preparedness was at the 'Substantial' level which is what was reported in the previous year.

## Equality of Service Delivery to Different Groups

The Trust is committed to the fair treatment of all patients and carers, regardless of age, colour, disability, ethnicity, gender, gender reassignment, nationality, race, religion or belief, responsibility for dependents, sexual orientation, or any other personal characteristics.

There are a number of inclusivity projects to further promote the equalities agenda across the Trust, some of these projects in 2021-22 include:

- All policies and procedures for service delivery continue to be subject to an equality impact assessment.
- 23 concerns and complaints were registered in 2021-22, which related to equality and diversity. The main concern was around the wearing of face masks on Trust premises. All issues raised were responded to in a timely manner, the patient experience department advocate early resolution by staff in direct contact with patients and, where appropriate, generating service improvements. A monthly Experience of Care report contains details of all complaints and concerns and lessons learned. This is circulated to all service leads with actions taken summarised in the Equality and Diversity and Inclusion Committee every quarter.
- The profile of the work the Trust is doing to support Families and Carers has increased. There is a dedicated Carers section on the Trust [website](#), and a Carers Consultation Event took place in October 2021, which resulted in the production of a Carer's Charter. This Charter details how we will work in partnership with carers, providing support and help wherever possible.
- A dementia delivery plan, and the Trust's trust first Learning Disability and Autism delivery plan were produced and designed with stakeholder at consultation events.
- Veterans – Work continues across the Trust to support patients who are Veterans or are family members of a veteran. This is reflected in the re-accreditation of the Trust for the Veteran Aware Hospital a joint scheme organised by the Ministry of Defence (MoD) and the NHS. One area requires further work, which is the recording of patients once identified as a Veteran. Work is ongoing for an additional question to be asked when patients present at A&E or Outpatients: 'Are you or have you, or a member of your family, ever served in the Armed Forces?'.
- Hidden Disabilities - We now have two Hidden Disabilities banners in the Main Entrance of Victoria and Clifton Hospital showing our support to the Hidden Disabilities Scheme. Over 4000 lanyards and promotional materials have been distributed across all Trust sites.
- Influence Panel – continues to meet regularly to work on various projects across the Trust. Recruitment to the panel is ongoing to increase the overall number of participants, with work ongoing with the Equality, Diversity and Inclusion Lead to further diversify the panel to represent the population.

## **NHS Friends and Family Test**

It is essential that patients and their carers are provided with regular opportunities to give feedback on their experience of our services. This ensures that we can identify deficiencies in care and implement actions at the earlier opportunity.

The NHS Friends and Family Test Survey is a mechanism that allows the organisation to collect feedback promptly to improve patient care and can be linked to protected characteristics. In 2021/2022, our overall satisfaction rate for this survey was 96%.

We have made several changes to ensure the survey is accessible to all.

- All printed surveys are black text on yellow A5 or A4 card;
- There is a whole page of the survey covering protected characteristic questions.
- In the last 12 months, the majority of respondents are aged between 55-74, female, white, heterosexual, and of Christian faith.
- 26% said they had a disability, a physical disability was selected the most.
- The survey is available in easy read, large print and 5 most popular languages which are Romanian, Polish, Kurdish Sorani, Arabic and Urdu.
- There is an App available, where you can use text to speech, to read out the question and respond to texts by pressing the microphone button next to the question.
- There is also a Speech to Text option where you can select the microphone button in the keyboard and speak to the device and the app will transcribe the response in real time.

During 2021/2022, all national and local Patient Survey activities resumed, after being suspended in the height of the pandemic. The purpose of the pause was to release the time of clinical staff to deliver direct clinical care as well as enabling managers and administrative staff to focus on supporting the pandemic response. Alternate feedback opportunities were used to understand patient and public experience and this is represented in the figures below.

NHS Friends and Family Test	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
<b>Response rate</b>	45,899	39,297	34,751	10,569	39,784
<b>% who rated their care as good</b>	97%	97%	96%	95%	96%
<b>% who rated their care as poor</b>	0.9%	0.9%	1.7%	2.5%	2.2%

### Accessible Information Standard

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

- Appointment letters in a patient's 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. For the EDS2 2021 consultation the group concentrated on Goal 2 Improved patient access and experience.

The Staff EDS2 Consultation was postponed to 31 May 2022 due to service pressures and staff being unavailable. The update to the EDS2 report is due to be completed in mid-June 2022.

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	1.Achieve improvements in patient health, public health & patient safety for all, based on comprehensive evidence of needs & results	Not assessed in 2021/22	
	2.Improve accessibility and information, and deliver the right services that are targeted, useful, and usable and use in order to improve patient experience.	Not assessed in 2021/22	
Improved patient access and experience	1.People, carers and communities can readily access hospital, community health or primary care services and should not be denied access on unreasonable grounds	Achieving	
	2.People are informed and supported to be as involved as they wish to be in decisions about their care	Achieving	Personalised care scores in national and local surveys

	3. People report positive experiences of the NHS	Achieving	The number of compliments has increased from the year previous FFT satisfaction rate is above 95%
	4. People's complaints about services are handled respectfully and efficiently	Achieving	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

3.A representative and supportive workforce	1.Fair NHS recruitment and selection processes lead to a more representative workforce at all levels	Achieving	Training on recruitment required for managers Compulsory training on neurodiverse conditions for recruiters.
	2.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	Guided by AfC in relation to pay although non-clinical roles viewed as less valuable.
	3.Training and development opportunities are taken up and positively evaluated by all staff	Undeveloped	Insufficient investment in training for non-clinical roles
	4.When at work, staff are free from abuse, harassment, bullying and violence from any source	Developing	2 Factors-Workplace & Patients/Public. Increased security but limited remit when dealing with patients who have a mental health issue. Causes of the danger/violence/frustration?
	5.Flexible working options are available to all staff consistent with the needs of the service and the way people lead their lives	Developing	Flexible options not consistent due to managers' opinion and if your 'face fits'. Managers' not following policy.
	6.Staff report positive experiences of their membership of the workforce	Developing	Good and bad areas and depends on line manager. Staff can see Directors trying to improve experiences of staff. Every time the top team change promises are broken and commitment wanes as new each Exec team has different ideas. Leads to negative impact on staff every time this happens.
4.Inclusive Leadership	1.Boards and senior leaders routinely demonstrate their commitment to promoting equality within and beyond their organisations	Undeveloped	No clear commitment re EDI from Execs. Things done for a quick fix and short term gain not long term gains. No evidence of Execs being involved in EDI.
	2.Papers that come before the Board and other major Committees identify equality-related impacts including risks, and say how these risks are managed	Developing	Some verbal clarification improved evidence about board papers. More risk assessments needed in relation to the use of yellow paper, Easy Read etc for patients and staff.
	3.Middle managers and other line managers support their staff to work in culturally competent ways within a work environment free from discrimination	Undeveloped	Depts to take responsibility for embedding cultural awareness. Some areas not good in



		providing support as manager's have no training /awareness. No clear training pathway for new managers and become managers too quickly without sufficient experience.
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## Going Concern

The Department of Health and Social Care (DHSC) and NHS England and NHS Improvement issued guidance on assessing Going Concern dated 1st April 2021. This guidance is still applicable for the 2021/22 financial year.

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.

## Performance Analysis

Performance at the Trust is reported via the Integrated Performance Report (IPR). A copy of the IPR and sub-divisions of it are shared at the relevant committees and board. The IPR provides a view of a select number of key performance indicators over a number of months to allow for presentation in statistical process control (SPC) format. This format allows the user to see the variation in performance over the period and make a judgement within a set group of statistical rules whether special cause variation has been triggered. The purpose of this approach is to stop the users of the performance data reacting to "noise" or normal variation.

The key performance indicators within the IPR have been selected as they are included within the NHS System Oversight Framework Metrics document or due to their being a special interest in them at this Trust. The following list of Key performance indicators were included within the IPR during 2021/22:

- Number of Never Events
- VTE Assessment Compliance (collection and reporting paused due to COVID)
- Number of C.Difficile infections
- Number of MRSA infections
- Number of E.Coli infections
- Number of new Patient Safety Alerts
- Percentage compliance with Data Quality Maturity Index
- Mortality
  - Percentage Mortality Rate (Crude)
  - Hospital Standardised Mortality Ratio (HSMR)
  - Summary Hospital-level Mortality Indicator (SHMI)
- Number of Formal Complaints
- Friends and Family percentage rating care experience as good or very good:
  - Inpatients
  - A&E
  - Maternity
  - Community
  - Mental Health
- Number of Mixed Sex Breaches
- Percentage of deliveries via Emergency caesarean section
- Percentage of RTT Incomplete Pathways waiting less than 18 weeks

- Percentage of urgent cancer referrals treated within 62 days
- Percentage of diagnostic requests waiting less than 6 weeks
- Dementia Standard (collection and reporting paused due to COVID)
- Percentage of patients starting treatment with Psychological Therapies in less than 6 weeks
- Percentage of patients recovering after treatment with Psychological Therapies
- Percentage Sickness Absence rate
- Percentage Staff Turnover
- Percentage Temporary Staffing
- Agency Spend
- Percentage of A&E arrivals admitted, discharged, or transferred in 4 hours
- Number of workers incapacitated for over 7 days
- Number of workers injured

Each key performance indicator is provided on a monthly basis with additional narrative to accompany the figures summarising:

- Issues
- Actions
- Risks
- Mitigations

This is to provide assurance to the relevant committee that for those indicators triggering special cause or reporting non-achievement that actions are being taken to address this and identifies any risk or uncertainty.

## Trust Performance

### Urgent and Emergency Care:

National Targets and Minimum Standards	Target	Operational Standard	2021/22
<b>Maximum four hour wait from:</b>	Arrival to Admission, Discharge, or Transfer	95%	Under Achieved: Q1 85.0% Q2 81.1% Q3 79.5% Q4 77.8%

### Cancer Waiting Times

National Targets and Minimum Standards	Target	Operational Standard	2021/22
<b>Maximum two weeks from:</b>	GP Urgent Referral for suspected cancer to First Consultant Appointment	93%	Under Achieved: Q1 91.3% Q2 92.4% Q3 79.7% Q4 91.2%
	Urgent Referral for breast symptoms (where cancer not initially suspected) to First Consultant Appointment	93%	Under Achieved: Q1 62.0% Achieved: Q2 96.8% Under Achieved: Q3 75.3% Q4 88.0%
<b>Maximum 28 days:</b>	Faster Diagnosis Standard	75%	Under Achieved Q3 66.2% Q4 68.5%
<b>Maximum one month (31 days) from:</b>	Decision to Treat to First Treatment	96%	Achieved: Q1 99.0% Q2 98.5% Q3 96.1% Under Achieved: Q4 92.0%
	Decision to Treat to Subsequent Treatment – Drugs	98%	Achieved: Q1 100% Q2 100% Q3 100% Under Achieved: Q4 95.0%

	Decision to Treat to Subsequent Treatment – Surgery	94%	Achieved: Q1 94.1% Under Achieved: Q2 92.9% Q3 93.5% Q4 86.7%
<b>Maximum two months (62 days) from:</b>	GP Urgent Referral for suspected cancer to First Treatment	85%	Under Achieved: Q1 80.9% Q2 73.5% Q3 67.4% Q4 62.3%
	A National Screening Service to First Treatment	90%	Under Achieved: Q1 31.3% Q2 25.9% Q3 25.7% Q4 35.2%
	A Consultant Upgrade to First Treatment	No separate operational standard set	Q1 89.1% Q2 87.4% Q3 72.0% Q4 76.2%

#### Elective Access:

National Targets and Minimum Standards	Target	Operational Standard	2021/22
<b>Maximum 6 weeks for:</b>	Patients waiting for a diagnostic test	99%	Under Achieved: Q1 76.9% Q2 72.6% Q3 82.3% Q4 80.5%
<b>Cancelled Operations</b>	Percentage of Operations Cancelled		Data Collection reinstated from Q3 21/22 Q3 1.26% Q4 0.91%
	Percentage of Operations not treated within 28 days		Data Collection reinstated from Q3 21/22 Q3 17.2% Q4 13.6%
<b>Maximum 18 weeks for:</b>	Patients on an incomplete pathway awaiting consultant-led treatment	92%	Under Achieved: Q1 73.4% Q2 71.5% Q3 71.4% Q4 69.4%

#### Mental Health:

National Targets and Minimum Standards	Target	Operational Standard	2021/22
<b>Maximum 6 weeks from:</b>	Referral to first treatment with Psychological Therapies (IAPT)	75%	Achieved: Q1 94.0% Q2 98.5% Q3 97.1% Q4 95.9%
<b>Maximum 18 weeks from:</b>	Referral to first treatment with Psychological Therapies (IAPT)	95%	Achieved: Q1 98.9% Q2 99.4% Q3 99.5% Q4 99.1%
<b>At least 50% of people:</b>	Who complete treatment should recover (IAPT)	50%	Achieved: Q1 53.8% Q2 53.2% Q3 58.3% Q4 54.0%

### Financial Performance Review

The finance and contracting arrangements for the 2021/22 financial year were based on the submission of separate plans for the period 1 April 2021 to 30 September 2021 and the period 1 October 2021 to 31 March 2022 (now being referred to nationally as H1 and H2). The key points from the NHSE/I guidance included:

- a) Financial arrangements based on 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.
- b) H1 and H2 taken as a whole, with systems expected to deliver financial balance across the whole of 2021/22.

Before the reporting of exceptional items, the Group reported a deficit £0.2m for the year. After taking into account exceptional items including in year impairment reversals following a revaluation of the Groups land and buildings at the 31 March 2022, the Group reported a surplus of £2.5m for the year.

Full details of the Trust's financial performance are set out in the accounts for 1 April 2021 to 31 March 2022 that accompanies the Annual Report in Annex D.

Table 1 compares the 2021/22 actual performance to the 2021/22 plan.

<b>Table 1</b>	<b>Plan £'m</b>	<b>Actuals £'m</b>	<b>Variance £'m</b>
Total Income	600.9	624.9	24.0
Expenses	(581.2)	(606.7)	(25.5)
<b>EBITDA*</b>	<b>19.7</b>	<b>18.2</b>	<b>(1.5)</b>
Depreciation	(14.8)	(14.3)	0.5
Dividend**	(4.1)	(4.3)	(0.2)
Gain on Revaluation	0.0	2.7	2.7
Interest income	0.0	0.0	0.0
Interest expense	(0.9)	(0.9)	0.0
Other gains / losses	0.1	(0.1)	(0.2)
Corporation Tax	(0.2)	0.0	0.2
Transfer by absorption	0.0	1.2	1.2
<b>Surplus / (Deficit)</b>	<b>(0.2)</b>	<b>2.5</b>	<b>2.7</b>
Add back all I&E impairments/(reversals)	0.0	(2.7)	(2.7)
Adjust (gains)/losses on transfers by absorption	0.0	(1.2)	(1.2)
<b>Surplus / (Deficit) before impairments and transfers</b>	<b>(0.2)</b>	<b>(1.4)</b>	<b>(1.2)</b>
Remove capital donations/grants I&E impact	0.3	0.1	(0.2)
Remove net impact of consumables donated from other DHSC bodies	0.0	1.5	1.5
<b>Adjusted Financial Performance Surplus / (Deficit)</b>	<b>0.1</b>	<b>0.2</b>	<b>0.1</b>

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

\*\* Public Dividend Capital

The key variances against the plan are:

- Additional surge / elective recovery funding.
- Higher than planned agency costs as a result of sickness levels, extending escalation areas for operational pressures, CQC requirements and increased one to one care;
- Income and expenditure offsets including: -
  - Restoration / accelerator costs, offset by ERF / accelerator funding;
  - Covid out of envelope costs, offset by funding;
  - R&D Covid vaccine trials;
  - Specialised Commissioners excluded drugs and devices costs and income;
  - NHS Digital projects;
  - Community Diagnostic Hub.

The Trust has accounted for £104.1m of system funding made up as follows:

- a) Prospective top-up funding £52.4m;
- b) System COVID funding allocation £19.9m;
- c) System growth funding £31.8m.

The Trust has received £24.4m total ERF / Accelerator funding for the period April to March (this includes the H1 ERF identified as required to break even of £6.9m). The year-to-date costs incurred for the restoration / accelerator programmes are £10.7m.

The Trust undertook a desktop estate revaluation during the year which has returned an increase in property values and therefore improved the overall surplus position as a result of the associated impairment reversals. Further information is provided within note 7 to the annual accounts (Annex D).

## Cash Flow and Balance Sheet

The Trust's group cash balance at the end of the financial year was £76.8m.

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 £2.8m 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 2021/22.

Subject	Number 2021/22	£'000 2021/22	Number 2020/21	£'000 2020/21
Total Non-NHS trade invoices paid in the year	89,712	256,599	86,166	263,164
Total Non-NHS trade invoice within target	79,243	204,444	66,145	189,448
Percentage of Non-NHS trade invoices paid within target	88.3%	79.7%	76.8%	72.0%
Total NHS trade invoices paid in the year	2,283	33,531	3,168	36,055
Total NHS trade invoices paid within target	1,788	27,095	1,591	15,938
Percentage of NHS trade invoices paid within target	78.3%	80.8%	50.2%	44.2%

The payment performance is lower than the Prompt Payment Code requirement but has increased significantly during 2021/22.

The Trust paid interest to suppliers under the late payment of Commercial Debts (Interest) Act 1998 of £9k during 2021/22 to Non-NHS suppliers. (2020/21: £492).

The Trust invested £41.0m in capital schemes during 2021/22 (£33.0m in 2020/21). Expenditure during the period included the following investments:

**Table 8: Capital Expenditure 2021/22**

	£'m
Building Schemes	25.2
Electronic Information Projects	10.7
Equipment Replacement	4.8
Charity / Grant Funded Projects	0.3

## **NHS Improvement's Oversight Framework**

NHS England and NHS Improvement's System Oversight Framework (SOF) for 2021/22 was published in June 2021.

The SOF reinforces system-led delivery of integrated care and provides an overview of the level and nature of support required across systems to inform oversight arrangements and target support capacity as effectively as possible.

Trusts are allocated to one of four "segments". The scale and general nature of support needed, ranges from no specific support needs (segment 1) to a requirement for mandated intensive support (segment 4).

Blackpool Teaching Hospitals NHS FT is in segment 3, Significant support needed and in actual or suspected breach of the licence.

## **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.

A further CQC report published in January 2022 identified ongoing concerns and the Trust were issued with a section 29 (a) regulatory notice in relation to processes to manage risk and incident reporting and the management of waiting lists.

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.

## **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 C.

Blackpool Teaching Hospitals NHS Foundation Trust has met the requirement for the 2021/22 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**

The DHSC Operational Planning guidance for 2022/23 was published by NHSEI on 24th December 2021, detailing those financial arrangements for 2022/23 would continue to support a system-based approach to planning and delivery.

The key points from the financial planning guidance are:

- a) Integrated Care Board (ICB) revenue allocations will be based on current system funding envelopes.
- b) A general 1.1% efficiency requirement will be required.
- c) Signed contracts between providers and commissioners (NHS and non-NHS) will be required to cover the whole of 2022/23.

Additional revenue and capital funding will be provided to systems to support elective recovery.

In the published guidance, the expectation is that Systems will deliver financial balance in 2022/23.

The main principle of the planning exercise is to be system-led, with plans collated and assured at a system level in order to deliver overall financial balance.

The system funding envelope for 2022/23 comprises:

- a) CCG allocations and block contracts;
- b) System top-up and growth funding;
- c) Ockenden and Health Inequalities funding;
- d) Covid-19 allocation;
- e) Elective recovery funding;
- f) Service Development Fund (SDF).

The Trust's 2022/23 operational and financial plan was submitted to NHSEI on 28<sup>th</sup> April 2022.

The Trusts financial plan for 2022/23 is an allowable deficit of £8.1m which is based on the following:

- a) Recurrent efficiency target of £19.0m and non-recurrent efficiency target of £5.0m;
- b) System resource of:
  - System funding £74.2m;
  - Share of System COVID funding £15.7m;
  - Share of System elective recovery funding £15.1m;
  - Ockenden funding £0.5m.
- c) Inclusion of £15.3m income assumption to deliver the Trust's share of the System plan.

## **Sustainability Development Plan and Environmental Performance**

Operating in a way that reduces environmental impact is a key responsibility of anchor institutions. It is the right thing to do to reduce our impact on the global climate and to reduce any impact on the deprived communities with health problems who are more subject to the effects of climate change and less able to adapt to them. To this end, during 2021/22, the trust produced its first Green Plan. The plan sets out the actions that will be taken between 2022 and 2025 to enable the trust to meet its trajectory towards net zero carbon by 2040 for emissions directly under our control, and 2045 for those which we can influence. This work will feed into the Long-Term Plan by helping to reduce health inequalities and ensuring that we can deliver long term health care that is financially sustainable. Reaching net zero is undoubtedly cross cutting, with the need for action in all areas. The plan therefore sets out wide ranging action to tackle emissions from our estate, use of energy and water, waste, the services we provide, the goods we procure, the journeys taken by patients and staff and changes to our corporate processes that support reduced emissions. The Board will receive annual reports on progress against the plan and we will monitor performance through reductions of carbon emissions and improvement in our score using a sustainable development assessment tool.

## **Social, Community and Human Rights Performance**

The Trust is currently developing an anchor framework, which will identify how the trust can improve the social, economic and environmental conditions faced by our community. When complete, the framework will incorporate a performance management framework, which will build upon existing performance indicators in trust policies related to equality, diversity and inclusion, patient experience and our Green Plan.

### **Important Events affecting the Trust since 31 March 2022**

There were no important events affecting the Trust since 31 March 2022.



## 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 Chair), one non-voting Associate Non-Executive Director 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 NHS England 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 Chair 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.

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. Quality and Clinical 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 2021/22 were as follows:

- The appointment of Feroz Patel, Executive Finance Director in June 2021 (previously held interim role).
- The resignation of Dr Sheena Bedi, Non-Executive Director in August 2021.
- The resignation of Kevin McGee, Chief Executive in September 2021.
- The appointment of Trish Armstrong-Child, Chief Executive in September 2021.
- The appointment of Sue McKenna, Non-Executive Director in September 2021.
- The appointment of Fiona Eccleston, Non-Executive Director in October 2021.
- The appointment of Andrew Roach, Non-Executive Director in October 2021.
- The appointment of Adrian Carridice-Davids, Associate Non-Executive Director in October 2021.
- The resignation of Keith Case, Non-Executive Director in January 2022.
- The resignation of Kevin Moynes, Executive Director of Human Resources and Organisational Development in January 2022.
- The secondment of Nicki Latham, Executive Director of Strategic Partnerships, Soft FM and Estates in December 2021.
- The appointment of Louise Ludgrove, Interim Executive Director of People and Culture in February 2022.
- The appointment of Esther Steel, Director of Corporate Governance in March 2022.

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 Chair and Non-Executive Directors is undertaken in accordance with the procedures outlined in the Trust Constitution as follows:

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

During 2021-22, as a result of the continued response to the COVID-19 pandemic and in-line with NHSE/I national guidance the merged Board Committee structure that commenced in June 2020, continued with streamlined agendas in order to provide assurance.

Board of Directors' meetings have taken place in 2021/22 as follows:

- Formal Board Meetings in Public – 6
- Confidential Board Meetings (Private/Extraordinary) – 6
- Informal Board Meetings/Board Strategy Sessions – 9

The amendments to the Committee Structure put in place from June 2020, continued throughout 2021/22 due to the ongoing pandemic and in-line with NHSE/I National Guidance. The Quality & Clinical Effectiveness Committee incorporated the Quality Committee and the Clinical Effectiveness Committee; and the Operations Committee incorporated; Finance Committee, Performance & Operations Committee and Workforce Transformation Committee.

During 2021/22, the two statutory committees of the Board of Directors were:-

- Audit Committee;
- Remuneration 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 2021/22.

### Board Committees

Attendance at the formal Board of Directors' meetings is summarised in the following table:

Board Members	Formal Board Meetings (6)
Steve Fogg	6/6
Mark Cullinan	6/6
Mark Beaton	6/6
Keith Case (until 31.01.22)	5/6
James Wilkie	6/6
Sheena Bedi (until 31.08.21)	2/2
Fiona Eccleston (from 04.10.21)	2/3
Andrew Roach (from 04.10.21)	3/3
Sue McKenna (from 01.09.21)	3/3
Adrian Carridice-Davids (from 04.10.21)	3/3
Trish Armstrong-Child (from 20.09.21)	3/3
Kevin McGee (until 13.09.21)	1/3
Nicki Latham (until 20.12.21)	4/4
Jim Gardner	5/6
Peter Murphy	4/6
Janet Barnsley	6/6
Kevin Moynes (until 31.01.22)	4/5
Natalie Hudson	6/6
Shelley Wright	6/6
Feroz Patel	6/6
Louise Ludgrove (from 07.02.22)	1/1
Esther Steel (from 14.03.22)	1/1

## Board Composition and Profile

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

#### Experience:

- Chair of Blackpool and the Fylde College
- 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 Member of UK Management Board BAE
- MAI Director of Integrated Services BAE Systems
- Member, Advisory Group on Social Mobility and D&I Worldskills

#### Declarations:

- Chair of Blackpool and the Fylde College
- 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

### 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:

- Non-Executive Director at North Cumbria Integrated Health Care Trust, Cumbria
- 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:

- Non-Executive Director at North Cumbria Integrated Health Care Trust, Cumbria
- Chair – Impact Housing Association, Cumbria
- Shareholder – Impact and Riverside Housing Associations
- Trustee – St John's Hospice, Lancaster

**James Wilkie (Non-Executive Director)**  
**Term of Office from 01.02.19 to 31.01.22 (First Term)**  
**And from 01.02.22 to 31.01.25 (Second Term)**

**Experience:**

- Former Non-Executive Director – Countess of Chester Hospital
- Former Chief Executive – Wirral Council
- Former Deputy Chief Executive and Director of Corporate Services – Wirral Council
- Former Director of Planning and 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)**  
**and from 01.02.22 to 31.01.25 (Second 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 Executive for a business with 176,000 people spread across 100 countries.

**Declarations:**

- Shareholder – Accenture

**Janet Barnsley (Executive Director of Integrated Care) (non-voting)**  
**Appointed on 01.04.18 (interim) and 01.12.19 (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

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

**Experience:**

- Former Senior Quality Lead NHS Improvement North West
- Former Director of Nursing, Quality and Governance at Salford Royal NHS Foundation Trust
- Former Deputy Director of Nursing, Quality and 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 (Chief Operating Officer) (non-voting)**  
**Appointed on 01.10.20 (interim) and 01.11.21 (substantive)**

**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:**

- Husband employed by East Lancashire Hospitals NHS Trust

**Feroz Patel (Executive Director of Finance)**  
**Appointed on 30.11.20 (interim) and 14.06.21 (substantive)**

**Experience:**

- Former Interim Finance Director at Blackpool Teachings Hospitals NHS Foundation Trust
- 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 Hollister inc. Suppliers of Stoma Products (until 31.12.21)

**Shelley Wright (Joint Executive Director of Communications) (non-voting)**

**Appointed on 12 November 2020**

**Experience:**

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

**Adrian Carridice-Davids (Associate Non-Executive Director)**  
**Term of Office from 04.10.21 to 03.10.22 (First Term)**

**Experience:**

- Chair of the Partnership Board at North Brixton Big Local Partnership
- Former Non-Executive Director at Lincolnshire Partnership NHS Foundation Trust
- Former Non-Executive Director at Hopelinks Ltd
- Former National Programme Director at School Home Support
- Former Senior Consultant Business and Viability Lead at Hall Aitken
- Former Non-Executive Director - Deputy Chair of Community Governance Group and Operational Board Member at Your Housing Group
- Former Non-Executive Director and Audit Chair at Harvest Housing Group
- Former Regional Director at Community Action Network
- Former Non-Executive Director at Global Links Initiative
- Former Non-Executive Director at The Monastery, Manchester
- Former North West Chair (Race for Opportunity) at Business in the Community

**Declarations:**

- Associate Non-Executive Director at Warrington and Halton teaching Hospitals NHS Foundation Trust



**Fiona Eccleston (Non-Executive Director)**  
**Term of Office from 04.10.21 to 03.10.24 (First Term)**

**Experience:**

- Trustee and Member of Finance Committee - The Foxton Centre
- Chair of the Trustee Board and Co-Treasurer – Greenslate Community Farm
- Finance Transformation and Change Management Consultant at FJE Consulting Ltd
- Former Director of Financial Operations – Allegis Group

**Declarations:**

- None

**Andrew Roach (Non-Executive Director)**  
**Term of Office from 04.10.21 to 03.10.24 (First Term)**

**Experience:**

- Former Director of Mental Health and Learning Disabilities – Betsi Cadwaladr University Health Board
- Former Director of Integration and Transformation/Executive Leader Director Fylde Coast Vanguard New Care Models – NHS Blackpool Clinical Commissioning Group
- Former Executive Director of Operations and Executive Nurse – Cumbria Partnership NHS FTG
- Former Executive Director of Operations and Performance – Cornwall Partnership NHS Trust
- Former Executive Director of Strategic Improvement and Performance – Cornwall Partnership NHS Trust
- Former Executive Director of Operations – Bolton, Salford and Trafford Mental Health NHS Trust
- Former Director of Trafford Mental Health and Social Care Directorate – Bolton, Salford and Trafford Mental Health NHS Trust

**Declarations:**

- None

**Sue McKenna (Non-Executive Director)**  
**Term of Office from 01.09.2021 to 31.08.2024 (First Term)**

**Experience:**

- Clinical Non-Executive Director at Cumbria Integrated Care NHS Foundation Trust
- Former Chief Operating Officer at South West London, St George's NHS Trust, London and Avon and Wiltshire Mental Health NHS Trust
- Former Director of Nursing (Interim)
- Former Network Director at Lancashire Care NHS Foundation Trust
- Former Assistant/Deputy Director Specialist Services (Forensic and Adult Community) at Lancashire Care NHS Foundation Trust
- Former Head of Healthcare, Her Majesty's Prison at Lancashire Care NHS Foundation Trust

**Declarations:**

- Non-Executive Director – Cumbria Integrated Care FT

**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)**  
**(Resigned 31.01.22)**

**Dr Sheena Bedi (Non-Executive Director)**  
**Term of Office from 01.02.20 to 31.01.23 (First Term)**  
**(Resigned 31.08.21)**

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

**Nicki commenced a secondment with the Provider Collaborative Board in December 2021.**

**Kevin Moynes (Joint Executive Director of Human Resources (HR) and Organisational Development (HD))** Appointed on 01.10.18 (interim) and 01.03.20 (substantive)  
**(Resigned 31.01.22)**

**Kevin McGee (Chief Executive)**  
**Appointed on 01.05.19 (interim) and 01.10.20 (substantive)**  
**(Resigned 13.09.21)**

All existing members of the Board of Directors are voting members, with the exception of the Executive Director of Integrated Care and the Chief Operating Officer and the Associate Non-Executive Director.

## NHS Improvement's Well-Led Framework Overview

The Well Led Framework provides a model to help the Trust to monitor, develop and improve standards of care, through a combination of organisational structures, systems and processes.

During a CQC inspection the inspectors review a wide range of evidence in line with the Well Led Framework to consider if services are Well Led.

As referred to elsewhere in this report, the CQC undertook a full inspection in September and October 2021 with the final report published in January 2022.

The overall rating for the Trust is as below:

### Rating for acute services/acute trust

	Safe	Effective	Caring	Responsive	Well-led	Overall
Blackpool Victoria Hospital	Requires Improvement ↔ Jan 2022	Requires Improvement ↔ Jan 2022	Good ↔ Jan 2022	Inadequate ↓ Jan 2022	Inadequate ↓ Jan 2022	Inadequate ↓ Jan 2022
Fleetwood Hospital	Requires improvement Oct 2019	Not rated	Good Oct 2019	Good Oct 2019	Requires improvement Oct 2019	Requires improvement Oct 2019
Clifton Hospital	Good Oct 2019	Good Oct 2019	Good Oct 2019	Good Oct 2019	Good Oct 2019	Good Oct 2019
Overall trust	Requires Improvement Jan 2022	Requires Improvement Jan 2022	Good Jan 2022	Inadequate Jan 2022	Requires Improvement Jan 2022	Requires Improvement Jan 2022

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 'responsive' was, of course, extremely disappointing.

Following the inspection in October 2021 the Trust were issued with a Section 29a notice and a report setting the recommended actions in response to CQC findings, an action plan to address these recommendations is in place and is overseen by the Quality Assurance Committee

Since the inspection a new Director of Corporate Governance has been appointed and board committees have been reviewed with a new structure agreed by the Board of Directors. The new structures went live April 2022 to strengthen the risk and governance arrangements across the organisation.

Further detail on our governance structure is included within our Annual Governance Statement at Annex B.

## 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/patient 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 page

## 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. Since then the level has been at either level 3 or 4, both levels still requiring an internal response by either a physical or virtual command room.

### 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, during the financial year 21/22 it has operated mainly on a virtual basis, with a centralised mail-box and oversight from an Incident Manager and Director, as necessary the physical control room has been established. It has held regular meetings with all divisions, key service areas and partners (e.g. Fylde Coast Medical Services (FCMS), Lancashire Procurement Cluster (LPC)) to ensure a coordinated and informed response, with links to the CCGs, ICS and wider health system.

### 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. As services have restored there has been a reversal of some of the changes and again these have been documented via the Change Oversight Process.

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, this remained in place during 21/22 with the added distinction of COVID versus restoration expenditure.

As necessary Trust-wide Incident Co-ordination meetings 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, this continues to meet but is predominantly focused on managing emergency pressures as well as a focus on restoration.

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 cells at ICS level have now been merged, with a continued to support with response and restoration.

The key focus during the year has been a continued vaccination offer through our hospital hub, not only to staff, but also to patients across the Fylde Coast as the mass vaccination centre for the area. In addition, the vaccination have supported the vaccination of inpatients, both on site at the Victoria Hospital but also at our rehab facility, Clifton Hospital. In addition, our community teams continued to provide vaccination support for care home residents, housebound patients and school children. Our pharmacy team and community IV team have also supported the implementation of the neutralising monoclonal antibodies (nMABS) programme, providing treatment for COVID non-hospitalised patients.

## The Role of Infection Prevention

The ongoing COVID-19 pandemic continued to impact on services during 2021-2022 due to both the Delta variant, which was known to cause severe disease and Omicron variant which caused less severe disease but was far more transmissible.

New National guidance was published in November 2021 after the Delta wave had peaked which aimed to remove the need for Low, Medium, and High-Risk COVID-19 pathways and to instead focus on patients with seasonal respiratory infections including COVID-19. This in effect would have created two pathways for unplanned admissions. One for patients with respiratory infections and one for patients without.

Further guidance was also issued to assist with the Elective Recovery Programme that removed the need for pre-operative PCR testing and self-isolation 72 hours prior to surgery in fully vaccinated patients. Instead, such patients were to provide evidence of a negative lateral flow test instead.

However, the publication of these documents corresponded with the start of a new wave of COVID-19 caused by the Omicron variant. At that time, it was unclear as to the severity of the new variant therefore most Trusts, including BTH opted to continue using the Low, Medium, and High-Risk pathways which although were designed for patient safety, impacted upon patient flow.

National 'Plan B' restrictions were lifted as planned on 27 January 2022. This combined with the end of compulsory self-isolation periods from 24 March 2022, resulted in an exponential increase in cases in the community. This would further impact on patient flow due to the number of patients testing positive on admission to the organisation. The ease at which Omicron is spread also led to nosocomial cases and outbreaks which have been a feature in all NHS Trusts. Fortunately, most patients with Omicron have been asymptomatic with very few experiencing severe disease. In light of this, National guidance for healthcare settings is once again being reviewed.

## Complaints

The Patient and Family 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 3621 individual cases for the year 2021/22. The Patient and Family Relations Team triage all concerns they receive, working with the service managers to prevent the matter from going formal. Currently all calls are screened by the team, and inpatient enquiries are fast tracked so matters can be resolved with the patient and their family whilst they are in our care. In 2021-22 there has been a 5% reduction in the number of formal complaints received, with 354 received in 2021-22, compared to 371 in 2020-21. There was however an increase in concerns with 1048 concerns responded to, an 11% increase from the previous year.

There were 447 formal complaint investigations due to be responded to during the year 2021/22, 73% were responded to within the 25/40 day working day timeframe an increase of 26% from the previous year. The template for complaint responses has been standardised across the Trust, and recommendations on writing style are made to the division in the Complaint Review Panel. The Complaints Review Panel with a Non-Executive Director Chair demonstrates Board level engagement and assurance regarding complaints handling. Of the 447 formal complaint investigations, there were 54 re-opened complaints (second responses). This is 50% less cases than the previous year.

During 2021-22 there was a significant increase in the number of complex complaint cases being investigated. Complex cases take much more investigative time to review, as you must seek other clinical opinions, liaise with more than one service, and review extensive documentation received from the complainant. There were 113 cases which required a response within 40 working days in 2021-22, compared to 76 in 2020-21. This represents a 49% increase in complex cases. The themes and issues relating to formal complaints were predominantly around treatment issues, with 51% of patients having cause to complain about techniques used when receiving care, treatment errors, diagnosis, poor treatment outcomes or treatment outcomes simply not meeting the patient's expectations.

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](mailto:bfwh.corporate.governance@nhs.net)

## Council of Governors Report

The Council of Governors was formed on 1 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 Chair and other Non-Executive Directors.  
*This duty was exercised during 2021/22 with the appointment of three new Non-Executive Directors.*
- To approve the appointment (by the Non-Executive Directors) of the Chief Executive.  
*This duty was exercised during 2021/22.*
- To decide the remuneration and allowances, and the other terms and conditions of office, of the Non- Executive Directors.  
*This duty was exercised during 2021/22 – remuneration was reviewed, and achievements recognised, however in line with the wishes of the Non-Executive Directors no inflationary uplifts were applied to NED salaries*
- To appoint or remove the Foundation Trust's External Auditor.  
*This duty was not exercised during 2021/22.*
- 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 2021/22.*
- 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 at the Annual Members Meeting on 21 September 2021.*
- To provide the Governors' views to the Board of Directors when the Board of Directors is preparing the document containing information about the Foundation Trust's forward planning.  
*This duty was exercised during 2021/22.*
- To respond as appropriate when consulted by the Board of Directors in accordance with the Constitution.  
*This duty was exercised during 2021/22. Governors met to discuss changes to the Constitution, however the full review was paused pending further amendments.*
- To undertake such functions as the Board of Directors shall from time to time request.  
*This duty was not exercised during 2021/22.*

- 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 exercised during 2021/22.*

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:

- Chair's performance;
- Where the relationship between the Chair 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 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 and Director of Corporate Governance have failed to resolve or where it would be inappropriate to use such channels.



## Composition of the Council of Governors

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

Constituency	Elected Public Governors	Elected Staff Governors	Appointed Governors	
Blackpool	8			
Fylde	3			
Northwest Counties (1 x vacancy)	1			
Wyre (1 x vacancy)	4			
<b>Total</b>	<b>16</b>			
Clinical Support		1		
Medical & Dental		1		
Non-Clinical Support		1		
Nursing & Midwifery (1 x vacancy)		2		
<b>Total</b>		<b>5</b>		
Blackpool Council			1	
Lancashire County Council			1	
University of Central Lancashire University of Lancaster* (1 x vacancy)			2*	
Lancashire Care Foundation Trust (until 01.09.21)			1	
Blackpool & Fylde College			1	
Blackpool Carers Centre (1 x vacancy)			1	
<b>Total</b>			<b>7</b>	
<b>Total membership of the Council of Governors</b>				<b>28</b>
*There are four partnership Universities, only two having a full seat on the Council of Governors. The other two being - University of Liverpool / University of Buckingham.				

There was no election during the year 1 April 2021 to 31 March 2022.

All elections to the Council of Governors are conducted in accordance with the Model Election Rules.

There are currently five vacancies on the Council of Governors.

The next elections to the Council of Governors are due to take place in August 2022.

## Membership of the Council of Governors

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

Name	Constituency/Organisation
Adele DeVito*	Blackpool
Zacky Hameed***	Blackpool
Patricia Roche* (Deputy Lead Governor)	Blackpool

Nigel Patterson* (from 01.04.21)	Blackpool
Rick Scott* (from 01.04.21)	Blackpool
Graham Curry**	Blackpool
Jeannette Beckett**	Blackpool
Lisa Robbins**	Blackpool
John Moore* (from 01.04.21)	Fylde
Gail Goodman* (from 01.04.21)	Fylde
Steven Gratrix** (until 15.12.21)	Fylde
Christina McKenzie-Townsend*	Wyre
Sue Crouch* (Lead Governor)	Wyre
Ian Owen	Wyre
Pat Greenhough*	Wyre
Stephen Cross* (until 03.10.21)	North West Counties
Dr Ranjit More*	Medical and Dental
Sharon Vickers*** (until 28.02.22)	Nursing and Midwifery
David Collett* (from 01.04.21)	Nursing and Midwifery
Tina Daniels*	Non-Clinical Support
Jennifer Gavin**	Clinical Support
Councillor Martin Mitchell***	Blackpool Council
Cllr Charles Edwards (until 08.05.21)	Lancashire County Council
Paul Bibby** (until 01.09.21)	Lancashire Care Foundation Trust
Dr Deborah Kenny**	University of Central Lancashire
Margaret Bamforth*	Local College/ School Representative
Dr Amelia Hunt* (until 31.12.21)	Lancaster University
VACANT	Blackpool Carers Centre

\*Elected, appointed, re-elected or re-appointed during 2021/22

\*\*Due for re-election/re-appointment in 2022/23

\*\*\*Not eligible for re-election/re-appointment in 2022/23

In 2021/22, there were four Formal Meetings of the Council of Governors and they took place on the following dates:

- 16 June 2021.
- 21 September 2021.
- 15 December 2021.
- 16 March 2022.

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

- 27 May 2021.
- 14 July 2021.
- 03 August 2021
- 31 August 2021.
- 18 January 2022.

Governors	Number of Formal Meetings (4)
Adele DeVito**	4
Zacky Hameed***	4
Patricia Roche**	3
Ian Owen**	1
Sue Crouch***	3
Christina McKenzie-Townsend***	2
Dr Ranjit More**	4
Sharon Vickers (until 28.02.22)	2
Jenny Gavin***	4
Tina Daniels**	3
Councillor Martin Mitchell	2
Dr Amelia Hunt (until 31.12.21)	2
Dr Debbie Kenny	2
Margaret Bamforth	3
Councillor Charles Edwards (until 08.05.21)	0
Paul Bibby (until 01.09.21)	0
Jeanette Beckett***	4
Graham Curry***	3
Lisa Robbins***	3
Steven Gratrix*** (until 15.12.21)	2
Stephen Cross*** (until 03.10.21)	1
Patricia Greenhough***	1
Nigel Patterson* (from 01.04.21)	4
Rick Scott* (from 01.04.21)	3

Gail Goodman*(from 01.04.21)	2
David Collett* (from 01.04.21)	2
John Moore* (from 01.04.21)	2

\*Elected to/appointed to the Council during 2021/22.

\*\*Re-elected/re-appointed during 2021/22

\*\*\*Due for election in 2022/23

The Chief Executive, Director of Finance, Director of Integrated Care and the Chief Operating Officer routinely attend meetings of the Council of Governors. Attendance of the remaining Executive Directors is organised as appropriate. The Non-Executive Directors continued to attend the Council of Governors meetings on a rotational basis.

During 2021/22, 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 and are available within the papers at: [Council of Governors Meetings | Blackpool Teaching Hospitals NHS Foundation Trust \(bfwh.nhs.uk\)](https://www.bfwh.nhs.uk/council-of-governors-meetings)

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

- Board Meetings held in Public (attendance as observers);
- Board Committees – Quality and Clinical Effectiveness Committee; Operations 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
- Annual Members Meeting/Annual General Meeting.

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

#### **Governor Attendance at the Formal Council of Governors Meetings:**

\*Elected to/appointed to the Council during 2021/22.

\*\*Re-elected/re-appointed during 2021/22

\*\*\*Due for election in 2022/23

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

Board of Directors	Number of Formal Meetings (4)
Steve Fogg (Chair)	4
Keith Case*/** (until 31.01.22)	0
Mark Cullinan*	1
James Wilkie*	0
Mark Beaton*	0
Dr Sheena Bedi*/** (until 31.08.21)	0
Sue McKenna*/** (from 01.09.21)	0

Andrew Roach*/** (from 04.10.21)	0
Fiona Eccleston*/** (from 04.10.21)	1
Adrian Carridice-Davids*/** (from 04.10.21)	1
Kevin McGee**/** (until 13.09.21)	0
Trish Armstrong-Child*** (from 29.09.21)	1
Janet Barnsley***	0
Kevin Moynes**/**	0
Peter Murphy***	2
Feroz Patel**/**	1
Jim Gardner***	0
Natalie Hudson***	3
Nicki Latham**/** (until 20.12.21)	1
Louise Ludgrove*** (from 07.02.22)	1
Shelley Wright***	0
Esther Steel (from 14.03.22)	1

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

\*\*Resigned from, or appointed to, the Board during 2021/22

\*\*\*EDs attended as required.

### **Council of Governors – Statutory Committees**

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

## 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:

Steve Fogg	Trust Chair (Chair)
Sue Crouch	Elected Public Governor (Wyre Constituency)
Pat Roche	Elected Public Governor (Blackpool Constituency)
Tina Daniels	Elected Staff Governor (Non-Clinical Support Constituency)
Councillor Martin Mitchell	Appointed Governor (Blackpool Council)
Mr Zacky Hameed	Elected Public Governor (Blackpool Constituency)
Mr Ian Owen	Elected Public Governor (Wyre Constituency)

There have been seven meetings of the Nominations Committee during 2021/22.

### 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 4,705 as of 31 March 2022 (4,732 for 2021). A total of 22 members have been recruited, with 158 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 (7,481 for 2021).

### Membership Report 1 April 2021 to 31 March 2022

Membership size and movements	
Public constituency	(2021/22)
At year start (1 April 2021)	4,841
New members	22
Members leaving	158
At year end (31 March 2022)	4,705



Staff constituency***	(2021/22)
At year start (1 April 2021)	7,125
New members	1,914
Members leaving	1,558
At year end (31 March 2022)	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 2021 to 31 March 2022.

\*\*Due to members opting not to disclose this information, the figures will not reflect the total Trust membership, therefore this analysis excludes: 641 public members with no stated dates of birth; 1,092 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 11,000 followers);
- The Corporate Governance Team act as the direct link between the Trust and members. Contact details are: ([bfbwh.corporate.governance@nhs.net](mailto:bfbwh.corporate.governance@nhs.net)) and telephone line (01253 951505).

## **Membership Representation**

The Trust's engagement with members during 2021/22 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 38.

## **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 38.

## **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

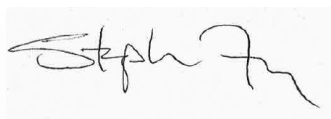
## Annual Statement on Remuneration by the Chair of the Remuneration Committee

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

I am pleased to present the Remuneration Report for 2021/22. As Chair of the Board of Directors, I chair the two committees charged with responsibility for nomination and remuneration:

- a Board Remuneration Committee with formal delegated responsibility for the nomination and remuneration of Executive Directors and;
- a Governor Nomination Committee – this second committee acts in an advisory and supporting capacity for the full Council of Governors but does not have formally delegated powers.

The exception to this arrangement is when my own performance or remuneration is being discussed. In these circumstances the Senior Independent Director/Vice-Chair of the Trust will chair the Governor Nomination and Remuneration Committee.



Signed:

Date: 20 June 2022

Steve Fogg  
Trust Chair

## Senior Managers' Remuneration Policy

### Future Policy Table

Element	Purpose and link to strategic objectives	Operation	Maximum opportunity	Performance metrics
<b>Base salary</b>	<ul style="list-style-type: none"><li>• Provides fixed remuneration for the role which reflect the size and scope of the Director/Senior Managers responsibilities</li><li>• Attracts and retains the talent necessary to deliver the Trust's strategy</li></ul>	<ul style="list-style-type: none"><li>• Salaries are paid monthly and are reviewed annually via the Remuneration Committee</li><li>• Consideration is given to the size and scope of responsibilities; performance and experience; typical pay levels for comparable roles in similar Trusts</li></ul>	<ul style="list-style-type: none"><li>• Current salaries are disclosed on page 69</li><li>• Increases are normally in line with the national increases implemented for other staff groups</li></ul>	Through achievement of agreed individual and corporate performance objectives

<b>Retirement Benefits</b>	<ul style="list-style-type: none"> <li>Provides competitive post-retirement benefits</li> <li>Attracts and retains the talent necessary to deliver the Trust's strategy</li> </ul>	<ul style="list-style-type: none"> <li>Opportunity for membership to the NHS Pension Scheme</li> <li>Includes range of benefits e.g. lump sum and annuity on retirement, death in service</li> </ul>	<ul style="list-style-type: none"> <li>Pension Contribution rates are defined in the NHS Pension Scheme rules, the employer contributes 14.3% of pensionable earnings (see page 72) and NHS England contributes an additional 6.3% on the Trust's behalf.</li> </ul>	None
<b>Benefits</b>	<ul style="list-style-type: none"> <li>Ensures the overall package is competitive</li> <li>Retains the talent necessary to deliver the Trust's Strategy</li> </ul>	<ul style="list-style-type: none"> <li>Access to a range of salary sacrifice schemes (eg child care, car lease, computer, cycles)</li> <li>Car allowance</li> </ul>	None	None
<b>Annual bonus</b>	None	None	None	None

<b>Chair and Non-Executive Director fees</b>	<ul style="list-style-type: none"> <li>To reward individuals for fulfilling the relevant role</li> <li>Attracts and retains individuals with the skills, experience and knowledge to contribute to an effective Board</li> </ul>	<ul style="list-style-type: none"> <li>The Nominations Committee determines the fees for the Chair and Non-Executive Directors (NEDs)</li> </ul>	<p>These are set at a level which:</p> <ul style="list-style-type: none"> <li>Reflects the commitment and contribution that is expected from the Chair and NEDs comparable with other similar NHS Trusts</li> </ul>	None
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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 and Medical and Dental pay scales received a 3% pay award effective from 1 April 2021 unless covered by multi year deals.

## **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 of 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 Chair 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 (until 13.09.21) and the Director of HR & OD (until 31.01.22) were joint appointments and their salaries reflected 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 8a 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 44.

### Single Total Figure Table 2021/22

(The following table has been subject to audit)

2021/22							
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)
Kevin McGee - Chief Executive* (til 20.09.21)	35 - 40	3,200	-	-	7.5 - 10	-	45 - 50
Patricia Armstrong Child - Chief Executive (from 20.09.21)	115 - 120	-	-	-	47.5 - 50	-	160 - 165
Peter Murphy - Director of Nursing, Midwifery, Allied Health Professionals (AHPs) and Quality	135 - 140	3,200	-	-	60 - 62.5	-	200 - 205
Janet Barnsley - Director of Integrated Care (from 01.04.21)	125 - 130	-	-	-	50 - 52.5	-	175 - 180
Kevin Moynes* - Joint Director of HR & OD (til 14.01. 22)	55 - 60	-	-	-	-	-	55 - 60
Dr Jim Gardner** - Medical Director	205 - 210	-	-	-	-	-	205 - 210
Professor Nicki Latham - Deputy Chief Executive/Director of Strategic Partnerships (till 20.12.21)	165 - 170	2,600	-	-	40 - 42.5	-	210 - 215
Natalie Hudson - Chief Operating Officer (from 1.4.21)	135 - 140	2,400	-	-	82.5 - 85	-	220 - 225
Feroz Patel - Director of Finance	140 - 145	6,300	-	-	125 - 127.5	-	270 - 275
Shelley Wright* -Joint Director of Communications	60 - 65	-	-	-	17.5 - 20	-	80 - 85
Catherine (Louise) Ludgrove – Interim Director of People & Culture (from 07.02. 22)	20 - 25	-	-	-	0 - 2.5	-	20 - 25
Steve Fogg- Chair	45 - 50	-	-	-	-	-	45 - 50
Mark Cullinan - Non-Executive Director	15 - 20	-	-	-	-	-	15 - 20
Keith Case - Non-Executive Director (till 31.01.22)	10 - 15	-	-	-	-	-	10 - 15
James Wilkie - Non-Executive Director	10 - 15	-	-	-	-	-	10 - 15
Mark Beaton - Non-Executive Director	10 - 15	-	-	-	-	-	10 - 15
Fiona Eccleston - Non-Executive Director (from 04.10.21)	5 - 10	-	-	-	-	-	5 - 10

Susan McKenna - Non-Executive Director (from 01.09.21)	5 - 10	-	-	-	-	-	5 - 10
Dr Sheena Bedi - Non-Executive Director (till 31.08.21)	5 - 10	-	-	-	-	-	5 - 10
Andrew Roach - Non-Executive Director (from 04.10.21)	5 - 10	-	-	-	-	-	5 - 10
Adrian Carridice-Davids - Non-Executive Director (from 04.10.21)	5 - 10	-	-	-	-	-	5 - 10

\*K Moynes, K McGee & 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 do not include Medical Director's Consultant salary as no clinical duties were completed.

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

Details of the Remuneration for the Senior Managers and Board Members is included in the Subsidiary Accounts and Annual Report.

### 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-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)
Kevin McGee - Chief Executive*	125 - 130	-	-	-	297.5 - 300	-	425 - 430
Peter Murphy - Director of Nursing, Quality & AHP	130 - 135	-	-	-	20 - 22.5	-	150 - 155
Janet Barnsley - Director of Operations (Planned Care)	120 - 125	-	-	-	152.5 - 155	-	275 - 280
Kevin Moynes - Joint Director of Human Resources & Organisational Development*	70 - 75	-	-	-	0	-	70 - 75
Dr Jim Gardner - Medical Director**	205 - 210	-	-	-	0	-	205 - 210
Professor Nikki Latham - Deputy Chief Executive / Director of Strategic Partnerships (from 01.06.20)	110 - 115	-	-	-	40 - 42.5	-	150 - 155
Natalie Hudson - Interim Director of Operations (Urgent & Emergency Care)* (from 05.10.20)	40 - 45	-	-	-	2.5 - 5	-	45 - 50



Feroz Patel - Interim Director of Finance (from 01.12.20)	40 - 45	-	-	-	17.5 - 20	-	60 - 65
Shelley Wright - Joint Director of Communications* (from 04.01.21)	15 - 20	-	-	-	0	-	15 - 20
Steve Fogg - Chair (from 01.02.21)	5 - 10	-	-	-	-	-	5 - 10
Mark Cullinan - Non Executive Director	15 - 20	-	-	-	-	-	15 - 20
Keith Case - Non Executive Director	10 - 15	-	-	-	-	-	10 - 15
James Wilkie - Non Executive Director	10 - 15	-	-	-	-	-	10 - 15
Mark Beaton - Non Executive Director	10 - 15	-	-	-	-	-	10 - 15
Dr Sheena Bedi - Non Executive Director	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 do not include Medical Director's Consultant salary as no clinical duties were completed.

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.

## 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	Real increase in pension lump sum at pension age	Total accrued pension at pension age 31st March 2022	Lump sum at pension age related to accrued pension at 31st March 2022	Cash Equivalent Transfer Value at 1st April 2021	Real Increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31st March 2022	Employer's contribution to stakeholder pension
	(bands of £2,500) £000	(bands of £2,500) £000	(bands of £5,000) £000	(bands of £5,000) £000	£000	£000	£000	£000
Kevin McGee* - Chief Executive (til 20.09.21)	0 - 2.5	0 - 2.5	50 - 55	150 - 155	1,241	0	0	15
Patricia Armstrong Child - Chief Executive (from 20.09.21)	2.5 - 5	2.5 - 5	75 - 80	175 - 180	1,335	50	1,469	16
Peter Murphy - Director of Nursing, Midwifery, AHPs and Quality	2.5 - 5	2.5 - 5	60 - 65	160 - 165	1,148	69	1,242	20
Janet Barnsley - Director of Integrated Care (from 01.04.21)	2.5 - 5	0 - 2.5	45 - 50	95 - 100	826	51	899	18
Kevin Moynes* - Joint Director of HR & OD (til 14.01.22)	0	0	0	0	0	0	0	0
Dr Jim Gardner - Medical Director	0	0	0	0	0	0	0	0
Professor Nicki Latham - Deputy Chief Executive/Director of Strategic Partnerships (till 20.12.21)	2.5 - 5	0	20 - 25	0	265	28	338	24
Natalie Hudson - Chief Operating Officer (from 1.4.21)	5 - 7.5	0	25 - 30	0	185	33	238	19
Feroz Patel - Director of Finance	5 - 7.5	10 - 12.5	40 - 45	80 - 85	573	96	693	21
Shelley Wright* - Joint Director of Communications	0 - 2.5	0	0 - 5	0	14	9	27	18
Catherine (Louise) Ludgrove – Interim Director of People & Culture (from 07.02.22)	0 - 2.5	0 - 2.5	0 - 5	10 - 15	0	0	8	3

\*K Moynes, K McGee & 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 Equivalent 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 in their organisation against the 25th percentile, median and 75th percentile of remuneration of the organisation's workforce. Total remuneration is further broken down to show the relationship between the highest paid director's salary component of their total remuneration against the 25th percentile, median and 75th percentile of salary components of the organisation's workforce.

The banded remuneration of the highest paid director in Blackpool Teaching Hospitals NHS FT in the financial year 2021/22 was £205,000 - £210,000 (2020-21, £205,000 - £210,000). The relationship to the remuneration of the organisation's workforce is disclosed in the below table.

2021/22	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
<b>Total Remuneration (£)</b>	22,719	31,496	41,233
<b>Salary component of total remuneration (£)</b>	21,777	27,780	39,027
<b>Pay Ratio Information</b>	9.1 : 1	6.6 : 1	5 : 1
2020/21			
<b>Total Remuneration (£)</b>	21,142	26,970	37,890
<b>Salary component of total remuneration (£)</b>	19,737	26,970	37,890
<b>Pay Ratio Information</b>	9.8 : 1	7.7 : 1	5.5 : 1

In 2021/22, 26 (2020-21, 18) employee's received remuneration in excess of the highest-paid director. Remuneration ranged from £205,000 to £340,000 (2020-21 £205,000-£330,000).

Total employee remuneration ranges from £10,000 to £336,344, and it includes salary, non-consolidated performance-related pay, benefits-in-kind, but not severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

The salary component total is based on annualised, full-time equivalent salary using the employee's spine point.

Reporting bodies are required to disclose separately for each single total figure table component:

(a) the percentage change from the previous financial year in respect of the highest paid director, and,

(b) the average percentage change from the previous financial year in respect of employees of the entity, taken as a whole.

2021/22	Salary & Fees % increase	Annual Performance Related bonuses % Increase
Highest Paid Director	0.00%	0.00%
Total Employees	1.72%	0.00%
2020/21		
Highest Paid Director	2.47%	0.00%
Total Employees	1.65%	0.00%

The calculation for salary and allowances is the total for all employees on an annualised basis, excluding the highest paid director, divided by the FTE number of employees (also excluding the highest paid director).

The calculation for highest paid director increase for salaries and allowances shall be based on the mid-point of the band for each of salary and performance pay and bonuses payable as seen in the single total figure table.

Blackpool Teaching Hospitals NHS FT has not paid any annual performance related bonuses in the year ending 31 March 2022 or the year ending 31 March 2021.

### **Executive Directors' Expenses**

Five of eleven Executive Directors submitted expense claims in 2021/22 (2020/21: 4/11). The total amount of expenses paid to Directors in 2021/22 was £9,261 (2020/21: £15,867.33).

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

No Non-Executive Directors submitted expense claims in 2021/22 (2020/21: 1/16 totalling £150.20).

### **Governor Expenses**

No Governors submitted expense claims in 2021/22 (2020/21: 1/24 totalling £25.20).

## Membership of the Remuneration Committee

Steve Fogg – Chair of the Committee  
Mark Cullinan  
Keith Case (until 31.01.22)  
James Wilkie  
Mark Beaton  
Dr Sheena Bedi (until 31.08.21)  
Sue McKenna (from 04.10.21)  
Andrew Roach (from 04.10.21)  
Fiona Eccleston (from 04.10.21)  
Adrian Carridice-Davids (from 04.10.21)

Four meetings of the Committee took place during 2021/22 with attendance as follows:

Committee Members (8)	Number of Meetings (4)
Steve Fogg (Committee Chair)	4/4
Mark Cullinan	4/4
Keith Case (until 31.01.22)	3/3
James Wilkie	3/4
Mark Beaton	3/4
Dr Sheena Bedi (until 31.08.21)	1/1
Sue McKenna (from 01.09.21)	2/3
Andrew Roach (from 04.10.21)	2/2
Fiona Eccleston (from 04.10.21)	1/2
Adrian Carridice-Davids (from 04.10.21)	2/2

Mr Kevin McGee/Mrs Trish Armstrong-Child (Chief Executive) and Mr Kevin Moynes (Director of HR & OD) 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:

Trish Armstrong-Child  
Chief Executive

Date: 20 June 2022

## Staff Report

### Analysis of Staff Costs

(The following table has been subject to audit)

Employee Benefits	2021-22	2020-21
	<b>£'000</b>	<b>£'000</b>
Salaries and wages	291,178	266,434
Social security costs	28,823	25,960
Apprenticeship levy	1,655	1,448
Employer's contributions to NHS pensions	31,190	28,375
Employer's contributions paid to NHSE on providers behalf (6.3%)	13,461	12,209
Pension cost – other	159	128
Termination Benefit	0	11
Temporary staff (including agency)	34,669	41,503
<b>Total employee benefits including capitalised staff costs</b>	<b>401,135</b>	<b>376,068</b>
Less costs capitalised as part of assets	(1,567)	(1,101)
<b>Total employee benefits excluding capitalised staff costs</b>	<b>399,568</b>	<b>374,967</b>

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 £13.461m (£12.209m 20/21) 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 2022	Year ended 31st March 2022	Year ended 31st March 2022	Year ended 31st March 2021
	Permanently employed	Other Staff	Total	Total
	WTE	WTE	WTE	WTE
Medical and Dental	642	90	732	702
Administration and estates	1543	18	1561	1386
Healthcare assistants and other support staff	2051	0	2051	2130
Nursing, midwifery and health visiting staff	2273	158	2431	2186
Nursing, midwifery and health visiting learners	0	0	0	2
Scientific, therapeutic and technical staff	739	8	747	726
Healthcare science staff	206	2	208	202
Other	0	0	0	2
<b>Total Average Numbers</b>	<b>7,454</b>	<b>276</b>	<b>7,730</b>	<b>7,336</b>
<b>Of which:</b>				
Number of employees (WTE) engaged on capital projects	38	0	38	39

## 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 31 March 2022		
	Male	Female
Directors and other senior managers*/**	9	8
Employees**	1849	6298

\*Directors and senior managers comprise Executive Directors and Non-Executive Directors in post at 31 March 2022 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 6.41% for the rolling 12-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 4.66%.

A physically and mentally healthy workforce is essential to provide the best care for our patients. The Trust implemented a new Health & Wellbeing Strategy in 2021/2022. The focus of the strategy is around adopting a preventative and proactive approach to wellbeing as well as being reactive and responsive to staff sickness, the Trust recognises that that wellbeing is more than a sickness absence metric. The strategy has been developed using the national health and wellbeing framework and contains a plethora of initiatives and interventions designed to keep our staff well and in work.

Occupational Health continues to support all staff. The team has had a couple of new additions over the last year. We have a qualified Associate Psychological Practitioner and a Consultant Clinical Psychologist. Both posts are new within Occupational Health and work between OH and Clinical Psychology to support staff.

There are several other personal development sessions that staff can access such as stress management and resilience, mindfulness, and improved sleep. All the programmes that have been run previously are continuing, with new programmes being added all 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. The department is also supporting staff with a new stop smoking service.

### Musculoskeletal Awareness

The physiotherapist service continues within Occupational Health. The service aims to support all staff,



to review any areas of risk within the Trust, and provide staff with a reactive service to help them with musculoskeletal problems.

### **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 HR and OD service. 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 the offers available for staff. This also includes a monthly health and wellbeing calendar for staff to follow. There are now wellbeing portals for staff to access and there is a Wellbeing Directory that includes all the detail of support in and out of the Trust. This includes, but is not restricted to, the following:

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

Team Time
Health and Wellbeing newsletter and calendar
Health and Wellbeing Conversations
Wellbeing and Engagement champions
Workforce Trauma Support training
National campaigns to raise awareness
Mindfulness training
Coaching
Mediation
Resilience training
Mental Health First Aiders
Wellbeing apps
Links to community Mental Health services
Links to National Mental Wellbeing helplines
Wellbeing Directory
Occupational Health support -counselling, hypnotherapy, CBT, MSK

Overall Trust Sickness Absence Rates	
Year	Sickness Absence Results
2015/16	4.25%
2016/17	4.78%
2017/18	4.67%
2018/19	4.90%
2019/20	5.41%
2020/21	4.66%
2021/22	6.41%

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 2021 calendar year.

Statistics Produced by NHS Digital*/Department of Health & Social Care (**based on Jan-Nov 2021)					
National Average of 12 Months (Jan-Dec 2021)	National Average for last available quarter of 2021 (Jul-Sept)**	BTH Average FTE 2021 **	BTH FTE-Days Available *	BTH FTE-Days Lost to Sickness Absence*	BTH Average Sick Days per FTE **
5.04%	5.81%	6,919	2,525,515	161,918.12	23.40
*based on figures converted by DH to best estimates of required data items					
** based on statistics published by NHS Digital from ESR Data Warehouse					

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 and reviewed at the Equality Delivery System (EDS2) consultation, 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:

- Launching a Staff Ethnic Network in October 2021, with a Staff Faith Network and Staff LGBT+ Network starting mid-2022. These networks will be followed by a Staff Ability (Disabled) Network which will be up and running by the last quarter of the year.

- Working with the local Low Vision Group to improve Trust communications.
- Working with a Lancashire based Deaf association, Deafway, to improve awareness, understanding and communication.
- 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 a ward;
- 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;
- 130 Wellbeing Champions trained to support staff;
- Understanding the needs of minority/hard to reach groups to make healthcare accessible;
- Written a policy to support 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 Gold Award of the NHS Employers and MoD Employers Recognition Scheme;
- Member of the Employee Recognition Scheme Gold Alumni to continue the work to support Veterans and Reservists;
- Closer partnership working with CCG's, Councils and third party organisations;
- Re-accredited for 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) which was introduced in July 2016.

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&I) 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 held its Equality Delivery System 2 (EDS2) public consultation and engagement event in March 2021. The EDS2 event for 2022 took place on the 18 March 2022. The staff consultation event will take place at the beginning of May 22. The Trust is therefore still working with the 2021 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 required
- Visual Impairment Awareness training required;
- Trans Gender Awareness training required;
- 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.

### Workforce Race Equality Standard (WRES)

The NHS Workforce Race Equality Standard (WRES) was introduced in 2015 to ensure employees from black and minority ethnic (BME) backgrounds have equal access to career opportunities and receive fair treatment in the workplace.

### 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 2021 to March 2022.

Organisation	Ethnic Origin	Full Time Equivalent (FTE)	Headcount
LF Blackpool Teaching Hospitals NHS Foundation Trust	0 White	3.15	4
	4 Indian	2.00	2
	5 Pakistani	1.00	1
	7 Chinese	2.57	3
	A White – British	5311.14	6027
	B White – Irish	34.37	40
	C White - Any other White background	155.97	167
	C2 White Northern Irish	2.00	2
	C3 White Unspecified	2.00	2
	CA White English	29.65	37
	CB White Scottish	7.21	9
	CC White Welsh	1.80	2
	CD White Cornish	0.40	1
	CF White Greek	2.00	2
	CK White Italian	4.00	4
	CP White Polish	14.76	16
	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	23.23	25
	D Mixed - White & Black Caribbean	17.35	20
	E Mixed - White & Black African	10.27	11
	F Mixed - White & Asian	13.65	15
	G Mixed - Any other mixed background	14.69	16
	GA Mixed - Black & Asian	3.00	3
	GC Mixed - Black & White	1.63	2
	GF Mixed - Other/Unspecified	1.00	1

	H Asian or Asian British - Indian	<b>317.32</b>	<b>332</b>
	J Asian or Asian British - Pakistani	<b>82.02</b>	<b>87</b>
	K Asian or Asian British - Bangladeshi	<b>11.72</b>	<b>13</b>
	L Asian or Asian British - Any other Asian background	<b>57.99</b>	<b>62</b>
	LA Asian Mixed	<b>4.00</b>	<b>4</b>
	LB Asian Punjabi	<b>1.47</b>	<b>2</b>
	LD Asian East African	<b>1.00</b>	<b>1</b>
	LE Asian Sri Lankan	<b>3.00</b>	<b>3</b>
	LF Asian Tamil	<b>1.00</b>	<b>1</b>
	LH Asian British	<b>4.40</b>	<b>5</b>
	LK Asian Unspecified	<b>4.00</b>	<b>4</b>
	M Black or Black British - Caribbean	<b>17.80</b>	<b>18</b>
	N Black or Black British - African	<b>54.29</b>	<b>56</b>
	P Black or Black British - Any other Black background	<b>3.00</b>	<b>3</b>
	PB Black Mixed	<b>0.75</b>	<b>1</b>
	PC Black Nigerian	<b>8.00</b>	<b>8</b>
	R Chinese	<b>17.37</b>	<b>18</b>
	S Any Other Ethnic Group	<b>76.86</b>	<b>82</b>
	SC Filipino	<b>330.99</b>	<b>333</b>
	SD Malaysian	<b>3.00</b>	<b>3</b>
	SE Other Specified	<b>7.00</b>	<b>8</b>
	Unspecified	<b>190.01</b>	<b>196</b>
	Z Not Stated	<b>431.60</b>	<b>511</b>
	<b>Grand Total</b>	<b>7291.21</b>	<b>8167</b>

### Trust's current position

The WRES report is based on data contained within the ESR system on 31 March 2021. The data shows that the workforce is representative of the local community. The Fylde Coast population is 96.7% White British and 3.3% from an ethnic background. The workforce is 87.6% White British and 12.4% from an ethnic background. The staff headcount at 31 March 2021 was 7603 with 943 from Black, Asian, and Minority Ethnic. The figures have improved with an increase in the BME group by 0.79%.

The WRES data is used to assist the Trust identify steps to ensure that BME staff have equal access to career development opportunities and career progression. The full report and action plan is available on the Trust's website to meet Government requirements.

The 2021/22 report highlighted that there had been a slight increase in the number of Black, Asian, and Minority Ethnic staff recruited and accessing training. Although the increases were small, they are seen as a positive improvement.

### Workforce Disability Equality Standard (WDES)

The NHS Workforce Disability Standard (WDES) was introduced in 2019. It is a set of ten specific measures which enables NHS organisations to compare experiences of disabled and non-disabled staff.

### Trust's current position

The WDES report is based on data contained within the ESR system on 31<sup>st</sup> March 2021. The data shows the total number of staff employed at the time of this report was 7603 with only 3% (228) of staff declaring a long- health condition or disability. Further work is required to improve the confidence of staff to declare their health status on the Electronic Staff Record (ESR), to enable the Trust to ensure policies and procedures do

not have a negative impact on any member of staff.

The Trust will continue to ensure that all staff, including those with long-term health conditions or a disability have equal access to career development and career progression opportunities.

## Gender Pay Gap

### Background

### Current Position

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:-

[Search and compare gender pay gap data - GOV.UK - GOV.UK \(gender-pay-gap.service.gov.uk\)](https://www.gov.uk/government/statistics/search-and-compare-gender-pay-gap-data)

The gender pay gap is the difference between the average (mean or median) earnings of men and women across a workforce. The Trust's Gender Pay Gap report was published in February 2022 and the report is based on 2021 figures. The report shows the median or average pay gap was 5.3%. This is a decrease compared to the previous year (the median for 2020 was 8.2%). The Trust's gender pay gap figure is now below the national figure of 7.9% (derived from the ONS).

The report has identified that there is disparity in the pay gap between male and female Medical and Dental staff. This is because of the Clinical Excellence Award (CEA) which is classed as a 'bonus'. There are 498 Medical and Dental staff who are predominantly male. This disparity has been created because of the way the CEA has been distributed during the COVID-19 pandemic. The total award allocation has been equally distributed amongst all clinicians (rather than via an application process).

Gender pay gap reports are published on the Trust's website.

## 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 Trust's leadership development programmes.

Over the last 12 months an area of huge improvement and focus for the Trust has been communications and engagement activity, which has been reviewed and refreshed with a new team structure in partnership with East Lancashire Hospitals NHS Trust.

This new and improved approach has supported colleagues across all sites and settings, as well as patients and their families and our partners in Blackpool, Fylde and Wyre and the wider health and social care system.

In 2021/22, the team has developed and delivered fresh and innovative ways of reaching people and opening conversations that allow for collaboration, co-design and true engagement. There are new and improved regular channels including internal and external news bulletins and a growing area of digital content, which includes a redeveloped staff 'app', podcasts and an increasing amount of video content particularly usable on social media.

Enhanced relationships have been created with local and national media to sustain improved promotional activity, including the many good news stories, landmark events and innovative practice being developed at the Trust. The Trust now supports journalists in a transparent and effective style, often dealing with sensitive enquiries.

2022 also saw the relaunch of the Trust's popular staff awards, Celebrating Success, after a two-year gap – through a virtual ceremony broadcast live on YouTube to an ultimate audience of more than 3,000 viewers - far more than would have had the chance to attend an in-person event.

This year just some of the team's other priorities have included:

- Launching and managing weekly virtual Teams Brief events during which members of the Executive Team update viewers on key information.
- Supporting colleagues in the Emergency Department and other areas of the Trust while they face tremendous pressures
- Sharing information in the run-up to the CQC inspection
- Sharing patient flow advice and information to counter winter pressures faced by the Trust via campaigns including 'Why Not Home, Why Not Today' and 'Home for Christmas'
- Working closely with the Well Team to support the morale and wellbeing of our colleagues
- Supporting the launch of the 2021 NHS Staff Survey which ultimately saw a record number of colleagues taking part
- Focusing on the brilliant work of staff during high-profile awareness days like International Women's Day and International Nurse's Day.

## Freedom to Speak Up Service

The Trust has had a Freedom to Speak Up Service (FTSU) in place since 2017. The Trust remains committed to listening and encouraging all our staff to have a voice to speak up.

The table below shows the yearly figures for concerns raised and dealt with during 2020/21 and 2021/22.

	2020/21	2021/22
Concerns Raised	52	65

In October 2020, a review was carried out at the Trust by the National Guardian's Office (NGO). The NGO exists to help people working across the NHS speak up about any issues or concerns through the Freedom to Speak Up initiative and team of FTSU Guardians.

The report was published in October 2021, almost a year after the review. Due to the delay in the publication of the report the Trust was able to evidence that progress had already been made against several of the identified recommendations. This included the Trust:

- Making sustained improvement in the quality of safe and effective clinical services;
- Prioritising improvements and investing in Freedom to Speak Up – with a team of Guardians in place;



- Scoring above the national average for the number of concerns raised across all categories, which was improving year on year;
- The NSS results for 2020 demonstrating an improvement in staff feeling supported to speak out - two thirds of people saying they felt safe speaking up.

The Trust made this difference by listening to people including staff, our F2SU Guardian and the NGO and learning from and acting on feedback with real initiatives. This is something we will continue to do to help us progress even further in the future and the NGO report recommendations will form part of that.

## 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, Midwifery, AHPs & as the nominated Security Management Director (SMD), together with the Trust's Local Security Management Specialist (LSMS), worked throughout 2021/22 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. 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. 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, 21 staff, (nil) contractor and 0 (nil) visitor RIDDORs; from these nine incidents were reported as a dangerous occurrence.

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	2020/21	2021/22	%
Verbal	277	278	+1%
Physical	240	309	+1.3%

## 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 Executive Director of Finance 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 assessment, 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 [NHSCFA 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.

Further information can be found on the Trust's website at: [Bribery and Corruption - All Documents \(xfyldecoast.nhs.uk\)](http://xfyldecoast.nhs.uk/BriberyandCorruption-AllDocuments)

## Staff Engagement

Positive staff engagement lies at the heart of our strategic vision to foster happy, healthy teams that deliver safe, effective, sustainable care for everyone, every day. High levels of staff engagement are correlated with reduced staff turnover, lower sickness absence, reduced presenteeism and improved staff and patient experience. This year's National Staff Survey results indicate that the Trust has retained an

overall engagement score of 7.1/10. While the national average engagement score deteriorated from 7.0 to 6.8,

The National Staff Survey's engagement score is drawn from three sub-scores: advocacy, involvement, and motivation. National data demonstrates that each sub-score has seen a year-on-year decline in the Acute and Community Trust sector, but this has not been reflected at Blackpool Teaching Hospitals. The Trust has, however, experienced a year-on-year deterioration in advocacy

To maintain and improve engagement levels the Trust launched the Employee Engagement Sponsor Group. The group meets quarterly and oversees all engagement activities including the implementation of Trust wide and divisional Engagement Action Plans; and feeding back on "You said, Together We Did" examples to staff regularly. It is chaired by the Chief Executive.

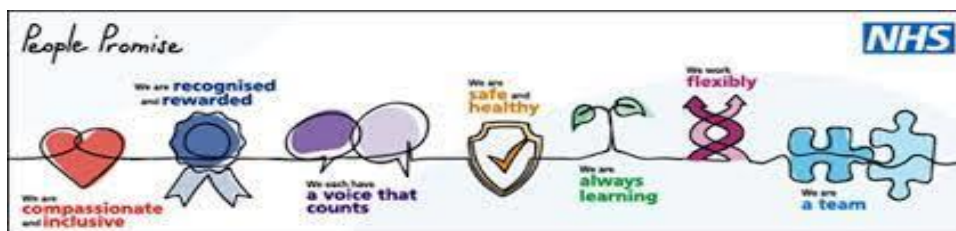
We are immensely proud of our people, the contribution they make and the patient care they provide. We seek to recognise their efforts whenever possible. Our popular Going the Extra Mile awards encourage peer to peer recognition, while we have recently launched "Pass It On" gratitude cards for staff to demonstrate in the moment appreciation when colleagues make a positive difference to their day. Reward and recognition initiatives are often developed from staff listening forums such as our Long Service badges that pay tribute to our long serving colleagues and our campaign to celebrate the contribution of less visible staff groups such as #proudtobeadmin and #proudtobecomunity.

Our actions for improvement will be drawn from the National Staff Survey and will support the delivery of the Trust's Five-Year Strategy. Efforts will continue across all elements of the People Promise in the coming year with an emphasis on the following themes:

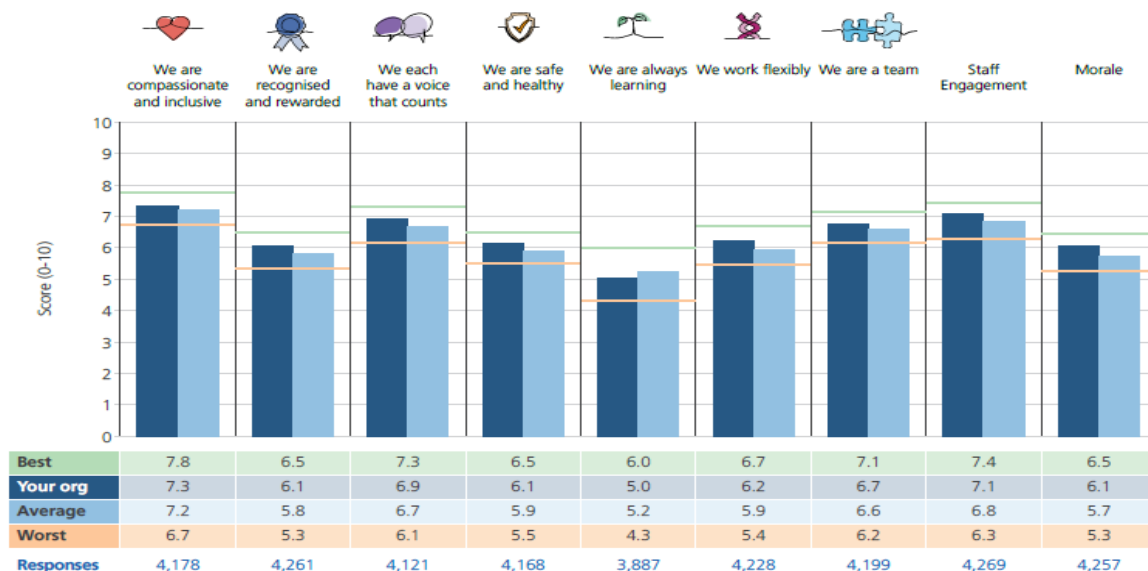
- **We are Always Learning** (Development and Appraisals)
- **We are Safe and Healthy** (Health and Safety climate, Burnout)
- **We each have a Voice that Counts** (Raising Concerns)

## NHS National Staff Survey

The NHS staff survey is conducted annually. Last year, the format was revised and updated to align with the new NHS People Promise.



The Trust's response rate to the 2021 survey was 59% (2020: 49.5%), a year-on-year increase of 10%, and a 24.5% increase over the past three years. This was significantly higher than the national average response rate for Acute and Community Trusts of 46%. Scores for each theme, together with that for the survey benchmarking group (Combined Acute & Community Trusts) are presented below:



Staff response to three key questions around culture were as follows:

- 64% of staff would recommend the organisation as place to work
- 65% of staff indicated if a friend/relative needed treatment they would be happy with standard of care provided by organisation
- 77% of staff felt that care of patients/service users is organisation's top priority

These scores have declined since last year. While it is worth highlighting that this trend is replicated nationally across all establishment types (undoubtedly reflecting the ongoing impact of the COVID-19 pandemic on staff experience).

The Trust's Board remains committed to improving the Trust culture and levels of employee engagement. To do this several initiatives has been introduced including the relaunch of engagement events such as Big Conversations. These sessions are being used to develop the 2022-2023 improvement action plans

The Trust's areas of improvement and deterioration since the 2020 survey are presented below:

Most improved scores	Trust 2021	Trust 2020
Team members often meet to discuss the team's effectiveness	64%	59%
Immediate manager asks for my opinion before making decisions that affect my work	59%	55%
Not experienced physical violence from patients/service users, their relatives, or other members of the public	85%	81%
Not experienced harassment, bullying or abuse from patients/service users, their relatives, or members of the public	77%	73%
Not experienced harassment, bullying or abuse from other colleagues	82%	79%

Most declined scores	Trust 2021	Trust 2020
Enough staff at organisation to do my job properly	32%	38%
Last experience of physical violence reported	69%	75%
Satisfied with the extent organisation values my work	45%	50%

I am unlikely to look for a job at a new organisation in the next 12 months	56%	61%
Disability: organisation made adequate adjustment(s) to enable me to carry out work	71%	75%

Analysis of the data from the National Staff Survey tells us that our future priorities include:

- Supporting our leaders to restore and champion the appraisal process, this is to ensure that individuals have the opportunity to discuss their performance and agree clear objectives with their manager.
- Improving and embedding a culture of speaking out safely. The Trust will continue to promote the “If You See Something, Say Something” campaign to raise awareness and assure all staff that the Trust encourages and supports staff who raise concerns if they feel safety is at risk.
- Increasing the visibility and communication from senior managers on all sites at Blackpool Teaching Hospitals
- BTH will progress the Trust wide action plan on equality, diversity, and inclusion at pace to ensure all staff have equal opportunities.

The Trust will update the Corporate National Staff Survey action plan and associated Divisional actions plans to reflect the priorities identified in the 2021 survey. Oversight and support of these plans will be monitored on a quarterly basis at the Employee Engagement Sponsor Group.

Whilst the Trust is proud of the progress it had made in improving staff experience during challenging times, we know that more needs to be done, particularly with regards to developing a compassionate culture, fostering a climate of inclusion and equity, and ensuring that everyone is able to speak up and, crucially, that when they do, their voices are listened to. We remain resolutely focused on improving our employee experience through robust and measurable actions plans that are co-created together with our people. We will continue to build on previous years' work and keep encouraging staff to be active participants in making #teamBTH a better place to work by building happy, healthy teams that actively support our people to deliver the best quality of care to our patients and the populations we serve.

### NHS Staff Survey: Annex Data

The NHS staff survey is conducted annually. From 2021/22, the survey questions align to the seven elements of the NHS 'People Promise', and retain the two previous themes of engagement and morale. These replace the ten indicator themes used in previous years. All indicators are based on a score out of 10 for specific questions with the indicator score being the average of those.

The response rate to the 2021/22 survey among trust staff was 59 % (2020/21:49.5%).

#### 2021/22

Scores for each indicator together with that of the survey benchmarking group (Acute and Acute and Community Trusts) are presented below.

Indicators (‘People Promise’ elements and themes)	2021/22	
	Trust score	Benchmarking group avg. score
People Promise:		
We are compassionate and inclusive	7.3	7.2
We are recognised and rewarded	6.1	5.8
We each have a voice that counts	6.9	6.7
We are safe and healthy	6.1	5.9
We are always learning	5.0	5.2
We work flexibly	6.2	5.9
We are a team	6.7	6.6
Staff engagement	7.1	6.8
Morale	6.1	5.7

## 2019/20 and 2020/21

Scores for each indicator together with that of the survey benchmarking group (Acute and Acute and Community Hospitals) are presented below.

	<b>2020/21</b>		<b>2019/20</b>	
	Trust score	Benchmarking group avg. score	Trust score	Benchmarking group avg. score
Equality, diversity, and inclusion	9.2	9.1	9.2	9.2
Health and wellbeing	6.0	6.1	5.8	6.0
Immediate managers	6.8	6.8	6.9	6.9
Morale	6.3	6.2	6.3	6.2
Quality of appraisals	N/A	N/A	5.5	5.5
Quality of care	7.7	7.5	7.6	7.5
Safe environment – bullying and harassment	8.1	8.1	7.9	8.2
Safe environment – violence	9.3	9.5	9.4	9.5
Safety culture	6.8	6.8	6.7	6.8
Staff engagement	7.1	7.0	7.0	7.1
Teamworking	6.6	6.5	6.6	6.7

### Commentary

- The response rate of 59% is above average for Acute and Acute and Community Trusts in England; the median response rate for which is 46%. This demonstrates a significant year on year increase when compared to the 2020 response rate of 49.5% (and 24% since 2018.)
- The nine survey themes are scored consistently on a 0-10pt scale with 10 being the best possible score. As in previous years, question level data is presented in percentage scores. The Trust staff satisfaction responses scored above average for 8 of the 9 themes when compared with all Acute and Acute and Community Trusts. The 8 themes BTH scored above average in were: We are compassionate and inclusive, we are recognised and rewarded, we each have a voice that counts, we are safe and healthy, we work flexibly, we are a team, engagement and morale.
- There is just one Theme that Blackpool falls below the benchmark average for: “We are always learning.” This is driven by the Appraisals sub score, with the Trust results in the bottom 4% of Trusts nationally.
- National benchmarking of Acute and Acute and Community Trusts also places BTH in the top 20% of Trusts for the following themes: We are recognised and rewarded, we each have a voice that counts, we are safe and healthy, we work flexibly, we are a team, Engagement and Morale.
- When compared to other Acute and Acute and Community Trusts in the ICS system, Blackpool came first for the following four themes: We are recognised and rewarded, we work flexibly, engagement and morale. The Trust was joint first for three themes: we each have a voice that counts, we are safe and healthy, and we are a team.
- The staff engagement indicator score has maintained at 7.1 for a second year. This is above average when compared with all Acute and Acute and Community Trusts (for which the average has deteriorated from 7.0 to 6.8.) Nationally, BTH is in the top 17% for engagement compared to all Acute and Acute and Community Trusts being ranked joint fourth nationally.
- The advocacy measure of engagement indicates a slight year on year decline across all 3 questions. Taking a longer-term view there is still a significant increase evidenced in advocacy across the past five years, with the exception of the question “If a friend or relative needed care I would be happy with the standard of care provided by this organisation”. This is also the only question in the advocacy set that is below average when compared to the benchmarking group.

## Future Priorities and Targets

- It is recommended that there is a specific focus from all leaders to restore and champion the appraisal process, and managers are suitably equipped to facilitate meaningful conversations that help staff do their jobs well, agree clear objectives and leave them feeling engaged and valued by the organisation.
- Whilst the Trust has performed strongly in the theme “We are safe and healthy” it is recommended the health and wellbeing action plan and related activities are further supported to ensure restoration and recovery is enabled. Many staff still need additional support following the COVID 19 pandemic and it is important early intervention is facilitated where appropriate for all staff as an important element of the Trust’s core business activities.
- Collaboration between the Trust Board / Senior Management and the Staff Guardian will continue to further embed the culture of speaking out safely. Continued promotion of the “If You See Something, Say Something” campaign will raise awareness and assure all staff that the Trust encourages and supports staff who raise concerns if they feel safety is at risk.
- There will be a continued focus and effort to increase visibility and communication from senior managers on all sites at Blackpool Teaching Hospitals, including a structured programme of Back to the Floor visits; Meet the Board events and patient safety walkabouts on all sites, together with questions and answer sessions with divisional leads beyond the BVH site.
- BTH will progress the Trust wide action plan on equality, diversity, and inclusion at pace to ensure all staff have equal opportunities.
- It is recommended that there is development of a transparent and measurable corporate action plan with supporting Divisional action plans facilitating a joined-up approach to addressing staff satisfaction and engagement in 2021 with oversight and support of these plans on a quarterly basis at the Employee Engagement Sponsor Group.

Whilst we are proud of the progress BTH is making in improving staff experience during challenging times, we are realistic that there is more to be done, particularly with regards to developing a compassionate culture, fostering a climate of inclusion and equity, and ensuring that everyone is able to speak up and, crucially, that when they do, their voices are listened to. We remain resolutely focused on improving our employee experience through robust and measurable actions plans that are co-created together with our people. We will continue to build on previous years’ work and keep encouraging staff to be active participants in making #teamBTH a better place to work by building happy, healthy teams that actively support our people to deliver the best quality of care to our patients and the populations we serve.

## 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 2020 to 31 March 2021
- **Employees in your organisation**  
5,001 to 9,999 employees
- **Trade union representatives and full-time equivalents**  
Trade union  
representatives: 57 FTE  
trade union representatives:  
56.37
- **Percentage of working hours spent on facility time**  
0% of working hours: 21 representatives  
1 to 50% of working hours: 31 representatives  
51 to 99% of working hours: 4 representatives  
100% of working hours: 1 representative
- **Total pay bill and facility time costs**  
Total pay bill: £375,122,000.00  
Total cost of facility time: £105,643.25  
Percentage of pay spent on facility



time: 0.03%

- **Paid trade union activities**

Hours spent on paid facility time: 3446.30

Hours spent on paid trade union activities: 181.00

Percentage of total paid facility time hours spent on paid TU activities: 5.25%

## Expenditure on Consultancy

During 2021/22, the Trust incurred £3.967m on external consultancy costs (2020/21: £3.234m).

## 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.

<b>Table 1: Highly paid off-payroll engagements as of 31 March 2022, earning £245 per day or greater</b>	
Number of existing engagements as of 31 <sup>st</sup> March 2022	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

<b>Table 2: All highly paid off-payroll workers engaged at any point during the year ended 31 March 2022, earning £245 per day or greater</b>	
Number of off-payroll workers engaged during the year ended 31 March 2022	0
Of which:	
Not subject to off-payroll legislation *	0
Subject to off-payroll legislation and determined as in-scope of IR35 *	0
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.

<b>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</b>	
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.	21



## Exit Packages

(This section has been subject to audit)

During the year, the Trust did not approve any exit packages (20/21: 1). 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 2022. (2020/21 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	0 (1)	0 (0)	0 (1)
£25,001 - £50,000	0 (0)	0 (0)	0 (0)
£50,001 - £100,000	0 (0)	0 (0)	0 (0)
£100,001 - £150,000	0 (0)	0 (0)	0 (0)
Total number of packages by type	0 (1)	0 (0)	0 (1)
	£000	£000	£000
<b>Total resource cost – 2021/22</b>	0	0	0
<b>Total resource cost – 2020/21</b>	11	0	11

Exit packages: Non-compulsory departure payments	2021/22		2020/21	
	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
<b>Total</b>	0	0	0	0
<b>Of which:</b>				
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 Audit Committee undertook a self-assessment in March 2022 and approved a declaration of compliance with the provisions.

## **NHS Oversight Framework**

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

## **Statement of Accounting Officer's Responsibilities**

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

## **Annual Governance Statement**

For detailed information on this section please refer to Annex B on page 100.

## **Disclosure of Public Interest**

The Trust has not held any public consultations between 1 April 2021 and 31 March 2022.

## **Disclosures from the Audit Committee**

### **Foreword**

During 2021/22 the challenges of dealing with the ongoing COVID-19 pandemic continued, and the internal and external audit findings for the year need to be considered in this context. The Trust, like other organisations across the NHS, continued to face a number of challenging issues and wider organisational factors particularly with regards to the ongoing pandemic response and elective recovery. The limitations as a result of measures introduced to control the spread of infection continued however, we became more accustomed to working in a virtual world and some of the changes introduced will have long term benefits, particularly in relation to the rapid escalation in digital maturity.

### **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. It provides assurance reports to the Board on the independence and effectiveness of both external and internal audit, 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 her 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 Chairs.

During 2021/22, 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 2022. 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 Remit of the Internal and External Auditors**

### Internal Audit

Mersey Internal Audit Agency (MIAA) has provided the Trust's internal audit service since 1 April 2021. 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 MIAA to complete reviews. These staff report to the Head of Internal Audit to ensure that their work is co-ordinated and to provide seamless delivery. The team is a mixture of Association of Chartered Accountants (ACA) Association of Chartered Certified Accountants (ACCA) qualified staff.

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 aims 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, MIAA has responsibilities as the Head of Internal Audit.

Under the terms of the contract the Internal Audit Team is 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.

### External Audit

Deloitte LLP was appointed as the Trust's external auditors on 1 October 2020. In 2021/22, Deloitte LLP was paid £84,600 (including VAT) in respect of the 2021/22 statutory audit fees. Deloitte LLP was also paid £25,000 (excluding VAT) by BFW Management Ltd in respect of statutory audit on their 2021/22 Annual Accounts. The Charity is consolidated and paid £10k (excluding VAT).

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 of non-audit services and report non-audit services to the Audit Committee. In 2021/22, Deloitte LLP did not provide any non-audit services to the Trust.

### **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 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 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 14 June 2022 to allow discussion of matters in the absence of Executive Officers.

At its meeting on 23 May 2022 the Committee received the Head of Internal Audit Opinion.

The Committee reviewed and considered the work of the external auditor at its meetings in the year from 1 April 2021 to 31 March 2022 by:

#### In relation to 2020/21;

Considering the Trust's Annual Governance Statement for 2020/21 at the meeting held on 15 June 2021.

#### In relation to 2021/22;

For completeness, and even though the discussions in relation to 2021/22 were not completed until June 2022, the following issues were reviewed and considered by the Audit Committee.

The Committee reviewed the work and findings of the external auditor by:

- Discussing and agreeing the scope and cost of the audit detailed in the Annual Plan for 2021/22;
- 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 14 June 2022;
- 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 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.

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: 20 June 2022

Fiona Eccleston  
Audit Committee Chair (from 01.05.22)

Signed: 

Date: 20 June 2022

Trish Armstrong-Child  
Chief Executive

## Annex A: 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: 20 June 2022

Trish Armstrong-Child  
Chief Executive

## Annex B: Annual Governance Statement

### ANNUAL GOVERNANCE STATEMENT 2020/21

#### BLACKPOOL TEACHING

#### HOSPITALS NHS

#### FOUNDATION TRUST

#### **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.

#### **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 2022 and up to the date of approval of the annual report and accounts.

#### **Capacity to Handle Risk**

##### **Leadership**

As Accountable Officer, I have 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 **Board of Directors** 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 Committees** monitor and review the Board Assurance Framework to ensure it is effective and report to the Board of Directors on the assurances and risks.

As Chief Executive, I am responsible for the overall risk management policy and for ensuring that the policy is implemented and evaluated effectively.

The **Executive Director of Finance** is responsible for financial risk, capital programme management, procurement and the effective co-ordination of financial controls he is 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 **Executive Director of Strategy and Transformation** is responsible for planning and programme management and health informatics and in June 2022 was appointed as Deputy Chief Executive.

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

The **Executive Director of Integrated Care** and the **Chief Operating Officer** are responsible for the operational key performance indicators, monitoring performance and reporting to the Board of Directors. In addition, the Executive Director of Integrated Care is the responsible officer for Emergency Planning, Resilience and Response and is the lead Director of Estates and Facilities.

The **Executive Director of People and Culture** is responsible for management of risks within her areas of operational responsibility, especially those risks associated with health and wellbeing, bullying and harassment. She is 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** is responsible for all the overall governance framework, supporting the relationships between the Governors and the Non-Executives and ensuring an effective assurance system operates to escalate and delegate from ward to board.

The **Executive Director of Communications** is responsible for the communications portfolio of the Trust - this is a joint role also overseeing the communications portfolio at East Lancashire Hospitals NHS Trust. 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.

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 overall performance of the Trust.

Governors have an important role to play representing the interests of members and the wider public to influence the strategic direction of the Trust. The Council of Governors is responsible for holding the Non-Executive Directors, individually and collectively, to account for the performance of the Trust.

## Training

To ensure the successful implementation of the Risk Management Policy, all staff are provided with appropriate training opportunities in carrying out risk assessments and the reporting of incidents. 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.

The on-going programme of training within the Trust includes: Health and Safety, risk register training, fire safety training, manual handling, safeguarding training, major incident training and conflict resolution training.

## The Risk and Control Framework

### Significant Risks

During 2021/22, the most significant risk facing us was the ongoing impact of the **COVID-19** pandemic on our staff and patients. At the time of reporting, we are starting to look at a return to normality in terms of restrictions in health care settings but we will continue to feel the ramifications in the years to come:



The **emotional and physical impact on our frontline staff** is a concern and although we have implemented a number of initiatives to support our staff, one of our most significant risks will be maintaining workforce capacity and capability and supporting the processes to deliver safe and effective care to our patients.

In common with all NHS Providers our **elective activity** was significantly reduced during the peak of the pandemic, we are now committed to working with system partners to recover this activity but the impact of this reduced activity will remain a risk. We are seeing late referrals for cancer diagnostics and are seeing the impact on patients who delayed seeking medical intervention for serious health concerns.

Our flow through our **emergency department** continues to be a challenge for the Trust, we are investing in the infrastructure to support our Urgent Care System but this remains a significant risk.

Our reliance on **temporary staff** to cover staffing gaps across all areas of the Trust is a concern both in terms of the additional cost implications and also in relation to continuity of care for our patients. Our newly formed Workforce Assurance Committee will take a key role in overseeing our plans to recruit and retain staff.

Within our Trust we are increasingly aware of concerns in relation to **bullying and harassment** of our staff, we have agreed as a Board that we will not tolerate any bullying behaviours and are seeking to develop a truly open culture where staff know they can freely raise any concerns they might have.

We recognise that we have more to do to mitigate these risks and issues and this will be a key focus of our work in 2022/23.

### **Risk Management Policy**

The Trust's Risk Management Policy assigns responsibility for the ownership, identification and management of risks to 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.

### **Risk Appetite**

The Board of Directors is responsible for agreeing the risk appetite of the Trust. As a Board, we have agreed the following:

- a MINIMAL risk appetite for any risk which has the potential to compromise the Health & Safety for patients, staff, contractors, the general public and other stakeholders, where sufficient controls cannot be guaranteed.
- an OPEN risk appetite for risk, which balances the delivery of services and quality of those services with the drive for quality improvement and innovation.
- a SEEK appetite for some financial risks where this is required to mitigate risks to patient safety or quality of care. We will ensure that all such financial responses deliver optimal value for money.
- We will AVOID any risk which has the potential to compromise data security.
- We have an OPEN risk appetite for any risk which has the potential to reduce of cost base.

### **Quality Governance Arrangements and the Well Led Framework**

The Foundation Trust is fully compliant with the registration requirements of the Care Quality Commission. The Well Led Framework was developed as an assessment tool for Trusts to benchmark their arrangements for effective leadership and quality governance.

While we have arrangements in place to support quality governance we are mindful of the feedback following our latest CQC inspection and are working on actions to address weaknesses identified in this area. Key areas for action have been identified and are underway in relation to:

- Governance – The CQC found that arrangements were not clear and did not always operate effectively.
- Equality and Diversity – we recognise we have work to do in relation to promoting equality, diversity and inclusion in daily work.

- Culture - We are working towards an open culture where patients, their families and staff could raise concerns without fear. However, when the CQC visited, not all staff felt secure to raise concerns.
- Strategy - We are currently developing a new five-year vision and strategy and have been working with our staff and our patients to ensure this is co-designed.
- Risk management – The CQC had concerned about the effective use of our risk management systems. We have introduced a new Exec led Risk Management Committee which will report to our Quality Assurance Committee thus improving the line of sight on our key risks and issues.
- Performance Management – the CQC found that information that was used to monitor performance or to make decisions was inaccurate, and unreliable or not relevant with inadequate challenge of performance by leaders and staff.

## Data Security

- 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 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:

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

## Compliance with the NHS foundation trust licence condition 4 (FT governance)

To assure itself of the validity of its annual governance statement required under NHS FT Condition 4 (8) b the Board of Directors receives an annual assurance statement and associated evidence.

While the declaration made during 2021/22 was one of full compliance Board members now agree that the ongoing work to enhance governance arrangements will be a key factor in the approval of this year's compliance certification.

## Public stakeholders

Our Council of Governors as the formal representatives of our public stakeholders provides the main forum to engage in managing the risks which might impact on our patients and our public. The Council of Governors meet on a formal basis each quarter to enact their statutory duty to hold the Board of Directors to account on its performance, including quality and risk.

## Workforce strategies and staffing systems – developing workforce safeguards

We recognise that the last two years have been the most challenging in the NHS's history and while we aim to create a great and safe place to work we have to recognise that there have been times when the experiences of

members of our staff has been below the level we would expect.

From April 2022 we are introducing a new Workforce Assurance Committee to act on behalf of the Board in driving workforce and culture transformation. We recognise through feedback from our staff, from the National Guardian's office and from our staff survey that there are actions we must take and we will be working with our staff to make Blackpool Teaching Hospitals NHS Foundation Trust a great place to work.

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.

The foundation trust has published on its website an up-to-date register 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.

Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with.

We have undertaken risk assessments and have plans in place which take account of the 'Delivering a Net Zero Health Service' report under the Greener NHS programme. The trust ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

### **Review of Economy, Efficiency and Effectiveness of the Use of Resources**

We regularly review the economic, efficient and effective use of resources with arrangements in place for setting objectives and targets on a strategic and annual basis. These arrangements include:

- 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 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.

### **Assurance is provided by:**

The Head of Internal Audit meets regularly with the Director of Finance and the Chair of the Audit Committee to review progress against the plan and to ensure the plan remains tailored to our needs.

The Head of Internal Audit opinion is that Moderate Assurance, can be given that there is an adequate system of internal control, however, in some areas weaknesses in design and/or inconsistent application of controls puts the achievement of some of the organisation's objectives at risk.

### **Information Governance**

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.

The Trust has a suite of Information Governance policies to ensure patient, staff and organisational information is managed and processed accordingly.

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).

### **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 Data Security Protection Toolkit (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 had achieved its Cyber Essentials certification and is working towards Cyber Essentials plus certification which will provide further assurance that the Trust takes data security seriously.

During 2021/22, the Trust has renewed its Cyber Essentials certification and has a 'Standards Met' Data Security Protection Toolkit.

### **Incidents reported to the ICO/DHSC**

Date of incident	Nature of incident	Individuals affected	How patients were informed	Lessons learned
12/09/2021	Unlawful Access and Disclosure	1	1	As per the ICO Recommendations:  Reviewed and updated processes within the department.  Renewed discussions around patient confidentiality at an individual level.  Staff identified to undergo refresher training and training pertinent to job role.  Regular updates and Trust wide communications using a variety of methods.

### **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 and the Audit Committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

### **Maintaining and reviewing the system of internal control**

2021/22 was a period of significant change for Blackpool Teaching Hospitals NHS Foundation Trust, a number of new appointments have been made to the Board and there is recognition that the changes made to the system of internal control to allow time to focus on the ongoing pandemic now need to be reversed to provide a clear and accountable governance system overseeing the thread of ward to board assurance.

With effect from 1 April 2022 the following arrangements have been introduced:

## **The Board**

The Chief Executive and Board of Directors have overall responsibility for the system of internal control.

## **Audit Committee**

This Committee acts independently from the Executive, to provide assurance to the Board, based on a challenge of evidence and assurance obtained, that the interests of the Trust are properly protected in relation to financial reporting and internal control. It keeps under review the effectiveness of the system of internal control; that is the systems established to identify, assess, manage and monitor risks both financial and otherwise, and to ensure the Trust complies with all aspects of the law, relevant regulation and good practice. This Committee reports to the Board any matters in respect of which the Committee considers that action or improvement is needed and makes recommendations as to the steps to be taken.

## **Quality Assurance Committee**

This Committee will provide the Board with an independent and objective review in relation to:

- All aspects of quality, specifically: clinical effectiveness, patient experience and patient safety;
- monitoring compliance against the essential standards of quality and safety set out in the registration requirements of the Care Quality Commission
- Governance processes for driving and monitoring the delivery of high quality, clinically safe, patient-centred care
- Performance against internal and external quality and clinical improvement targets, and directing management on actions to be taken on sub-standard performance
- Assurance on safeguarding quality and to provide appropriate scrutiny to clinical effectiveness, patient safety and patient experience
- Assurance (positive and negative) derived from clinical audits is reported through the Clinical Effectiveness committee to the Quality Assurance Committee.
- Oversight off all Serious Incident reports on behalf of the Board of Directors

## **Finance and Performance Committee**

This Committee will provide the Board with an objective review of, and assurances, in relation to:

- Performance, finance, contracting and commissioning issues;
- Financial governance processes
- Digital and health informatics
- Compliance with legislative, mandatory and regulatory requirements in terms of the Committee's scope

## **Workforce Assurance Committee**

The Workforce Assurance Committee will provide the Board with line of sight on workforce related issues. Key duties of the Committee include:

- Developing and overseeing implementation of the Trust's People Strategy and providing assurance to the Board of Directors that this is being delivered in line with the annual planning process
- Approving, monitoring and reviewing policies, procedures and guidance documents relating to the management of the Trust's workforce

- Monitoring and reviewing workforce key performance indicators to ensure achievement of our strategic aims and escalate any issues to the Board of Directors
- Oversight of staff engagement levels as evidenced by the results of the national and any other staff surveys
- Seeking assurance to ensure that we fulfil all legislative and regulatory requirements pertaining to workforce and organisational development issues.
- equality diversity and inclusion.

### **Risk Management Committee**

- This Committee will provide the Board with an objective review of, in relation to: -
- Risk governance, the risk management frameworks and the promotion of behaviours and cultures that drive approaches to risk management.
- The systems of internal control in relation to governance and risk management, in that these are fit for purpose, adequately resourced and underpin the Trusts performance and reputation
- The overall risk governance process in that it gives clear, explicit and dedicated focus to current and forward-looking aspects of risk exposure

### **Senior Leadership Team**

The Senior Leadership Team (SLT) is the senior leadership meeting of the Trust and as such is the forum for major operational decision making for the delivery of our plans, strategies and objectives. The SLT brings together our senior leaders and acts as the key forum for discussing contemporaneous intelligence concerning the health and care system and other strategic matters.

### **Significant Internal Control**

As discussed within this statement and within the full report, 2021/11 was a challenging year for the Trust with a number of control issues identified.

We investigated and reported five never events, these were in relation to:-

- A misplaced Nasogastric Tube(1).
- A retained foreign object (1).
- Wrong site surgery (3).

Performance against our access targets was not achieved with long waits within our Emergency Department, we recognise that this is a poor experience for our patients and increases the risk of harm.

We identified a data issue whereby a number of patients had not been seen or followed up in accordance with their referral, we contracted with an external company to analyse and address this issue and are continuing to work through the data we have to minimise harm to our patients.

The audit report from our external auditor identified weaknesses in relation to our CQC inspections and financial sustainability. We have agreed actions to address the issues raised by the CQC and have made progress in improving our governance arrangements. The Board recognises the scale of the financial challenge and are working with teams to address the savings required to bridge our funding gap.

The audit report from our external auditor identified weaknesses in relation to our CQC inspections and financial sustainability. We have agreed actions to address the issues raised by the CQC and have made progress in improving our governance arrangements. The Board recognises the scale of the financial challenge and are working with teams to address the savings required to bridge our funding gap.

## Conclusion

This has been a challenging period for the Trust with the continued challenge of the COVID 19 pandemic and a number of significant concerns in relation to governance and culture in the Trust. As reported within this statement we identified some significant control issues, however, with our new leadership team now in place I am confident that we have a strong team with the capacity and capability to lead the Trust to implement the changes needed.

A handwritten signature in black ink that reads "Trish Armstrong-Child". The signature is written in a cursive style with a horizontal line underneath.

Signed:

Date: 20 June 2022

Trish Armstrong-Child  
Chief Executive

## Annex C: 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 subsidiaries (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 2022 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 Consolidated Statement of Financial Position;
- the Trust Statement of Financial Position;
- the Consolidated Statement of Changes in Equity;
- the Trust Statement of Changes in Equity;
- the Group and Foundation Trust Statements of Cash Flows; and
- the related notes 1 to 39.

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 is 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](http://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, local counter fraud and the Audit Committee about their own identification and assessment of the risks of non-compliance with laws and regulations. We have reviewed the CQC inspection report which identifies the Trust is in breach of 32 legal requirements.

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; and
- 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 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 areas, and our specific procedures performed to address them are described below:

- for major projects, determination of whether expenditure recorded as capital at 31 March 2022 is subjective: we tested the expenditure on a sample basis to assess whether it meets the relevant accounting requirements to be recognised as capital in nature; and
- accruals and deferred income recorded at 31 March 2022 and the timing of their recognition is subject to potential management bias: we tested a sample of accruals to supporting documentation to assess whether the liability had been incurred as at 31 March 2022; we tested a sample of deferred income items to supporting documentation and evaluated management's assessment as to whether the criteria for revenue recognition had been met as to 31 March 2022 and the value to be deferred.

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 concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations;
- enquiring of the local counter fraud specialist and review of local counter fraud reports produced; and;
- reading minutes of meetings of those charged with governance and reviewing internal audit reports.

## **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.

In our audit report dated 15 June 2021 on the 2020/21 financial statements, we reported significant weaknesses in the 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 CQC inspection reports of January 2021 and October 2018, and NHS Improvement's formal enforcement actions which remain in place. This weakness has not yet been addressed, as reflected in the Trust's most recent CQC inspection report of January 2022 and the Section 29A warning notice dated 25 October 2021; and

- 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. This weakness has not yet been addressed, as the Trust is forecasting a deficit in 22/23 and has not identified all the savings plans required.

These weaknesses have not yet been addressed. We have not issued any further recommendations with respect to these weaknesses in the current year.

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 December 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 2022 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.

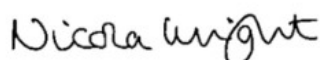
We have nothing to report in respect of these matters.

**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 the consolidation schedules. We are satisfied that our remaining work in these areas 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 upon Tyne, United Kingdom  
21 June 2022

## **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 2022 issued on 22 June 2022 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 2022 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 2022 on 22 June 2022, we had not completed our work on the Foundation Trust's arrangements.

In our audit report for the year ended 31 March 2022 issued on 22 June 2022, 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 2022 issued on 22 June 2022, 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.

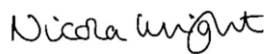
On 22 June 2022 we reported to the Foundation Trust significant weaknesses in the Foundation Trust's governance arrangements and arrangements to secure financial sustainability. The significant weaknesses reported were:

- 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 CQC inspection reports of January 2021 and October 2018, and NHS Improvement's formal enforcement actions which remain in place. This weakness has not yet been addressed, as reflected in the Trust's most recent CQC inspection report of January 2022 and the Section 29A warning notice dated 25 October 2021; and

- 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. This weakness has not yet been addressed, as the Trust is forecasting a deficit in 22/23 and has not identified all the savings plans required.

These weaknesses have not yet been addressed. We have not issued any further recommendations with respect to these weaknesses in the current year.

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  
12 September 2022

## Annex D: Accounts for the Period 1 April 2021 to 31 March 2022

### FOREWORD TO THE ACCOUNTS

### BLACKPOOL TEACHING HOSPITALS NHS FOUNDATION TRUST

These accounts for the year ended 31 March 2022 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: 20 June 2022

Trish Armstrong-Child  
Chief Executive

Blackpool Teaching Hospitals NHS Foundation Trust

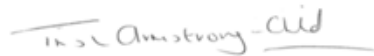
Annual accounts for the year ended 31 March 2022



## Foreword to the accounts

### Blackpool Teaching Hospitals NHS Foundation Trust

These accounts, for the year ended 31 March 2022, 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.

A handwritten signature in dark ink, reading "Trish Armstrong-Child", with a horizontal line underneath.

#### Signed

<b>Name</b>	<b>Trish Armstrong-Child</b>
<b>Job title</b>	<b>Chief Executive</b>
<b>Date</b>	<b>20th June 2022</b>

## Consolidated Statement of Comprehensive Income

	Note	Group	
		2021/22	2020/21
		£000	Restated £000
Operating income from patient care activities	3	591,453	471,735
Other operating income	4	33,884	80,679
Operating expenses	6, 8	(618,928)	(573,755)
<b>Operating surplus /(deficit)</b>		<b>6,409</b>	<b>(21,341)</b>
Finance income	11	25	1
Finance expenses	12	(891)	(1,014)
PDC dividends payable		(4,285)	(3,066)
<b>Net finance costs</b>		<b>(5,151)</b>	<b>(4,079)</b>
Other losses	13	(91)	(8)
Gains arising from transfers by absorption	39	1,203	-
Corporation tax expense		(26)	(155)
<b>Surplus / (deficit) for the year</b>		<b>2,344</b>	<b>(25,583)</b>
<b>Other comprehensive income</b>			
<b>Will not be reclassified to income and expenditure:</b>			
Impairment/impairment reversals	7	1,494	(2,212)
Revaluations	17	210	1,250
Other reserve movements		44	-
<b>Total comprehensive income / (expense) for the period</b>		<b>4,092</b>	<b>(26,545)</b>
<b>Total comprehensive income / (expense) for the period attributable to:</b>			
Blackpool Teaching Hospitals NHS Foundation Trust		4,092	(26,545)
<b>TOTAL</b>		<b>4,092</b>	<b>(26,545)</b>

## Group Statement of Financial Position

		31 March 2022	31 March 2021 Restated	01 April 2020 Restated
	Note	£000	£000	£000
<b>Non-current assets</b>				
Intangible assets	14	8,424	6,365	5,972
Property, plant and equipment	15	228,531	198,408	186,716
Receivables	22	2,274	1,254	1,072
<b>Total non-current assets</b>		<b>239,229</b>	<b>206,027</b>	<b>193,760</b>
<b>Current assets</b>				
Inventories	21	7,107	8,008	8,888
Receivables	22	16,932	20,986	30,454
Cash and cash equivalents	24	76,839	40,333	29,258
<b>Total current assets</b>		<b>100,878</b>	<b>69,327</b>	<b>68,600</b>
<b>Current liabilities</b>				
Trade and other payables	25	(95,686)	(68,657)	(68,737)
Borrowings	27	(2,869)	(3,598)	(72,761)
Provisions	29	(2,742)	(2,701)	(383)
Other liabilities	26	(18,488)	(13,128)	(7,733)
<b>Total current liabilities</b>		<b>(119,785)</b>	<b>(88,084)</b>	<b>(149,614)</b>
<b>Total assets less current liabilities</b>		<b>220,322</b>	<b>187,270</b>	<b>112,746</b>
<b>Non-current liabilities</b>				
Trade and other payables	25	(1,540)	(1,516)	(1,708)
Borrowings	27	(27,091)	(29,899)	(33,428)
Provisions	29	(3,650)	(2,202)	(2,259)
<b>Total non-current liabilities</b>		<b>(32,281)</b>	<b>(33,617)</b>	<b>(37,395)</b>
<b>Total assets employed</b>		<b>188,041</b>	<b>153,653</b>	<b>75,351</b>
<b>Financed by</b>				
Public dividend capital		285,150	254,856	150,008
Revaluation reserve		12,193	10,696	12,972
Income and expenditure reserve		(110,528)	(113,265)	(89,267)
Charitable fund reserves	20	1,226	1,366	1,638
<b>Total taxpayers' equity</b>		<b>188,041</b>	<b>153,653</b>	<b>75,351</b>

The Statement of Financial Position for 31st March 2021 and 1st April 2020 have been restated to reflect a prior period adjustment relating to the consolidation of the Blackpool Teaching Hospitals Charitable Fund. The Charity is being consolidated for the first time in the year ending 31 March 2022.

The figures have been restated to incorporate the SOFP of the Blackpool Teaching Hospitals Charitable Fund.

The notes on pages A10 to A62 form part of these accounts.

Name

**Trish Armstrong-Child**

Position

**Chief Executive**

Signed



Date

**20th June 2022**

## Trust Statement of Financial Position

		31 March 2022	31 March 2021
	Note	£000	£000
<b>Non-current assets</b>			
Intangible assets	14	7,727	6,054
Property, plant and equipment	15	226,964	196,704
Other investments / financial assets	18	725	-
Receivables	22	2,274	1,254
<b>Total non-current assets</b>		<b>237,690</b>	<b>204,012</b>
<b>Current assets</b>			
Inventories	21	4,231	5,419
Receivables	22	18,613	24,227
Cash and cash equivalents	24	69,294	30,148
<b>Total current assets</b>		<b>92,138</b>	<b>59,794</b>
<b>Current liabilities</b>			
Trade and other payables	25	(89,274)	(61,299)
Borrowings	27	(2,757)	(3,491)
Provisions	29	(2,741)	(2,701)
Other liabilities	26	(19,512)	(12,791)
<b>Total current liabilities</b>		<b>(114,284)</b>	<b>(80,282)</b>
<b>Total assets less current liabilities</b>		<b>215,544</b>	<b>183,524</b>
<b>Non-current liabilities</b>			
Trade and other payables	25	(1,500)	(1,500)
Borrowings	27	(25,651)	(28,346)
Provisions	29	(3,649)	(2,202)
<b>Total non-current liabilities</b>		<b>(30,800)</b>	<b>(32,048)</b>
<b>Total assets employed</b>		<b>184,744</b>	<b>151,476</b>
<b>Financed by</b>			
Public dividend capital		285,150	254,856
Revaluation reserve		12,193	10,696
Income and expenditure reserve		(112,599)	(114,076)
<b>Total taxpayers' equity</b>		<b>184,744</b>	<b>151,476</b>

The notes on pages A10 to A62 form part of these accounts.


Name

**Trish Armstrong-Child**

Position

**Chief Executive**

Signed



Date

**20th June 2022**

## Consolidated Statement of Changes in Equity for the year ended 31 March 2022

Group	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Charitable fund reserves £000	Total £000
<b>Taxpayers equity at 1 April 2021 - brought forward</b>	<b>254,856</b>	<b>10,696</b>	<b>(113,264)</b>	<b>1,366</b>	<b>153,654</b>
Surplus/(deficit) for the year	-	-	2,409	(64)	<b>2,345</b>
Other transfers between reserves	-	(207)	207	-	-
Impairment/Impairment reversals	-	1,494	-	-	<b>1,494</b>
Revaluations	-	210	-	-	<b>210</b>
Public dividend capital received	30,294	-	-	-	<b>30,294</b>
Other reserve movements	-	-	120	(76)	<b>44</b>
<b>Taxpayers equity at 31 March 2022</b>	<b>285,150</b>	<b>12,193</b>	<b>(110,528)</b>	<b>1,226</b>	<b>188,041</b>

## Consolidated Statement of Changes in Equity for the year ended 31 March 2021

Group - Restated	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Charitable fund reserves £000	Total £000
<b>Taxpayers equity at 1 April 2020 - brought forward</b>	<b>150,008</b>	<b>12,972</b>	<b>(89,267)</b>	-	<b>73,713</b>
Prior period adjustment	-	-	-	1,638	<b>1,638</b>
<b>Taxpayers at 1 April 2020 - restated</b>	<b>150,008</b>	<b>12,972</b>	<b>(89,267)</b>	<b>1,638</b>	<b>75,351</b>
Deficit for the year	-	-	(25,311)	(272)	<b>(25,583)</b>
Other transfers between reserves	-	(334)	334	-	-
Impairments	-	(2,212)	-	-	<b>(2,212)</b>
Revaluations	-	1,250	-	-	<b>1,250</b>
Transfer to retained earnings on disposal of assets	-	(980)	980	-	-
Public dividend capital received	104,848	-	-	-	<b>104,848</b>
<b>Taxpayers equity at 31 March 2021</b>	<b>254,856</b>	<b>10,696</b>	<b>(113,264)</b>	<b>1,366</b>	<b>153,654</b>

## Statement of Changes in Equity for the year ended 31 March 2022

Trust	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
<b>Taxpayers' equity at 1 April 2021 - brought forward</b>	<b>254,856</b>	<b>10,696</b>	<b>(114,076)</b>	<b>151,476</b>
Surplus for the year	-	-	1,270	1,270
Other transfers between reserves	-	(207)	207	-
Impairment/Impairment reversals	-	1,494	-	1,494
Revaluations	-	210	-	210
Public dividend capital received	30,294	-	-	30,294
<b>Taxpayers' equity at 31 March 2022</b>	<b>285,150</b>	<b>12,193</b>	<b>(112,599)</b>	<b>184,744</b>

## Statement of Changes in Equity for the year ended 31 March 2021

Trust	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
<b>Taxpayers' equity at 1 April 2020 - brought forward</b>	<b>150,008</b>	<b>12,972</b>	<b>(90,350)</b>	<b>72,630</b>
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
<b>Taxpayers' equity at 31 March 2021</b>	<b>254,856</b>	<b>10,696</b>	<b>(114,076)</b>	<b>151,476</b>

## **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 transfer 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 depreciation charged on the revalued amount.

### **Income and expenditure reserve**

The balance of this reserve is the accumulated surpluses and deficits of the Trust.

### **Charitable funds reserve**

This reserve comprises the ring-fenced funds held by the NHS charitable funds consolidated within these financial statements. These reserves are classified as restricted or unrestricted; a breakdown is provided in note 20.

### **Other reserve movements**

Other reserve movements consist of two capital consolidation adjustments. One relating to the charitable funds donated assets and the other relates to an intercompany adjustment for commission costs capitalised.

## Statements of Cash Flows

		Group		Trust	
		2021/22	2020/21	2021/22	2020/21
			Restated		
	Note	£000	£000	£000	£000
<b>Cash flows from operating activities</b>					
Operating surplus / (deficit)		6,410	(21,341)	5,049	(21,008)
<b>Non-cash income and expense:</b>					
Depreciation and amortisation	6	14,303	13,243	14,156	13,096
Net impairments	7	(2,730)	5,622	(2,730)	5,622
Income recognised in respect of capital donations	4	(201)	(1,502)	(277)	(1,502)
Decrease in receivables and other assets		2,902	9,719	4,621	9,456
Decrease in inventories		903	880	1,188	770
Increase in payables and other liabilities		24,705	6,654	26,968	2,256
Increase in provisions		1,508	2,269	1,508	2,269
Movements in charitable fund working capital		50	(110)	-	-
Tax paid		(104)	(156)	-	-
Other movements in operating cash flows		(77)	5	2	-
<b>Net cash flows from operating activities</b>		<b>47,669</b>	<b>15,283</b>	<b>50,485</b>	<b>10,959</b>
<b>Cash flows from investing activities</b>					
Interest received		25	1	22	-
Purchase of intangible assets		(3,613)	(3,012)	(3,222)	(2,799)
Purchase of PPE		(29,373)	(30,357)	(29,373)	(30,357)
Sales of PPE and investment property		54	1,071	54	1,071
Receipt of cash donations to purchase assets		-	618	-	618
<b>Net cash flows used in investing activities</b>		<b>(32,907)</b>	<b>(31,679)</b>	<b>(32,519)</b>	<b>(31,467)</b>
<b>Cash flows from financing activities</b>					
Public dividend capital received		30,294	104,848	30,294	104,848
Movement on loans from DHSC		(2,500)	(71,050)	(2,500)	(71,050)
Movement on other loans		(923)	(1,385)	(1,648)	(1,385)
Capital element of finance lease rental payments		(107)	(104)	-	-
Interest on loans		(854)	(1,095)	(854)	(1,095)
Other interest		(9)	-	(9)	-
Interest paid on finance lease liabilities		(54)	(57)	-	-
PDC dividend paid		(4,103)	(3,663)	(4,103)	(3,663)
Cash flows from other financing activities		-	(23)	-	(23)
<b>Net cash flows from financing activities</b>		<b>21,744</b>	<b>27,471</b>	<b>21,180</b>	<b>27,632</b>
<b>Increase in cash and cash equivalents</b>		<b>36,506</b>	<b>11,075</b>	<b>39,146</b>	<b>7,124</b>
<b>Cash and cash equivalents at 1 April - brought forward</b>		<b>40,333</b>	<b>29,258</b>	<b>30,148</b>	<b>23,024</b>
<b>Cash and cash equivalents at 31 March</b>	24	<b>76,839</b>	<b>40,333</b>	<b>69,294</b>	<b>30,148</b>



## **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.

Consequently, the following financial statements have been prepared in accordance with the GAM 2021/22 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards 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 the 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.

#### **Note 1.2 Going concern**

These accounts have been prepared on a going concern basis as a result of anticipated continued provision of service.

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 (The Charity) (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.

On consolidation, necessary adjustments are made to the charity's assets, liabilities and transactions to:

- recognise and measure them in accordance with the Trust's accounting policies; and
- eliminate intra-group transactions, balances, gains and losses.

The Charity has been consolidated for the first time in the year ending 31 March 2022 including the restatement of 2021.

### **Other subsidiaries**

Atlas BFW Management Ltd (trading as Atlas) commenced trading on 20 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 is 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 amounts consolidated are drawn from the financial statements of Atlas BFW Management Ltd for the years ended 31 March 2022 and 31 March 2021.

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 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 for 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.

### **Revenue from NHS contracts**

The main source of income for the Trust is contracts with commissioners for healthcare services. In 2021/22 and 2020/21, the majority of the Trust's income from NHS commissioners was in the form of block contract arrangements. The Trust receives block funding from its commissioners, where funding envelopes are set at an Integrated Care System level. For the first half of the 2020/21 comparative year these blocks were set for individual NHS providers directly, but the revenue recognition principles are the same. 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 also receives additional income outside of the block payments to reimburse specific costs incurred and, in 2020/21, other income top-ups to support the delivery of services. Reimbursement and top-up income is accounted for as variable consideration.

In 2021/22, the Elective Recovery Fund enabled systems to earn income linked to the achievement of elective activity targets including funding any increased use of independent sector capacity. Income earned by the system is distributed between individual entities by local agreement. Income earned from the fund is 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 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 performance obligations are satisfied. In practical terms this means that treatment has been given, 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 1.5 Other forms of income**

##### **Grants and donations**

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.

Where the grant is used to fund capital expenditure, it is credited to the consolidated statement of comprehensive income once conditions attached to the grant have been met. Donations are treated in the same way as government grants.

##### **Apprenticeship service income**

The value of the benefit received when accessing funds from the Government's apprenticeship service is recognised as Education and Training 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.

##### **Sale of Assets**

Income from the sale of non-current assets is recognised only when all material conditions have been met, and is measured as the sums due under the sale contract.

#### **Note 1.6 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 entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following period.

### **Pension costs**

#### *NHS Pension Scheme*

Past and present employees are covered by the provisions of the 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 The 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 scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to operating expenses at the time the Trust commits itself to the retirement, regardless of the method of payment.

### **Note 1.7 Expenditure on other goods and services**

Expenditure on goods and services is recognised when, and to the extent that they have been received, and is measured at the fair value of those goods and services. Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment.

### **Note 1.8 Property, plant and equipment**

#### **Recognition**

Property, plant and equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes
- it is probable that future economic benefits will flow to, or service potential be provided to, the Trust
- it is expected to be used for more than one financial year
- 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 cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have similar disposal dates and are under single managerial control.

#### *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.

## **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 Cushman & Wakefield 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. VAT is deemed recoverable by the valuers as a rebuild of the hospital would be carried out by the subsidiary.

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

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 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.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees and, where capitalised in accordance with IAS 23, borrowings costs. Assets are revalued and depreciation commences when the assets 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 lives or low values or both, as this is not considered to be materially different from current value in existing use.

### *Depreciation*

Depreciation is charged to operating expenses from the first day of the quarter commencing 1st April, 1st July, 1st October, or 1st January, following the date that the asset becomes available for use. Depreciation is charged in full in the quarter in which an asset becomes unavailable for use or is sold and then ceases to be charged.

Items of property, plant and equipment are depreciated over their remaining useful 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. Depreciation is charged on a straight-line basis.

Property, plant and equipment which have been reclassified as 'held for sale' cease to be depreciated

upon the reclassification. Assets in the course of construction are not depreciated until the asset is brought into use or reverts to the Trust.

#### *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 expenditure.

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 GAM, impairments that arise from a clear consumption of economic benefits or of 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 of 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 expenditure 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 reversal is recognised.

Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains.

#### **De-recognition**

Assets intended for disposal are reclassified as 'held for sale' once 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 useful life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

### **Donated and 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.

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.

### **Useful lives of property, plant and equipment**

Useful lives reflect the total life of an asset and not the remaining life of an asset. The range of useful lives is shown in the table below:

	<b>Min life</b>	<b>Max life</b>
	<b>Years</b>	<b>Years</b>
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 (including land) are depreciated over the shorter of the useful life or the lease term, unless the Trust 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 1.9 Intangible assets**

#### **Recognition**

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the Trust 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 the asset can be measured reliably.

#### *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 when it meets the requirements set out in IAS 38:

- 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, eg an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software, which is not integral to the operation of hardware, e.g. application software, is capitalised as an intangible asset.

### **Measurement**

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.

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 lives in a manner consistent with the consumption of economic or service delivery benefits. Amortisation is charged on a straight-line basis.

### **Useful lives 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 is shown in the table below:

	<b>Min life</b>	<b>Max life</b>
	<b>Years</b>	<b>Years</b>
<b>Intangible assets - purchased</b>		
Software	2	5
Licences & trademarks	3	5
Other	5	15



**Note 1.10 Inventories**

Inventories are valued at the lower of cost and net realisable value using the weighted average cost method for drugs and the first-in first-out method for other inventories, less any provisions deemed necessary. Costs are accounted for in the year that the economic benefit is consumed.

In 2020/21 and 2021/22, 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 1.11 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 1.12 Financial assets and financial liabilities****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. The GAM expands the IFRS 9 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.

Financial assets and financial liabilities which arise from contracts for 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, are recognised when, and to the extent that, performance occurs i.e. when receipt or delivery of the goods or services is made. For financial assets, recognition is therefore aligned with 1.4 Income, with regard to IFRS 15 and the expansion of the definition of a contract.

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 (1.13 Leases), and provisions are recognised and measured in accordance with 1.14 Provisions.

All other financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument.

**Classification and measurement**

The classification of financial instruments is determined by their cash flow and business model characteristics, as set out in IFRS 9 Financial Instruments, and is determined at the time of initial recognition.

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.

The only categories of financial assets and financial liabilities held by the Trust are 'Financial assets/liabilities held 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 as 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.

### **Impairment of financial assets**

For all financial assets measured at amortised cost including lease receivables, contract receivables and contract assets, 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.

### **De-recognition**

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 1.13 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.

### **The Trust as lessee**

#### *Finance leases*

Where substantially all risks and rewards of ownership of a leased asset are borne by the Trust, the

asset is recorded as property, plant and equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease. The implicit interest rate is that which produces a constant periodic rate of interest on the outstanding liability.

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 charge 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 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 1.14 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 HM Treasury's discount rates effective from 31 March 2022.

Early retirement provisions and injury benefit provisions both use the HM Treasury's pension discount rate of minus 1.30% in real terms (prior year: minus 0.95%).

### **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. 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 1.15 Contingencies**

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets but are disclosed in note 30 where an inflow of economic benefits is probable. The Group and Trust has no contingent assets.

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 1.16 Public dividend capital**

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

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 and Social Care (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 calculated is not revised should any adjustment to net assets occur as a result of the audit of the annual accounts.

#### **Note 1.17 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 1.18 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 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 1.19 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 1.20 Third party assets**

Assets belonging to third parties in which the Trust has no beneficial interest (such as money held on behalf of patients) are not recognised in the accounts. However, they are disclosed in a separate note to the accounts in accordance with the requirements of HM Treasury's *FReM*.

**Note 1.21 Losses and special payments**

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis. 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).

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 1.22 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 1.23 Early adoption of standards, amendments and interpretations**

No new accounting standards or revisions to existing standards have been early adopted in 2021/22.

**Note 1.24 Standards, amendments and interpretations in issue but not yet effective or adopted****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 without restatement and 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. For 2021/22, this rate is 0.95%. The related right of use asset will be measured equal to the lease liability adjusted for any prepaid or accrued lease payments. 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 Trust has made best endeavours to obtain detailed lease information, however where this has not been possible, assumptions have been made in relation to Lease duration, terms and conditions. The largest property Lessor to the Trust is NHS Property Services (NHSPS) and whilst these leases are finalised, the Trust has based its assumptions on indications of intent received from NHSPS.

The Trust has engaged in NHSE&I Agreement of Lease exercises during 2021/22 with the aim of aligning counterparty lease arrangements and their resulting financial impacts on the accounts. NHSE&I have instructed NHS organisations to continue communications with counterparties and anticipate that these discussions should be completed, and positions agreed by November 2022. The Trust continues to engage with counterparties with the aim of finalising the 2022/23 impact at the earliest time to ensure funding impacts are agreed with NHSE&I within agreed timescales

The Trust has estimated the impact of applying IFRS 16 in 2022/23 on the opening statement of financial position and the in-year impact on the statement of comprehensive income and capital additions as follows:

	£000
<b>Estimated impact on 1 April 2022 statement of financial position</b>	
Additional right of use assets recognised for existing operating leases	54,357
Additional lease obligations recognised for existing operating leases	(54,357)
<b>Net impact on net assets on 1 April 2022</b>	-
<b>Estimated in-year impact in 2022/23</b>	
Additional depreciation on right of use assets	(5,966)
Additional finance costs on lease liabilities	(59)
Lease rentals no longer charged to operating expenditure	5,970
<b>Estimated impact on surplus / deficit in 2022/23</b>	<b>(55)</b>
<b>Estimated increase in capital additions for new leases commencing in 2022/23</b>	-

## Other standards, amendments and interpretations

### 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 1.25 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.

The following are the judgements, apart from those involving estimations (see below) that management has made in the process of applying the Trust's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

### **Interests in other entities and joint arrangements**

Reporting bodies are required to assess whether they have interests in subsidiaries, associates, joint ventures or joint operations. The assessment involves making judgements and assumptions about the nature of the collaborative working arrangements, including whether or not the Trust has control over those arrangements per IFRS 10 Consolidated Financial Statements.

The Trust has assessed its existing contacts and collaboration arrangements for 2021/22, and has determined that there are two arrangements in place which would fall into the scope of IFRS 10, IFRS 11 Joint arrangements or IFRS 12 Disclosure of Interest in Other Entities. The Trust has assessed its relationship with the Charity and Atlas Ltd and determined both to be subsidiaries. Both entities are consolidated in these accounts.

### **Asset lives and residual values**

Property, plant and equipment is depreciated over its useful life taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account.

### **Note 1.26 Estimation uncertainty**

The following are assumptions about the future and other major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

### **Provisions**

The amount recognised as a provision is a best estimate at the end of the reporting period of the expenditure required to settle a present obligation, or a constructive obligation, taking into account risks and uncertainties.

### **Annual Leave Accrual**

The cost of annual leave entitlement not taken is accrued at the year end. Accruals are calculated using actual or estimated entitlement outstanding for Trust employees based on actual point of their salary band plus premium.

### **Revaluation of land, buildings and dwellings**

The valuation of the Trust's land and buildings is subject to significant estimation uncertainty, since it derives from estimates provided by the Trust's external valuers who base their estimates on local market data as well as other calculations.

At 31 March 2022 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 an increase in valuation of these non-current assets by £4.435m, split between a net increase charged to the revaluation reserve of £1.705m and net impairment reversal charges made to operating expenditure of £2.730m. Further details relating to the revaluations are disclosed in note 17. The Trust last carried out a full revaluation exercise as at 31 March 2020. The value of land and buildings for the Trust is £162.621m and a 1% change in value would equate to £1,626k.



The valuation exercise was carried out during March 2022 with a valuation date of 31 March 2022. 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 2022 is £237.0m (31 March 2021 £205.0m), of which £153.5m relates to estate assets.

## 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.

Entities where income is greater than 10% of total revenue:

NHS Blackpool CCG  
NHS Fylde and Wyre CCG  
NHS England Specialised Commissioning

<b>Note 3.1 Income from patient care activities (by nature)</b>	<b>2021/22</b>	<b>2020/21</b>
	<b>£000</b>	<b>£000</b>
<b>Acute services</b>		
Block contract / system envelope income	462,015	390,452
High cost drugs income from commissioners (excluding pass-through costs)	3,587	2,748
Other NHS clinical income	31,020	(3,564)
<b>Community services</b>		
Block contract / system envelope income	53,355	54,153
Income from other sources (e.g. local authorities)	12,643	11,873
<b>All services</b>		
Private patient income	833	832
Elective recovery fund	14,211	-
Additional pension contribution central funding*	13,461	12,209
Other clinical income	328	3,032
<b>Total income from activities</b>	<b>591,453</b>	<b>471,735</b>

\*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)**

	<b>2021/22</b>	<b>2020/21</b>
	<b>£000</b>	<b>£000</b>
<b>Income from patient care activities received from:</b>		
NHS England	124,178	111,140
Clinical Commissioning Groups	449,489	344,895
Department of Health and Social Care	120	1
Other NHS providers	3,344	2,262
NHS other	283	1
Local authorities	12,679	11,873
Non-NHS: private patients	833	832
Non-NHS: overseas patients (chargeable to patient)	171	72
Injury cost recovery scheme	355	656
Non NHS: other	-	3
<b>Total income from activities</b>	<b>591,453</b>	<b>471,735</b>

**Note 3.3 Overseas visitors (relating to patients charged directly by the provider)**

	<b>2021/22</b>	<b>2020/21</b>
	<b>£000</b>	<b>£000</b>
Income recognised this year	171	72
Cash payments received in-year	53	58
Amounts added to provision for impairment of receivables	211	376
Amounts written off in-year	-	376

**Note 4 Other operating income (Group)**

	2021/22			2020/21		
	Contract income	Non- contract income	Total	Contract income	Non- contract income	Total
	£000	£000	£000	£000	£000	£000
Research and development	3,962	-	<b>3,962</b>	2,702	-	<b>2,702</b>
Education and training <sup>(1)</sup>	10,787	1,375	<b>12,162</b>	8,407	-	<b>8,407</b>
Non-patient care services to other bodies <sup>(2)</sup>	4,276	-	<b>4,276</b>	7,051	-	<b>7,051</b>
Reimbursement and top up funding <sup>(3)</sup>	4,799	-	<b>4,799</b>	46,561	-	<b>46,561</b>
Income in respect of employee benefits accounted for on a gross basis	2,319	-	<b>2,319</b>	1,848	-	<b>1,848</b>
Receipt of capital grants and donations <sup>(4)</sup>	-	201	<b>201</b>	-	1,502	<b>1,502</b>
Charitable and other contributions to expenditure	-	1,527	<b>1,527</b>	-	9,858	<b>9,858</b>
Rental revenue from operating leases	-	301	<b>301</b>	-	247	<b>247</b>
Charitable fund incoming resources	-	481	<b>481</b>	-	753	<b>753</b>
Other Income <sup>(5)</sup>	3,856	-	<b>3,856</b>	1,750	-	<b>1,750</b>
<b>Total other operating income</b>	<b>29,999</b>	<b>3,885</b>	<b>33,884</b>	<b>68,319</b>	<b>12,360</b>	<b>80,679</b>

(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 £0.2m 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) Other Income includes income generated from salary sacrifice schemes, rendering of services such as IT and sterile services to non NHS organisations, Artificial Eye Service products, and occupational health income.

**Note 5.1 Additional information on contract revenue (IFRS 15) recognised in the period**

	<b>2021/22</b>	<b>2020/21</b>
	<b>£000</b>	<b>£000</b>
Revenue recognised in the reporting period that was included within contract liabilities at the previous period end	2,508	7,733
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:

	<b>2021/22</b>	<b>2020/21</b>
	<b>£000</b>	<b>£000</b>
Income from services designated as commissioner requested services	573,626	408,023
Income from services not designated as commissioner requested services	17,827	63,712
<b>Total</b>	<b><u>591,543</u></b>	<b><u>471,735</u></b>

## Note 6 Operating expenses (Group)

	2021/22	2020/21
	£000	Restated £000
Purchase of healthcare from NHS and DHSC bodies	1,246	1,233
Purchase of healthcare from non-NHS and non-DHSC bodies	6,002	2,002
Staff and executive directors costs <sup>(1)</sup>	399,568	374,956
Remuneration of non-executive directors	172	166
Supplies and services - clinical (excluding drugs costs)	60,818	51,600
Supplies and services - general	10,165	8,488
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	47,965	41,748
Inventories written down	752	880
Consultancy costs	3,967	3,234
Establishment	15,099	15,002
Premises	14,633	21,449
Transport (including patient travel)	1,935	1,805
Depreciation on property, plant and equipment	12,179	10,890
Amortisation on intangible assets	2,123	2,353
Net impairments	(2,730)	5,622
Movement in credit loss allowance: contract receivables / contract assets	466	(312)
Increase in other provisions	98	-
Change in provisions discount rate(s)	73	97
Fees payable to the external auditor		
audit services- statutory audit	127	149
other auditor remuneration (external auditor only)	-	114
Internal audit costs	96	55
Clinical negligence	19,225	15,905
Legal fees	1,630	448
Insurance	224	310
Research and development	1,971	278
Education and training	2,764	840
Rentals under operating leases	775	1,217
Early retirements	-	11
Car parking & security	679	574
Hospitality	11	6
Losses, ex gratia & special payments	20	180
Other NHS charitable fund resources expended	545	1,025
Other <sup>(2)</sup>	16,328	11,430
<b>Total</b>	<b>618,928</b>	<b>573,755</b>

(1) The employer contribution rate for NHS pensions increased from 14.3% to 20.6% (excluding administration charge) from 1 April 2019. For both 2020/21 and 2021/22 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 £13.5m (2020/21 £12.2m) and related funding have been recognised in these accounts.

(2) Included in other are amounts relating to NHS Property Services for rental and property management (£7.5m).

**Note 6.1 Other auditor remuneration (Group)**

	2021/22	2020/21
	£000	£000
<b>Other auditor remuneration paid to the external auditor:</b>		
Fees paid to provider of prior year external audit services	-	114
<b>Total</b>	<b>-</b>	<b>114</b>

**Note 6.2 Limitation on auditor's liability (Group)**

The limitation on auditor's liability for external audit work is £128k (2020/21: £128k).

**Note 7 Impairment of assets (Group)**

	2021/22	2020/21
	£000	£000
<b>Net impairments charged to operating surplus / deficit resulting from:</b>		
Changes in market price	(2,730)	5,622
<b>Total net impairments charged to operating surplus / deficit</b>	<b>(2,730)</b>	<b>5,622</b>
Impairments charged to the revaluation reserve	(1,494)	2,212
<b>Total net impairments</b>	<b>(4,224)</b>	<b>7,834</b>

The impairments arise from the annual revaluation of Trust land and building assets. At 31 March 2022 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.

**Note 8 Employee benefits (Group)**

	2021/22	2020/21
	£000	£000
Salaries and wages	291,178	266,434
Social security costs	28,823	25,960
Apprenticeship levy	1,655	1,448
Employer's contributions to NHS pensions	44,651	40,584
Pension cost - other	159	128
Termination benefits	-	11
Temporary staff (including agency)	34,669	41,503
<b>Total gross staff costs</b>	<b>401,135</b>	<b>376,068</b>
Recoveries in respect of seconded staff	-	-
<b>Total staff costs</b>	<b>401,135</b>	<b>376,068</b>
<b>Of which</b>		
Costs capitalised as part of assets	1,567	1,101

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 is excluded.

#### **Note 8.1 Retirements due to ill-health (Group)**

During 2021/22 there were 3 early retirements from the Trust agreed on the grounds of ill-health (3 in the year ended 31 March 2021). The estimated additional pension liabilities of these ill-health retirements is £186k (£56k in 2020/21).

These estimated costs are calculated on an average basis and will be borne by the NHS Pension Scheme.

#### **Note 9 Pension costs**

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](http://www.nhsbsa.nhs.uk/pensions). Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of 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 2022, is based on valuation data as 31 March 2021, updated to 31 March 2022 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 also tested the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. There was initially 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.

HMT published valuation directions dated 7 October 2021 (see Amending Directions 2021) that set out the technical detail of how the costs of remedy are included in the 2016 valuation process. Following these directions, the scheme actuary has completed the cost control element of the 2016 valuation for the NHS Pension Scheme, which concludes no changes to benefits or member contributions are required. The 2016 valuation reports can be found on the NHS Pensions website at <https://www.nhsbsa.nhs.uk/nhs-pension-scheme-accounts-and-valuation-reports>.

## 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 is the lessor.

	2021/22 £000	2020/21 £000
<b>Operating lease revenue</b>		
Minimum lease receipts	301	247
<b>Total</b>	<b>301</b>	<b>247</b>
	<b>31 March 2022 £000</b>	<b>31 March 2021 £000</b>
<b>Future minimum lease receipts due:</b>		
- not later than one year;	330	287
- later than one year and not later than five years;	368	545
- later than five years.	-	-
<b>Total</b>	<b>698</b>	<b>832</b>

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 is the lessee.

	2021/22 £000	2020/21 £000
<b>Operating lease expense</b>		
Minimum lease payments	775	1,217
<b>Total</b>	<b>775</b>	<b>1,217</b>
	<b>31 March 2022 £000</b>	<b>31 March 2021 £000</b>
<b>Future minimum lease payments due:</b>		
- not later than one year;	333	540
- later than one year and not later than five years;	772	1,029
- later than five years.	126	203
<b>Total</b>	<b>1,231</b>	<b>1,772</b>

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 remaining Years
Endoscopy Equipment	86	4
Decontamination Equipment	44	2
Fleetwood Hospital	77	6
Ultrasound Equipment	66	1
CT Scanner	53	1

#### Note 11 Finance income (Group)

Finance income represents interest received on assets and investments in the period.

	2021/22 £000	2020/21 £000
Interest on bank accounts	25	1
<b>Total finance income</b>	<b>25</b>	<b>1</b>

#### Note 12 Finance expenditure (Group)

Finance expenditure represents interest and other charges involved in the borrowing of money or asset financing.

	2021/22 £000	2020/21 £000
<b>Interest expense:</b>		
Loans from the Department of Health and Social Care	744	819
Other loans	104	123
Finance leases	53	57
Interest on late payment of commercial debt	9	-
<b>Total interest expense</b>	<b>910</b>	<b>999</b>
Unwinding of discount on provisions	(20)	(8)
Other finance costs	-	23
<b>Total finance costs</b>	<b>890</b>	<b>1,014</b>

#### Note 12.1 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015 (Group)

	2021/22 £000	2020/21 £000
Amounts included within interest payable arising from claims made under this legislation	9	-

#### Note 13 Other gains / (losses) (Group)

	2021/22 £000	2020/21 £000
Gains on disposal of assets	54	91
Losses on disposal of assets	(145)	(99)
<b>Total gains / (losses) on disposal of assets</b>	<b>(91)</b>	<b>(8)</b>
<b>Total other gains / (losses)</b>	<b>(91)</b>	<b>(8)</b>

The loss on disposal results from the disposal of medical equipment assets with a carrying value of £145k.  
The gain on disposal results from the sale of medical equipment assets with no carrying value.

## Note 14 Intangible assets

### Note 14.1 Intangible assets - 2021/22

Group	Software licences £000	Licences & trademarks £000	Intangible assets under construction £000	Other (purchased) £000	Total £000
<b>Valuation / gross cost at 1 April 2021 - brought forward</b>	<b>7,823</b>	<b>6,891</b>	<b>843</b>	<b>2,176</b>	<b>17,733</b>
Transfers by absorption	973	-	-	-	973
Additions	979	1,837	-	393	3,209
Reclassifications	-	-	(843)	843	-
<b>Valuation / gross cost at 31 March 2022</b>	<b>9,775</b>	<b>8,728</b>	<b>-</b>	<b>3,412</b>	<b>21,915</b>
<b>Amortisation at 1 April 2021 - brought forward</b>	<b>5,980</b>	<b>4,606</b>	<b>-</b>	<b>782</b>	<b>11,368</b>
Provided during the year	751	996	-	376	2,123
<b>Amortisation at 31 March 2022</b>	<b>6,731</b>	<b>5,602</b>	<b>-</b>	<b>1,158</b>	<b>13,491</b>
<b>Net book value at 31 March 2022</b>	<b>3,044</b>	<b>3,126</b>	<b>-</b>	<b>2,254</b>	<b>8,424</b>
<b>Net book value at 1 April 2021</b>	<b>1,843</b>	<b>2,285</b>	<b>843</b>	<b>1,394</b>	<b>6,365</b>

Intangible assets under construction in 2020/21 relates to IT software development that will align IT systems across regional NHS organisations and provide ongoing benefit to the Trust. This was transferred into use in 2021/22.

### Note 14.2 Intangible assets - 2020/21

Group	Software licences £000	Licences & trademarks £000	Intangible assets under construction £000	Other (purchased) £000	Total £000
<b>Valuation / gross cost at 1 April 2020 - as previously stated</b>	<b>6,896</b>	<b>5,915</b>	<b>-</b>	<b>2,176</b>	<b>14,987</b>
Additions	927	976	843	-	2,746
<b>Valuation / gross cost at 31 March 2021</b>	<b>7,823</b>	<b>6,891</b>	<b>843</b>	<b>2,176</b>	<b>17,733</b>
<b>Amortisation at 1 April 2020 - as previously stated</b>	<b>4,882</b>	<b>3,727</b>	<b>-</b>	<b>406</b>	<b>9,015</b>
Provided during the year	1,098	879	-	376	2,353
<b>Amortisation at 31 March 2021</b>	<b>5,980</b>	<b>4,606</b>	<b>-</b>	<b>782</b>	<b>11,368</b>
<b>Net book value at 31 March 2021</b>	<b>1,843</b>	<b>2,285</b>	<b>843</b>	<b>1,394</b>	<b>6,365</b>
<b>Net book value at 1 April 2020</b>	<b>2,014</b>	<b>2,188</b>	<b>-</b>	<b>1,770</b>	<b>5,972</b>

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 14.2 Intangible assets - 2021/22**

Trust	Software licences £000	Licences & trademarks £000	Intangible assets under construction £000	Other (purchased) £000	Total £000
<b>Valuation / gross cost at 1 April 2021 - brought forward</b>	<b>7,823</b>	<b>6,891</b>	<b>630</b>	<b>2,045</b>	<b>17,389</b>
Transfers by absorption	973	-	-	-	973
Additions	979	1,836	-	-	2,815
Reclassifications	-	-	(630)	630	-
<b>Valuation / gross cost at 31 March 2022</b>	<b>9,775</b>	<b>8,727</b>	<b>-</b>	<b>2,675</b>	<b>21,177</b>
<b>Amortisation at 1 April 2021 - brought forward</b>	<b>5,980</b>	<b>4,606</b>	<b>-</b>	<b>749</b>	<b>11,335</b>
Provided during the year	751	996	-	368	2,115
<b>Amortisation at 31 March 2022</b>	<b>6,731</b>	<b>5,602</b>	<b>-</b>	<b>1,117</b>	<b>13,450</b>
<b>Net book value at 31 March 2022</b>	<b>3,044</b>	<b>3,125</b>	<b>-</b>	<b>1,558</b>	<b>7,727</b>
<b>Net book value at 1 April 2021</b>	<b>1,843</b>	<b>2,285</b>	<b>630</b>	<b>1,296</b>	<b>6,054</b>

**Note 14.3 Intangible assets - 2020/21**

Trust	Software licences £000	Licences & trademarks £000	Intangible assets under construction £000	Other (purchased) £000	Total £000
<b>Valuation / gross cost at 1 April 2020 - as previously stated</b>	<b>6,896</b>	<b>5,915</b>	<b>-</b>	<b>2,045</b>	<b>14,856</b>
Additions	927	976	630	-	2,533
<b>Valuation / gross cost at 31 March 2021</b>	<b>7,823</b>	<b>6,891</b>	<b>630</b>	<b>2,045</b>	<b>17,389</b>
<b>Amortisation at 1 April 2020 - as previously stated</b>	<b>4,882</b>	<b>3,727</b>	<b>-</b>	<b>382</b>	<b>8,991</b>
Provided during the year	1,098	879	-	367	2,344
<b>Amortisation at 31 March 2021</b>	<b>5,980</b>	<b>4,606</b>	<b>-</b>	<b>749</b>	<b>11,335</b>
<b>Net book value at 31 March 2021</b>	<b>1,843</b>	<b>2,285</b>	<b>630</b>	<b>1,296</b>	<b>6,054</b>
<b>Net book value at 1 April 2020</b>	<b>2,014</b>	<b>2,188</b>	<b>-</b>	<b>1,663</b>	<b>5,865</b>

**Note 15.1 Property, plant and equipment - 2021/22**

Group	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
<b>Valuation/gross cost at 1 April 2021 - brought forward</b>	<b>7,546</b>	<b>142,973</b>	<b>2,965</b>	<b>5,878</b>	<b>50,703</b>	<b>92</b>	<b>28,948</b>	<b>71</b>	<b>239,176</b>
Transfers by absorption	-	-	-	-	-	-	230	-	230
Additions	746	6,422	463	18,765	6,653	-	4,735	-	37,784
Impairments	(256)	(221)	(136)	-	-	-	-	-	(613)
Reversals of impairments	-	1,981	126	-	-	-	-	-	2,107
Revaluations	(665)	(150)	(370)	-	-	-	-	-	(1,185)
Reclassifications	1,008	189	-	(1,197)	-	-	-	-	-
Disposals / derecognition	-	-	-	-	(1,241)	-	-	-	(1,241)
<b>Valuation/gross cost at 31 March 2022</b>	<b>8,379</b>	<b>151,194</b>	<b>3,048</b>	<b>23,446</b>	<b>56,116</b>	<b>92</b>	<b>33,913</b>	<b>71</b>	<b>276,258</b>
<b>Accumulated depreciation at 1 April 2021 - brought forward</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,026</b>	<b>82</b>	<b>15,610</b>	<b>50</b>	<b>40,768</b>
Provided during the year	-	4,046	79	-	3,647	1	4,401	5	12,179
Impairments	735	3,759	339	-	-	-	-	-	4,833
Reversals of impairments	-	(7,563)	-	-	-	-	-	-	(7,563)
Revaluations	(735)	(242)	(418)	-	-	-	-	-	(1,395)
Disposals / derecognition	-	-	-	-	(1,095)	-	-	-	(1,095)
<b>Accumulated depreciation at 31 March 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,578</b>	<b>83</b>	<b>20,011</b>	<b>55</b>	<b>47,727</b>
<b>Net book value at 31 March 2022</b>	<b>8,379</b>	<b>151,194</b>	<b>3,048</b>	<b>23,446</b>	<b>28,538</b>	<b>9</b>	<b>13,902</b>	<b>16</b>	<b>228,531</b>
<b>Net book value at 1 April 2021</b>	<b>7,546</b>	<b>142,973</b>	<b>2,965</b>	<b>5,878</b>	<b>25,677</b>	<b>10</b>	<b>13,338</b>	<b>21</b>	<b>198,408</b>

**Note 15.2 Property, plant and equipment - 2020/21**

<b>Group</b>	<b>Land</b>	<b>Buildings excluding dwellings</b>	<b>Dwellings</b>	<b>Assets under construction</b>	<b>Plant &amp; machinery</b>	<b>Transport equipment</b>	<b>Information technology</b>	<b>Furniture &amp; fittings</b>	<b>Charitable fund PPE assets</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Valuation / gross cost at 1 April 2020 - as previously stated</b>	<b>7,455</b>	<b>143,632</b>	<b>3,090</b>	<b>1,038</b>	<b>41,991</b>	<b>92</b>	<b>26,217</b>	<b>71</b>	<b>-</b>	<b>223,586</b>
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)
<b>Valuation/gross cost at 31 March 2021</b>	<b>7,546</b>	<b>142,973</b>	<b>2,965</b>	<b>5,878</b>	<b>50,703</b>	<b>92</b>	<b>28,948</b>	<b>71</b>	<b>-</b>	<b>239,176</b>
<b>Accumulated depreciation at 1 April 2020 - as previously stated</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,677</b>	<b>81</b>	<b>14,066</b>	<b>46</b>	<b>-</b>	<b>36,870</b>
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)
<b>Accumulated depreciation at 31 March 2021</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,026</b>	<b>82</b>	<b>15,610</b>	<b>50</b>	<b>-</b>	<b>40,768</b>
<b>Net book value at 31 March 2021</b>	<b>7,546</b>	<b>142,973</b>	<b>2,965</b>	<b>5,878</b>	<b>25,677</b>	<b>10</b>	<b>13,338</b>	<b>21</b>	<b>-</b>	<b>198,408</b>
<b>Net book value at 1 April 2020</b>	<b>7,455</b>	<b>143,632</b>	<b>3,090</b>	<b>1,038</b>	<b>19,314</b>	<b>11</b>	<b>12,151</b>	<b>25</b>	<b>-</b>	<b>186,716</b>

**Note 15.3 Property, plant and equipment financing - 2021/22**

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
<b>Net book value at 31 March 2022</b>									
Owned - purchased	8,379	148,308	3,048	23,446	25,593	9	13,742	16	<b>222,541</b>
Finance leased	-	-	-	-	1,503	-	-	-	<b>1,503</b>
Owned - donated/granted	-	2,886	-	-	1,442	-	159	-	<b>4,487</b>
<b>NBV total at 31 March 2022</b>	<b>8,379</b>	<b>151,194</b>	<b>3,048</b>	<b>23,446</b>	<b>28,538</b>	<b>9</b>	<b>13,901</b>	<b>16</b>	<b>228,531</b>

**Note 15.4 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
<b>Net book value at 31 March 2021</b>									
Owned - purchased	7,546	140,123	2,965	5,878	22,593	10	13,177	21	<b>192,313</b>
Finance leased	-	-	-	-	1,631	-	-	-	<b>1,631</b>
Owned - donated/granted	-	2,850	-	-	1,453	-	161	-	<b>4,464</b>
<b>NBV total at 31 March 2021</b>	<b>7,546</b>	<b>142,973</b>	<b>2,965</b>	<b>5,878</b>	<b>25,677</b>	<b>10</b>	<b>13,338</b>	<b>21</b>	<b>198,408</b>

**Note 15.5 Property, plant and equipment - 2021/22**

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
<b>Valuation/gross cost at 1 April 2021 - brought forward</b>	<b>7,546</b>	<b>142,973</b>	<b>2,965</b>	<b>5,878</b>	<b>48,701</b>	<b>86</b>	<b>28,943</b>	<b>71</b>	<b>237,163</b>
Transfers by absorption	-	-	-	-	-	-	230	-	230
Additions	746	6,422	463	18,765	6,653	-	4,734	-	37,783
Impairments	(256)	(221)	(136)	-	-	-	-	-	(613)
Reversals of impairments	-	1,981	126	-	-	-	-	-	2,107
Revaluations	(665)	(150)	(370)	-	-	-	-	-	(1,185)
Reclassifications	1,008	189	-	(1,197)	-	-	-	-	-
Disposals / derecognition	-	-	-	-	(1,240)	-	-	-	(1,240)
<b>Valuation/gross cost at 31 March 2022</b>	<b>8,379</b>	<b>151,194</b>	<b>3,048</b>	<b>23,446</b>	<b>54,114</b>	<b>86</b>	<b>33,907</b>	<b>71</b>	<b>274,245</b>
<b>Accumulated depreciation at 1 April 2021 - brought forward</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,718</b>	<b>82</b>	<b>15,608</b>	<b>51</b>	<b>40,459</b>
Provided during the year	-	4,046	79	-	3,510	1	4,400	5	12,041
Impairments	735	3,759	339	-	-	-	-	-	4,833
Reversals of impairments	-	(7,563)	-	-	-	-	-	-	(7,563)
Revaluations	(735)	(242)	(418)	-	-	-	-	-	(1,395)
Disposals / derecognition	-	-	-	-	(1,095)	-	-	-	(1,095)
<b>Accumulated depreciation at 31 March 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,133</b>	<b>83</b>	<b>20,008</b>	<b>56</b>	<b>47,280</b>
<b>Net book value at 31 March 2022</b>	<b>8,379</b>	<b>151,194</b>	<b>3,048</b>	<b>23,446</b>	<b>26,981</b>	<b>3</b>	<b>13,899</b>	<b>15</b>	<b>226,965</b>
<b>Net book value at 1 April 2021</b>	<b>7,546</b>	<b>142,973</b>	<b>2,965</b>	<b>5,878</b>	<b>23,983</b>	<b>4</b>	<b>13,335</b>	<b>20</b>	<b>196,704</b>

**Note 15.6 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
<b>Valuation / gross cost at 1 April 2020 - as previously stated</b>	<b>7,455</b>	<b>143,632</b>	<b>3,090</b>	<b>1,038</b>	<b>39,989</b>	<b>86</b>	<b>26,211</b>	<b>71</b>	<b>221,572</b>
Additions	-	10,903	-	4,840	9,349	-	5,154	-	30,246
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)
<b>Valuation/gross cost at 31 March 2021</b>	<b>7,546</b>	<b>142,973</b>	<b>2,965</b>	<b>5,878</b>	<b>48,701</b>	<b>86</b>	<b>28,943</b>	<b>71</b>	<b>237,163</b>
<b>Accumulated depreciation at 1 April 2020 - as previously stated</b>	-	-	-	-	<b>22,507</b>	<b>81</b>	<b>14,064</b>	<b>46</b>	<b>36,698</b>
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)
<b>Accumulated depreciation at 31 March 2021</b>	-	-	-	-	<b>24,718</b>	<b>82</b>	<b>15,608</b>	<b>51</b>	<b>40,459</b>
<b>Net book value at 31 March 2021</b>	<b>7,546</b>	<b>142,973</b>	<b>2,965</b>	<b>5,878</b>	<b>23,983</b>	<b>4</b>	<b>13,335</b>	<b>20</b>	<b>196,704</b>
<b>Net book value at 1 April 2020</b>	<b>7,455</b>	<b>143,632</b>	<b>3,090</b>	<b>1,038</b>	<b>17,482</b>	<b>5</b>	<b>12,147</b>	<b>25</b>	<b>184,874</b>



**Note 15.7 Property, plant and equipment financing - 2021/22**

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
<b>Net book value at 31 March 2022</b>									
Owned - purchased	8,379	148,308	3,048	23,446	25,538	3	13,741	15	222,478
Owned - donated / granted	-	2,886	-	-	1,442	-	159	-	4,487
<b>NBV total at 31 March 2022</b>	<b>8,379</b>	<b>151,194</b>	<b>3,048</b>	<b>23,446</b>	<b>26,980</b>	<b>3</b>	<b>13,900</b>	<b>15</b>	<b>226,965</b>

**Note 15.8 Property, plant and equipment financing - 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
<b>Net book value at 31 March 2021</b>									
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
<b>NBV total at 31 March 2021</b>	<b>7,546</b>	<b>142,973</b>	<b>2,965</b>	<b>5,878</b>	<b>23,983</b>	<b>4</b>	<b>13,335</b>	<b>20</b>	<b>196,704</b>

**Note 16 Donations of property, plant and equipment**

During the year there were donated assets to the value of £76k received from the Blackpool Teaching Hospitals Charitable Fund and £221k from the DHSC in response to the COVID pandemic.

**Note 17 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 2022 the Trust's valuers carried out a desktop revaluation of the land, buildings and dwellings with a valuation date of 31 March 2022. 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 2022 and is reported in the 2021/22 Annual Accounts has resulted in impairment gain that reverse impairments 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):

	2021/22	2020/21
	£000	£000
Revaluation gains recognised in the revaluation reserve	(2,318)	(269)
Impairments charged to the revaluation reserve	613	2,212
Impairments recognised in operating expenses	4,833	5,747
Reversal of previous impairments recognised in operating expenses	(7,563)	(126)
	<u>(4,435)</u>	<u>7,564</u>

**Comparative period (2020/21)**

At 31 March 2021 the Trust's valuers carried out a desktop revaluation of the land, buildings and dwellings. This resulted in a decrease in value of these non-current assets of £7.564m.

The valuation exercise was carried out during February and March 2021 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.

**Note 18 Other investments / financial assets (non-current)**

	Group		Trust	
	2021/22	2020/21	2021/22	2020/21
	£000	£000	£000	£000
<b>Carrying value at 1 April - brought forward</b>	-	-	-	-
Acquisitions in year	-	-	725	-
<b>Carrying value at 31 March</b>	<u>-</u>	<u>-</u>	<u>725</u>	<u>-</u>

The financial asset acquisition in year relates to an intercompany loan between the Trust and Atlas for the construction of the Emergency Village and Critical Care (EVCC) scheme.

**Note 19 Disclosure of interests in other entities**

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.

Blackpool Teaching Hospital Foundation Trust is the Trustee of the Blackpool Teaching Hospitals Charitable Fund.

**Note 20 Analysis of charitable fund reserves**

The Trust is the Corporate Trustee to Blackpool Teaching Hospitals Charitable Fund (the Charity) (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.

	31 March 2022	31 March 2021
	£000	£000
<b>Unrestricted funds:</b>		
Unrestricted income funds	736	804
<b>Restricted funds:</b>		
Other restricted income funds	490	562
	<u>1,226</u>	<u>1,366</u>

Unrestricted income funds are accumulated income funds that are expendable at the discretion of the trustee in furtherance of the charity's objects. Unrestricted funds may be earmarked or designated for specific future purposes which reduces the amount that is readily available to the charity.

Restricted funds may be accumulated income funds which are expendable at the trustee's discretion only in furtherance of the specified conditions of the donor and the objects of the charity. They may also be capital funds (e.g. endowments) where the assets are required to be invested, or retained for use rather than expended.

## Note 21 Inventories

	Group		Trust	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	£000	£000	£000	£000
Drugs	880	997	880	997
Consumables	6,224	7,009	3,350	4,420
Other	1	2	1	2
Charitable fund inventory	2	-	-	-
<b>Total inventories</b>	<b>7,107</b>	<b>8,008</b>	<b>4,231</b>	<b>5,419</b>
<b>of which:</b>				
Held at fair value less costs to sell	-	-	-	-

Inventories recognised in expenses for the year were £42,862k (2020/21: £42,041k). Write-down of inventories recognised as expenses for the year were £752k (2020/21: £880k).

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 2021/22 the Trust received £1,526k of items purchased by DHSC (2020/21: £9,761k).

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 Receivables

	Group		Trust	
	31 March 2022 £000	31 March 2021 £000	31 March 2022 £000	31 March 2021 £000
<b>Current</b>				
Contract receivables	12,280	18,687	13,785	20,417
Allowance for impaired contract receivables / assets	(1,277)	(825)	(1,277)	(798)
Prepayments (non-PFI)	2,924	306	3,742	1,827
PDC dividend receivable	277	459	277	459
VAT receivable	1,321	1,246	512	1,209
Other receivables	1,311	1,113	1,528	1,113
Clinician pension tax provision reimbursement funding from NHSE <sup>(2)</sup>	46	-	46	-
NHS charitable funds receivables	50	-	-	-
<b>Total current receivables</b>	<b>16,932</b>	<b>20,986</b>	<b>18,613</b>	<b>24,227</b>
<b>Non-current</b>				
Contract receivables <sup>(1)</sup>	1,132	1,508	1,132	1,508
Allowance for other impaired receivables	(423)	(484)	(423)	(484)
Clinician pension tax provision reimbursement funding from NHSE <sup>(2)</sup>	1,565	230	1,565	230
<b>Total non-current receivables</b>	<b>2,274</b>	<b>1,254</b>	<b>2,274</b>	<b>1,254</b>
<b>Of which receivable from NHS and DHSC group bodies:</b>				
Current	9,597	11,338	9,566	10,700
Non-current	1,565	230	1,565	230

1) The Trust has an amount receivable of £1,782k (2020/21 £2,158k) 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 £1,132k classified as non-current and included in contract receivables.

2) 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 22.1 Allowances for credit losses - 2021/22

	Group		Trust	
	Contract receivables and contract assets	All other receivables	Contract receivables and contract assets	All other receivables
	£000	£000	£000	£000
<b>Allowances as at 1 Apr 2021 - brought forward</b>	<b>1,309</b>	-	<b>1,282</b>	-
New allowances arising	493	-	493	-
Reversals of allowances	(27)	-	-	-
Utilisation of allowances (write offs)	(75)	-	(75)	-
<b>Allowances as at 31 Mar 2022</b>	<b>1,700</b>	-	<b>1,700</b>	-

#### 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
<b>Allowances as at 1 Apr 2020 - as previously stated</b>	<b>2,630</b>	-	<b>2,630</b>	-
New allowances arising	860	-	833	-
Reversals of allowances	(1,172)	-	(1,172)	-
Utilisation of allowances (write offs)	(1,009)	-	(1,009)	-
<b>Allowances as at 31 Mar 2021</b>	<b>1,309</b>	-	<b>1,282</b>	-

#### Note 22.3 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 £13.4m (£18.5m 2020/21), 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	
	2021/22	2020/21	2021/22	2020/21
	£000	£000	£000	£000
<b>NBV of non-current assets for sale and assets in disposal groups at 1 April</b>	-	-	-	-
Assets classified as available for sale in the year	-	980	-	980
Assets sold in year	-	(980)	-	(980)
<b>NBV of non-current assets for sale and assets in disposal groups at 31 March</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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 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	
	2021/22	2020/21	2021/22	2020/21
	£000	£000	£000	£000
<b>At 1 April</b>	<b>40,333</b>	<b>29,258</b>	<b>30,148</b>	<b>23,024</b>
Net change in year	36,506	11,075	39,146	7,124
<b>At 31 March</b>	<b><u>76,839</u></b>	<b><u>40,333</u></b>	<b><u>69,294</u></b>	<b><u>30,148</u></b>
<b>Consisting of:</b>				
Cash at commercial banks and in hand	1,361	1,439	11	12
Cash with the Government Banking Service	75,478	38,894	69,283	30,136
<b>Total cash and cash equivalents as in SoFP</b>	<b><u>76,839</u></b>	<b><u>40,333</u></b>	<b><u>69,294</u></b>	<b><u>30,148</u></b>
<b>Total cash and cash equivalents as in SoCF</b>	<b><u>76,839</u></b>	<b><u>40,333</u></b>	<b><u>69,294</u></b>	<b><u>30,148</u></b>

**Note 24.1 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 2022	31 March 2021
	£000	£000
Bank balances	-	-
Patient Monies	6	3
<b>Total third party assets</b>	<b><u>6</u></b>	<b><u>3</u></b>

## Note 25 Trade and other payables

	Group		Trust	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	£000	£000	£000	£000
<b>Current</b>				
Trade payables	26,332	20,300	27,063	15,118
Capital payables	15,532	7,846	11,964	7,846
Accruals	42,244	30,612	38,989	28,744
Receipts in advance and payments on account	3,095	2,196	3,095	2,196
Social security costs	8,268	7,487	8,163	7,395
VAT payables	-	-	-	-
Other taxes payable	52	155	-	-
NHS charitable funds: trade and other payables	163	61	-	-
<b>Total current trade and other payables</b>	<b>95,686</b>	<b>68,657</b>	<b>89,274</b>	<b>61,299</b>
<b>Non-current</b>				
Receipts in advance and payments on account	1,500	1,500	1,500	1,500
Other taxes payable	40	16	-	-
<b>Total non-current trade and other payables</b>	<b>1,540</b>	<b>1,516</b>	<b>1,500</b>	<b>1,500</b>
<b>Of which payables to NHS and DHSC group bodies:</b>				
Current	16,368	9,537	14,501	5,259
Non-current	-	-	-	-

## Note 25.1 Movement in deferred tax liability above

	Group		Trust	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	£000	£000	£000	£000
Deferred tax liability at beginning of year	16	16	-	-
Charge to the statement of comprehensive income in the year	24	-	-	-
<b>Deferred tax liability at end of year</b>	<b>40</b>	<b>16</b>	<b>-</b>	<b>-</b>
The deferred tax liability consists of:				
Accelerated capital allowances	40	16	-	-



**Note 26 Other liabilities**

	Group		Trust	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	£000	£000	£000	£000
<b>Current</b>				
Deferred income: contract liabilities	18,488	13,128	19,512	12,791
<b>Total other current liabilities</b>	<b>18,488</b>	<b>13,128</b>	<b>19,512</b>	<b>12,791</b>

**Note 27 Borrowings**

	Group		Trust	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	£000	£000	£000	£000
<b>Current</b>				
Loans from DHSC	1,834	2,568	1,834	2,568
Other loans	923	923	923	923
Obligations under finance leases	112	107	-	-
<b>Total current borrowings</b>	<b>2,869</b>	<b>3,598</b>	<b>2,757</b>	<b>3,491</b>
<b>Non-current</b>				
Loans from DHSC	21,959	23,731	21,959	23,731
Other loans	3,692	4,615	3,692	4,615
Obligations under finance leases	1,440	1,553	-	-
<b>Total non-current borrowings</b>	<b>27,091</b>	<b>29,899</b>	<b>25,651</b>	<b>28,346</b>

**Note 27.1 Reconciliation of liabilities arising from financing activities (Group)**

<b>Group - 2021/22</b>	<b>Loans from DHSC £000</b>	<b>Other loans £000</b>	<b>Finance leases £000</b>	<b>Total £000</b>
<b>Carrying value at 1 April 2021</b>	<b>26,299</b>	<b>5,538</b>	<b>1,660</b>	<b>33,497</b>
<b>Cash movements:</b>				
Financing cash flows - payments and receipts of principal	(2,500)	(923)	(107)	<b>(3,530)</b>
Financing cash flows - payments of interest	(750)	(104)	(54)	<b>(908)</b>
<b>Non-cash movements:</b>				
Application of effective interest rate	744	104	53	<b>901</b>
<b>Carrying value at 31 March 2022</b>	<b>23,793</b>	<b>4,615</b>	<b>1,552</b>	<b>29,960</b>

<b>Group - 2020/21</b>	<b>Loans from DHSC £000</b>	<b>Other loans £000</b>	<b>Finance leases £000</b>	<b>Total £000</b>
<b>Carrying value at 1 April 2020</b>	<b>97,435</b>	<b>6,990</b>	<b>1,764</b>	<b>106,189</b>
<b>Cash movements:</b>				
Financing cash flows - payments and receipts of principal	(71,050)	(1,385)	(104)	<b>(72,539)</b>
Financing cash flows - payments of interest	(905)	(190)	(57)	<b>(1,152)</b>
<b>Non-cash movements:</b>				
Application of effective interest rate	819	123	57	<b>999</b>
<b>Carrying value at 31 March 2021</b>	<b>26,299</b>	<b>5,538</b>	<b>1,660</b>	<b>33,497</b>

**Note 27.2 Reconciliation of liabilities arising from financing activities**

<b>Trust - 2021/22</b>	<b>Loans from DHSC £000</b>	<b>Other loans £000</b>	<b>Total £000</b>
<b>Carrying value at 1 April 2021</b>	<b>26,299</b>	<b>5,539</b>	<b>31,838</b>
Financing cash flows - payments and receipts of principal	(2,500)	(923)	<b>(3,423)</b>
Financing cash flows - payments of interest	(750)	(104)	<b>(854)</b>
<b>Non-cash movements:</b>			
Application of effective interest rate	743	104	<b>847</b>
<b>Carrying value at 31 March 2022</b>	<b>23,791</b>	<b>4,617</b>	<b>28,408</b>

<b>Trust - 2020/21</b>	<b>Loans from DHSC £000</b>	<b>Other loans £000</b>	<b>Total £000</b>
<b>Carrying value at 1 April 2020</b>	<b>97,435</b>	<b>6,990</b>	<b>104,425</b>
Financing cash flows - payments and receipts of principal	(71,050)	(1,384)	<b>(72,434)</b>
Financing cash flows - payments of interest	(905)	(190)	<b>(1,095)</b>
<b>Non-cash movements:</b>			
Application of effective interest rate	819	123	<b>942</b>
<b>Carrying value at 31 March 2021</b>	<b>26,299</b>	<b>5,539</b>	<b>31,838</b>

## 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	
	31 March 2022	31 March 2021
	£000	£000
<b>Gross lease liabilities</b>	<b>1,876</b>	<b>2,037</b>
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.	1,070	1,231
Finance charges allocated to future periods	(324)	(377)
<b>Net lease liabilities</b>	<b>1,552</b>	<b>1,660</b>
of which payable:		
- not later than one year;	112	107
- later than one year and not later than five years;	485	469
- later than five years.	955	1,084

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 (2020/21: Nil).

## Note 29 Provisions for liabilities and charges analysis (Group)

Group	Pensions: early departure costs £000	Pensions: injury benefits £000	Legal claims £000	Other £000	Total £000
<b>At 1 April 2021</b>	<b>114</b>	<b>1,979</b>	<b>537</b>	<b>2,273</b>	<b>4,903</b>
Change in the discount rate	1	72	-	-	73
Arising during the year	8	22	179	1,480	1,689
Utilised during the year	(16)	(104)	(26)	(1)	(147)
Reversed unused	-	-	(107)	-	(107)
Unwinding of discount	(1)	(19)	-	-	(20)
<b>At 31 March 2022</b>	<b>106</b>	<b>1,950</b>	<b>583</b>	<b>3,752</b>	<b>6,391</b>
<b>Expected timing of cash flows:</b>					
- not later than one year;	16	105	583	2,037	2,741
- later than one year and not later than five years;	67	428	-	88	583
- later than five years.	22	1,417	-	1,627	3,066
<b>Total</b>	<b>105</b>	<b>1,950</b>	<b>583</b>	<b>3,752</b>	<b>6,390</b>

### *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 for National Statistics. Payments are made on a quarterly basis to the NHS Pension Scheme and NHS Injury Benefit Scheme respectively. During 2021/22 the Trust has not provided for any new Permanent Injury Benefit case (2020/21: one).

### *Legal claims:*

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 the 2019/20 tax year 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. NHS England now has information on actual take-up of the scheme allowing more accurate estimates of provision liabilities to have been calculated in this year's.

### *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 contributions made as part of the Trust's staff lease car scheme and; (5) Staff rebranding claims in progress.

## Note 29.1 Provisions for liabilities and charges analysis (Trust)

Trust	Pensions: early departure costs £000	Pensions: injury benefits £000	Legal claims £000	Other £000	Total £000
<b>At 1 April 2021</b>	<b>114</b>	<b>1,979</b>	<b>537</b>	<b>2,273</b>	<b>4,903</b>
Change in the discount rate	1	72	-	-	73
Arising during the year	8	22	179	1,480	1,689
Utilised during the year	(16)	(104)	(26)	(1)	(147)
Reclassified to liabilities held in disposal groups	-	-	-	-	-
Reversed unused	-	-	(107)	-	(107)
Unwinding of discount	(1)	(19)	-	-	(20)
<b>At 31 March 2022</b>	<b>106</b>	<b>1,950</b>	<b>583</b>	<b>3,752</b>	<b>6,391</b>
<b>Expected timing of cash flows:</b>					
- not later than one year;	16	105	583	2,037	2,741
- later than one year and not later than five years;	67	428	-	88	583
- later than five years.	22	1,417	-	1,627	3,066
<b>Total</b>	<b>105</b>	<b>1,950</b>	<b>583</b>	<b>3,752</b>	<b>6,390</b>

## Note 29.2 Clinical negligence liabilities

At 31 March 2022, £486,263k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Blackpool Teaching Hospitals NHS Foundation Trust (31 March 2021: £336,801k).

## Note 30 Contingent assets and liabilities

	Group		Trust	
	31 March 2022 £000	31 March 2021 £000	31 March 2022 £000	31 March 2021 £000
<b>Value of contingent liabilities</b>				
NHS Resolution legal claims	(95)	(52)	(95)	(52)
<b>Value of contingent liabilities</b>	<b>(95)</b>	<b>(52)</b>	<b>(95)</b>	<b>(52)</b>

This is the maximum potential liability for Staff and Occupiers Liability, which represents the difference between the balance provided and the excess due to the NHS 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 have no contingent assets.

## Note 31 Contractual capital commitments

	Group		Trust	
	31 March 2022 £000	31 March 2021 £000	31 March 2022 £000	31 March 2021 £000
<b>Value of contractual capital commitments</b>				
Property, plant and equipment	2,400	8,339	2,400	8,339
<b>Total</b>	<b>2,400</b>	<b>8,339</b>	<b>2,400</b>	<b>8,339</b>

## Note 32 Other financial commitments

The Group / 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 2022 £000	31 March 2021 £000	31 March 2022 £000	31 March 2021 £000
<b>Value of other financial commitments</b>				
not later than 1 year	1,161	1,831	-	-
after 1 year and not later than 5 years	1,525	1,825	-	-
paid thereafter	732	229	-	-
<b>Total</b>	<b>3,418</b>	<b>3,885</b>	<b>-</b>	<b>-</b>

During the 2020/21 financial year Atlas BFW Management Ltd established a database recording contracts entered into for the ongoing maintenance of medical devices. At 31 March 2022 Atlas had commitments totalling £3.418m (2020/21 £3.885m) under these contracts.

## 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 and to 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 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)

	Held at amortised cost	Total book value
	£000	£000
Carrying values of financial assets as at 31 March 2022		
Trade and other receivables excluding non financial assets	14,634	14,634
Cash and cash equivalents	75,489	75,489
Consolidated NHS Charitable fund financial assets	1,400	1,400
<b>Total at 31 March 2022</b>	<b>91,520</b>	<b>91,520</b>

	Held at amortised cost	Total book value
	£000	£000
Carrying values of financial assets as at 31 March 2021		
Trade and other receivables excluding non financial assets	20,229	20,229
Cash and cash equivalents	38,906	38,906
<b>Total at 31 March 2021</b>	<b>59,135</b>	<b>59,135</b>

### Note 33.3 Carrying values of financial assets (Trust)

	Held at amortised cost	Total book value
	£000	£000
Carrying values of financial assets as at 31 March 2022		
Trade and other receivables excluding non financial assets	16,356	16,356
Cash and cash equivalents	69,293	69,294
<b>Total at 31 March 2022</b>	<b>85,649</b>	<b>85,649</b>

	Held at amortised cost	Total book value
	£000	£000
Carrying values of financial assets as at 31 March 2021		
Trade and other receivables excluding non financial assets	21,986	21,986
Cash and cash equivalents	30,148	30,148
<b>Total at 31 March 2021</b>	<b>52,134</b>	<b>52,134</b>



**Note 33.4 Carrying values of financial liabilities (Group)**

<b>Carrying values of financial liabilities as at 31 March 2022</b>	<b>Held at amortised cost £000</b>	<b>Total book value £000</b>
Loans from the Department of Health and Social Care	23,793	<b>23,793</b>
Obligations under finance leases	1,552	<b>1,552</b>
Other borrowings	4,615	<b>4,615</b>
Trade and other payables excluding non financial liabilities	84,019	<b>84,019</b>
Consolidated NHS charitable fund financial liabilities	163	<b>163</b>
<b>Total at 31 March 2022</b>	<b>114,141</b>	<b>114,141</b>

<b>Carrying values of financial liabilities as at 31 March 2021</b>	<b>Held at amortised cost £000</b>	<b>Total book value £000</b>
Loans from the Department of Health and Social Care	26,299	<b>26,299</b>
Obligations under finance leases	1,660	<b>1,660</b>
Other borrowings	5,538	<b>5,538</b>
Trade and other payables excluding non financial liabilities	57,699	<b>57,699</b>
<b>Total at 31 March 2021</b>	<b>91,196</b>	<b>91,196</b>

**Note 33.5 Carrying values of financial liabilities (Trust)**

<b>Carrying values of financial liabilities as at 31 March 2022</b>	<b>Held at amortised cost £000</b>	<b>Total book value £000</b>
Loans from the Department of Health and Social Care	23,793	<b>23,793</b>
Other borrowings	4,615	<b>4,615</b>
Trade and other payables excluding non financial liabilities	72,179	<b>72,179</b>
<b>Total at 31 March 2022</b>	<b>100,587</b>	<b>100,587</b>

<b>Carrying values of financial liabilities as at 31 March 2021</b>	<b>Held at amortised cost £000</b>	<b>Total book value £000</b>
Loans from the Department of Health and Social Care	26,299	<b>26,299</b>
Other borrowings	5,538	<b>5,538</b>
Trade and other payables excluding non financial liabilities	51,708	<b>51,708</b>
<b>Total at 31 March 2021</b>	<b>83,545</b>	<b>83,545</b>

The Trust has three loans (2020/21: three) 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 2022	31 March 2021	31 March 2022	31 March 2021
	£000	£000	£000	£000
In one year or less	87,812	62,271	75,648	55,737
In more than one year but not more than five years	15,993	14,093	15,348	13,448
In more than five years	15,643	21,175	14,573	19,944
<b>Total</b>	<b>119,448</b>	<b>97,539</b>	<b>105,569</b>	<b>89,129</b>

### Note 34 Losses and special payments

	2021/22		2020/21	
Group and Trust	Total number of cases Number	Total value of cases £000	Total number of cases Number	Total value of cases £000
<b>Losses</b>				
Cash losses	1	2	-	-
Bad debts and claims abandoned	90	75	378	586
<b>Total losses</b>	<b>91</b>	<b>77</b>	<b>378</b>	<b>586</b>
<b>Special payments</b>				
Ex-gratia payments	34	19	55	556
<b>Total special payments</b>	<b>34</b>	<b>19</b>	<b>55</b>	<b>556</b>
<b>Total losses and special payments</b>	<b>125</b>	<b>96</b>	<b>433</b>	<b>1,142</b>

Special payments for 2020/21 have been restated to include a nationally and locally approved and funded payment of £537k to Trust staff in respect of overtime corrective payments following the resolution of the Flowers case. This was accrued at 31 March 2021 following HM Treasury approval of the payments, but was not reported as a special payment. This has been restated following clarification from NHS Improvement on reporting requirements for this settlement. This has been shown as a single special payment following national guidance on the case.

### 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 is 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.

#### NHS Providers

Lancashire and South Cumbria NHS Foundation Trust  
East Lancashire Hospitals Trust

#### Local Authorities

Blackpool Borough Council  
Lancashire County Council

NHS & Other Department of Health and Social Care Bodies

Department of Health and Social Care

Health Education England

NHS Blackpool CCG

NHS Fylde &amp; Wyre CCG

North West Regional Office

NHS England - Core

NHS England - Central Specialised Commissioning Hub

NHS Morecambe Bay CCG

NHS Greater Preston CCG

NHS Chorley and South Ribble CCG

NHS East Lancashire CCG

Central Government

HM Revenue &amp; Customs

The Trust has a number of related parties with non Whole of Government Accounts (WGA) bodies where Directors, Non Executive Directors & Governors have interest or hold positions, such as at Universities, which the Trust has had transactions with during the year or comparative year. 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 related party to the NHS although it is outside the WGA boundary. The Trust has had transactions with these bodies as set out below:

	<b>Income</b>		<b>Receivables</b>	
	<b>2021/22</b>	<b>2020/21</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
University of Central Lancashire	0	81	0	82
Lancaster University	0	(5)	0	0
Blackpool 6th Form College	1	1	0	0
University of Liverpool	99	1	3	0
Fylde Coast Women's Aid	0	80	0	54
	<b>100</b>	<b>159</b>	<b>3</b>	<b>136</b>

	<b>Expenditure</b>		<b>Payables</b>	
	<b>2021/22</b>	<b>2020/21</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
University of Central Lancashire	0	537	0	1
Lancaster University	73	56	0	16
University of Liverpool	1	2	0	0
Blackpool and The Fylde College	4	6	1	6
Fylde Coast Women's Aid	20	97	0	10
Age Uk Ltd	0	0	1	0
Hollister Ltd	14	0	0	0
British Red Cross Society	8	0	0	0
	<b>120</b>	<b>698</b>	<b>2</b>	<b>32</b>

**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:

	<b>2021/22</b>	2020/21
	<b>£000</b>	£000
Donations received from the charitable fund, recognised as income	<b>76</b>	278
Amounts receivable from the fund as at 31st March	<b>13</b>	36

### **Note 36 Prior period adjustments**

The statement of Consolidated Comprehensive Income, Statement of Financial Position, and Statement of Cash Flows have been restated to reflect a prior period adjustment relating to the consolidation of the Blackpool Teaching Hospitals Charitable Fund. This has previously been excluded on the grounds of it being immaterial.

The impact of the prior year adjustments on the accounts is shown below.

The Statement of Consolidated Comprehensive Income has been updated as follows:

	<b>Reported Balance</b>	<b>Group Adjustment</b>	<b>Restated balance</b>
	<b>2020/21</b>	<b>2020/21</b>	<b>2020/21</b>
	<b>£000</b>	<b>£000</b>	<b>Restated £000</b>
Operating income from patient care activities	471,735	-	471,735
Other operating income	79,926	753	80,679
Operating expenses	(572,730)	(1,025)	(573,755)
<b>Operating deficit</b>	<b>(21,069)</b>	<b>(272)</b>	<b>(21,341)</b>

The Statement of Financial Position has been updated as follows:

	<b>Reported Balance</b>	<b>Group Adjustment</b>	<b>Restated balance</b>
	<b>31 March 2021</b>	<b>31 March 2021</b>	<b>31 March 2021</b>
	<b>£000</b>	<b>£000</b>	<b>Restated £000</b>
Cash and cash equivalents	38,906	1,427	40,333
<b>Total current assets</b>	<b>67,900</b>	<b>1,427</b>	<b>69,327</b>
<b>Current liabilities</b>			
Trade and other payables	(68,596)	(61)	(68,657)
<b>Total current liabilities</b>	<b>(88,023)</b>	<b>(61)</b>	<b>(88,084)</b>
<b>Total assets less current liabilities</b>	<b>185,904</b>	<b>(1,366)</b>	<b>187,270</b>
<b>Total assets employed</b>	<b>152,287</b>	<b>(1,366)</b>	<b>153,653</b>
<b>Financed by</b>			
Charitable fund reserves	-	(1,366)	1,366
<b>Total taxpayers' equity</b>	<b>152,287</b>	<b>(1,366)</b>	<b>153,653</b>

The Statement of Cash Flows has been updated as follows:

	Reported Balance	Group Adjustment	Restated balance
	2020/21 £000	2020/21 £000	2020/21 £000
<b>Cash flows from operating activities</b>			
Operating surplus / (deficit)	(21,069)	(272)	(21,341)
Movements in charitable fund working capital	-	(110)	(110)
Other movements in operating cash flows	-	1,814	1,814
<b>Net cash flows from operating activities</b>	<b>15,660</b>	<b>1,432</b>	<b>17,092</b>
<b>Cash flows from investing activities</b>			
Interest received	6	(5)	1
		-	
<b>Increase in cash and cash equivalents</b>	<b>11,457</b>	<b>1,427</b>	<b>12,884</b>

### Note 37 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 £4,545k (2020/21: £8,928k).

As at 31 March 2022, the Group Statement of Financial Position includes deferred income of £3,095k (2020/21: £3,696k) in respect of the North West Leadership Academy, which has been transferred to payables and disclosed as receipts in advance.

### Note 38 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 surplus for the year was £1.3m (2020/21 £25.5m deficit).

### Note 39 Transfers by absorption

During the year Lancashire Teaching Hospitals Foundation Trust (LTH), University Hospitals of Morecambe Bay NHS FT and East Lancashire Hospitals NHS Trust received PDC capital funding for capital projects across the ICS. In delivering these projects certain assets were purchased on behalf of other entities and these were transferred to these entities as transfers by absorption.

	2021/22 £000	2020/21 £000
Lancashire Teaching Hospitals Foundation Trust	654	0
University Hospitals of Morecambe Bay NHS Foundation Trust	295	0
East Lancashire Hospitals NHS Trust	254	0
Transfers recognised in the SOCI as a surplus due to transfer by absorption	<u>1,203</u>	<u>0</u>

Further copies of the Annual Report and Accounts for the period 1 April 2021 to 31 March 2022 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:

Mrs Trish Armstrong  
Chief Executive  
Blackpool Teaching Hospitals NHS Foundation Trust  
Trust Headquarters  
Blackpool Victoria Hospital  
Whinney Heys Road  
Blackpool  
FY3 8NR



